

ALTO's Accountability Architecture

What Senate testimony has revealed about the reporting and oversight regime governing the largest federal infrastructure project of the post-war period

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EXECUTIVE SUMMARY

CRITICAL FINDING

ALTO was created by Order-in-Council in 2022, as a wholly-owned subsidiary of VIA Rail. There is no enabling Act of Parliament establishing its mandate, powers, or reporting obligations. Under the Financial Administration Act, ALTO has been deemed a parent Crown corporation for reporting purposes, an administrative designation rather than an Act of Parliament. The framework that follows from this designation requires only summary-level reporting to Parliament, on Treasury Board's timing.

This was confirmed on the Senate record by senior Transport Canada officials before the Standing Senate Committee on National Finance on February 4, 2026, and by the Minister of Transport in his appearance before the Standing Senate Committee on Transport and Communications in December 2025. The two descriptions match. This is the entire accountability architecture for the largest federal infrastructure project of the post-war period.

This brief incorporates the findings of the Office of the Auditor General's 2026 Special Examination of VIA Rail Canada Inc., released January 2026. The OAG's findings provide independent, audited evidence of how the Financial Administration Act Part X framework (the framework that governs ALTO) performs in practice at ALTO's parent corporation. The OAG also confirms that ALTO's own first Special Examination will not occur until 2032, producing a decade-long independent-oversight gap during the period when scrutiny would matter most. The brief also incorporates material from ALTO's own Corporate Plan Summary 2025–26 to 2029–30 (Appendices 1, 3, 5, 6, and 10), confirming that the corporation is actively lobbying for designation under Bill C-5, has signalled an intention to seek further legislative streamlining of the expropriation process granted under C-15, and operates under three named accountability instruments — the Co-Development Charter, a bilateral collaboration agreement with Transport Canada, and

a tripartite agreement with Transport Canada and VIA Rail — none of which is in the public domain.

1. Background: Bill C-15 and the High-Speed Rail Network Act

On February 4, 2026, the Standing Senate Committee on National Finance held a hearing on Bill C-15, the Budget Implementation Act, 2025, No. 1. Bill C-15 contains, in Division 1 of Part 5, the High-Speed Rail Network Act — the federal legislation that grants ALTO the powers it requires to expropriate land, override certain provincial regulatory processes, and proceed with the Toronto–Quebec City corridor on the federal government's published timeline.

The hearing produced a clear and consistent set of statements from Transport Canada officials about how ALTO is structured, how it reports to Parliament, and how its decisions are subject to scrutiny. Together with the Minister of Transport's testimony before the Senate Transport and Communications Committee in December 2025, the February hearing now constitutes the most detailed public account of ALTO's accountability architecture available on the parliamentary record.

This brief sets out what that record now establishes. It is organized around three questions: how is ALTO structured; what does Parliament receive about its activities; and what remains outside the public domain.

2. ALTO's Structural Foundations

2.1 No enabling Act of Parliament

Most parent Crown corporations in Canada are established by their own enabling Acts of Parliament. The Canada Post Corporation Act establishes Canada Post; the Bank of Canada Act establishes the Bank of Canada; the Broadcasting Act establishes the CBC. These statutes set out each corporation's mandate, powers, accountability obligations, and limits.

ALTO has no such enabling Act. The corporation was created in 2022 as a wholly-owned subsidiary of VIA Rail, which itself has no enabling Act. ALTO inherits VIA Rail's status. Where the older Crown corporations have a statutory anchor that Parliament debated, amended, and passed, ALTO has an Order-in-Council and an organizational structure within VIA Rail.

2.2 Order-in-Council creation

The Government of Canada created ALTO, initially under the working name VIA TGF, through an Order-in-Council in 2022. Orders-in-Council are issued by the Governor General on the advice of the Privy Council. They are executive instruments which do not require Parliament's

approval, and they can be amended or rescinded by the same executive process that produced them.

Orders-in-Council are an established and lawful mechanism for creating Crown subsidiaries. They are not, however, a substitute for enabling legislation when the corporation in question has been assigned responsibilities of the magnitude assigned to ALTO. The Order-in-Council that created ALTO is publicly available through the Privy Council Office's records portal.

2.3 Deemed parent Crown corporation status

Under the Financial Administration Act, the parliamentary reporting and accountability obligations that apply to parent Crown corporations apply to ALTO by way of administrative designation. ALTO has been deemed a parent Crown corporation for reporting purposes. This means the FAA Part X regime (corporate plan, operating budget, annual report, Treasury Board oversight) applies to ALTO.

The administrative deeming is a matter of executive action, not parliamentary decision. In substance, the FAA framework that applies to Canada Post and the Bank of Canada applies to ALTO. In form, however, ALTO arrives at this framework through a different route, and Parliament has not had the opportunity to consider whether the FAA Part X regime is, on its own, an adequate accountability framework for a project of this scale.

2.4 Board appointment mechanism

The mechanism by which ALTO's directors take office is itself a structural feature worth recording. The Corporate Plan Summary 2025–26 to 2029–30 (Appendix 3) confirms that directors are identified by the Board itself, recommended to the Minister of Transport, and then formally appointed by VIA Rail — ALTO's sole shareholder — in consultation with the Minister. The Minister consults but does not appoint. The parent corporation appoints, but only candidates whom the subsidiary's own board has nominated.

This contrasts with the general FAA Part X model in which Governor-in-Council appointments anchor parliamentary accountability for board composition. ALTO's directors are not GIC appointees; they do not appear in the Governor in Council appointments database; and the documentary record of their appointment is held by the parent corporation rather than the federal executive. The board that oversees expropriation, \$60–90 billion in proposed capital expenditure, and the Co-development relationship with Cadence is, in appointment terms, substantially self-perpetuating, with ministerial influence exercised through a consultative role rather than an appointing one.

3. The Reporting Architecture Under Part X of the FAA

Part X of the Financial Administration Act establishes a uniform reporting and accountability regime for parent Crown corporations. The regime is designed for ongoing operating Crown

corporations — bodies that provide a public service or commercial function under federal mandate, with reasonably stable activity profiles. The regime applies to ALTO without modification.

3.1 Corporate plan — summary only

Each parent Crown corporation submits a corporate plan to its responsible minister. The corporate plan covers the planning period, sets out objectives, projected expenditure, and major activities, and is approved by the Governor-in-Council on the minister's recommendation. The full corporate plan is not made public. What Parliament receives is a summary of the corporate plan, tabled by the responsible minister.

The summary's level of detail is at the discretion of the minister and Treasury Board. There is no statutory minimum content standard. ALTO's corporate plan, the document setting out what the corporation intends to do over the planning period and at what cost, is therefore not in the public domain.

3.2 Operating budget — summary only

An operating budget is submitted alongside the corporate plan. The operating budget is approved by the Treasury Board, and its summary is tabled in Parliament with the corporate-plan summary. Capital expenditures of major scale require additional Treasury Board approvals under the FAA's capital project review thresholds, but the operating budget itself reaches Parliament only as a summary.

3.3 Annual report

Each parent Crown corporation tables an annual report covering the previous fiscal year. The annual report includes audited financial statements, a discussion of activities, and reporting against the corporate plan's objectives. ALTO's annual reports will be tabled on this basis. The first annual report would be expected once the first full fiscal year of ALTO's operation has closed.

3.4 Treasury Board controls timing

Treasury Board, through the Privy Council Office and the Office of the Comptroller General, determines when corporate-plan summaries are tabled in Parliament. There is no fixed parliamentary calendar for these summaries. A delay in tabling does not, on its own, constitute a breach of the FAA. The result is that Parliament's access to even the summary-level information about ALTO is on the executive's timetable.

4. Two Senior Officials, One Framework

Set side by side, the December 2025 testimony of the Minister of Transport before the Senate Transport and Communications Committee and the February 2026 testimony of senior Transport Canada officials before the Senate Finance Committee describe a single, consistent reporting architecture. The fact that two separate officials, before two separate Senate committees, described the same framework in the same terms is itself a finding.

There is no additional layer the public has not been told about. What follows is the entire accountability architecture as senior officials understand it.

| REPORTING MECHANISM | WHAT IT PROVIDES |
|---|---|
| <p>Crown corporation status The legal foundation for ALTO's existence and reporting obligations.</p> | <p>Wholly-owned VIA Rail subsidiary, created by Order-in-Council in 2022. Because VIA Rail has no enabling Act, ALTO has none either. Deemed a parent Crown corporation under the FAA for reporting purposes. No legislated mandate, no statutory definition of powers, no statutory framework for accountability.</p> |
| <p>Corporate plan Forward-looking strategic and financial document; central to oversight.</p> | <p>Summary only. Submitted to the Minister of Transport for approval, then to the Governor-in-Council. Parliament receives a summary, not the full plan. Treasury Board determines timing. The corporate plan itself has not been published.</p> |
| <p>Operating budget Annual financial plan, central to public accountability for expenditure.</p> | <p>Summary only. Submitted with the corporate plan. Parliament receives a summary, not the full budget. The summary's level of detail is at the discretion of the minister and Treasury Board.</p> |
| <p>Annual report Retrospective accountability document covering the previous fiscal year.</p> | <p>Tabled in Parliament. Subject to the same disclosure standards as Canada Post and other established Crown corporations. Includes audited financial statements and reporting against the corporate plan.</p> |

| REPORTING MECHANISM | WHAT IT PROVIDES |
|---|---|
| <p>Committee appearances</p> <p>The mechanism by which Parliament can question ALTO directly.</p> | <p>On invitation only. ALTO may be called before parliamentary committees, and has appeared before Senate committees on two occasions to date. Appearances are at the committee's invitation; there is no scheduled or recurring appearance obligation specific to this project.</p> |
| <p>ALTO–Cadence contract</p> <p>Described in February 2026 testimony as the project's first layer of accountability, including a gain-share, pain-share mechanism between the Crown and its private partner.</p> | <p>Not publicly available. When asked directly during the February hearing, the Transport Canada witness declined to provide the agreement, characterizing it as a commercial relationship.</p> |

The accountability framework that exists is not a sub-set of a larger framework. It is, on the consistent testimony of the Minister and his senior officials, the framework. There is no additional statutory mechanism that has been mentioned, alluded to, or held in reserve. Parliament knows what it knows, and that knowledge is summary-level, on a schedule controlled by the executive.

5. What Is Not in the Public Domain

Three documents that would, in a typical major federal infrastructure project, be in the public domain — or at least available to Parliament in unredacted form — are not currently available for ALTO.

5.1 THE ALTO–CADENCE AGREEMENT

The contract between ALTO and the Cadence consortium — which will design and operate the high-speed rail system — was described by the Transport Canada witness on February 4 as the project's first layer of accountability, including a gain-share, pain-share mechanism between the Crown and its private partner. Asked directly whether the agreement is publicly available, the witness said it is not, characterizing it as a commercial relationship.

The contract that the government has identified as the project's primary accountability tool is itself unavailable for public scrutiny. The Cadence consortium includes the Caisse

de dépôt et placement du Québec, Air Canada, and SNCF (the French state railway operator) among its principals.

5.2 THE FINANCING STRUCTURE

The public-private split has not been finalized. The Caisse de dépôt et placement du Québec and Air Canada have committed to equity participation in the Cadence consortium, but the magnitude of private investment relative to public funding has not been disclosed.

ALTO's chief executive has indicated, in a May 2026 interview, that the published \$60–90 billion cost figure is a working assumption rather than an estimate, with reliable cost estimates expected only in 2027 or 2028, after detailed engineering follows alignment selection. Parliament is being asked to grant expropriation powers and to legislate around the project on a cost basis its own proponent describes as a working assumption.

5.3 THE ALTO CORPORATE PLAN

The full corporate plan submitted to the Minister of Transport and the Governor-in-Council has not been published. Only summaries reach Parliament, on Treasury Board's timing.

For a project of this expenditure scale and physical footprint, the corporate plan is the central document setting out what the corporation will do, when, and at what cost. Its public unavailability is a structural feature of the FAA Part X regime.

5.4 THE OPERATIONAL GOVERNANCE INSTRUMENTS

The Minister of Transport's mandate letter to the Chair of ALTO, reproduced as Appendix 1 of the Corporate Plan Summary, identifies three operational accountability instruments by name: a Co-Development Charter setting out the government-approved parameters of the Initiative and including a Decision Matrix that identifies "Designated Matters" requiring ministerial or governmental approval before ALTO may proceed; a bilateral collaboration agreement between Transport Canada and ALTO; and a tripartite agreement among Transport Canada, ALTO, and VIA Rail addressing, among other things, the transition of VIA Rail's corridor services and assets.

None of these three instruments is publicly available. Part X of the Financial Administration Act is published statute. The instruments that determine how Part X is applied to ALTO in operational practice — which decisions trigger ministerial approval, how the three parties divide responsibility, and what the Decision Matrix actually says — are governed by documents Parliament has not seen.

6. Two Clarifications from the February Hearing

Two points emerged from the February hearing that correct widespread misunderstandings about the project's regulatory posture. Both were stated directly by the Transport Canada witness on the Senate record.

6.1 ALTO is not designated under Bill C-5

Bill C-5 — the Building Canada Act — established the Major Projects Office and its expedited federal review framework. Public reporting and political messaging have at times implied that ALTO is a designated project under this regime.

The Transport Canada witness corrected the record on February 4: ALTO has been determined to be a transformative strategy, but it is not currently designated under Bill C-5 as a major Crown project. Whether it will be designated remains undetermined. As of the February hearing, it is not. The Major Projects Office is therefore not the regulatory framework under which ALTO is currently being delivered. Bill C-15's High-Speed Rail Network Act is.

The position has not changed since the February hearing, but the corporation's posture toward designation has. Appendix 5 of the Corporate Plan Summary 2025–26 to 2029–30 identifies, as a formal risk-mitigation activity under the Sustainable Development and Environment risk category, “Active representation to Government of Canada officials to ask to be designated a project of national interest under C-5.” The plan adds, elsewhere, that designation “would result in schedule changes and variances in Alto's funding requirements.” The accountability point is direct: a Crown corporation has placed on the public record that it is actively lobbying the federal government for a regulatory designation that would alter the impact assessment framework applicable to its own project. The channels, content, and recipients of that “active representation” are not disclosed.

6.2 The federal declaration is designed to displace provincial environmental assessment

Section 4 of the High-Speed Rail Network Act declares the railway to be for the general advantage of Canada. Asked why this declaration was necessary, the witness explained that without it, a provincial environmental impact assessment process might apply to segments wholly within one province — a regulatory uncertainty the legislation is designed to remove.

The federal declaration is not, on the witness's own account, a clarification of pre-existing federal jurisdiction. It is the active mechanism by which provincial environmental review of the corridor is foreclosed. For Eastern Ontario, the practical effect is direct: the Ontario Environmental Assessment Act will not apply to the southern corridor. Provincial scrutiny of the corridor's environmental footprint, including its passage through the Frontenac Arch Biosphere Reserve, has been removed by the same legislative instrument that grants the expropriation powers.

7. The VIA Rail Precedent: How FAA Part X Performs in Practice

On February 3, 2026, the Office of the Auditor General of Canada presented to VIA Rail Canada Inc.'s Board of Directors the results of its 2026 Special Examination. Special examinations are independent audits conducted under section 138(2) of the Financial Administration Act. They consider whether a Crown corporation's systems and practices provide reasonable assurance that its assets are safeguarded, its resources are managed economically and efficiently, and its operations are carried out effectively. They are the most authoritative external review of how the FAA Part X framework — the same framework deemed to apply to ALTO — performs at any individual Crown corporation.

The OAG's findings on VIA Rail are directly relevant to ALTO's accountability architecture for three reasons. First, ALTO is a wholly-owned subsidiary of VIA Rail; the legal foundation of ALTO's existence is its parent corporation's status. Second, the framework Robitaille and MacKinnon described as ALTO's accountability anchor is the same framework that has governed VIA Rail since 1978. Third, the OAG explicitly identified VIA Rail's role in supporting ALTO's development as falling within its 2026 audit scope, while confirming that ALTO will not itself be subject to an independent Special Examination until 2032.

7.1 What the OAG found at ALTO's parent corporation

The OAG examined VIA Rail's systems and practices over the period January 1, 2024 to March 31, 2025. While the audit concluded that VIA maintained reasonable systems and practices overall, the examination identified specific weaknesses in board governance, strategic planning, and risk management — the same categories that would matter most for an organization holding expropriation powers and major capital-project responsibility.

7.1.1 CORPORATE PLAN DELAY

VIA's 2025–2029 corporate plan was submitted to Transport Canada on time, eight weeks before the start of the fiscal year, as required by the FAA. As of December 2025 — more than 12 months later — the corporation had not received Treasury Board approval. VIA continued to operate under its previously-approved plan throughout the delay.

This is the same Treasury Board mechanism that senior officials described as ALTO's accountability anchor. The OAG observed that delays in obtaining approval can result in project delays, additional costs, and the need to reassess work because of shifts in priorities. Whether the same delay pattern will apply to ALTO's corporate plan approvals is not addressed in current legislation.

7.1.2 CEO OBJECTIVES NOT APPROVED OR SUBMITTED

The OAG found that VIA's Board of Directors had not approved the CEO's 2025 objectives, and had not submitted those objectives for the Minister of Transport's approval as required by the board's charter. The audit characterized the timely approval of CEO objectives as "an essential component to help ensure that the CEO's efforts are aligned with the corporation's strategic direction and that accountability for results is maintained."

ALTO operates under the same governance regime.

7.1.3 RISK TOLERANCE LEVELS NOT SET

The OAG found that VIA had not formally established and documented its risk tolerance levels — the willingness of the organization to accept particular levels of residual risk. Without such tolerances, boards lack the framework against which to assess whether identified risks require additional mitigation.

For an organization that holds expropriation powers and is preparing to deliver a \$60–90 billion capital project, the absence of formally established risk tolerances is a governance gap of consequence. The OAG identified this same gap at VIA, ALTO's parent. Whether ALTO has set its own risk tolerances is not in the public domain.

7.1.4 CONFLICT OF INTEREST DISCLOSURE INCOMPLETE

The OAG found that VIA's conflict of interest disclosure form for board members did not cover all types of conflicts described in the Directors' Code of Conduct and Ethics, and that board members were not asked to declare conflicts of interest at the start of meetings. The OAG noted that without complete disclosure procedures, "there may be a perception of weakened governance or reduced transparency, which could affect confidence in board decision making."

VIA's audit issues, on the board's own response, are being corrected during the first quarter of 2026. The position at ALTO is different. The Corporate Plan Summary 2025–26 to 2029–30 (Appendix 10) describes a Code of Business Conduct and Ethics that requires directors, employees, individual contractors, and interchange personnel to complete an annual disclosure form covering material relationships, personal interests, and the interests of family members, assessed by a designated Responsible Officer against the standard of real, potential, or perceived conflict, with a separate recusal policy for the Board.

On its face, the ALTO framework is more comprehensive than the framework the OAG audited at VIA. What is absent from the public domain is the framework's operation: the disclosures themselves, the Responsible Officer's determinations, the frequency and outcome of recusals, and whether the framework has been subjected to independent verification of the kind that produced the OAG's findings at VIA Rail. ALTO's first Special Examination is not scheduled until 2032. Until then, the framework's adequacy must be taken on the corporation's own assurance.

7.1.5 BOARD SELF-ASSESSMENT OVERDUE

VIA's Board of Directors had not conducted the governance self-assessment required by its own charter every three years; the most recent assessment was completed in 2021. The OAG identified this as a key governance practice that allows boards to reflect on performance, identify areas for improvement, and ensure oversight responsibilities are being fulfilled effectively.

Each of these findings concerns a baseline governance practice that the FAA Part X framework is meant to ensure. They were identified at a Crown corporation that has existed since 1977, has a fully-developed governance apparatus, and has been the subject of multiple prior Special Examinations. The proposition that the same framework — applied without modification — will

provide adequate oversight of a much larger, much more ambitious, and much newer Crown project is, on the OAG's evidence, not self-evidently sound.

7.2 The fiscal context: what FAA Part X is governing at VIA Rail

The OAG's audit reports VIA Rail's recent financial performance. In 2024, the corporation's operating costs were \$1,014 million against revenues of \$478 million, with \$385 million in operating subsidy and \$608 million in capital subsidy from the federal government. Between 2017 and 2024, federal budgets granted more than \$4 billion for VIA's capital projects.

Operating performance has deteriorated over the same period. On-time performance fell from 71% in 2015 to 51% in 2024, with the first quarter of 2025 recorded at 30%. The OAG identified that VIA owns only 3% of the 12,500 kilometres of track on which it operates, and that the two busiest stations — Montreal and Toronto — are owned by third parties. Service quality is therefore determined in large part by infrastructure relationships VIA does not control.

This is the operating context into which a \$60–90 billion high-speed rail Crown project is being layered, with the same governance regime, the same parliamentary reporting architecture, and the same line of ministerial accountability. The argument here is not that VIA Rail has failed; the OAG concluded that VIA maintained reasonable systems and practices overall. The argument is that the FAA Part X framework, applied to a passenger rail Crown corporation with nearly five decades of operating history, produces both the audit findings summarized above and the operating-performance trajectory the OAG documented. Whether the same framework, applied to a much larger and much newer Crown corporation responsible for expropriation and major capital delivery, will produce stronger results is a matter Parliament cannot currently assess.

7.3 The 2032 audit gap

Under section 138(2) of the Financial Administration Act, parent Crown corporations are subject to Special Examination at least once every ten years. The OAG confirmed in its 2026 VIA Rail report that ALTO — which it refers to by its earlier legal name, VIA HFR–VIA TGF Inc. — "will be subject to its own special examination before 2032 (10 years after its incorporation)."

ALTO was incorporated in 2022. The first independent Special Examination of a Crown corporation that may spend \$60 to 90 billion will therefore occur in or before 2032 — by which time construction will have been underway for three years, land will have been expropriated across the corridor, and a substantial portion of the project's lifecycle expenditure will have been committed.

The ten-year cycle in section 138(2) is a minimum, not a maximum. There is statutory room for an earlier examination on direction. The current absence of any plan for an accelerated examination means that the most authoritative form of independent governance audit available under Canadian law will not reach ALTO until after the period in which it would most matter.

The Corporate Plan Summary 2025–26 to 2029–30 (Appendix 6) confirms that the Office of the Auditor General serves as ALTO’s external auditor for fiscal year 2025–26 and will audit the annual financial statements. This is the annual financial-statement audit, not a Special Examination. The two instruments are governed by different sections of the Financial Administration Act and produce different outputs. The financial-statement audit attests to the fair presentation of the corporation’s financial position in all material respects. The Special Examination assesses systems and practices for safeguarding assets, economical and efficient management of resources, and effective operations — the categories under which the OAG made its 2026 findings at VIA Rail. The presence of an annual OAG financial audit does not substitute for the independent governance examination that section 138(2) reserves for the ten-year cycle.

7.4 What the comparison establishes

The point of this section is not that VIA Rail is poorly run, nor that the OAG’s findings indicate any pattern of misconduct. They do not. The point is narrower and more structural: the FAA Part X framework that senior officials have repeatedly described as ALTO’s accountability architecture is the same framework whose performance at VIA Rail the OAG has now independently audited. The framework produces the findings catalogued above. It produces them at a Crown corporation that is fifty years old, that has been audited multiple times, and whose governance practices have been refined across multiple audit cycles.

Applied to a much newer, much larger, and much more politically-exposed Crown project, with expropriation powers and a \$60–90 billion footprint, the same framework is being asked to deliver oversight under significantly more demanding conditions. Whether it can do so is a question Parliament has not been invited to consider. The 2032 audit gap means that, on the current architecture, Parliament will not have an independent answer to that question until the project is well past the point where the answer could meaningfully change its trajectory.

8. Why This Matters: Expropriation and Fiscal Control

The accountability gap matters for two distinct reasons. The first is the directly-felt grievance of landowners along the corridor whose property will be expropriated. The second is the constitutional question of how Parliament controls spending of this magnitude. Both are weakened by the architecture documented in Sections 2 through 7. They are also reinforced by each other: the corporation that will exercise expropriation powers is the same corporation that will spend \$60 to 90 billion of public money, under the same thin accountability architecture, with no independent special examination scheduled until 2032.

8.1 Expropriation powers

Bill C-15 has granted ALTO expropriation powers — the authority to take privately owned land for the high-speed rail corridor. The Initiative’s research on the bill has established that this

power, on the bill's terms, can be exercised before the federal Impact Assessment process is complete; that a temporary notice of prohibition of work can attach to land that has not yet been formally expropriated; and that the federal expropriation regime has been adjusted in this legislation to align more closely with provincial practice.

ALTO's own chief executive has publicly estimated that approximately 1,700 properties will be acquired across the corridor, of which approximately 500 will be farmland. Land acquisition on the Ottawa–Montreal segment is to begin in late 2026 or early 2027, ahead of the 2029 construction start. Some of these acquisitions will, on the chief executive's own statement, require expropriation.

A power of this magnitude, exercised on this scale, by a corporation without enabling legislation, with summary-only reporting on Treasury Board–controlled timing, with an undisclosed contract with a private consortium, is an architecture that needs strengthening. Expropriation of private property at this scale, with public expenditure at this scale, is precisely the situation that parliamentary oversight exists to govern.

The C-15 powers, in any event, are not where the corporation's legislative posture ends. Appendix 5 of the Corporate Plan Summary 2025–26 to 2029–30, under the Land Acquisition and Real Property risk category, identifies as risk-mitigation activities “Work with the Government of Canada on options to streamline legislative measures by adapting them to the Alto project context and reality” and “Provide more efficiency and predictability with regards to the expropriation process.” The corporation that has just received expropriation powers under C-15 has placed on the public record its intention to seek further legislative refinement of those powers to its own benefit. As with the C-5 representation discussed in Section 6.1, the channels and content of this engagement are not in the public domain.

8.2 Fiscal control over \$60–90 billion

The Canadian parliamentary system is built around line departments that report to ministers, who in turn report to Parliament through the annual estimates and supply process. Parliament's central historical role — its core constitutional function — is control over the public purse. Departmental spending is subject to vote-by-vote scrutiny in the estimates process; the Public Accounts Committee reviews how voted funds were spent; the Office of the Auditor General audits departmental performance annually.

Parent Crown corporations sit outside this regime. They operate under FAA Part X, which establishes a separate and substantially looser financial-control framework: a corporate plan and operating budget that reach Parliament only as summaries, on Treasury Board's timing; an annual report tabled after the fact; an independent Special Examination once every ten years. The trade-off Parliament made in adopting this framework was to give Crown corporations the operational flexibility their commercial or service mandates required, while retaining ministerial responsibility and after-the-fact reporting.

That trade-off was struck in respect of operating Crown corporations with established mandates and predictable activity profiles. It was not struck in respect of a newly-incorporated subsidiary holding a \$60–90 billion greenfield infrastructure mandate, on an accelerated timeline, with expropriation powers. The looser financial controls that come with Crown corporation status apply to ALTO without the kind of statutory anchor — an enabling Act, with project-specific reporting and oversight provisions — that other major federal Crown projects of comparable scale have historically required.

The OAG's 2026 findings on VIA Rail make this concrete. The same framework that is now being relied upon for ALTO has, at the parent corporation, produced corporate-plan approval delays exceeding twelve months; CEO objectives not approved or submitted to the Minister as charter-required; risk tolerance levels not formally established; conflict of interest disclosure procedures that did not cover all required categories; board self-assessments overdue. None of these findings is catastrophic on its own. Each represents a baseline governance practice that the FAA Part X framework is meant to deliver, and that the framework has not consistently delivered at the corporation ALTO is a subsidiary of.

Parliament is being asked to grant expropriation powers and to legislate around a project whose public cost figure is described by its own chief executive as a working assumption. Reliable cost estimates are not expected until 2027 or 2028. The first independent special examination of the corporation responsible for delivering the project will not occur until 2032. Between now and 2032, on the current architecture, Parliament's information about ALTO will be: summary-level corporate plans on Treasury Board's timing, annual reports tabled after the fact, occasional committee appearances on invitation, and ministerial responsibility exercised through a relationship that is not, on the OAG's evidence, producing tight financial control at the parent corporation.

8.3 The two arguments converge

The expropriation argument and the fiscal-control argument are not alternatives. They are two faces of the same structural problem. ALTO has been granted significant coercive power over private property, and significant access to public expenditure, under an accountability framework that was not designed for either purpose and that — on independent audit evidence — does not consistently deliver baseline governance at its parent corporation. The Senate Finance Committee's questioning on February 4 made the framework visible on the parliamentary record. The OAG's Special Examination of VIA Rail, presented to the corporation's board on February 3, makes the framework's performance independently auditable. Independent research from outside Parliament documents how the framework is being applied to ALTO specifically. The three sources converge on the same finding. What remains is for the finding to be addressed.

9. Recommendations

None of the following requires the project to be paused, cancelled, or fundamentally redesigned. Each is a discrete accountability commitment, available within Parliament's existing authority, that would bring ALTO's governance closer to the standard that other major federal Crown projects already meet.

9.1 Enabling legislation for ALTO

An Act of Parliament establishing ALTO's mandate, powers, and reporting obligations, replacing the Order-in-Council foundation. This brings ALTO into line with other parent Crown corporations of comparable scale and provides Parliament with a statutory anchor for future oversight. Such an Act could draw on the precedent of the Canada Post Corporation Act, the Bank of Canada Act, and the original VIA Rail Canada legislation, modified for the specific functions of a high-speed rail Crown.

9.2 Public release of the ALTO–Cadence contract

With redactions only for genuinely commercial-sensitive information, on the model of routine federal procurement disclosure under the Government of Canada's open-by-default contract publication framework. The contract that the government has identified as the project's first layer of accountability cannot serve that function while it remains sealed.

9.3 A Parliamentary Budget Officer review

Of the project's economic case, including the benefit–cost ratio, the cost-estimate methodology, and the public-private financing assumptions. A senator has already raised this question with the Minister of Transport at the Transport and Communications Committee, where the Minister confirmed that the PBO is available to senators. The PBO is the appropriate independent body to review the working-assumption status of the published cost figure and to test the project's economic foundation against reference-class forecasting standards.

9.4 A standing committee study

Of the project's governance and procurement architecture, addressing the gaps documented in the February 2026 Senate hearing and reinforced by the OAG's January 2026 findings on VIA Rail. Such a study can be initiated under existing Senate or House committee mandates without requiring legislative change. The Senate Transport and Communications Committee, the Senate Finance Committee, or the House Standing Committee on Transport, Infrastructure and Communities are all appropriate venues.

9.5 An advanced OAG Special Examination of ALTO

Section 138(2) of the Financial Administration Act sets a minimum Special Examination cycle of ten years, but does not preclude an earlier examination. The Office of the Auditor General can be directed by Order-in-Council, or invited by parliamentary committee resolution, to conduct an early Special Examination of ALTO — focused on the corporation's governance, risk management, procurement, and financial controls — at a point much closer to the start of construction than the default 2032 timeline.

The OAG's 2026 examination of VIA Rail has demonstrated the value such an audit produces: precise, independent, on-the-record findings against established criteria, with corporate responses publicly committed. Applying the same examination to ALTO before significant land acquisition and capital commitment is undertaken would establish an independent baseline against which the project's later performance could be measured. It would also, on the experience of the VIA Rail audit, identify governance gaps in time for them to be addressed rather than after the fact.

Sources

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2. Standing Senate Committee on Transport and Communications, Evidence, December 2025 — testimony of the Minister of Transport on the High-Speed Rail Initiative. sencanada.ca/en/content/sen/committee/451/trcm/16ev-57426-e
3. Office of the Auditor General of Canada, 2026 Special Examination — Report of the Auditor General of Canada to the Board of Directors of VIA Rail Canada Inc. Presented to the Board of Directors on February 3, 2026. Cat. No. FA3-201/2025E-PDF, ISBN 978-0-660-97811-6. canada.ca/content/dam/oag-bvg/audit-reports/documents/SE-2026-VIA-Rail-Canada-Inc-En.pdf
4. Bill C-15, Budget Implementation Act, 2025, No. 1 — the High-Speed Rail Network Act is contained in Division 1 of Part 5. parl.ca
5. Financial Administration Act, R.S.C. 1985, c. F-11, Part X (Crown corporations); section 138 (Special Examinations). laws-lois.justice.gc.ca/eng/acts/F-11/
6. Andrew Pinsent, "High-Speed Rail in Eastern Ontario: Rural Backlash, Land Expropriation and Next Steps," CFRA / Substack, May 2, 2026 — including the Imbleau interview confirming acquisition footprint and working-assumption status of the cost figure.
7. Order-in-Council establishing VIA TGF (now ALTO) as a wholly-owned subsidiary of VIA Rail, 2022. Order-in-Council records available through the Privy Council Office. orders-in-council.canada.ca
8. Canada Post Corporation Act, R.S.C. 1985, c. C-10 — comparator enabling legislation for a parent Crown corporation.
9. Bank of Canada Act, R.S.C. 1985, c. B-2 — comparator enabling legislation for a parent Crown corporation.

10. VIA HFR – VIA TGF Inc. (Alto), Corporate Plan Summary 2025–26 to 2029–30. Tabled summary of the corporation’s corporate plan under Part X of the Financial Administration Act. Sourced via the Corporation’s public disclosure. altotrain.ca