



## Bill S-6, An Act respecting regulatory modernization: Interim Order Authority to Implement International Standards and Obligations under the *Canada Transportation Act*

Announced in the 2018 Fall Economic Statement, the Annual Regulatory Modernization Bill (ARMB) is a recurring legislative mechanism that enables the Government of Canada (GC) to make common sense changes across many pieces of legislation at once to address overly complicated, inconsistent or outdated requirements on businesses and Canadians. It is a key component of the Government's agenda to modernize Canada's regulatory framework. In June 2022, the second ARMB, S-6, *An Act respecting regulatory modernization* was introduced in the House of Commons following passage in the Senate.

You can find additional information on Bill S-6 at:  
<https://www.parl.ca/legisinfo/en/bill/44-1/S-6>.

### Proposed amendment to the *Canada Transportation Act*

As part of this Bill, the government is proposing an amendment to the *Canada Transportation Act* to authorize the Minister of Transport to make interim orders to incorporate international transportation standards and obligations into law.

International standards have long been recognized as an effective and flexible tool to address public policy issues and support innovation and economic growth. The Organization for Economic Cooperation and Development (OECD) has consistently identified international regulatory cooperation as a best practice for regulatory quality and performance, including through the development and use of international standards.<sup>1</sup>

Stakeholders have called for TC to enhance and expedite the alignment of its regulations with trusted international standards, to reduce costs and unnecessary duplication and to drive innovation and competitiveness. During consultations for the second round of Regulatory Reviews in 2019, the Treasury Board of Canada Secretariat, in partnership with federal departments and agencies, coordinated a review of existing regulations and regulatory practices and asked stakeholders to provide feedback on ways to enable regulations to be more agile, transparent, and responsive. Over half of the comments received touched on international standards, underscoring the importance of this issue to industry.

The amendment to the CTA would facilitate interoperability between Canada's transportation requirements and international standards, to support supply chain efficiency, spur Canada's economic growth and competitiveness, and contribute to lower business costs.

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<sup>1</sup> For example, see [OECD Guiding Principles for Regulatory Quality and Performance](#) and [Recommendation of the Council on Regulatory Policy and Governance](#).

Finally, this amendment would help Canada's regulatory regime keep pace with the rapidly evolving transportation sector, by allowing for faster alignment with evolving standards due to new technology, innovation, and emerging risks.

The proposed amendment is intended to provide the Minister with a tool to be able to adopt an international standard on an interim basis, for up to three years, while approval for permanent adoption of the standard proceeds through the regulatory process. This new authority would only be used where an international standard is trusted and there is a strong consensus around its benefits for Canada.

As an example of trusted standards in the transportation sector, TC already incorporates international standards by reference in its regulations, such as the *International Code for Ships Operating in Polar Waters* (Polar code) set out in IMO Resolutions MSC.385(94), the *International Maritime Dangerous Goods Code* which is issued by the IMO and MEPC.264(68), or *Technical Instructions for the Safe Transport of Dangerous Goods by Air* developed by ICAO.

## FAQ

### **Q. What is an interim order?**

A. An interim order is based on a provision in legislation that allows the Minister to act quickly to regulate activities since the measures do not have to be brought into force through the lengthy and complex regulatory process. As an example, under the *Aeronautics Act* s. 6.41, the Minister may make an interim order to deal with significant risks to aviation safety or safety of the public, threats to aviation security, or recommendations from investigators for an aviation accident or incident. It is usually short term in nature and prescribed by legislation.

### **Q. What procedure must the Minister follow to make an interim order?**

A. The Bill provides that the Minister will consult with all parties that the Minister considers necessary before making an interim order. The Minister would have to consider the Minister's responsibilities under the Act, the need of, or benefit to, the transportation system, the public health and safety, as well as general public benefit, need or welfare, and competitiveness and economic growth in Canada. The interim order would be published in the *Canada Gazette* except in rare circumstances where the Minister is of the opinion that it would be inappropriate for reasons that include safety or security considerations or the protection of confidential or personal information.

### **Q. Why should we give the Minister additional power?**

A. International standards are developed in international fora with strong industry stakeholder involvement. Canada is involved in building consensus around standards. Therefore, by the time the standards are completed, there is usually a strong consensus on their value. Stakeholders don't want Canada to be the last to adopt the standards. They want the government to adopt these standards, in part because they support trade and competitiveness. There may also be safety, health or environmental imperatives associated with adopting these standards in a timely manner.





## Overview

<b>Subject Matter</b>	<p>The Minister may make an interim order that includes any provision that may be contained in a regulation made under any provision of an Act of Parliament that the Minister is responsible for across TC's legislative regime.</p> <p>It may establish new requirements or alternatives to existing regulations.</p>
<b>Test for Issuance</b>	<p>The Minister may make an interim order if:</p> <ul style="list-style-type: none"><li>• The order implements trusted international standards or ensures compliance with Canada's international obligations arising from conventions, treaties and other multi- or bi-lateral instruments that Canada has ratified, and</li><li>• The Minister considers that it is in the public interest by taking into account<ul style="list-style-type: none"><li>○ The Minister's responsibilities under the Act,</li><li>○ The need of, or benefit to, the transportation system,</li><li>○ The public health and safety, as well as general public benefit, need or welfare, and</li><li>○ Competitiveness and economic growth in Canada.</li></ul></li></ul>
<b>Validity Period</b>	<p>An interim order takes effect on the day it is made, or any later day that is specified in the order.</p> <p>An order ceases to have effect on the earliest of:</p> <ul style="list-style-type: none"><li>• the day it is repealed;</li><li>• three years after the day it takes effect or any shorter specified period; or</li><li>• the day before a regulation that has the same effect comes into force.</li></ul>
<b>Consultation</b>	<p>The Minister must consult with any person or organization that he/she considers appropriate before making an interim order.</p>
<b>Administration and Enforcement</b>	<p>The provisions of an interim order are subject to the administration and enforcement provisions that would have applied if it had been contained in a regulation. This includes the offence and punishment provisions.</p>
<b>Administrative Monetary Penalties</b>	<p>An interim order may designate any of its provisions as subject to the administrative monetary penalty (AMP) regime that would have applied if it had been contained in a regulation (if applicable).</p>
<b>Publication</b>	<p>An interim order must be made publicly available unless publication would be inappropriate due to exceptional circumstances.</p>

## Contact

Melanie Vanstone  
Director General  
Multi-modal and Road Safety Programs  
Transport Canada  
330 Sparks street, Tower C  
Ottawa, Ontario  
[MRSPDGO-BDGPTMSR@tc.gc.ca](mailto:MRSPDGO-BDGPTMSR@tc.gc.ca)