

**Speaking Notes for Michael Keenan,
Deputy Minister, Transport Canada**

Annual Dinner of the Chartered Institute of Logistics and
Transportation for North America (CILTNA)

Ottawa, ON

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Introduction

Thank you for the invitation this evening. I am pleased to be here.

I am happy to see an organization like the Chartered Institute of Logistics and Transportation in North America (CILTNA) bringing together professionals, academics and students to advance the development of transportation and logistics systems.

I understand you had a full afternoon on topics such as carbon pricing, trade, and supply chains, all of which are of great interest to me and my department. I look forward to hearing about those discussions.

As you know, about this time last year, the Minister of Transport, the Honourable Marc Garneau, announced “Transportation 2030”, which is the Government of Canada’s plan for the future of transportation in Canada.

Transportation 2030 is the result of extensive consultations undertaken during 2016. Following the tabling of the *Canada Transportation Act* Review Report, the Minister of Transport and Transport Canada held over 200 meetings and roundtables across the country with transportation and trade stakeholders, Indigenous groups, provinces and territories, and individual Canadians about where we should be going over the next 20 to 30 years, and what we need to do to get there.

The Government's vision is for a safe and innovative transportation system that promotes trade and economic growth, a cleaner environment, and the well-being of Canadians.

Transportation 2030 is the strategic plan to deliver on this vision through five priorities: 1) a better traveller experience; 2) safer transportation; 3) green and innovative transportation; 4) waterways, coasts and the North; and 5) trade corridors to global markets.

We are taking action on a wide range of initiatives under all five priorities.

Building an intelligent, resilient, more efficient, and more environmentally responsible transportation system is at the heart of the Transportation 2030 agenda that I will now describe, with a particular focus on: 1) Trade Corridors to Global Markets; 2) Green and Innovative Transportation; and 3) building the Transport Canada of the future.

1) Trade Corridors to Global Markets

The world will be very different in 2030 and beyond. As a large country that relies on trade for its economic success, Canada must ensure that people and products can move quickly and safely to and from international markets. Trade will continue to be critical to our economic success. And so will the transportation and logistics system, which is essential to the economic prosperity of Canadians.

The Government has a strong agenda to increase trade and attract job-creating investments to Canada, focused on implementing the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and expanding trade and investment with large, fast-growing markets like China and India.

Canada's shifting and expanding trade relationships will place pressure on our existing transportation system and supply chains. We need trade corridors that are resilient and flexible, so they can accommodate sudden shifts in trade patterns – a new challenge for the logistics industry.

The Government is making important investments in infrastructure, including through the National Trade Corridors Fund, which continues the merit-based and trade-related approach to investment that were the hallmarks of Canada's Strategic Gateways and Trade Corridors Initiatives.

Allocating \$2 billion over 11 years, the Fund will help infrastructure owners and users address bottlenecks and capacity needs in those parts of our transportation system that are critical for trade. These investments are also intended to help the transportation system withstand the effects of climate change and support new technologies and innovations. The Fund is part of a long-term commitment to work with stakeholders on strategic infrastructure projects. Its first call for proposals closed on November 6th.

The Canada Infrastructure Bank will be another new tool that our partners can use to enhance infrastructure in communities across Canada. The Bank has earmarked at least \$5 billion for trade and transportation corridors. The Government is working towards having the Bank up and running later this year.

Furthermore, as you know, in May of this year, the Government proposed legislative changes to improve the transportation system. Bill C-49, the *Transportation Modernization Act*, has been passed by the House of Commons and is now progressing through the Senate.

This bill is a key legislative step to delivering on early measures under Transportation 2030, including a better experience for the traveller and a more transparent, fair, efficient, and safer freight rail system. It will encourage investment in the freight rail system which will ensure sustained efficiency and affordability into the future.

To continue to make smart decisions for today and for the future, both governments and the private sector need access to high-quality data and the ability to turn it into actionable analytics and business intelligence. This is part of a broader data strategy for transportation and logistics. Data fuels modern transportation and logistics networks.

The provisions to improve data and transparency are very important elements of the bill. For example, C-49 would require railways to provide service and performance information on a regular basis to the public and those in the transportation industry who need it to make decisions.

The Government has allocated \$50 million over 11 years to launch a Trade and Transportation Information System, including a new Canadian Centre on Transportation Data. The Centre will make high quality, multi-modal transportation data and analysis available to transportation users and providers. Partners in this initiative include Statistics Canada, other federal departments, the Canadian Transportation Agency, other levels of government, industry, and educational institutions.

Data and information will support the optimization of existing capacity today and investment planning for tomorrow. It will encourage discussion among private operators, for example, about how to innovate in moving goods across supply and distribution chains. It will be necessary to adapt to change and new challenges.

We already know that transformational technology such as unmanned aircraft systems, automated vehicles, and even automated ships will change how we think about transportation. “Big Data” will change how we measure it.

This data strategy is part of our commitment to work with industry to build a world class transportation and logistics system, one that is worth telling the world about.

I understand that this coming Friday, CN Rail, DP World, Global Container Terminals, RayMont Logistics and COSCO will together be sharing a stage with Bob [Armstrong – CILTNA President] at a major global conference in Hong Kong to sell Canada as a preferred transportation entry point for the North American market. I applaud you for these efforts.

2) Green and Innovative Transportation

Green Transportation

In addition to supporting trade, in order to stay competitive, Canada will need a transportation system that reduces environmental impacts and embraces new technologies.

Transportation generates close to one-quarter of the greenhouse gas emissions in Canada, most of which come from cars and trucks. Our goal is to transition to a low-carbon and resilient transportation system that takes advantage of emerging technologies.

We need to pursue many angles such as: a renewed emphasis on partnerships and collaboration; a “polluter pays” principle including market-based measures; and a thorough understanding of risks arising from climate change and extreme weather, and solutions that could be employed to mitigate them.

Fostering economic growth and protecting the environment go hand-in-hand. There are a number of areas in which we are improving efficiency and reducing environmental impacts. Under the Oceans Protection Plan, the Government is creating a world-leading marine safety system, while protecting Canada's coastlines and waterways.

In May 2017, Transport Canada and Natural Resources Canada released a report on climate risks to the transportation sector and ways we can adapt. We are also supporting other measures of the Pan-Canadian Framework on Clean Growth and Climate Change, like the federal carbon pricing benchmark and clean fuel standard.

In partnership with Innovation, Science and Economic Development Canada, we are engaging stakeholders to develop a Canada-wide strategy for zero-emission vehicles.

Innovative Transportation

In addition to helping to reduce environmental impacts, innovation will be essential to staying competitive. During the month of October, Minister Garneau had the opportunity to experience some of the incredible work happening in the world of disruptive technologies on an international scale. The 2017 ITS World Congress in Montreal showcased advancements being made in new and emerging vehicle technologies, mobility concepts, and smart cities technology.

The Minister also connected with industry leaders and academic researchers during recent trips to California and Michigan for meetings with Tesla and Stanford University, as well as the “Big 3” U.S. automakers and the University of Michigan’s M-City testing facility for connected and automated vehicles and smart infrastructure deployments.

These were eye-opening opportunities and served as an important reminder that Canada must create the right conditions for innovation and technology adoption in the transportation sector.

Transport Canada's role is to ensure that the technologies in cars on Canada's roads are safe. The department continues to test the latest advanced vehicle technologies, such as automatic emergency braking systems and lane assist technologies. We are also undertaking projects and analyses to support the development of safety guidelines and standards.

Our new program to Advance Connectivity and Automation in the Transportation System is accepting proposals for funding. This program funds research, studies, and test projects to support the deployment of connected and automated vehicle technology, as well as research and capacity-building to help Canadian jurisdictions prepare for the coming changes.

3) Building the Transport Canada of Tomorrow

As I close, I would ask for your indulgence in an advertisement for our organization, Transport Canada. As you can see, we have a lot going on.

Transport Canada employs nearly 5,000 talented and committed employees across the country.

We have an ambitious agenda to transform the department, how it works, and how it delivers services to the industry, to be a world class safety regulator and an economic enabler for the country. One of my top priorities is recruiting and developing the next generation of Transport Canada employees to do this. We are always looking for talented, committed and highly skilled new recruits that will help shape and build the Transport Canada of tomorrow.

This is a fascinating time for transportation, which is being shaped by new forces that have the power to transform business models and the way people use transportation. Our transportation agenda aims to adopt new ways of thinking about how we deliver services and oversee the transportation system.

We believe that an organization like the Chartered Institute of Logistics and Transportation in North America is a valuable partner in helping do that, share ideas, and offer learning and networking opportunities for staff.

We would like to explore with you opportunities for recruitment of new employees into Transport Canada and for increased learning of existing employees through events like this.

Conclusion

The world is complex and changing fast, and transportation and logistics are at the forefront. Through Transportation 2030, Transport Canada is aiming to identify and understand the key drivers and set a foundational agenda on which we will achieve our vision.

We need to strengthen dialogue with partners, including through events such as the one here today, to ensure we understand the rapidly changing world of transportation and logistics and to build on Transportation 2030 as exciting changes happen.

I would like to thank you for having me here tonight. I look forward to hearing more about the ideas discussed today, and how we can deepen our relationship.

I would be happy to answer any questions.