

GOVERNMENT RESPONSE TO RECOMMENDATIONS

Committee Recommendation	Government Response
<p>1</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government of Canada recognizes that global supply chains have been hit by concurrent shocks – supply and demand as a result of a prolonged pandemic period, labour shortages, and disruptions caused by extreme weather events brought on by a changing climate.</p> <p>The Government of Canada is working with other levels of government, Indigenous communities and the private sector to invest and plan at a national level, aligning public and private sector efforts to ensure Canada’s supply chains are able to withstand imminent shocks.</p> <p>For example, on November 24, 2022, Environment and Climate Change Canada (ECCC) announced Canada's first National Adaptation Strategy (NAS) for final engagement, along with the Government of Canada Adaptation Action Plan (GOCAAP), which includes \$1.6 billion in new federal funding commitments. The NAS outlines a shared path and sets common direction for a more climate resilient Canada through resilient roads, bridges, sewers and other infrastructure; healthier communities; enhanced biodiversity and nature conservation; and a more climate resilient economy and workers.</p> <p>Since 2018, federal, provincial and territorial (FPT) Transportation Ministers have met with National Indigenous Organizations leaders prior to their annual business meeting to increase understanding of the transportation priorities and perspectives of national Indigenous leaders. This meeting is led by the Minister of Transport. In 2022, leaders from the Assembly of First Nations, Inuit Tapiriit Kanatami, Métis National Council, Congress of Aboriginal Peoples and Native Women’s Association of Canada attended. Moving forward, it will be important to ensure that Indigenous groups continue to be engaged on work to improve the fluidity, efficiency and resiliency of the national supply chain.</p> <p>From a Public Safety perspective, FPT Emergency Management Strategy (EM Strategy) Action Plan is Canada’s mechanism for implementing the EM Strategy for Canada. Canada’s official disaster risk reduction strategy identifies FPT priorities will strengthen Canada's resilience by 2030. In the latest edition, the 2021-22 FPT EM Strategy Interim Action Plan, FPT governments identified steps to enhance overall FPT collaboration, increase understanding of disaster risk, reduce flood risk, bolster emergency communications, and improve disaster recovery programming.</p> <p>Other response tools include:</p> <ul style="list-style-type: none"> • The National Risk Profile, a strategic national disaster risk and capability assessment. • The All-Hazards Risk Assessment provides a common framework for the assessment of risks across all hazards using qualitative and quantitative data.
<p>2</p>	<p>The Government supports the recommendation and action is ongoing.</p>

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	<p>and Citizenship Canada, the Minister of Labour, other levels of government, labour organizations and the private sector to design an immigration stream specifically aimed at filling in labour gaps in the transportation sector such as truck drivers, pilots, mariners, skilled technicians, etc. and to encourage the entry into the workforce of traditionally under-represented groups in certain jobs.</p>	<p>The Government will continue to address labour and skills shortages across Canada, including through elements such as dedicated immigration streams and recognition of foreign credentials to fill labour gaps in the transportation sector.</p> <p>This recommendation is currently being addressed through options that include: Express Entry, Canada’s flagship application management system for those seeking to immigrate permanently through the Federal Skilled Worker Program; the Federal Skilled Trades Program; the Canadian Experience Class and a portion of the Provincial Nominee Program. Programs managed through the Express Entry system attract skilled foreign workers who want to live in Canada permanently and whose in-demand skills are needed.</p> <p>As of November 16th, 2022, two additional transportation occupations (transport truck drivers; and bus drivers, subway operators and other transit operators) have become eligible under the Federal High Skilled Programs, as well as the portion of the Provincial Nominee Program, managed under Express Entry.</p>
3	<p>That Transport Canada work with provinces and territories, as well as Employment and Social Development Canada, the Minister of Labour, the Minister of International Trade, Export Promotion, Small Business and Economic Development, other levels of government, the private sector and labour organizations to deliver programs (such as the Sectoral Workforce Solutions Program) to help fill in current and anticipated labour shortages in the transportation sector, including commercial drivers which would directly fund individuals, as opposed to businesses; and to encourage the entry into the workforce of traditionally under-represented groups in certain sectors.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>To increase diversity in the transportation sector and to alleviate labour shortages the Government is actively encouraging the entry of traditionally under-represented groups through initiatives such as Transport Canada (TC)’s Transportation Job and Career Pathway. This Program includes a website and social media outreach to help raise awareness of employment opportunities; a \$35 million investment via the Oceans Protection Plan (OPP) to support training for First Nations, Inuit, Metis, and women for inclusion into the marine industry, and \$9 million in funding to the First Nations Technical Institute to upgrade training facilities and train Indigenous pilots. The Government has also worked with industry on specific industry-funded programs, including Trucking HR Canada’s Career ExpressWay program, which identifies, prepares, trains, and integrates young Canadians jobs in the trucking and logistics sector.</p> <p>TC continues to work with Employment and Social Development Canada (ESDC) to align efforts to address labour market challenges in the Transportation sector. ESDC’s Sectoral Workforce Solutions Program awarded two transportation related projects (up to \$46M in funding to Trucking HR Canada, and up to \$39M to the Canadian Council for Aviation and Aerospace), to help employers recruit and retain workers in key occupations in those transportation sectors. ESDC’s Women’s Employment Readiness Program Pilot Program, the Skills for Success Program, the Indigenous Skills and Employment Training Program, and the Skills and Partnership Fund, among others, may also help alleviate shortages in the transportation sector by supporting training for groups under-represented in the workforce.</p> <p>These projects will promote a diverse and inclusive workforce by supporting participants and under-represented groups by providing wrap-around supports</p>

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		<p>such as transportation, accommodations, and/or childcare costs directly to individuals, to reduce barriers that would otherwise prevent them from participating in the projects and in the sector.</p> <p>Through the Settlement Program, Immigration, Refugees and Citizenship Canada funds third-party organizations to provide a broad range of employment-related services to newcomers to Canada. These services provide newcomers with information and supports to access the labour market, including in priority sectors such as the transportation sector.</p>
4	<p>That the Government of Canada continue to encourage labour groups and important transport employers such as the rail operators and marine ports to reach long-term collective-bargaining agreements in order to avoid costly labour disruptions and ensure greater predictability for shippers.</p>	<p>The Government acknowledges the recommendation, and action is ongoing through existing policies and programs.</p> <p>The Government of Canada respects the collective bargaining process and acknowledges this recommendation. TC works closely with other federal departments, such as the Labour Program at ESDC.</p> <p>The Government does not comment on ongoing collective bargaining negotiations and does not attempt to influence their content or outcomes. The collective agreement is the product of bargaining between two parties: the union and the employer. The length of a collective agreement is the subject of collective bargaining negotiations between the two parties, which is based on various relevant factors.</p> <p>The Government, through the Federal Mediation and Conciliation Service (FMCS), provides dispute resolution and relationship development assistance to trade unions and employers under the jurisdiction of the Canada Labour Code (Code), including rail and marine transportation sectors.</p> <p>The FMCS offers employers and unionized employees dispute resolution support through the services of neutral third-party conciliation and mediation officers, whose mandate is to assist both parties in reaching a mutual agreement. Additionally, FMCS offers relationship development services to prevent disputes before they occur, as well as grievance mediation services. These are all ways of resolving disagreements and improving industrial relations during the term of the collective agreement.</p> <p>The services and support provided by FMCS has a strong track record of success. For example, in fiscal year 2021-2022, 99 per cent of all cases referred to FMCS were settled without a work stoppage.</p>
5	<p>That the Government of Canada, with respect to federally-regulated jurisdictions, consider legislation to designate the operation of key supply chain corridors as an essential service and strengthen penalties for any individual or groups who illegally impede movement on these corridors; while preserving the rights of Canadians to protest in a lawful and peaceful manner.</p>	<p>The Government acknowledges the recommendation and further consultation is required.</p> <p>The Government will continue to work across departments to help examine and address this ongoing vulnerability to Canada's supply chains.</p> <p>Recent blockades targeting Canada's critical trade and transportation infrastructure reinforced the key importance of this infrastructure to the national economy and highlighted those challenges in addressing such disruptions in a multi-jurisdictional context. In the case of prolonged blockades at border crossings in early 2022, existing tools to resolve the protests were considered inadequate and prompted in part the passage of emergency measures</p>

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		<p>federally and provincially. The blockages resulted in significant negative impacts, both in terms of direct impairment of billions of dollars of trade, and a loss of confidence in the United States (U.S.) in the reliability of the Canadian supply chain given our strong reliance on cross-border trade and the integrated nature of many manufacturing sectors anchored on just-in-time delivery models.</p> <p>Potential new federal legislation or other measures targeting intentional disruptions to Canada’s critical trade and transportation infrastructure was also identified by the Supply Chain Task Force. Its October 2022 report recommended that the government “<i>protect corridors, border crossings and gateways from disruption and interruption to ensure unfettered access for commercial transportation modes and continuity of supply chain movement.</i>” Related issues and perceived gaps were also noted during appearances by witnesses at the Public Order Emergency Commission in October to December 2022.</p>
6	<p>That the Government of Canada seek to address labour shortages in the ferry sector and the broader marine sector by expediting the process for recognizing internationally trained mariners and working towards recognizing international mariner officer and engineering licenses and certifications.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>When dealing with the marine sector specifically, as outlined in this recommendation, the Government continues to advance initiatives to facilitate the ease of recognition of foreign credentials, including amendments to the <i>Canada Shipping Act</i> to establish reciprocal certification arrangements. The Government has negotiated five Reciprocal Agreements in the marine sector to recognize certain Standards for Training, Certification and Watchkeeping foreign-issued certificates in Canada (e.g., Norway, France, Ukraine, Australia and Georgia), to help address Canada’s acute seafarer shortages, and is in the process of securing agreements between 10 other countries.</p> <p>Additionally, the Foreign Credential Recognition (FCR) Program supports the labour market integration of skilled newcomers by funding provinces and territories (PTs), regulatory authorities and organizations to improve foreign credential recognition processes by funding projects that make the credential recognition system faster and more efficient, providing loans and support services to help skilled newcomers navigate the FCR process, and providing employment supports such as training, work placements, wage subsidies, mentoring and coaching to help skilled newcomers gain Canadian work experience in their field of study.</p> <p>Ferry-specific labour information and statistics are limited. In 2021, TC completed the <i>Study on the Current and Future Capacity of Seafarers in Canada</i>, it was focused on seafarers in the Canadian marine industry as a whole and did not look at labour and ferries specifically.</p> <p>The federal government’s ability to create systemic change in speeding up and simplifying credential recognition for newcomers is limited since the PTs have jurisdiction over credentialing for most regulated professions, including the skilled trades. This role is further delegated to regulatory bodies and requirements for licensing may vary by</p>

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		jurisdiction. Certain PTs have already enacted legislation to help streamline the standards and processes around FCR.
7	That the Government of Canada establish a long-term Supply Chain Strategy that takes into consideration the current and anticipated needs of Canadian shippers, and that such a strategy be aligned with a National Trade Strategy as well as with existing provincial and territorial strategies.	<p>The Government supports the recommendation and action is ongoing.</p> <p>Given the complex, multi-jurisdictional nature of the management of Canada’s supply chains, the Government is aware that a long-term supply strategy will need to be developed. While the Report calls for a National Trade Strategy aligned with a Supply Chain Strategy, only the latter is currently in development by TC. However, the Supply Chain Strategy will support and complement existing federally-articulated trade strategies, as well as PTs trade strategies.</p> <p>A commitment highlighted in Budget 2022, the Supply Chain Strategy will be informed by and respond to recommendations from National Supply Chain Task Force and will articulate a whole-of-government approach to developing near-term and longer-term actions that will address transportation pressures and bottlenecks facing Canada’s supply chains.</p> <p>The Supply Chain Strategy will serve as a framework for investments in supply chain projects through the National Trade Corridors Fund (NTCF), as well as the launch of the Advancing Industry-Driven Digitalization of Canada Supply Chain initiative to support the collection and sharing of real-time data to make freight transportation system more efficient. These investments will improve asset/traffic management, foster resiliency, and improve coordination across modes – including ports and the rest of the marine sector.</p> <p>As part of the Strategy, and as announced in Budget 2022, work is underway to review opportunities to improve how the federal government manages supply chain oversight, efficiency, and reliability. The Government reiterated in the Fall Economic Statement 2022 that more information would follow in Budget 2023, along with the articulation of a National Supply Chain Strategy and that the Government would take legislative and regulatory measures to foster our digital future and a more robust data-sharing environment for industry. In the coming months, this will also include legislative amendments inclusive of new authorities established in Bill C-33, <i>Strengthening the Port System and Railway Safety in Canada Act</i> (Bill C-33), that seeks to enable the Government of Canada to make regulatory amendments to intends to change the manner in which Canada Port Authorities are managed and operated based on the results of the Ports Modernization Review.</p>
8	That the Government of Canada establish a Supply Chain Commissioner reporting to the Minister of Transport with a mandate to recommend actions to improve supply chain efficiency, safety and reliability, in agreement with provinces and territories	<p>The Government acknowledges this recommendation and further consideration is required.</p> <p>Consistent with the results of the Standing Committee on Transport, Infrastructure and Communities (the Committee) Report, a key finding of the Task Force was the need for better leadership, prioritization and coordination of all government departments, levels of government and with private sector supply chain partners that make up Canada’s national supply chain. The Task Force’s recommendations call for the establishment of a “Supply Chain Office to unify</p>

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		<p>the federal government’s responsibility/authority over transportation supply chain management across departments.” In response to this Task Force report, work is underway to review opportunities to improve how the federal government manages supply chain oversight, efficiency, and reliability.</p>
9	<p>That the Government of Canada develop a national anchorage strategy to help manage surge capacity on the water, which is essential to ensure that the appropriate number and size of anchorages are available in less impacted areas to support Canada’s trade ambition and periodic supply chain disruptions.</p>	<p>The Government acknowledges the recommendation and action is ongoing.</p> <p>Given the critical role of anchorages and the commercial sensitivity needed in their management, arms-length port authorities play a central role in their administration. While the current approach works well in most parts of Canada, the Government recognizes the need to consider new approaches in some regions.</p> <p>For example, the Government is working with the Vancouver Fraser Port Authority, engaging with port users as well as Indigenous and local communities to develop a sustainable approach to anchorage use on the South Coast. This approach will be supported by a new Active Vessel Traffic Management system aimed at both meeting the needs of Canada’s busiest gateway and reducing negative impacts to the environment and to the communities.</p> <p>On November 17, 2022, the Government of Canada tabled legislative amendments to the <i>Canada Marine Act</i> as part of Bill C-33 that will further enable Canada’s ports to better manage anchorages. These new provisions would provide a clear mandate to port authorities to actively manage traffic, including anchorages, to improve supply chain efficiency.</p>
10	<p>That the Government of Canada establish a permanent consultative group among a cross section of key supply chain actors similar to the ad hoc group put together during the floods in British Columbia.</p>	<p>The Government acknowledges the recommendation and action is ongoing.</p> <p>As part of the development of a National Supply Chain Strategy, different governance mechanisms are being examined to determine the best role for Government in improving supply chain performance that both respects individual departmental mandates while also recognizing the horizontality of the supply chain system. The Government also acknowledges that any material changes to the federal governance of the supply chain system will require close involvement with PTs.</p>
11	<p>That the Government of Canada undertake to follow up on the implementation of recommendations from Industry Strategy Council’s report entitled <i>Restart, Recover, and Reimagine: Prosperity for all Canadians</i> and to report its findings to the House of Commons.</p>	<p>The Government of Canada acknowledges this recommendation and some elements are addressed through existing programs and policies.</p> <p>In May 2020, the Industry Strategy Council was established to assess the impact of COVID-19 on priority industries; inform the Government’s understanding of specific sectoral pressures; and serve as a means to coordinate business communities’ input on the impact of the pandemic. The Council provided advice to the Government over the course of its mandate, and on December 11, 2020, the Council published <i>Restart, Recover, and Reimagine: Prosperity for all Canadians</i> providing recommendations to support the recovery and growth of key sectors moving forward in a three-phase action plan.</p> <p>Notably, the Council informed federal announcements related to emergency support measures, targeted measures to stabilize some of Canada’s hardest-hit sectors, and future</p>

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	<p>oriented investments in talent, technology and innovation. The Council’s recommendations also aligned closely with a number of measures announced in the 2020 Fall Economic Statement, Budget 2021 and Budget 2022. Government support in these areas, includes:</p> <ul style="list-style-type: none"> • \$206 million for regional transportation and \$980 million for airports across the country; • \$250 million to the Regional Development Agencies to deliver the Aerospace Regional Recovery Initiative; • Support for tourism businesses through the creation of a Highly Affected Sectors Credit Availability Program; • An additional \$500 million to support tourism business through the \$2 billion Regional Recovery and Relief Fund; and • Further extensions of the Canada Emergency Rent Subsidy and the Canada Emergency Wage Subsidy. <p>The Council also recommended a future oriented investment plan to reimagine a digital, sustainable and innovative economy, and called on Government to invest strategically in talent, technology, and an enabling environment that promotes innovation and ingenuity. The Government has announced a number of measures in these areas, including:</p> <ul style="list-style-type: none"> • Canada Innovation Corporation – Government of Canada committed \$1 billion over five years, starting in 2022-23, to support the creation of this operationally-independent federal innovation and investment agency. This new agency will proactively work with new and established Canadian industries and businesses to help them make the investments they need to innovate, grow, create jobs, and be competitive in the changing global economy. (Budget 2022) • Sectoral Workforce Solutions Program – \$960 million over three years for a new Sectoral Workforce Solutions Program which helps key sectors of the economy implement solutions to address their current and emerging workforce needs. The Program will help thousands of employers and connect Canadians with the training they need to access good jobs in sectors where employers are looking for skilled workers. (Budget 2021) • Upskilling for Industry Initiative - \$250 million over three years, starting in 2021-22, to scale-up proven industry-led, third-party delivered approaches to upskill and redeploy workers to meet the needs of growing industries. This initiative will help approximately 15,500 Canadians connect with new work opportunities. (Budget 2021) • Strategic Innovation Fund – Starting in 2021, an additional \$7.2 million will be provided over seven years, in addition to the \$511.4 million ongoing to support innovative projects across the economy— including in the life sciences, automotive, aerospace, and agriculture sectors. Of this, \$5 billion was dedicated to the Net Zero Accelerator that supports decarbonizing heavy industry, clean technologies and acceleration of domestic greenhouse gas emissions reductions by 2030. In addition, \$1 billion was added to support life sciences

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		<p>and bio-manufacturing firms in Canada and develop more resilient supply chains. (Budget 2021/2022)</p> <ul style="list-style-type: none"> • Universal Broadband Fund – A government investment of \$2.75 billion, to improve high-speed Internet access and support economic development in rural and remote areas of Canada. (Budget 2021/2022)
12	<p>That the Government of Canada consider new legislation, regulations and policies to require greater data sharing and transparency by key supply chain actors in order to encourage improved efficiency; with an emphasis on collecting and sharing data which is reliable, accurate and recurrent and which encourages greater cooperation and efficiency between supply chain actors.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government of Canada recognizes the need to ensure that its legislative framework and its policies support and enable data sharing and transparency by key supply chain actors in order to encourage improved efficiency and reduce congestion. It also recognizes the important role national governments have to play in the development of enforceable freight transportation data exchange standards to support such data exchanges. As it develops visibility projects in collaboration with participants to the transportation supply chain, TC intends to adapt its legislative framework and programs, as needed, to foster broad participation by stakeholders and ensure the sharing of reliable, accurate and recurrent information in a safe and confidential manner. For instance, Bill C-33 includes new rules to govern data sharing with participants to the supply chain.</p>
13	<p>That the Government of Canada study all aspects of the transportation system to identify and reduce regulatory hurdles that unnecessarily slow down the transportation of goods and people; and consider creating one common digital technology platform to move and clear all goods.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Minister of Transport announced, in October 2022, the upcoming launch of the Advancing Industry-Driven Digitalization of Canada’s Supply Chain initiative, which will notably support the development of data sharing and analytics platforms in Canada’s key marine and regional trade corridors. In the coming months, TC will launch a new Call for Proposals to support the development of such platforms and initiate discussions with stakeholders on the development of a governance model and data standards to facilitate data exchanges across corridors.</p> <p>In addition, the Government of Canada is launching a regulatory review focused on supply chains, as noted in the 2022 Fall Economic Statement. Through the Treasury Board Secretariat (TBS)-led Supply Chain Regulatory Review, federal departments and agencies will explore opportunities to support stronger and more resilient supply chains through the regulatory framework, identifying areas where improvements to regulation or regulatory practices can support the movement of goods, services and people in Canada, while still protecting the health and safety of Canadians and the environment. Supply chains as related to cross-border movement and to securing supply in key areas, will also be explored as part of the Review.</p>
14	<p>That the Government of Canada’s Cyber Security strategy include a focus on the supply chain and critical transportation infrastructure (such as airport, marine ports and rail); and that it include an obligation for companies under federal</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government of Canada is committed to improving national cyber security and critical infrastructure resiliency across Canada, including critical transportation infrastructure and supply chains. The issue of supply chain and critical transportation infrastructure cyber security is currently being addressed through two distinct efforts. In</p>

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	jurisdiction to report any major cyberattack.	<p>2022, the Minister of Public Safety tabled Bill C-26, An Act Respecting Cyber Security which would enact the <i>Critical Cyber Systems Protection Act</i>. If this act receives Royal Assent, it will create a regulatory regime requiring designated operators in the finance, telecommunications, energy and transportation sectors to protect their critical cyber systems. Designated operators would be required to:</p> <ul style="list-style-type: none"> • Establish a Cyber Security Program; • Mitigate supply chain / third-party service or product risks; • Report cyber security incidents to the Cyber Centre; and, • Implement Cyber Security Directions. <p>Consistent with the Minister of Public Safety’s mandate letter, Public Safety Canada has also initiated the renewal of the National Cyber Security Strategy and is committed to maintaining its focus on bolstering critical infrastructure resilience, including the transportation sector, and fostering supply chain security.</p>
15	That the Government of Canada seek to harmonize multi-modal trade corridor capital investments with compatible initiatives in the U.S.	<p>The Government supports the recommendation and action is ongoing.</p> <p>Given that the U.S. remains Canada’s top trading partner, accounting for approximately 75% of all Canadian exports, the Government has accordingly invested in transportation infrastructure across Canada to support our trade corridors with the U.S. This includes investments through the New Building Canada Fund; the Clean Transportation Initiative; the Infrastructure Stimulus Fund; the Freight Technology Demonstration Fund; the Gateways and Border Crossings Fund; the Asia-Pacific Gateway and Corridor Initiative’s Transportation Infrastructure Fund; the Marine Security Contribution Program; and, most recently, the NTCF. The NTCF focuses on the harmonization of multi-modal trade with the U.S. through:</p> <ul style="list-style-type: none"> • addressing bottlenecks and improving the overall fluidity and reliability of Canada’s transportation network and, in turn, supporting the roughly \$2.5 billion in daily trade between Canada and the U.S.; • directly strengthening North-South trade corridors, by improving border information technology infrastructure at the third busiest Canada-U.S. crossing for commercial trucks (Fort Erie, Ontario and Buffalo, New York), with \$2.4 million in federal funding for three projects leveraging total investments of \$4.8 million, to shorten border wait times and help Canadian businesses compete by moving goods to market more efficiently. <p>The Governments of Canada and the U.S. continue to collaborate on key supply chain issues via the Canada-U.S. Working Group on Supply Chains to discuss joint progress and next steps while identifying additional points of supply chain collaboration in priority sectors. This collaborative work will continue to be complemented by efforts of the TBS, who will continue to seek alignment where feasible with the U.S. through collaborative fora, such as the Canada-U.S. Regulatory Cooperation Council and the Supply Chain Regulatory Review.</p>

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16	<p>That Government of Canada officials continue their dialogue with United States counterparts to oppose “Buy America” policies, promote a North American procurement framework, and ensure bi-national continuity with respect to the <i>Merchant Marine Act</i> (Jones Act).</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government has an ongoing commitment to ensuring that our trading relationship with the U.S. remains mutually advantageous. Advocacy and engagement are important elements of Canada’s approach to addressing trade-related challenges with the U.S.</p> <p>The Government continues to advocate concerning U.S. federal tax credits for purchases of clean vehicles, including electric vehicles, which originally envisioned “Buy America”-style U.S. domestic content requirements. The advocacy campaign includes working alongside stakeholders and representatives from all levels of government to help ensure that Canadian vehicles, batteries and critical minerals are eligible under the U.S. Clean Vehicle Credit, which is a major component of the recently passed <i>Inflation Reduction Act</i>. The Government will continue to take a holistic approach with partners in all levels of government in advancing Canada’s interests in the U.S.</p> <p>The Government of Canada, including its diplomatic network, will continue to monitor potential measures such as “Buy America” policies that could negatively affect Canadian market access. In its ongoing dialogue with partners in the U.S., including state-level officials and industry stakeholders, Canada continues to emphasize the importance of Canada-U.S. supply chains and the value of open and reciprocal government procurement markets. At the same time, Canada is considering how best to offset negative effects expected as a result of restrictive measures adopted by Canada’s trading partners, including the “Buy America” measures introduced under the U.S. <i>Infrastructure Investment and Jobs Act</i>. To that end, Canada remains committed to implementing reciprocal procurement policies that would ensure that Canada’s trading relationships, including the one with the U.S., are mutually beneficial and that countries restricting Canadian access to their procurement markets do not unfairly benefit from Canada’s open procurement system.</p>
17	<p>That the Government of Canada work with the United States to develop better real-time responses to urgent trans-border regulatory exemption requests in the event of future crises.</p>	<p>The Government acknowledges the recommendation and action is ongoing.</p> <p>Under the auspices of the U.S.-Canada Emergency Management Consultative Group, Canada and the U.S. have developed and maintained a guiding document, the Compendium of U.S.-Canada Emergency Management Assistance Mechanisms, which catalogues various federal mechanisms that govern emergency management within and across our two countries.</p> <p>One such mechanism is the Canada-U.S. Framework for the Movement of Goods and People Across the Border During and Following an Emergency. Under this framework, both the Government of Canada and the U.S. Department of Homeland Security jointly committed to working together to maintain communications and facilitate measures needed to respond to and recover from the emergency; and, to ensure the movement of goods and people across the border, as determined by each country.</p>

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		<p>To further ensure readiness for the unknown, the Plan for the Movement of People and Goods During and Following an Emergency was jointly developed and announced by the Minister of Public Safety and the U.S. Secretary of Homeland Security in 2009 and revised in 2014.</p> <p>The extensive flooding that occurred in British Columbia (BC) in 2021 demonstrated the ability of federal departments and agencies to work together with their U.S. counterparts in the case of emergency situations. For example, TC worked with the Federal Motor Carrier Safety Administration to facilitate the movement of Canadian commercial vehicles via the U.S. when Canadian routes were blocked. TC will continue to examine lessons learned from this experience to ensure that a timely response can be achieved in the future as needed.</p>
18	<p>That the Government of Canada increase the funding for and make permanent the National Trade Corridors Fund.</p>	<p>The Government acknowledges this recommendation, and further consideration is required.</p> <p>The NTCF has supported key transportation-related infrastructure projects across Canada since its launch in 2017. Given the success of the program, and its established operational processes, the NTCF is well positioned to continue serving as an anchor program for supporting key infrastructure projects across Canada, to build resilience against disruptions and to ensure the fluidity of our transportation supply chains. While the NTCF has not been made a permanent program, the Government has continued to maximize the utility of the NTCF through multiple funding cycles.</p> <p>To meet evolving investment needs and to address emerging transportation infrastructure priorities, the total NTCF funding envelope has already been increased from an initial \$1.9 billion across 11 years (2017/18 to 2027/28), to \$4.7 billion as of 2022. Budget 2019 provided an additional \$400 million dedicated to projects in Arctic and Northern regions, Budget 2021 provided an additional \$1.9 billion, and Budget 2022 provided \$450 million to support supply chain projects.</p> <p>The NTCF program has undertaken six successful project proposal intakes to date and committed \$2.8 billion in funding to 138 strategic trade corridor projects. These funds are leveraging \$5.9 billion in total investments from all project partners. Further funding commitments for projects received under the program's latest <i>Increasing the fluidity of Canada's supply chains</i> call for project proposals, will continue to be announced this winter.</p>
19	<p>That the Government of Canada ensure that funding for projects to improve the fluidity of supply chains consider the enhancement of perishable goods chain infrastructure, and, more broadly, the specific needs of agri-food supply chains.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government is committed to helping Canada's domestic agricultural producers and agri-food supply chain users get their products to market efficiently and cost-effectively.</p> <p>Under the Food Policy for Canada, Agriculture and Agri-Food Canada (AAFC) is delivering the Local Food Infrastructure Fund (LFIF), a \$60 million, five-year program aimed at community-based, not-for-profit organizations. The LFIF objective is to strengthen local food systems and to facilitate access to safe, nutritious, and culturally diverse</p>

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		<p>food for at-risk populations. The LFIF provides non-repayable funding for activities that support a resilient supply chain such as the construction of greenhouses and community gardens, the purchase of equipment for the preparation, refrigeration, distribution, storage, and disposal of food, and vehicle and transport equipment. AAFC is also delivering the Food Waste Reduction Challenge to stimulate innovative business models and technologies to reduce food loss and waste throughout the supply chain and is committed to developing a No-Waste Food Fund to help all players along the food supply chain to commercialize and adopt ways to eliminate, reduce or repurpose food waste.</p> <p>The agriculture and agri-food sector has engaged in unprecedented collaboration in its effort to develop a Grocery Code of Conduct. Led by industry, this Code is expected to improve transparency, predictability and fair dealing in supplier-retailer relations which will have positive effects across the supply chain and ultimately benefit consumers. The overarching framework includes a Grocery Code Adjudication Office which aims to strengthen supply chain relationships through education and dialogue, reduce supply chain inefficiencies, and offer timely dispute resolution services to ensure business predictability. FPT Agriculture Ministers recently confirmed their support for the industry-led process to finalize the code, and encouraged broad consultation followed by swift implementation.</p> <p>Additionally, NTCF funding has been committed to multiple infrastructure projects that directly support Canada's agri-food trade, including \$30 million to support development of the \$63 million Multi-Tenant Air Cargo Logistics Facility project at Winnipeg Richardson International Airport, which will add new capacity to handle live animal and other perishable product exports, opening new opportunities for central Canadian producers. The NTCF has also committed funding to short line rail projects that could increase the efficiency of Canadian agricultural exports.</p>
20	<p>That the Government of Canada consider ensuring that all projects that combine the transportation of goods and passengers be eligible for infrastructure, public transit and green funding, including ferry services.</p>	<p>The Government acknowledges the recommendation, and some elements are addressed through existing programs and policies.</p> <p>In February 2021, the Prime Minister announced permanent federal transit funding of \$3 billion per year that will begin in 2026-27. Infrastructure Canada recently concluded public engagement with provinces, municipalities, Indigenous groups, transit agencies, experts, other stakeholders, and Canadians to inform the development of programming to deliver this funding. The Government is actively considering the input received during the engagement.</p> <p>Funding for projects that combine the transportation of both goods and passengers may be eligible for funding under the NTCF, which has already committed funding to trade-enabling projects that will provide significant benefits for both passenger and freight traffic, including improvements to airports, road-rail grade separations, and systems upgrades at the Fort Erie-Buffalo Peace Bridge, Canada's third busiest international crossing.</p>

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		<p>Ferry services have been eligible for funding through several federal legacy and current programs. Under legacy programs such as National Regional Projects, Small Communities Fund, Major Infrastructure Component, and Public Transit Infrastructure Fund, passenger ferries were an eligible category either on its own or as a sub-category of public transportation. Legacy programs also had eligible categories for infrastructure aimed at facilitating transportation of goods (for example, short sea shipping and short line rail) and infrastructure aimed at facilitating transportation of both goods and passengers (for example, local and regional airports and/or small national airports).</p> <p>Ferry services may also be eligible for funding through several streams of the outcomes-based Investing in Canada Infrastructure Program (ICIP) if these services meet one of the program’s immediate outcomes as well as other stream-specific and program requirements. Some intercommunity bus, rail, port and ferry infrastructure may be eligible as commuter transit through the Public Transit stream of the ICIP, within which public transit is considered to be any mode of public transportation allowing for the movement of passengers within or outside an urban or municipal setting. To be eligible under the Public Transit stream, projects must meet one or more of the following outcomes: improving capacity of public transit infrastructure; improving quality and/or safety of existing and/or future public transit; improving access to public transit; and/or improving capacity and/or quality of pathways and/or active transportation infrastructure. Transportation projects may also be eligible under the Green Infrastructure stream of the ICIP if they increase access to clean energy transportation, or under the Rural and Northern Infrastructure stream of the ICIP if they improve road and/or air and/or marine infrastructure.</p>
21	That the Government of Canada expedite strategic infrastructure investments in multi-modal trade corridors, including maintaining asset management as well as establishing and investing in multi-modal trade corridor route redundancy.	<p>The Government acknowledges the recommendation, and further consideration is required.</p> <p>The forthcoming National Supply Chain Strategy will support the Government’s planning for strategic infrastructure investments to improve the fluidity and resiliency of our transportation supply chain. This will build on the strategic investments the Government has already made along Canada’s transportation supply chain, under the NTCF.</p> <p>The NTCF’s investment objectives include supporting the fluidity of Canadian trade and increasing the resilience of the Canadian transportation system in the face of climate change. Investments have been made in enhancing the resiliency and reliability of trade-enabling transportation infrastructure, including improvements at both the Ports of Vancouver and Prince Rupert on the West Coast, as well as to intermodal linkages that connect BC’s Lower Mainland to the rest of the country’s transportation network. These investments are providing improved transportation redundancy as well as increased transportation options for Canadian shippers and producers.</p>
22	That the Government of Canada identify transportation corridors—such as the St-	<p>The Government acknowledges the recommendation and action is ongoing.</p>

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	<p>Lawrence Seaway and the Port of Prince Rupert—and emerging, underused and international ports—such as those in Atlantic Canada or Churchill, Manitoba—that could be used to a greater extent to provide redundancy in the event of disruptions in other parts of Canada’s supply chain; and help fund infrastructure improvements that would allow these ports and corridors to reach their full potential.</p>	<p>Budget 2022 provided funding to undertake urgent repair and maintenance on the Hudson Bay Railway, connecting national transportation corridors to the Port of Churchill. In early August, a joint announcement was made regarding a shared federal and provincial investment of \$147.6 million over two years into this rail line. TC also received funding for a third-party viability study to assess the long-term sustainability of this transportation corridor, as well as the potential for establishing a northern trade corridor through the Port of Churchill. The study aims to evaluate economic opportunities, climate change impacts, governance models, and infrastructure requirements to maintain and upgrade the Hudson Bay Railway and Port of Churchill across different use scenarios.</p> <p>The NTCF supports projects that enhance the shipping potential of emerging, alternative, and underused transportation assets. The NTCF has committed \$117 million to infrastructure projects at the Port of Prince Rupert to help that Port reach its full potential as one of Canada’s core western gateways, leveraging investments of \$235 million. The NTCF has also committed \$58 million to infrastructure projects supporting the efficiency and fluidity of Atlantic Canada ports, including the Port of Halifax, Belledune, Corner Brook, and St. John’s, leveraging investments of \$152 million.</p>
23	<p>That the Government of Canada, in consideration of Canada’s ratified trade agreements, promote and invest in the strategic economic potential of the Great Lakes-St. Lawrence Seaway System, including prioritizing disciplined asset management along this trade corridor.</p>	<p>The Government acknowledges the recommendation and action is ongoing.</p> <p>The Government of Canada recognizes the Great Lakes-St. Lawrence Seaway System as an essential pillar of Canada’s supply chains and the importance that the Seaway remain efficient and resilient. To this end, the Government of Canada and the St. Lawrence Seaway Management Corporation (SLSMC) prioritize disciplined asset management by continuously investing in this trade corridor to ensure its availability and reliability.</p> <p>The SLSMC, as well as transportation asset owners in connection to the Seaway, are eligible to apply for and receive funding for projects under the NTCF. To date, the program has committed \$57 million to marine transportation capacity and fluidity projects that utilize the Great Lakes and St. Lawrence Seaway waterways for the movement of goods, including at the Ports of Hamilton, Oshawa, Johnstown, and Thunder Bay. This funding is leveraging \$134 million in total new investments by all project partners.</p>
24	<p>That the Government of Canada implement financial measures to support the automation of Canadian and Quebec businesses</p>	<p>The Government acknowledges this recommendation, some elements are addressed through existing programs, and other elements require further consideration.</p> <p>The Government recognizes the importance of ensuring Canadian firms of all sizes are able to adopt innovative practices; and is always considering how to best design the financial measures outlined in policies and programs in order to enable innovation. It must also be recognized that significant efforts have already been undertaken in this space.</p> <p>Innovation, Science and Economic Development Canada has implemented several programs that support the</p>

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		<p>digitization/automation of Canadian and Quebec businesses and is continuing to identify ways in which the department can support industry in the adoption of automation technologies.</p> <p>In Budget 2021, the Government of Canada announced \$1.4 billion over four years for the Canada Digital Adoption Program (CDAP), under Innovation Canada, to digitize up to 160,000 small and medium businesses and facilitate 28,000 youth job placements. Budget 2021 also announced \$2.6 billion for the Business Development Bank of Canada to provide zero-interest loans to small to medium-sized enterprises to implement digital transformation. The CDAP program launched in March 2022.</p> <p>In addition, through the Strategic Innovation Fund, established in 2017, the Government of Canada is supporting the Canadian innovation ecosystem through investments that accelerate technology transfer and commercialization of innovative products, facilitate growth and expansion of Canadian firms and attract large-scale investments.</p> <p>Finally, Canada’s Global Innovation Clusters, also launched in 2017, have been supporting Canadian innovation ecosystems and digital technologies. Most recently, Budget 2022 provided renewed funding of \$750 million over six years to further the clusters’ work.</p> <p>Three of the clusters, Scale AI, Ocean and Next Generation Manufacturing Canada (NGen), have invested in projects that support the automation of Canadian and Quebec businesses. For example:</p> <ul style="list-style-type: none"> • Scale AI invested \$3.56 million in two automation and Artificial Intelligence systems projects located in Quebec to support specifically the transportation and logistics industry to optimize marine and inland transportation operations based on daily workload, port traffic, flow of goods and transport assets; • the Ocean Cluster invested \$8.57 million in automation technologies that improve ocean and offshore operations such as uncrewed service vessels, Unmanned Surface Vessels and underwater robotic systems; and, • the NGen cluster invested \$13.2 million in manufacturing automation processes to improve supply chain optimization.
25	That the Government of Canada work with Public Safety Canada to enhance Canada Border Services Agency capacity during surge periods to eliminate delays.	<p>The Government acknowledges the recommendation and action is ongoing under existing programs and policies.</p> <p>The Government is supporting more capacity for the Canada Border Services Agency (CBSA), as recent investments have demonstrated. The CBSA received funding in the amount of \$656.1 million over five years and \$123.8 million ongoing through Budget 2021, as well as \$137 million via the Budget 2022 process that will assist in addressing concerns pertaining to surge capacity and supply chain fluidity. In addition to the funding being used to modernize our borders, it will be used to enhance the CBSA’s frontline capacity, alleviate border pressures and prevent prohibited or restricted goods from entering Canada.</p>

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26	<p>That the Government of Canada should rapidly review regulatory processes to facilitate the movement of containers through terminals that are not currently managing containers and create additional surge capacity.</p>	<p>The Government acknowledges this recommendation and further consideration is required.</p> <p>The Government is considering options to streamline operational policies and regulatory practices that impact the flow of goods through our international gateways. As noted in the 2022 Fall Economic Statement, the Government of Canada is launching a Supply Chain Regulatory Review to consider regulatory changes that could improve the efficiency and resiliency of Canada’s supply chains, while still protecting the health and safety of Canadians and the environment. The 2022 Fall Economic Statement also committed the Government to modernizing cargo and clearance inspection practices to strengthen Canada’s transportation supply chains.</p> <p>In 2019, the CBSA opened the Tsawwassen Marine Container Examination Facility in BC, which increased security and examination capacity for goods arriving at the Vancouver marine ports of entry.</p> <p>The CBSA is working with TC on the Marine Port Modernization initiative which has led to the advancement of Bill C-33. This Bill seeks to further support the security and facilitation priorities at Canada’s marine ports and includes proposed legislative amendments to the <i>Customs Act</i>. The amendments, amongst others, will assist in increasing port security processes and promote efficiency of our supply chain.</p>
27	<p>That the Government of Canada promote and invest in integrated distribution and logistics data and digital capacities for Canadian ports.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government has taken important steps with key investments and the on-going development of a national supply chain digitalization strategy. The goal of these initiatives is to improve asset/traffic management, foster resiliency, and improve coordination across modes – including ports and the broader marine sector. For example, the Government of Canada has supported key initiatives aimed at deploying digital and data solutions to improve supply chain performance. This includes the West Coast Supply Chain Visibility Program and the Active Vessel Traffic Management Program at the Port of Vancouver, as well as the Port Logistics Optimization tool being developed by Canada’s Scale AI Cluster at the Port of Montréal.</p> <p>On October 14, 2022, the Minister of Transport announced the launch of the Advancing Industry-Driven Digitalization of Canada Supply Chain initiative to support the collection and sharing of high-frequency data across key marine and regional trade corridors to make the freight transportation system more efficient. This initiative will include a Call for Proposals under the NTCF that will look to strengthen digital infrastructure investments along Canada’s transportation supply chain.</p> <p>Under the Global Innovation Clusters Program, the Scale AI Cluster and the Canada’s Ocean Cluster are working with port authorities to invest in technology innovation that will help to build smart ports that enhance the efficiency of marine and ocean operations and improve the movement of containers and goods through a network driven by a</p>

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		<p>complex web of information exchanges between numerous stakeholders.</p> <p>The Scale AI Cluster has pioneered intelligent supply chains to respond to critical industries and infrastructure needs. The Cluster invested \$76 million in the transport and logistics sector including \$3.96 million of government funding in smart port and port efficiency projects and \$2.01 million of government funding for two automation and artificial intelligence (AI) systems projects located in Quebec to support the transportation and logistics industry to optimize marine and inland transportation operations based on daily workload, port traffic, flow of goods, and transport assets. Scale AI is also working to bring AI out of the lab and into the real world, accelerating the integration of AI across all industries, and making a tangible difference in supply chain effectiveness. The cluster already launched four research chairs led by world-class researchers in AI for supply chains, with two research chairs focusing on the development of algorithms that leverage data collected along the supply chains and facilitate visibility in transportation operations..</p> <p>The Ocean Cluster is tapping into the combined strengths of the ocean industries to harness the untapped potential of Canada’s oceans to deliver on the demand for ocean solutions. The Cluster’s projects predominately affect the marine industry. More specifically, the Cluster has invested \$1.06 million of government funding in a data platform to enhance the ability to collect ocean data and facilitate more effective and efficient ocean operations and has invested \$8.57 million in automation technologies that improve ocean and offshore operations such as uncrewed service vessels, Unmanned Surface Vessels and underwater robotic systems. The NGen advanced manufacturing cluster has also invested \$13.2 million in manufacturing automation processes to improve supply chain optimization. .</p>
28	That the Government of Canada take into consideration not just increased terminal capacity but enhanced logistics and transloading capabilities at our ports.	<p>The Government supports the recommendation and action is ongoing.</p> <p>As mentioned under the previous recommendation, the Government is committed to leveraging digital and data solutions through initiatives such as the Advancing Industry-Driven Digitalization of Canada Supply Chain to enhance logistics at key points along the supply chain. On top of this, TC has already funded several logistics and transloading initiatives under the NTCF. For example, it has supported an Empty Container Information System digital platform, implementing a traffic management and optimization system in road corridors bordering the Port of Montreal, and a terminal capacity expansion of Ray-Mont Logistics’ export container transloading facility in Vancouver.</p>
29	That the Government of Canada work with other levels of government, the private sector and labour groups to encourage the appropriate application of emerging technology in order to improve port efficiency.	<p>The Government supports the recommendation and action is ongoing.</p> <p>A key example of how the Government is working towards improving port efficiency through collaboration with other levels of government and external stakeholders is through the work of the Global Innovation Cluster, particularly the Scale AI Cluster.</p>

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		<p>Announced in 2018, Canada’s Global Innovation Clusters are a co-investment with industry to build accelerated, innovative ecosystems that will take innovators further, faster through collaboration. Since the launch of the program, the clusters have been finding new ways to build connections, bringing together experts in their respective fields to create high quality jobs, invest in promising projects, help firms scale up, and position Canada as a global leader in the innovation space.</p> <p>Scale AI catalyzes collaboration within the AI and supply chain ecosystems, bringing together partners from other levels of government, private sector, port authorities and maritime employee associations for projects with seed funding to implement AI solutions that improve port efficiency. The Cluster invested \$76 million in the transport & logistics sector including \$2.21 million of government funding dedicated to port efficiency projects implementing AI and involving a close collaboration between key industry stakeholders.</p> <p>Budget 2022 also announced an additional \$750 million over six years, through until 2028, to support the further growth and development of Global Innovation Clusters. Building on their success to date, these clusters will collaborate to deepen their impact, including through joint missions such as addressing supply chain disruptions</p> <p>TC is also engaging with industry to foster supply chain digitalization projects, such as the West Coast Supply Chain Visibility Program. Mentioned earlier, the Advancing Industry-Driven Digitalization of Canada Supply Chain initiative will also foster the deployment of technology to increase the collection and sharing of timely data and the adoption of new analytical tools such as artificial intelligence and digital twins to enhance operational visibility and improve coordination. Its Call for Proposals will seek to support projects that strengthen Canada’s digital infrastructure to enhance the efficiency and reliability of our transportation supply chains in key marine and regional trade corridors.</p>
30	<p>That the Government of Canada optimize ports to encourage greater efficiency and safety; better data sharing; greater involvement by Indigenous communities and surrounding communities.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The objective of the Government’s supply chain digitalization initiatives already in progress and under development is to improve asset/traffic management, foster resiliency and improve coordination across modes, through better data sharing and with the involvement of Indigenous communities and surrounding communities, which will in turn lead to greater efficiency and safety. Optimizing cargo and equipment flows through ports is a key expected outcome. As such, optimizing the utilization of existing capacity rather than relying solely on building new infrastructure can help improve relations and acceptance of port activities with Indigenous and surrounding communities.</p> <p>To that end, the Minister of Transport has introduced Bill C-33, which seeks to optimize the governance of Canada Port Authorities, improve efficiency and safety, enable greater data and information sharing among supply chain actors to inform decision making, and would establish</p>

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		mechanisms to allow for greater involvement by Indigenous and local communities.
31	That the Government of Canada consider changes to regulatory framework of port authorities to facilitate greater access to capital.	<p>The Government acknowledges the recommendation and action is ongoing through existing programs and policies.</p> <p>The Government of Canada is committed to ensuring that Canada Port Authorities having access to increased capital that balances risk, recognizing the importance of port investment in promoting and facilitating trade.</p> <p>As part of the Ports Modernization Review, TC analyzed how best to modernize the ports borrowing framework to facilitate access to appropriate levels of capital for port development. Bill C-33 establishes a streamlined review process for port authorities' borrowing by mandating triennial reviews of borrowing that would allow the government to proactively assess the financial capabilities of each port and establish a borrowing limit that is financially sustainable and reflective of port performance and needs.</p>
32	That the Government of Canada develop additional surge capacity through greater use of short-sea shipping as a complement to road and rail transportation, in particular in the movement of containers along the Great Lakes-St. Lawrence Seaway	<p>The Government acknowledges the recommendation and further consideration is required.</p> <p>The Government of Canada acknowledges the contribution of commercial short-sea shipping and the associated economic, social, and environmental benefits it offers for Canada.</p> <p>While the Government of Canada notes an increase in commercial short-sea shipping between ports in the Great Lakes and St. Lawrence Seaway over the last two years, it will continue to monitor its use to inform government policies such as those related to supply chains, resilience and the decarbonization of the transportation sector.</p>
33	That Transport Canada, in cooperation with Environment and Climate Change Canada and Fisheries and Oceans Canada, continue to research the impacts of climate change on transportation infrastructure and the effects of increased marine traffic on coastal ecosystems.	<p>The Government supports the recommendation and action is ongoing.</p> <p>TC supported ECCC in the development of Canada's first NAS and GOCAAP, both announced on November 24, 2022, to ensure the transportation sector was represented. The Government relies on in-depth research to inform policy and program design, especially in the face of a changing climate.</p> <p>For example, TC's Rail Safety Improvement Program launched two climate-focused initiatives in 2022. The Climate Change and Adaptation to Extreme Weather Infrastructure component will fund rail safety improvements that support vulnerable infrastructure by ensuring resilience to extreme weather events and adaptation to climate change, and/or addressing climate change resilience through the rehabilitation, mitigation, and/or prevention of the impacts of climate change/extreme weather along rail lines and rail property. A Rail Climate Change Adaptation intake was also launched to monitor and assess climate change risks to rail infrastructure. The initiative will find projects that support research, development, and implementation of innovative technologies, tools, and approaches to better understand and address the increasing risks and impacts of climate change on Canada's rail sector.</p>

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	<p>The Department of Fisheries and Oceans (DFO) has developed two climate change web-based adaptation tools for coastal infrastructure. The Canadian Extreme Water Level Adaptation Tool provides projections of sea level rise. The Coastal Infrastructure Vulnerability Index combines environmental, harbour engineering, and socio-economic data into a relative measure of harbour vulnerability to combined climate change impacts. This helps Small Craft Harbours’ engineers and managers plan where best to invest in adaptation projects.</p> <p>The Canadian Coast Guard (CCG) will continue to advance well-informed adaptation and mitigation strategies which will be guided by a Roadmap to Climate Change Resilience. The Roadmap, which will be completed in 2023, will provide a framework to increase Coast Guard’s climate resiliency through a series of adaptation and mitigation actions in the short, medium, and long-term that will be underpinned by progress tracking and accountability measures.</p> <p>With regard to researching the effects of increased marine traffic on coastal ecosystems, within the Oceans Protection Plan (OPP) TC is working to preserve coastal ecosystems that are vulnerable to increases in marine shipping, while reducing the impact of day-to-day vessel traffic through the Cumulative Effects of Marine Shipping initiative. The initiative responds to concerns, heard through project-specific environmental assessments, relating to the cumulative effects of marine shipping on all three coasts and in the Great Lakes. Results of this initiative will include the collection and amalgamation of existing data such as marine vessel movements and shipping data; environmental and cultural data, Indigenous use and knowledge and the development of the National Cumulative Effects Assessment Framework for Marine Shipping.</p> <p>TC, through the OPP, has co-developed with Indigenous communities and industry an enhanced maritime situational awareness (EMSA) web-based system. The objective of this initiative is to provide access to maritime information and data for Indigenous peoples, coastal communities, and other partners. activities. Since the launch of the EMSA system in 2019, many Indigenous and coastal communities across Canada have adopted the technology, improving their situational awareness on the water.</p> <p>Under the OPP-Marine Environmental Quality Initiative, DFO is conducting research to better understand the impact of underwater noise on marine mammals, specifically the North Atlantic Right Whale, the Southern Resident Killer Whale, and the St. Lawrence Estuary Beluga. DFO is also leading the Whale Collision and Avoidance Initiative, where DFO researchers work with stakeholders to develop and test various technologies capable of detecting the presence of whales in near-real time.</p> <p>The Climate Research Division (CRD) of ECCC develops and applies global and regional climate models used to make projections of future climate (under different greenhouse gas emission scenarios), to support adaptation planning, and makes seasonal to decadal climate predictions to</p>

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		<p>support near-term planning and decision-making. Of particular relevance to transportation are projections of the changing risk of climate extremes, like heat waves, extreme precipitation and flooding, wildfire, and sea-level extremes. Working with the National Research Council, we have collaborated on the development of revisions to the National Building Code, and the National Highway Bridge Design Code, to account for the implications of future climate conditions on infrastructure design. In addition, CRD undertakes research into a number of climate processes that are relevant to transportation activities.</p>
34	<p>That the Government of Canada, in the context of the development of a National Trade Corridors Strategy, encourage enhanced dialogue with provinces and territories, Indigenous communities, businesses, government agencies and international economic partners with the goals of strengthening strategic local, national and international trade corridors and ensuring long term investments in needed infrastructure.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government will continue to play a convening role that brings together key partners across all levels of government, Indigenous communities, the private sector, and civil society to advance an integrated and effective approach to supply chain and trade infrastructure development.</p> <p>As directed in Budget 2022 and confirmed in the 2022 Fall Economic Statement, the federal government is developing a National Supply Chain Strategy to address bottlenecks, make the transportation supply chain more resilient and improve economic competitiveness through better-informed decisions while looking to new public-private collaborative opportunities to strengthen Canada’s supply chains. While this Strategy is not specifically labelled as a “National Trade Corridors Strategy,” it will be developed based on the Government’s extensive consultation and ongoing dialogue with stakeholders from across the supply chain; and will align with existing federally articulated trade strategies, as well as with PTs trade strategies.</p> <p>In January 2022, Ministers Alghabra, Bibeau, Champagne, Ng, O’Regan and Qualtrough, hosted a National Supply Chain Summit with business and industry leaders to identify critical supply chain pressures and come up with innovative ways to mitigate them, followed by a series of regional summits hosted across Canada in spring 2022. As a key outcome of the Summit, the Minister of Transport announced the creation of a National Supply Chain Task Force to consult broadly to gain industry perspectives on ways to improve Canada’s supply chain.</p> <p>An essential mechanism for FPT engagement on transportation matters in Canada is the Council of Ministers Responsible for Transportation and Highway Safety. The Council has focused on supply chain optimization and improving Canada’s competitiveness since 2016.</p> <p>Each jurisdiction’s transportation network plays a crucial role in supporting Canada’s trade flows and overall competitiveness. In light of this, supply chain challenges have dominated Council discussions over the past five years. Recently, the COVID pandemic and extreme weather events exposed the structural fragility of supply chains and magnified the need for coordinated FPT action to improve supply chain resiliency.</p> <p>In 2020, the Council established a Pan-Canadian Competitive Trade Corridor Initiative to help enhance</p>

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		<p>Canada’s standing as a reliable trading partner. All jurisdictions participated in this initiative, which delivered a final report to Council Ministers in 2022. This work was an important precursor to the independent National Supply Chain Task Force’s Report, as a number of priority actions in the Pan-Canadian Competitive Trade Corridor Initiative’s final report are consistent with the Task Force’s recommendations, particularly regarding labour shortages, data and digitalization, regulatory reciprocity, and infrastructure deficits.</p>
35	<p>That the Government of Canada ensure that the development of a National Trade Corridors Strategy is consistent with the objective of reducing the carbon footprint of the transport sector and increasing the use of renewable energies.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>Given that infrastructure investment will form a central part of any Supply Chain Strategy being considered by the Government, it is important to highlight how existing programs that support these investments are dedicated to reducing the impact of the transportation sector on the environment. As with Recommendation 34, while the National Supply Chain Strategy is not specifically labelled as a “National Trade Corridors Strategy” its development will take in to account the various challenges and opportunities in the transport sector, including its environmental impact.</p> <p>Since its launch in 2017, the NTCF has committed significant federal funds to advance infrastructure projects that would reduce the overall carbon footprint of Canada’s freight movements. These include investments for projects to increase the capacity, efficiency, and accessibility of lower-emitting transportation options, such as rail and marine infrastructure, and reduce our supply chains’ reliance on more carbon-intensive modes, such as transport trucks. Of the 138 NTCF-funded projects to date, more than half (53%) are focused on supporting rail or marine infrastructure improvements. In line with its overall program-level objectives, NTCF funding is driving significant improvements to the fluidity of Canada’s trade and transportation system, by reducing congestion and shortening the amount of time vehicles must remain on the road along key trade corridors and at national gateways, such as the Port of Vancouver.</p> <p>NTCF funding is also supporting digitalization projects, such as the implementation of Intelligent Transportation Systems, across the transportation network. These investments in digital infrastructure will help ensure that established transportation assets, particularly those that face limitations on physical expansion, such as those located in urban centres, can otherwise address trade growth pressures without compromising environmental sustainability goals.</p> <p>Applications for funding undergo a rigorous assessment and selection process that includes a required greenhouse gas (GHG) Emissions Assessment. Applicants are required to forecast net GHG emissions over the lifetime of the project, with consideration of the Government of Canada’s GHG emissions reduction targets. The assessment incentivizes applicants to incorporate GHG emission mitigation measures into the design, construction, operation, and maintenance phases of the project.</p> <p>Infrastructure Canada (INFC) works with the National Research Council (NRC) and Standards Council Canada (SCC)</p>

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		<p>on developing codes, standards, guidance backed by foundational research for climate resilient infrastructure, which includes transportation infrastructure such as roads, bridges, highways, transit. INFC, NRC and SCC plans to accelerate and expand their efforts to develop guidance, standards, and codes for climate resilient and low-carbon infrastructure through renewed funding of total \$59.7 million over five years announced in GoCAAP. To enhance the uptake and use of climate informed standards, tools, guidance and other relevant research, INFC will further work on developing Open-Access Climate Toolkits by investing \$94.7 million over five years as announced in GoCAAP, starting in 2023.</p> <p>Building off the processes established for the NTCF, the forthcoming National Supply Chain Strategy will take into consideration the Government's emissions reduction targets and initiatives. TC will continue to work with other relevant Government departments, such as Natural Resources Canada, to maximize the integration of renewable energies into Canada's trade and transportation corridors where possible.</p>
36	That Transport Canada encourage the introduction of supply chain visibility initiatives, such as the Vancouver Fraser Port Authority's Supply Chain Visibility Project.	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government of Canada recognizes the importance to achieve end-to-end visibility across transportation supply chains to foster better coordination of activities, reduce congestion, increase resilience, and support the management of existing assets and investment decisions.</p> <p>Budget 2022 announced an investment of \$136.3 million over five years to support a modern, digital, analytics-driven approach to supply chain management through the development of industry-led data solutions. This includes funding to support freight data sharing projects to increase visibility across Canada's key marine and regional trade corridors. These investments are meant to improve asset/traffic management, foster resiliency, and improve coordination across modes. In the coming months, TC will launch a new Call for Proposals under the NTCF to support corridor-level visibility projects, as part of the Advancing Industry-Driven Digitalization of Canada Supply Chain initiative. In parallel, TC intends to collaborate with industry on the development of standards and a governance model that will serve as a foundation for the supply chain visibility platforms.</p>
37	That the Government of Canada review its funding options for short-line operators in order to ensure that their networks area in good repair and to enable proper capital planning by them.	<p>The Government acknowledges this recommendation and further consideration is required.</p> <p>TC is currently examining the short-line rail industry, further to the passing of the <i>Transportation Modernization Act</i>. In addition, short lines are eligible recipients under the NTCF, Rail Safety Improvement Program, and the Rail Climate Change Adaptation Program, and several have had success in these programs.</p>
38	That the Government of Canada give consideration to funding the development of dedicated short distance sea shipping infrastructures.	<p>The Government acknowledges this recommendation and further consideration is required.</p> <p>The Government recognizes the importance of short sea shipping to efficiently handling rising trade cargo at high-volume gateways such as the Port of Vancouver. Short sea</p>

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		<p>shipping infrastructure projects are eligible to apply for funding under the NTCF. In 2019, the Government committed \$1.6 million in NTCF funding to explore ways to handle increased trade volumes by evaluating the viability of short sea shipping in Greater Vancouver. This concept development project with the Vancouver Fraser Port Authority (VFPA) is leveraging \$3.2 million in total project costs from all project partners. The project will primarily explore opportunity to move marine containers by barge from VFPA container terminals to one or more off-dock locations on the Fraser River. The prospect of a break-bulk service with the Port of Nanaimo is also to be explored.</p>
39	<p>That the Government of Canada work towards the increased harmonization of policies and regulations on freight transportation between both Canada and the United States, and across the country through consultation with provinces, territories and municipalities. In particular, harmonization should occur in relation to ballast water, capital infrastructure investments, the Great Lakes, and railway, air and road transport.</p>	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government is actively pursuing opportunities in the air, marine, road, and rail sectors to improve and promote alignment and harmonization where feasible to improve the movement of goods, the coordination of programs, and support for innovation in the transportation sector. For example, the Canada-U.S. Regulatory Cooperation Council is a forum for stakeholders, including industry, consumers, and non-governmental organizations, to discuss regulatory barriers and identify opportunities for regulatory cooperation. With respect to railways, air, and road transport, under the Regulatory Cooperation Council, Canada and the U.S. have aligned motor vehicle standards for the use of electronic stability control systems in all heavy vehicles and continue to work together to create bi-national and international test procedures for automated driving systems. TC is also working with the U.S. Federal Aviation Administration to focus on specific North American strategies regarding Remotely Piloted Aerial Systems.</p> <p>The Regulatory Cooperation Council continues to work towards establishing a Canada-U.S. safety and security framework for the St. Lawrence Seaway and Great Lakes system. In April 2018, TC and the U.S. Coast Guard published a policy directive on Port State Control Inspections, with the aim to align bilateral inspection and enforcement policies. TC also continues to coordinate with the U.S. Coast Guard on crewing issues in the St. Lawrence Seaway and Great Lakes system.</p> <p>In 2021, TC adopted new Ballast Water Regulations giving effect to the International Convention for the Control and Management of Ships’ Ballast Water and Sediments, 2004, in Canada. While the U.S. is not a Party to this international Convention, Canada and the U.S. have agreed under Annex 5 of the Great Lakes Water Quality Agreement to work jointly towards compatible ballast water rules for the Great Lakes, taking into account the standards and guidance of the International Convention.</p> <p>As the U.S. is currently reviewing its ballast water rules under a 2018 Congressional mandate, TC (supported by Global Affairs Canada) continues to work closely with U.S. federal agencies, Congress, Great Lakes State governments and environmental non-governmental organizations in support of U.S. rules that align, or at least are compatible, with Canada’s rules. Canada’s 2021 regulations were developed in such a way as to maximise the potential for</p>

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		<p>alignment with future U.S. rules. Given shipping is an exclusive federal mandate, PTs and cities are not typically implicated in this work.</p> <p>TC has begun developing regulations that will give effect to the <i>International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004</i>, in Canada. Both Canada and the U.S. are actively working towards maximizing bi-national compatibility for ballast water regulations, to the extent feasible.</p> <p>With respect to internal trade, the federal-provincial-territorial Regulatory Reconciliation and Cooperation Table oversees the process to align regulatory frameworks between all PTs and the federal Government in order to reduce barriers to trade, investment, and labour mobility within Canada.</p> <p>Implementation also continues for initiatives identified in the Transportation Sector Regulatory Review Roadmap published in June 2019, and the Regulatory Roadmap on International Standards, published in June 2021. Engagement with stakeholders identified and prioritized key regulatory concerns, including the impact of misalignment across borders and regulatory barriers to investment and innovation.</p>
40	That the Government of Canada support the proactive planning and timely development of major port infrastructure projects that would support viable future trade opportunities, including international ports.	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government of Canada remains committed to supporting proactive planning and timely development of major port infrastructure projects. This commitment is reinforced by Bill C-33, which delivers on the completion of the Ports Modernization Review and seeks to expand Canada Port Authorities' mandates to better manage traffic, allow inland ports, and provide better access to supply chain data and information. Together, these measures would support proactive planning and timely optimization of port operations and the development of major port infrastructure projects that would support viable future trade opportunities. In addition, Bill C-33 seeks to broaden the scope of reviewable transactions occurring at Canada Port Authorities to ensure that investments occurring at these key national assets support Canada's long-term supply chain growth and support future trade opportunities.</p>
41	That the Government of Canada cooperate with all stakeholders—including the St. Lawrence Seaway Management Corporation, ports, marine operators and businesses, as well as provinces, territories and municipalities—to explore ways to increase year-round use of the St. Lawrence Seaway to transport goods within central Canada. As well, the Government of Canada should consider such issues as icebreaking capabilities, piloting fees, handling fees at terminals and docking fees.	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government of Canada recognizes the importance of working with partners to fully utilize Canada's transportation network. To this end, in 2020 TC published a What We Heard Report on its review of the St Lawrence Seaway and is now working with stakeholders, including the St. Lawrence Seaway Management Corporation, shippers, carriers, industry associations, provinces, and municipalities to respond to the findings. Broadly, the Review found that nearly all users indicated that the Seaway's seasonal nature plays an important role in its competitiveness and continued growth, and at the same time underscored the importance of infrastructure repairs during the seasonal closure.</p>

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42	That the Government of Canada work with its provincial and municipal counterparts to optimize ties between roads and rail networks with a view to ensuring that such ties are the easiest and most efficient means of getting cargo into and out of a port.	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government continues to play a significant convening role to bring together other levels of government and the private sector, to promote collaborative planning and address irritants in the system. The government participates in a number of existing fora to encourage dialogue on transportation planning issues for ports, including the Commodity Supply Chain Table, the Western Transportation Advisory Council, and the Greater Vancouver Gateway Council.</p> <p>The NTCF looks to fund projects that are multi-modal, measurably improve efficiencies, and that leverage investments from multiple partners, while being demonstrably in alignment with existing regional, provincial, territorial, and/or federal plans and policy objectives.</p>
43	That the Government of Canada encourage greater dialogue among stakeholders involved in supply chains on Canada’s West Coast supply. Their dialogue should focus on the development of a better balance among land use requirements, the demand for local transportation and industries’ freight requirements.	<p>The Government supports the recommendation and action is ongoing.</p> <p>Government officials continue to participate in a broad range of planning initiatives organized by public and private sector organizations in Western Canada, including intergovernmental land use and transportation planning sessions arranged by Metro Vancouver and Translink, Translink’s Greater Vancouver Urban Freight Council, the Western Transportation Advisory Council, and the Greater Vancouver Gateway Council.</p> <p>TC is also working closely with the Port of Vancouver and other stakeholders in the supply chain visibility project to increase the efficiency and visibility of transportation system information with near-real-time data on freight movements through the Port of Vancouver and inland points. The project enables network analysis and modelling to support identification of opportunities for operational and infrastructure improvements.</p> <p>During the summer of 2022, TC officials convened two Pacific Gateway industry/government working groups; the Container Working Group and the Bulk Commodity Working group. The working groups were established to facilitate the reduction in back-logged import containers and to provide relief on the utilization of anchorages in the Southern Gulf Islands and to prepare for the Fall 2022 grain export season.</p> <p>TC collaborates with the Port of Vancouver and industry on Active Vessel Traffic Management and Anchorage Management initiatives. These initiatives are designed to gain efficiency for port operations as well as reduce the social and environmental impacts of ship movements in and around the Salish Sea and critical Southern Resident Killer Whale Critical Habitat.</p>