



# Transport Canada

## Performance Report

For the period ending  
March 31, 2001

Canada

## **Improved Reporting to Parliament Pilot Document**

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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# Transports Canada

## Rapport sur le rendement

Pour la période se terminant  
le 31 mars 2001

Canada

## **Présentation améliorée des rapports au Parlement**

### **Document pilote**

Chaque année, le gouvernement établit son Budget des dépenses, qui présente l'information à l'appui des autorisations de dépenser demandées au Parlement pour l'affectation des fonds publics. Ces demandes d'autorisations sont présentées officiellement au moyen d'un projet de loi de crédits déposé au Parlement.

Le Budget des dépenses du gouvernement du Canada est divisé en plusieurs parties. Commenant par un aperçu des dépenses totales du gouvernement dans la Partie I, les documents deviennent de plus en plus détaillés. Dans la Partie II, les dépenses sont décrites selon les ministères, les organismes et les programmes. Cette partie renferme aussi le libellé proposé des conditions qui s'appliquent aux pouvoirs de dépenser qu'on demande au Parlement d'accorder.

Le *Rapport sur les plans et les priorités* fournit des détails supplémentaires sur chacun des ministères ainsi que sur leurs programmes qui sont principalement axés sur une planification plus stratégique et les renseignements sur les résultats escomptés.

Le *Rapport sur le rendement* met l'accent sur la responsabilisation basée sur les résultats en indiquant les réalisations en fonction des prévisions de rendement et les engagements à l'endroit des résultats qui sont exposés dans le *Rapport sur les plans et les priorités*.

Le Budget des dépenses, de même que le budget du ministre des Finances, sont le reflet de la planification budgétaire annuelle de l'État et de ses priorités en matière d'affectation des ressources. Ces documents, auxquels viennent s'ajouter par la suite les Comptes publics et les rapports ministériels sur le rendement, aident le Parlement à s'assurer que le gouvernement est dûment comptable de l'affectation et de la gestion des fonds publics.

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## Foreword

In the spring of 2000 the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Earlier this year, departments and agencies were encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on results – benefits to Canadians – not on activities. It sets the department’s performance in context and associates performance with earlier commitments, explaining any changes. Supporting the need for responsible spending, it clearly links resources to results. Finally the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organization according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

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This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:

<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to this Internet site or to:

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THE BEST TRANSPORTATION SYSTEM  
FOR CANADA AND CANADIANS

LE MEILLEUR RÉSEAU DE TRANSPORT  
POUR LE CANADA ET LES CANADIENS

# **Transport Canada Departmental Performance Report**

**For the period ending  
March 31, 2001**

**Approved**

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**Minister of Transport**

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# Acronyms Used

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ACAP.....C	Airports Capital Assistance Program
AT.....	Civil Aviation Tribunal
CARAC.....	Canadian Aviation Regulatory Advisory Council
CMA.....	<i>Canada Marine Act</i>
CMAC.....	Canadian Marine Advisory Council
CN.....	Canadian National Railway
CPA.....	Canada Port Authority
CPR.....	Canadian Pacific Railway
CTA.....	<i>Canada Transportation Act</i>
EMS.....	Environmental Management System
FAA.....	(U.S.) Federal Aviation Administration
GHG.....	Greenhouse gas
GOL.....	Government On-Line
ICAO.....	International Civil Aviation Organization
IMO.....	International Maritime Organization
ITS.....	Intelligent Transportation System
JCCB.....	Jacques Cartier and Champlain Bridges Inc.
MOST.....	Moving On Sustainable Transportation Program
NAS.....	National Airport System
NAP.....	National Airports Policy
OECD.....	Organization for Economic Cooperation and Development
PDF.....	Port Divestiture Fund
P&D.....	Programs and Divestiture
R&D.....	Research and Development
RSCC.....	Railway Safety Consultative Committee
S&S.....	Safety and Security
SDS.....	Sustainable Development Strategy
SHIP.....	Strategic Highway Infrastructure Program
SLSMC.....	St. Lawrence Seaway Management Corporation
SMS.....	Safety Management System
SSSP.....	Safety and Security Strategic Plan

<b><i>The following symbols are used in this report:</i></b>	
	See elsewhere in this document for additional information.
	Additional information is available in another document.
	Visit a web site to get additional information.
	Call us for additional information.

# Executive Summary

In pursuit of its strategic objectives, Transport Canada's work contributes to the achievement of results, although it must be noted that the department is not solely responsible for all results.

Strategic Objectives	Performance Results
<p><b>Ensure high standards for a safe and secure transportation system</b></p> <p>(☞ Section 3.3.1 starting on p. 18)</p>	<ul style="list-style-type: none"> <li>• Accident rates for 2000 continued to decline in the aviation, rail and marine sectors; aviation and marine accidents are the lowest reported in the last 25 years.</li> <li>• Road casualty collisions in 1999 (latest available data) were up slightly from the record low of 1998, but are still the second lowest total in 44 years.</li> <li>• While aviation and rail fatalities were down, there was a slight increase in road and marine fatalities.</li> <li>• Canada was ranked ninth in road safety among the Organization for Economic Co-operation and Development countries.</li> <li>• Progress toward legislative and regulatory reform.</li> <li>• Benefits from oversight and intervention activities, including a positive assessment by the International Civil Aviation Organization of our civil aviation oversight system.</li> </ul>
<p><b>Contribute to Canada's economic growth and social development</b></p> <p>(☞ Section 3.3.2 starting on p. 25)</p>	<ul style="list-style-type: none"> <li>• Canadian railways remain among the top performance railways in North America; shippers' rail freight costs have been reduced by \$530 million since 1994.</li> <li>• Several new air routes were added in 2000, and the services offered by low-cost carriers increased.</li> <li>• A representative survey shows that 65 per cent of the public feel that airline restructuring has not adversely affected their travel patterns.</li> <li>• Gross costs to support airport operations have decreased approximately \$300 million since 1995 due to divestiture.</li> <li>• A public survey suggests that the anticipated benefits of airport transfers were well-founded.</li> <li>• Aircraft operators are saving \$50 million annually through reduced NAV CANADA user fees.</li> <li>• Costs to support ports have been reduced by \$112 million over five years as a result of the National Marine Policy and the port divestiture initiative.</li> <li>• Canada's major ports are showing positive net incomes and steady revenue growth.</li> <li>• A 1.5 per cent toll rebate on the St. Lawrence Seaway for the 2001 navigation season.</li> </ul>
<p><b>Protect the physical environment</b></p> <p>(☞ Section 3.3.3 starting on p. 30)</p>	<ul style="list-style-type: none"> <li>• Raised awareness on how vehicles contribute to smog-causing emissions.</li> <li>• Contributed to cleaner air by adding alternative fuel vehicles to the department's motor vehicle fleet.</li> <li>• Significant action taken on 85 per cent of the department's first Sustainable Development Strategy (SDS).</li> <li>• Successful implementation of Transport Canada's Environmental Management System, with seven of nine targets having been achieved.</li> <li>• Significant contribution to the Transportation Climate Change Table for the development of the <i>Government of Canada Action Plan 2000 on Climate Change</i>.</li> </ul>

## Minister's Message



I am pleased to submit Transport Canada's 2000-2001 Departmental Performance Report. Over the past few years, significant progress has been made by the department in meeting its vision for the best transportation system for Canada and Canadians.

Transportation has always been critical to the development and growth of the country and the economy. Transportation makes possible the movement of people and goods; it fuels our economy and improves the quality of our lives. But the transportation system must be safe and secure — that imperative was never more emphatically underscored than through the horrific events in the United States on September 11, 2001.

Transport Canada has always maintained safety as its top priority, and during the past few years we have made great strides toward making travel safer. Our commitment is stronger than ever. We will take

whatever measures are required to protect the safety and security of the travelling public and reduce the threats that transportation poses to the safety and well-being of Canadians.

We are working to ensure a strong transportation system, one that supports trade, stimulates competition and productivity, and one that puts Canada in the forefront of technological innovation. We are striving for a system that flows smoothly, through our cities and across our borders, to link us quickly and efficiently with our trading partners, and one that also flows seamlessly from one mode to another — from ship to train to truck, from plane to public transit.

We are also mindful that transportation activity has significant environmental consequences, which in turn have social and economic repercussions. A range of activities contribute to these pressures, including the construction of infrastructure, the operation and maintenance of the road system, the production, operation, maintenance and disposal of vehicles, and the provision of energy and fuel, including non-renewable resources. Transport Canada has been working with its partners and stakeholders to identify a practical, collaborative, cost-effective approach to developing a sustainable transportation system.

Canadians count on safe, efficient and environmentally responsible modes of transportation for themselves and the goods they need at home and in business. Transport Canada is working hard to meet those expectations, and we will continue to help build the best transportation system for Canada and Canadians.

**The Honourable David M. Collenette, P.C., M.P.**  
**Minister of Transport**

# 1.0 An Introduction to Transport Canada

## 1.1 Who We Are

Transport Canada is the department responsible for the transportation policies, programs and goals set by the Government of Canada. The department contributes to ensuring that all parts of the transportation system work effectively, and in an integrated manner, to provide Canadians with a sustainable system — one that is safe, efficient and environmentally responsible.


### *Our Vision . . .*

The best transportation system for Canada and Canadians

### *Our Mission . . .*

To develop and administer policies, regulations and programs for a safe, efficient and environmentally responsible transportation system

## 1.2 Legislative Mandate

In Canada, all levels of government have some responsibility for the country's transportation system. Transport Canada delivers its programs and services under numerous legislative and constitutional authorities. Our focus is on developing a modern and relevant legislative framework that will enhance the safety, security, competitiveness, and sustainability of Canada's transportation system.  A full listing of the legislation administered by Transport Canada can be found on our web site at [www.tc.gc.ca/en/ap.htm](http://www.tc.gc.ca/en/ap.htm).

### **Some of the legislation we administer:**

- *Aeronautics Act*
- *Canada Marine Act*
- *Canada Shipping Act*
- *Canada Transportation Act*
- *Department of Transport Act*
- *Marine Liability Act*
- *Motor Vehicle Safety Act*
- *Railway Safety Act*
- *Transportation of Dangerous Goods Act*

## 1.3 Our Strategic Objectives

Transport Canada's strategic objectives are to:

- Ensure high standards for a safe and secure transportation system.
- Contribute to Canada's economic growth and social development.
- Protect the physical environment.

In today's complex environment, most issues require a multi-disciplinary approach and need to be considered in terms of a broad range of safety, economic and environmental factors. Decisions must ensure an optimum balance between competing interests and must be carefully weighed and debated. This is because actions required to achieve results in one area can have profound repercussions in other areas.



## 1.4 Departmental Priorities

In working to achieve our strategic objectives, Transport Canada's management team confirmed the following departmental priorities in October 2000.  A full description of these priorities, together with associated key initiatives, can be found in the *Transport Canada 2001-2004 Business Plan — An Update*, which is available on the department's web site at [www.tc.gc.ca/BusinessPlan/2001-2004/BP\\_e.html](http://www.tc.gc.ca/BusinessPlan/2001-2004/BP_e.html).

- Maintain and enhance the safety regime.
- Foster competitiveness in a global economy.
- Support infrastructure development.
- Advance sustainable transportation.
- Facilitate transition to the knowledge-based economy.
- Complete the divestiture program.

## 1.5 Our Co-delivery Partners

Transport Canada works in co-operation with hundreds of other organizations with an interest in transportation issues.

**Other federal organizations** — whose programs and services may be effected by transportation activities — Environment Canada, Department of National Defence, Fisheries and Oceans Canada, Public Works and Government Services Canada, Canadian Security Intelligence Service, Justice Canada, Royal Canadian Mounted Police, Industry Canada, Health Canada, and Solicitor General of Canada.

**Provincial, territorial and municipal governments** — particularly concerning the maintenance of the highway system and enforcement of road safety.

**Transportation sector industries** — all of which count on the fair application of regulations and the development of policies to enhance the efficiency of the transportation system — Canadian National Railway, CP Rail, VIA Rail, Canadian Manufacturers of Aviation Equipment, Canadian Steamship Lines, Algoma Central Marine, Air Canada, and NAV CANADA.

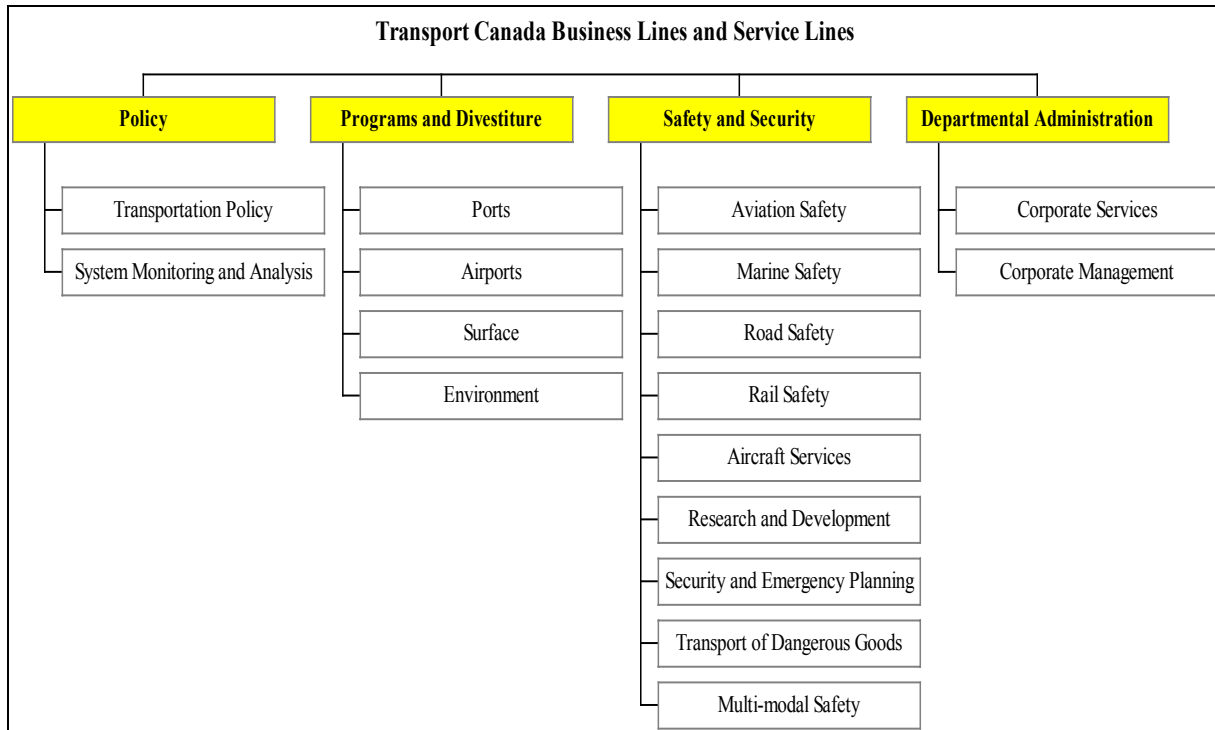
**Agencies and associations** — with a vested interest in the transportation infrastructure, regulatory regime and safety — Transportation Safety Board, Canadian Airports Council, Canada Safety Council, pilotage authorities, Railway Association of Canada, Transportation Association of Canada, Canadian Energy Pipeline Association, Canadian Association of Petroleum Producers, Shipping Federation of Canada, Canadian Ship Owners Association, Canadian Marine Advisory Council, Operation Lifesaver, Association québécoise de transport et des routes, United Transportation Union, Canadian Ferry Operators Association, Canadian Urban Transit Association, Canadian Council of Motor Transport Administrators, vehicle manufacturers associations, Canadian Trucking Alliance, Air Transport Association of Canada, and Council of Marine Carriers.

**International organizations** — to share information and harmonize transportation regulations — U.S. Federal Aviation Administration, European Joint Airworthiness Authorities, International Civil Aviation Organization, Asia-Pacific Economic Co-operation, U.S. Federal Emergency Management Agency, NATO, U.S. Federal Highway Association and National Highway Traffic Safety Administration, International Labour Organization, and International Maritime Organization.

## 1.6 Business Line Structure

Transport Canada’s work is carried out by approximately 4,400 people located across the country who collectively support the department’s four business lines, as described below. The department has its headquarters in Ottawa, five regional offices in Vancouver, Winnipeg, Toronto, Montreal and Moncton, and approximately seventy Transport Canada Centres that are central points of contact for clients and stakeholders in each region. The business line structure has a multi-modal focus that emphasizes the department’s core roles. Table 1 refers.

**Table 1**



**Policy.** The Policy business line is responsible for developing transportation policies and legislative changes that contribute to an efficient and effective Canadian transportation system. The business line also monitors and analyses the transportation system, reports on the state of transportation in Canada (as mandated under the *Canada Transportation Act*), carries out economic studies and program evaluations, supports the Minister and Deputy Minister in their relations with other federal departments, other levels of government, and foreign governments, represents the department in international trade issues, and evaluates policy and programs for the entire department.

**Programs and Divestiture.** The Programs and Divestiture business line plays a substantial stewardship role in addition to negotiating the divestiture of ports and airports to local interests. It operates sites until they are transferred, administers highway and bridge programs, carries out landlord and monitoring functions in respect of ports, airports, bridges and air navigation system sites, and manages the department’s real property portfolio. On the environmental front, this business line also provides leadership within the federal government and the transportation sector on sustainable transportation.

**Safety and Security.** The Safety and Security business line develops national legislation, regulations and standards, and carries out monitoring, testing, inspection, certification, enforcement, education, and research and development activities to promote safety and security in all transportation modes. It also develops emergency preparedness plans, conducts background checks of persons working in restricted areas of airports, and delivers aircraft services to the federal government and other transportation bodies.

**Departmental Administration.** The Departmental Administration business line establishes the department's administrative accountability framework, and supports the department's other business lines by providing efficient and effective services — financial, administrative, information management/information technology, human resources, internal and external communications, legal and executive — that respond to departmental needs.




## 2.0 Societal Context

### 2.1 Transportation's Impact

Transportation plays a crucial role in our everyday lives. Despite the fact that most of us take transportation for granted, we rely on planes, trains, ships, trucks, buses and private motor vehicles to deliver our goods and get us where we are going. Did you know —

- Canadian domestic expenditures on goods and services related to the transportation needs of households, private business and government represented \$106 billion (real 1992 dollars) in 2000, or 11.8 per cent of the gross domestic product (GDP).
- The transportation sector provided 853,600 jobs in 2000, an increase of 2.2 per cent over the previous year.
- Spending on tourism in Canada reached \$50.1 billion in 1999, of which \$20.1 billion, or 40 per cent, was on transportation.
- Annual gross government expenditures on transportation have ranged from \$17 billion to \$18 billion over the past five fiscal years.
- Canada's road network is over 1.4 million kilometres in length; Canada Port Authorities account for 54 per cent of total port traffic handled; and 30 airports look after more than 94 per cent of air passenger traffic.
- Transportation remains the single largest energy user in Canada; between 1990 and 1999, transportation energy consumption increased by 26 per cent.
- Canada's greenhouse gas (GHG) emissions from transportation energy consumption are equivalent to 157 megatonnes of CO<sub>2</sub>; road transportation accounts for more than 77 per cent of transportation GHG emissions.

 A wealth of information on the state of the Canadian transportation system is contained in the *Transportation in Canada 2000* annual report. It can be found at: [www.tc.gc.ca/pol/en/t-facts3/Transportation\\_Annual\\_Report.htm](http://www.tc.gc.ca/pol/en/t-facts3/Transportation_Annual_Report.htm).

### 2.2 2001 Speech from the Throne

In the 2001 Speech from the Throne, it was recognized that economic and social success must be pursued together and that the Government of Canada would work with Canadians for a more prosperous society, one that builds on the strengths of its citizens, communities and businesses and on Canada's unique place in the world. As previously noted in Section 1.3, Transport Canada's strategic objectives — safety, the economy and the environment — are intertwined and collectively contribute to the government's overall agenda. Of particular relevance are the commitments to:

- Innovation
- Skills and learning
- Connecting Canadians
- Trade and investment
- A clean environment
- Strong and safe communities
- Creating and sharing opportunities globally

### 2.3 Defining the Challenges

In April 2001, the Minister of Transport launched the Transportation Blueprint initiative, the purpose of which is to develop a strategic plan to ensure that our transportation system continues to contribute to Canadians' economic prosperity and quality of life well into the future. The initiative, which will

involve extensive consultation, will influence the departmental priorities noted in Section 1.4. Many of the challenges that will provide a backdrop to the consultations are outlined below.

### 1. Globalization and Marketplace Frameworks

Canada's economy is one of the most open of the G-8 countries. At the turn of the millennium, our export trade accounted for 46 per cent of the economy and, with this trade growing vigorously, the focus for our transportation industry is becoming increasingly global. Governments have to find the right balance between the interests of the public and those of transportation users and providers, taking into account both domestic and international trends. As globalization

progresses, Canada and its trading partners will have to work

toward harmonizing their transportation industries' safety and regulatory regimes. The trucking industry in particular has been asking the federal government to take a strong leadership role in this respect. In the airline industry, restructuring has resulted in the emergence of a dominant carrier, although new players have already begun to challenge Air Canada's position. The size of the Canadian market imposes certain constraints and it will remain a challenge to balance a strong, viable Canadian presence in an increasingly global market. The North American railway industry is also evolving rapidly. Only six major carriers remain in Canada and the United States, and additional merger proposals remain a possibility. While mergers may improve connectivity and achieve economies of scale, Canadians are concerned about possible reductions in competition. Related to this issue is the question of the access regime for rail infrastructure, recently examined by the *Canada Transportation Act* Review Panel.

*"Our goal is to have the best national transportation system in the world, and I am committed to gathering ideas and opinions from Canadians on how to achieve it."*

Hon. David M. Collette  
Minister of Transport

### 2. Integration

The advantages of a seamless, integrated transportation system are undeniable — both shippers and carriers benefit when their goods can be quickly and easily exchanged among modes. The public is better served when congestion, pollution and the need to expand or replace infrastructure can be avoided by the use of inter-modal transportation. Integrated transportation requires extensive co-operation within industry, effective connections between modes, and supportive government policies and regulations. It also requires jurisdictions to work together to find common benefits from harmonizing the standards and rules whose inconsistencies serve as barriers to efficiency, safety or environmental protection. The vision of an integrated transportation system is more appealing than ever before, yet it continues to raise major challenges. Some components of Canada's transportation network are congested while other links, such as the Great Lakes/St. Lawrence Seaway system, are not being used to their full potential. Given the high cost of building new transportation infrastructure, we need to seek ways to maximize the use of existing, under-utilized capacity. We also need to pay increased attention to our border crossings. Due to changing trade patterns, Canada's transportation flow along the North-South axis has been growing at a significantly faster pace than our traditional East-West domestic flows. At current rates, commercial vehicle traffic at the Canada-U.S. border doubles every eight years.

### 3. Urbanization

Canada has become one of the most urbanized countries in the world — and the supporting transportation infrastructure has had difficulty keeping pace. At the same time, we are driving more cars and transporting more goods within and through our urban centres. The urban road network cannot keep up with this growing demand, and public transit systems are struggling to provide a viable alternative for moving people. Urban congestion affects the competitiveness of Canada's major economic centres. Access to airports and ports, freight pick-up and delivery, and business activities are all compromised by congestion. The results are greater fuel consumption and additional emissions of air pollutants and greenhouse gases. Congestion also reduces the effectiveness of the transportation system by constraining the movement of goods and passengers within and through major urban centres. Given all these factors, one of the key challenges will be to make public transit more attractive. Additional challenges include

better management of existing infrastructure and of transportation demand, better integration of land use and transportation planning, and better co-ordination of both public and private sector actions.

#### 4. Rural and Remote Areas

The national transportation system should be affordable and accessible, but the limited traffic base in rural and remote areas makes it difficult to sustain the costs of infrastructure and services. Policies and programs that work in our major cities may be less relevant in rural and remote communities. In recent years, the government has been mindful of this reality by preserving, for example, a direct management responsibility for selected remote ports and airports. It has also confirmed its long-term commitment to revitalizing passenger rail services, including to remote communities. The needs and viewpoints of Canadians living in rural and remote areas must continue to be taken into account when designing national programs or policies.

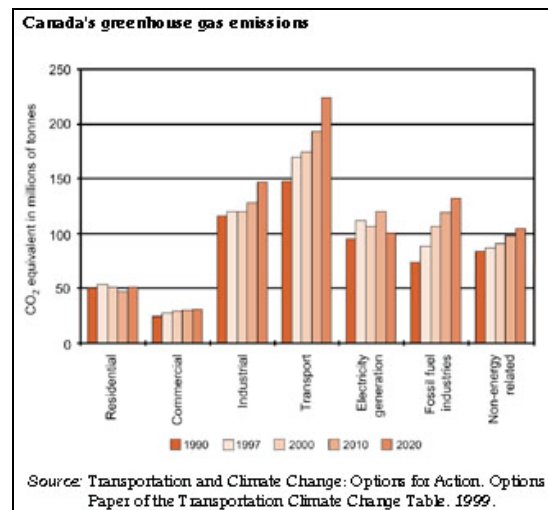
#### 5. Environment

While transportation provides many economic and social benefits, the movement of people and goods also has significant environmental consequences.

Environmental challenges such as the increased use of

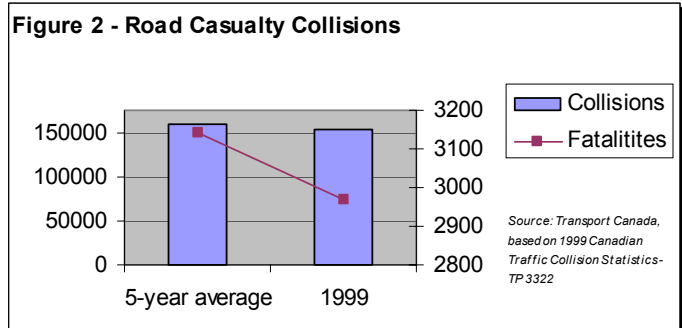
**Figure 1**

non-renewable resources, pollution, and the loss of agricultural land and wildlife habitat will shape the transportation agenda in the years to come. Furthermore, climatic and resource pressures will increase along with economic growth. For example, over the next 40 years, 800 million more people worldwide are predicted to own cars. As illustrated in Figure 1, transportation is the single largest source of Canada's greenhouse gas (GHG) emissions. If current trends continue, GHG emissions from transportation are expected to exceed 1990 levels by 32 per cent in 2010, and by 53 per cent by 2020. Economic growth and population increases are leading to increased transportation activity, contributing to greenhouse gas trends. Also, the modes showing the greatest growth — private automobiles, trucking and aviation — have the greatest impact on the environment, primarily due to air emissions and land use. Exhaust emissions are also a major contributor to smog in urban areas, with many resulting health consequences. Another key challenge is to prevent or control the discharge of effluents and wastes that contaminate rivers, lakes, oceans, harbours and beaches and to prevent the introduction of non-native aquatic species through the discharge of ships' ballast water.



#### 6. Safety and Security

Safety and security are critical foundations upon which the general public's confidence in the national transportation system is built. Safety improvements will require continued collective effort by industry, transportation workers, the general public and government. Transportation accidents in Canada are declining (Figures 2 and 3) and acts of unlawful interference have become less frequent worldwide — yet steady growth in the demand for transportation services, as well as new security threats, require that we remain vigilant. Traffic growth, particularly in road and air transportation, will challenge us to become increasingly innovative in order



to reach new safety and security targets. In co-operation with provinces and territories, a key focus should be road transportation. More than 90 per cent of all Canadian transportation fatalities involve motor vehicles. Understanding and dealing with human factors, the single largest contributor to transportation accidents, must also remain a priority. Safety objectives must be defined in an international context.

Globalization is challenging governments to work with international partners to develop

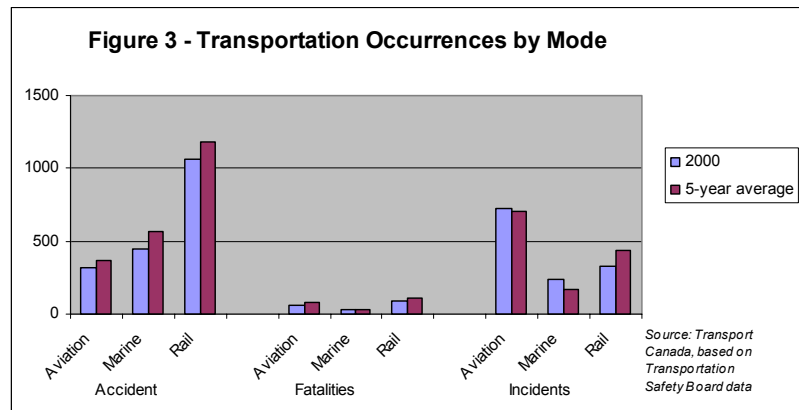
commonly agreed upon standards to ensure that equipment, personnel and carriers meet acceptable levels of safety and security. Common standards can facilitate trade and help respond to a fast-moving transportation-manufacturing industry that requires products to be certified before they are marketed.

## 7. Accessibility

Federal transportation policies need to be sensitive to the requirements of all Canadians, including those with disabilities who have difficulties accessing transportation services and infrastructure. Principles governing the provision of transportation services to persons with disabilities have been enshrined in legislation. As Canada's population ages, a growing challenge for transportation service providers will be to respond to the significant and increasing proportion of Canadians with disabilities, so they can fully participate as members of our society.

## 8. Innovation

Co-ordinated, strategic approaches to transportation research and development (R&D) priorities are essential and will require the establishment of a wide range of partnerships with the private sector, provinces and academia in areas such as road safety, traffic management, human factors, and highway and border congestion. But R&D is not enough in and of itself. A key challenge will be to improve the marketability of Canadian transportation innovations both domestically and internationally. Intelligent Transportation Systems (ITS) enable transportation systems to perform better, without necessarily having to physically alter existing infrastructure. We are creating the framework and environment that will enable the transparent sharing and transfer of information between transportation agencies, jurisdictions and modes. Cross-cutting ITS communications systems could produce significant gains in improved location and mobility information, increased system efficiency and interoperability, and reduced energy consumption and emissions. The Government of Canada has challenged the private and public sectors to work together toward the goal of capturing five per cent of global e-commerce markets — conservatively estimated to be between \$1.3 and \$1.8 trillion U.S. dollars by 2003. The transportation sector plays a critical role in facilitating the expansion of e-commerce — it is the glue that binds supply and demand together. The fundamental reforms in transportation over the last decade have contributed to reducing costs and improving productivity in the sector. Looking forward, building capacity for innovation has the potential to set us apart from global competition and to meet many of the challenges facing Canada's transportation sector.



## 9. Skills

A highly innovative economy will require a highly skilled workforce that can respond to rapid changes in technology and new ways of doing business. Transportation innovations will require additional qualifications and multiple skills from transportation sector employees. At the same time, intense competition for the same skilled workers, combined with retirements, will challenge the sector to find innovative ways to attract, develop and retain its workforce. Already there are current and anticipated shortages in such skill-intensive occupations as certified pilots, truck drivers, civil engineers, researchers, certified mechanics and ships' officers. Similarly, it will be critical to ensure that Transport Canada has the necessary skills to continue fulfilling its public-safety mandate. Our knowledge-based economy will increasingly emphasize continuous learning and learning organizations.

☞ For more information on the Transportation Blueprint initiative, and to register comments on future directions for transportation policy in Canada, visit our web site at [www.tc.gc.ca/blueprint](http://www.tc.gc.ca/blueprint).

### 2.4 Review of the *Canada Transportation Act*

On July 18, 2001, the Minister of Transport made public the final report of the Canada Transportation Act (CTA) Review Panel. Throughout the course of its tenure, which began in July 2000, the Review Panel received approximately 200 submissions from stakeholders, and undertook extensive detailed research. The panel produced a very comprehensive report, and it will take time for departmental officials to thoroughly review and address its recommendations. The conclusions contained in the panel's report will be an important building block for the Transportation Blueprint initiative.

☞ Further details on the CTA Review Panel report are provided on our web site at: [www.tc.gc.ca/en/blueprint/ctareview.htm](http://www.tc.gc.ca/en/blueprint/ctareview.htm)

### 2.5 New Measures for Aviation Security

In response to the attacks in the United States on September 11, 2001, the Minister of Transport announced that cockpit doors on all Canadian airline passenger flights, domestic and international, would be locked for the full duration of flights. Enhanced security measures were also introduced, such as increased police presence at major airports and increased passenger screening and security procedures, including more hand searches of baggage. Transport Canada will continue to review its safety and security rules and will make further changes as required to protect the safety and security of the travelling public. The department is also working with the U.S. Federal Aviation Administration and other authorities to improve the security aspects of cockpit design, particularly cockpit doors.

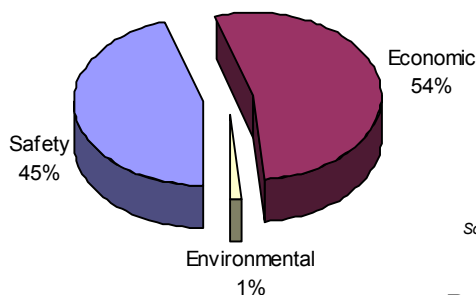
# 3.0 Departmental Performance

## 3.1 Measuring the Advancement of our Strategic Objectives

The advancement of Transport Canada’s strategic objectives depends on the performance of all four departmental business lines. Whether through the development of policies and legislation, or the delivery of programs and services, the work done within the business lines has an impact on each of our safety, economic and environmental objectives. Associated with each strategic objective are ultimate outcomes (key results) that we intend to measure over time as a means of providing evidence of our achievement of objectives. The ultimate outcomes can be mapped to one or more business lines, thereby providing the link between the business lines and the strategic objectives, and highlighting the business lines’ work in terms of *primary* and *secondary* contribution to objectives.

Strategic Objectives		
<i>Ensure high standards for a safe and secure transportation system</i>	<i>Contribute to Canada’s economic growth and social development</i>	<i>Protect the physical environment</i>
2000-2001 Net Resource Spending by Strategic Objective <sup>1</sup>		
\$414.4 million	\$488.6 million	\$12.7 million
Ultimate Outcomes		
<ul style="list-style-type: none"> <li>Protection of life, health, environment and property.</li> <li>High confidence in the safety and security of our transportation system.</li> </ul>	An integrated and inter-modal transportation system that is: <ul style="list-style-type: none"> <li>efficient, effective, viable, affordable and accessible;</li> <li>responsive to users and to communities; and</li> <li>competitive and harmonized, both domestically and internationally.</li> </ul>	<ul style="list-style-type: none"> <li>Environmentally sustainable transportation system for Canadians.</li> <li>Reduction of greenhouse gas emissions and pollution from the transportation sector.</li> <li>Prevention and mitigation of environmental damage from transportation activities.</li> </ul>
↑	↑	↑
Contributing Business Line — Primary (P) or Secondary (S)		
Safety and Security (P) Programs and Divestiture (S)	Policy (P) Programs and Divestiture (P)  Safety and Security (S)	Programs and Divestiture (P) Safety and Security (S)
Departmental Administration contributes indirectly to all strategic objectives		

**Figure 4 - Resources by Strategic Objective**



Source: Transport Canada

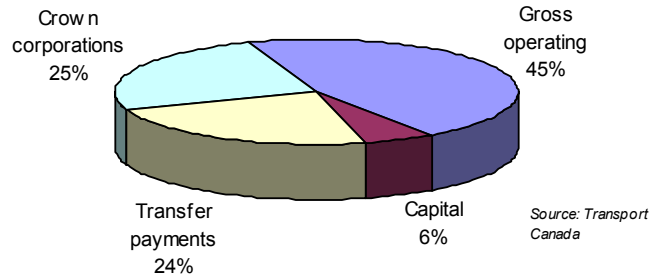
1. The linking of our 2000-2001 net resource spending to the strategic objectives is based on a reasonable approximation, to provide the reader with a sense of the magnitude of spending devoted to the achievement of outcomes. Note that Crown corporations have been included in the economic objective.

### 3.2 An Overview of Departmental Spending

Transport Canada's gross spending for fiscal year 2000-2001 totalled \$1.2 billion. Figure 5 provides a breakdown of this spending by expenditure type and business line.

Departmental operating costs represented the major portion (45 per cent) of total gross spending, with expenditures of \$565 million. Of this amount, 58 per cent was spent on employee salaries and statutory benefits, while the balance was spent on other costs such as professional services related to informatics, training and education, and items such as travel, maintenance and utilities. It should be noted that, although not reflected in the gross spending depicted in Figure 5, more than one-half of Transport Canada's operating costs were funded through the collection of spendable revenues. Most of these revenues (70 per cent) resulted from airport authority lease and chattel payments (see page 46 for revenue details).

**Figure 5 - Gross Spending by Expenditure Type**



Approximately \$304 million, or 25 per cent, of gross spending was directed to the department's three Crown corporations — VIA Rail, Marine Atlantic, and Jacques Cartier and Champlain Bridges (see these Crown corporations are described in the 2000-2001 Estimates Part I and II).

A further \$291 million, or 24 per cent, was spent on grants and contributions (transfer payments). Some of the more significant items included \$47 million for the Northumberland Strait Crossing subsidy payment, \$40 million for the Airports Capital Assistance Program, a \$36 million one-time grant payment to the Province of Quebec related to the transfer of ferry facilities, a \$23 million grant to the Province of British Columbia for freight and passenger ferry services, \$12 million to Canadian National for the Victoria Bridge in Montreal, and \$9 million for the Port Divestiture Fund.

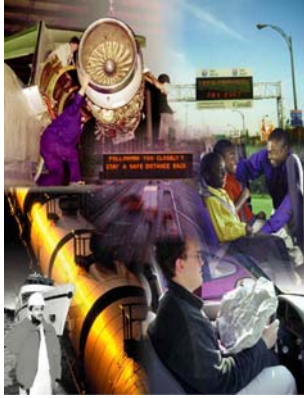
Transport Canada's capital project spending involved \$73 million, only 6 per cent, of total gross spending and involved various maintenance and environmental projects.

More detailed financial tables and information on business line spending are provided in Section 4.

### 3.3 Performance Accomplishments by Strategic Objective

The following sub-sections provide a summary of Transport Canada's progress in achieving its strategic objectives.

#### 3.3.1 Ensure high standards for a safe and secure transportation system



**Ultimate Outcomes:**

- Protection of life, health, environment and property.
- High confidence in the safety and security of our transportation system.

Canada continues to have one of the safest transportation systems in the world — and the year 2000 was a success for transportation safety. Accident rates for 2000 continued to exhibit a downward trend, with decreases in the aviation, rail and marine sectors. In fact, the numbers of accidents in the aviation and marine modes are the lowest in the last 25 years. And Transport Canada is doing its part to contribute to maintaining or improving that safety record through communication and education aimed at prevention, effective oversight and intervention, regulatory reform, promotion of a safety culture, and cost-beneficial research.

A major development of the past decade is the strengthening of Transport Canada's relationships with those it collaborates with to make safety and security happen — its provincial, territorial and municipal government partners, the people it regulates and the Canadian public. In particular, the department is working with other national governments to achieve greater harmonization of rules, and it is helping industry adopt safety management systems, build safety cultures, and plan and manage on the basis of identified and prioritized risks.

**Table 2**

<b>Trends in National Safety and Security Statistics</b>	
<b>Aviation</b>	<ul style="list-style-type: none"> <li>• Accidents were down 6 per cent from 1999, and 12 per cent from the five-year average.</li> <li>• The 63 fatalities in 2000 are below the five-year average of 81.</li> <li>• Private aircraft continue to represent the largest proportion of accidents (56 per cent in 2000).</li> </ul>
<b>Road</b>	<ul style="list-style-type: none"> <li>• Over the last several decades, Canada's road safety record has continued to improve steadily.</li> <li>• In 1999, there were 2,969 fatalities from motor vehicle accidents; while up marginally from the record low of 1998, this is the second lowest total in 44 years.</li> <li>• Roughly 18.7 per cent of all road fatalities involved collisions with commercial vehicles.</li> </ul>
<b>Rail</b>	<ul style="list-style-type: none"> <li>• At 13.3 accidents per million train miles in 2000, the accident rate was down from 14.4 in 1999 and 15.1 for the five-year average.</li> <li>• Rail crossing and trespassing fatalities in 2000 were 21 per cent lower than the average for the previous five-year period.</li> </ul>
<b>Marine</b>	<ul style="list-style-type: none"> <li>• During the last decade, there has been a downward trend in the number of shipping accidents; on average, marine accidents have decreased by 8 per cent since 1990.</li> <li>• In 2000, there was a 16 per cent decrease in reported accidents from 1999, and a 21 per cent decrease from the 1995-1999 average.</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• There were no large-scale emergency situations in 2000.</li> </ul>
<b>Transport of Dangerous Goods</b>	<ul style="list-style-type: none"> <li>• Accidents involving the transportation of dangerous goods are very infrequent given the fact that there are 27 million shipments of dangerous goods per year and half a million products that present hazards while being transported.</li> <li>• Dangerous goods caused two deaths and 42 injuries in 2000.</li> </ul>



## 1. Prevention Strategies and Programs

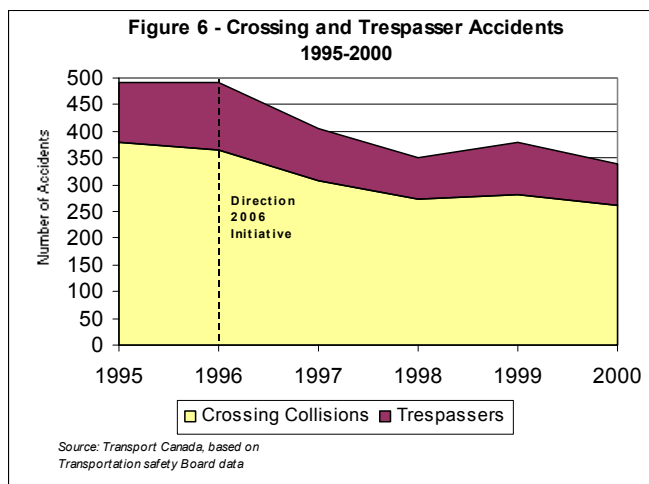
Transport Canada's safety and security planning has emphasized strategies and programs that contribute to the prevention of accidents and incidents. The achievements of three of these strategies are described below.

### Rail Crossing and Trespassing Incidents

The dangers of railway crossings and trespassing on railway property have been a long-standing concern. A multi-stakeholder partnership program, Direction 2006, was started in 1996 with a target of a 50 per cent reduction in the number of railway crossing collisions and trespassing incidents by 2006. With a departmental contribution of \$500,000, increasing to \$625,000 in each of the next two years, the department works with partners to deliver specific safety promotion activities. This partnership program involves representatives from industry, other government departments and agencies from all levels of government, road authorities and associations like the Federation of Canadian Municipalities.

Since its inception, Direction 2006 has made significant contributions to rail safety. Crossing collisions and trespassing incidents have been reduced by 29 per cent and 38 per cent, respectively, since 1996 (see Figure 6).

Direction 2006 research and development initiatives have generated significant financial contributions and in-kind services from partners; the leveraged benefit is currently about 3 to 1 (see sub-section 4 on page 24).



There have been major improvements to the infrastructure at grade crossings (e.g., lights, gates, road approaches) as a result of the financial incentives provided by Transport Canada through the Grade Crossing Improvement Program (\$7.5 million annually).

Through the Operation Lifesaver program, which we fund (\$200,000 annually) jointly with the Railway Association of Canada, we have increased public awareness of the dangers associated with rail grade crossings. With the help of our partners — railway and community police forces, provincial safety councils and leagues, unions, community groups and associations — we reach 1.4 million Canadians annually through presentations in schools, malls, fairs and other events.

For further information:

☎ Call us toll-free at 1-888-267-7704

🌐 Visit our web site at [www.direction2006.com](http://www.direction2006.com)

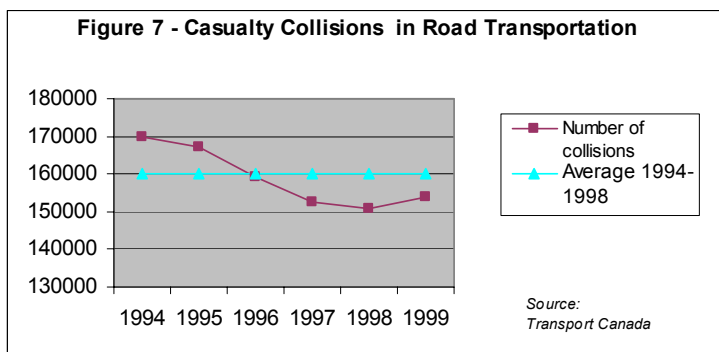
### Road Collisions

Road collisions continue to account for more than 90 per cent of all transportation-related deaths, with an associated cost in excess of \$10 billion annually. We know that 75 per cent of road fatalities are vehicle occupants. Roughly 40 per cent are unbelted occupants, and 50 per cent occur on rural roads with speed limits of 80-90 km/h. Alcohol is a factor in 40 per cent of motor vehicle fatalities. Our Road Safety Vision 2001/2010 initiative addresses these and other risk

factors. It has an overall target of reducing by 30 per cent the average number of fatalities and serious injuries during the period 2008-2010, compared to the 1996-2001 average.

For 1999 (latest available data), Canada was ranked ninth in road safety among the Organization for Economic Co-operation and Development (OECD) countries. We have the knowledge to substantially reduce road fatalities, but we need to do more if we are to keep pace with progress in other developed countries. The safety of Canada's roads is overseen by many different jurisdictions — particularly the provinces — and is strongly affected by behaviour outside the direct control of the department. Therefore, one of the ways Transport Canada can do more is through an initiative such as Vision 2001/2010, which is based on collaboration with all levels of government and key public and private sector stakeholders.

As the following trends demonstrate, travel on Canadian roads is safer today than in 1996 when Vision 2001/2010 was officially launched (see Figure 7). Some of the significant contributions to road safety:



- The number of road fatalities decreased by 4 per cent, and the number seriously injured decreased by 13 per cent, despite steady increases in the number of drivers and vehicles.
- Canada's level of road safety, as measured by "deaths per registered motor vehicle", improved by 10 per cent.
- Seat belt use by Canadians, already ranked among the highest in the world, increased from almost 89 per cent to 90 per cent.
- The percentage of fatally injured drivers who had been drinking decreased by 27 per cent in 1999 from the 1990-1995 average.

For further information:

☎ Call us toll-free at 1-800-333-0371

🌐 Visit our web site at [www.tc.gc.ca/roadsafety](http://www.tc.gc.ca/roadsafety) or e-mail us at [RoadSafetyWebMail@tc.gc.ca](mailto:RoadSafetyWebMail@tc.gc.ca)

### **Civil Aviation**

Implementation of Transport Canada's *Flight 2005: A Civil Aviation Safety Framework for Canada* has resulted in two key successes: continued improvement on the high rate of aviation safety in Canada and a high level of public confidence in our civil aviation program.

Initiatives linked to these key results are profiled in the companion *Flight 2005 Implementation Plan*. Noted below are successes stemming from initiatives that highlight the department's commitment to collaboration and consultation with the aviation industry and the importance placed on safety management.

- Transport Canada and the aviation industry are changing the way that professional pilots are trained in Canada. The changes are inspired by a determination to maintain high safety standards in pilot training as well as the deployment of instructional system design tools that has made Canada a world leader in pilot training.
- A stronger safety culture has evolved as the Civil Aviation organization is finding early success in implementing safety management systems (SMS) in industry, mainly through

education on its concepts and requirements. This includes the publication of the brochure *Introduction to Safety Management Systems* that provides guidance on safety management principles and concepts.

- Record attendance and strong industry representation at the annual 2001 Canadian Aviation Safety Seminar (CASS) firmly establishes that forum as the primary means of promoting a stronger safety culture amongst stakeholders. The joint NAV CANADA/Transport Canada Safety through Partnership Conference is another important indicator of an improved and evolving safety culture.

For further information:

☎ Call us toll-free at 1-800-305-2059

🌐 Visit our web site at [www.tc.gc.ca/aviation](http://www.tc.gc.ca/aviation)

## 2. Regulatory Reform

Government-wide reforms coupled with Transport Canada's withdrawal from direct service delivery have led the department to review and modernize its safety and security regulatory regime. The reform has focused on both the content of legislation and regulations, as well as the process by which they are created. There is now greater harmonization with other jurisdictions, simplified structure and language, fewer prescriptive regulations and an increased emphasis on performance-based regulations and implementation of SMS by the transportation industry.

The process has also improved. Transport Canada has effective safety consultation committees for all modes and is at the forefront in obtaining Cabinet approval to consult on draft legislation. The Privy Council Office confirmed in a government-wide review that Transport Canada has a strong consultation process with several best practices. An internal evaluation found a high level of stakeholder satisfaction with safety consultation committees in the air and marine modes.

The Civil Aviation Tribunal (CAT) is an independent, quasi-judicial body established to review administrative enforcement decisions taken under the *Aeronautics Act*. From a caseload of 350 cases, the CAT has successfully resolved 241 cases during fiscal year 2000-01. Both the industry and Transport Canada considers the CAT to be a "regulatory best practice". As a result, draft legislation has been proposed that will transform the CAT into a multi-modal tribunal, the Transportation Appeal Tribunal of Canada (TATC), so that the enforcement review processes available to the aviation sector will also be available to the marine and rail sectors.

Recent legislative and regulatory progress has provided the following benefits:

- Railway companies' responsibility for integrating safety into day-to-day operations to build strong safety cultures has been reinforced by the new regulatory requirement for SMS. In 2000, educational and inspector training materials and courses were designed and distributed to rail safety inspectors across Canada; evaluation from inspectors was positive. SMS audit training is now mandatory for all rail safety inspectors.
- The provinces' application of the National Safety Code for Motor Carriers is now more consistent and complete. There is a national framework, including standards, for provincial regulation of extra-provincial truck and bus operators that is based on safety performance. This has been achieved through amendments to the *Motor Vehicle Transport Act, 1987*, which received Royal Assent in June 2001.
- Legislation governing marine transportation safety was developed through exhaustive consultation that reflects new technologies and is consistent with revised domestic and

international standards. The Canada Shipping Act 2001 is expected to receive Royal Assent in fall 2001.

- Simplified, “clear language” Transportation of Dangerous Goods Regulations, which were developed with considerable stakeholder input, have been published and will come into force in 2002.

### **3. Oversight and Intervention**

For the past several years, Transport Canada has been supporting various sectors of the transportation industry in their efforts to build a strong safety corporate culture of their own, and to accept that they have the primary responsibility for delivering safe products and services.

There are approximately 1,400 Transport Canada inspectors performing oversight functions across the country, including administering, monitoring, training, inspecting, and enforcing. The service ethic concerning our certification, application and licensing processes is now well entrenched, with efforts to streamline and simplify wherever possible. The department continues to evaluate its monitoring, inspection and enforcement activities to increase effectiveness and target resources in the areas where they can have the most impact on behaviour. Efforts to improve the effectiveness of our interventions have also resulted in an expansion of the administrative enforcement tools and approaches available to inspectors to achieve compliance. The development of performance indicators to determine the effectiveness of our oversight functions, although challenging, is proceeding through the review of our data resources and needs.

A sample of results and targeted oversight activities during 2000-2001 include:

#### **Rail**


In rail, a greater than 50 per cent reduction in the rate of switch-related incidents/accidents was achieved after the department issued an emergency directive and introduced formalized audit processes for railway equipment. This intervention, and the accompanying focus of industry and inspectors, addressed rail accidents and incidents resulting from trains passing at high speed over switches left in the reverse position. There had been approximately two incidents/accidents per month prior to the directive.

#### **Road**

The year 2000 was a record for recall campaigns (314) in the road sector. Thirty recalls, affecting 563,549 vehicles, were directly influenced by Transport Canada’s activities. There is no single reason for this many recalls, but as the number and complexity of vehicles steadily increase, so do the components and systems that can fail. In 2000, the most publicized recall involved 248,000 tires. In addition, 200,000 vehicles were recalled for a problem with the spare tire winch system, 180,000 minivans were recalled to prevent the leakage of gasoline from high-pressure fuel rails onto the engine, and 4,442 school buses were recalled to replace the electronic control module in their ABS braking system.

As part of an intervention strategy to reduce the number of stolen cars imported into Canada for the purpose of dismantling, and to deal with related financial, criminal and safety issues, the department implemented a program to register and monitor wrecked vehicles imported from the United States.

## Air

Transport Canada received a positive assessment of its civil aviation oversight system from the International Civil Aviation Organization (ICAO). An ICAO audit conducted in August 2000 found that “Canada has established an effective and efficient oversight system”.  The audit report is available on our web site at [www.tc.gc.ca/aviation/INTERNTL/ICAO/TOC.htm](http://www.tc.gc.ca/aviation/INTERNTL/ICAO/TOC.htm).

One effective aviation intervention is the electronic publication of the names of aviation corporate regulatory offenders, a measure that promotes the development of a strong safety culture in the people being regulated. Another is the introduction of a new set of commercial pilot training courses that blend instructional design elements with new safety management principles.

The Safety of Air Taxi Operations Task Force established in 1996 resulted in 71 recommendations that Transport Canada and the aviation industry have been implementing. As a result, the number of fixed wing air taxi accidents has dropped from 94 in 1998 to 63 in 2000, a 33 per cent reduction.

## Marine

In the marine sector, Transport Canada’s Port State Control Officers have had a positive impact on the quality of foreign flagged ships entering Canadian ports. Of 1,070 foreign flagged ships inspected in 2000, 54 per cent (583) were found to be deficient and 10 per cent (103) had deficiencies serious enough to warrant detention. The 103 detentions represent a downward trend in recent years — from 142 in 1998 and 125 in 1999 — with this trend more apparent on the east coast. The small but significant reduction in the number of bulk carrier detentions is particularly noteworthy because they are high-risk vessels specifically targeted by the department’s bulk carrier inspection regime.

## Devolved Entities

While Transport Canada is no longer the direct provider of many transportation services, it continues to have a strong safety oversight role. Accountability frameworks ranging from agreements to new regulatory requirements (as in the case of air navigation) have been developed with devolved entities to allow the department to meet its legislative responsibilities for transportation safety and security. The frameworks result in the mutual understanding of expected results, set out Transport Canada’s follow-up and monitoring requirements, and lead devolved entities to better appreciate their safety responsibilities and the requirement for a strong safety culture.

During 2000-2001, a series of safety and security regulations, standards and policies were introduced for aerodromes, airports and air navigation services. Both ICAO and the U.S. Federal Aviation Administration recognize our new heliport certification standards as an international best practice. New regulations and standards for airport emergency planning and airport wildlife management mean better enforcement and lower risks.

## **4. Research and Development**

Transport Canada’s Research and Development (R&D) program enhances the department’s scientific and technological capability, contributes to its strategic objectives, and promotes innovation in transportation. The program includes many long-term collaborative initiatives, both nationally and internationally, with other federal government departments, the provinces and industry. Total investment in the transportation science and technology program currently rests at approximately \$13.3 million, which includes financial leverage of \$6.7 million from external sources (just over half the value of the program). Two of our many R&D initiatives are described below.

### **Highway-Railway Grade Crossing Research**

This initiative, begun in 1999, has increased the safety of highway-railway grade crossings through the development of effective, low-cost warning systems. The department's increased emphasis on collaborating with the U.S. government and railroad association, and participating in workshops and conferences, has improved the Canadian rail industry's awareness of and support for new safety practices. Departmental funding for the four-year research program totals \$1 million; the contributions from Canadian railways and other program partners have increased this sum substantially and further funding from stakeholders is expected.

### **Multi-Modal Transportation Fatigue and Human Factor Research**

Transport Canada has long recognized the importance of understanding human factors in transportation safety and taking steps to counteract operator fatigue. Since human error is a factor in 70 to 90 per cent of transportation accidents, R&D programs have been directed at making people aware of their vulnerability to error and assisting organizations to adopt counter-measures. Such measures prevent error or ensure that smaller errors do not compound and result in major accidents. Since the late eighties, the department has taken a lead role in transportation human factors research in Canada, focusing on commercial vehicle drivers, marine and airline pilots, air traffic controllers, and ships' crews. It has conducted studies and participated with national, provincial, and U.S. authorities, industry, and research organizations. Results of recent work include the development of in-flight fatigue self-tests for airline pilots (part of ongoing work to collect data and develop countermeasures); a compendium of best practices for fatigue and human factor counter-measures in all modes; recommendations to assist the review of Canadian Crewing Regulations; and the development of an aviation workshop entitled "Human Performance in Aviation Maintenance" designed to guide companies in implementing human factors training programs.

### 3.3.2 Contribute to Canada's economic growth and social development



#### Ultimate Outcomes:

A transportation system that is:

- efficient, effective, viable, affordable and accessible;
- responsive to users and to communities; and
- competitive and harmonized, both domestically and internationally.

With export trade accounting for almost 50 per cent of the economy, transportation is critical to Canada's international competitiveness. Federal transportation policy seeks to foster viable and efficient transportation services based on competition, commercial discipline and market forces, wherever possible. This focus has led to a reduced burden on taxpayers — by 2000-2001, total federal subsidies, grants and contributions to transportation were \$600 million, half of what they were in the mid-1990s.

A new era in the Government of Canada's relationship with the transportation industry started with economic deregulation in the mid-1980s. It continued into the 1990s with government withdrawal from transportation operations, such as airports, ports and the air navigation system. The recent major accomplishments and challenges associated with this transformation are set out, by mode, below.

#### 1. Canada's Rail Industry

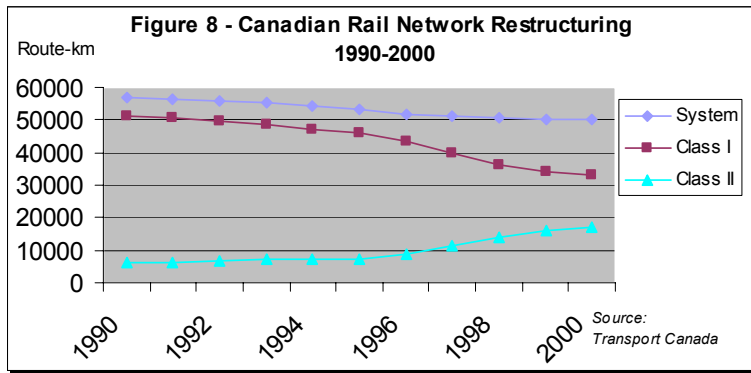
The *Canada Transportation Act* has fostered a short-line rail industry that meets local needs by facilitating the transfer, as opposed to the abandonment, of many under-used branch lines from CN and CPR (Class 1 railways) to short line operations (Class 2 railways). As illustrated in Figure 8, the overall size of the Canadian rail network has changed only marginally since the beginning of restructuring.

However, Class 1 railways have reduced the size of their network, while Class 2 railways have grown to account for approximately one-third of the total network.

The Government of Canada has created an environment favourable to rail sector productivity improvements and freight rate reductions through the *National Transportation Act*

(1987) and the *Canada Transportation Act* (1996), the removal of transportation subsidies, and the privatization of CN in 1995. Today, Canadian railways remain among the top performance railways in North America, with operating ratios (operating costs/revenues) of 69.6 per cent for CN and 76.9 per cent for CPR. This strong performance continued into 2000 despite a weakening economy in the last quarter and high fuel costs. Price performance of CN and CPR has allowed shippers' rail freight costs to be reduced by an estimated \$530 million since 1994 as a result of an average annual decline in rates of 0.8 per cent in nominal terms, or 2.3 per cent in real terms.

Following public reviews in the late 1990s, measures are being implemented to increase efficiencies, cut costs, and move to a more commercial, contract-based grain handling and transportation system. Measures include a cap on the annual grain revenues earned by railway



companies and amendments to the *Canada Transportation Act* to facilitate short-lines. Government is assessing the benefits to farmers, impact on the Canadian Wheat Board mandate, effect on grain handling efficiency, and overall performance of the grain handling and transportation system through an independent, private sector, third-party monitoring mechanism.

The government is investing in passenger rail as an environmentally sustainable alternative to other forms of passenger transport. Over the next five years, VIA Rail will be provided with \$401 million for capital improvements. VIA will monitor and report on the impact of this investment on service quality, efficiency, safety, the environment and financial viability. The Minister of Transport is also examining the possibility of franchising select regional passenger services to maintain or improve service to communities without additional federal investment. In addition to the VIA services, the government provides an annual subsidy in excess of \$6 million to support three other passenger rail services. These include services between Toronto and North Bay, Ontario; Sault Ste. Marie and Hearst, Ontario; and Sept Iles, Quebec, Schefferville, Quebec and Labrador City, Newfoundland.

## 2. Canada's Air Transportation Industry

In response to the chronic financial difficulties faced by Canadian Airlines International and the emergence of Air Canada as the single major domestic air carrier, Transport Canada worked to minimize the impact of airline restructuring on communities, the travelling public and airline employees and their families. Through the *Airline Restructuring Act*, the Government of Canada established the groundwork for the creation of a more stable domestic air market, while taking steps to protect the public from non-competitive pricing, maintain service to small communities affected by the restructuring, and foster competition. Canadian ownership and control of the domestic air industry was reaffirmed. Commitments were also obtained from Air Canada respecting the treatment of the unionized employees affected by the acquisition of Canadian Airlines.

As shown in Table 3, several new routes were added by all airlines in 2000. Since the consolidation and realignment of domestic capacity by Air Canada, low-cost carriers such as WestJet, Canada 3000 and Air Transat have increased their services. They now collectively serve 20 Canadian cities and have increased their share of capacity offered from 17.5 per cent in mid-1999 to 25 per cent in mid-2001. At the same time, a survey carried out in 2001 found that 65 per cent of the public feel that airline restructuring has not adversely affected their travel patterns. Of those affected, 14 per cent see it as positive, and 16 per cent as negative, with 5 per cent having no opinion.

As the result of a Canada-U.S. agreement, international passengers who are in transit at certain Canadian airports can bypass Canadian customs and immigration inspections and go directly to U.S. Customs before boarding planes bound for the U.S. This could result in additional passengers using Canadian airports and airlines as their means for travelling to the U.S. from other countries. This intransit preclearance program has been formally implemented in Vancouver, and will be extended to Toronto, Montreal and Calgary once facilities and other arrangements are in place, and eventually to other interested airports as well.

**Table 3**

<b>New Direct Non-Stop Domestic scheduled Air services in 2000</b>			
<i>City</i>	<i>Fair</i>	<i>Daily Service</i>	<i>Airline</i>
Charlottetown	Montreal	1	Air Canada/ Air Nova
Edmonton	Montreal	1	Air Canada
Halifax	St. John's	2	CanJet
Halifax	Montreal	2	CanJet
Halifax	Ottawa	3	CanJet
Halifax	Montreal	1	Royal
Halifax	Vancouver	1	Air Canada
Halifax	Quebec City	1	Air Canada/ Air Nova
Halifax	Ottawa	1	Royal
Halifax	Stephenville	2	Air Canada/ Air Nova
Hamilton	Winnipeg	3	WestJet
Hamilton	Thunder Bay	2	WestJet
Hamilton	Ottawa	3	WestJet
Hamilton	Moncton	1	WestJet
Kelowna	Toronto	1	Air Canada
Montreal	London	1	Air Canada/ Air Ontario
Montreal	Ottawa	2	CanJet
Montreal	St. John's	1	Air Canada/ Air Nova
Montreal	Toronto	2	CanJet
Montreal	Windsor	1	Air Canada/ Air Ontario
Ottawa	Toronto	3	CanJet
Ottawa	Toronto	5	Royal
Ottawa	Windsor	3	Air Canada/ Air Ontario
Terrace	Vancouver	2	Hawkair
Toronto	Winnipeg	2	CanJet
Toronto	Vancouver	1	Royal

Source: Official Airline Guide

Note: CANJET and ROYAL flights have since been taken over by CANADA 3000



Transport Canada's airport divestiture program has successfully achieved the benefits that were expected. At the end of June 2001, all but one of Canada's 26 largest airports — those that make up the National Airports System (NAS) — are now managed by self-sufficient, locally accountable entities that are meeting the needs of a growing air travel market largely without taxpayer assistance. Canada's airport divestiture initiative is one of the most successful commercialization undertakings in the world. With more than \$5 billion invested in airport capital projects to date, airport authorities have expanded rapidly, providing an improved level of service to the travelling public and generating significant economic activity in many regions. An additional \$5 to \$7 billion investment is planned before 2010.

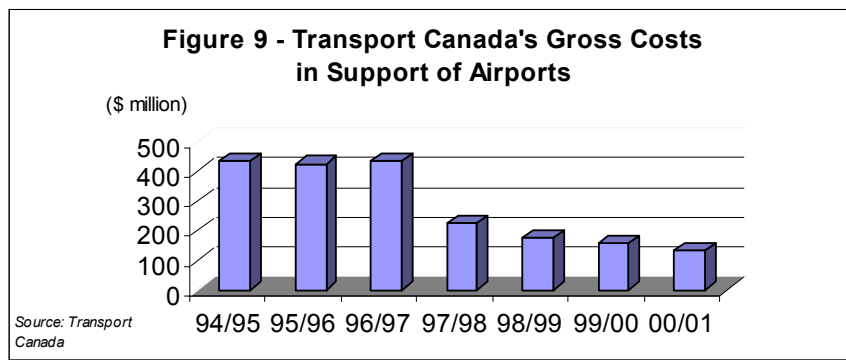
The findings of a public survey conducted in 2001 suggest that the anticipated beneficial effects of airport transfers were well founded. A majority of respondents believe that restaurants, shops, decor, security screening, parking, road access, taxis, public transit and overall efficiency have either improved or stayed the same compared with five years ago.

The department is now developing a Canada Airports Act, which will clarify the responsibilities of government and local airport authorities, and set down the requirements respecting governance, accountability, transparency, and economic oversight. As the Government of Canada has retained ownership of the land and other assets of the NAS airports, it has also developed an enhanced new lease monitoring process.

For most of the other airports that were owned and operated by Transport Canada, the intent has been to divest both the management and the ownership. In this endeavour, too, the department has been successful — only 16 of these 110 airports remain to be divested or transferred. The schedule for divesting these last few airports has generally been subject to delays in community approvals and the need to take into account Aboriginal land claims and provincial concerns.

There has been a substantial reduction in taxpayers' burden — Transport Canada's gross costs in support of airports are now approximately \$300 million less than when divestiture began (see Figure 9).

Under the Airports Capital Assistance Program (ACAP), some non-federal airports can receive federal contributions for capital projects related to safety, asset protection and operating-cost reduction. Since 1995, ACAP has



assisted 114 airports with 196 projects totalling almost \$120 million (these figures as at March 31, 2001). A program evaluation completed in 2000 concluded that ACAP had met its objectives and, to this end, the program has been extended through to 2005.

The 1996 transfer of the air navigation system to NAV CANADA, a not-for-profit corporation, can be called a major success story. Since that time, the corporation has increased the number of air traffic controllers and undertaken substantial improvements to the air navigation system, while maintaining reasonable user fees, including reductions in both 1999 and 2000 that saved aircraft operators approximately \$50 million annually.

### 3. Canada's Marine Industry

As a result of the implementation of the National Marine Policy, including the major initiative to divest regional/local ports, gross costs to support Transport Canada's ports have been reduced by \$112 million over the past five years. As of July 2001, the divestiture of regional/local ports was almost 75 per cent complete, with 406 of 549 port sites removed from the department's inventory. The divestiture of these ports to communities and other interested local groups has given decision-making responsibility to those best placed to gauge local requirements. There have been some unexpected delays, such as First Nations' claims and litigation, and provincial resistance to the divestiture program.

As of May 2001, nineteen of Canada's major ports — those most vital to the economy — are being independently managed by Canada Port Authorities (CPAs). Table 4 shows that, collectively, the revenues from these ports exceeded the expenses from 1995 to 1999. Most are now showing positive net incomes and steady revenue growth. It appears that, in most cases, ports are meeting or exceeding expectations. By operating at arm's length from government, CPAs have greater commercial freedom and provide users and local interests with a greater role in day-to-day operations and future direction and development.

**Table 4 - Financial Results of Major Ports, 1995-1999**

	(Millions of dollars)				
	1995	1996	1997	1998	1999
Revenues	279.7	285.9	296.8	287.2	240.0
Expenses	231.4	226.3	235.6	227.0	212.1
Operating Income	48.3	59.6	61.2	60.2	27.9
Ratio (per cent)	82.7	79.2	79.4	79.0	88.4
<b>Net Income</b>	<b>41.7</b>	<b>36.2</b>	<b>44.5</b>	<b>28.1</b>	<b>36.0</b>
<small>Notes: Figures for 1999 include all ports with CPA status as of December 31, 1999. They do not include the 6 major ports that were not considered CPAs at that time</small>					
<small>Figures for 1995 to 1998 include totals for Canada Ports and Harbour Commissions</small>					
<small>Source: Port Financial Statement; Port Corporations and Port Property; Transport Canada</small>					

Canada's ports preferred a closer association with the federal government than could be attained through the kind of leases used for airport transfers. The CPAs were therefore established using Letters Patent that, among other things, require payment of a gross revenue charge and approval of CPA real property transactions. While the *Canada Marine Act* (CMA) appears to be working well, there are elements that may need to be reviewed to further strengthen efficiency. For example, the approval process for land transactions is an issue that could be addressed in the CMA review required by 2003.

Also as a result of the CMA, in October 1998, responsibility for the operations and maintenance of navigation aspects of the Canadian portion of the St. Lawrence Seaway was placed under the St. Lawrence Seaway Management Corporation (SLSMC), a not-for-profit entity established by Seaway users and other interests. A 1.5 per cent toll rebate for the 2001 navigation season is being implemented by SLSMC. This rebate is possible because of the positive financial position of the SLSMC; since 1998 it has been able to better the cost targets in its management agreement with the federal government by a total of \$8.5 million.

### 4. Canada's Road Infrastructure

Highways carry 75 per cent of the nation's freight and are responsible for 90 per cent of all inter-city travel. They are essential to the country's economic growth and social development. Transport Canada has contributed over the years to provincial and territorial highway construction through a series of cost-sharing agreements. Last year, \$66.2 million was provided to Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and Quebec for major capital improvements intended to strengthen the transportation system and, where identified by provinces, improve safety and increase capacity. In addition, \$35 million was invested in Montreal bridge projects related to the St. Lawrence Seaway.

The new Strategic Highway Infrastructure Program (SHIP) is providing \$500 million between 2002 and 2006 for strategic improvements to the National Highway System, and \$100 million for national system integration initiatives such as land border crossings, transportation planning, modal integration studies, and Intelligent Transportation Systems. Transport Canada has a comprehensive plan for monitoring SHIP performance that includes indicators and data sources for results such as funding recipient compliance with agreements, application of national construction standards, information exchange, transportation efficiencies, safety and environmental sustainability.

The Intelligent Transportation Systems (ITS) Plan is stimulating the development and deployment of systems that maximize the use and efficiency of existing transportation infrastructure and meet future mobility needs in a responsible manner. As an important first step in accelerating the deployment, integration and interoperability of ITS in Canada, \$3 million in federal funding is being allocated to 19 cost-shared projects over a two-year period, ending in March 2002. In addition, Transport Canada has developed ITS architecture that is compatible nationally and within North America. Through the SHIP, the Government of Canada is accelerating ITS deployment by allocating approximately \$30 million over five years. In October 2000, a Memorandum of Cooperation was signed between the U.S. and Canada on surface transportation matters, with emphasis on border crossings and ITS. The department has issued a second call for proposals for ITS deployment and integration initiatives.

### 3.3.3 Protect the physical environment



#### Ultimate Outcomes:

- Environmentally sustainable transportation system for Canadians.
- Reduction of greenhouse gas emissions and pollution from the transportation sector.
- Prevention and mitigation of environmental damage from transportation activities.

The transportation system is vital to the lives of Canadians and to the Canadian economy — it moves the goods we need, gets us to work, takes us on a holiday, and connects us with our families and friends. More and more, Canadians are expecting the transportation system to perform in ways that reduce human health impacts and that are more environmentally responsible.

Three major environmental issues are facing the transportation sector: climate change, air quality, and the overall sustainability of the transportation system. The challenges in addressing these issues are heightened by some transportation trends. For example, growth in automobile, trucking, and aviation use is causing more emissions of harmful substances, which results in increased incidences of smog and greater emissions of greenhouse gases (GHGs). Due to a lag in the provision of roadway infrastructure and/or reliable alternative transportation including public transit in response to demand, congestion is occurring on a regular basis in our urban centres, which increases emissions beyond what might be expected from simply adding more vehicles to the roadway.

For further information on transportation and the environment:

📄 Visit our web site at [www.tc.gc.ca/envaffairs/english/UNCSD9\\_April23\\_01.htm](http://www.tc.gc.ca/envaffairs/english/UNCSD9_April23_01.htm) for *Sustainable Transportation: The Canadian Context*


📖 See Chapter 5 in our Annual Report, *Transportation in Canada 2000*

## 1. Climate Change

As co-sponsor and co-chair of the Transportation Table on Climate Change, Transport Canada worked with industry, non-government organizations, and all levels of government to analyze options for reducing greenhouse gas emissions (GHG) in the transportation sector. Transportation is the single largest source of GHG emissions in Canada, accounting for about 25 per cent of total GHG emissions. If current trends continue, GHG emissions from transportation are expected to exceed 1990 levels by 32 per cent in 2010 and 53 per cent by 2020. If Canada ratifies the Kyoto Protocol negotiated under the United Nations Framework Convention on Climate Change (UNFCCC), it would agree to reduce total GHG emissions to six per cent below 1990 levels during the five-year period from 2008 to 2012.

The Government of Canada's contribution to the National Implementation Strategy on Climate Change was announced in October 2000 in the *Government of Canada Action Plan 2000 on Climate Change*. The plan's transportation sector strategy is based on five elements — fuel efficiency, new fuels, fuel-cell vehicles, freight transportation, and urban transportation — and when fully implemented will take Canada one-third of the way to achieving its Kyoto target.

In 1998-1999, Transport Canada's operations accounted for approximately 70 kilotonnes of carbon dioxide equivalent emissions. As part of a house-in-order initiative, Transport Canada committed

to curbing GHG emissions from its own operations to 4 per cent below 1998 levels by 2010. The department intends to meet this target through GHG reductions in its marine and vehicles fleets. Reductions in the department's share of GHG emissions are also expected from other initiatives aimed at reducing air pollution and energy use.  More information on climate change is available on our web site at [www.tc.gc.ca/envaffairs/english/climatechange/ttable](http://www.tc.gc.ca/envaffairs/english/climatechange/ttable).

## 2. Air Pollution

Smog contributes to a wide range of health risks, including impaired lung function, respiratory infection, asthma attacks and premature deaths. In fact, Health Canada estimates that approximately 5,000 premature deaths can be attributed to air pollution annually in Canada. Emissions caused by transportation activities contribute substantially to the formation of smog, particularly in urban areas. Recognizing the need to reduce smog levels, Transport Canada was involved in negotiations that, in December 2000, saw Canada and the United States bring into force the *Ozone Annex to the 1991 Canada-United States Air Quality Agreement*. The Ozone Annex commits both countries to significantly reduce the creation of nitrogen oxides (NOx) and volatile organic compounds (VOCs) in Ontario, Quebec and the northeastern and mid-western United States.

Through vehicle emission inspection clinics conducted across Canada in 2000, Transport Canada and Environment Canada tested 2,690 vehicles. The primary objective of the clinics is to raise awareness of on-road vehicles' contribution to smog-causing emissions.

For a number of years, Transport Canada has been partnering with Canadian airports to study airport air quality. The department's mobile air monitoring vehicle is available to airport authorities with an interest in air quality modelling. Since the early 1980's this vehicle has been used to collect data for over a dozen studies, and is currently being used at Dorval Airport, Quebec. Airports use the data to identify problematic air emission sources, after which mitigation plans can be developed. The data also serve to improve the department's understanding of how airport operations impact air quality.

### ***National Capital Commuter Challenge***

From June 5 to 9, 2000, 858 Transport Canada employees participated in the National Capital Commuter Challenge (compared to 376 employees in 1999). Over the week, participants were encouraged to use sustainable forms of transportation that included walking, carpooling, in-line skating, public transit, and tele-working.

The National Capital challenged the City of Calgary to determine the healthier city — and the National Capital was the winner, with 10,845 people having used sustainable transportation methods. This means that 258.9 tons of air emissions were not put into the air in the National Capital region.

Transport Canada is also undertaking many initiatives to help reduce its own air emissions. For example, the department contributed to cleaner air by adding alternative fuel vehicles to its own motor vehicle fleet. As of December 2000, the department owned 55 alternative fuel vehicles. In fact, in 1999-2000, Transport Canada was the highest purchaser of alternative-fuel vehicles among Schedule I departments (as per the *Financial Administration Act*), and third highest across the entire federal government, with 22 vehicles added or replaced in the fleet.

## 3. Environmental Assessment

In 2000, Transport Canada conducted 137 environmental assessments pursuant to the *Canadian Environmental Assessment Act* (CEAA) to identify the potential positive and negative environmental effects of a proposed project. In accordance with the CEAA, the department screens projects for their environmental impacts and, based on the findings, will determine whether to proceed with the project and how to mitigate potential negative environmental effects.

## 4. Site Remediation

The departmental contaminated site management database was completed in 2000 and contains information on 532 sites; of these, 482 sites have been assessed and are known to be contaminated, and 50 are suspected of being contaminated. Our Contaminated Site Management Program and management policy requires all contaminated sites on Transport Canada lands to be identified, classified, managed and recorded in a consistent manner. For example, remediation of the Gloucester Landfill continued last year at an annual cost of \$780,000.

Classification allows the department to determine the appropriate management method for the site. Over the past year, we classified 130 additional sites according to type, bringing the total number of classified sites to 245. The department has an aquatic site classification system to classify its aquatic sites. Any contaminated sites found in the future will be classified upon identification. We've also launched an environmental monitoring program for leased properties, and results will be available during 2001-2002.

## 5. Sustainable Development Strategy


An internal assessment in March 2000 of Transport Canada's progress in implementing its first Sustainable Development Strategy (SDS) revealed that significant action had been taken on approximately 85 per cent of the 47 commitments (Table 5 refers). The department's first SDS, which was tabled in Parliament in December 1997, identified eight strategic challenges aimed at fostering a sustainable transportation system that was safe, efficient, and environmentally sound for Canada's present and future generations. Many of the SDS accomplishments to date have established the groundwork necessary to support the achievement of longer-term objectives.

**Table 5**  
**Status of Transport Canada's (first) SDS — as at March 2000**

Challenge <sup>1</sup>	Commitments	On-going	Complete	Work-in-progress (WIP)	WIP behind original schedule
1	12	9	1	1	1
2	5	5	0	0	0
3	6	1	4	1	0
4	6	4	1	1	0
5	3	0	1	0	2
6	6	1	1	1	3
7	5	2	1	1	1
8	4	4	0	0	0
<b>Total</b>	<b>47</b>	<b>26</b>	<b>9</b>	<b>5</b>	<b>7</b>
<b>Percentage</b>		<b>55%</b>	<b>19%</b>	<b>11%</b>	<b>15%</b>

1. The eight challenges are described below.

It should be noted that overall departmental performance against the first SDS is difficult to measure since performance indicators were not developed for the majority of the challenges and commitments. The department did, however, make considerable strides in developing its performance measurement framework for its second strategy (2001-2003), and work on both the SDS challenges and the sustainable transportation indicators is continuing.

Some of the accomplishments achieved last year through Transport Canada's SDS are presented below.  More details on the assessment of our SDS are available on our web site at [www.tc.gc.ca/envaffairs/english/sustainability/mmen.htm](http://www.tc.gc.ca/envaffairs/english/sustainability/mmen.htm).

## Challenge 1 — Minimize the risk of environmental damage from transportation accidents

Safety and environmental awareness continued to be promoted through the delivery of the Emergency Response Assistance Plan (ERAP) Program. Sixty new plans were reviewed and registered by Transport Canada during fiscal year 2000-01, and fifty-two existing plans were subjected to a comprehensive technical assessment and granted indefinite approval. The plans are designed to assist at major transportation accidents involving dangerous goods by providing access to expert knowledge and specialized equipment from the private sector, thereby preventing and mitigating environmental damages.

## Challenge 2 — Promote “greening” of operations in the transportation sector

Table 6 illustrates Transport Canada’s success in implementing its Environmental Management System (EMS), with seven of the nine targets for 2000 having been achieved (not including Target 3, which must be met by 2003). Two of the targets — water consumption and hazardous waste reduction — were revised to reflect a more practical approach. In developing Transport Canada’s second SDS, an EMS management review was carried out and, as a result, six new departmental objectives and targets have now been set. ☐ Our EMS Annual Report provides further details on the objectives and targets established in 1997, and also details the successes and progress made in implementing the ISO 14000 framework throughout the department. It is available on our web site at [www.tc.gc.ca/envaffairs/english/ems/EMS2000/english.html](http://www.tc.gc.ca/envaffairs/english/ems/EMS2000/english.html).

**Table 6**

<b>EMS Target</b>	<b>Status</b>
<b>1. Water Consumption</b> 5% reduction by 2000	<b>Revised</b> Collection of water use data not cost-effective
<b>2. Energy Consumption</b> 5% reduction by 2000	<b>Completed</b> Baseline established for 1998-99 and reductions achieved
<b>3. Contaminated Sites</b> 100% identification and management by 2003	<b>Work in progress</b> Identification complete
<b>4. Non-hazardous Waste</b> 10% reduction by 2000	<b>Completed</b> Implemented at office facilities
<b>5. Hazardous Waste</b> 10% reduction by 2000	<b>Revised</b> Awaiting Environment Canada regulations on hazardous waste
<b>6. PCBs</b> Destruction by 2000	<b>Completed</b> 100% destruction
<b>7. Storage Tanks</b> Registration and upgrade by 2000	<b>Completed</b> 100% tank registration and upgrade consistent with regulations pursuant to the <i>Canadian Environmental Protection Act</i>
<b>8. Ozone-depleting Substances</b> Inventory by 1997	<b>Completed</b> Inventory is on-line
<b>9. Water Monitoring</b> Monitoring at all sites by 2000	<b>Work in progress</b> Annual monitoring reports compiled from Transport Canada airport data
<b>10. Environmental Emergency Plans</b> Plans at all sites by 1999	<b>Work in progress</b> Plans in place at Transport Canada airports

Transport Canada participated in the development of the International Civil Aviation Organization’s (ICAO) *Land Use and Environmental Control Manual*, which was completed in 2000. The manual addresses environmental management tools and best practices, and will be

presented to developing countries to help ensure appropriate environmental management at airports around the world.

### **Challenge 3 — Reduce air emissions from transportation sources**

During 2001-2002, Transport Canada will be launching new initiatives to address the transportation sector strategy of the *Government of Canada Action Plan 2000 on Climate Change*. The initiatives will address the plan's five elements — fuel efficiency, new fuels, fuel-cell vehicles, freight transportation, and urban transportation — and will have GHG reduction targets on which we will report regularly. In addition, a series of recommendations to reduce the environmental impact of aircraft noise and engine exhaust emissions were established in 2000 by the Committee on Aviation Environmental Protection of the ICAO, on which Transport Canada participates.

### **Challenge 4 — Promote education and awareness on sustainable transportation**

A key aspect of the Sustainable Development Strategy is to make Canadians more aware of the environmental impacts of their transportation choices. Building awareness among the general public about sustainable transportation in Canada is not an easy task. It involves raising awareness about the issues themselves, as well as promoting concrete actions that individuals can take to reduce the negative impacts of transportation and improve their quality of life.

Transport Canada's Moving On Sustainable Transportation (MOST) Program, launched in September 1999, is providing \$1 million over three years to assist in promoting awareness of sustainable transportation issues and encouraging concrete action by Canadians. As of March 2001, Transport Canada had committed approximately \$750,000 under this program to support 20 projects. ☞ Visit the MOST web site at [www.tc.gc.ca/EnvAffairs/most/About.shtml](http://www.tc.gc.ca/EnvAffairs/most/About.shtml).

### **Challenge 5 — Assess Transport Canada's direct budgetary transfers for their environmental impact**

The department's goal is to incorporate sustainable development principles in the management of its programs whenever possible. In support of this goal, the department has developed a *Strategic Environmental Assessment at Transport Canada: Policy Statement*. This policy helps ensure that the environmental effects of certain policies, proposed legislation or regulation, research and development programs/policies, and proposals governing transportation-related matters are considered before the proposals are submitted for approval by the Minister or Cabinet. ☞ For more information, please see [www.tc.gc.ca/envaffairs/english/envass/SEA\\_E.htm](http://www.tc.gc.ca/envaffairs/english/envass/SEA_E.htm).


The department also strives to ensure that recipients of Transport Canada funding can demonstrate that environmental considerations have been integrated into the work or project being funded. For example, for recipients of Airports Capital Assistance Program (ACAP) funding, this could include seeking cost-effective ways of reducing the use of raw materials and the generation of waste associated with the project or by investigating the feasibility of acquiring heavy mobile equipment that will minimize harmful emissions. Data concerning the number of ACAP recipients that disclosed environmental considerations in their applications should be available in December 2001.

### **Challenge 6 — Refine sustainable transportation performance indicators**

Transport Canada supported and participated in the Centre for Sustainable Transportation's work on sustainable transportation indicators, which will help track Canada's progress in the area of sustainable transportation. To this end, a review of relevant worldwide activity on indicators resulted in the identification of a long list of potential indicators which were then refined through further analysis, workshops and surveys. ☞ For more information, please see the Centre's web site at [www.cstctd.org](http://www.cstctd.org).



### **Challenge 7 — Understand the environmental costs of transportation**

A literature review of the social costs of all transportation modes, including the environmental costs, was completed on behalf of the department in December 2000. As a result, the department committed in its 2001-2003 SDS to develop a departmental position on cost internalization. 

The report is available at [www.tc.gc.ca/envaffairs/english/Soc%20Cost%20Final%20Rpt.pdf](http://www.tc.gc.ca/envaffairs/english/Soc%20Cost%20Final%20Rpt.pdf).

### **Challenge 8 — Develop and promote the application of cleaner transportation systems and technologies**

Work is ongoing with other federal departments and industry partners to improve the energy efficiency of transportation systems, thereby reducing energy consumption and associated greenhouse gases, while taking account of any safety implications. Three major areas of work encompass urban, inter-modal freight and air transport efficiency.

Preliminary work on using cellular-equipped vehicles as traffic probes has been completed to help increase transportation efficiencies in urban areas. Work has started on improving traffic management systems, and common specifications for the establishment of Internet-based traveller information systems are also being developed.

In inter-modal freight efficiency, activities to improve port efficiency are well underway with the Port of Montreal, including improved container tracking and tracing within port boundaries. The recently completed Port Community Extranet Design project facilitates the electronic exchange of documents among trading partners.

Two initiatives will help reduce aviation-related pollution by identifying the most energy efficient flight paths. In the area of flight data monitoring, a prototype flight animator has been completed, although other activities have been slower due to major industry restructuring; significant progress is expected during 2001-2002. Work has also started on Global Positioning System (GPS) Advanced Navigation Systems.

### **Evolution of the Sustainable Development Strategy**

Transport Canada's Sustainable Development Strategies are steps in the journey toward a more sustainable transportation system in Canada. Transport Canada's 2001-2003 strategy, which builds on the strengths of the first, was tabled in Parliament in February 2001. Key work that remained from the first SDS, such as sustainable transportation indicators, cost internalization, and strategic environmental assessment, was incorporated in the 2001-2003 SDS, with concrete and time-bound deliverables.

Although we are reporting on the SDS in terms of its contribution to our environmental objective, it should be noted that it also contributes to our efficiency and safety objectives. Future versions of the strategy will increasingly focus on the balance to be achieved in all three areas of sustainable development: environmental, social and economic.

## 3.4 Inside Transport Canada — The Management Agenda

### Ultimate Outcomes:

- Provide managers and employees with knowledge-based functional advice and sound management systems and services.
- Contribute to the ultimate outcomes and associated strategic objectives of the three core business lines.

The challenge of the department's management agenda is to create and maintain the capacity to achieve the department's objectives and respond to the needs and priorities of Parliament, the public and central agencies. The agenda addresses the key issues that affect the business lines' ability to deliver their core services. The management agenda reflects the need — post-program review and in an increasingly global, knowledge economy — to change the way we manage people, funds, information and technology to reflect modern workplace values and practices.

Here are some of the things we've been working on:

### 1. Workforce Renewal

#### Recruitment

Over the past year, Transport Canada launched several initiatives to address the challenges associated with an aging workforce and ensure its ability to recruit, develop and retain the talent and expertise necessary to continue to deliver core services. As an example, from the time the Regulatory Recruitment Campaign began in December 1999, until June 2001, Transport Canada had filled approximately 93 entry-level inspector positions (pilots, technical inspectors and aircraft certification engineers). The department continues to work closely with the Public Service Commission to implement competency profiles and behavioural interviewing techniques that have allowed it to meet ongoing operational requirements. We have also developed an implementation strategy for a new diversity management framework that will allow the department to better plan for a workforce that matches the availability of designated groups in the Canadian labour market.

Transport Canada has taken steps to ensure it continues to have the talent and expertise necessary to fulfil operational responsibilities. By the end of 2005-2006, 25 per cent of full-time employees will be eligible for retirement, and by the end of 2009-2010, 43 per cent of current full-time employees will be eligible for retirement. Of particular note is the anticipated decline in the number of senior managers, since 80 per cent will become eligible for retirement by 2009-2010. While this demographic challenge is not unique to Transport Canada, it is a reality for which the department is now planning.

#### Retention and Learning

The department has completed preliminary work on the development of an information base designed to better understand retention and attrition issues. The proposed implementation of an exit interview program will allow the department to identify the top reasons why employees choose to leave the department, thereby allowing for potential revisions to existing policies or practices.

Studies have been completed on the evaluation of current learning and training processes within the department. As part of its ongoing efforts to move to a learning organization, Transport Canada is undertaking a review of the department's Career and Continuous Learning Centre, and examining alternative delivery modes for existing services.

Several initiatives have been implemented to address the critical transfer of knowledge, to ensure that, as employees retire, the department does not lose the knowledge, expertise and experience

that has been developed from years of on-the-job training. This includes the development of a risk management framework, where the impact of the departing subject matter experts is assessed and reported to departmental management. In addition, succession planning for critical senior management positions has been introduced in an effort to avoid potential impacts on core departmental services in upcoming years.

Finally, the department completed key phases of a pilot project involving a new employee performance management system, to provide innovative peer and upward feedback on employee performance, and contribute to the development of customized learning plans for individual employees and managers.

## **2. Modern Comptrollership**

In August 1999, Transport Canada accepted an invitation to become a pilot department in the modernization of comptrollership across the Government of Canada. The full implementation of modern comptrollership is a management improvement task that will span a number of years. Results have been achieved this past year in each of the following six priority areas of this initiative.

- a) **Leadership.** A strong senior governance structure continues to demonstrate the department's commitment to the full implementation of this management reform. As a result of the senior management commitment and interest, modern comptrollership and its component parts were often included on various management agendas, retreats and conferences. The senior executive team reviewed the comptrollership baseline assessment, conducted last year, and approved an action plan to strengthen areas of deficiency. The modern comptrollership approach and related benefits have been promoted at every headquarters and regional senior management forum, resulting in a raised awareness and additional invitations to present further sessions in our various service lines. During the year, a Transport Canada Comptrollership Intranet site was launched to communicate essential information on this initiative and provide links to other sites. There were 2,031 hits on this site over the three-month period September to November 2000.
- b) **Human resource capacity.** A review was undertaken to ensure that Transport Canada's core management competencies cover those required for the implementation of modern comptrollership. As well, the review matched current management training curricula to the core competencies that will be required of managers with respect to this more modern management approach. In-house training and orientation courses now include specific references to the requirements of modern comptrollership, and sources of additional comptrollership-related training have been made available.
- c) **Values and ethics.** Twelve dialogue sessions with 150 participants were held on values in the workplace. Participants included managers, staff, management trainees, and summer students. A discussion guide was designed to facilitate these exchanges, and a summary report provided case studies and real-life work situations in which values played a significant part. The results endorsed Transport Canada's existing set of values but suggested that consistent behaviours expected in various situations were not well-defined or understood. A second guide was then produced that will be used in continuing conversations with managers and staff to identify those behaviours in the work environment that need to be discussed, understood, and embraced to substantiate our joint commitment to the department's values. The consideration of values and ethics has resulted in the inclusion of related questions in upward feedback documentation. As well, a presentation and discussion of the department's values was featured in the Transport Canada Senior Managers Conference last fall, which was attended by 155 senior managers from across the country.

- d) **Performance information.** A Transport Canada performance logic model, introduced last year to better depict the results we want to achieve, was widely adopted during 2000-2001. Several of the department's organizations implemented improvements in defining performance frameworks and in the measurement of results, including Civil Aviation, Sustainable Development, Rail Safety, Intelligent Transportation Systems and Human Resources. Marine Safety and Transportation of Dangerous Goods organizations have also made progress in defining the results to be achieved. A continued improvement in the department's performance information is the item of highest priority in the Comptrollership Action Plan. Our senior executive team has undertaken to steer this effort, and additional resources have been allocated to provide advice and assistance to departmental managers as they undertake to better define service line results and their linkage to resources.
  
- e) **Integrated risk management.** Transport Canada remains a leader in the federal government with respect to risk management awareness and activities, particularly because of the department's heavy orientation to safety. For example, risk training for civil aviation inspectors continued last year with approximately 45 per cent now having completed training. Several other areas in the department — Airports, Finance, and Communications — also have in place risk management processes and tools, and the Security and Emergency Preparedness organization is developing its business planning approach to specifically include the principles and benefits of risk management. A draft Risk Management Policy, which is now in final consultations and will expand the application of this discipline across the department, was presented to all headquarters and regional management committees and to the senior executive team. As a result of these discussions, more managers are recognizing the influence of risk management on business planning and resource application.
  
- f) **Control systems.** The development of the Integrated Departmental Financial and Materiel Management System (IDFS) continued on target through 2000-2001. The Auditor General reported this year that the essential elements of internal control are in place, but that the internal audit role required strengthening. Steps have now been taken to ensure the role of internal audit evolves to address a hierarchy of emerging control issues. Web sites were established which provide tool kits and techniques to better manage and control issues related to human resources and information management and technology. A review of corporate functions identified more affordable and effective ways of doing business, as well as process improvements in accounting operations and in managing IM/IT infrastructure.

### 3. Financial Information Strategy

Transport Canada's implementation of the government-wide Financial Information Strategy (FIS) initiative has provided a solid foundation on which to move forward on the department's management agenda. Implementation was completed on time, by March 31, 2001, and included the required policy and system changes in support of accrual accounting, as well as the identification and valuation of capital assets with an historical cost in excess of \$5.5 billion. These changes will provide more complete information for corporate decision-making. Financial and materiel management staff have received extensive training and will be working with managers over the coming years so that the department, and ultimately citizens, may more fully benefit from the newly available and improved financial information.

## 4. Technology

Our technology priorities have been driven by business requirements and have included improving service delivery in all parts of the department, finding new cost effective ways to meet citizen needs for access to public information, protecting privacy, responding in a more timely way to letters and questions, and engaging stakeholders in the policy development process. The results of these technology priorities included:

- renewal of Transport Canada's information and technology infrastructure to ensure we have the capacity to deliver on our service objectives and better serve the three core business lines;
- implementation of secure messaging / remote access for departmental employees, consistent with the Government of Canada Public Key Infrastructure (PKI) initiative;
- improvements in employee and public access to integrated information through the use of common WEB technologies;
- partial implementation (full implementation by end of 2002) of the government-wide shared system solution for electronic document management to organize and store electronic information effectively;
- the enhancement and support of departmental application systems to meet both central agency and departmental information and resource management requirements (e.g., Comptrollership, Financial Information Strategy, Universal Classification Standard, Government On-line);
- development of a Business Resumption Planning/Disaster Recovery Plan for critical corporate functions;
- progress toward establishing national standards for service delivery; and
- a 10 per cent reduction in operating costs for support services including Help Desk, Desktop, LAN Server and e-mail (representing a \$200,000 reduction in fiscal year 2000-2001).

### Government On-Line

To help advance the Government On-Line (GOL) agenda, Transport Canada undertook a number of activities, including the establishment of a senior level steering committee and project office. Extensive client consultations were conducted across the country, resulting in the creation of a strategic plan for GOL. At the same time, the department improved its web presence by implementing the government's common look and feel strategy. We also completed 32 GOL related projects that enhanced services or improved the accessibility of information. One such project is the Accessible Transportation Portal, which will allow persons with disabilities to have faster and easier access to information on policies, programs and services related to accessible transportation throughout Canada. Another example is the online access to the Civil Aviation Daily Occurrence Reporting System (CADORS). CADORS data is used to provide timely information concerning operational occurrences within the national civil air transportation system and is used in the early identification of potential aviation hazards and system deficiencies.

In addition to Transport Canada's regulatory and policy functions, the department has a responsibility and an obligation to contribute to Canada's success in the knowledge economy, particularly as it relates to Canada's transportation infrastructure and related services. Government On-Line (GOL) and electronic service delivery (ESD) will re-shape how the department conducts its business. Information access, sharing and flow will all dramatically increase, driving up the speed of doing business and driving down and distributing decision making in the organization. Management and sharing of intellectual capital (e.g., knowledge, information, data, human resource expertise, business processes) will become increasingly important the more an organization participates in the knowledge economy and does business on line.

The department will continue its efforts on GOL and has committed \$5 million annually for the next three years to ensure progress. Partnerships have been created with several other federal departments and provincial governments to conduct horizontal initiatives. Transforming

operations through the use of modern technology will be the focus for the foreseeable future and Transport Canada is now well-positioned to achieve this.

More information on this initiative is available at [www.gol-ged.gc.ca/index\\_e.asp](http://www.gol-ged.gc.ca/index_e.asp).

## **5. Internal Communications Plan**

Effective internal communications is an integral part of every manager's job, and Transport Canada supports this belief through a strong commitment to ongoing and regular face-to-face communications. Transport Canada's internal communications plan, *People Talking to People*, has been promoted widely throughout the department over the past three years, and has resulted in a stronger commitment to effective communications between managers and staff. *Face-to-Face*, our philosophy on internal communications, has further reinforced the commitment to good communications.

Following consultations with employees, a two-day departmental internal communications course was developed and launched in June 2001. Although more feedback will be available in the coming months, to date, the course has received excellent reviews from participants.

## **6. Materiel Management**

To support the management of its fixed custodial assets, Transport Canada uses the Integrated Departmental Financial and Materiel Management System (IDFS). The system is used to record and report fixed asset accounting information on an accrual basis, and to manage and track all departmental assets over a certain threshold. IDFS is key in accommodating the Financial Information Strategy because the system is an accrual, double-entry-based accounting system.

## **7. Procurement and Contracting**

As in any organization, procurement and contracting are important functions in support of program delivery. Transport Canada maintains procurement and contracting specialists at its Ottawa headquarters, and in most regions, to assist in the development of procurement plans and strategies and to establish the appropriate framework to oversee procurement and contracting activities within its delegated authorities. The department uses the services of Public Works and Government Services Canada (PWGSC) to provide contracting services to departmental managers when the requirements exceed the department's authorities or when special conditions require the expertise of PWGSC. As with materiel management (see above), IDFS is used to capture transactions and to report to central agencies.

## 4.0 Financial Tables

**Table A — Summary of Appropriations**

		2000-2001		
Vote (\$000s)		Planned Spending	Total Authorities	Actual Spending
1	Operating expenditures <sup>1</sup>	159,963	185,597	181,444
5	Capital expenditures	81,395	81,395	72,859
10	Grants and Contributions	284,668	267,899	232,465
15	Payments to the Jacques Cartier and Champlain Bridges Inc.	122,141	38,641	33,847
20	Payments to Marine Atlantic Inc.	48,378	49,000	38,560
25	Payments to VIA Rail Canada Inc.	170,304	231,603	231,603
(S)	Minister of Transport — Salary and motor car allowance	52	52	52
(S)	Payments to Canadian National for the Victoria Bridge in Montreal	11,315	11,709	11,709
(S)	Contributions to employee benefit plans	48,401	54,317	54,317
(S)	Payments in respect of St. Lawrence Seaway agreements	1,631	2,474	2,474
(S)	Northumberland Strait Crossing subsidy payment	47,600	46,934	46,934
(S)	Collection agency fees	-	4	4
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	11,546	9,453
<b>Total budgetary</b>		<b>975,848</b>	<b>981,171</b>	<b>915,720</b>

Due to rounding, columns may not add to totals shown.

*1. Vote 1 actual spending is net of \$317 million in respendable revenues (these revenues were formerly referred to as "revenues credited to the Vote").*

Transport Canada's 2000-2001 net spending totalled \$916 million, resulting in a surplus of \$65 million — less than seven per cent of the available authorities. As part of its financial management strategy, the department carried forward \$25 million of the surplus to fund future-year requirements. Also as part of the financial strategy, Marine Atlantic lapsed \$10 million as part of an agreement to repay previous years' funding for the purchase of a new ferry vessel. Most of the remaining surplus was concentrated in three Contribution programs (Port Divestiture Fund, National Safety Code, highway agreements).

**Table B — Comparison of Total Planned Spending to Actual Spending**

<b>2000-2001 Business Line (\$000s)</b>	<b>FTEs</b>	<b>Gross Operating<sup>1</sup></b>	<b>Capital</b>	<b>Transfer Payments<sup>2</sup></b>	<b>Crown Corporations</b>	<b>Total Gross Spending</b>	<b>Less: Responsible Revenues</b>	<b>Total Net Spending</b>
<b>Policy</b>	193	24,724	532	62,662	218,682	306,600	50	306,550
	<i>193</i>	<i>53,666</i>	<i>645</i>	<i>58,945</i>	<i>280,603</i>	<i>393,859</i>	<i>200</i>	<i>393,659</i>
	<b>217</b>	<b>52,868</b>	<b>368</b>	<b>58,509</b>	<b>270,163</b>	<b>381,908</b>	<b>618</b>	<b>381,290</b>
<b>Programs and Divestiture</b>	503	79,217	62,217	270,991	122,141	534,566	228,687	305,879
	<i>524</i>	<i>99,592</i>	<i>42,835</i>	<i>252,502</i>	<i>38,641</i>	<i>433,570</i>	<i>264,259</i>	<i>169,311</i>
	<b>515</b>	<b>94,538</b>	<b>37,941</b>	<b>217,573</b>	<b>33,847</b>	<b>383,899</b>	<b>260,776</b>	<b>123,123</b>
<b>Safety and Security</b>	2699	306,304	13,955	9,930	-	330,189	46,890	283,299
	<i>2843</i>	<i>316,835</i>	<i>26,487</i>	<i>15,095</i>	-	<i>358,417</i>	<i>51,486</i>	<i>306,931</i>
	<b>2791</b>	<b>317,158</b>	<b>24,393</b>	<b>15,026</b>	-	<b>356,577</b>	<b>53,999</b>	<b>302,578</b>
<b>Departmental Administration</b>	676	76,131	4,691	-	-	80,822	702	80,120
	<i>845</i>	<i>101,161</i>	<i>11,428</i>	-	-	<i>112,589</i>	<i>1,319</i>	<i>111,270</i>
	<b>883</b>	<b>100,513</b>	<b>10,157</b>	-	-	<b>110,670</b>	<b>1,941</b>	<b>108,729</b>
<b>Total</b>	4071	486,376	81,395	343,583	340,823	1,252,177	276,329	975,848
	<i>4405</i>	<i>571,254</i>	<i>81,395</i>	<i>326,542</i>	<i>319,244</i>	<i>1,298,435</i>	<i>317,264</i>	<i>981,171</i>
	<b>4406</b>	<b>565,077</b>	<b>72,859</b>	<b>291,108</b>	<b>304,010</b>	<b>1,233,054</b>	<b>317,334</b>	<b>915,720</b>
<b>Other Revenues and Expenditures:</b>								
– Non-responsible revenues (see Table E)								16,000
								<i>16,000</i>
								<b>108,486</b>
– Cost of services provided by other departments (authorities = actuals)								46,098
								<b>48,870</b>
<b>Net Cost of the Program</b>								1,005,946
								<i>1,014,041</i>
								<b>856,104</b>

Due to rounding, columns may not add to totals shown.

1. Includes statutory payments for employee benefit plans, Minister's allowances, collection agency fees, previous years' refunds, payments in respect of St. Lawrence Seaway agreement, and proceeds from the disposal of surplus Crown assets. 2. Includes statutory payments for Victoria Bridge (Montreal) and the Northumberland Strait Crossing subsidy.

Normal font denotes planned spending. *Italicized font* denotes total authorities. **Bold font** denotes actual expenditures/revenues.

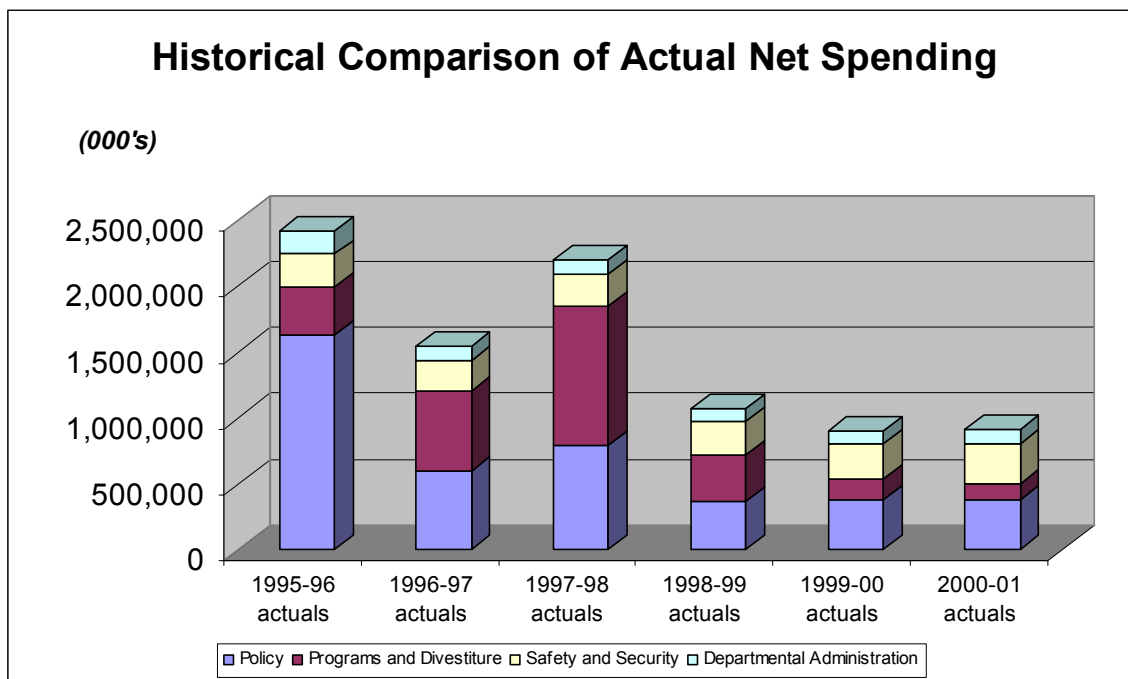


**Table C — Historical Comparison of Net Spending**

Business Line (\$000s)	2000-2001				
	Actual 1998-99	Actual 1999-2000	Planned Spending	Total Authorities	Actual Spending
Policy	366,570	378,319	306,550	393,659	<b>381,290</b>
Programs and Divestiture	359,733	166,333	305,879	169,311	<b>123,132</b>
Safety and Security	252,783	264,962	283,299	306,931	<b>302,578</b>
Departmental Administration	93,057	94,311	80,120	111,270	<b>108,729</b>
<b>Total budgetary</b>	<b>1,072,143</b>	<b>903,924</b>	<b>975,848</b>	<b>981,171</b>	<b>915,720</b>

Due to rounding, columns may not add to totals shown.

The table below illustrates Transport Canada's expenditure reductions since its evolution from owner-operator to regulator and policy-maker.

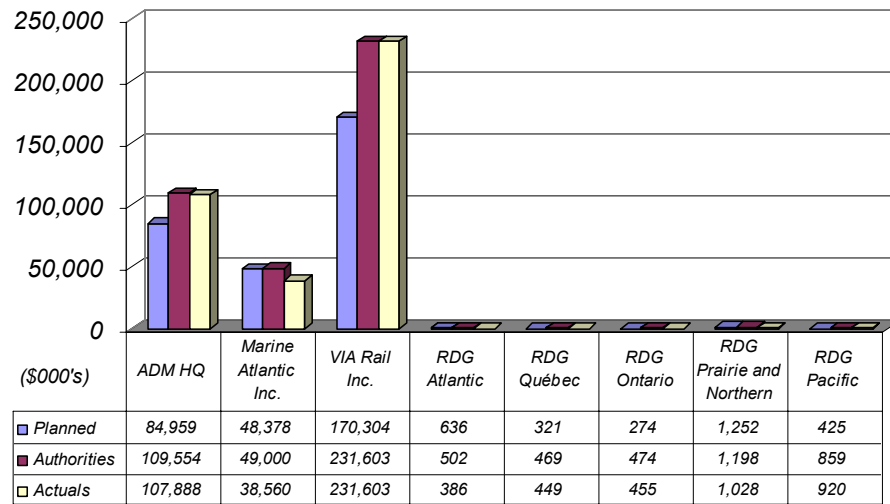


*Note: does not include spending related to the Air Navigation System, which was transferred to NAV CANADA in November 1996.*

## Table D — Resource Requirements by Organization and Business Line

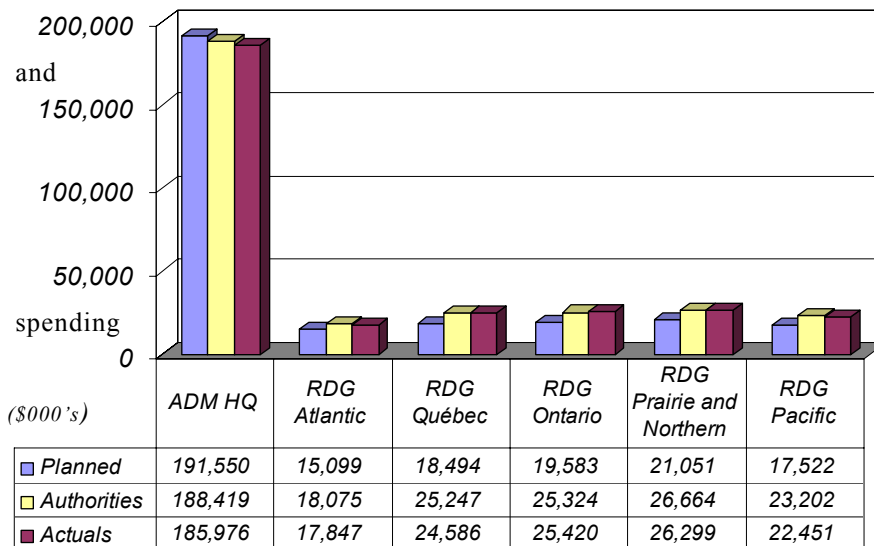
The following charts illustrate the net resource allocations (planned, final authorities and actual expenditures) between accountable organizations within each business line.

**Policy.** Net expenditures within the Policy business line totalled \$381 million. As clearly illustrated, the Crown corporation (Marine Atlantic and VIA Rail) spending accounted for \$270 million, or almost 71 per cent of all spending. Most (28 per cent) of the remaining spending was related to grants and contributions and operating costs at headquarters. Although the regional offices play a role in the monitoring and analysis of the transportation system, most of this business line's work has a national focus and is carried out at the Ottawa offices.



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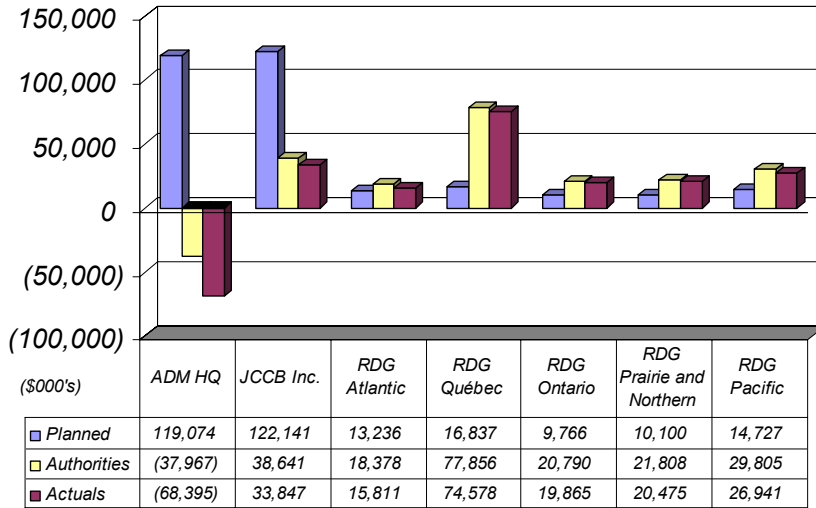
**Safety and Security.** The Safety and Security business line had total net expenditures of \$303 million, most of which was for operating costs. The spending pattern in this business line, which is fairly stable, highlights the different roles of the regional and headquarters offices. There is a more national focus at headquarters that reflects the responsibility for developing legislation, regulations and standards, prevention strategies and programs, oversight and intervention strategies, and for research and development projects. In addition, four of the service lines —



road safety, multi-modal safety, research development, and aircraft services — exist only within headquarters and contribute to the higher concentration of expenditures in that area. Headquarters levels represent 61 per cent of total business line spending. The regions have a more direct role in terms of their inspection, oversight and intervention activities.

**Table D — Resource Requirements by Organization and Business Line (cont'd)**

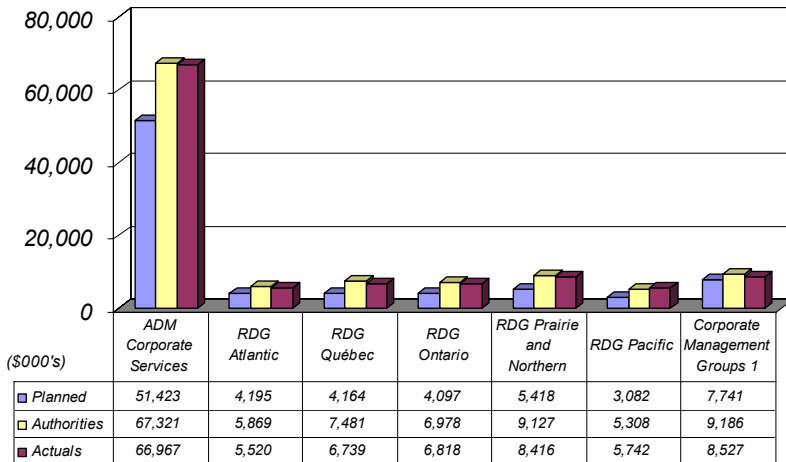
**Programs and Divestiture.** Business line net expenditures were \$123 million, which reflects the collection of \$261 million of spendable revenues. Most of the overall spending was concentrated on grants and contributions and operating costs. Crown corporation spending (Jacques Cartier and Champlain Bridges) represented almost 9 per cent of the spending. The \$88 million variance between the planned and actual spending for JCCB is due to delays in re-decking work that was deferred to 2001-2002.



Headquarters year-end actual expenditures were less than planned for several reasons, including a \$34 million reduction in the New Brunswick Highway Improvement Program, a \$25 million increase in spendable revenues, and a \$19 million reduction in transfer payments in Port Divestiture Fund (PDF) due to divestiture delays. In addition, \$40 million in Airports Capital Assistance Program payments and \$46 million in PDF payments

originally included in headquarters planned spending were ultimately made in the regions. The overall resource fluctuation between headquarters and the regions is primarily because the spendable revenues from airport lease and chattel payments are managed and collected only at the headquarters office. In comparison with the other regions, higher spending in the Quebec region is the result of a one-time grant of \$36 million paid to the Province of Quebec for the transfer of ferry facilities; this payment was funded from the Port Divestiture Fund.

**Departmental Administration.** Total net expenditures in the Departmental Administration business line were \$109 million, of which most were related to operating costs. This business line provides essential support services to all departmental organizations, and many of the functions



are unique to headquarters (Offices of the Minister and Deputy Minister, General Counsel), which accounts for the fact that 70 per cent of the business line spending is made in headquarters.

1. Includes Offices of the Minister and Deputy Minister, Communications, and General Counsel

**Table E — Revenues**

<b>Business Line (\$000s)</b>	<b>2000-2001</b>				
	<b>Actual 1998-99</b>	<b>Actual 1999-2000</b>	<b>Planned Revenues</b>	<b>Total Authorities</b>	<b>Actual Revenues</b>
<b>Respendable Revenues</b>					
<i>Policy</i>					
• International marketing	1,060	658	50	200	<b>618</b>
<i>Programs and Divestiture</i>					
• Harbours and ports revenues (net of commissions)	16,911	17,575	5,449	9,307	<b>11,178</b>
• Airports — Rentals	11,981	7,245	8,302	9,817	<b>9,328</b>
• Airports — Concessions	21,408	13,695	4,923	4,963	<b>4,313</b>
• Airports — Landing fees	22,804	18,771	9,174	9,389	<b>9,451</b>
• Airports — General terminal fees	16,924	13,530	5,241	5,652	<b>5,625</b>
• Airports — Lease and chattel payments	190,205	214,480	194,070	223,806	<b>219,273</b>
• Miscellaneous	3,295	3,474	1,527	1,325	<b>1,608</b>
	<b>283,528</b>	<b>288,770</b>	<b>228,687</b>	<b>264,259</b>	<b>260,776</b>
<i>Safety and Security</i>					
• Aviation safety fees	10,406	12,333	12,234	12,234	<b>12,922</b>
• Revenues from NAV CANADA — Aircraft services	5,381	2,394	2,622	2,622	<b>2,434</b>
• Road safety fees	305	330	350	350	<b>353</b>
• Marine safety fees	8,252	8,791	7,439	9,439	<b>9,188</b>
• Recoveries from other government departments — Aircraft services	23,047	24,712	22,093	24,689	<b>25,085</b>
• Short line rail inspections	59	88	63	63	<b>131</b>
• Recoveries from research and development activities	6,293	4,962	2,064	2,064	<b>2,444</b>
• Miscellaneous	2,877	3,244	25	25	<b>1,442</b>
	<b>56,620</b>	<b>56,854</b>	<b>46,890</b>	<b>51,486</b>	<b>53,999</b>
<i>Departmental Administration</i>					
• Recoveries for training and computer services	377	642	269	560	<b>779</b>
• Lease revenue	712	906	433	649	<b>913</b>
• Miscellaneous	901	240	-	110	<b>249</b>
	<b>1,990</b>	<b>1,788</b>	<b>702</b>	<b>1,319</b>	<b>1,941</b>
<b>Total Respendable Revenues</b>	<b>343,198</b>	<b>348,070</b>	<b>276,329</b>	<b>317,264</b>	<b>317,334</b>

Due to rounding, columns may not add to totals shown.

**Table E — Revenues (cont'd)**

<b>Business Line (\$000s)</b>	<b>2000-2001</b>				
	<b>Actual 1998-99</b>	<b>Actual 1999-2000</b>	<b>Planned Revenues</b>	<b>Total Authorities</b>	<b>Actual Revenues</b>
<b>Non-responsible revenues</b>					
<i>Tax revenues:</i>					
• Goods and services tax	25,164	25,633	-	-	<b>21,678</b>
• Air transportation tax	294,793	2,859	-	-	-
<i>Non-tax revenues:</i>					
• St. Lawrence Seaway Management Corporation	4,635	4,625	6,000	6,000	<b>4,098</b>
• Hopper car leases	11,690	13,021	10,000	10,000	<b>13,577</b>
• Return on investments	9,628	22,527	-	-	<b>42,364</b>
• Refunds of previous years' expenditures	8,929	3,370	-	-	<b>657</b>
• Adjustments to previous years' payables	7,286	6,224	-	-	<b>15,193</b>
• Privileges, licences and permits	47	44	-	-	<b>196</b>
• Fines	486	754	-	-	<b>626</b>
• Proceeds from sales	655	4,169	-	-	<b>49</b>
• Proceeds from the disposal of surplus Crown assets	2,015	2,642	-	-	<b>9,438</b>
• Miscellaneous	119	2,382	-	-	<b>609</b>
<b>Total Non-responsible Revenues</b>	<b>365,447</b>	<b>88,250</b>	<b>16,000</b>	<b>16,000</b>	<b>108,486</b>

Due to rounding, columns may not add to totals shown.

**Table F — Statutory Payments**

<b>Business Line (\$000s)</b>	<b>2000-2001</b>				
	<b>Actual 1998-99</b>	<b>Actual 1999-2000</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
<b>Policy</b>					
• Employee benefit plans	2,377	2,542	2,423	2,776	2,776
• Proceeds from the sale of surplus Crown assets	-	-	-	11,547	9,453
• Refunds of previous years' expenditures	176	-	-	-	-
	<u>2,553</u>	<u>2,542</u>	<u>2,423</u>	<u>14,323</u>	<u>12,229</u>
<b>Programs and Divestiture</b>					
• Employee benefit plans	8,800	7,863	5,524	5,982	5,982
• Payments to Canadian National — Victoria Bridge	4,958	13,445	11,315	11,709	11,709
• Northumberland Strait Crossing subsidy	-	45,881	47,600	46,934	46,934
• Transition period payments to NAV CANADA	215,833	-	-	-	-
• Payments in respect of St. Lawrence Seaway agreements	391	2,331	1,631	2,474	2,474
• Collection agency fees	1	-	-	-	-
• Refunds of previous years' expenditures	123	1,013	-	-	-
	<u>230,106</u>	<u>70,533</u>	<u>66,070</u>	<u>67,099</u>	<u>67,099</u>
<b>Safety and Security</b>					
• Employee benefit plans	30,737	33,064	33,083	35,701	35,701
• Refunds of previous years' expenditures	2	-	-	-	-
• Proceeds from the sale of surplus Crown assets	-	2,495	-	-	-
	<u>30,739</u>	<u>35,559</u>	<u>33,083</u>	<u>35,701</u>	<u>35,701</u>
<b>Departmental Administration</b>					
• Employee benefit plans	8,400	8,473	7,371	9,858	9,858
• Minister's allowances	50	51	52	52	52
• Collection agency fees	-	8	-	4	4
• Refunds of previous years' expenditures	534	44	-	-	-
	<u>8,984</u>	<u>8,576</u>	<u>7,423</u>	<u>9,914</u>	<u>9,914</u>
<b>Total Statutory Payments</b>	<b>272,382</b>	<b>117,211</b>	<b>108,999</b>	<b>127,036</b>	<b>124,942</b>

Due to rounding, columns may not add to totals shown.

**Table G — Transfer Payments**

<b>Business Line (\$000s)</b>	<b>2000-2001</b>				
	<b>Actual 1998-99</b>	<b>Actual 1999-2000</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
<b>Grants</b>					
Policy	22,040	22,040	22,040	22,548	<b>22,548</b>
Programs and Divestiture	-	-	-	36,300	<b>36,300</b>
Safety and Security	100	100	100	115	<b>115</b>
Departmental Administration	-	-	-	-	-
<b>Total Grants</b>	<b>22,140</b>	<b>22,140</b>	<b>22,140</b>	<b>58,963</b>	<b>58,963</b>
<b>Contributions</b>					
Policy	41,113	41,359	40,622	36,397	<b>35,961</b>
Programs and Divestiture <sup>1</sup>	466,567	258,018	270,991	216,202	<b>181,273</b>
Safety and Security	11,917	11,729	9,830	14,980	<b>14,911</b>
Departmental Administration	-	-	-	-	-
<b>Total Contributions</b>	<b>519,597</b>	<b>311,106</b>	<b>321,443</b>	<b>267,579</b>	<b>232,145</b>
<b>Total Transfer Payments</b>	<b>541,736</b>	<b>333,246</b>	<b>343,583</b>	<b>326,542</b>	<b>291,108</b>

Due to rounding, columns may not add to totals shown.

1. Includes statutory payments for the Victoria Bridge in Montreal and the Northumberland Strait Crossing subsidy.

**Table H — Capital Spending**

<b>Business Line (\$000s)</b>	<b>2000-2001</b>				
	<b>Actual 1998-99</b>	<b>Actual 1999-2000<sup>1</sup></b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Policy	12,758	566	532	645	<b>368</b>
Programs and Divestiture	44,771	59,257	62,217	42,835	<b>37,941</b>
Safety and Security	14,128	7,178	13,955	26,487	<b>24,393</b>
Departmental Administration	6,859	5,986	4,691	11,428	<b>10,157</b>
<b>Total Capital Spending</b>	<b>78,516</b>	<b>72,987</b>	<b>81,395</b>	<b>81,395</b>	<b>72,859</b>

Due to rounding, columns may not add to totals shown.

1. Includes proceeds from the disposal of surplus Crown assets.

## 5.0 Supplementary Information

### 5.1 Our Office Locations

#### TRANSPORT CANADA HEADQUARTERS

**Web Site:**

<http://www.tc.gc.ca>

**Mailing Address:**

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Ottawa, Ontario  
K1A 0N5

**General Enquiries:**

Telephone: (613) 990-2309

Fax: (613) 954-4731

**Library and Research Services Centre:**

(613) 998-5128

#### TRANSPORT CANADA REGIONAL OFFICES

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Moncton, New Brunswick  
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(506) 851-7316

**Quebec Region**

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Dorval, Quebec  
H4Y 1G7  
(514) 633-2714

**Ontario Region**

4900 Yonge Street  
Toronto, Ontario  
M2N 6A5  
(416) 952-2170

**Prairie and Northern Region**

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**Pacific Region**

620–800 Burrard Street  
Vancouver, British Columbia  
V6Z 2J8  
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