Transport Canada Transports Canada

TRANSPORT CANADA

Departmental Performance Report

2013-14




Canada

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Departmental Performance Report

The Honourable Lisa Raitt, P.C., M.P.
Minister of Transport

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Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013−14 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well,

departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

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Minister's Message

I am pleased to present the *Departmental Performance Report* on Transport Canada's progress with respect to the goals set out in our *2013–14 Report on Plans and Priorities*.

Transport Canada's major focus during the past year has been, and remains, the safety of our transportation systems. Following the tragic events that took place in Lac-Mégantic, the department took steps to strengthen rail safety and the transportation of dangerous goods across Canada. For example, we introduced stronger requirements for labeling shipments and ordered that rail tank cars that fail to meet our most recent safety standards be refitted or phased out from dangerous goods service. We also directed rail shippers to ensure an Emergency Response Assistance Plan is in place if they have even a single tank car of designated flammable liquids, so that first responders are equipped to deal with dangerous goods incidents. These measures will improve safety for the rail industry and for communities affected by rail transportation.

Our actions to ensure the safety and security of Canada's transportation system are built on three cornerstones: prevention, preparedness to respond, and liability and compensation. For example: we want to take every measure we can to prevent oil spills from happening in the first place, ensure we are prepared to respond quickly if they do happen, and have rules in place to ensure polluters pay for such incidents.

These principles are at the heart of Canada's World-Class Tanker Safety System, being developed to enhance vessel safety and protect the marine environment in light of the growing international demand for Canadian natural resources that we expect will result in increased vessel traffic in Canadian waters. As part of this initiative, Transport Canada has increased the number of hours flown under the National Aerial Surveillance program that detects marine pollution from vessels in our waters. My Department is also inspecting all foreign tankers on their first visit to Canada. In addition, we have put forward amendments to the *Canada Shipping Act, 2001* to improve safety in our waters, enhance government oversight of industry and increase our enforcement powers.

As well as strengthening safety oversight, we continue to focus on ensuring our transportation system is effective, efficient and reliable. In July 2013, Transport Canada supported the successful passage of the *Fair Rail Freight Service Act*. This new legislation encourages railways and shippers to negotiate service agreements, making the rail system more efficient and Canada more competitive in global trade.

We have moved ahead on major infrastructure projects that support the Government of Canada's focus on economic growth, such as the Detroit River International Crossing. This has been achieved while supporting the government's wider goals of responsible resource development, which streamlines the review process for major resource projects, while strengthening environmental protection and enhancing consultations with Canada's Aboriginal Peoples.

Transport Canada will continue to serve Canadians by promoting a safe, secure, efficient and environmentally responsible transportation system and strengthen our country's future.

The Honourable Lisa Raitt, P.C., M.P.
Minister of Transport

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: Lisa Raitt, Minister of Transport

Institutional Head: Louis Lévesque, Deputy Minister

Ministerial Portfolio: Transport Canada

Transport Canada is part of the Transport Canada Portfolio, which includes Transport Canada, shared governance organizations (e.g., the St. Lawrence Seaway Management Corporation), Crown corporations (e.g., the Great Lakes Pilotage Authority, Canada Post Corporation) and administrative tribunals/agencies (e.g., the Transportation Appeal Tribunal of Canada). Grouping these organizations into one portfolio allows for integrated decision-making on transportation issues.

Enabling Instrument: *Department of Transport Act* [i](R.S., 1985, c. T-18)

Transport Canada administers over 50 laws related to transportation[ii] and also shares the administration of many others. Access to the full text of federal acts and regulations is provided by Justice Canada, which is responsible for maintaining the Consolidated Statutes of Canada[iii].

Year of incorporation / Commencement: 1936

Organizational Context

Raison d'être

The movement of people and goods lies at the cornerstone of our modern and interconnected world. Canadians expect to be able to travel and expedite goods locally, across the country or around the world in an efficient, clean, safe and secure manner. Canada's transportation system meets the challenges posed by topography and geography, linking communities and reducing the effects of the distance that separates people. These vital roles reflect transportation's interdependent relationship with all sectors of the economy and society.

OUR VISION
A transportation system in Canada that is recognized worldwide as safe and secure, efficient and environmentally responsible.

Transport Canada's departmental vision of a sustainable transportation system integrates social, economic and environmental objectives. Our vision's three guiding principles are to work towards the following objectives:

- the highest possible safety and security of life and property, supported by performance-based standards and regulations;
- the efficient movement of people and goods to support economic prosperity and a sustainable quality of life, based on competitive markets and targeted use of regulation and government funding; and
- respect of the environmental legacy of future generations of Canadians, guided by environmental assessment and planning processes in transportation decisions and selective use of regulation and government funding.

Responsibilities

Transport Canada[iv] is responsible for the Government of Canada's transportation policies and programs. The Department develops legislative and regulatory frameworks, and conducts transportation oversight through legislative, regulatory, surveillance and enforcement activities. While not directly responsible for all aspects or modes of transportation, the Department plays a leadership role to ensure that all parts of the transportation system across Canada work together effectively.

Transport Canada has sole responsibility for matters such as aviation safety and security; for other matters, we share responsibility with other government departments, and provincial, territorial and municipal governments. We also work with trading partners and in international organizations to understand and harmonize policy and administrative frameworks, so as to protect Canadian users of the global transportation system while encouraging efficiency.

In areas for which Transport Canada does not have direct responsibility—for example, for building and maintaining road networks—we use strategic funding and partnerships to promote the safe, efficient and environmentally responsible movement of people and goods into and across the country. In this way, we play a leadership role to ensure that all parts of the transportation system across Canada and worldwide work together effectively and efficiently.

Strategic Outcomes and Program Alignment Architecture (PAA)

As illustrated in Figure 1, Transport Canada's 2013–14 Program Alignment Architecture includes 16 programs that contribute to achieving the following three departmental Strategic Outcomes:

1. An efficient transportation system;
2. A clean transportation system; and
3. A safe and secure transportation system.

The 17th program, Internal Services, supports all three strategic outcomes.

To better align itself to the Government of Canada outcome areas[v] the Department has modified its PAA to combine the former Strategic Outcomes (SO) of A Safe Transportation System and A Secure Transportation System into one program, starting in 2013–14. We have also made other minor activity alignments at the program and sub-program level.

Figure 1: Transport Canada 2013–14 Program Alignment Architecture (PAA)

1 An Efficient Transportation System		2 A Clean Transportation System	3 A Safe and Secure Transportation System	
1.1 Transportation Marketplace Frameworks	**1.3 Transportation Infrastructure**	**2.1 Clean Air from Transportation**	**3.1 Aviation Safety**	**3.5 Transportation of Dangerous Goods**
1.1.1 Air Marketplace Framework	1.3.2 Marine Infrastructure	2.1.1 Clean Air Regulatory Framework and Oversight	3.1.1 Aviation Safety Regulatory Framework	3.5.1 Transportation of Dangerous Goods Regulatory Framework
1.1.2 Marine Marketplace Framework	1.3.2.1 Canada Port Authority Stewardship	2.1.2 Clean Air Programs	3.1.2 Aviation Safety Oversight	3.5.2 Transportation of Dangerous Goods Oversight
1.1.3 Surface Marketplace Framework	1.3.2.2 Seaway Stewardship and Support	**2.2 Clean Water from Transportation**	3.1.2.1 Service to the Aviation Industry	3.5.3 Emergency Response for Transportation of Dangerous Goods
1.1.4 International Frameworks and Trade	1.3.2.3 Ferry Services Stewardship and Support	2.2.1 Clean Water Regulatory Framework	3.1.2.2 Surveillance of the Aviation System	**3.6 Aviation Security**
	1.3.2.4 Port Operations	2.2.2 Clean Water Regulatory Oversight	3.1.3 Airports Capital Assistance	3.6.1 Aviation Security Regulatory Framework
			3.1.4 Aircraft Services	
1.2 Gateways and Corridors	1.3.3 Surface and Multimodal Infrastructure	**2.3 Environmental Stewardship of Transportation**	**3.2 Marine Safety**	3.6.2 Aviation Security Oversight
1.2.1 Asia-Pacific Gateway and Corridor Initiative	1.3.3.1 Rail Passenger Stewardship and Support		3.2.1 Marine Safety Regulatory Framework	3.6.3 Aviation Security Technological Infrastructure
			3.2.2 Marine Safety Oversight	
1.2.2 Gateways and Border Crossings Fund	1.3.3.2 Federal Bridge Stewardship		3.2.3 Navigable Waters Protection	**3.7 Marine Security**
			3.3 Rail Safety	3.7.1 Marine Security Regulatory Framework
1.3 Transportation Infrastructure	1.3.3.3 Highway and Other Transportation Infrastructure Support		3.3.1 Rail Safety Regulatory Framework	3.7.2 Marine Security Oversight
1.3.1 Airport Infrastructure	**1.4 Transportation Analysis and Innovation**		3.3.2 Rail Safety Oversight	3.7.3 Marine Security Operations Centres
1.3.1.1 Airport Authority Stewardship	1.4.1 Socio-Economic Research and Analysis		3.3.3 Rail Safety Awareness and Grade Crossing Improvement	**3.8 Surface and Intermodal Security**
1.3.1.2 Airport Operations	1.4.2 Transportation Innovations, Research, Development & Technology		**3.4 Motor Vehicle Safety**	**3.9 Multimodal Safety and Security**
1.3.1.3 Small Aerodrome Support	1.4.3 Transportation Data Framework and Stewardship		3.4.1 Motor Vehicle Safety Regulatory Framework	3.9.1 Multimodal Strategies and Integrated Services
			3.4.2 Motor Vehicle Safety Oversight	3.9.2 Emergency Preparedness and Situation Centres
			3.4.3 Motor Carrier Safety	3.9.3 Integrated Technical Training

4.1 Internal Services (Supports all SOs)	4.1.1 Governance and Management Support	4.1.2 Resource Management Services	4.1.3 Asset Management Services

LEGEND	Strategic Outcome	Program	Sub-program or Sub-sub-program

Organizational Priorities

Transport Canada identified five priorities for 2013–14. These priorities are aligned with Government of Canada (GoC) priorities, support the achievement of its Strategic Outcomes and help the Department address risks. The following tables provide a summary of the progress made during the year against these priorities.

Priority	**Type**[1]	**Strategic Outcomes and Programs**
Refine and strengthen Transport Canada's safety and security oversight	Ongoing	SO3 A Safe and Secure Transportation System (All programs)
Summary of Progress		
• Transport Canada responded to early advisories from the Transportation Safety Board due to the Lac-Mégantic accident and immediately established a two-person minimum for locomotive crews on trains carrying dangerous goods and by imposing stricter rules for securing unattended trains. In addition, Transport Canada drafted and implemented regulatory amendments introducing new safety standards for DOT-111 tank cars carrying dangerous goods, while directing that older model DOT-111 tank cars that do not meet the new standards be removed from service by May 1, 2017. Transport Canada has also moved to enhance inspections, documentation and follow-up for railway safety and the transport of dangerous goods. • Continued implementation of standardized quarterly performance reporting for risk-based inspection plans by Safety and Security programs. Standardization supports continued strengthening of risk-based planning methodologies, optimization of inspection schedules and consistency of performance reporting with a focus on highest risk transport operations; • Advanced the modernization of Marine Safety's regulatory and oversight frameworks through the development of the new national policy framework for alternate service delivery and the Arctic Shipping policy framework; • Strengthened the training regime for inspectors and technical experts to ensure they maintain required skills and competencies through the update of training tools and manuals for inspectors and officers by implementation of a Multimodal Integrated Technical Training branch. The centralization of training will include Multimodal core and specialized as well as modal specific training; • In 2013, the Values and Ethics Code was widely distributed via a communiqué to make all employees and executives aware of the Code. One hundred percent of active employees have been informed of the new Values and Ethics Code for the Public Sector and Transport Canada; and • The majority of the action items in the Civil Aviation Safety program Action Plan have been addressed, with 97% of commitments completed as of March 31, 2014. **Work in Progress** • Planned completion of the remaining commitments in the Civil Aviation Safety program Action Plan by June 2014; • Continued review and updating of guidance material, tools and integrated electronic technical		

[1]Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or Departmental Performance Report..

training;
- Transport Canada is strengthening its human resources planning practices and is taking concrete steps to further strengthen oversight capacity, including increasing the number of inspectors; and
- The accident in Lac-Mégantic, Quebec, in July 2013 underscores the complexity that Transport Canada's oversight of railway safety and transportation of dangerous goods must always address. TC is working in partnership with other levels of government as well as industry and first responders to improve sharing of information, classification of dangerous goods, means of containment, and emergency response, as well as implementing more stringent operational safety requirements for railway companies.

Priority	**Type**	**Strategic Outcome and Programs**
Ensure that our critical infrastructure is safe, efficient and environmentally responsible	Ongoing	SO1 An Efficient Transportation System (programs 1.2 and 1.3) SO3 A Safe and Secure Transportation System (programs 3.6 and 3.8)

Summary of Progress

- Advanced work on the Detroit River International Crossing:
  - Prepared the transition of activities to the Windsor–Detroit Bridge Authority;
  - Developed the public–private partnership business case for the project;
  - Carried-out advance technical work including: U.S. title searches for over 1,000 U.S. properties, geotechnical work in both the United States and Canada, species at risk relocation (including monitoring and maintenance); and
  - Conducted preparatory work on the Canadian plaza site.
- Completed the environmental assessment for the bridge over the St. Lawrence River to replace the Champlain Bridge in Montreal (August 2013);
- In May 2013, Canada and the United States released the first annual joint Border Infrastructure Investment Plan[vi]. The development and release of this initiative fulfills a commitment made under the 2011 Canada–United States Beyond the Border Action Plan. The Plan is an interagency and binational mechanism developed to establish a mutual understanding of recent, ongoing and potential border infrastructure investments, with a focus on major crossings. It also outlines the approach that Canada and the United States will take to coordinate plans for physical infrastructure upgrades at small and remote ports of entry; and
- Completed the testing phase of the harmonized Trusted Traveler screening lane at Canada-U.S. border crossings. Client feedback was positive. Further adjustments will be made to improve the efficiency of the harmonized lane and obtain wait-time data.

Work in Progress

- Continue site preparation in Canada and the United States and transition activities to the Windsor–Detroit Bridge Authority;
- Construction of the temporary Nuns' Island causeway has begun; however, responsibility for construction has been transferred to The Jacques Cartier and Champlain Bridges Inc. and oversight responsibility was transferred to Infrastructure Canada effective February 2014;
- Prepare the second edition of the bi-national Border Infrastructure Investment Plan. This initiative will be updated and disseminated annually;
- Work is underway to sign a Contribution Agreement to implement border wait time measurement technology at the Rainbow Bridge in the Buffalo–Niagara region; and
- The further adjustments to the harmonized Trusted Traveler screening lane concept with the United States will be retested with operational adjustments.

Priority	Type	Strategic Outcomes and Programs
Ensure that Transport Canada's policies, programs and activities will meet the needs of the transportation system in the long-term through policy renewal	Ongoing	SO1 An Efficient Transportation System (All SO1 programs) SO2 A Clean Transportation System (All SO2 programs)

Summary of Progress

- The *Fair Rail Freight Service Act*[vii] legislation, which provides shippers with the right to request a service level agreement and an arbitration process to establish terms of service, received Royal Assent on June 26, 2013;
- Developed and introduced an Order in Council[viii] and *Fair Rail for Grain Farmers Act*[ix] to address a backlog in western grain shipments;
- Engaged shippers and railways on strengthening the liability and compensation regime for rail;
- Engaged industry stakeholders and relevant federal government officials to address short-term opportunities and advance longer-term dialogue on competitiveness issues:
  - Implemented strategies on the future of Transport Canada-owned airports and ports, including conducting discussions on regional local airports asset management strategy; and
  - Conducted additional research, industry roundtables and collaborated with other government departments in support of the Air Services Review.
- Pursued a targeted approach in carrying out initiatives under the umbrella of the Innovation Strategy, including:
  - Sharing and advancing research on the deployment of innovative transportation technologies and best practices through Canada-China and Canada–India cooperation and other advanced technologies;
  - Supporting the targeted deployment of technologies and systems to improve truck traffic management at Canada's major container ports with a view to addressing efficiency and environmental objectives; and
  - Researching technologies and best practices for addressing infrastructure and operating challenges facing Northern transportation systems.

Work in Progress

- Developed the process, strategy, and budget for the statutory review of the *Canada Transportation Act* (CTA), including the draft Terms of Reference, aligning with Transport Canada's long-term strategic objectives. On March 26, 2014, the Minister of Transport announced that the statutory review of the CTA would be accelerated by one year.

Priority	Type	Strategic Outcomes and Programs
Develop and implement initiatives to contribute to the government's Responsible Resource Development agenda	New	SO2 A Clean Transportation System (All SO programs) SO3 A Safe and Secure Transportation System (programs 3.2 and 3.9)

Summary of Progress

- Continued work to identify future measures to support responsible resource development that will strengthen tanker safety, the nation's oil spill preparedness and response regime, and safe and environmentally responsible marine shipping. These measures include establishing an Incident Command System, conducting scientific research, and installing new and modified aids to navigation.. An example is the Technical Review Process of Marine Terminal Systems and Transshipment Sites (TERMPOL) (a federal government initiative that assesses the safety and risks associated with oil and gas tanker movements to, from and around Canada's marine terminals);
- Continued to increase the frequency of aerial surveillance flights for pollution monitoring, which acts as a deterrent by discouraging illegal discharges of pollution at sea. The National Aerial Surveillance program also helped to save lives by responding to a variety of search and rescue calls from the regional coordination centres;
- Contributed to the "whole of government" approach to environmental assessment and regulatory review of major resource projects, including working closely with other government departments to ensure a coordinated and efficient approach to the application of Major Projects Management Office (MPMO) and Northern Projects Management Office (NPMO) processes. Of 14 completed MPMO projects, 11 involved the department as either a federal authority or regulatory department. Five NPMO projects received environmental assessment approval, and are now either in the regulatory or construction phase. Transport Canada is involved in all but two of the 33 active NPMO projects; and
- Established and operationalized the Framework for implementation of Section 67 responsibilities under the *Canadian Environmental Assessment Act, 2012*[x] on federal lands. Participated in 196 environmental reviews of federal lands.

Work in Progress

- Transport Canada is currently implementing recommendations resulting from the Tanker Safety Expert Panel review of the ship-source oil spill regime south of the 60th parallel; and
- The Panel recently conducted a review of the requirements for ship-source spills of hazardous and noxious substances in Canadian waters, as well as for ship-source oil spills in the Canadian Arctic. The Panel is expected to submit its final report to the Minister in early Fall 2014.

Priority	Type	Strategic Outcomes and Programs
Implement planned efficiencies as announced in Economic Action Plan 2012	New	All SOs and programs

Summary of Progress

Transport Canada achieved savings measures as planned, through efficiency measures and program reductions that align resources to its core mandate and by transforming how it works internally. Examples include:

Back office streamlining, such as:

- Finding savings through greater efficiencies, for example in ministerial correspondence and web publishing, and by better aligning work to departmental priorities; and
- Reducing administrative overhead, for example in program management activities, such as integrating the Marine Safety and Marine Security programs by consolidating their management functions.

Program changes, such as:

- Realigning Transport Canada's main research functions (research and development and economic analysis) and focusing research and development activities on core strategic priority areas; and
- Implementing a new Navigation Protection program with streamlined approaches for the review of major economic projects—new *Navigation Protection Act* came into force on April 1, 2014.

By focussing on long-term benefits and on core functions that are in line with the Department's mandate and by taking steps to ensure that core safety and security functions are not compromised, the Department is mitigating risks related to these savings as well as minimizing the effect on employees and Canadians.

Risk Analysis

Transportation connects all of Canada's social and economic activities. It provides market access for natural resources, agricultural goods, manufactured products and services. It provides access to work and leisure activities for Canadians and visitors. Transportation links communities across Canada in diverse and sometimes extreme conditions.

The extensive scope of Canada's transportation system can make it vulnerable to serious challenges with uncertain effects. As well, while Transport Canada plays a leadership role to ensure that all parts of the transportation system work together effectively, the Department is not responsible for all aspects or modes of transportation. Therefore, the complex structure of a national transportation system, which includes multiple jurisdictions interacting with private-sector stakeholders and users, requires Transport Canada to manage risk as effectively as possible.

Transport Canada's current strengths include a highly knowledgeable, skilled, experienced workforce, and extensive collaborative networks and partnerships. But opportunities to minimize risk exist. For example, we can better align safety and security practices and mechanisms between modes and across organizations to address the Safety and Security oversight effectiveness opportunity area.

Fostering collaboration through improved tools and partnerships within Transport Canada and among other departments, the private sector, provinces/territories, academia and international partners is essential. Web and mobile technologies can help to increase efficiency and flexibility, improve engagement and knowledge transfer, and deliver accurate and timely information and services. Security threats, affecting all modes of the transportation system, require continued vigilance, and governments and industry must adapt quickly to changes in the environment and to incidents to maintain public confidence in the transportation system.

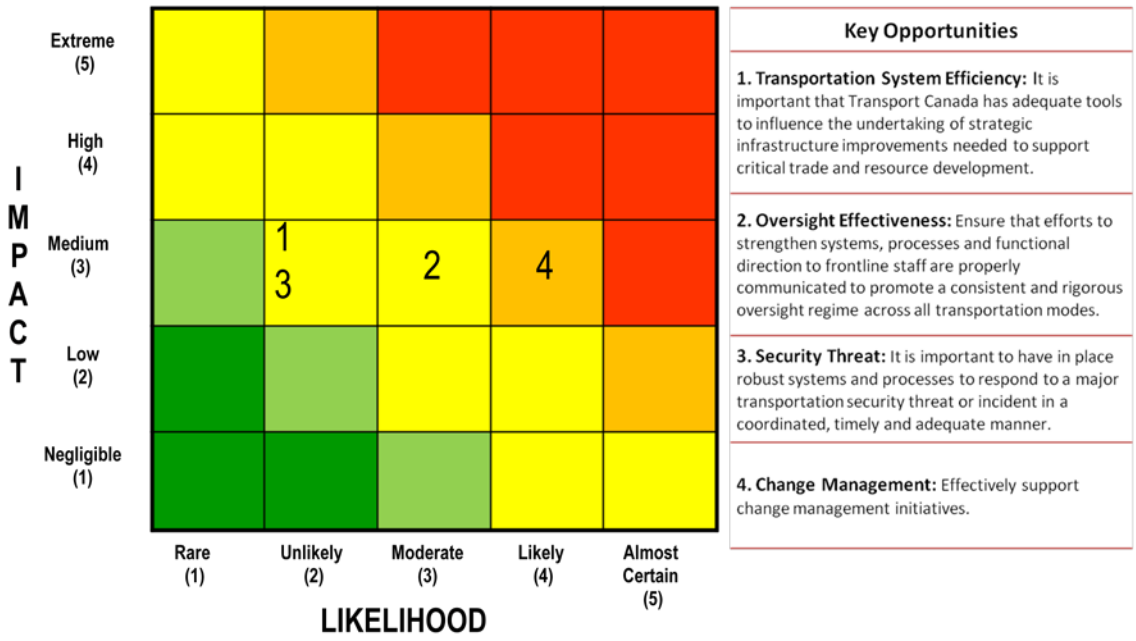
Key Risks and Risk Responses

Transport Canada has an Integrated Risk Management policy that includes a governance structure and promotes the use of risk management practices to respond to known risks and uncertainty.

As part of its integrated planning and reporting process, the Department identifies risks at all levels of the organization, which leads to better informed decisions. The Corporate Risk Profile focuses management attention and action on what could most affect achieving our mandate. The Corporate Risk Profile is adjusted where needed to reflect changes in operating conditions as they arise. Figure 2 shows the Corporate Risk Profile that was in place at the time of the drafting of the 2013–14 Report on Plans and Priorities.

The likelihood that a risk event would occur despite mitigation measures was assessed and its potential impact on the Department's achievement of its mandate.

Figure 2: Transport Canada's Corporate Risk Profile (Approved October 2012)



We present the Department's progress on the key elements of the risk response strategy that was in place at the start of 2013–14 in the following table:

Opportunity Area	Risk Response Strategy – As per the Report on Plans and Priorities	Link to Program Alignment Architecture
(R1) Safety and Security Oversight Effectiveness	Transport Canada must provide effective oversight of the national transportation system. This opportunity area's focus is on the needs of frontline staff to ensure they are equipped and have the resilience to respond appropriately. Key responses: • Continued to enhance consistent application of national and modal risk-based inspection and enforcement regimes; • Made ongoing revisions to training and guidance materials across all modes to incorporate best practices; • Further developed and implemented a regulatory capacity building program for employees involved in the regulatory process. All eight risk responses were on track.	SO3 - A safe and secure transportation system
(R2) Change Management	Continuing transformation, whether related to cost-reduction measures, government-wide initiatives or implementation of Parliamentary, or safety board recommendations can significantly change how planned outcomes are delivered. Six responses were planned for Change Management, of which three were completed. Two of the these included:	Across all three SOs and Internal services

Opportunity Area	Risk Response Strategy – As per the Report on Plans and Priorities	Link to Program Alignment Architecture
	• Change management plans for key initiatives, such as the Deficit Reduction Action Plan, were developed, including support for affected employees; • An escalation process was established to bring emerging and outstanding change management issues to the attention of Transport Canada's Senior Management Executive Committee for discussion and resolution. The three remaining responses are well underway, risks associated with this opportunity area have decreased. As a result, Transport Canada's Executive Management Committee therefore removed this risk from the Corporate Risk Profile in October 2013.	
(R3) Transportation System Efficiency and Reliability	Canadians depend on the transportation system to move people and goods across vast distances and to world markets by air, sea and land. The transportation system must therefore be efficient and reliable. Key responses: • The strategic policy framework was completed to guide policy and program development – it also defines elements of the national transportation system that are critical to current and future economic activity; • Continued progress was made on the new Detroit-Windsor and Montreal St. Lawrence bridges. • A strategy was developed to continue to transfer Transport Canada-owned ports into the hands of local communities who can better respond to local needs. Of the six risk responses planned, all were on track at year-end; one was closed.	SO1 - An efficient transportation system SO2 - A clean transportation system
(R4) Security Threat	International and public confidence in the security of Canada's transportation infrastructure remains critical. Transport Canada's success in responding to security incidents continues to depend on many participants with significant roles affecting the Department's mandate. Key responses: • Communications channels and collaboration with outside partners were improved. Since both of these activities are ongoing and managed at the program level, we closed the risk responses at the departmental level; • Participation in security exercises continued, and continual improvement was recommended as threats evolved; • Work on the Beyond the Border Action Plan continued (for example, the Integrated Cargo Security Strategy) and it was extended to 2015; Of the nine risk responses planned, all were on track, and two were closed.	SO3 - A safe and secure transportation system

Through an environmental scan, taking stock of the status and success of risk mitigation measures and department-wide consultations, Transport Canada updated its Corporate Risk Profile in October 2013 and confirmed four key corporate opportunity areas. Three of the four areas are very similar to the corporate risk areas defined at the start of 2013–14, and described in the Risk Analysis section in Transport Canada's 2013–14 Report on Plans and Priorities.

However, since Transport Canada has been largely successful in dealing with the Change Management risks and opportunities, these were removed from the Corporate Risk Profile. People Management was added as a new opportunity area to ensure that Transport Canada will have the workforce needed in the future. Mitigation strategies for the four areas were refined to focus on specific risk drivers and management concerns.

The table below reflects progress on the risk response strategy for the new opportunity area of People Management, added in October 2013:

Opportunity Area	**Risk Response Strategy** – ***As updated in 2013–14 Corporate Risk Profile***	**Link to Program Alignment Architecture**
(R2) People Management	People Management was added as a new opportunity area to ensure that Transport Canada has the workforce needed in the future. Attracting and retaining employees with the right competencies for the future is essential for Transport Canada to deliver key programs and provide suitable quality and level of services across all strategic outcomes. Mitigation strategies focus on attracting and retaining employees and on their competencies to pursue transformative initiatives. Eight responses for the new People Management opportunity area are mostly on track, including: • The annual talent management exercise for senior managers; • The offering of approved learning and development programs, including a new Transport Canada Leadership Development initiative.	Across all three SOs and Internal services

Actual Expenditures

The following table provides a summary of the total budgetary financial resources for Transport Canada for the fiscal year 2013–14. For more details on Financial Resources, including adjustments, please visit Transport Canada's website.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities (available for use)	2013–14 Actual Spending (authorities used)	Difference (planned minus actual)
1,512,018,362	1,523,370,960	1,618,601,852	1,340,632,835	182,738,125

The variance between planned and actual spending is mainly attributed to approval and delivery delays of infrastructure projects under the Gateways and Border Crossing Fund and the Asia-Pacific Gateway and Corridor Initiative as well as delays in property acquisition, changes to schedule due to complex utility relocation[2], and due diligence activities in Michigan associated with the Detroit River International Crossing. This surplus was partially offset by increase in the statutory payment to the St. Lawrence Seaway Management Corporation in respect of the agreement under the *Canada Marine Act*[xi] and increased spending related to the implementation of phase one (parts one and two) of a strategy to implement a world-class tanker safety and oil spill response regime.

The following table provides a summary of the total human resources (Full-time equivalents—FTEs) for Transport Canada for the fiscal year 2013–14.

Human Resources

2013–14 Planned	2013–14 Actual	Difference (plannedminus actual)
5,276	4,701	575

Planning assumptions and forecasts change over the course of the period between the time they are developed and the time actual resource usage is reported on in the DPR. The difference between the starting number which was developed in late 2012 and the actual usage is accounted for by the following factors: higher than normal employee attrition rate of 9% in the previous fiscal year, coupled with earlier than anticipated departures on the part of the employees impacted by deficit reduction action plan measures, which primarily focused on streamlining program administration; a significant shift in priorities brought about by operational events, including the Lac Mégantic accident, which resulted in lower recruitment in many areas during this period; and ongoing challenges with respect to recruitment of experienced personnel in certain employment categories to carry out the Department's mandate. Transport Canada is improving its planning and its recruitment efforts to ensure that vacancies are staffed quickly. Transport Canada is committed to maintaining appropriate levels of personnel to safeguard the Canadian Transportation system.

[2]The term utility relocation means the adjustment of a utility required by the project. For example, moving electrical lines to allow for safe construction and/or use of the new facility.

Please refer to Section II: Analysis of Programs by Strategic Outcomes for further information on the variances between planned and actual financial resources and FTEs.

Budgetary Performance Summary for Strategic Outcomes and Programs (dollars)

The tables present the following:

- the planned spending for 2013–14 and for the next two fiscal years, by program, in support of each Strategic Outcome;
- the total actual departmental spending for all programs for 2013–14 and for the previous two fiscal years; and
- the Strategic Outcomes 1, 2 and 3 program contribution alignments to Government of Canada outcomes.

Planned spending includes Operating, Capital, Grants and Contributions and Statutory Votes as per the Main Estimates as well as $11.4 million in planned spending for paylist (maternity, severance) items. For explanations with respect to planned spending, please consult Transport Canada's 2013–14 Report on Plans and Priorities[xii].

Total Authorities (available for use) represent the year-end budgets as per Public Accounts. It includes Operating, Capital, Grants and Contributions and Statutory Votes as well as all frozen allotments.

Actual Spending (authorities used) represents the spending for the full fiscal year as per Public Accounts, which includes expenditures in the Operating, Capital, Grants and Contributions and Statutory Votes.

As the table illustrates, some programs have exceeded the Total Authorities available for their program, as surpluses from other areas of the department were used to offset their increased requirements. The department has not exceeded its total Voted Authorities.

Please refer to Section II: Analysis of Programs by Strategic Outcomes for further information

Strategic Outcomes, Programs and Internal Services	Government of Canada Outcomes	2011–12 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2013–14 Planned Spending	2013–14 Main Estimates	2013–14 Total Authorities (available for use)	2013–14 Actual Spending (authorities used)	2014–15 Planned Spending	2015–16 Planned Spending
Strategic Outcome 1: An Efficient Transportation System[3]									
1.1 Transportation Marketplace Frameworks	A fair and secure marketplace	9,997,863	9,041,585	11,972,730	11,972,730	12,148,273	11,917,295	24,854,622	24,469,049
1.2 Gateways and Corridors	Strong economic growth	200,212,375	395,779,632	538,237,383	538,237,383	554,761,988	336,988,453	702,272,494	464,388,875
1.3 Transportation Infrastructure	An innovative and knowledge-based economy	365,843,932	309,656,203	320,633,244	320,633,244	392,219,269	363,848,205	333,815,823	321,806,362
1.4 Transportation Analysis and Innovation	An innovative and knowledge-based economy	10,958,255	9,471,905	15,333,651	15,333,651	12,804,034	12,885,608	-	-
Strategic Outcome 1 Subtotal[4]		587,012,425	723,949,325	886,177,008	886,177,008	971,933,565	725,639,561	1,060,942,939	810,664,286
Strategic Outcome 2: A Clean Transportation System									
2.1 Clean Air from transportation	A clean and healthy environment	13,861,144	18,760,359	37,144,563	37,144,563	39,195,642	27,755,589	38,992,028	25,567,021

[3]A new sub-program, 1.1.4, International Frameworks and Trade, was created for 2013–14. Most of these activities were under Internal Services in past years. As well, the Centre of Expertise for Transfer Payment was moved from Internal Services to sub-program 1.3.3.3. Program 1.4, Transportation Innovation, was amended to Transportation Analysis and Innovation for 2013–14. Economic Analysis functions previously under Internal Services have been allocated to new 1.4 sub-programs.
[4]Due to rounding, column totals shown may not be exact.

Strategic Outcomes, Programs and Internal Services	Government of Canada Outcomes	2011–12 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2013–14 Planned Spending	2013–14 Main Estimates	2013–14 Total Authorities (available for use)	2013–14 Actual Spending (authorities used)	2014–15 Planned Spending	2015–16 Planned Spending
2.2 Clean Water from transportation	A clean and healthy environment	7,411,839	6,947,514	2,299,329	2,299,329	10,675,404	16,198,195	18,074,900	15,986,890
2.3 Environmental Stewardship of transportation[5]	A clean and healthy environment	23,206,885	20,059,193	30,761,717	30,761,717	31,946,389	29,431,954	29,171,557	32,807,561
Strategic Outcome 2 Subtotal[6]		44,479,868	45,767,066	70,205,609	70,205,609	81,817,435	73,385,738	86,238,485	74,361,472
Strategic Outcome 3: A Safe and Secure Transportation System[7]									
3.1 Aviation Safety	A safe and secure Canada	221,920,185	198,628,602	214,648,721	214,648,721	195,696,597	184,628,770	170,709,221	168,384,202
3.2 Marine Safety	A safe and secure Canada	75,594,201	56,492,575	57,756,667	57,756,667	62,799,288	59,638,305	56,003,982	54,913,444
3.3 Rail Safety	A safe and secure Canada	32,660,771	34,213,510	33,847,086	33,847,086	33,433,901	29,250,946	34,265,437	34,227,368
3.4 Motor Vehicle Safety	A safe and secure Canada	23,838,054	22,458,347	24,751,952	24,751,952	25,983,561	26,152,233	20,905,007	21,226,354
3.5 Transportation of Dangerous Goods	A safe and secure Canada	13,961,560	12,756,370	13,159,659	13,159,659	14,771,723	14,663,095	14,727,734	14,793,190

[5]For 2013–14, the Aboriginal Consultation Unit, previously under Internal Services, was realigned to 2.3.
[6]Due to rounding, column totals shown may not be exact.
7The SO3, A Safe Transportation System, was merged with SO4, A Secure Transportation System, for the 2013–14 PAA. Programs 3.6, 3.7 and 3.8 were under SO4 from 2010 to 2012. As of 2013–14, these programs will be under SO3.

Strategic Outcomes, Programs and Internal Services	Government of Canada Outcomes	2011–12 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2013–14 Planned Spending	2013–14 Main Estimates	2013–14 Total Authorities (available for use)	2013–14 Actual Spending (authorities used)	2014–15 Planned Spending	2015–16 Planned Spending
3.6 Aviation Security	A safe and secure Canada	43,011,088	33,706,392	33,357,783	33,357,783	33,036,940	29,743,295	31,672,052	29,778,292
3.7 Marine Security	A safe and secure Canada	18,026,402	14,005,041	14,897,654	14,897,654	13,833,124	12,331,970	12,788,946	12,780,880
3.8 Surface and Intermodal Security	A safe and secure Canada	5,618,868	3,967,849	4,807,985	4,807,985	4,733,046	4,280,788	4,739,231	4,671,670
3.9 Multimodal Safety and Security[8]	A safe and secure Canada	-	-	11,233,308	11,233,308	11,649,104	10,722,526	11,153,164	10,969,705
Strategic Outcome 3 Subtotal[9]		434,631,129	376,228,686	408,460,815	408,460,815	395,937,283	371,411,928	356,964,774	351,745,105
4.1 Internal Services		215,067,543	186,533,092	158,527,529	147,174,930	168,913,569	170,195,608	163,327,800	163,997,542
Internal Services Subtotal[10]		215,067,543	186,533,092	158,527,529	147,174,930	168,913,569	170,195,608	163,327,800	163,997,542
Total[11]		1,281,190,965	1,332,478,169	1,523,370,960	1,512,018,362	1,618,601,852	1,340,632,835	1,667,473,998	1,400,768,405

The financial variance information which provides an explanation regarding the difference between planned and actual spending is found in Section II: Analysis of Programs by Strategic Outcomes of this report.

[8]Program 3.9 was created for the 2013–14 PAA. Safe and Secure Strategies and Integration, previously under Internal Services, was allocated to sub-program 3.9.1. Sub-programs 3.9.2 and 3.9.3 were realigned from existing programs in SO3 and SO4.
[9]Due to rounding, column totals shown may not be exact.
[10]Due to rounding, column totals shown may not be exact.
[11]Due to rounding, column totals shown may not be exact.

Alignment of Spending with the Government of Canada Outcomes

2013–14 Actual Spending by Whole-of-Government-Framework Spending Area (dollars)

Total Actual Spending by Spending Area (dollars)[12]

Spending Area	Government of Canada Outcome	Total Planned Spending	Total Actual Spending
Economic Affairs	Fair and secure marketplace	11,972,730	11,917,295
	Strong economic growth	538,237,383	336,988,453
	A clean and healthy environment	70,205,609	73,385,738
	An innovative and knowledge-based economy	335,966,895	376,733,813
Social Affairs	A safe and secure Canada	408,460,815	371,411,929
International Affairs	Not applicable	0	0
Government Affairs	Not applicable	0	0

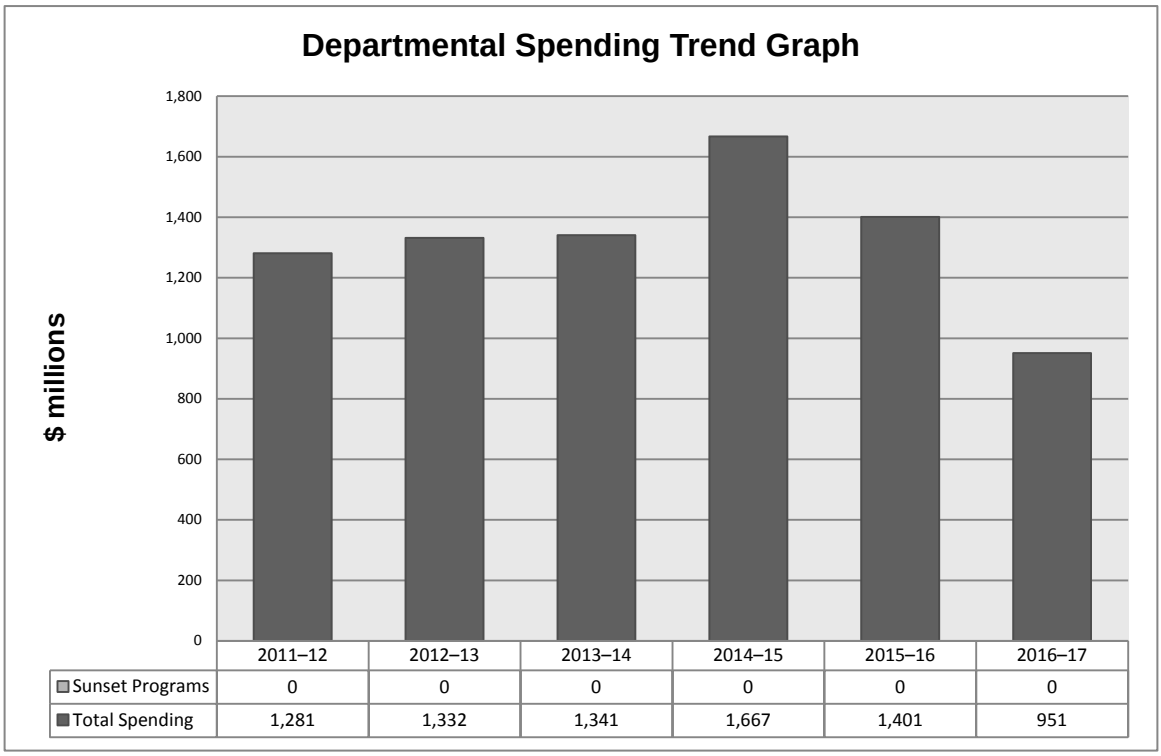
Departmental Spending Trend

Figure 3 shows Transport Canada's spending profile from 2011–12 to 2016–17. The profile shows expenditures of $1,281 million in 2011–12, $1,332 million in 2012–13, and $1,341 million in 2013–14. The increase is mostly attributable to the Actuals spent for two of the Department's major initiatives, the Asia-Pacific Gateway and Corridor Initiative and the Gateways and Border Crossings Fund. Increased spending on these initiatives was offset by reduced spending related to the implementation of Budget 2012 cost reduction measures.

Transport Canada's planned spending increases to $1,667 million in 2014–15, then decreases to $1,401 million in 2015–16 and $951 million in 2016–17. The decrease in these years is attributable to a reduction in planned spending for the Asia Pacific Gateway and Corridor Initiative and the Gateways and Border Crossings Fund as these initiatives reach their maturity dates.

[12] Excludes Internal Services

Figure 3: Spending Trend for Transport Canada



Estimates by Vote

For information on Transport Canada's organizational Votes and statutory expenditures, consult the Public Accounts of Canada 2014 on the Public Works and Government Services Canada website[xiii].

Section II: Analysis of Programs by Strategic Outcomes

Transport Canada[xiv] has three Strategic Outcomes that reflect long term and enduring benefits to Canadians that stem from its mandate and vision. As the Department strives towards these outcomes, Transport Canada can report progress in relation to expected results,[13] performance indicators[14] and targets[15] in line with the Program Alignment Architecture (PAA). What distinguishes the different levels of a PAA is the scope and reach of the programs at those levels.

This section describes how the Department met the expected results indicated in the 2013–14 Report on Plans and Priorities, and presents the financial and non-financial resources dedicated to each program and sub-program. We have included information for financial and FTE variances by program if these were significant.

Strategic Outcome 1: An Efficient Transportation System

An efficient transportation system supports trade, economic prosperity and an enhanced quality of life through low costs, high productivity, the best use of all modes and innovation in transportation. Transport Canada promotes an efficient transportation system in Canada by modernizing marketplace frameworks so that the transportation sector can adapt, innovate and remain competitive; developing and implementing gateways and corridors initiatives; ensuring the renewal of federal transportation infrastructure; encouraging innovation in the transportation sector; and partnering with provinces, territories, municipal governments, and public and private sector entities in various transportation initiatives.

The following programs and sub-programs support this Strategic Outcome:

Program 1.1: Transportation Marketplace Frameworks

Description: The Transportation Marketplace Framework program encourages transportation efficiency by fostering a competitive and viable transportation sector. The program sets regimes governing the economic behaviour of carriers in all modes of transportation; sets the rules of governance for all the transportation infrastructure providers falling under federal authority; monitors the transportation system; enables access to transportation for Canadians; represents the interests of Canada in trade negotiations, international transportation fora and other international bodies; identifies Canadian barriers to foreign access that impede competitiveness and reduces foreign barriers that restrict Canadians access to foreign markets; and fulfills certain federal responsibilities with regard to the *International Bridges and Tunnels Act*[xv]

Sub-program 1.1.1: Air Marketplace Framework

Description: The Air Marketplace Framework program encourages transportation efficiency by fostering a competitive and viable air industry, including airlines, airports and NAV CANADA. It provides opportunities for Canadian airlines to grow and compete successfully in a more

[13] An expected result is an outcome towards which Transport Canada is contributing through various activities in its Program Alignment Architecture.
[14] A performance indicator is a statistic or parameter that, tracked over time, provides information on trends in the status of a program.
[15] A target is a specific performance goal tied to a performance indicator against which actual performance will be compared.

liberalized global environment and sets the governance regimes of national air infrastructure providers. Program activities include: establishing laws and regulations (e.g., *Canada Transportation Act*, *Air Canada Public Participation Act*) governing the economic behavior of air carriers and air infrastructure providers; encouraging competition and the development of new and expanded international air services to benefit travellers, shippers, and the tourism and business sectors by managing bilateral and multilateral air service relations; working collaboratively with other government departments and industry stakeholders to promote air transport facilitation policies and initiatives in support of broader Government of Canada industry, trade, travel and tourism objectives, such as Gateways and Corridors initiatives and the Blue Sky International air policy; and representing the interests of the Canadian aviation sector at the International Civil Aviation Organization.

Sub-program 1.1.2: Marine Marketplace Framework

Description: The Marine Marketplace Framework program encourages transportation efficiency by ensuring the appropriate economic policy and legislative frameworks in order to foster a competitive and viable Canadian marine industry. The program is responsible for: developing policies, legislation and regulations, such as the *Canada Marine Act* and its regulations and the *Marine Liability Act*; monitoring the Canadian marine industry and ports system; establishing the rules of governance for Canada port authorities; negotiating/adopting international conventions and agreements; establishing the economic regimes governing market entry to both the Canadian marine marketplace and Canadian international marine trade; representing the interest of Canada's marine sector in international forums, such as the International Maritime Organization; and setting the marine transportation liability regime.

Sub-program 1.1.3: Surface Marketplace Framework

Description: The Surface Marketplace Framework program encourages transportation efficiency by fostering healthy and competitive rail and motor carrier industries in Canada and by fulfilling certain federal responsibilities with regard to the *International Bridges and Tunnels Act* (IBTA) and other international bridge legislation. The program develops, oversees and implements policy frameworks, legislation, regulations and international agreements, such as the *Canada Transportation Act* (Part 3-Railway Transportation); oversees freight rail services and the relationships between railways and shippers and passenger rail operations; administers statutory payments to Canadian National Railway Company (CN) for certain pensioners; administers the grain hopper car operating agreements with CN and Canadian Pacific (CP) Railway and the Grain Monitoring program; establishes economic regimes governing access to the rail industry, the relationships between main freight rail lines and each of shippers, communities, passenger railways and short line railways; reviews mergers and acquisitions involving surface modes; reviews conditions of entry into the commercial trucking and bus marketplace; works with provinces, territories and North American partners to harmonize rules affecting surface transportation, such as NAFTA trucking standards; and addresses relevant international bridge and tunnel issues, such as implementing regulations under the IBTA.

Sub-program 1.1.4: International Frameworks and Trade

Description: The International Frameworks and Trade program ensures that policy objectives and stakeholder interests regarding transportation system efficiency are advanced at the international level and considered in the formulation of Government of Canada foreign policy and trade negotiation initiatives. It contributes to a coherent, government-wide approach to managing international priorities (such as the Global Commerce Strategy and the Americas Strategy), as

well as the broader trade, jobs and economic growth agenda, in order to bring maximum benefit to Canadians.

Canada's transportation system is integral to achieving the Government's objectives with respect to international trade. This function is necessary in order to respond to the Government's rapidly expanding trade negotiation agenda and to seize opportunities for Canadian businesses and transportation stakeholders in developing regions of the world, such as Asia and the Americas. Activities are geared to establish relationships and partnerships, domestically and internationally, that will benefit Canada's medium- and long-term economic development goals and advance the interests of transportation industry stakeholders. As a result of these activities, transportation stakeholders will be provided with further trade/commercial opportunities.

Note: Bilateral air agreements and Canada's Mission to the International Civil Aviation Organization are addressed under Air Marketplace Framework.

Performance Analysis

Transport Canada continued the implementation of the legislation to address recommendations from the Rail Freight Service Review[xvi]. This legislation, which provides shippers the right to request a service level agreement and an arbitration process to establish terms of service, received Royal Assent on June 26, 2013. The implementation and use of the legislative provision on service agreements for rail shippers was also monitored. The Department also undertook preparatory work to launch the Commodity Supply Chain Table, a forum for exporters to address issues that affect the supply chain and to provide advice on the development of supply chain performance metrics.

The Department engaged with Port Metro Vancouver, railways and marine terminals through the Winter Contingency Planning forum on mechanisms to improve the performance and fluidity of winter rail-based operations. In addition, the Department significantly advanced, in collaboration with Agriculture and Agra-Food Canada, the completion of the grain supply chain study. Furthermore, in 2013–14, officials also developed and introduced an Order in Council and *Fair Rail for Grain Farmers Act* to address a backlog of western grain.

Transport Canada advanced Canadian interests and promoted Canadian expertise in transportation in multilateral and international transport fora, and represented transportation-related Canadian positions in trade negotiations. In particular:

- Canadian interests were advanced through Minister-level bilateral engagement with senior representatives from priority countries, including the United States, Chile, the United Kingdom, Germany, Norway, Finland, France, Belgium, the European Union, China, Japan, South Korea, New Zealand, Turkey and Tunisia.
- Transport Canada also participated in eight trade and investment negotiations to advance the interests and priorities of Canadian transportation stakeholders. Key negotiations included:
    - The Canada-European Union Comprehensive Economic and Trade Agreement, which will create jobs and opportunities for Canadians in every region of the country by eliminating tariffs and gaining secure access to the European Union market—the largest and most lucrative in the world;
    - The World Trade Organization Trade Facilitation Agreement, which streamlines customs procedures and facilitates the movement, release and clearance of goods,

benefitting transportation service providers and shippers through efficiencies in the transportation network; and

- The Canada-Korea Free Trade Agreement, which will ensure greater transparency for Canadian auto manufacturers with respect to automotive safety standards in Korea. The Agreement will also give Canadian transportation service providers access to the Korean market, generally on par with that U.S. stakeholders received through the U.S. Trade in Services Air Annex and the Trade in Services Agreement.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
1.1 Transportation Marketplace Frameworks				
11,972,730	11,972,730	12,148,273	11,917,295	55,435

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
1.1.1 Air Marketplace Framework		
3,719,605	3,558,591	161,014
1.1.2 Marine Marketplace Framework		
2,153,769	2,640,866	-487,097
1.1.3 Surface Marketplace Framework		
2,974,968	2,870,388	104,580
1.1.4 International Frameworks and Trade		
3,124,388	2,847,450	276,938

Human Resources (Full –time Equivalents (FTEs[16])) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
1.1 Transportation Marketplace Frameworks		
95	93	2
1.1.1 Air Marketplace Framework		
32	28	4
1.1.2 Marine Marketplace Framework		
19	22	-3
1.1.3 Surface Marketplace Framework		
18	22	-4
1.1.4 International Frameworks and Trade		
26	21	5

[16]Due to rounding, column totals shown in all tables may not be exact.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
1.1 Transportation Marketplace Frameworks			
A competitive transportation sector	Freight transportation intensity for rail, marine, and for-hire trucking modes, (tonne-km per locomotive/port call/heavy vehicle) (Transportation intensity represents usage).	Rail: 107,446,845	Rail 2012: 116,533,790 Percentage change, 2011 to 2012: 2.7%[17].
		Truck: 1,522,470	1,634,639
		Marine: 3,274,655	3,275,000
A competitive transportation sector	Passenger transportation intensity for air (passenger-km per seat-km) and rail (passengers per available seat)(Transportation intensity represents usage).	Air: 0.79	0.82
		Rail: 0.57	0.58

The targets for these program indicators were met. The freight objective was met in the rail, truck and marine sector. Of note, in the trucking sector the result for 2012 increased by 6% compared to the 2011 number. This is higher than the overall Gross Domestic Product growth, which was 2.6% over the 2011–12 timeframe.[18] With respect to passenger transportation, intensity for the air mode is largely driven by market forces. Results were positive, as the percentage change from 2012 to 2013 was 2.1%. Targets in the passenger rail sector were exceeded as a result of a reduction in available seat capacity while passenger volumes were maintained.

Expected Results	Performance Indicators	Targets	Actual Results
1.1.1 Air Marketplace Framework			
A competitive air transportation sector	Revenue Passenger Kilometres by air	220 billion	231 billion
1.1.2 Marine Marketplace Framework			
A competitive marine transportation sector	Transborder tonnage handled by Canadian carriers (vessels).	39,418,919	40,000,000[19]
A competitive marine transportation sector	North American traffic handled by Canadian ports measured by tonne-km.	215,886 million tonne-km	203,000 million tonne-km[20]

The program exceeded targets for two of the three performance indicators. The decline in North American traffic handled by Canadian ports may be a result of modal switching (to rail, truck,

[17]Data for rail is only available to 2012 as this represents the latest year for which data on locomotives are available.
[18]Fleet size for trucks has been estimated due to lack of available data.
[19]This figure is based on actual data up to 2011 (the last year for which Statistics Canada published marine data) as well as estimated data for 2012 onwards.
[20]This figure based on actual data up to 2011 (the last year for which Statistics Canada published marine data) as well as estimated data for 2012 onwards.

etc.), a shift in type of commodities shipped, a declining share of imports/ exports to/from the United States and the general state of the U.S. economy.

Expected Results	Performance Indicators	Targets	Actual Results
1.1.3 Surface Marketplace Framework			
An efficient surface transportation sector	Traffic volume (in tonne-km) of rail and motor carriers.	Rail: 294,619,350,000	Rail: 2012: 356,943,000,000 2011: 337,929,500,000
		Motor carriers: 121,280,685,975	Motor carriers: 141,864,929,970
1.1.4 International Frameworks and Trade			
International trade agreements advance Canadian transportation interests and create opportunities for the transportation industry	Types of commercial opportunities provided through agreements for Canadian transportation stakeholders	To be determined as commercial opportunities are not known in advance	Examples of commercial opportunities include: Allowing European Union registered vessels to provide targeted feeder services will offer Canadian shippers with an additional transportation option and make Canada a more attractive gateway to the North American market; Help improve supply chain management, logistics and the attractiveness of Canadian ports as gateways to the North American market, most notably in Atlantic Canada.

The program exceeded targets for both indicators in the surface marketplace framework program. In the rail sector, traffic increased due to an increase in the movement of oil, agricultural products and coal that more than offset declines in fertilizers, iron ore and metals.

Program 1.2: Gateways and Corridors

Description: Canada is a trading nation, and the efficiency and reliability of the transportation system to support this trade impacts directly on the nation's prosperity and well being. For this reason, it is imperative that the federal government play a role in the development of an integrated transportation network linking importers and exporters to markets and suppliers in increasingly complex global supply chains. Guided by the National Policy Framework for Strategic Gateways and Corridors, the Gateways and Corridors program supports Canada's international commerce by creating a more efficient, reliable and seamless trade-related transport system in Canada. The program develops initiatives to improve and integrate transportation networks in key regions; fosters partnerships between all levels of government and the private sector; supports and oversees projects that contribute to the increased capacity and efficiency of gateway and corridor infrastructure; develops and puts in place measures that remove impediments to the effective development of gateways and corridors; and markets the use of gateways and corridors within Canada and internationally.

Sub-program 1.2.1: Asia-Pacific Gateway and Corridor Initiative

Description: The rapid economic growth of China and other Asia-Pacific countries is reshaping global trade flows. China is now Canada's second largest trading partner and the growth in Canada-Asia trade traffic is expected to continue. The Asia-Pacific Gateway and Corridor Initiative program works to make Canada the best trade link between Asia and North America. This program coordinates and manages an integrated set of investment and policy measures to boost Canada's commerce with the Asia-Pacific region; increase the share of North America bound container imports from Asia; and improve the reliability of the Gateway and Corridor.

Sub-program 1.2.2: Gateways and Border Crossings Fund

Description: The Gateways and Border Crossings Fund program works to improve the flow of goods between Canada and the rest of the world by looking at policy measures and by enhancing infrastructure at key locations, such as major border crossings between Canada and the United States, including the new Windsor-Detroit crossing and key infrastructure, such as the New Bridge for the St. Lawrence River in Montreal. It focuses on two key initiatives, namely the Ontario-Quebec Continental Gateway and Trade Corridor and the Atlantic Gateway.

Performance Analysis

The federal government continues to invest in Canada's Gateways[xvii]. Canada's world-class gateways and transportation corridors are essential to building a strong and competitive economy, enhancing our global competitiveness and supporting economic prosperity throughout the country. In 2013–14, Transport Canada continued to advance, develop and implement Canada's three strategic gateways and corridors initiatives: the Asia-Pacific Gateway and Corridor Initiative (APGCI)[xviii], the Continental Gateway and Trade Corridor[xix] and the Atlantic Gateway and Trade Corridor[xx]. Progress includes the following:

- Managed 39 active projects and completed 13 projects;
- 12 contribution agreements were signed under the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund;
- Asia-Pacific Gateway and Corridor Initiative: Outreach and non-infrastructure competitiveness activities were undertaken to maximize the impact of infrastructure investments, including continued collaboration at the government and private-sector levels in China under existing agreements and expanded gateway outreach with other key Asia-Pacific economies. Transport Canada has also established a Fluidity Index and Port Utility Indicator, continues to facilitate the Asia-Pacific Gateway Performance Table and supports the Government's response to the Rail Freight Service Review;
- Continental Gateway and Trade Corridor: The Department signed a contribution agreement with the Grappe métropolitaine de logistique et de transport de Montréal (Cargo M) to fund a seminar titled "Sectoral Development Opportunities". Transport Canada also continued engaging stakeholders on urban goods movement with stakeholders in the Greater Montreal and Toronto/Hamilton areas, as well as with Ontario and Quebec stakeholders such as Metrolinx, Peel Region, Cargo M and the Société de développement économique du Saint-Laurent;
- Atlantic Gateway and Trade Corridor: Significant progress has been made in advancing the implementation of the Atlantic Gateway and Trade Corridor Strategy in collaboration with the Federal-Provincial Officials Committee, the Atlantic Gateway Advisory Council and other stakeholders. In addition, the Department undertook a number of marketing

activities over the course of the year to promote the Atlantic Gateway as an efficient, reliable and secure transportation solution both regionally and internationally; and

- The Detroit River International Crossing[xxi] project is progressing, and Transport Canada has been preparing to transition activities to the Windsor-Detroit Bridge Authority. Detailed information can be found in Section I: Organizational Priorities and in Section III Supplementary information. The new bridge will provide necessary border crossing capacity to handle anticipated trade and traffic growth, as well as transportation-system redundancy and state-of-the-art border security operations at Windsor-Detroit—Canada's busiest land border crossing with the United States.

Transport Canada is also leading the development and timely implementation of transportation-related initiatives as set out in the Canada-U.S. Beyond the Border Action Plan[xxii], in partnership with relevant Canadian and U.S. government agencies. In 2013–14, this included securing significant investment in infrastructure for four key Canadian border crossings, publication of the first ever bi-national Border Infrastructure Investment Plan and collaboration with other Canadian federal departments and U.S. counterparts through the Border Wait-Time Working Group to address border wait time measurement needs at the top 20 bi-national crossings. Six crossings (four in British Columbia and two in Ontario) have had border wait time measurement technology installed, and data on border wait-times is available at these crossings. Substantive progress has also been made in negotiations with the United States on the pre-clearance framework.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
1.2 Gateways and Corridors				
538,237,383	538,237,383	554,761,988	336,988,453	201,248,930

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
1.2.1 Asia Pacific Gateway and Corridor Initiative		
229,597,544	187,443,947	42,153,597
1.2.2 Gateways and Border Crossings Fund		
308,639,839	149,544,506	159,095,333

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
1.2 Gateways and Corridors		
67	80	-13
1.2.1 Asia Pacific Gateway and Corridor Initiative		
21	16	5
1.2.2 Gateways and Border Crossings Fund		
47	65	-18

The variance of $201 million is mainly attributable to approval and delivery delays of infrastructure projects under the Gateways and Border Crossing Fund and the Asia-Pacific Gateway and Corridor Initiative. Delays in property acquisition, changes to schedule due to complex utility relocation, and due diligence activities in Michigan associated with the Detroit River International Crossing have also contributed to the variance.

The FTE variance is due to more FTEs than originally planned being required for the ramp-up of the new Bridge over the St. Lawrence. This increase was partially offset by a decision not to backfill certain vacated positions due to pending sunsetting of the Asia Pacific Gateway and Corridor Initiative and Gateways and Border Crossings Fund programs and associated funding.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
1.2 Gateways and Corridors			
Gateways and corridors are efficient, reliable and support international commerce	Total average transit time (number of days) of international containerized freight using Canada's strategic gateways and trade corridors. This excludes the ocean transit time.	Total average transit time for year X ≤ total transit time for year X-1 (previous year)	Calendar Year 2012: 7.0 days Calendar Year 2013: 7.6 days

The weighted average transit time for container imports via direct-to-rail model through all Canadian gateways increased from 7.0 days in 2012 to 7.6 days in 2013. This was due to poor winter operating conditions in January, February and December 2013. Of note, the winter of 2013–14 began earlier and was harsher than usual. This affected transportation infrastructure and working capital, which caused the network to slow considerably.

Expected Results	Performance Indicators	Targets	Actual Results
1.2.1 Asia-Pacific Gateway and Corridor Initiative			
Canada's Asia-Pacific Gateway and Corridor is efficient and attracts international trade	Total average transit time (number of days) of international containerized freight using the Asia-Pacific Gateway and Corridor from the BC ports to Toronto. This excludes ocean transit time.	9 days with a standard deviation (service consistency) of 2 days by 2014.	Calendar Year 2013: 9.2 days Standard deviation time: 0.8 days

Expected Results	Performance Indicators	Targets	Actual Results
Canada's Asia-Pacific Gateway and Corridor is efficient and attracts international trade	Canadian share of North American West Coast trade based on the change in volume of Twenty Foot Equivalent Unit imports and exports. Twenty Foot Equivalent Unit (TEU): A unit of measurement equal to the space occupied by a standard 20-foot container. Used in stating the capacity of container vessel or storage area. One 40 ft. container is equal to two TEUs. Source: American Association of Port Authorities	12%	Calendar Year 2012: 12.8% Calendar Year 2013: 12.8%
Canada's Asia-Pacific Gateway and Corridor is efficient and attracts international trade	Value of imports and exports using strategic gateways and corridors (Millions of $CAD).	Import: $40,757	$45,017
		Export: $67,710	$68,313

These programs exceeded targets for each of their performance indicators. The Canadian share of North American West Coast trade is not available until Fall 2014. Import values were above target, indicating that the Asia-Pacific Gateway Corridor Initiative was able to meet the requirements of an improving domestic market. Export values were above target, indicating that during the period, the Corridor was able to facilitate trade and meet the increasing demand for Canadian goods in foreign markets.

Expected Results	Performance Indicators	Targets	Actual Results
1.2.2 Gateways and Border Crossings Fund			
Canada's strategic Gateways and Corridors are efficient and are used for international trade	Total average transit time (number of days) of international containerized freight using the Continental and Atlantic trade corridors. This excludes ocean transit time.	Total average transit time for year X ≤ total transit time for year X-1 (previous year)	Calendar Year 2012: 3.5 days Calendar Year 2013: 3.6 days
Canada's strategic Gateways and Corridors are efficient and are used for international trade	Value of imports and exports using the Continental and Atlantic strategic gateways and corridors (Millions of $CAD)	Ontario: Import: $257,508 Export: $200,706 Quebec: Import: $75,158 Export: $64,731 Atlantic: Import $25,950 Export: $30,736	Ontario: Import: $267,774 Export: $213,653 Quebec: Import: $77,568 Export: $62,451 Atlantic: Import:$24,374 Export: $28,840

Expected Results	Performance Indicators	Targets	Actual Results
Canada's strategic Gateways and Corridors are efficient and are used for international trade	Atlantic Gateway (Halifax) and Continental Gateway (Montreal) market share of North America East Coast traffic in Volume of Twenty Foot Equivalent Unit (TEU) imports and exports. TEU: A unit of measurement equal to the space occupied by a standard 20-foot container. Used in stating the capacity 20 ft. container vessel or storage area. One 40 ft. container is equal to two TEUs. Source: American Association of Port Authorities)	10%	Calendar Year 2012: 9.7% Calendar Year 2013: 9.7%

In 2013, the average total transit time for import containers from British Columbia ports to Toronto was slightly above target; however, the standard deviation was below target. The increase in transit time was due to a harsh winter operating environment. The variability of these transit times was within the target threshold, indicating some resilience of the transport network.

Import values were above target, indicating that the Continental corridor was able to meet the requirements of an improving domestic market. Export values were slightly below target for the Atlantic gateway, indicating that demand for goods in this corridor during the period had softened compared to the historical trend.

Program 1.3: Transportation Infrastructure

Description: The Transportation Infrastructure program oversees, funds, and manages multimodal transportation infrastructure under Transport Canada's mandate to improve efficiency and service delivery for the benefit of Canadian taxpayers. The program acts as the steward of certain commercial transportation assets operated by third parties on behalf of the federal government (airport authorities, port authorities, federal bridges, VIA Rail[xxiii], Seaway[xxiv], Marine Atlantic), provides funding for Canada's strategic transportation infrastructure to support federal objectives and develops transportation infrastructure policy through consultation with stakeholders. It also manages Transport Canada ports and airports, supports essential services in remote communities, manages legacy commitments, and divests assets and contracts out operations, where possible.

Sub-program 1.3.1: Airport Infrastructure

Description: In keeping with the National Airports policy, the Airport Infrastructure program looks after airport services under federal purview for the benefit of Canadian travellers and businesses. It provides stewardship of airport authorities operates airports in certain communities and manages other airports' infrastructure legacy commitments.

Sub sub-program 1.3.1.1: Airport Authority Stewardship

Description: The National Airports System is a vital transportation system with significant ties to the Canadian economy. To protect the interests of the federal government as landlord and to

ensure compliance with the terms of their leases, the Airport Authority Stewardship program provides oversight and real property management services for airports whose operations have been transferred to local airport authorities. It also manages residual responsibilities with respect to the commercialized Air Navigation system (ANS). Program activities include: making sure that airport authorities respect the terms of their leases; addressing lease management issues promptly; completing the environmental remediation of ANS lands; managing ongoing liaison with NAV CANADA on property matters; and collecting airport rent revenue.

Sub sub-program 1.3.1.2: Airport Operations

Description: In keeping with the National Airports Policy (NAP) and for the benefit of the communities concerned, the Airport Operations program operates certain remote and regional/local Transport Canada-owned airports. It also divests these airports to third parties, where applicable. Guided by the NAP, Transport Canada will continue to operate remote airports as a core federal role as they provide exclusive, reliable year-round access to isolated communities.

Sub sub-program 1.3.1.3: Small Aerodrome Support

Description: The Small Aerodrome Support program manages air infrastructure legacy commitments that make airport services available to some communities. It does this by providing financial assistance to 12 Labrador communities, through the provincial government, to maintain airstrips built under federal/provincial agreements through the Labrador Coast Airstrip program and some remote airports to cover a portion of operating deficits through the Airports Operations and Maintenance Subsidy program.

Sub-program 1.3.2: Marine Infrastructure

Description: The Marine Infrastructure program operates from a commercially based policy framework and supports Canadian trade by making marine assets available for commercial use. The program is delivered by methods such as providing stewardship of assets operated by third parties, providing direct public sector delivery and managing contribution agreements. The program acts as steward of Canada Port Authorities and the land they manage; operates and divests Transport Canada's public ports; acts as steward of and provides support to remote, regional and constitutionally mandated ferry services; and acts as steward of and provides support to the Canadian portion of the Seaway.

Sub sub-program 1.3.2.1: Canada Port Authority Stewardship

Description: The Canada Port Authority Stewardship program oversees the commercial operation of the 17 Canada Port Authorities that manage properties that are federally owned or subject to federal law. Its goal is to foster a commercially based regime that supports Canadian trade within policy and legislative frameworks. The program administers Canada Port Authorities' compliance monitoring program; reviews and approves requests for property acquisitions/dispositions to make sure that they comply with relevant acts and policies and address environmental and Aboriginal concerns; oversees the appointment process that must comply with the Canada Marine Act; and reviews and approves requests for amending Canada Port Authorities activities, borrowing limits, terms of leases or establishing subsidiaries and compliance with gross revenue charge requirements.

Sub sub-program 1.3.2.2: Seaway Stewardship and Support

Description: Pursuant to the *Canada Marine Act*, Transport Canada is responsible for protecting the long-term operation and viability of the Seaway as an integral part of Canada's national transportation infrastructure. The Seaway Stewardship and Support program oversees the good management, operation and maintenance of the Canadian portion of the St. Lawrence Seaway by the St. Lawrence Seaway Management Corporation (the Seaway Corporation) for the benefit of seaway users and the businesses and communities that depend on it. The program administers, negotiates and monitors the federal government's 20-year agreement with the Seaway Corporation; provides statutory payments; negotiates and monitors the five-year Business Plans that set specific operating and asset renewal cost targets; and oversees the management of non-navigational assets, including the transfer of ownership of surplus Seaway properties.

Sub sub-program 1.3.2.3: Ferry Services Stewardship and Support

Description: The Ferry Services Stewardship and Support program serves Canadians, communities and businesses that depend on ferry services. The program oversees federal government funding for and involvement in ferry services across the country. This includes: Crown corporation Marine Atlantic service that links Newfoundland to the rest of Canada as per constitutional mandate; three private-sector inter-provincial services in Atlantic Canada, including one to the remote community of Isle-de-la-Madeleine under the Ferry Services Contribution Transfer Payment program.

Sub sub-program 1.3.2.4: Port Operations

Description: The Port Operations program makes marine facilities at Transport Canada-owned ports available to port users and the communities they serve. It manages and maintains Transport Canada-owned ports, including setting and collecting national public port tariffs at those ports.

Sub-program 1.3.3: Surface and Multimodal Infrastructure

Description: The Surface Infrastructure program supports Canada's trade and mobility by fostering efficient and economic access to surface transportation networks while furthering transportation safety. The program develops, designs, negotiates and manages federal funding for highways, borders, railways, transit and federal bridges; works with provinces, territories and other partners to develop infrastructure programs and policies, with a particular focus on the National Highway System; acts as steward for VIA Rail and federal bridges; and manages regional rail service legacy commitments.

Sub sub-program 1.3.3.1: Rail Passenger Stewardship and Support

Description: The Rail Passenger Stewardship and Support program makes national, regional and remote rail passenger services available throughout Canada. The program also acts as steward over and administers the annual subsidy to VIA Rail Canada; administers contributions to private-sector companies or First Nations bands operating regional and remote passenger rail services; and provides funding for capital projects that support rail services.

Sub sub-program 1.3.3.2: Federal Bridge Stewardship

Description: Guided by the *International Bridges and Tunnels Act* and other legislation, the Federal Bridge Stewardship program addresses capacity issues of bridges and tunnels under

Transport Canada's authority to safely meet current and future transportation needs and acts as steward of Transport Canada-owned bridges. Specific program responsibilities include implementing and managing federal contributions and initiatives that address the needs of bridges under federal authority; overseeing international bridge and tunnel operators' compliance with relevant regulations; establishing and implementing the laws and regulations governing international bridge operators; providing stewardship oversight of the Confederation Bridge, as per a constitutional obligation; and making statutory payments to Canadian National Railway Company for the roadway portion of the Victoria Bridge in Montreal.

Sub sub-program 1.3.3.3: Highway and Border Transportation Infrastructure Support

Description: The Highway and Other Transportation Infrastructure Support program benefits road users, stakeholders and communities through improved highways, bridges, transit systems and technology systems for transportation and borders, which reduces traffic congestion, accidents and stakeholder/user operating costs. This multimodal program provides program design guidance, manages federal contributions for improvements to the National Highway System (NHS) Canada-United States border infrastructure, transit system initiatives and other transportation infrastructure; develops, oversees and implements federal policy and coordinates infrastructure issues; assesses Building Canada Plan transportation projects; and helps monitor the performance of transportation infrastructure in partnership with stakeholders.

Performance Analysis

Transport Canada delivered contribution funding for transportation infrastructure programming across Canada. Numerous new agreements were concluded to advance transit and highway border and gateway transportation infrastructure projects (ports, rails, airport, multimodal facilities). Funding was delivered for multiple projects under the Outaouais Road Agreement[xxv] , the Building Canada Fund[xxvi] , the Border Infrastructure Fund and the Canada Strategic Infrastructure Fund (the Department delivered some of these projects on behalf of Infrastructure Canada[xxvii]). Most of the funds have been allocated to projects, as many of these programs are nearing completion.

Long-term, cost-efficient asset strategies were developed for Transport Canada-owned and operated airports and ports. Transport Canada continues to recognize that the best long-term solution for these assets is their transfer to local communities in order to better respond to local needs. The Department continued to improve the efficiency of Canadian marine transportation through the Port Divestiture program. Through Canada's Economic Action Plan, the federal government committed $27.3 million for 2012–13 and 2013–14 to support the divestiture of port facilities and the continued operation and maintenance of federally owned ports. Seven ports were divested under the Port Divestiture Fund this year. To date, 496 of the 549 sites identified for divestiture at the outset of the program in 1995 have been divested. This represents a 90% success rate.

Informal discussions on Regional Local Airports Asset Management Strategies were completed to support the development of strategies with respect to the future of Transport Canada-owned airports.

Support was provided to VIA Rail's[xxviii] implementation of the nearly $1-billion major capital program funded by the Government of Canada. Transport Canada's oversight of VIA's multi-year capital program indicates that VIA has experienced some delays in meeting its 2013–14 capital investment targets. VIA Rail continued to rebuild passenger cars so that 18 passenger cars

operating in the Quebec City-Windsor Corridor are now back in service; advanced its track investments between Toronto-Montreal and signal/grade crossing warning systems between Toronto-Kitchener-London; and significantly advanced the replacement and upgrade of core information systems (reservations and revenue management, station automation and financial systems). These capital investments should improve the efficiency and reliability of VIA's services by renewing train equipment, expanding track capacity, upgrading stations and undertaking other strategic projects.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
1.3 Transportation Infrastructure				
320,633,244	320,633,244	392,219,269	363,848,205	-43,214,961

Budgetary Financial Resources (dollars) – For Sub and Sub-sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
1.3.1 Airport Infrastructure		
26,820,288	32,737,464	-5,917,176
1.3.1.1 Airport Authority Stewardship		
-5,595,813	-5,751,984	156,171
1.3.1.2 Airport Operations		
27,076,985	44,947,964	-17,870,979
1.3.1.3 Small Aerodrome Support		
5,339,116	-6,458,516	11,797,632
1.3.2 Marine Infrastructure		
199,915,419	231,103,427	-31,188,008
1.3.2.1 Canada Port Authority Stewardship		
9,615,630	1,358,250	8,257,380
1.3.2.2 Seaway Stewardship and Support		
96,504,015	116,493,768	-19,989,753
1.3.2.3 Ferry Services Stewardship and Support		
76,154,113	73,191,677	2,962,436
1.3.2.4 Port Operations		
17,641,661	40,059,732	-22,418,071
1.3.3 Surface and Multimodal Infrastructure		
93,897,540	100,007,314	-6,109,774
1.3.3.1 Rail Passenger Stewardship and Support		
1,112,075	13,602,099	-12,490,024
1.3.3.2 Federal Bridge Stewardship		
65,934,998	65,008,509	926,489
1.3.3.3 Highway and Border Transportation Infrastructure Support		
26,850,467	21,396,706*	5,453,761

Human Resources (FTEs) – For Program and Sub and Sub-sub-programs

Planned	Actual	Difference (planned minus actual)
1.3 Transportation Infrastructure		
219	226	-8
1.3.1 Airport Infrastructure		
125	122	3
1.3.1.1 Airport Authority Stewardship		
10	12	-2
1.3.1.2 Airport Operations		
112	106	6
1.3.1.3 Small Aerodrome Support		
3	5	-2
1.3.2 Marine Infrastructure		
51	64	-13
1.3.2.1 Canada Port Authority Stewardship		
7	4	3
1.3.2.2 Seaway Stewardship and Support		
8	7	1
1.3.2.3 Ferry Services Stewardship and Support		
5	9	-4
1.3.2.4 Port Operations		
30	44	-14
1.3.3 Surface and Multimodal Infrastructure		
43	40	3
1.3.3.1 Rail Passenger Stewardship and Support		
4	3	1
1.3.3.2 Federal Bridge Stewardship		
3	3	0
1.3.3.3 Highway and Border Transportation Infrastructure Support		
37	34	3

The variance of $43.2 million is mainly associated with an increase in the statutory payment to the St. Lawrence Seaway Management Corporation in respect of the agreement under the *Canada Marine Act* and an increase in contribution funding for the Regional and Remote Passenger Rail Service Class Contribution program (now the Remote Passenger Rail program) and the Port Divestiture Fund for infrastructure projects.

The FTE variance is due in part to the implementation of Canada's Economic Action Plan, in which the federal government committed $27.3 million for 2012–13 and 2013–14 to support the divestiture of port facilities and the continued operation and maintenance of federally owned ports.

Performance Results – For Program and Sub and Sub-sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
1.3 Transportation Infrastructure			
Federally funded infrastructure is operational	Percentage of federally funded transportation infrastructure that meets annually established operational targets	100%	96%

The program just missed the target for this performance indicator. Details are provided under the following tables. Ninety-six percent of federally funded transportation infrastructure meets annually established operational targets.

Expected Results	Performance Indicators	Targets	Actual Results
1.3.1 Airport Infrastructure			
Airport infrastructure is available to users	Percentage of federally supported airport infrastructure that is operational	100%	Target achieved
1.3.1.1 Airport Authority Stewardship			
National Airports System Airports comply with leases	Percentage of National Airports System airports that are in substantive compliance with their lease terms	100%	Target achieved
1.3.1.2 Airport Operations			
Airports are operational and available to users	Percentage of airports that are operational	100%	Target achieved
1.3.1.3 Small Aerodrome Support			
Airports are operational and available to users	Percentage of funded airports certified operational	100%	Target achieved

The program achieved all its targets for these performance indicators.

Expected Results	Performance Indicators	Targets	Actual Results
1.3.2 Marine Infrastructure			
Marine infrastructure is operational for users	Percentage of marine infrastructure operational	100%	Target achieved
1.3.2.1 Canada Port Authority Stewardship			
Compliance with Acts, regulations and letters patent	Percentage of transactions in compliance with federal Acts, regulations and policies	100%	Target achieved
1.3.2.2 Seaway Stewardship and Support			
Seaway is open and available to commercial traffic	Percentage of system availability	99%	Target achieved
1.3.2.3 Ferry Services Stewardship and Support			
Constitutional, regional and remote ferry services are available to users	Percentage of scheduled trips completed	100%[21]	Target achieved

[21] Excludes mechanical or weather related issues which are outside of the operators' control.

Expected Results	Performance Indicators	Targets	Actual Results
1.3.2.4 Port Operations			
Transport Canada-owned ports are operational and available to users	Percentage of active ports operational	100%	Target achieved

The program achieved all its targets for these performance indicators.

Expected Results	Performance Indicators	Targets	Actual Results
1.3.3 Surface and Multimodal Infrastructure			
Federally funded surface infrastructure projects are completed and available to users as per/consistent with agreement date with recipient	Percentage of federally funded surface infrastructure operational	100%	96 %
1.3.3.1 Rail Passenger Stewardship and Support			
Federally funded inter-city and remote passenger rail services have the capacity to meet existing commitments	Percentage of planned service levels that are achieved by federally supported inter-city and remote passenger rail carriers	100%	96 %
1.3.3.2 Federal Bridge Stewardship			
Federal bridges are capable of meeting existing and future demand	Percentage of federal funding obtained and delivered so the project can start within approved timelines	100%	Target achieved
1.3.3.3 Highway and Border Transportation Infrastructure Support			
Federally funded highway and border surface infrastructure is available to users	Percentage of highway and border projects that meet funding objectives	100%	Target achieved

The program did not meet the target for performance indicators 1.3.3 and 1.3.3.1. Train miles were reduced due to the suspension of the Matapedia-Gaspé service for track conditions and lower frequencies in the Quebec City-Windsor corridor than planned. (Train miles: total miles travelled by all trains).

Program 1.4: Transportation Analysis and Innovation

Description: The Transportation Analysis and Innovation program provides analysis and research activities to drive efficiency in the transportation system. The program transforms data into analytical products and actionable information; conducts socio-economic research to further the understanding of key drivers for change on transportation efficiency issues and potential responses; conducts exploratory and applied research to identify and foster the adoption of promising technologies; builds better linkages between science and policy and promotes innovation and scientific and research excellence in transportation; manages transportation data collection efforts; and monitors and reports on trends in the transportation system, with a view to enhancing the efficiency and competitiveness of the sector.

Sub-program 1.4.1: Socio-Economic Research and Analysis

Description: The Socio-Economic Research and Analysis program investigates transportation issues including those of an economic, financial and fiscal nature that may impact the efficiency of transportation. This program captures activities and initiatives designed to measure the efficiency and reliability of the transportation system, identify and analyze issues and trends in the transportation sector and evaluate their impacts on transportation with a particular focus on identifying the economic costs of those impacts, and help transportation stakeholders develop informed responses to efficiency-related transportation issues.

Sub-program 1.4.2: Transportation Innovation, Research, Development and Technology

Description: The Transportation Innovation Research, Development and Technology program serves as a focal point in the delivery of an integrated transportation innovation agenda. This program sets policy and strategic direction for research and development; develops designs, negotiates and manages/executes research initiatives and programs for breakthrough technologies; advances the development and dissemination of scientific knowledge and the application of technology; partners and collaborates with other federal departments, other governments, academia and the private sector; and supports transportation science capacity. These activities advance the transportation science and technology body of knowledge, helping the sector to strengthen the efficiency of the transportation system.

Sub-program 1.4.3: Transportation Data Framework and Stewardship

Description: The Transportation Data Framework and Stewardship program collects, validates, protects and disseminates socio-economic and mode-specific operational and financial data of relevance to the Canadian transportation system. These activities are a statutory obligation under the *Canada Transportation Act* and allow for the development of the mandated Annual Report on the state of transportation in Canada, as well as other statistical reports of use to the industry. This program captures transportation/industry data-related activities and initiatives, in support of an efficient transportation system, and guides all data-related activities in an integrated and coherent manner. It also provides monitoring and reporting on the sector in support of policy evaluation/formulation and evidence-based policy, regulations and decision making and helps transportation stakeholders further their understanding of the sectoral trends.

Performance Analysis

Transport Canada promoted innovation in the transportation sector with a focus on encouraging the deployment of innovative technologies and practices to enhance transportation system performance and productivity. This work supports the department's efforts to assess and renew its policy framework for a competitive and modern transportation system.

Research and development projects were conducted in close alignment with five strategic research priorities, namely cold climate, security, accessibility, sustainable transportation and innovative transportation. Research in these areas is highly leveraged with industry and academia in areas such as preventing aviation ground icing, improving security screening at ports and airports, improving safety at railway crossings and minimizing the effects of permafrost degradation on northern infrastructure.

Through the Northern Transportation Adaptation Initiative[xxix] the Department acts as a knowledge broker, bringing together experts from provincial and territorial governments,

academia and industry to address transportation challenges related to permafrost degradation and Arctic marine shipping. Activities that were undertaken addressed the most pressing transportation issues facing the North and included climate change vulnerability assessments of critical northern infrastructure, as well as evaluations of innovative tools and technologies. The Department signed 12 agreements to help foster a more in-depth understanding of climate change impacts in the North, facilitate adaptation considerations in transportation planning and develop adaptive capacity in Canada's North.

The Minister of Transport submitted *Transportation in Canada 2012*, the annual report on the state of transportation in Canada, to Parliament in October 2013. This marks the sixth report produced in conformity with the statutory requirements spelled out in Section 52 of the *Canada Transportation Act, 2007*.

The Department also conducted an analysis of the productivity and efficiency of the transportation system. The results of the analysis were disseminated in the *Transportation in Canada 2012* Report and to internal and external stakeholders. The collection of marine data was also enhanced. For example, the Department is now receiving import and export data from the Canada Border Services Agency and can use this information to analyze the performance and fluidity of the transportation system.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
1.4 Transportation Analysis and Innovation				
15,333,651	15,333,651	12,804,034	12,885,608	2,448,043

Budgetary Financial Resources (dollars) – For Sub and Sub-sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
1.4.1 Socio-Economic Research and Analysis		
2,450,104	2,140,390	309,714
1.4.2 Transportation Innovation, Research, Development and Technology		
10,166,884	8,082,760	2,084,124
1.4.3 Transportation Data Framework and Stewardship		
2,716,663	2,662,458	54,205

Human Resources (FTEs) – For Program and Sub and Sub-sub-programs

Planned	Actual	Difference (planned minus actual)
1.4 Transportation Analysis and Innovation		
71	53	18
1.4.1 Socio-Economic Research and Analysis		
29	16	13
1.4.2 Transportation Innovation, Research, Development and Technology		
19	20	-1

Planned	Actual	Difference (planned minus actual)
1.4.3 Transportation Data Framework and Stewardship		
23	17	6

The variance of $2.4 million is due to the decrease in Grants and Contribution funding related to the transfer of the Intelligent Transportation Systems contribution program from this program (1.4) to the Transportation Infrastructure program (1.3).

The FTE variance is due in part to implementation of Budget 2012 cost saving measures to gain organizational efficiencies. While the costs saving measures are to be implemented over a three-year period, the majority of affected employees impacted by reduction measures were advised in the first year in order to minimize the impact on people and the department; a large proportion of employees opted to leave earlier in the implementation period.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results (planned minus actual)
1.4 Transportation Analysis and Innovation			
Canadians and stakeholders are informed of the state of transportation in Canada, including relevant sectoral trends and statistics, innovation and research conducted at the federal level in the sector	Number of web hits to annual report on the state of transportation in Canada	75,000	An annual report was developed Given changes to the departmental website due to the Government of Canada web renewal project, the number of web hits is no longer measurable. This indicator is under review
1.4.1 Socio-Economic Research and Analysis			
Canadian community of transportation stakeholders making policies, regulations, managing infrastructure and delivering transportation services, as well as all Canadians, are informed of trends and issues impacting the transportation sector	Number of web hits to the statistical addendum of the annual report on the state of transportation in Canada	More than 50,000 (To be confirmed)	An annual report was developed Given changes to the departmental website the number of web hits is no longer measurable. This indicator is under review
1.4.2 Transportation Innovation, Research, Development and Technology			
Research, development and technology/innovation investments	Ratio of research, development and technology investment leveraged from external sources	1:1 investment ratio	For every $1 invested, $2.83 dollars was leveraged externally
1.4.3 Transportation Data Framework and Stewardship			
Industry is compliant to their data reporting obligations in conformity with the *Canada Transportation Act* and its companion data regulations.	Degree of compliance of airlines operating in Canada vis-à-vis the *Canada Transportation Act* data regulations (also known as the *Carriers and*	90%	92%

Expected Results	Performance Indicators	Targets	Actual Results (planned minus actual)
	Transportation and Grain Handling Undertaking Regulations)		

While the performance data is not available for 1.4 and 1.4.1, the program exceeded is target for research, development and technology, as for every $1 invested $2.83 dollars was leveraged externally. In addition, Canadian airlines compliance with data regulations exceeded the target.

Strategic Outcome 2: A Clean Transportation System

Transport Canada promotes clean transportation in Canada. This Strategic Outcome advances the federal government's environmental agenda in the transportation sector and complements other federal programs designed to reduce air emissions to protect the health of Canadians and the environment for generations to come. It protects the marine environment by reducing the pollution of water from transportation sources; and fulfills Transport Canada's responsibilities in working towards a cleaner and healthier environment with regard to its own operations.

The following programs and sub-programs support this Strategic Outcome:

Program 2.1: Clean Air from Transportation

Description: Transport Canada's Clean Air from Transportation program advances the federal government's environmental agenda in the transportation sector and complements other federal programs designed to reduce air emissions for improving the health of Canadians and the environment for generations to come. The program regulates air emissions from the transportation sector and oversees Transport Canada clean air program obligations and commitments.

Sub-program 2.1.1: Clean Air Regulatory Framework and Oversight

Description: Deriving its authority from the *Railway Safety Act*, the *Canada Shipping Act*, and the *Aeronautics Act*, Transport Canada's Clean Air Regulatory Framework and Oversight program contributes to reducing the air emissions from transportation by creating and implementing regulatory regimes. The program sets the legal and regulatory frameworks that govern the transportation sector's air emissions; oversees transportation firms' compliance with their regulatory obligations; represents Canada in discussions to set international standards for air emissions in the transportation sector; and contributes to developing and implementing instruments to reduce air emissions from Canada's transportation sector.

Sub-program 2.1.2: Clean Air Programs

Description: The Clean Air programs advance the federal government's environmental agenda in the transportation sector by promoting and demonstrating ways to reduce transportation greenhouse gas emissions and other air pollutants; promoting, testing and demonstrating advanced vehicle technologies to reduce transportation greenhouse gas emissions and other air pollutants from motor vehicles; creating partnerships; and designing, negotiating and managing initiatives for transportation emission reduction.[22]

Performance Analysis

Under the Clean Transportation theme of the Clean Air Agenda, Transport Canada led the Government of Canada's participation at the International Maritime Organization[xxx] to address air pollutant and greenhouse gas emissions from international maritime shipping. The Department also actively participated on the International Civil Aviation Organization Committee on Aviation Environmental Protection's Steering Group, as well as its working groups and committees.

[22] With the exception of passenger automobiles, light trucks and heavy-duty vehicles, which are regulated by Environment Canada under the *Canadian Environmental Protection Act, 1999* (CEPA 1999). Includes safety and environmental performance testing to support the development of regulations and standards for advanced vehicle technologies by the ecoTECHNOLOGY for Vehicles II Initiative.

On May 8, 2013, amendments were made to the Vessel Pollution and Dangerous Chemicals Regulations under the *Canada Shipping Act, 2001*, implementing the North American Emission Control Area in Canadian jurisdiction, as well as air emissions standards for domestic vessels operating in the Great Lakes and St. Lawrence waters. These regulations require vessels to meet low sulphur emission standards by using either low sulphur fuels or emission-control technologies. New ships built after January 1, 2016, will need to meet the most stringent standards for nitrogen oxides. The combined standards under these regulations were estimated to provide $1 billion a year in public health benefits.

Development of the proposed Locomotive Emissions Regulations is underway, with pre-publication in *the Canada Gazette, Part I* expected to occur in the 2014–15 fiscal year. In April 2013, Transport Canada and the Railway Association of Canada signed a renewed Canadian Memorandum of Understanding. The renewed agreement encourages Railway Association of Canada member railway companies to continue to voluntarily reduce and report on criteria air contaminants and greenhouse gas emissions over the 2011 to 2015 period. The Department is also supporting research on new and emerging technologies to reduce rail sector emissions through academic programs. Research projects included investigating emission reductions with the use of biodiesel fuel, railway electrification and ultra-low sulphur diesel fuel.

The Department signed two contribution agreements under the Truck Reservation System Program: one with Port Metro Vancouver that will equip the remaining commercial trucking fleet with Global Positioning System units to help track and communicate important routing, operational and congestion information with truck operators on a real-time basis, improving operational efficiency and reducing emissions at the Port; and one with the Port of Montreal that will install radio frequency identification technology to improve intermodal access and truck traffic flow, reducing overall congestion and emissions at the Port.

Under the Shore Power Technology for Ports program, contribution agreements were also signed with recipients for the installation and commissioning of nine shore power stations at four ports across Canada to reduce emissions of vessels at port. Two of these systems are operational and seven are under construction. For example, the Seaspan Ferries Corporation has installed shore power facilities at its Swartz Bay Terminal on Vancouver Island, and the Port of Halifax is currently building a shore power facility for cruise ships.

The Department worked with other governmental agencies, industry and academia to develop new technologies that have the potential to reduce emissions and improve ship energy efficiency. A study focused on the West Coast that involved 18 stakeholders was completed and confirmed liquefied natural gas (LNG) as a viable alternative fuel to comply with the North American Emission Control Area's new standard. A call for proposals to industry was initiated to find novel ways to reduce shipboard emissions. Five projects were successful and are currently underway.

The ecoTECHNOLOGY for Vehicles Program (eTV) conducted 17 testing and evaluation programs to evaluate the safety and environmental performance of advanced technologies for passenger vehicles and heavy-duty trucks. For example, eTV conducted wind tunnel testing to evaluate new aerodynamic technologies for passenger cars and trucks, and tested audible alert systems equipped on several hybrid and electric vehicles in collaboration with the United States under the Regulatory Cooperation Council. Results support the development of safety and environmental standards/regulations for advanced vehicle technologies in Canada, the United States and globally.

In 2013–14, Transport Canada completed the Canadian Vehicle Use Study to address data gaps and collect information for light-duty vehicles that in turn will inform Canada's vehicle greenhouse gas emission regulations. These studies, now conducted in five provinces (Saskatchewan, Manitoba, Ontario, Quebec, and Prince Edward Island) provided tools to collect activity data which is directly linked to vehicle characteristics and fuel consumption.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
2.1 Clean Air from Transportation				
37,144,563	37,144,563	39,195,642	27,755,589	9,388,974

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
2.1.1 Clean Air Regulatory Framework and Oversight		
13,968,142	14,969,584	-1,001,442
2.1.2 Clean Air Programs		
23,176,422	12,786,005	10,390,417

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
2.1 Clean Air from Transportation		
90	75	15
2.1.1 Clean Air Regulatory Framework and Oversight		
61	49	12
2.1.2 Clean Air Programs		
29	27	2

The variance of $9.4 million is mostly related to project delays in Shore Power and the Truck Reservation System programs under the Clean Air Initiative

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
2.1 Clean Air from Transportation			
Decrease in intensity of greenhouse gas emissions and air pollutants in the transportation sector	Transportation emission intensity (percent change in intensity as measured in tonnes per unit of activity (e.g. tonnes-km, tonnes per hour, tonne per call, etc.).	An intensity improvement that is consistent with the plan established under the government's horizontal approach for clean air. Note: It will only be possible to set an absolute value once the transportation sector's share of the federal	From 2005–2011: Freight transportation: increased from 81 grams to 97 grams per tonne-km Passenger transportation: decreased from 142 grams to 124 grams of carbon dioxide equivalent per passenger-km

Expected Results	Performance Indicators	Targets	Actual Results
		reduction targets are established and shared Date to achieve target: March 2020	

While all freight transportation modes became more efficient (and less greenhouse gas intensive) between 2005 and 2011, the latest year for which data is available, the reliance on trucks to move freight has increased the overall intensity of greenhouse gases in freight transportation from 81 grams to 97 grams per tonne-km.

Overall, passenger transportation emissions were stable over the 2005–2011 period while passenger activity increased by 15% (from 716 to 830 billion of passenger-km), consequently passenger transportation intensity declined by 12%, from 142 to 124 grams of carbon dioxide equivalent per passenger-km. According to Natural Resources Canada, between 2005 and 2011, all modes of passenger transportation experienced a decline in GHG emissions intensity except rail which remained stable to 142 g of CO2. Aviation GHG intensity experienced the largest decline, down by 34%, followed by light trucks, passenger cars, light trucks and other road (motorcycles, school buses, transit and intercity buses) whose emissions intensity declined respectively by 8%, 7% and 7%. The important decline in aviation emissions intensity was due to the increase in passenger km, up by 34%, while total emissions declined by 13%.

Expected Results	Performance Indicators	Targets	Actual Results
2.1.1 Clean Air Regulatory Framework and Oversight			
Clean air regulatory framework (and policies) that align with international standards	Percentage of instruments that are aligned with domestic legislation or international standards	100% Date to achieve target: March 2015	All current Canadian aviation environmental standards are aligned with approved International Civil Aviation Organization standards The regulations on marine sector air emissions are currently 80% aligned. Full alignment is expected in 2020
2.1.2 Clean Air Programs			
Clean Transportation technologies are available to users	Clean transportation technologies implemented by users	10 Date to achieve target: March 2016	On track to meet target

All current Canadian aviation environmental standards are aligned with approved International Civil Aviation Organization standards. New marine air regulations delayed the implementation of sulphur standards for Canadian ships on the Great Lakes however by 2020 they will be at 100% alignment. Overall, the clean air initiative program is on track to meet its 2016 performance target.

Program 2.2: Clean Water from Transportation

Description: The Clean Water from Transportation program protects the marine environment by reducing the pollution of water from transportation sources. This program regulates and monitors the release and impact of discharges from marine vessels into the marine environment, regulates

ballast water and contributes to setting domestic and international rules that govern limits to liability of marine pollution incidents. This program advances the federal government's clean water agenda in the transportation sector and complements other federal programs designed to protect the marine environment for the health of Canadians and the environment for generations to come. This program also represents Canada in discussions to set international standards to prevent pollution from vessels operating in Canada's waters and address the threat of aquatic invasive species.

Sub-program 2.2.1: Clean Water Regulatory Framework

Description: Guided by the *Canada Shipping Act, 2001*, the *Arctic Waters Pollution Prevention Act*, the *Marine Liability Act* and international conventions, the Clean Water Regulatory Framework program sets the legal and regulatory frameworks that govern the protection of the marine environment from pollution, the introduction of invasive species and the environmental impact of pollution incidents.

Sub-program 2.2.2: Clean Water Regulatory Oversight

Description: The Clean Water Regulatory Oversight program contributes to reducing pollution from vessels by monitoring compliance of marine transportation firms with the Marine Safety regulatory framework through surveillance, inspections, audits, monitoring and enforcement.

Performance Analysis

The Government of Canada's commitment to create a World-Class Tanker Safety System[xxxi] in support of Responsible Resource Development[xxxii] is enhancing safety for shipping. The goal of the World Class Tanker Safety System is to prevent spills from happening, clean them up quickly if they do happen, and ensure that polluters, not taxpayers, are responsible for costs in the unlikely event of a spill.

Transport Canada implemented a number of measures towards a World Class Tanker Safety System, including increasing foreign tanker inspections, enhancing systematic surveillance and monitoring of ships, moving to establish an Incident Command System, launching the process to designate Kitimat as a public port to enhance vessel traffic control, conducting scientific research, and installing new and modified aids to navigation. As well, the Tanker Safety Expert Panel[xxxiii] was created to review Canada's Ship-source Oil Spill Preparedness and Response Regime and propose recommendations to strengthen it. The Panel's report, focused on the ship-source oil regime for south of the 60th parallel, was released in late 2013.

Acting on the advice of the Tanker Safety Expert Panel, and building on other studies and input from provincial governments, Aboriginal groups and marine stakeholders from across Canada, the federal government will implement new measures to further strengthen Canada's already robust tanker safety system, including:

- Modernizing Canada's marine navigation system: Canada will take a leadership role in implementing e-Navigation, which reduces the risk of an oil spill by providing accurate and real-time information and data on navigational hazards, weather and ocean conditions to vessel operators;
- Establishing area response planning for each of the following regions that currently have high levels of tanker traffic: the southern portion of British Columbia; Saint John and the Bay of Fundy, New Brunswick; Port Hawkesbury, Nova Scotia; and the Gulf of St. Lawrence, Quebec;

- Supporting Aboriginal communities so that they can participate in marine emergency preparedness around their communities;
- Amending legislation to provide for the use of alternate response measures and to clarify the Canadian Coast Guard's authority to use and authorize these measures when there is likely to be a net environmental benefit; and
- Strengthening the polluter pay principle by introducing legislative and regulatory amendments that will enhance Canada's Ship-source Oil Pollution Fund.

Through its actions to enhance tanker safety, the government is establishing a world-class system to protect marine environments and responsibly transport natural resources.

The Department delivered on its commitment to protect the marine environment by contributing to the reduction of water pollution from transportation activity. The National Aerial Surveillance program (NASP) pollution surveillance aircraft conducted surveillance in all regions of Canada. NASP continues to have a positive impact in deterring potential polluters who transit waters under Canadian jurisdiction. Surveillance program aircraft flew over 19,989 vessels (a 97.25% increase) and detected some 219,627 vessels through the Automated Identification System. NASP detected or responded to 214 pollution incidents of which 43 were of a known source. The remaining 171 were spills from unknown sources. All spills that are detected by the aircraft are reported. For ship source spills, they are reported immediately in flight to the respective Marine Safety and Security Regional offices for investigation. All spills from unknown sources are reported (those over 5 litres) immediately to the Canadian Coast Guard through the Marine Communications and Traffic Services Pollution Desk. NASP also assisted search and rescue calls from the Regional Coordination Centre.

Transport Canada continued to enhance compliance and oversight through activities such as development of service standards for inspections, providing advice to industry on compliance issues and responding to concerns on technical issues facing the industry, such as standards for managing transfer operations.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
2.2 Clean Water from Transportation				
2,299,329	2,299,329	10,675,404	16,198,195	-13,898,866

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
2.2.1 Clean Water Regulatory Framework		
234,594	1,711,269	-1,476,675
2.2.2 Clean Water Regulatory Oversight		
2,064,735	14,486,926	-12,422,191

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
2.2 Clean Water from Transportation		
13	52	-39
2.2.1 Clean Water Regulatory Framework		
2	6	-4
2.2.2 Clean Water Regulatory Oversight		
11	46	-35

The variance of $13.9 million is mainly due to increased spending related to the implementation of phase one (parts one and two) of a strategy to implement a world-class tanker safety and oil spill response regime which was approved after the start of the fiscal year.

The FTE variance is due to increasing the number of inspectors as part of the implementation of the World Class Tanker Safety initiatives, which were not included in the planned FTEs as the initiatives were announced after Transport Canada's 2013–14 Report on Plans and Priorities was drafted.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
2.2 Clean Water from Transportation			
Prevention of pollution in the marine environment from vessels operating in waters under Canadian jurisdiction	Number of releases of harmful pollutants in the marine environment by vessels	17 Date to achieve target: March 2017	43

This result includes all ship-source spills identified by the National Aerial Surveillance program. As part of the World Class Tanker Safety initiative, the program almost doubled its frequency of patrols due to increased funding and, as a result, 9,855 more vessels were monitored by air than the previous year (an increase of 97.25%).

Expected Results	Performance Indicators	Targets	Actual Results
2.2.1 Clean Water Regulatory Framework			
A modern clean water regulatory framework and policies that are harmonized with adopted international standards	Percentage of instruments that are aligned with domestic legislation and/or adopted international standards	95% Date to achieve target: March 2017	99%
2.2.2 Clean Water Regulatory Oversight			
Industry is compliant with the regulatory framework	Percentage industry compliance with regulatory framework for environmental response regime	95% Date to achieve target: March 2017	98.7%
Industry is compliant with the regulatory framework for ballast water discharges in waters under Canadian jurisdiction	Percentage of vessels in compliance with Ballast Water Control and Management Regulations reporting rules	95%	90%

In relation to alignment to legislation and standards, 99% of instruments are aligned with domestic legislation, exceeding the target. Vessel Pollution and Dangerous Chemicals Regulations under the *Canada Shipping Act* may have discharge requirements that would not be aligned with the application of the *Arctic Waters Pollution Prevention Act* in inland waters north of 60°, a review is underway. Instruments are 90% aligned to international standards. Updates to the Regulations are required to implement recent changes to standards under the International Convention for the Prevention of Pollution from Ships.

Inspections of foreign ships operating in Canada under the Port State Control program found compliance with environmental requirements at 98.7%. Overall compliance was at 90% for vessels to report on the status of their ballast water 96 hours before arrival at a Canadian port. 100% compliance was attained for the Great Lakes, owing to all inbound vessels inspected under the joint program with the U.S. Coast Guard and both Canadian and American Seaway Corporations.

Program 2.3: Environmental Stewardship of Transportation

Description: The Environmental Stewardship program fulfills Transport Canada's responsibilities in working towards an environmentally responsible national transportation system for Canadians by ensuring compliance with the department's environmental obligations in relation to Acts, Regulations, Policies and Guidelines, and meeting legal obligations with respect to Aboriginal consultation. The program: fulfills Transport Canada's responsibilities to implement a Departmental Sustainable Development Strategy[xxxiv] under the *Federal Sustainable Development Act*[xxxv]; ensures that Transport Canada's lands and facilities are managed in an environmentally responsible manner in compliance with federal legislation and policies; provides functional support for environmental assessments, including for major resource projects; manages contaminated sites; and advises on Aboriginal consultation.

Performance Analysis

Transport Canada supported Government of Canada initiatives to improve the regulatory framework of major resource projects throughout Canada. The Department coordinated an efficient approach to the application of Major Projects Management Office (MPMO) and the Northern Project Management Office (NPMO) processes across the federal government departments participating in this initiative. The Department engaged in 48 of the 78 MPMO projects and in the 18 NPMO projects currently in the environmental assessment phase and Aboriginal consultation.

The Department is responsible for a wide range of transportation operations and over 104 owned and operated sites, including airports, ports, and harbour beds. Operations include fleets of aircraft and vehicles, stores, warehouses and offices in central and remote sites across the country. Environmental performance and compliance with all applicable environmental laws, regulations and policies at these sites is monitored through Transport Canada's National Environmental Management System. The Department also completed the planned annual scope of work for 60 contaminated sites remediation projects. Transport Canada also has a significant number of holdings operated by third parties, including NAS airports, Canada Port Authorities, St. Lawrence Seaway properties, bridges and ferry terminals; operators are responsible for ensuring appropriate environmental management at these sites.

In 2013–14, the department transitioned to the 2013–16 Federal Sustainable Development Strategy[xxxvi] (FSDS), which was tabled in Parliament in November 2013 and posted its first

update incorporating the new commitments highlighted in the new strategy. All implementation strategies included under Themes I to III are on track to achieve their expected results by the end of the 2013–2016 Federal Sustainable Development Strategy.

Transport Canada contributes to Greening Government Operations (GGO) targets through Theme IV. The targets under Theme IV are national in scale and cover a wide range of activities including reducing greenhouse gas emissions from our operations, improving the environmental performance of our buildings, reducing paper consumption and properly managing our electronic and electrical equipment. Transport Canada has achieved, and in some cases, exceeded all GGO targets. For additional details on Transport Canada's GGO activities please see Section III Supplementary Information Tables of this report.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
2.3 Environmental Stewardship of Transportation				
30,761,717	30,761,717	31,946,389	29,431,954	1,329,763

Human Resources (FTEs) – For Program

Planned	Actual	Difference (planned minus actual)
2.3 Environmental Stewardship of Transportation		
134	121	13

The FTE variance is explained by ongoing staffing actions to fill vacancies, assignments to other programs, a budget normalization exercise and retirements.

Performance Results – For Program

Expected Results	Performance Indicators	Targets	Actual Results
2.3 Environmental Stewardship of Transportation			
Compliance with Transport Canada's obligations in relation to acts, regulations, policies and guidelines	Percentage of departmental commitments achieved under the Federal Sustainable Development Strategy (FSDS)	100%	All implementation strategies under Themes I to III are on track to achieve their expected results by the end of the 2013–2016 FSDS. Targets under Theme IV achieved and in some cases exceeded
Compliance with Transport Canada's obligations in relation to acts	Number of instances where Transport Canada was not in compliance with applicable environmental legislation	0	Target achieved
Compliance with Transport Canada's obligations in relation to acts	Nombre de fois où Transports Canada n'a pas respecté son obligation légale de consulter les Autochtones.	0	Target achieved

Strategic Outcome 3: A Safe and Secure Transportation System

A safe and secure transportation system moves people and goods across Canada, and to international destinations, without injury, loss of life or damage to property. Transport Canada supports a safe and secure transportation system by influencing the behaviour of the public and industry through policies, standards, regulations and laws. Harmonized and streamlined regulatory regimes, informed by the expertise of multiple countries and stakeholders, aid effective, safe and secure transportation practices and a sound safety and security culture. Transport Canada ensures that Canadians and the transportation industry are in compliance with the regulatory framework through their oversight program.

The following programs and sub-programs support this Strategic Outcome:

Program 3.1: Aviation Safety

Description: The Aviation Safety program develops, administers and oversees the policies, regulations and standards necessary for the safe conduct of civil aviation within Canada's borders in a manner harmonized with the international aviation community. It also manages programs to support safety-related investments at regional/small airports and provides air transport services to support Transport Canada and other government Department operations.

Sub-program 3.1.1: Aviation Safety Regulatory Framework

Description: The Aviation Safety Regulatory Framework program develops and balances the use of policies, guidelines, regulations, standards and education based on risk, to promote a safe and harmonized aviation safety framework for: Canadians and air travellers in Canada and Canada's aviation industry.

Sub-program 3.1.2: Aviation Safety Oversight

Description: The Aviation Safety Oversight program, based on risk, supports compliance of the aviation industry with the regulatory framework through services, assessments and validations, inspections, audits and, when necessary, enforcement.

Sub sub-program 3.1.2.1: Service to the Aviation Industry

Description: Guided by the standards and regulatory requirements in the Canadian Aviation Regulations, the Service to the Aviation Industry program licenses personnel, provides operating certificates to organisations and certifies aeronautical products.

Sub sub-program 3.1.2.2: Surveillance of the Aviation System

Description: The Surveillance of the Aviation System program, based on risk, monitors aviation industry compliance of the regulatory framework through assessments and validations, inspections, audits and, when necessary, enforcement.

Sub-program 3.1.3: Airports Capital Assistance

Description: In keeping with the National Airports policy, the Airports Capital Assistance program helps Canada maintain airport safety at non-federally owned eligible airports. It provides funding for airside safety-related capital projects, which may also extend to non-airside asset

protection. It targets airports with a demonstrated financial need to fund the capital expenditures necessary to maintain safety.

Sub-program 3.1.4: Aircraft Services

Description: The Aircraft Services program provides aircraft and aircraft maintenance and training services to Transport Canada and other federal government departments and agencies.

Performance Analysis

In 2013–14, the Department delivered on the majority of the commitments made in the Civil Aviation Action Plan. Transport Canada addressed the audit findings from the 2012 report by the Office of the Auditor General through the Management Response and detailed Action Plan, including successfully adopting a national risk-based approach to oversight planning that considers surveillance and service activities (safety management systems [SMS] and non-safety management systems). The first full year of using risk-based inspection planning, nationally, resulted in completing 89% of planned inspections. All deferred surveillance activities are subject to a risk assessment process and risk mitigations are developed and implemented as required. Risk mitigations can include conducting a process inspection rather than a full Program Validation Inspection (PVI) or Assessment activity. Additionally, there is an annual variation in the number of operators in the system; as such, some of these surveillance activities were not completed because the operator surrendered their operating certificate and others were also rescheduled outside of the 2013–14 reporting period due to operational or operator requirements.

Transport Canada adopted an impartial internal quality assurance program as part of the broader implementation of an Integrated Management System. This management control framework ensures that in areas needed, improvements and efficiencies are identified and then implemented on a continual basis. In addition, the Department developed guidance material on surveillance procedures, as well as additional material on program validation inspections and process inspections.

In September 2013, a reorganization of Civil Aviation was completed with the release of the final group of classification decisions. The Civil Aviation governance structure was updated to reflect organizational and program changes and to fully integrate enhanced performance monitoring and reporting. Staffing plans were developed using national and local staffing actions that will support further staffing and the ability to minimize the impact of further attrition during 2014–15.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.1 Aviation Safety				
214,648,721	214,648,721	195,696,597	184,628,770	30,019,951

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.1.1 Aviation Safety Regulatory Framework		
29,205,554	23,800,035	5,405,519

Planned Spending	Actual Spending	Difference (planned minus actual)
3.1.2 Aviation Safety Oversight		
119,965,506	123,436,080	-3,470,574
3.1.2.1 Service to the Aviation Industry		
33,351,709	37,333,610	-3,981,901
3.1.2.2 Surveillance of the Aviation System		
86,613,797	86,102,470	511,327
3.1.3 Airports Capital Assistance		
39,971,230	14,327,336	25,643,894
3.1.4 Aircraft Services		
25,506,431	23,065,319	2,441,112

Human Resources (FTEs) – For Program and Sub and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.1 Aviation Safety		
1,778	1,502	276
3.1.1 Aviation Safety Regulatory Framework		
258	166	92
3.1.2 Aviation Safety Oversight		
1,137	1,026	111
3.1.2.1 Service to the Aviation Industry		
355	371	-14
3.1.2.2 Surveillance of the Aviation System		
782	655	127
3.1.3 Airports Capital Assistance		
19	17	2
3.1.4 Aircraft Services		
364	294	70

The variance of $30 million is mostly due to a transfer of surplus Airports Capital Assistance program funding to Transportation Infrastructure to support other infrastructure initiatives as well as staffing delays as a result of a late classification decisions related to the Civil Aviation reorganization and a decreased external demand for reduced flying hours within Aircraft Services.

The FTE variance is explained in part by the reorganization, which resulted in lower recruitment in this period. Higher attrition rates, coupled with the lower hiring rates resulting from the reorganization caused the overall FTE decrease. Through the integrated planning and reporting approach and the renewed governance structure, the department is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub and Sub-sub programs

Expected Results	Performance Indicators	Targets	Actual Results
3.1 Aviation Safety			
A safe civil aviation system	Number of accidents per 100,000 hours of flight (ten-year average) (Improvement = decrease)	6.6	The 2004–2013 10-year average aviation accident rate (preliminary data) was 5.8 accidents per 100,000 hours flown, a decrease of 12% compared to the target of the 2000-2009 ten year average of 6.6

The number of accidents per 100,000 hours of flight was better than target. While it is difficult to attribute the outcome to a single factor, the reduction in the accident rate reflects the effectiveness of the program.

Expected Results	Performance Indicators	Targets	Actual Results
3.1.1 Aviation Safety Regulatory Framework			
A timely rulemaking program that supports a risk-based regulatory framework	Average time (years) to develop new or modified regulations governing aviation safety (Improvement = decrease)	3.97	3 year average of 6.25 (2011 to 2013)
Expected Results	**Performance Indicators**	**Targets**	**Actual Results**
3.1.2 Aviation Safety Oversight			
Compliance of aviation community with regulatory requirements	Percentage of operators that improve their program Validation Inspection score measuring to what degree they meet aviation safety requirements (Improvement = increase)	Baseline to be established in 2013[23]	Transport Canada was able to measure the areas of compliance versus non-compliance. For 2013–14, the average rating of compliance was 2.39 (Where 3=fully compliant, 2=partially compliant, and 1 = entirely non-compliant)
3.1.2.1 Service to the Aviation Industry			
Services delivered support the conduct of business activities in the Canadian Aviation Industry.	Percentage of services delivered meeting service standards	60%	83%
3.1.2.2 Surveillance of the Aviation System			
Aviation hazards and risks are being systematically managed by the aviation community	Average severity of non-compliance findings in aviation enterprises on a scale of 5, with 1 being most severe	2.0	Average component score of 2.34

Under 3.1.1, the three year average of 6.25 years as the average time to develop new or modified regulations governing aviation safety shows the process took longer than anticipated. The variance is explained by the fact that the majority of the amendments to the Canadian Aviation

[23] Data to establish baseline is being collected in 2013–14.

Regulations (CARs) published in the *Canada Gazette, Part II*, between 2011 and 2013 were delayed in light of other priorities.

Under 3.1.2, the 2013–14 average rating of compliance at 2.39 means that 40% of areas measured were found to be compliant, 56% were found to be partially compliant and 4% were not documented/implemented.

Under 3.1.2.1, although current data does not yet represent all national activity, initial results are promising in the areas that are being tracked, showing the program exceeding its targets for meeting service standards.

Through oversight activities Transport Canada Civil Aviation verifies the industry's level of compliance with the Canadian Aviation Regulations. Surveillance methodology allows for a determination of the severity of findings of non-compliance by assigning a rating to the finding: low, medium or high. Moreover, our surveillance activities provide appropriate mitigations for any increased risk to aviation safety and allow for immediate action depending on the severity of the finding. In many cases, where a Certificate Holder is partially compliant with the regulations, these are minor administrative findings and have no real impact on aviation safety. For example, a failure to update a record indicates a failure in an administrative process; however, multiple findings may be an indication of a bigger problem. Likewise, a single major finding does not necessarily translate into an increased risk to aviation safety; however, where a Certificate Holder is found to have major systemic findings (multiple findings that indicate a failure of a management control system) immediate action is taken.

The approach to dealing with findings of non-compliance includes corrective action plans, Notices of Suspension and enhanced monitoring activities. In most cases, where a systemic failure is found, enhanced monitoring will be applied to the company. This provides assurance that the aviation safety risk is being dealt with immediately through increased monitoring of the Certificate Holder and provides ongoing verification that corrective measures are being designed and implemented as agreed to. In all cases, whether the findings are major or minor, a corrective action plan is required. In cases where an immediate threat to aviation safety exists and the safety risk is unacceptable a notice of suspension is issued.

Expected Results	Performance Indicators	Targets	Actual Results
3.1.3 Airports Capital Assistance			
Eligible airports meet safety standards required for continued operation	Percentage of eligible airports that have maintained their certification as a result of receiving Airports Capital Assistance program funding	100%	Target achieved

Expected Results	Performance Indicators	Targets	Actual Results
3.1.4 Aircraft Services			
Trust and confidence from clients	Percentage of clients (satisfied or very satisfied) with services (scoring 2 or 3 on a 3 point scale)	80% of clients are satisfied or very satisfied	No specific data available. Further explanation found below.
Safe Aviation Services	Number of category 3 or greater category occurrences (per 1,000 flight hours) Note:	1.34	1.13

Expected Results	Performance Indicators	Targets	Actual Results
	Category 3 includes the following: An occurrence with moderate damage, injury, delay, grounded aircraft and/or costs. A hazard with moderate potential for injury, damage and/or delay. CARs (Canadian Aviation Regulation) violations are categorized a 3 or higher)		

Under 3.1.4 and with respect to client satisfaction, no annual survey was conducted as various survey methods were being evaluated. However, information was collected and analyzed through working group meetings and regular contact with stakeholders, establishing confidence that clients are satisfied or very satisfied. No client issues or concerns have been raised through any formal or informal mechanisms. The method and tool have been selected for a survey, which is under development and expected to be completed for next fiscal year.

The rate of category 3 or greater safety reports per 1,000 flight hours is down from the previous year. The continued education and emphasis on Safety Management practices likely contributed to the outcome.

Program 3.2: Marine Safety

Description: The Marine Safety program, under the authority of the *Canada Shipping Act 2001*[xxxvii], the *Navigable Protection Act*[xxxviii] , the *Safe Containers Convention Act*[xxxix], the *Pilotage Act*[xl], the *Coasting Trade Act* [xli]and the *Arctic Waters Pollution Prevention Act*[xlii], develops, implements and administers policies, regulations and standards necessary for the safe conduct of marine activities in a manner harmonized with international standards. This program promotes safety and provides safety oversight of the marine industry, including domestic and foreign vessels (both non-pleasure craft and pleasure craft); enforces international conventions signed by Canada; and protects the public right to navigate on Canadian waterways.

Sub-program 3.2.1: Marine Safety Regulatory Framework

Description: The Marine Safety Regulatory Framework program provides a balance of tools (policies, guidelines, regulations and standards) to support the safety of seafarers, commercial vessels (non-pleasure craft) and pleasure craft. This program also works to harmonize Canada's marine safety regulatory framework with other jurisdictions.

Sub-Program 3.2.2: Marine Safety Oversight

Description: The Marine Safety Oversight program monitors commercial vessel (non-pleasure craft) industry and pleasure craft compliance with the marine safety regulatory framework. This program issues Canadian Maritime documents and other official documents to Canadian seafarers (officers and crews on Canadian vessels); approves seafarer training; registers and licenses commercial vessels (non-pleasure craft) and pleasure craft; issues safety certificates and approvals for vessels, equipment and design; inspects commercial vessels (non-pleasure craft) entering Canadian waters; responds to Marine Occupational Safety and Health issues; conducts surveillance and investigations; and promotes safe practices.

Sub-program 3.2.3: Navigable Waters Protection

Description: The Navigable Protection program protects the public right of safe navigation in Canada's waters by removing obstructions to navigation; approving any works built or placed in, on, over, under, through or across navigable water before construction; regulating lights or markers required for safe navigation during and/or on completion of certain works; regulating the placement of private buoys as per the Private Buoy Regulations of the *Canada Shipping Act, 2001*; and, acting as Receiver of Wreck as per Part 7 of the *Canada Shipping Act, 2001*.

Performance Analysis

Transport Canada advanced the modernization of Marine Safety's regulatory and oversight frameworks through the development of the new national policy framework for alternate service delivery and the Arctic shipping policy framework. The Department established a standard for lifejackets and implemented a common process for documents of compliance for construction of small craft.

The World Class Tanker Safety System was announced by the Government on March 18, 2013. The Tanker Safety Expert Panel has completed its review of the ship-source oil spill regime south of the 60th parallel. As a result, 10 new measures to strengthen Canada's tanker safety system to protect the safety of Canadians and the environment are being implemented. The Department continued working to identify future measures to support responsible resource development that will strengthen tanker safety, the nation's oil spill preparedness and response regime, and safe and environmentally responsible marine shipping. This work was carried out by the Department as Chair of the Technical Review Process for Marine Terminal Systems and Transshipment Sites (TERMPOL) review process, a federal government initiative that assesses the safety and risks associated with oil and gas tanker movements to, from and around Canada's marine terminal.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.2 Marine Safety				
57,756,667	57,756,667	62,799,288	59,638,305	-1,881,638

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.2.1 Marine Safety Regulatory Framework		
9,046,813	8,666,758	380,055
3.2.2 Marine Safety Oversight		
42,943,991	44,662,520	-1,718,529
3.2.3 Navigable Waters Protection		
5,765,862	6,309,027	-543,165

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.2 Marine Safety		
595	539	56
3.2.1 Marine Safety Regulatory Framework		
91	64	27
3.2.2 Marine Safety Oversight		
438	417	21
3.2.3 Navigable Waters Protection		
67	58	9

The FTE variance is partly explained in part by an internal reorganization which resulted in lower recruitment during this period. Higher attrition rates also contributed to the FTE decrease. Through the integrated planning and reporting approach and the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
3.2 Marine Safety			
A safe marine transportation system	Number of Canadian commercial vessel (non-pleasure craft) occurrences per 1,000 vessels in the Canadian registry (five-year moving average) (Improvement = decrease)	9.5 Baseline is 13.6 occurrences per 1,000 vessels. Rate change from 13.6 to 9.5 represents a 30% decrease	16.53 (five-year moving average)
A safe marine transportation system	Number of pleasure craft fatalities per licensed pleasure craft (five-year average). (Improvement = decrease)	110 fatalities to 2.8 million licensed pleasure crafts	The target was set based on Canadian Red Cross Report study was an 18-year trend report covering boating related fatalities from 1991–2008. A more recent study has not yet been released

The actual result of 16.53 (five-year moving average) is higher than the result from last year due to two factors. First, previously unreported occurrences were documented as a result of a clarification by Transportation Safety Board on the types of marine incidents to be reported in 2013. Second, an administrative effort to remove inactive vessels from the Canadian registry resulted in a decrease in the number of registered vessels by approximately 25% year over year. As a consequence of these two changes, the target and the baseline for this performance indicator will be reviewed for future reporting.

Expected Results	Performance Indicators	Targets	Actual Results
3.2.1 Marine Safety Regulatory Framework			
A risk-based regulatory framework consistent with international conventions and Cabinet Directive on Streamlining Regulation	Percentage of regulations aligned with domestic legislation and/or adopted international standards (Improvement = increase)	85%	50%*
3.2.2 Marine Safety Oversight			
Compliance with regulations for inspected domestic vessels (non-pleasure craft)	Percentage of inspected domestic vessels (non-pleasure craft) that are compliant with regulations (Improvement = increase)	68%	71%
Compliance with regulations for pleasure craft	Percentage of pleasure craft compliant with regulations (includes those that received a courtesy check) (Improvement = increase)	60%	On track to meet target
The Port State Control regulatory oversight inspects the highest risk foreign vessels	Percentage of high-risk foreign vessels inspected (Improvement = increase)	95%	95%
3.2.3 Navigable Waters Protection			
The public's right to safely navigate Canada's waterways is protected	Number of public complaints received for works not compliant with navigable waters legislation (Improvement = decrease)	175	137 complaints

Non-compliant vessels that are deemed unsafe are stopped immediately. Non-compliance can range from an individual not providing the appropriate document to the Inspector when requested to do so, to failure to rectify an identified safety deficiency with the vessel. All non-compliance must be addressed within a prescribed timeframe to continue to ensure marine safety. Given that Transport Canada Marine Safety and Security issues over 20,000 safety deficiency notices each year, the overall target of 70% compliance consists of all vessels with no noted safety deficiencies whatsoever (regardless of how minor). This will continue to be progressed via inspections and awareness in collaboration with Canadian and international partners. This indicator is under review.

*Targets were not achieved for alignment to legislation due to higher regulatory priorities in other modes. However, it is anticipated that the targets will be met next year given work underway. In the meantime, minor impacts on certain industry groups have been addressed through the issuance of policy advisories.

Program 3.3: Rail Safety

Description: Under the authority of the *Railway Safety Act*[xliii], the Rail Safety program develops implements and promotes safety policy, regulations, standards and research. The program provides oversight of the rail industry and promotes public safety at crossings and identifies the risks of trespassing. It also provides funds to improve safety at grade crossings.

Sub-program 3.3.1: Rail Safety Regulatory Framework

Description: The Rail Safety Regulatory Framework program, under the *Railway Safety Act*, develops and balances the use of various tools such as policies, guidelines, regulations, standards, and rules, based on risk, to promote a safe and harmonized rail safety regime for the rail industry and the public at large, while ensuring viability of the rail sector.

Sub-program 3.3.2: Rail Safety Oversight

Description: The Rail Safety Oversight program promotes compliance with the regulatory framework through inspections, audits, monitoring, and enforcement, when necessary, of the rail industry.

Sub-program 3.3.3: Rail Safety Awareness and Grade Crossing Improvement

Description: The Rail Safety Awareness and Grade Crossing Improvement program provides funding for safety improvements at grade crossings and promotes public and stakeholder awareness and education in order to prevent fatalities and injuries.

Performance Analysis

Following the tragic events at Lac-Mégantic and in response to the 2013 Fall Report of the Auditor General of Canada[xliv] (Chapter 7—Oversight of Rail Safety—Transport Canada), the Rail Safety program accelerated the development of several key regulatory initiatives in 2013–14 stemming from the passage of the amendments to the *Railway Safety Act*[xlv], including Grade Crossings, Railway Operating Certificates, and Administrative Monetary Penalties.

In addition, significant progress has been made on amending the current *Railway Safety Management System Regulations* to address recommendations from the *Railway Safety Act* Review and the Standing Committee on Transport, Infrastructure and Communities. The amended regulations will strengthen, update and further clarify the systems-based approach to oversight by addressing three key areas: providing additional detail and clarity to facilitate more effective implementation and enforceability; expanding the scope of application to local railway companies operating on federal track; and including new provisions resulting from amendments to the *Railway Safety Act*.

The Rail Safety National Training program for inspectors was also enhanced by implementing updated training, including courses on audit and Safety Management Systems and orientation for new rail safety inspectors. The Rail Safety Integrated Gateway data system was also developed to provide inspectors with the tools they need to document, analyze and report on the results of their oversight activities. Training for inspectors on this system, and on documenting inspections/audits and communicating their findings, commenced in November 2013.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.3 Rail Safety				
33,847,086	33,847,086	33,433,901	29,250,946	4,596,140

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.3.1 Rail Safety Regulatory Framework		
3,385,769	2,780,819	604,950
3.3.2 Rail Safety Oversight		
14,800,359	15,852,007	-1,051,648
3.3.3 Rail Safety Awareness and Grade Crossing Improvement		
15,660,957	10,618,120	5,042,837

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.3 Rail Safety		
204	175	29
3.3.1 Rail Safety Regulatory Framework		
23	22	1
3.3.2 Rail Safety Oversight		
142	131	11
3.3.3 Rail Safety Awareness and Grade Crossing Improvement		
39	22	17

The variance of $4.6 million is largely explained by a $3.9 million surplus in the Grade Crossing Improvement program as there were fewer funding requests than anticipated, some proponents withdrew funding requests and some projects were completed under budget.

The FTE variance is explained by shifting priorities due operational events which resulted in lower recruitment in this period. Higher attrition rates also contributed to the FTE decrease. Through the integrated planning and reporting approach and the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Target	Actual Results
3.3 Rail Safety			
A safe rail transportation system	Rate of rail accidents (per million train miles) that occur on railways under federal jurisdiction (includes main-track collisions, derailments, non-main track derailments and collisions, fires/explosions and	12.7	13.6

Expected Results	Performance Indicators	Target	Actual Results
	others) (five-year average) (Improvement = decrease)		
A safe rail transportation system	Rate of rail incidents (per million train miles) that occur on railways under federal jurisdiction (includes main-track switch in abnormal position, movement exceeds limits of authority, dangerous goods leak, crew member incapacitated, runaway rolling stock, signal less restrictive than required and unprotected overlap of authorities) (five-year average) (Improvement = decrease)	2.21	2.79 Decrease from 2.93 in 2012

Expected Results	Performance Indicators	Target	Actual Results
3.3.1 Rail Safety Regulatory Framework			
The regulatory framework addresses the highest risks	Percentage of rail risk-mitigation strategies developed per total number of identified risks in rail safety business plan (Improvement = increase)	90%	100%
3.3.2 Rail Safety Oversight			
Rail industry has a strong safety culture	Index of railway industry Safety Management Systems (SMS) implementation (Improvement = increase)	TBD Baseline to be established[24]	The indicator is being revised.
Rail industry is compliant	Percentage of rail industry that is compliant with rules, regulations and standards as set out in the *Railway Safety Act* (Improvement = increase)	80%[25]	The indicator is being revised.
3.3.3 Rail Safety Awareness and Grade Crossing Improvement			
Safe railway grade crossings	Percentage of crossing collisions reduced (Improvement = increase)	5% reduction against 5-year average	1.1%
Trespassing on railways eliminated	Percentage of trespassing accidents reduced (Improvement = increase)	5% reduction against 5-year average	22%

Rate of rail accidents increased in 2013 by a small amount, mainly due to a rise in accidents of small scope. Significant accidents (involving trespassers or at a crossing) decreased in 2013. With respect to rail safety awareness, crossing collisions decreased from 190 to 188 in 2014 and trespasser accidents decreased from 74 to 58 in 2013.

[24] This indicator is currently under review.

[25] The current indicator is under review in order to be able to accurately define industry compliance. The target will be modified to reflect changes to the indicator, focusing on year-over-year decreases in non-compliance.

Program 3.4: Motor Vehicle Safety

Description: Guided by the *Motor Vehicle Safety Act*[xlvi] and the *Motor Vehicle Transport Act*[xlvii], the Motor Vehicle Safety program develops legislation, policies, and regulations; and provides oversight of the regulated industry in order to reduce the deaths, injuries and social costs caused by motor vehicle use.

Sub-program 3.4.1: Motor Vehicle Safety Regulatory Framework

Description: In support of vehicle safety, the Motor Vehicle Safety Legislative and Regulatory Framework program develops policies, legislation, regulations and standards to govern the design, construction, functioning or marking and importation of vehicles and equipment; and gathers data, conducts investigations and conducts research (crashworthiness, biomechanics, crash avoidance and human factors) to determine the need for and effectiveness of regulations and standards. The program also contributes to the assessment and development of technological solutions to improve vehicle safety.

Sub-program 3.4.2: Motor Vehicle Safety Oversight

Description: Guided by the *Motor Vehicle Safety Act*, the Motor Vehicle Safety Oversight program monitors motor vehicle and equipment manufacturers' compliance with Motor Vehicle Safety Regulations and the Canada Motor Vehicle Safety Standards. The program verifies that regulated vehicles and vehicle parts, child restraints, and tires made in, or imported into Canada, meet safety performance requirements and equipment installation standards; and monitors vehicle manufacturers to make sure they fulfill their obligations in a responsible manner**.**

Sub-program 3.4.3: Motor Carrier Safety

Description: Guided by the *Motor Vehicle Transport Ac*t, the Motor Carrier Safety program promotes motor carrier (truck and bus) safety through a safety performance regime based on the National Safety Code (performance standards for commercial vehicle operations); by providing a national framework for provinces and territories to administer motor carrier safety regulations, by managing a contribution program for provinces and territories towards consistent implementation of the National Safety Code, and by promoting consistent regulation of motor carriers across Canada.

Performance Analysis

Transport Canada worked with the Canada Border Services Agency to advance the Single Window Initiative, a component of the Beyond the Border initiative, which streamlines the commercial importation of vehicles and tires by eliminating paper declaration. Under the auspices of the Canada-U.S. Regulatory Cooperation Council, the Government tabled in Parliament proposed amendments to the *Motor Vehicle Safety Act* as part of the *Budget Implementation Act*. Seven amendments covering 20 regulations were published in the *Canada Gazette, Part I* and *Part II*.

Several initiatives were undertaken to support the standards, regulations and oversight that promote safer vehicles, reducing deaths, injuries and social costs to Canadians. Innovative field testing using representative human subjects as test drivers has been conducted to assess the impact of power steering failures. Considerable progress has been made in developing our capacity to test crash imminent braking (CIB) systems. The necessary equipment was acquired to

begin state-of-the-art testing of CIB systems in support of Canada's commitments with the U.S. National Highway Traffic Safety Administration under the Regulatory Cooperation Council.

Transport Canada has a defect assessment program which receives complaints from the public about possible safety-related defects in vehicles and vehicle related equipment. Transport Canada assesses the concerns raised using various means such as direct examination of the vehicles and recreation of the fault condition and subsequently presents the pertinent evidence to the manufacturers and importers. Transport Canada's interactions with manufacturers impacted 36.5% (1,142,344) of the total vehicles affected by recalls.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.4 Motor Vehicle Safety				
24,751,952	24,751,952	25,983,561	26,152,233	-1,400,281

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.4.1 Motor Vehicle Safety Regulatory Framework		
8,125,922	10,289,371	-2,163,449
3.4.2 Motor Vehicle Safety Oversight		
11,437,907	10,809,330	628,577
3.4.3 Motor Carrier Safety		
5,188,124	5,053,532	134,592

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.4 Motor Vehicle Safety		
111	76	35
3.4.1 Motor Vehicle Safety Regulatory Framework		
56	36	20
3.4.2 Motor Vehicle Safety Oversight		
49	35	14
3.4.3 Motor Carrier Safety		
7	5	2

The FTE variances are explained by lower numbers of employees being required resulting from the reorganization of the Motor Vehicle Safety program to continue to find operational efficiencies, in addition to those identified in Budget 2012.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
3.4 Motor Vehicle Safety			
Safe motor vehicles based on improved crash avoidance and crash survivability	Collisions per 10,000 motor vehicles registered (Improvement = decrease)	2% reduction in the rate for 2012 as compared to average of previous 5 years	19.5% reduction in 2011 as compared to five-year average (2006-2010). (2011 is the most recent data available.)
Safe motor vehicles based on improved crash avoidance and crash survivability	Fatalities per 10,000 police-reported collisions occurring on public roads (Improvement = decrease)	1% reduction in the rate for 2012 as compared to average of previous five years	6.2% reduction in 2011 as compared to five-year average (2006-2010). (2011 is the most recent data available.)
Safe motor vehicles based on improved crash avoidance and crash survivability	Serious injuries per 10,000 police-reported collisions occurring on public roads	1% reduction in the rate for 2012 as compared to average of previous five years	4.6% reduction in 2011 as compared to five-year average (2006-2010). (2011 is the most recent data available.)

While the number of collisions decreased in 2011 compared to previous years, variability in the reporting by the provincial and territorial jurisdictions of the collision data (more specifically property damage only collisions) could account for the significantly better than expected results.

Expected Results	Performance Indicators	Targets	Actual Results
3.4.1 Motor Vehicle Safety Regulatory Framework			
A performance-based regulatory framework that is harmonized with international vehicle safety regimes where appropriate	Percentage of standards that are harmonized with international motor vehicle safety standards (Improvement = increase)	80%	80%
3.4.2 Motor Vehicle Safety Oversight			
Motor vehicle industry is compliant with the regulatory framework	Percentage of the motor vehicle industry that is compliant with the regulatory framework (Improvement = increase)	80%[26]	94%
3.4.3 Motor Carrier Safety			
Harmonized safety regime for motor carriers among provinces and territories	Percentage of jurisdictions that have adopted all of the 15 standards under the National Safety Code	60%	67%

[26] Transport Canada regulates thousands of vehicle manufacturers, importers and distributors. The initial level of compliance was set at 80% to reflect the challenge of educating such a diverse number of small businesses on their legal obligations. Our enforcement activities, such as obtaining and auditing certification documents from new manufacturers and importers to assess compliance with Canadian safety standards, and working closely with Canada Border Services Agency to prevent entry of non-compliant vehicle shipments, detect and prevent the entry into commerce of non-compliant vehicles until they meet regulatory requirements.

Expected Results	Performance Indicators	Targets	Actual Results
	(Improvement = increase)		

The Canadian light-duty vehicle regulations are currently just over 80% harmonized with those of the United States (42 standards are harmonized to the extent feasible with 10 possible further harmonization possibilities). Sixty-seven percent of the provincial and territorial jurisdictions have implemented all of the 16 standards under the National Safety Code.

Program 3.5: Transportation of Dangerous Goods

Description: Required by the *Transportation of Dangerous Goods Act, 1992*[xlviii], the Transportation of Dangerous Goods program, based on risk, develops safety standards and regulations, provides oversight and gives expert advice (e.g. Canadian Transport Emergency Centre)[xlix]on dangerous goods incidents to promote public safety in the transportation of dangerous goods by all modes of transport in Canada; identify threats to public safety and enforce the Act and its regulations; guide emergency response and limit the impact of incidents involving the transportation of dangerous goods; and develop policy and conduct research to enhance safety.

Sub-program 3.5.1: Transportation of Dangerous Goods Regulatory Framework

Description: The Transportation of Dangerous Goods Regulatory Framework program promotes public safety in the transportation of dangerous goods. The program develops and balances policies, procedures, guidelines, certificates for equivalent level of safety, rules and standards, based on risk, to promote public safety in handling, offering for transport, transporting and importing of dangerous goods; harmonizes or aligns, as appropriate, its regulations with international, United Nations or United States dangerous goods programs; leads in the development of Canadian regulations that are adopted by provinces and territories; and takes the lead in developing national and international standards for the manufacture, selection and use of dangerous goods means of containment.

Sub-program 3.5.2: Transportation of Dangerous Goods Oversight

Description: Required by the *Transportation of Dangerous Goods Act, 1992*, the Transportation of Dangerous Goods Oversight program monitors stakeholders' compliance with the *Transportation Dangerous Goods Act, 1992* and Regulations through services, assessments, inspection, investigation, enforcement, charge, care, management, control, examination, or review; by monitoring compliance of modal shippers, consignors and importers, Emergency Response Assistance Plan, means of containment standards, and facility assessments; and through training of all federal, provincial and territorial inspectors.

Sub-program 3.5.3: Emergency Response for Transportation of Dangerous Goods

Description: Required by the *Transportation of Dangerous Goods Act, 1992*, the Transportation of Dangerous Goods' Emergency Response program protects the safety of human life and health, and of property and the environment, by providing immediate 24-hour technical information advice, safety precautions and action measures to first responders through the Canadian Transport Emergency Centre following an incident involving dangerous goods; attending dangerous goods incidents and providing onsite response direction by Transportation Dangerous Goods' Remedial

Measure Specialist; producing the Emergency Response Guidebook as a tool for initial response during the first 15 minutes at the scene of an accident involving dangerous goods; responding to security threats in partnership with industry; and conducting research on emergency response to releases of chemicals.

Performance Analysis

As a result of the tragic events at Lac-Mégantic, Quebec and other high profile dangerous goods incidents, and to address the significant increase in the transportation of flammable crude oil by rail, the Transportation of Dangerous Goods Program has implemented new (and expedited existing) initiatives aimed at reducing the risk of such accidents in the future. The program has responded via several regulatory amendments including: the retesting of crude oil before transport unless the testing was done after July 7, 2013; requiring railway operators to share dangerous goods information with municipal emergency response planners and first responders to better conduct risk assessments; emergency planning and first responder training, directing the removal of the last crash resistant DOT-111 tank cars from service, and publishing new tank car standards for the transport of crude oil and new classification of dangerous goods requirements. Other regulatory initiatives to enhance safety and to respond to the Transportation Safety Board's interim and final recommendations on high-profile incidents such as Lac-Mégantic will occur in fiscal year 2014–15.

The Department continued to enhance its enforcement capacity by creating new inspector positions, as well as tools and training programs including emergency response training. Transport Canada implemented a quality assurance program for inspections to verify compliance monitoring. The program has modernized the database for the planning of inspections based on risk and is currently assessing the impact of that modernization.

In addition to the Department's response to incidents Transport Canada advanced several regulatory amendments that were identified in the departmental regulatory plan. These proposed amendments update several technical standards, including a strengthened rail tank car standard (TP14877) and harmonized Canada-US requirements for safety marks when transporting dangerous goods. These amendments address stakeholders' comments gathered during consultations for the Regulatory Cooperation Council are harmonized with United Nations Recommendations and align with the United States Section 49 Code of Regulation. This will enable easier and more efficient international or trans-border (United States) trade.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.5 Transportation of Dangerous Goods				
13,159,659	13,159,659	14,771,723	14,663,095	-1,503,436

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.5.1 Transportation of Dangerous Goods Regulatory Framework		
3,705,792	3,550,805	154,987

Planned Spending	Actual Spending	Difference (planned minus actual)
3.5.2 Transportation of Dangerous Goods Oversight		
6,771,698	7,024,216	-252,518
3.5.3 Emergency Response for Transportation of Dangerous Goods		
2,682,168	4,088,074	-1,405,906

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.5 Transportation of Dangerous Goods		
127	107	20
3.5.1 Transportation of Dangerous Goods Regulatory Framework		
31	35	-4
3.5.2 Transportation of Dangerous Goods Oversight		
70	54	16
3.5.3 Emergency Response for Transportation of Dangerous Goods		
26	18	8

The variance of $1.5 million is due to increased overtime and travel costs following the Lac-Mégantic accident and significant accident attendance and emergency response involvement for two other major railway incidents in Gainford, Alberta, and Plaster Rock, New Brunswick.

The FTE variance is explained by shifting priorities due operational events which resulted in lower recruitment in this period. Higher attrition rates, coupled with lower hiring rates, caused in part by challenges in hiring individuals with required technical skills, contributed to the overall FTE population decrease. Through the integrated planning and reporting approach and the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
3.5 Transportation of Dangerous Goods			
Public safety during the transportation of dangerous goods	Number of reportable releases of dangerous goods per trillion dollars of Canadian gross domestic product (five-year average) (Improvement = decrease)	207.2	200.3
Public safety during the transportation of dangerous goods	Number of reportable releases of dangerous goods, which caused injuries or deaths per trillion dollars of Canadian gross domestic product (five-year average) (Improvement = decrease)	3.3	3.6 Accident rate remains static based on five-year average.

Expected Results	Performance Indicators	Targets	Actual Results
3.5.1 Transportation of Dangerous Goods Regulatory Framework			
The harmonization of the *Transportation of Dangerous Goods Regulations* with international regulations and national standards.	Percentage of all new or amended regulatory requirements that are made to seek harmonization with international regulations (Improvement = increase)	70%[27]	This initiative is on track in the first year of a three-year plan (currently estimated at 75%)
3.5.2 Transportation of Dangerous Goods Oversight			
The dangerous goods industry is compliant.	Percentage of inspections which require a follow-up. A follow-up flag is calculated using the severity of non-compliance found and the site activities (class of dangerous goods, import or export, bulk or package) [28] (Improvement = decrease)	10%	90% of inspections do not require follow up.
3.5.3 Emergency Response for Transportation of Dangerous Goods			
Safe operations at accident sites	Percentage of Emergency Response Assistance Plans applications assessed within the service standards identified in the Emergency Response Assistance Plans Assessment Framework.	85%	Data is not available for this fiscal year. The program has recently introduced an enhanced data collection and reporting capability that will enable the tracking and analysis of service standards related to the assessment and approval process of Emergency Response Assistance plans

The Transportation of Dangerous Goods Oversight program uses a risk-based approach to target inspections complemented by a random compliance estimation program. While there is significant year-to-year variation in compliance rates, every incident of non-compliance results in a corrective action as per the Transportation of Dangerous Goods non-compliance follow-up policy. The level of severity of non-compliance can vary significantly. For example, a non-compliance can range from missing a placard on a means of containment, to not having an approved emergency response plan, where one is required.

Several regulatory amendments that are identified in the departmental Regulatory plan were subsequently published in the *Canada Gazette, Part II* in July 2014. In addition, Schedules 1, 2, and 3 to the 18th Revised Edition of the UN Recommendations on the transportation of dangerous goods are under development, and publication is expected in 2014–15. Although difficult to quantify, analysis suggests that harmonization of Canadian regulations with international regulations is well over the 70% target.

[27] While Transport Canada expects to increase the target over time, given Canadian specificity, the target cannot be 100%.

[28] The program uses a risk-based approach to target inspections complemented by a random compliance estimation program. While there is significant year-to-year variation in compliance rates, every incident of non-compliance results in a corrective action as per the Transportation of Dangerous Goods non-compliance follow-up policy. The level of severity of non-compliance can vary significantly. For example, non-compliance can range from missing a placard on a means of containment, to not having an approved Emergency Response Plan where one is required.

The program also introduced an enhanced Inspector Information System in October 2013 and will continue to monitor for possible variances in this indicator. From an emergency response perspective, program personnel attended to 100% of accidents, either in person or by telephone, as determined by initial risk assessment methodology. Overall, the Canadian Transport Emergency Centre responded to 22,138 calls (of which 949 were actual emergencies).

Program 3.6: Aviation Security

Description: The Aviation Security program develops, administers and oversees policies, programs, regulations and standards necessary for a secure Canadian aviation system in a manner harmonized with the international aviation community.

Sub-program 3.6.1: Aviation Security Regulatory Framework

Description: The Aviation Security Regulatory Framework program develops and balances the use of regulatory instruments, guidelines, and standards to promote an efficient, effective and harmonized Canadian aviation security regime.

Sub-program 3.6.2: Aviation Security Oversight

Description: The Aviation Security Oversight program verifies stakeholders' compliance with the regulatory framework, promotes continuous improvement of aviation security performance, and contributes to the effective management of aviation security incidents.

Sub-program 3.6.3: Aviation Security Technological Infrastructure

Description: The Aviation Security Technological Infrastructure program develops, evaluates and provides stakeholders access to standards, research data and best practices for technologies that assist the effective, consistent management of aviation security risks.

Performance Analysis

Transport Canada continued to enhance and strengthen the aviation security oversight program and has established additional guidance and criteria to support a risk-based inspection planning approach. The Department's inspection regime demonstrates a high rate of compliance by stakeholders with regulatory requirements. Transport Canada remains compliant with international standards and aligned with international practices.

Transport Canada and the Canadian Air Transport Security Authority are working with the United States to harmonize processes and equipment for screening low-risk travellers. The Canada-United States Beyond the Border Action Plan is improving security in North America and aligning regulatory approaches between the two countries. Under the plan, the testing phase of the harmonized Trusted Traveler screening lane has been completed. Although client feedback was positive, further adjustments are necessary to improve the efficiency of the harmonized lane and obtain wait time data. The harmonized lane concept with the United States will be retested with operational adjustments.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.6 Aviation Security				
33,357,783	33,357,783	33,036,940	29,743,295	3,614,488

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.6.1 Aviation Security Regulatory Framework		
5,589,741	5,642,727	-52,986
3.6.2 Aviation Security Oversight		
19,335,123	22,902,700	-3,567,577
3.6.3 Aviation Security Technological Infrastructure		
8,432,919	1,197,868	7,235,051

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.6 Aviation Security		
309	273	36
3.6.1 Aviation Security Regulatory Framework		
49	54	-5
3.6.2 Aviation Security Oversight		
200	207	-7
3.6.3 Aviation Security Technological Infrastructure		
60	12	48

The variance of $3.6 million is explained by staff departures, delays in staffing, reductions in travel, training, and translation, as well as delays in contracting.

Higher attrition rates, coupled with the lower hiring rates caused the overall FTE decrease. Through the integrated planning and reporting approach and the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
3.6 Aviation Security			
Canada is aligned with international aviation security standards	Percentage of aviation security regulations aligned with International Civil Aviation Organization (ICAO) standards (Improvement = increase)	100%	100%

Expected Results	Performance Indicators	Targets	Actual Results
3.6.1 Aviation Security Regulatory Framework			
Regulatory framework meets international standards	Percentage of the regulatory framework that meets international standards (Improvement = increase)	100%	100%
3.6.2 Aviation Security Oversight			
Stakeholders understand the compliance requirements within the security regulatory framework	Percentage of completed inspections that did not result in administrative monetary penalty (Improvement = increase)	90%	98% Transport Canada exceeded the expected inspection results due to a better understanding of the implementation of regulations by stakeholders
3.6.3 Aviation Security Technological Infrastructure			
Stakeholders have access to standards	Percentage of approved technologies made available to stakeholders (Improvement = increase)	90%	100% Based on stakeholder demand being lower than anticipated, all requirements for approved technologies were achieved

The program achieved targets for these performance indicators.

Program 3.7: Marine Security

Description: The Marine Security program, with partners, enforces the *Marine Transportation Security Act* [1] to protect Canada and Canadians in a way that respects Canadian values. It safeguards the integrity and security; and preserves the efficiency of Canada's Marine Transportation System against unlawful interference, terrorist attacks or from being used as a means to attack our allies.

Sub-program: 3.7.1: Marine Security Regulatory Framework

Description: The Marine Security Regulatory Framework program develops and balances the use of regulatory instruments, guidelines, and standards to promote an efficient, effective and harmonized Canadian maritime security regime, consistent with international requirements. The program also leverages Canadian expertise with our international partners, and leads on interdepartmental marine security policy through the Interdepartmental Marine Security Working Group.

Sub-program 3.7.2: Marine Security Oversight

Description: The Marine Security Oversight program conducts inspections, conducts and/or approves security assessments, reviews and approves security plans, and works with stakeholders to assist them in meeting the requirements of the *Marine Transportation Security Act* and its regulations and measures. The program conducts promotional, educational and awareness activities designed to ensure that the regulated community is aware of its legislative and regulatory responsibilities. If violations or non-compliance is found, the program uses a graduated

enforcement approach and informs stakeholders when a problem exists and provides them with information and the opportunity to correct it. Where appropriate, enforcement actions, including the use of Administrative Monetary Penalties, may be taken.

Sub-program 3.7.3: Marine Security Operations Centres

Description: The Marine Security Operations Centres program works to detect, assess, and support a response to threats in Canada's maritime domain and approaches as a key partner in the Marine Security Operations Centres, by conducting threat and risk assessments of vessels entering Canadian waters. The Centres serve as a maritime-centric interface between national and international partners and stakeholders, and support the Marine Security Oversight program. Transport Canada is a partner in the Marine Security Operations Centres, along with the Canada Border Services Agency, the Canadian Coast Guard, the Department of National Defence, and the Royal Canadian Mounted Police.

Performance Analysis

Transport Canada advanced work on strengthening its risked-based regulatory framework, consistent with international conventions as part of the Action Plan for the Canada–U.S. Regulatory Cooperation Council[li]. Working the United States Coast Guard, the Department finalized a non-binding joint list of regulatory priorities and developed the Guidelines for Respecting Marine Security Regulatory Development Collaboration. Transport Canada also finalized the Regulatory Cooperation Council Marine Transportation Security Regulations Work Plan and the Regulatory Cooperation Council Regulatory Oversight Regime on the Great Lakes and St. Lawrence Seaway Work Plans.

Coastal and Great Lakes/St Lawrence Seaway Marine Security Operations Centres continued to collaborate with other departments and share intelligence, surveillance and reconnaissance information. This allows the centres to support an organized response to potential threats and avoid duplication of both efforts and resources. Activities included analyzing pre-arrival information reports and analysis of threat information.

Transport Canada advanced work on the Maritime Commerce Resilience project, a joint effort by Canada and the United States to determine the best way to manage maritime traffic during an emergency event. The Department conducted private and public sector consultations in the Great Lakes Region. In addition, Transport Canada also completed a maritime cybersecurity (ports) vulnerability and mitigation project. The Department completed all required Domestic Marine Facility Threat Assessments.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.7 Marine Security				
14,897,654	14,897,654	13,833,124	12,331,970	2,565,684

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.7.1 Marine Security Regulatory Framework		
1,600,289	1,320,587	279,702
3.7.2 Marine Security Oversight		
7,598,862	7,166,045	432,817
3.7.3 Marine Security Operations Centres		
5,698,504	3,845,338	1,853,166

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.7 Marine Security		
131	102	29
3.7.1 Marine Security Regulatory Framework		
9	8	1
3.7.2 Marine Security Oversight		
72	57	15
3.7.3 Marine Security Operations Centres		
50	38	12

The variance of $2.6 million is due to delays in obtaining contracted services for various activities, delays in publishing a regulatory amendment in the Canada Gazette for the *Marine Transportation Security Regulations* publication costs to be incurred in fiscal year 2014–15, and delays in planned staffing.

The FTE variance is partly explained in part by an internal reorganization which resulted in lower recruitment in this period. Higher attrition rates, coupled with the lower hiring rates caused the overall FTE decrease. Through the integrated planning and reporting approach and the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub-program

Expected Results	Performance Indicators	Targets	Actual Results
3.7 Marine Security			
Industry has confidence in Canadian marine transportation security	Percentage of industry indicating confidence in the Canadian marine security transportation system (Improvement = increase)	80%	90%

The program achieved its targets for this program indicator.

Expected Results	Performance Indicators	Targets	Actual Results
3.7.1 Marine Security Regulatory Framework			
A risk-based regulatory framework consistent with international conventions	Percentage of the regulatory framework aligned with domestic legislation and/or adopted international conventions (Improvement = increase)	85%	A comparison of the *Marine Transportation Security Regulations* with international conventions has determined that the Regulations are currently 91% aligned
3.7.2 Marine Security Oversight			
Stakeholders are compliant with the requirements within the Marine Security regulatory framework	Percentage of inspections completed that do not result in an administrative monetary penalty[29] (Improvement = increase)	90%	100%
3.7.3 Marine Security Operations Centres			
The Government of Canada has the necessary information to address marine security threats and/or incidents	Percentage of vessels entering Canadian waters for which a regulatory compliance matrix is completed (Improvement = increase)	100%	91.8% of all pre-arrival information reports screened with the regulatory compliance matrix

The program achieved two of its targets for these program indicators. The Regulatory Compliance Matrix (RCM) is used to assign a risk score to all vessels that have identified their intent to enter Canadian waters. The RCM assesses the vessel's Pre-Arrival Information Report submission against risk indicators for the purpose of determining compliance with the Marine Transportation Security Regulations. The RCM is completed on all regulated vessels prior to their arrival in Canadian waters and the resulting risk score is used to provide recommendations for vessel inspections based on the risk of regulatory non-compliance.

Program 3.8: Surface and Intermodal Security

Description: Guided by the *Railway Safety Act*[lii], the *International Bridges and Tunnels Act* [liii], the *Transportation of Dangerous Goods Act* and the federal government's transportation security mandate, the Surface and Intermodal Security program enhances the security of surface and intermodal transportation. Working with partners to protect Canada and Canadians in a way that respects Canadian values and preserves the efficiency of the transportation system, the program provides federal leadership; and develops and oversees regulatory and voluntary frameworks, and develops guidance materials.

Performance Analysis

Rail security is being strengthened in Canada through the implementation of a Memorandum of Understanding (MOU) on security between Transport Canada and the Railway Association of Canada and its signatories. To ensure national consistency of oversight activities under the MOU, Transport Canada developed a consistent approach for implementation of the risk-based Inspection Schedule. Departmental officials delivered workshops on quality control and quality

[29] Administrative monetary penalties are typically used for medium or high gravity violations or in cases where the person refuses to accept responsibility for the violation.

assurance to ensure that inspection activities across regions are conducted consistently and accurately following established policies and procedures. This strengthens Transport Canada's security oversight function and fosters continual improvement of the national delivery of the oversight program.

In preparation for the 2015 Pan American and Parapan American Games, Transport Canada continued to participate with its partners in an effort to assess and plan the security requirements for the event, as well as their implementation.

The security of International Bridges and Tunnels (IBT) was strengthened in Canada through MOUs on security between Transport Canada and IBT operators. Up to now, six MOUs have been signed, which represents ten IBT and 93% of truck traffic across International Bridges and Tunnels between Canada and the United States.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.8 Surface and Intermodal Security				
4,807,985	4,807,985	4,733,046	4,280,788	527,197

Human Resources (FTEs) – For Program

Planned	Actual	Difference (planned minus actual)
3.8 Surface and Intermodal Security		
41	31	10

The variance of $0.5 million is explained by unspent planned salary and related employee benefits expenditures due to employees' unforeseeable permanent and temporary leaves.

The FTE variance is explained by employees' unforeseeable permanent and temporary leaves, as well as unspent amounts related to recent expenditure reduction exercises. Through the integrated planning and reporting approach and the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program

Expected Results	Performance Indicators	Targets	Actual Results
3.8 Surface and Intermodal Security			
Stakeholders meet the terms and conditions of the voluntary frameworks	Percentage of assessments of site visits and stakeholders' documentation that resulted in a Memorandum of Understanding non-compliance letter being issued (Improvement = decrease)	<5%	No data available as this new indicator was developed in 2013–14 and will be in effect as of April 1, 2014

The expected result is not available as a new performance indicator was developed in 2013–14 and will be implemented in 2014–15. However, adherence to the MOU between Transport Canada and the Railway Association of Canada's signatories is monitored through the completion of a national risk-based inspection schedule, and other monitoring and oversight activities.

Program 3.9: Multimodal Safety and Security

Description: The Multimodal Safety and Security program contributes to policies and standards that enhance safety and/or security in more than one transportation mode (e.g., through integrated management systems and intelligence assessments). It also provides common technical training to employees and system inspectors, ensuring the Department's capacity to inspect operators, enforce regulations, and respond to emergency situations that affect Canada's national transportation system. Lastly, this program works to prepare for and coordinate the response to emerging safety and security threats and situations that may impact the national transportation system or the Department.

Sub-program 3.9.1: Multimodal Strategies and Integrated Services

Description: The Multimodal Strategies and Integrated Services program provides strategic direction and advice on, and leads the coordination of, cross-cutting issues, and regulatory and policy initiatives affecting transportation in Safety and Security. This program also directs integrated planning and reporting initiatives for Safety and Security. It serves as the main departmental point of contact for security and intelligence matters through its liaison with the Canadian intelligence community and its central role in the sharing and analysis of intelligence information. In addition, this program is responsible for processing requisite transportation security clearances for workers within the national transportation infrastructure.

Sub-program 3.9.2: Emergency Preparedness and Situation Centres

Description: The Emergency Preparedness and Situation Centres program works to ensure that Transport Canada is prepared for and able to respond to emerging threats and situations that may impact the national transportation system by collaborating closely with partners throughout the Department, industry, stakeholders and other government departments and/or agencies. The program seeks to ensure that the Department continues to successfully meet its responsibilities under the *Emergency Management Act*[liv], including the Government of Canada's emergency management agenda, focusing primarily on preparedness and response activities.

Sub-program 3.9.3: Integrated Technical Training

Description: The Integrated Technical Training program is responsible for the assessment, design, development, delivery and evaluation of technical and oversight training. This program delivers training products to provide required technical training to the safety and security inspectorate and other clients such as foreign governments. This program ensures Transport Canada inspectors are prepared, equipped and ready to execute their oversight functions in support of safety and security.

Performance Analysis

In support of the Red Tape Reduction Action Plan[lv], the program implemented one-for-one regulatory management. The purpose of the "One-for-One" Rule is to strictly control new administrative burden on business resulting from regulations. The impact of individual projects on corporate administrative burden is reported regularly to the Treasury Board Secretariat. Service standards have been posted online and a new interpretation policy is under development. The Department also amended its ranking criteria for the regulatory priority lists approved by senior management to manage administrative burden.

Transport Canada worked to consistently apply national and modal risk-based inspection planning/reporting and enforcement regimes. Transport Canada released the new departmental Directive on Safety and Security Oversight, which requires all safety and security programs to implement quality assurance practices and procedures, and meet established performance standards. Civil Aviation employees responsible for delivering training were transitioned to a new multimodal training directorate. As part of Transport Canada's emergency preparedness, in order to respond to incidents and crises, a number of activities were maintained 24/7. Parts I and II of the Standby Services Initiative, which aims to identify opportunities to optimize and streamline standby services and associated call-back costs in headquarters and the regions, are completed. The Part III Review is completed and implementation is underway.

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
3.9 Multimodal Safety and Security				
11,233,308	11,233,308	11,649,104	10,722,526	510,782

Budgetary Financial Resources (dollars) – For Sub-programs

Planned Spending	Actual Spending	Difference (planned minus actual)
3.9.1 Multimodal Strategies and Integrated Services		
8,279,352	7,444,599	834,753
3.9.2 Emergency Preparedness and Situation Centres		
2,203,161	1,605,369	597,792
3.9.3 Integrated Technical Training		
750,795	1,672,559	-921,764

Human Resources (FTEs) – For Program and Sub-programs

Planned	Actual	Difference (planned minus actual)
3.9 Multimodal Safety and Security		
122	98	24
3.9.1 Multimodal Strategies and Integrated Services		
92	74	18
3.9.2 Emergency Preparedness and Situation Centres		
21	15	6
3.9.3 Integrated Technical Training		
9	9	0

The FTE variance is due in part to implementation of Budget 2012 cost saving measures to gain organizational efficiencies. While the costs saving measures are to be implemented over a three-year period, the majority of affected employees impacted by reduction measures were advised in the first year in order to minimize the impact on people and the department; a large proportion of employees opted to leave earlier in the implementation period. Shifting priorities due operational events and other major reorganizations also resulted in lower recruitment in this period and attrition was higher than expected. Through the integrated planning and reporting approach and

the renewed governance structure, the program is carefully recalibrating the FTE workforce benchmark required for its current and future needs.

Performance Results – For Program and Sub-programs

Expected Results	Performance Indicators	Targets	Actual Results
3.9 Multimodal Safety and Security			
Transportation safety and security issues are managed in a consistent manner across all modes.	Number of new common practices adopted (Improvement = increase)	3	The Directive on Safety and Security Oversight was approved and communicated; Civil Aviation training employees transitioned to new model; one for one regulatory management implemented; Common People Management performance standards adopted for Inspectors and Supervisors

Expected Results	Performance Indicators	Targets	Actual Results
3.9.1 Multimodal Strategies and Integrated Services			
Internal stakeholders have the information they need to manage safety and security transportation issues in an integrated and consistent manner across modes	Percentage of internal stakeholders that indicate a satisfaction rating of at least four out of five with the products and services being provided (Improvement = increase)	80%	Of the survey responses 100% said they were satisfied with service and support
3.9.2 Emergency Preparedness and Situation Centres			
Transport Canada meets its preparedness responsibilities under the *Emergency Management Act*	Minimum rating of 85% on the preparedness sections (7B, 12A, 12B, 12C) of Public Safety Canada's assessment of the Transport Canada Strategic Emergency Management Plan (Improvement = increase)	85%	81.25%
Transport Canada is able to respond to emergency situations	Percentage of After-Event Report findings and recommendations completed or closed within stated time limits (Improvement =	90%	100%

Expected Results	Performance Indicators	Targets	Actual Results
	increase)		
3.9.3 Integrated Technical Training			
Inspectors and technical experts have the technical competencies they require to fulfill their responsibilities according to established standards	Percentage of training recipients that indicate a satisfaction rating of at least 80% on the training courses and workshops (Improvement = increase)	80%	100% - all course evaluations that were completed and returned from Transportation Security Inspectors ranked between 3 and 5 course satisfaction
Inspectors and technical experts have the technical competencies they require to fulfill their responsibilities according to established standards	Percentage of learners that indicate a satisfaction rating of at least 3 out of 5 on the training courses and workshops	80%	100% - all course evaluations that were completed and returned from Transportation Security Inspectors ranked between 3 and 5 course satisfaction

All performance indicator targets were met with the exception of the rating for Transport Canada's Strategic Emergency Management Plan. The rating (based on a triennial evaluation schedule) is from fiscal year 2012–13; an action plan has been developed to address Public Safety's recommendations for strengthening the Strategic Emergency Management Plan.

Program 4.1: Internal Services[30]

Description: Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight[31] Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Performance Analysis

In support of management and oversight, Transport Canada:

- Carried-out internal audit reviews and evaluation studies as planned, including:
  - the Audit of Accommodation and Stewardship of Assets, the Follow-up Progress Assessment of the Audit of Information Management /Information Technology Project Life Cycle Controls and the Audit of Organizational Classification;

[30]Performance measurement information is not provided as the Treasury Board Secretariat is currently developing government-wide standardized internal services performance measurement framework.
[31]Management and Oversight Services include the following service groupings: Strategic Policy and Intergovernmental Relations, Executive Services, Corporate Planning and Reporting, Internal Audit, Evaluation, Integrity Office, Crown Corporation Governance and Internal Management.

- Completed rigorous follow-up actions with senior management to oversee the implementation of recommendations of past audit reviews and evaluation studies; and
- Completed a report on the state of performance measurement, which helped build timely performance information across the Department to undertake more efficient evaluation work.

Transport Canada's Communications and Marketing group made good use of social media to support wider use of technology-driven communications beyond the traditional web. The items listed below are examples:

- To inform Canadians on safety-related issues, including some 200 vehicle safety recalls, the Department posted over 2,000 bilingual Twitter and Facebook messages; and
- As a source of information, the Department's social media accounts reached many more Canadians: Twitter followers increased from 17,420 to 38,765, Facebook likes increased from 2,056 to 3,478, YouTube video views increased from 33,363 to 58,955, and Flickr photo views increased from 41,990 to 196,235.

Transport Canada's Human Resources Management program:

- Provided guidance and advice for organizational realignments, including workforce management and major reorganizations, in support of Budget 2012 decisions and other major change initiatives, such as completion of the Civil Aviation re-organization project in 2013 and the transfer of the Navigable Waters Protection employees to a new organizational structure;
- Provided guidance and advice in support of classification modernization. For example, provided semi-annual position reporting to raise awareness of senior management in preparation for classification modernization. A more comprehensive departmental classification modernization plan will be presented to senior management in the Fall of 2014;
- Conducted a budget normalization exercise to align regional human resources services. This initiative has further evolved and the organization is now implementing a new Human Resources Service delivery model focused on a national portfolio approach; and
- Successfully implemented all seven process areas of the Common Human Resources business process, and received a special commendation from the Treasury Board Secretariat for developing tools and opportunities that will greatly benefit all employees.

Transport Canada's Financial Management program:

- Completed initial assessment and remediation activities to strengthen the system of internal control over financial reporting and commenced ongoing monitoring to ensure continued accurate, relevant and reliable financial information and effective monitoring of risks related to stewardship of public resources;
- Took steps to improve financial costing and forecasting by further evolving the integrated planning process, implementing a standardized financial management service delivery model, which will be fully implemented in 2014–15, and provided targeted training for both managers and the financial community that supports them; and
- Leveraged technology to achieve efficiency improvements, e.g., paperless travel claims processing and automated ports billing.

Transport Canada's Information Management/Information Technology (IM/IT) program:

- Ensured a successful transition of internal support services to Shared Services Canada while delivering day-to-day IM/IT functional advice and operational services, and renewing departmental IM/IT infrastructure. For example, employee workstations migrated to Windows 7 as required for the transition of services government-wide, while ensuring continued telecommunications and network services to the Department and engaging with Shared Services Canada to prepare for the transition to a common email system; and
- Made progress towards implementing a revised consolidated model for IM/IT governance, investment planning, oversight and service delivery. This revised model will link with the departmental governance framework.

Transport Canada's Real Property Services program:

- Developed a Facility Management framework and enhanced governance to enable improved national oversight of the Department's space envelope and cost-effective, efficient implementation of new government-wide Workplace 2.0 fit-up standards.

Transport Canada's Acquisition Services program:

- Strengthened challenge and oversight functions through a revised governance structure, revised delegations of authority and improved reporting.

Transport Canada's Management and Oversight Services:

- There was significant improvement over past years on timeliness of responses overall to requests from Canadians made under the *Access to Information and Privacy Act.*

Budgetary Financial Resources (dollars) – For Program

Main Estimates	Planned Spending	Total Authorities (available for use)	Actual Spending (authorities used)	Difference (planned minus actual)
147,174,930	158,527,528	168,913,569	170,195,608	-11,688,080

Human Resources (FTEs) – For Program

Planned	Actual	Difference (planned minus actual)
1,168	1,098	70

The variance of $11.7 million is mainly attributable to the transfer of the Application Development function from other Programs to Internal Services in 2013-14 and to some of the costs associated with maternity and severance pay being funded from internal resources.

Section III: Supplementary Information

Financial Statement Highlights

Financial Statements

Transport Canada Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2014 (thousands of dollars)					
	2013–14 Planned Results	**2013–14 Actual**	**2012–13 Actual**	**Difference (2013–14 actual minus 2013–14 planned)**	**Difference (2013–14 actual minus 2012–13 actual)**
Total expenses	1,586,110	1,530,246	1,605,962	(55,864)	(75,716)
Total revenues	86,112	87,892	87,669	1,780	223
Net cost of operations before government funding and transfers	1,508,416	1,449,110	1,521,292	(59,306)	(72,182)
Departmental net financial position	1,570,632	1,357,604	1,391,402	(213,028)	(33,798)

Transport Canada Condensed Statement of Financial Position (Unaudited) As at March 31, 2014 (thousands of dollars)			
	2013–14	**2012–13**	**Difference (2013–14 minus 2012–13)**
Total liabilities	1,640,589	1,681,065	(40,476)
Total net financial assets	719,962	692,458	27,504
Departmental net debt	920,627	988,607	(67,980)
Total non-financial assets	2,278,231	2,380,009	(101,778)
Departmental net financial position	1,357,604	1,391,402	(33,798)

Transport Canada's financial reports are available on our website[lvi].

Supplementary Information Tables

The supplementary information tables listed in the 2013–14 Departmental Performance Report can be found on Transport Canada's website[lvii].

- Details on Transfer Payment Programs;
- Federal Sustainable Development Strategy;
- Horizontal Initiatives;
- Upcoming Internal Audits and Evaluations over the next three fiscal years;

- Response to Parliamentary Committees and External Audits;
- Status Report on Projects Operating With Specific Treasury Board Approval;
- Status Report on Transformational and Major Crown Projects; and
- User-Fees Reporting.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. Finance Canada publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[lviii] publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Transport Canada welcomes your comments on this report:

Email: Questions@tc.gc.ca
Phone: 613-990-2309
Toll Free: 1-866-995-9737
Teletypewriter (TTY): 1-888-675-6863
Fax: 613-954-4731

Mailing Address:
Transport Canada (ADI)
330 Sparks Street
Ottawa, ON K1A 0N5

Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary expenditures: Budgetary expenditures include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Report on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

Full-time equivalent: Full-time equivalent is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

Non-budgetary expenditures: Non-budgetary expenditures include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

Performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

Planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A Department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

Plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

Program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i]The legislative authority in support of Transport Canada's mandate http://laws-lois.justice.gc.ca/eng/acts/T-18/
[ii] Laws related to transportation, http://www.tc.gc.ca/eng/acts-regulations/acts.htm
[iii]Department of Justice Canada, http://laws-lois.justice.gc.ca/eng/
[iv]Transport Canada website, http://www.tc.gc.ca/eng/menu.htm
[v] Government of Canada outcome areas, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx
[vi] Canada-United States Border Infrastructure Investment Plan, http://news.gc.ca/web/article-en.do?nid=746149
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