

Jurisdiction over for-hire extraprovincial and international highway transport also rests with the federal government but these powers are exercised by the provincial highway transport boards as provided for in the federal Motor Vehicle Transport Act of 1954 (RSC 1970, c.M-14), except for the Roadcruiser service operated by Canadian National Railways in Newfoundland, which was exempted by an order-in-council in July 1976. This bus service is now under the jurisdiction of the motor vehicle transport committee of the Canadian Transport Commission, and is subject to provisions of the National Transportation Act (RSC 1970, c.N-17).

Railway regulation was developed in a period when railways enjoyed a virtual transportation monopoly. Measures to protect the public against excessive charges, unjust discrimination and other objectionable monopoly practices, together with measures to ensure safe operation, have subjected railways to the most comprehensive regulation of any Canadian industry. However, the rapid growth of road, air and pipeline services has ended the near-monopoly and forced the railways into a highly competitive situation.

The National Transportation Act (RSC 1970, c.N-17) defines a national transportation policy for Canada with a view to achieving maximum efficiency in all available modes of transportation at the lowest cost. The act established the Canadian Transport Commission (CTC) to carry out functions formerly performed by the Board of Transport Commissioners for Canada, the Air Transport Board and the Canadian Maritime Commission. It created a framework within which the CTC might regulate interprovincial and international motor transport and transportation by pipeline of commodities other than oil and gas.

The Canadian Transport Commission has established several committees, five of which are railway transport, air transport, water transport, commodity pipeline transport and motor vehicle transport. The commission is a court of record. Its decisions are binding within its jurisdiction and may be reviewed only by appeal to the Supreme Court of Canada on a question of law or jurisdiction, or by the Governor-in-Council. However, a party to a licence application under the Aeronautics Act or the Transport Act may appeal to the transport minister.

The commission has jurisdiction under several acts, including the Railway Act, the Aeronautics Act and the Transport Act, over transportation by rail, air and inland water.

Under the Railway Act the commission has jurisdiction over construction, maintenance and operation of railways that are subject to the legislative authority of Parliament, including matters of engineering, location of lines, crossings and crossing protection, safety of train operation, operating rules, investigation of accidents, accommodation for traffic and facilities for service, abandonment of operation and uniformity of railway accounting. The commission regulates tolls for the use of international bridges and tunnels.

Except for certain statutory rates, and subject to certain powers to deal with rates that the commission finds to be contrary to the public interest, the railways are free under the statutes to establish freight rates in accordance with market forces. However, such rates must be compensatory, as defined in the Railway Act, and the commission may prescribe tolls for captive shippers if existing tolls unduly favour the railways.

The commission is responsible for the economic regulation of commercial air services in Canada and is required to advise the transport minister on matters relating to civil aviation. The regulatory function relates to Canadian air services within Canada and abroad and to foreign air services operating into and out of Canada. It is because of this responsibility that the CTC participates in bilateral negotiations for the exchange of traffic rights. The commission is responsible for licensing commercial air services and regulating the licensees. It issues regulations dealing with, among other things, the classification of air carriers and commercial air services, licences, tariffs, service schedules and statistical reporting.

The CTC takes an active part in the work of international organizations and conferences related to economic matters of air transport. Of greatest significance in 1977 was the special air transport conference convened by the International Civil Aviation Organization in Montreal and the 22nd session of assembly of the organization.