Transport Canada (TC)

1 April 2020 – 31 March 2022

$1,125,953

Cumulative Regulatory Impact Analysis and Portal

TC is committed to strengthening the competitiveness and economic growth of the transportation sector while maintaining safety and security. Consequently, TC's regulatory process includes a regulatory impact analysis that evaluates the impact a new or amended regulation might have on industry.

TC carries out a cost-benefit analysis for each new or amended regulation, but that analysis does not consider the cumulative impact of federal, provincial, and international regulations on industry sectors. This means that regulatory changes may have unanticipated economic impacts on industry. The creation of a new regulatory framework and supporting model to improve access to information and build internal capacity to better analyze the impacts of regulatory change would enhance regulators' understanding of the regulatory environment and improve the regulatory development process.

To achieve these goals, TC developed a **regulatory evaluation platform** which consists of an informative regulatory impact tool that uses a machine learning approach to measure and model the impact of regulations on regulated industries and an online portal which displays this information on TC's intranet. This product supports innovation by enabling regulators to better evaluate the cumulative regulatory impact of proposed regulatory changes on industry, and therefore to make better informed decisions when developing regulations.

The cumulative regulatory impact model can be used to quantify regulations' impact on certain sectors of the economy. When considering new regulations under the transportation mandate, the model can be used to assess the costs imposed on industries affected by the regulatory changes (by examining the proposed regulatory framework set out in the drafting instructions and in the regulatory text). This information can be used to avoid or mitigate unintended adverse impacts on industry when developing or amending regulations. Its development significantly enhanced TC's internal capacity and expertise that will enable them to deal with complex modeling projects in the future. In the future, TC hopes to expand the model by adding features that will enable the model to quantify regulatory benefits such as environment and safety and security benefits of regulations.