

**Ministry of
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October 27, 2025

107-2025-2565

Alan Spacek
Commission Chair
Ontario Northland Transportation Commission (ONTC)
555 Oak Street East
North Bay, ON P1B 8L3

2026-27 Annual Letter of Direction

Dear Mr. Spacek,

I am pleased to share the Government of Ontario's 2026-27 priorities for the Ontario Northland Transportation Commission (ONTC).

Your leadership as Chair is vital to ensuring the ONTC fulfils its mandate under the *Ontario Northland Transportation Commission Act, 1990* and addresses northern Ontario's unique transportation needs.

ONTC must continue to provide efficient, affordable, and reliable services, with safety as its highest priority. By driving improvement, applying best practices, and ensuring compliance with standards, ONTC must continue to earn the trust of and deliver excellence to the people and communities it serves.

Furthermore, ONTC is expected to operate within the government-approved multi-year funding allocation and provide the Ministry with timely information to support oversight and decision-making.

Pursuant to the requirements of the Agencies and Appointments Directive, this letter outlines my expectations for ONTC for the 2026-2027 period. These priorities include quarterly reporting to the Ministry according to the following cadence:

Quarterly Reporting Cycle

All ongoing initiatives are to be reported on the following dates each year, unless otherwise directed:

Quarter	Deadline
Q1	June 30, 2026
Q2	September 30, 2026
Q3	December 31, 2026
Q4	March 31, 2027

1. Tariff Risks

- Continue to monitor and report on tariff risks as part of financial reporting.
- Include analysis of direct cost impacts on projects, the effectiveness of mitigation strategies, and any actions required from government to manage exposure.

2. Northlander Project Update

- Continue to advance work to reinstate the Northlander Passenger Rail service between Toronto and Timmins, with a rail connection to Cochrane in preparation for a 2026 service launch.

3. Capital Asset Management Plan

- Work with the ministry to update, refine, and enhance the agency's capital asset management plan, including an evaluation of asset conditions, utilization, capacity, risks, costs, future needs analysis and recommendations. The plan should include/incorporate the agency's building condition assessment work.
- Share the updated plan with the ministry for review by **August 1, 2026**.

4. Financial Tracking & Reporting

- Continue work to track and allocate direct and fixed (overhead) costs for both internal and external services for rail remanufacturing and repair services in alignment with expectations set through the Modernization Action Plan.

5. Rail Safety

- Continue to work with the ministry and Transport Canada to support ONTC's transition to federal rail safety oversight of railway operations by **April 15, 2026**.
- Maintain the working group series to support regulatory compliance with federal rail safety regulations, and overall operational excellence.

6. Community and Partner Engagement

- Take into account the diverse needs of equity-deserving groups (i.e., women, 2SLGBTQIA+, Indigenous, racialized, vulnerable persons and people with disabilities) in the planning, design and delivery of safe, affordable, accessible, and equitable access to transportation services.
- Continue to take actions to combat sexual exploitation and human trafficking in accordance with Ontario's Anti-Human Trafficking Strategy and the Calls

for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls.

7. Duty to Consult

- Continue to fulfil the duty to consult Indigenous communities in line with provincial policies.
- Share engagement plans with the ministry before significant commitments and provide updates on outcomes.

Furthermore, this letter sets out government-wide commitments for board-governed provincial agencies as follows:

Protect Ontario

1. Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic resilience, particularly in light of ongoing U.S. tariff threats and economic uncertainty.
2. Procure from Ontario and Canadian businesses whenever feasible.
3. Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.

Deliver Better Services

4. Focus on a user-centered client/customer experience by simplifying interactions, improving satisfaction, and expanding and optimizing digital service offerings.
5. Identify opportunities to enhance efficiency, improve services, drive innovation, and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.
6. Eliminate unnecessary bureaucracy and red tape by applying lean methodologies or other modalities to achieve operational efficiency.

Drive Innovation & Value for Money

7. Find innovative solutions to use public resources efficiently and to effectively deliver on the agency's mandate while operating within agency's financial allocation, supported by accurate financial reporting, effective internal controls, and proactive fraud management practices.
8. Manage agency workforce with careful responsibility to stabilize expenditures and preserve long-term financial viability by:
 - Strictly adhering to the hiring control parameters, including ceasing hiring for non-business critical and non-public facing positions, including the use of consultants;

- Operating within a defined maximum workforce size (including consultants);
 - Ensuring compliance with the *Broader Public Sector Executive Compensation Act* (BPSECA); and
 - Enhancing productivity and efficiency by using technology wherever possible.
9. Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks, and provide it to the Minister for approval by March 31st, 2026.
10. Provide to your oversight minister by October 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.

Please see the attached **Government Priorities 2026-27 Chart** for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

Per the requirements of the Agencies and Appointments Directive, agencies are required to align goals, objectives and strategic direction with our government's priorities and direction. As Chair, you must ensure that ONTC's business plan demonstrates the agency's plans in fulfilling the expectations and government priorities and that progress and achievements are reported through your annual report. Compliance with these requirements is reported to Treasury Board/Management Board of Cabinet annually.

Thank you and your fellow board members for your continued commitment to ONTC. Your work and ongoing support is invaluable to our government and the people of Ontario.

Should you have any questions, please feel free to contact my chief of staff, Megan Skinner (megan.skinner2@ontario.ca).

Sincerely,



Prabmeet Singh Sarkaria
Minister of Transportation

c.

Chad Evans, Chief Executive Officer, Ontario Northland Transportation Commission
Megan Skinner, Chief of Staff, Ministry of Transportation
Doug Jones, Deputy Minister of Transportation

Melissa Djurakov, Assistant Deputy Minister, Oversight and Agency Governance Division, Ministry of Transportation
James Pearce, Assistant Deputy Minister, Transit Division, Ministry of Transportation
Tamara Gilbert, Assistant Deputy Minister, Integrated Policy and Planning Division, Ministry of Transportation
Virginia McKimm, Assistant Deputy Minister, Corporate Services Division and Chief Administrative Officer, Ministry of Transportation

Attachment: Government Priorities 2026-27 Chart