

Transport Canada

2003-2004 Estimates Report on Plans and Priorities

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Minister of Transport



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The following symbols are used in this report:

- \mathcal{G} See elsewhere in this document for additional information.
- Additional information is available in another document.
- ☐ Visit a Web site to get additional information.

Acronyms Used

ACAP	Airports Capital Assistance Program
ATT	Access to Travel
CAT	Civil Aviation Tribunal
CATSA	Canadian Air Transport Security Authority
CEAA	Canadian Environmental Assessment Act
CMA	Canada Marine Act
CMAC	Canadian Marine Advisory Council
CN	Canadian National Railway
CPA	Canada Port Authority
CSA	Canadian Shipping Act
CPR	Canadian Pacific Railway
CTA	Canada Transportation Act
EMS	Environmental Management System
FAA	(U.S.) Federal Aviation Administration
GHG	Greenhouse gas
GOL	Government Online
[CAO	International Civil Aviation Organization
[MO	International Maritime Organization
ITS	Intelligent Transportation System
JCCB	Jacques Cartier and Champlain Bridges Inc.
MLA	Marine Liability Act
MOST	Moving On Sustainable Transportation Program
MVTC	Motor Vehicle Test Centre
MVSA	Motor Vehicle Safety Act
NAS	National Airport System
NAP	National Airports Policy
NCIAP	National Critical Infrastructure Assurance Program
OECD	Organization for Economic Cooperation and Development
PDF	Port Divestiture Fund
PSA	Public Safety Act
P&D	Programs and Divestiture
R&D	Research and Development
RSCC	Railway Safety Consultative Committee
RSMS	Railway Safety Management System
S&S	Safety and Security
SDS	
	Strategic Environmental Assessment Policy
SHIP	Strategic Highway Infrastructure Program
SLSMC	
SMS	Safety Management System
TDG	Transportation of Dangerous Goods
ГР	Transport Canada Publication
ТЅВ	Transportation Safety Board
SDSSEASHIPSLSMCSHISMCSMS	Sustainable Development Strategy Strategic Environmental Assessment Policy Strategic Highway Infrastructure Program St. Lawrence Seaway Management Corporation Safety Management System Transportation of Dangerous Goods

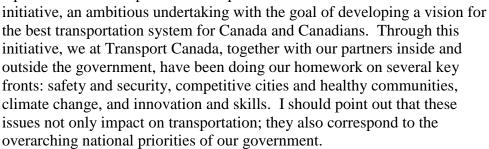
1.0 Messages

1.1 Minister's Message

I am pleased to present Transport Canada's 2003-2004 *Report on Plans and Priorities*, which outlines the department's direction over the next three fiscal years.

Canada's transportation sector will face major challenges in the coming years, and the Government of Canada has a strategy for meeting those challenges head-on.

To prepare ourselves, we launched in April 2001 the Transportation Blueprint



In Canada, transportation truly is the linchpin of our national economy—the system moves more than one trillion dollars in goods every year. Forty per cent of the country's gross domestic product is directly linked to trade, much of it in merchandise that is transported by truck and train, by ship and plane, to and from Canada and the United States and markets around the globe.

So where do we go from here? For starters, I believe we must consolidate the gains achieved under changes in the transportation policy framework. We must also focus our efforts on creating a regulatory environment that responds to the new and rapidly emerging challenges facing our sector.

Above all else, there is safety and security. The government took swift and effective action following the terrible events of September 11th, 2001, to reinforce safety and security across all modes of transportation. Canada has always had one of the safest transportation systems in the world, and we will continue to develop and nurture a safety culture within the transportation community.







Canadians are also demanding better environmental performance from the transportation sector, which is our nation's largest single emitter of greenhouse gases. The sector is expected to assume a significant part of the responsibility to meet Canada's international obligations on climate change.

In addition, for Canada's transportation system to be efficient and economically competitive, we must get a grip on congestion. Gridlock in our urban centres and bottlenecks in our trade corridors are eroding our productivity and our ability to compete. We will continue making strategic investments in transportation and infrastructure.

As you can see, we have ambitious goals. I believe that *Straight Ahead: A Vision for Transportation in Canada* (formerly known as the Transportation Blueprint) will strike the right balance to equip the transportation system to successfully meet the economic, social and environmental needs of the next decade and beyond.

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

1.2 Management Representation

MANAGEMENT REPRESENTATION STATEMENT Report on Plans and Priorities 2003-2004

I submit, for tabling in Parliament, the 2003-2004 Report on Plans and Priorities (RPP) for

TRANSPORT CANADA

To the best of my knowledge, the information:

- 1. accurately portrays the department's plans and priorities;
- 2. is consistent with the reporting principles contained in the *Guide to the Preparation of the 2003-3004 Report on Plans and Priorities*;
- 3. is comprehensive and accurate; and
- 4. is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the production of this RPP.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Signed:	
Name:	Louis Ranger
Title:	Deputy Minister
Date:	





2.0 An Introduction to Transport Canada

2.1 Who We Are

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

2.2 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. Its focus is on developing a modern and relevant legislative framework that will enhance the safety, security, competitiveness and environmental sustainability of Canada's transportation system.

Some of the legislation administered by Transport Canada:

- Aeronautics Act
- Canada Marine Act
- Canada Shipping Act
- Canada Transportation Act
- Department of Transport Act
- Marine Liability Act
- Motor Vehicle Safety Act
- Motor Vehicle Transport Act, 1987
- Railway Safety Act
- Transportation of Dangerous Goods Act, 1992

A full listing of the legislation administered by Transport Canada can be found on our Web site at:

www.tc.gc.ca/acts-regulations/listofacts/menu.htm

2.3 Strategic Objectives

Transport Canada's strategic objectives are to:

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



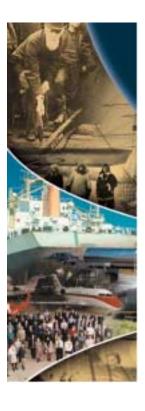
2.4 An Organization Structure for Results

Most issues today require a multi-disciplinary approach — one that considers a broad range of safety, economic and environmental factors. Furthermore, most issues require the partnership and collaborative efforts of many jurisdictions and stakeholders. Since actions required to achieve results in one area can have profound repercussions in other areas, decisions must be carefully weighed and debated to ensure an optimum balance between competing interests.

To respond to the complex national transportation agenda, Transport Canada uses a matrix approach to management. The matrix defines accountabilities for leadership on an organizational and functional basis. This approach ensures that results are the focus of departmental planning and reporting, and that results are delivered in an integrated manner that respects regional differences.

Organizationally, at Transport Canada headquarters, the department is divided into four groups led by Assistant Deputy Ministers. There are five regions led by Regional Directors General. Departmental headquarters also include Communications, General Counsel, and the Offices of the Minister and Deputy Minister. The organizational leads are accountable for the management of their organizations and for the delivery of results as set out in national service line plans.

Functional management is based on business lines and service lines that cut across the organizational structure to provide a focus on shared strategies and results. The business/service line structure has a multi-modal focus that emphasizes the department's core roles (Figure 1 refers).

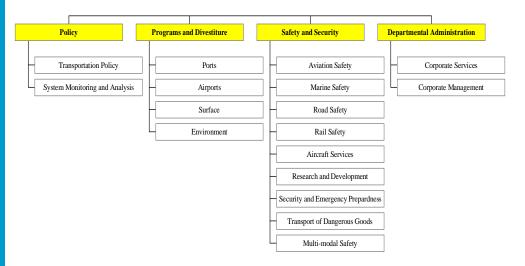




Details on Transport Canada's four business lines — objectives, activities and resources — are provided in Annex 2 on page 53.

The linking of our 2003-2004 net 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 corporation spending has been included in the economic and social development objective, with the exception of CATSA, which has been included in the safety and security objective.

Figure 1 — Transport Canada Business and Service Lines



Business/service lines are the forums for setting national programs, policies and standards and providing leadership to the regional offices that were established to help ensure that services are delivered as close as possible to clients and stakeholders.

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.

2003-2004 Planned Spending by Strategic Objective (see side bar)

	S				
Business line (\$000's)	Contribute to Ensure high Canada's standards for a economic growth safe and secure and social transportation development system		Protect the physical environment	Total	
Policy	387,104	8,085	597	395,786	
Programs and Divestiture	133,000	44,000	79,127	256,127	
Safety and Security	288	812,068	647	813,003	
Departmental Administration	36,072	85,444	6,316	127,832	
Total	556,464	949,597	86,687	1,592,748	

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2.5 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 affected by transportation activities — Agriculture and Agri-Food Canada, Canada Customs and Revenue Agency, Canada Port Authorities, Canadian Air Transport Security Authority, Canadian Food Inspection Agency, Canadian Nuclear Safety Commission, Canadian Security Intelligence Service, Canadian Transportation Agency, Civil Aviation Tribunal, Department of National Defence, Environment Canada, Fisheries and Oceans Canada, Health Canada, Industry Canada, Infrastructure Canada, Justice Canada, Natural Resources Canada, pilotage authorities, Royal Canadian Mounted Police, Solicitor General of Canada, and Transportation Safety Board.

Provincial, territorial and municipal governments — particularly concerning the maintenance of the highway system and enforcement of road safety, as well as the co-delivery of the Transportation of Dangerous Goods program.

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, for example: Air Canada, Algoma Central Marine, Association of International Automobile Manufacturers of Canada, CP Rail, Canadian Manufacturers of Aviation Equipment, Canadian National Railway, Canadian Steamship Lines, Canadian Vehicle Manufacturers Association, NAV CANADA, VIA Rail, and Westjet.

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

International organizations — to share information and harmonize transportation regulations — Asia-Pacific Economic Co-operation,



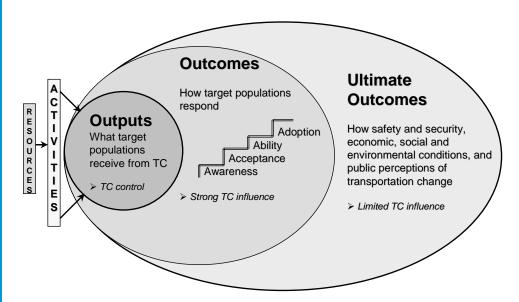


European Joint Airworthiness Authorities, International Civil Aviation Organization, International Labour Organization, International Maritime Organization, NATO, National Highway Traffic Safety Administration, UN Committee of Experts on the Transportation of Dangerous Goods, UN Economic Commission of Europe Global World Forum for Harmonization of Vehicle Regulations, U.S. Federal Aviation Administration, U.S. Federal Emergency Management Agency, U.S. Federal Highway Administration, U.S. Federal Railway Administration, U.S. Transportation Security Administration, and World Road Association.

2.6 A Model for Results-Based Performance

The following results-based performance model has been adopted across the department, covering all business lines. Progress in developing and refining the performance measures and related data sources is considered a work in progress and is not complete. The impending long-term policy framework, as well as possible revisions to the Planning, Reporting and Accountability Structure (PRAS) framework from the Treasury Board Secretariat, may impact on the performance measurement regime that is currently in place at Transport Canada.

Figure 2 — Spheres of influence model



Transport Canada's performance is established, measured and reported based on three levels of results. Each level builds on the previous one – beginning with the operational and management activities and outputs, which lead to behavioural outcomes and then to the ultimate high-level outcomes that impact on Canadians.

By establishing a results chain that explains the department's contribution to outcomes, the model helps address the question of attribution. Since Transport Canada's strategic objectives — safety, economic, environmental — are not exclusively under the department's control, the logic model allows the identification of key behaviours the department can influence to achieve results.

2.7 Overview of Planned Spending

(\$000's)	Forecast Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Policy	414,553	396,344	323,519	294,691
Programs and Divestiture	534,959	543,979	429,047	389,288
Safety and Security	344,549	850,129	832,560	796,908
Departmental Administration	108,814	128,883	125,633	129,144
Total Main Estimates (gross)	1,402,875	1,919,335	1,710,759	1,610,031
Less: Respendable revenue ¹	344,909	339,277	348,866	360,041
Total Main Estimates (net)	1,057,966	1,580,058	1,361,893	1,249,990
Spending Adjustments ²	275,135	12,690	48,470	34,127
Net Planned Spending	1,333,101	1,592,748	1,140,363	1,284,117
<i>Less:</i> Non-respendable revenue ¹	27,108	26,746	27,162	27,115
Plus: Estimated cost of services received without charge	59,196	61,869	61,613	61,794
Net Cost of the Department	1,365,189	1,627,871	1,444,814	1,318,796
Full Time Equivalents	4,707	4,557	4,483	4,466

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



^{1.} For details by business line, see Table 6 on page 49.

^{2.} Adjustments reflect spending approvals obtained following Main Estimates and, for 2002-2003, the best forecast of total net planned spending to the end of the fiscal year.



3.0 Planning Context — Challenges and Priorities

3.1 A Vision for Transportation

Successful changes in transportation policy over the last two decades have set a strong foundation for the future. However, significant challenges, external pressures and currents of change continue to face the Canadian transportation sector, such as:

- rapid change in the business environment;
- globalization and increased North American integration;
- socio-economic shifts in urban, rural and remote areas;
- the need for harmonization;
- concerns about the natural environment;
- the need for high standards of security and safety;
- needs for innovation, research and development and for a highly skilled, adaptable workforce.

To meet the demands of this changing environment, the Minister of Transport launched the Transportation Blueprint initiative in April 2001. The initiative will result in a renewed transportation policy framework that will address the three elements of a sustainable transportation system — social, economic and environmental — giving carriers and infrastructure providers the opportunity to adapt, innovate, compete, and serve shippers and travellers in a way that balances each of these elements. In particular, it will guide federal transportation decisions on *infrastructure*, *marketplace* framework, the environment, safety and security and innovation and skills.

While advancing its policy framework, Transport Canada will build on its four sustainable development principles. These not only recognize the priority of sustainable development within the department, but also define how the department will apply the concept to the transportation sector. The principles are as follows:

- Economic efficiency, cost internalization, affordability.
- Social safety, security and health, access and choice, quality of life.
- Environmental pollution prevention, protection and conservation, environmental stewardship.
- Management leadership and integration, precautionary principle, consultation and public participation, accountability.

Transportation policy must continue to reflect the demands of safety and security of life and property, and respect for the environmental legacy of future generations of Canadians. It needs to encourage the efficient movement of people and goods to support economic prosperity and a

sustainable quality of life. It should move us toward user pricing that better reflects the full costs of transportation activity and transportation infrastructure decisions that meet user needs. It should be sensitive to the need for reasonable access to the national transportation system by Canada's remote regions, and access without undue obstacles for persons with disabilities. It should encourage harmonized actions across all modes of transportation, in support of inter-modality and modal neutrality.

To achieve the objective of an integrated, coherent transportation policy framework, partnerships and collaboration among governments and with the private sector are essential, taking into account the respective jurisdiction, roles and responsibilities of all participants.

3.2 Supporting Speech from the Throne Priorities

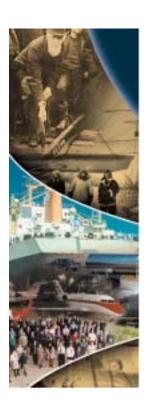
A renewed transportation policy will lend broad support to key Speech from the Throne priorities, including:

- Building competitive cities and healthy communities.
- Building a healthy environment and tackling the challenge of climate change.
- Making Canada a magnet for talent and investment a world leader in innovation and learning.
- Protecting the security of Canadians.

The Speech from the Throne put the development of a new transportation strategy at the forefront of current broad government initiatives. It proposed to "...introduce a new strategy for a safe, efficient and environmentally responsible transportation system that will help reduce congestion in our cities and bottlenecks in our trade corridors" within the framework of "...a ten-year program for infrastructure to accommodate long-term strategic initiatives essential to competitiveness and sustainable growth." The renewed policy framework resulting from the Blueprint initiative will form part of Transport Canada's contribution to this commitment.

Most key transportation facilities are found in, or in proximity to, Canada's largest urban centres. A renewed policy framework should build on the government's successes in developing policies that better integrate these facilities within their local context: provision for local participation in governance oversight mechanisms; facilitation of traffic flows; and application of intelligent transportation systems and other advanced technologies. These measures will support the government's priority of promoting competitive cities and healthy communities.

The policy framework will support the government's priority of building a healthy environment and tackling the challenge of climate change. All





sectors of Canadian society, including transportation, will be called upon to do their part in meeting Canada's climate change obligations. In the transportation sector, these responsibilities will be shared among all levels of government and the public and private sectors. Sustainable transportation will need to be a core principle of transportation choices, both in long-term transportation planning and in the choices made by users. The policy framework should enable opportunities to favour more fuel-efficient vehicles, less greenhouse gas-intensive fuels, and more efficient passenger and freight transport. The department also recognizes that the sector must continue to improve its stewardship of air, water, habitat and soil generally, and mitigate noise produced by its operations.

The policy framework will also support the government priority of protecting the security of Canadians. A core element of Transport Canada's mandate is safety and security, and this will remain its primary focus. The department will continue to ensure that laws and regulations maintain and enhance the transportation system's safety, security and integrity.

Innovation in the transportation sector is essential to maintaining the sector's own growth and competitiveness, and will be an essential contributor to national priorities like greenhouse gas reduction and improving the quality of life in cities. The Speech from the Throne and the policy framework both place strong emphasis on measures to foster innovation and skills development. In partnership with others, Transport Canada will encourage innovative solutions to transportation problems, and the policy framework as a whole should foster an environment conducive to innovation, research and development, and the utilization of new knowledge. It should also help ensure that Canada has a highly skilled and adaptable workforce to support the transportation sector.

4.0 Planned Performance

4.1 Linkages with the Speech from the Throne

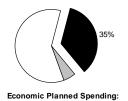
Advancing Transport Canada's strategic objectives depends on the performance of all four departmental business lines. Whether through the development of policies and legislation, or the delivery of programs and services, the work done within the business lines has an impact on each of our safety, economic 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.

	Government Themes					
Making Canada a magnet for talent and investment – a world leader in innovation and learning						
Building competitive cities and healthy communities Protecting the security of Canadians		Building a healthy environment and tackling the challenge of climate change				
Û		\Box				
De	partmental Strategic Objecti	ves				
Contribute to Canada's economic growth and social development	Ensure high standards for a safe and secure transportation system	Protect the physical environment				
	Ultimate Outcomes					
An integrated and inter-modal transportation system that is: • efficient, effective, viable, affordable, and accessible; • responsive to users and to communities; and • competitive and harmonized, both domestically and internationally	 protection of life, health and property high confidence in the safety and security of our transportation system 	 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 				
2003-2004 P	lanned Spending by Strategi	c Objective ¹				
\$ 556 million	\$ 950 million	\$ 87 million				
Contributing Business Line – Primary (P) or Secondary (S)						
Policy (P) Programs and Divestiture (P) Safety and Security (S)	Safety and Security (P) Programs and Divestiture (S)	Programs and Divestiture (P) Safety and Security (S) Policy (S)				
Departmental Administration contributes indirectly to all strategic objectives						

^{1.} The linking of our 2003-2004 planned 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 the Crown corporations – Jacques Cartier and Champlain Bridges inc., Marine Atlantic inc., VIA Rail Canada inc., and Queens Quay West Land Corporation – have been included in the economic objective, and the Canadian Air Transport Security Authority has been included in the safety objective.







4.2 Plans and Priorities by Strategic Objective

4.2.1 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 communities; and
- competitive and harmonized, both domestically and internationally.

Transportation is essential to Canada's economic growth and social development. International competitiveness, productivity, and overall quality of life depend on the effectiveness and efficiency of the transportation system. Transportation is a vital element of the quality of life of Canadians living in urban, rural or remote areas. The cost of transportation services is multi-faceted and includes the costs borne by government (e.g., road construction and maintenance), by direct users (e.g., vehicle costs, transit fares, travel time) and by society in general (e.g., congestion, accidents, pollution). Finding policy approaches that contribute to minimizing the total costs of transportation while fully taking into consideration the environmental and social factors is one of Transport Canada's fundamental challenges.

The department recognizes that progress toward achieving its high-level ultimate outcomes will be influenced by some factors that it does not directly control, such as international crises, global economic conditions or the actions of other governments. At the same time, it understands that performance information is needed to adjust priorities and strategies to ensure that progress continues in the right

Indicators of progress:

- Service and price levels
- Current and prospective viability of system components
- Trends in operational costs
- Cost to taxpayer
- Community and user satisfaction with price and service
- Benefits to industry and consumers from improved harmonization

direction. Progress will be monitored through indicators such as those listed in the side box.

Challenges

The events of September 11, 2001 have left us all acutely aware of the importance of transportation safety and security and the country's ability to

trade effectively. The government has remained vigilant in addressing the security of the travelling public and in keeping borders secure, yet open and efficient. The state of the economic recovery in the United States, as well as its continued war against terrorism, will need to be monitored because they remain factors that may have a significant impact on Canada's economy and, subsequently, the transportation sector.

Canada's changing socio-economic conditions inevitably have consequences for the transportation sector. Urbanization has resulted in congestion that has a severe impact on the efficiencies and effectiveness of our transportation system, and contributes to greater fuel consumption and additional emissions of air pollutants and greenhouse gases. Transportation infrastructure and public transit services need to keep pace with the growth and development in urban centres. At the same time, low traffic volumes in remote and rural areas make it difficult to finance the costs of transportation infrastructure and services in a sustainable manner. The aging of the Canadian population means that there will be increased demand for facilities and services that are accessible for persons with disabilities.

Globalization will challenge the department to continue developing competitive frameworks that result in efficient and affordable transportation services for Canadians and Canada's industries. It calls for a greater degree of integration, harmonization and collaboration among modal activities, regulatory regimes and other jurisdictions.

Environmental challenges, and in particular climate change, require that transportation policies and programs integrate to a greater extent the need for sustainable transportation choices.

A highly innovative sector, driven by a highly skilled workforce, is critical for addressing all of these challenges by allowing the pursuit of a truly sustainable transportation system, one that minimizes the total social cost of transportation. This requires an increased focus by all players in the system on mechanisms to foster skills development, research and development and deployment of new technologies.

Principal Activities

Transport Canada responds to these challenges by developing modal and multi-modal policies and strategies for new initiatives, some of which may lead to new or amended legislation. The department continues to implement its well-advanced divestiture program, while continuing to operate remote facilities and those not yet transferred. Where the department retains ownership of land and infrastructure, it carries out landlord responsibilities, and monitoring and oversight activities. The department also administers several financial contribution programs to improve the efficiency of





Canada's transportation system and enhance economic growth and social development.

Priority Areas

To contribute to Canada's economic growth and social development, the department will focus its efforts in the following areas:

- Marketplace Framework providing rules that allow transportation undertakings to adapt, innovate, remain competitive, and serve the public.
- Infrastructure encouraging investments in transportation infrastructure that serve the national interest and enhance the quality of life in our communities.
- Innovation and Skills encouraging and facilitating innovation and skills development in the transportation sector.

1. Marketplace Framework

Competition and market forces will continue to guide the growth and development of the national transportation system. A strong and healthy marketplace encourages existing competitors and new entrants to innovate and provide new services to meet the transportation needs of Canadians. A competitive climate will lead to cost reductions, efficiency gains and service improvements in the transportation system.

At the same time, the marketplace must respond to Canada's social values, demographic trends and geographical challenges. Government intervention may be required to achieve desired outcomes (for example, correcting for market failures or using pre-emptive market power). There are many specific initiatives that will support these directions, some of which are described below.

Multi-modal transportation

Transport Canada will pursue a renewed policy framework based on the undertakings of the Transportation Blueprint initiative, which included consideration of the proposals, research, findings and recommendations of the final report of the *Canada Transportation Act* (CTA) Review Panel (tabled by the Minister of Transport on July 18, 2001). In light of the review and the changing policy environment of the transportation sector, amendments to the CTA will be pursued in 2003 to ensure up-to-date provisions for marketplace frameworks.

Visit our Web sites at:

www.reviewctaexamenltc.gc.ca/e
nglish/pages/ctarrecommendations.
htm
and
www.tc.gc.ca/abo
utus/straightahead/
menu.htm

To realize its goal of ensuring accessibility in the national transportation network without undue obstacles for persons with disabilities, the department will pursue a number of initiatives that include:

- the Government of Canada and the voluntary sector working together to achieve better accessible transportation policies for Canadians;
- developing an awareness campaign to publicize the Intercity Bus Code of Practice; and
- completing the Access to Travel Web site by establishing partnerships with all provinces and territories to allow travellers with disabilities to find useful facts and links to information sources on accessible transportation across Canada.

Transport Canada will also undertake a number of research projects dealing with sustainable development and climate change. One such initiative will be to begin the work that will lead to the development of a full cost accounting framework for the Canadian transportation system. This will be done in consultation with other levels of government and the private sector.

Air transportation

With respect to airline restructuring, Transport Canada will work closely with the Competition Bureau to assess the effectiveness of the tools available to the government to maintain a competitive marketplace and to propose improvements if warranted. The department will continue to liberalize Canada's bilateral air agreements that give Canadian carriers access to foreign air markets and allow foreign carriers into Canada.

Following the terrorist attacks in the United States, insurers cancelled aviation war risk liability coverage for Canadian airports, air carriers, NAV CANADA, the Air Transportation Security Corporation, and other aviation service providers. As a temporary measure, the Governor-in-Council authorized the Minister of Transport to provide an indemnity for aviation war risk liability coverage. To contribute to the continued operation of the Canadian air industry, Transport Canada is committed to working with the insurance industry, the International Civil Aviation Organization, and the air industry to examine options and seek a long-term solution to the situation.

To improve efficiency gains by ensuring Canadian regulations are compatible with the regimes of the United States and the European Union, the department is reviewing Canada's regulations respecting computer reservation systems. The review should be completed in 2003-04.



✓ Visit out Web sit at:

www.tc.gc.ca/progra

ms/airports/liabilityp

rogram/menu.htm



Marine transportation

A review of the operation and provisions of the *Canada Marine Act* will help identify improvements to governance structures and additional efficiencies in the delivery of marine services, and enhance marine transportation competitiveness. A panel of marine industry experts was appointed in May 2002 to undertake consultations with stakeholders. More than 140 written submissions were received and over 75 representations were made during the panel's cross-Canada consultations. The report will be released in 2003.

With the coming into force of the *Marine Liability Act* (MLA) in August 2001, the government was provided with the authority to create regulations requiring vessels used for commercial or public purpose to carry a certain level of compulsory insurance. These regulations protect the interests of passengers in the event of injury or loss of life. In early 2003, the department will release a report regarding a proposal for a new compulsory passenger insurance regime under the MLA, followed by consultations with industry stakeholders, provincial governments and other federal departments and agencies to assist in the development of associated draft regulations.

The World Trade Organization General Agreement on Trade in Services, which came into effect in 1995, is currently slated for a new round of negotiations during 2002-2005. Maritime services will be open for negotiations and Canada is putting forward its best offer of commitments, which will be based on two specific principles: market access (removal of trade barriers), and national treatment (removal of government bias toward national industries).

Surface transportation

To promote domestic motor carrier safety and trade, Transport Canada will enhance carrier safety harmonization and compatibility across Canada. On the international front, the department co-chairs a formal mechanism for harmonizing surface transport standards among NAFTA countries. The department is also committed to maintaining the existing national standard for truck conditions of carriage. To this end, the department will use the regulatory authority of the *Motor Vehicle Transport Act* to achieve these objectives.

Transport Canada will be reviewing the recommendations of the December 2002 report of the Senate Standing Committee on Transportation and Communications respecting the liberalization of national bus industry entry standards, a subsidy program for rural bus service, reappraisal of bus

accessibility and safety standards, and greater public information on the environmental advantages of bus use.

While changes in grain transportation and handling policies — expanded tendering for Canadian Wheat Board shipments to port, a cap on railways' annual grain revenues, and improved branch line rationalization — are resulting in a more efficient and effective system, an independent observer, Quorum Corporation, continues to monitor system performance to assist in the identification of issues that may require further government action. To meet a commitment from the 1996 federal budget and to continue the move toward a more commercial system for the movement of grain, the Government of Canada will assess the feasibility of disposing of its fleet of grain hopper cars.

Transport Canada will work towards establishing a legislative mandate for VIA Rail. Such a mandate would signal the importance the government attaches to the corporation's continued management and provision of a safe and efficient passenger rail service in Canada.

2. Infrastructure

An efficient transportation infrastructure is essential to allow the smooth movement of people and goods. Transport Canada plays a key role in creating a supportive climate to encourage ongoing investments in transportation infrastructure. It is committed to completing the divestiture of operations, fine-tuning the governance regimes based on recent experience, and exploring new avenues for the commercial development of transportation infrastructure and services. In collaboration with Infrastructure Canada and other stakeholders, the department will continue to promote strategic investments in Canada's transportation system. The September 2002 Speech from the Throne indicated the government's intention to put in place a ten-year program for infrastructure to accommodate long-term strategic initiatives essential to economic growth and social development. The following specific initiatives will support these directions.

Surface transportation

As provided for in the 2000 federal budget, Transport Canada established a \$600 million Strategic Highway Infrastructure Program (SHIP) to enhance the efficiency and safety of the national highway system. The program includes \$500 million for highway construction and \$100 million for national system integration initiatives, such as improvements at border crossings and the deployment of intelligent transportation systems. Eleven agreements have been signed to date under the highway construction





component of SHIP, and Transport Canada hopes to sign the remaining agreements with Ontario and Quebec as soon as possible.

In the 2001 budget, the government announced a \$2 billion Canada Strategic Infrastructure Fund (CSIF) and a \$600 million Border Infrastructure Fund. Transport Canada is working closely with Infrastructure Canada, where the monies reside, on the transportation projects to be funded under these two programs. Negotiations are underway with the provinces to conclude agreements on three transportation projects announced in 2002 under the CSIF: twinning the Trans-Canada Highway (Route 2) in New Brunswick; twinning Route 175 between Quebec City and Chicoutimi; and completing the Autoroute 30 by-pass south of Montreal. The 2003 budget announced the allocation of \$3 billion for infrastructure support over the next ten years, of which \$2 billion will be used to double the funding available under the CSIF.

The Canada-U.S. Smart Border Declaration announced in December 2001 is aimed at enhancing the secure and efficient cross-border movement of people and goods. Along with other federal agencies, Transport Canada is playing a key role in the areas of infrastructure improvements and intelligent transportation systems. The department's activities will focus on:

- promoting improved border transportation planning through mechanisms such as the Canada-U.S. Transportation Border Working Group and the Canada-U.S.-Ontario-Michigan Partnership;
- supporting streamlined border processes through complementary infrastructure improvements and coordination;
- improving border infrastructure capacity, including the effective use of technologies such as intelligent transportation systems; and
- improving infrastructure security at key international bridges.

Urban issues are at the forefront of the federal agenda, and Transport Canada has committed to exploring the various options available to address congestion. The department will undertake an analysis of the major transportation issues and challenges in Canada's major urban centres to define the most suitable opportunities to address congestion.

The completion of a southern by-pass around Montreal (A-30) is a priority for the federal government, and Transport Canada and Infrastructure Canada are working with the Government of Quebec on this project. The Government of Canada recently announced a contribution from the CSIF to kick-start the Autoroute-30 project with the province and the private sector. This undertaking is intended to reduce congestion and improve the movement of people and goods in the Montreal area, as well as improve access to markets in Ontario and the U.S. for Atlantic Canada and Quebec.

To help reduce road congestion and enhance the movement of passengers and freight in the Toronto area, Transport Canada will be inviting business cases from four pre-qualified consortia on the provision of a seamless and rapid passenger rail service between Union Station and Lester B. Pearson International Airport. The department will pursue a public-private partnership to design, finance, operate and maintain this initiative.

To enhance Toronto's local economic vitality, social development, the transportation system, housing development, and environmental sustainability, the Province of Ontario, the City of Toronto, and the Government of Canada have each committed \$500 million to renew the waterfront area. Transport Canada will seek approval on the spending strategy, timing, scope and priority of the federal commitment to this initiative.

Air transportation

To strengthen governance, transparency and accountability at the 26 airports that make up the National Airport System, a new Canada Airports Act will be introduced in the House of Commons in 2003. The act will respond to areas where improvements could be made to the current governance model, as identified by the Auditor General, the Canada Transportation Act review panel report, the Public Accounts Committee, and the Local Airport Authority (LAA) lease review. Areas of focus will include the roles and responsibilities of government and the airport authorities, increasing transparency and accountability, the overall governance regime, mechanisms for users' input, competition issues related to facilities and slots, airport authorities' ancillary activities and enforcement mechanisms.

To ensure airport authorities are paying an appropriate rent for the lands and facilities that they lease from the federal government, and to assess the impact of rental costs on the aviation system, a rent policy review for National Airport System airports is being conducted to examine issues such as the quantum and equity of rents paid, and the broader impact of airport rents on the viability of the domestic air sector. Should the government elect to change the existing basis of rent following the review, the rental provisions could be implemented through renegotiation of the appropriate lease clauses.

Once these two initiatives are completed, the department will undertake a policy review of Canada's remote airports.

In May 2002, a three-year extension was approved to continue the divestiture of small airports (non-National Airport System) to local community interests. As of December 1, 2002, 61 regional/local and 28 small airports had been transferred, leaving 10 regional/local and three



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small airports to be transferred. The divestiture of airports is intended to foster more commercial and locally accountable airport management, increase airport viability, and more closely match airport facilities with the needs of users and communities. The divestiture of the small airports should be completed by the end of March 2005.

Regional and small airports contribute to the economic and social development of the communities they serve, and their viability must be examined. The Minister of Transport will undertake an analysis of the financial viability of regional and small airports, with the objective of identifying the systematic drivers and key factors that influence that financial viability.

Marine transportation

In February 2002, a one-year extension was approved to continue the regional/local port divestiture program. The program is intended to transfer port operation and ownership to those stakeholders best placed to match operational requirements with local needs. As of December 31, 2002, 113 ports (79 regional/local and 34 remote) remain with Transport Canada. The department has presented options for the future of its remaining ports and is awaiting government direction.

The previously noted review of the *Canada Marine Act* will also examine the provisions and operations of the act and to provide a forum for stakeholders to present their views. The review is to be completed by 2003 as means of addressing amendments.

Given the advanced age of the Great Lakes-St. Lawrence Seaway navigation infrastructure, the government will examine the continued reliability of the existing system and develop an investment strategy based on the potential impacts on long-term economic and social benefits. The department is also negotiating a second five-year business plan (2003-2008) with the St. Lawrence Seaway Management Corporation, which will allow for adjustments based on experience to date.

In response to the recommendations of the CTA Review, the department will consult with the marine industry to examine the options in rationalizing and improving the efficiency of the marine navigation services and, in collaboration with the Department of Fisheries and Oceans, will commence the study in 2003.

3. Innovation and Skills

For a world-class transportation system that is sustainable and contributes to social and economic development, Canada must develop innovative

Visit our Web site at

www.tc.gc.ca/mar
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approaches, undertake research and development, utilize new knowledge, and ensure the existence of a highly skilled, adaptable workforce to support the sector.

To understand the implications of innovation in the transportation sector, and to identify where the government's efforts might best be directed, Transport Canada will study a series of public policy questions related to innovation in the sector. The department will also contribute to Canada's Innovation Strategy by supporting initiatives with its sector partners (industry, academia, provinces) and playing a greater champion role within the sector.

Transport Canada is leading the implementation of Canada's Intelligent Transportation Systems (ITS) Plan. ITS can transform the way the transportation system is built, managed and operated, and the initiatives work toward making Canada's system safe, integrated, efficient and sustainable.

Successful negotiations of agreements for deployment initiatives under the latest call for proposals is complete, and it is anticipated that additional calls will be announced over the two to three years. The department continues to collaborate with provinces and territories on two nation-wide initiatives: a Road Weather Information System (RWIS); and a Commercial Vehicle Operations (CVO) network. The department is also committed to meeting Canada's ITS obligations under the Smart Border Declaration relating to security and border clearance. The department continues to forge partnerships with various stakeholders at all levels and across all transportation modes. Work is continuing on a multi-modal research and development plan, ITS standards development and architecture maintenance.



For more information, visit: www.its-sti.gc.ca/en/menu.htm





Safety and Security Planned Spending: \$950 million

4.2.2 Ensure high standards for a safe and secure transportation system

Ultimate Outcomes

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

Canadians want a transportation system that is safe and secure. In fact, this desire is recognized in the *Canada Transportation Act*, where the need for Canada's transportation system to meet "the highest practicable safety standards" is part of the statement of national policy. Working with other jurisdictions and stakeholders, Transport Canada will continue to provide a legislative and regulatory framework that promotes the safety and security of the transportation system.

It is important to note that Transport Canada has a limited degree of influence on the ultimate outcomes associated with its safety and security objective. There are a number of external factors that are beyond the department's control or influence and they will have a greater effect on these long-term impacts. The targets associated with the ultimate outcomes were developed in conjunction with our key stakeholders, and are presented in the side box.

Targets:

- A 50 per cent reduction in the number of railway crossing collisions and trespassing incidents from 1996 to 2006
- A 30 per cent reduction in the average number of road fatalities and serious injuries from 2008 to 2010 (compared to 1996-2001 average)
- A 25 per cent reduction in the overall number of aviation accidents and fatal accidents from 1995 to 2005 (targets vary depending on the sector of aviation)
- 90 per cent of Canadians will consider air travel safe or very safe
- All dangerous goods shipments will arrive at their destination without incident

Challenges

Transport Canada regularly monitors the transportation system and will take immediate action should the need for further safety and security enhancements arise. Some of the challenges associated with transportation safety and security are highlighted below:

 Security initiatives must be implemented within an increasingly complex and quickly evolving security environment. For example, Transport Canada must forge closer ties with a diverse range of stakeholders, such as the Canadian Air Transport Security Authority and the

- U.S. Department of Homeland Security, as well as further increasing its profile in other modes, particularly marine.
- An increased demand for the harmonization of transportation policy, regulations and standards must be met while ensuring that safety and security requirements are not compromised.
- Manufacturers are striving to produce lighter, quieter and more fuelefficient transportation equipment (aircraft, locomotives, motor vehicles)
 that assuages environmental concerns, and this calls for the development
 and use of advanced materials, structures and electronics.
 Transport Canada's safety specialists must keep pace with the rapidly
 changing knowledge and skill requirements of new technologies to be
 able to address the associated safety concerns, and provide a responsive
 regulatory regime.
- The high attrition rate of the department's safety and security inspectors, technicians and engineers due to an aging workforce and private sector competition is presenting a challenge in terms of recruiting and retaining new personnel to enable the continued effective delivery of its regulatory programs.
- To protect the integrity of its safety and security programs, the department will continue to develop and implement risk and results-based management frameworks and techniques that support the allocation of resources to those activities and initiatives that have the greatest safety and security benefits.

Principal Activities

There are three principal activities — rulemaking, oversight and outreach — that are carried out in support of the safety and security objective. Through its rulemaking efforts, the department establishes and implements legislation, regulations, standards and policies. Oversight activities include issuing licenses, certificates, registrations and permits, monitoring compliance through audits, inspections and surveillance, and taking appropriate enforcement action in instances of non-compliance. Outreach activities involve efforts to promote, educate and increase awareness of safety and security issues.

Priority Areas

In pursuing these results for Canadians, Transport Canada has grouped its areas of program emphasis for 2003-04 into the following three strategic directions:

- Safety and Security
- Innovation
- Infrastructure





Look for more information on security at http://www.tc.gc.c a/air/menu.htm

1. Safety and Security

Transportation security

Since September 11, 2001, Transport Canada has put in place a number of comprehensive measures to strengthen the security of the national

Results

transportation system. Key initiatives include the creation of the Canadian Air Transport Security Authority, new and strengthened security regulations, and enhancing the department's monitoring and oversight capacity. Over the coming year, the department will work with government, industry and other stakeholders to continue

Increased compliance with security regulations and policies

- Increased public and stakeholder awareness
- Increased internal and external capacity to address the new security environment

implementing these initiatives and to undertake the following priorities:

- Continue to strengthen Canada's aviation security regulatory regime, including the development of performance standards for explosives detection systems. Work will be undertaken with the Canadian Air Transport Security Authority and other stakeholders to develop and implement an enhanced restricted area pass system and an expanded program for screening non-passengers who require access to restricted areas at airports. As well, Transport Canada will enhance the consultation process to include a more structured approach to planning and developing enhancements to aviation security while maintaining the ability to move immediately to respond to threats where such action is warranted.
- Four new initiatives to further enhance marine security:
 - a) Amendments to the marine security regulatory framework, including Canada's compliance with the new marine security requirements of the International Maritime Organization.
 - b) Implementation of a new marine facilities restricted area access program for workers at key marine facilities.
 - c) Establishment of a marine security oversight and enforcement program.
 - d) The Marine Security Coordination Program, which will provide funding for one-time or limited-period projects which will enhance the collaboration and coordination of federal departments and agencies.
- Reflect Canada's perspective and the realities of trans-border trade with the United States concerning security requirements in rail and trucking.
- Contribute to the development of the National Critical Infrastructure Assurance Program to help protect Canada's key transportation facilities, services, assets and information.

- Strengthen Transport Canada's intelligence function. The timely assessment of intelligence information is critical to identifying potential threats to the transportation system, and requires the capacity to gather and analyse information and determine effective responses.
- Meet Transport Canada's international commitments:
 - a) Contribute to the implementation of the Canada-U.S. Smart Border Declaration.
 - b) Meet commitments under the International Convention for the Safety of Life at Sea and other international marine security commitments.
 - c) Support Transport Canada's emergency preparedness responsibilities and activities, as well as joint Canada-U.S. efforts as required by international agreements and treaties.
 - d) Contribute to International Civil Aviation Organization (ICAO) initiatives to enhance aviation security.
- Augment Transport Canada's monitoring and inspection capacity, and providing employees with training, information and work tools to enhance the department's oversight activities.

Emphasizing program integrity

Together with security, safety continues to be a major priority of Transport Canada, and a significant level of resources has been devoted to it. Some of the priorities:

- Safety inspections of small commercial marine vessels. Recent amendments to the *Canada Shipping Act, 2001* have now made as many as 75,000 of these vessels subject to inspection, which will result in a significant increase in workload and associated resource demands.
- Focus on the regulatory compliance of small marine vessels (those under 15 gross tons carrying 12 or fewer passengers), following the recommendations of the Transportation Safety Board and formal judicial inquiries.
- Audit every federally regulated railway company to assess the degree to which railways have implemented their safety management system.
 There is also continued emphasis on the implementation of SMS in the air and marine modes.
- Improve decision-making and resource allocation capability through the creation of a data warehouse system that will provide a one-stop repository of key safety-related information from various key operational data systems both internal and external to the department such as the occurrence data for air, rail and marine modes.



☐ To know more about safety and security programs, visit our Web site at www.tc.gc.ca/tcss/menu_e.htm



Modernizing and harmonizing regulatory frameworks and instruments

Safety regulatory programs are encountering specific challenges, including

stakeholder demand for greater participation in program creation. This requires broad consultation and the need to work closely with stakeholders to develop effective legislative and regulatory tools to support sustained safety practices. Other challenges include the increased risk of liability, the need to keep pace with technological

Results

- Effective harmonization of regulatory requirements with other jurisdictions
- Understanding and acceptance of roles and responsibilities of stakeholders

advances and to take multi-jurisdictional action, and the growing need to ensure Canada's approach to regulation is consistent with international trends.

Some of the priorities:

- Amend the *Aeronautics Act* to address fatigue management, liability insurance, aviation companies' management systems, analysis and reporting of safety data, and new compliance and enforcement tools.
- Modernize the *Motor Vehicle Safety Act* to enhance its flexibility and clarity.
- Promote, negotiate and develop global technical regulations that are consistent with Canada's needs, in light of the coming-into-force of the United Nations Global Agreement on Technical Regulations for Wheeled Vehicles.
- Harmonize Canadian regulations for the transport of dangerous goods
 with recent amendments made by the United States, the United Nations
 Sub-Committee of Experts on the Transport of Dangerous Goods, the
 International Atomic Energy Agency, the International Civil Aviation
 Organization and the International Marine Organization.
- Harmonize federal and provincial regulations for railway safety through the Federal-Provincial Working Group on Railway Safety Regulation.
- Complete regulations on railway right-of-way access control and highway/railway grade crossings to establish minimum safety standards and to clarify the roles and responsibilities of railway companies, road authorities and the communities through which rail lines pass.
- Reform all the regulations, standards and documents under the *Canada Shipping Act*, 2001. The act received Royal Assent in November 2001 and represents a thorough overhaul of one of the oldest pieces of legislation in Canada. The new legislation provides for an effective modern regulatory framework that will come into force after the first phase of the regulatory reform exercise has been completed.

Consulting and engaging the public and stakeholders

In addition to its primary safety oversight role, Transport Canada is also

involved with outreach activities, i.e., safety promotion, education, awareness and learning event initiatives to strengthen stakeholder engagement across all the modes. The department will continue to focus its attention on the following priorities:

Results

- Commitment from the transportation community to sustain a strong safety culture
- Increased public and stakeholder awareness of heightened security measures
- Training workshops and material to enhance the understanding by railways and municipalities of their obligations regarding the new standards for rail crossings.
- Targeted road and rail safety presentations and materials, based on the Road Safety Vision 2010 and Rail Safety Direction 2006, including working with police, media and communities.
- Security education and awareness activities for the travelling public and other external stakeholders to promote awareness and understanding of security issues, programs and initiatives.
- Updating the *Emergency Response Guidebook*, done every four years by CANUTEC, to provide emergency responders in Canada, the United States and Mexico with access to harmonized emergency response procedures involving dangerous goods.

2. Innovation

Science and technology / Research and development

Transport Canada's research and development (R&D) program will continue to contribute to the government's innovation agenda. The

department will take the lead in transportation innovation in response to current and new challenges by broadening and strengthening its support of safety and security R&D projects. It will work with private and academic partners to increase joint venture opportunities and to

Results

- A more efficient Canadian transportation system that does not harm the environment
- Enhancement of the technological capability of the transportation sector.

accelerate the advancement in technology prototype development, deployment and commercialization.



☐ Look for more information on Direction 2006 at www.tc.gc.ca/railway/Dir2006_e.htm



■ Look for more information on Road Safety Vision 2010 at www.tc.gc.ca/roadsa fety/vision/vis ind e .htm



Look for more information on Research and Development at www.tc.gc.ca/tcss/randd/menu e.htm



Planned research areas include:

- advanced safety and security technologies;
- human performance enhancement;
- environment, energy and sustainable development;
- congestion management;
- seamless inter-modal transportation technologies;
- system data acquisition and monitoring; and
- accessibility.

3. Infrastructure

Transport Canada is placing an increased emphasis on safety with regard to infrastructure. Working with its partners in the Transportation Association of Canada, the department is aiming to inculcate road safety as a critical factor in road planning, design and operation. Furthermore, Transport Canada is working with railway and road authorities to invest in safety improvements at railway crossings.

Transport Canada is also helping to make safety improvements at eligible airports through its Airports Capital Assistance Program. By providing financial assistance to those airports, it ensures that safety-related concerns are addressed and that the airports can operate in a safe manner according to related regulations. The department is providing a total of \$190 million over a five-year period (started in 2000-01).

Transport Canada will also be upgrading its equipment and facilities at the Motor Vehicle Test Centre (MVTC) located in Blainville, Quebec. These investments are necessary for the department to meet its commitments in respect of dynamic compliance testing and regulatory development testing of motor vehicles. They will allow the department to gather better information from its dynamic compliance testing and regulatory development testing of motor vehicles. The results of those tests are essential in the development and enforcement of safety standards and regulations that will make vehicles safer, which in turn will contribute towards Canada's vision of having the safest roads in the world by 2010.

The timely replacement and enhancement of physical assets is essential to ensure their alignment with evolving program needs. This is particularly true of Transport Canada's aircraft fleet and related infrastructure, for which investments are planned. These investments will increase the efficiency and effectiveness of aircraft used by departmental inspectors and other federal government departments, and enhance inspector training to help ensure the safety of the transportation system.

☐ For more information, visit our Web site at www.tc.gc.ca/pr ograms/airports/ acap/menu.htm

4.2.3 Protect the Physical Environment

Ultimate Outcomes

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

Addressing climate change and protecting the environment are key government priorities outlined in the 2002 Speech from the Throne. A clean environment is essential to healthy living, economic prosperity, and a high

quality of life. While transportation is a major contributor to Canada's economic and social development, we know it also has significant environmental consequences. These include greenhouse gas (GHG) emissions; air, water and noise pollution; and the loss of agricultural land and wildlife habitat. The best transportation system for Canadians in the long term is one that is economically, socially, and environmentally sustainable. Some possible

Indicators of progress:

- Transportation sector share of energy consumption/GHG emissions by mode
- Total air pollutants by mode
- GHG emissions per passenger kilometre and per tonne of freight kilometre
- Amount and percentage of departmental research and development funds committed to energy and environment
- Percentage of Transport Canada's contaminated sites that have undergone remediation or risk management

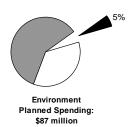
indicators of progress toward these ultimate outcomes are presented in the side box.

Although Transport Canada is only one of the many contributors to achieving these long-term objectives, it is nevertheless important to track progress toward long-term environmental outcomes, even if they are outside the department's direct control.

Challenges

Canadians expect a transportation system that is safe, secure and efficient — and they also want a clean environment. Balancing economic and social needs with environmental protection is central to the concept of sustainable development. As Canada's economy and population grow, so too does the demand for transportation, which leads to the increased possibility of environmental impacts. Ensuring that decisions made are sustainable on all three fronts — economic, social, and environment — is a significant





For further information on transportation and the environment, visit our Web site at: www.tc.gc.ca/programs/environment/sd/monograph/menu.htmm for Sustainable

for Sustainable Transportation: the Canadian Context



information on transportation and the environment, see Chapter 5 in our Annual Report, *Transportation in Canada 2001* or visit the Web site at www.tc.gc.ca/pol/en/report/anre200

1/tc0105ae.htm

For further

challenge for Transport Canada. Some of key challenges are listed in the box below:

Key Challenges

- Transportation is the largest single source of GHG emissions, contributing about one-quarter of Canada's total emissions; approximately two-thirds of these transportation-related GHG emissions are generated in our cities.
- In the transportation sector, GHG emissions are growing rapidly and, without further action, they could rise 32 per cent above 1990 levels by the year 2010, and 53 per cent above by 2020.
- Air emissions contribute to a variety of conditions, such as air pollution and smog, factors that can have serious environmental and human health impacts.
- Transportation activities contribute to water pollution through the discharge of effluents and waste. These activities also create a risk of accidents that can release fuels or hazardous materials into the environment.
- Transportation trends point toward an increase in car ownership and use, and a growth in both airline and commercial trucking activities. And these modes are the most GHG intensive. While fuel efficiency is improving, it is not keeping pace with annual increases in the use of transportation.

Principal Activities

To do its part in meeting the challenges, Transport Canada will continue to develop and manage policies and programs to address government-wide sustainable development and environmental issues as they relate to the transportation sector. The department will work with its partners and stakeholders, who include the general public, the transportation industry, other federal government departments, provinces, territories and municipalities, as well as international organizations, to overcome these challenges.

Priority Areas

To protect the physical environment, the department will focus its efforts in the following areas:

- Meet the commitments remaining from the 2001-2003 Sustainable Development Strategy.
- Develop and implement the 2004-2006 Sustainable Development Strategy.
- Implement climate change initiatives.

1. Meet commitments remaining from 2001-2003 Sustainable Development Strategy

Transport Canada's 2001-2003 Sustainable Development Strategy (SDS) is the main document guiding the department's environmental initiatives. The 2001-2003 SDS identifies seven challenges, as well as commitments, targets and performance indicators, which support the department's strategic objective of protecting the physical environment. These challenges are:

- 1. Improving education and awareness of sustainable transportation.
- 2. Developing tools for better decisions.
- 3. Promoting the adoption of sustainable transportation technology.
- 4. Improving environmental management for Transport Canada operations and lands.
- 5. Reducing air emissions.
- 6. Reducing pollution of water.
- 7. Promoting efficient transportation.

Many of the 2001-03 SDS commitments have already been met, and meeting the remaining commitments will continue to be a priority for the department. Some of the specific plans include:

- Expanding the Green Commute program to regional offices, and promoting its adoption by other federal departments.
- Increasing our understanding of the impacts and costs of the harmful social and environmental effects of transportation, such as congestion, accidents, pollutants, noise, disruption etc., that users impose on society.
- Collaborating with partners, such as Environment Canada and other federal departments and organizations to develop sustainable transportation performance indicators.
- Meeting Environmental Management System targets pertaining to air emissions, contaminated land, non-hazardous waste, storage tanks, environmental emergencies and environmental awareness.
- Implementing an environmental monitoring program for all Transport Canada properties, including those operated by third parties.
- Working with the Canadian Environmental Assessment Agency to address gaps in current Canadian Environmental Assessment Act (CEAA) regulations for Canada Port Authorities, and develop legislation and regulations to enable other entities that manage Transport Canada lands, such as National Airport System airport authorities, to be brought under CEAA.
- Working with the International Civil Aviation Organization to develop new aircraft emissions standards and operational practices, and address greenhouse gas emissions for aviation.
- Working with provinces, municipalities and others stakeholders to increase awareness of best practices in sustainable urban transportation.



- Further information on Transport Canada's 2001-2003 SDS is available at: www.tc.gc.ca/programs/environment/sd/strategy0103/menu.htm
- Planned results and progress indicators for the 2001-2003 SDS are outlined further in section 4.2.3 of the 2002-2003 Report on Plans and Priorities, which is available online at:
- www.tc.gc.ca/Fina nce/Rpp/02-03/en/Section4.ht m#4 2 3



- More information is available on the Commissioner's observations and recommendations in Chapter 5 of the 2002 Report of the Commissioner of the Environment and Sustainable Development at: http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c2002 1005ce.html
- ☐ Information on the Government of Canada's climate change initiatives is available at:

 www.climatechange.
 gc.ca/english/index.s
 html

2. Develop and implement the 2004-2006 SDS

In accordance with the 1995 amendments to the *Auditor General Act*, the department is required to update its Sustainable Development Strategy every three years. The development and implementation of the 2004-2006 SDS, which will be tabled in Parliament in December 2003, will be a priority.

In developing Transport Canada's next SDS, the department will focus on addressing the observations and recommendations identified in the 2002 Report of the Commissioner of the Environment and Sustainable Development. Among the expectations for the next round of strategies are for departments to enhance the strategic and accountability roles of their strategies. As well, Transport Canada is conducting an internal management review of the 2001-2003 SDS to identify further areas for improving the

next strategy. While the specific outcomes of the strategy have not been developed, the key areas for improving Transport Canada's 2004-2006 SDS are outlined in the side box.

Transport Canada's 2004-2006 SDS will:

- Achieve a stronger balance between the social, economic, and environmental pillars of sustainable development
- Focus on the outcomes of departmental activities
- Improve results reporting
- Include measurable, innovative, and horizontal commitments, which foster integration.

3. Implement Climate Change Initiatives

Overcoming the challenges of climate change will require a national effort. As part of the federal government's climate change commitments, Transport Canada is undertaking the following initiatives to address issues related to the transportation sector:

Implementing the government's Climate Change Plan for Canada

In the 2002 Speech from the Throne, the government committed to consulting the public, industry and the provinces on a strategy to meet Canada's Kyoto obligations over the next ten years. In November, the government released its *Climate Change Plan for Canada* and in December ratified the Kyoto Protocol, committing Canada to reducing its GHG emissions by six per cent below 1990 levels between 2008 and 2012. The plan is intended to be a living document that will be refined as the government assesses progress and seeks new opportunities to meet its objectives.

The plan outlines actions already underway pursuant to the *Action Plan 2002 on Climate Change*, as well as new actions. There is a significant transportation component to each of these categories of actions, the development of which was led by Transport Canada in collaboration with

Natural Resources Canada and Environment Canada. It addresses vehicle fuel efficiency, bio-fuel such as ethanol and bio-diesel, fuel cell vehicles, urban transportation, and more efficient goods transportation. Transport Canada is leading the urban transportation and freight transportation measures already underway, and is working jointly with Natural Resources Canada on the motor vehicle fuel efficiency initiatives.

Transport Canada's contribution to the Climate Change Plan <u>Expected results</u> <u>Indicators of Progress</u>

- Enhanced stakeholder awareness of opportunities to reduce GHG emissions in the transportation sector
- Enhanced capacity to reduce GHG emissions
- Stakeholder/partner adoption of innovative practices to reduce GHG emission
- GHG reductions as a result of program participation

- Number of workshops or information sessions held
- Number of performance agreements signed
- Number of funded projects
- Number of people taking part in Urban Transportation Showcase Program information network activities
- Measurable GHG reductions related to funded projects

Transport Canada will continue to develop transportation measures under the plan, particularly in the areas of urban passenger transportation, vehicle fuel efficiency and advanced technologies, and more efficient movement of goods.

Understanding the impacts of climate change on transportation

Little is known about the current and potential impacts from climate change on transportation operations and infrastructure, and what we can do to adapt to those changes. Transport Canada will work to better understand the vulnerabilities of the transportation system to the effects of climate change and to develop effective strategies to respond to harmful impacts.

Specific initiatives that will lead to a better understanding of what climate change could mean for the transportation sector include contributing to the *Climate Change and Adaptation: a Canadian Perspective* report produced by the Government of Canada, consulting with stakeholders, and assisting in the development of the implementation plan for the national adaptation framework.



- ☐ Further information on the government's *Action* Plan 2000 on Climate Change is available at: www.climatechange.gc.ca/english/whats new/action plan.shtml
- ☐ More information on Transport Canada's Action Plan 2000 initiatives is available at: www.tc.gc.ca/programs/en vironment/climatechange/ menu.htm



4.3 Transport Canada's Management Agenda

Responsive and well-managed federal organizations, oriented to the needs of citizens and working in collaboration with other entities, are critical to the achievement of national goals. Developing excellence in these organizations requires a vision of modern public management, a frank assessment of the gaps between that vision and reality, a practical agenda for change, and a motivated workforce to bring it all together.

Transport Canada's management agenda focuses on issues that will improve the delivery of its programs and services — and results — for Canadians. Identifying strengths, weaknesses and opportunities is an important component of the agenda, reflecting the department's desire to move toward organizational effectiveness through continuous self-assessment and improvement. These management activities enable the department to meet the needs of clients and stakeholders and, most importantly, ensure Canadians obtain value for their tax dollars.

Transport Canada remains committed to the principles of modern management and continues to demonstrate considerable progress in this area. The adoption of a departmental logic model for performance measurement, the increased use of integrated planning across business lines and the introduction of service line reviews have collectively contributed to a culture change where the benefits of results-based management are better understood across the department. While there is still additional progress to be made, this is an evolutionary process and Transport Canada is working to ensure its modern management agenda is linked to, and consistent with, the broader management agenda of the federal government as described in *Results for Canadians*.

Challenges

The challenge of the management agenda is to build and maintain the capacity to achieve Transport Canada's objectives and respond to the needs and priorities of parliament, the public, central agencies and employees. The agenda addresses the key issues that affect the department's ability to deliver its programs. Consideration must be given to the breadth of our activities, as well as to alternative approaches to the resourcing and delivery of existing programs and the current environment and constraints.

Many government-wide issues are having a significant impact on our ability to deliver results. These issues include resource constraints, a competitive job market, an aging workforce, and a requirement to provide an increasing number of services to our stakeholders through the use of technology. It has also become increasingly important for the department to be able to respond effectively to any emergency or urgent situation that could arise.

The management agenda reflects the need, in an increasingly global and knowledge economy, to change the way we manage people, funds, information and technology to reflect modern workplace values and practices.

Priority Areas

Over the next few years, the department will focus its efforts in the following areas in an effort to resolve and overcome the challenges presented:

- Modern management and reporting on results
- Building capacity for the future
- Accessibility and connectivity

1. Modern Management and Reporting on Results

Developing modern management practices is one of Transport Canada's key priorities, with an emphasis on further advancing the department's approach to results-based management and reporting. Tools such as sound risk management, appropriate control systems, and performance frameworks guide managers and employees in the delivery of their programs. Through the integration of our business planning and resource allocation processes, managers have recognized the importance and effectiveness of performance frameworks and, although still evolving, frameworks are being implemented across the department.

A modern management agenda requires managers to look beyond activities and outputs to focus on outcomes — the impacts and effects of their programs. Managing for results requires attention from the beginning of an initiative to its end. It means clearly defining the results to be achieved, delivering the program or service, measuring and evaluating performance and making adjustments to improve both efficiency and effectiveness. It also means reporting on performance in ways that make sense to Canadians.

In support of Transport Canada's accountability to effective management, the department established an Audit and Review Committee, with an emphasis on providing assurance to senior management that performance measurement and other control systems are operating adequately and providing decision-makers with reliable and appropriate information.





How will we measure our success?

- Well-informed managers and employees who discharge their responsibilities more efficiently, effectively and economically.
- Investments that are linked to departmental priorities to maximize the use of available resources.
- Managers' awareness and adoption of financial management policies and results-based management practices.
- Improved awareness by partners of motive to balance services and control.
- Improved response time to requests for information.

2. Building Capacity for the Future

One of the major issues confronting the federal government is the renewal of the federal public service. With two in five employees eligible to retire by the year 2010, Transport Canada's ability to carry out its mandate is inextricably tied to its ability to recruit a vital, high-performing workforce. As a result of the anticipated number of retirements, we need to recruit new employees and we need to transfer to them the corporate knowledge that retiring employees will take with them.

In recognition of the increasing competition for professionals, the department is committed to becoming a leading employer. This will be achieved by creating a learning environment that provides employees with the experience and training to develop their skills and realize their career objectives. The creation of a learning environment also facilitates the department's capacity to affect knowledge transfer, creating a "win-win" atmosphere — employees' career aspirations are met and essential knowledge transfer is taking place to ensure the department is able to fulfill its role vis-à-vis the Canadian public and the transportation industry.

One of the government's priorities is the regulatory/inspection community, which has been identified as being "at risk" because of its demographic profile and the difficulty in recruiting these highly skilled employees. Transport Canada is the champion of the Interdepartmental Regulatory/Inspection initiative, the main goal of which is to safeguard the government's capacity to carry out its core regulatory/inspection functions. The initiative allows federal departments and inspection organizations to better communicate with one another, providing a horizontal vision of regulatory/inspection products and services offered to Canadians. It provides a meeting ground that facilitates the understanding of common problems and the exchanges necessary to develop courses of action. Over the planning period, the focus will be on creating an environment that enhances retention, recruitment and learning within the community, and building an effective regulatory/inspection community that recognizes the role of the inspectors and promotes regulatory efficiency.

It is anticipated that the pending reforms to modernize human resource management processes and legislation will significantly impact on Transport Canada in the next fiscal year and for years to come. These reforms will further enhance the department's ability to provide effective and timely human resource solutions. Progress will also continue to be made on other initiatives designed to improve human resources management in the public service including values and ethics, recruitment and retention and continuous learning.

Transport Canada is committed to ensuring that its workforce reflects the labour market availability of employment equity designated groups. To this end, the department will develop suitable programs and initiatives to ensure its workforce reflects the diverse Canadian demographic profile. The department will strive to create a workplace culture that recognizes and values the benefits of diversity and inclusiveness; the workforce will be built on merit and fair treatment of the individual.

How will we measure our success?

- An available community of competent, job-ready candidates who can compete for leadership roles in management positions.
- A diversified, qualified and competent workforce that is recognized and respected by the transportation industry.
- Increased employee job satisfaction and productivity.
- Lower employee turnover rate.
- Efficient and effective recruitment and staffing processes.

3. Accessibility and Connectivity

Managing information and technology is essential to effective program delivery; technology continues to change the way we work and how we interact with each other, with stakeholders and with the public. Our work in this area is driven by business requirements, and include improving service delivery in all parts of the department, finding new ways to meet citizens' 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. As a priority, Transport Canada will look for ways in which technology can enhance its ability to protect the safety of the traveling public and make it easier for stakeholders to do business with the department.

To respond to public demand for greater access to information and services, the Government of Canada launched the Government On-line (GOL) initiative. Transport Canada is committed to delivering services to citizens in an efficient and effective manner, and is continuing its efforts to implement on-line services. The current GOL strategic direction has been re-focused to ensure the department's investments in IM/IT, business





- ☐ Visit the Web site at:

 www.accesstotravel.gc

 .ca/main-e.asp
- For more information on GOL, visit the Web site at: www.gol-ged.gc.ca/index_e.asp

transformation and GOL are aligned to support program delivery and stakeholder needs.

To complement traditional service delivery mechanisms (face-to-face, telephone, e-mail), Canadians will have access to pertinent transportation-related information and services through the Internet. Sample on-line services will include the ability to complete required documentation to obtain licences, certifications, and registrations. Stakeholders will be able to initiate a request and track its progress through the system, making necessary changes where applicable. And, when stakeholders need to deal directly with Transport Canada employees, their information will be instantly and seamlessly available to the employee so that we can provide quick and efficient service.

As an example of a GOL initiative focused on external stakeholders, the department is completing the Access to Travel (ATT) web site by establishing partnerships with all provinces and territories. Expanded partnerships will allow travellers with disabilities to find useful facts and links to information sources on accessible transportation across Canada. In 2002, the ATT received a Distinction Award of Technology in Government Week in the *Managing the Human Dimensions of E-government* category.

To increase operational efficiency, streamline processes, and allow for stakeholders and suppliers to better interact with the department, Transport Canada will take advantage of technology to advance electronic solutions to tendering, purchasing, payments and billing. The department is implementing a web-based financial system that will allow it to benefit from these new approaches to doing business.

How will we measure our success?

- More efficient use of systems and infrastructure.
- Transformation of business processes through the use of information technology.
- Provision of the required information in the right format at the right time to employees who are authorized to see it.
- Effective and efficient delivery of program services to external stakeholders.

Annex 1 — Financial Tables

Table 1 — Net Cost of Program for the Estimates Year

Total Department (\$000's)	2003-2004
Gross Planned Spending	1,932,025
Plus: Services received without charge:	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	30,209
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	22,216
Workman's compensation coverage provided by Human Resources Development Canada (HRDC)	4,166
Salary and associated expenditures of legal services provided by	5.27 0
Justice Canada	5,278 61,869
	· · · · · · · · · · · · · · · · · · ·
Gross Program Cost	1,993,894
Less:	
Respendable Revenue	339,277
Non-respendable Revenue	26,746
Net Cost of Program	1,627,871

Due to rounding, columns may not add to totals shown

Table 2 — Summary of Capital Spending by Business Line

Business Line (\$000's)	Forecast Spending 2002-2003 ¹	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Policy	825	4,149	3,835	4,095
Programs and Divestiture	22,711	41,461	44,645	40,560
Safety and Security	16,646	18,111	19,606	19,329
Departmental Administration	16,001	20,343	17,214	21,016
Total Capital Spending	56,183	84,064	85,300	85,000

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

^{1.} Reflects best forecast of planned spending to the end of the fiscal year.

Table 3 — Details on Major Capital Project Spending

All capital projects with a total estimated cost (TEC) of over \$5 million are listed below as well as all planned environmental projects over \$2 million.

Business Line		Forecast	Planned	Planned	Planned	Future
	Forecast	Spending to	Spending	Spending	Spending	Years'
(\$000's)	TEC	Mar 31 2003	2003-04	2004-05	2005-06	Spending
Policy						
All Policy projects			4,14 9	3,835	4,095	
Total Policy			4,14 9	3,835	4,095	
Programs and Divestiture (P&D)						
Stephenville,						
Newfoundland						
 Environmental 						
remediation (S-DA)	2,714	2,588	126	-	-	-
Blanc Sablon, Quebec						
 Reconstruct Wharf 						
(S-DA)	10,601	942	8,477	1,182	-	-
Iles-de- la- Madeleine						
Quebec						
 Rehabilitate movement 						
areas and parking	<i>((7</i> 2)	1 420	5 22 4			
(S-DA)	6,672	1,438	5,234	-	-	-
Havre ST. Pierre, Quebec						
Reconstruct wharf (LDA)	7 720	250	2 007	2 001	390	
(I-DA)	7,728	350	3,987	3,001	390	-
Pickering , Ontario Mould remediation						
(S-DA)	3,754	2,219	888	647	_	_
(S-DA)	3,734	2,21)	000	0+7		
Fort Nelson, British						
Columbia						
 Remediation per EBS 	8,998	5,071	1,657	1,743	527	-
(S-DA)						
Landfill Remediation	4.00.5	4.505				
Escarpment (S-DA)	4,996	4,795	75	63	63	-
Other P&D projects			21,017	38,009	39,580	
Total P&D			41,461	44,645	40,560	
Safety and Security (S&S)						
Headquarters						
 Purchase and upgrade 						
equipment and facilities-						
Blainville MVTC	0.577	1.050	2 (55	1 (22	1 (10	1.010
(S-DA)	9,577	1,858	2,655	1,633	1,619	1,812
• JT15D-4 engine	6.001	2.701	1 700	750	1 000	740
overhauls (S-DA)	6,981	2,791	1,700	750	1,000	740
Replace King Air Flight Training Daviss						
Training Device	8,949	150	7,023	1,776		
(S-DA)	0,747	130	1,043	1,//0		

(Continued on next page)

Details on Major Capital Project Spending (continued)

Business Line		Forecast	Planned	Planned	Planned	Future
	Forecast	Spending to	Spending	Spending	Spending	Years'
(\$000's)	TEC	Mar 31 2003	2003-04	2004-05	2005-06	Spending
Moncton, New Brunswick						
• Construct Hangar (I-DA)	7,654	313	2,500	4,841	-	-
Other S&S projects			4,233	10,606	16,710	
Total S&S			18,111	19,606	19,329	
Departmental Administration (DA) Headquarters						
 Lifecycle Infrastructure replacement (S-DA) Oracle Release 11i 	6,426	4,195	2,231	-	-	-
(S-DA)	14,684	3,945	7,595	3,144	_	_
Other DA projects			10,517	14,070	21,016	
Total DA			20,343	17,214	21,016	
Total Capital Spending			84,064	85,300	85,000	

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

Table 4 — Summary of Transfer Payment Spending by Business Line

Business Line (\$000's)	Forecast Spending 2002-2003 ¹	Planned Spending 2003-2004 ²	Planned Spending 2004-2005	Planned Spending 2005-2006
Grants				
Policy	23,377	23,987	23,987	23,987
Programs and Divestiture		-	-	-
Safety and Security	100	-	-	-
Departmental Administration	_	-	-	_
Total Grants	23,477	23,987	23,987	23,987
Contributions				
Policy	42,030	46,731	45,806	41,506
Programs and Divestiture	216,771	366,007	303,332	262,623
Safety and Security	42,268	18,523	8,080	8,080
Departmental Administration		-	-	
Total Contributions	301,069	431,261	357,218	312,209
Total Transfer Payments	324,546	455,248	381,205	336,196

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

^{1.} Reflects best forecast of planned spending to the end of the fiscal year.

^{2.} For a detail list of all grants and contributions, see the 2003-2004 Estimates Part II.

Table 5 — **Details on Transfer Payment Programs**

The following table presents information concerning each of Transport Canada's transfer payment programs for which the total estimated cost (TEC) of the program exceeds \$5 million.

Program Name	Our objective is to	And the expected results
Policy		
Grant to the Province of British Columbia for ferry and coastal freight and passenger services (ongoing program).	Assist the Province in providing ferry services in the waters of British Columbia.	Transportation links to the national surface transportation system from various regions and isolated areas of British Columbia.
Contribution for ferry and coastal passenger and freight services (ongoing program).	Monitor ferry service operations with a view to reduce operators' dependence on federal subsidies by ensuring the commercial viability of the operation through services that effectively meet demand and rates that reflect market conditions.	Safe, reliable and affordable ferry services between Wood Island and Caribou; and Souris and Cap-aux-Meules.
Payment to the Canadian Wheat Board (CWB) for hopper cars for the transportation of grain in Western Canada (ongoing program).	Assist the CWB with the leasing of hopper cars.	Efficient transportation of grain in Western Canada.
Allowances to former employees of Newfoundland Railways, Steamships and Telecommunications Services transferred to Canadian National Railways (ongoing program).	Assume responsibility for that portion of the pension costs not payable by the Government of Newfoundland or Canadian National Railways for the transferred employees.	Ensure a pension income equivalent to the provincial plans at the time of transfer is accessible for the former provincial employees.
Contribution toward the Quebec Bridge Restoration Program (TEC \$6 M).	Assist CN Rail with the restoration of the Quebec Bridge, which was originally built by the Government of Canada in 1918.	Continued safe operation of vehicle and train traffic on the bridge.
Toronto Waterfront Revitalization Project, a project of collaboration among three levels of government (TEC \$10.1 M)	Enhance Toronto's economic vitality, social development, transportation system, housing development, and environmental sustainability.	A clean, green, vital, accessible and beautiful waterfront that will be enjoyed by city residents and welcome tourists and visitors from Canada and around the world.

(Continued on next page)

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$\textbf{Details on Transfer Payment Programs} \ (\textit{continued})$

Program Name	Our objective is to	And the expected results
Policy (continued)		
Strategic Highway Infrastructure Program – Intelligent Transportation System (TEC \$29 M)	Enhance the reliability and overall operating performance of the surface transportation system.	Improved mobility and transportation efficiencies and enhanced safety performance and sustainable transportation.
Programs and Divestiture		
Contributions for the operation of non-National Airport System (NAS) airports (ongoing program).	Provide operating subsidies to airport sites across Canada.	Safe operations at non-NAS airports not yet transferred.
Airports Capital Assistance Program (maximum of \$190 M over five years, ending in 2005-06).	Assist eligible airports in financing capital projects.	Safe operations, protection of assets, and reduced costs at non-NAS airports.
Contributions to the province of New Brunswick toward highway improvements to enhance overall efficiency and promote safety while encouraging regional, industrial development and tourism (TEC \$338 M).	Participate in joint federal-provincial financing of the construction, strengthening and improvement of certain highway links and roads.	Improved transportation safety.
Contributions to the province of Quebec related to the Outaouais Road Development Agreement toward highway improvements to enhance overall efficiency and promote safety while encouraging regional, industrial development and tourism (ongoing program).	Participate in joint federal-provincial financing of the construction, strengthening and improvement of certain highway links and roads.	Improved transportation safety.
Trans-Canada Highway (TCH) Agreement — Newfoundland (TEC \$395 M).	Construct links of the TCH in Newfoundland and Labrador in exchange for the termination of rail operations in the province.	Strengthened and improved TCH in Newfoundland and Labrador.
(S) Northumberland Strait Crossing subsidy payment (ongoing program).	Honour constitutional obligation to provide transportation link between Prince Edward Island and the mainland.	Continuous and efficient year-round transportation provided for people and goods between Prince Edward Island and the mainland.

(Continued on next page)

Details on Transfer Payment Programs (continued)

Program Name	Our objective is to	And the expected results
Programs and Divestiture (continued)		
(S) Payments to CN Rail in respect of the termination of tolls on the Victoria Bridge in Montreal, and for the rehabilitation work on the roadway portion of the bridge (ongoing program).	Compensate CN for the federal decision to remove tolls, and to contribute to a major rehabilitation of the roadway portion of the bridge.	Defray negative impact on CN's revenues of the removal of the tolls and support safe operation of vehicles on the bridge and approaches.
Strategic Highway Infrastructure Program – Highway Component (TEC \$485 M)	Provide funding for provincial highway projects to address the needs of Canada's National Highway System.	Improved mobility and transportation efficiencies and enhanced safety performance.
Strategic Highway Infrastructure Program – Border Crossing (Planning and Integration) (TEC \$68 M)	Enhance the reliability and overall operating performance of the surface transportation system.	Improved mobility and transportation efficiencies and enhanced safety performance.
Action Plan 2000 for Climate Change (TEC \$40.2 M)	Reduce the growth of greenhouse gas (GHG) emissions from the transportation sector.	Adoption of more energy-efficient transportation and land use, and the capacity to reduce GHG emissions. The take-up of innovative technologies and best practices related to the reduction of GHG.
Safety and Security		
Payments in support of crossing improvements approved under the <i>Railway Safety Act</i> (ongoing program).	Provide assistance to railway companies and/or road authorities to carry out works to improve safety at public road/railway grade crossings.	Reduced risk of collisions and casualties at public road/railway grade crossings.
National Safety Code (TEC \$17.8 M).	Provide assistance to provinces and territories in support of the uniform application of the National Safety Code Standards to extraprovincial carriers.	Improved safety levels, safety monitoring capabilities, and national uniformity of standards.
Contribution to airlines for security enhancements to aeroplane cockpits (TEC \$34M).	Provide assistance to eligible applicants to help cover the cost of security modifications to existing passenger and cargo aircrafts.	Improved security levels and restoration of the public's confidence in the security of air travel and of pre-September 11 th traffic levels and growth rates.

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Table 6 — Source of Respendable and Non-respendable Revenue

Business Line (\$000's)	Forecast Spending 2002-03 ¹	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Respendable Revenue:				
Policy International cooperation contract fees Air Services Forecasts revenues	50 277	50 160	50 160	50 160
Internal revenues from Agriculture Canada for grain monitoring Miscellaneous internal and external	460	348	-	-
revenues	108	<u> </u>	=	
	895	558	210	210
Programs and Divestiture				
Harbours and ports revenues	11,643	9,126	9,092	9,092
Airports operating revenues	15,737	11,380	6,542	5,070
Airports — Lease and chattel payments	296,828	268,909	284,376	297,369
Miscellaneous internal and external revenues	1,523	327	59	31
Tevenues	-			-
	325,731	289,742	300,069	311,562
Safety and Security				
Aviation regulatory and inspection				
revenues	10,597	10,118	9,998	9,830
Aviation training revenues	614	809	809	809
Internal and external revenues for aircraft services Internal and external marine regulatory and	29,825	26,397	26,397	26,397
inspection revenues Revenues from the Registrar Imported	8,242	7,329	7,059	6,909
Vehicles Program Lease payments from the Motor Vehicle	1,005	475	475	475
Test Centre	280	280	280	280
Shortline rail inspection revenues	66	63	63	63
Internal and external revenues from				
research and development activities	5,421	2,420	2,420	2,420
Miscellaneous internal and external revenues	645	35	35	35
revenues				-
	56,695	47,926	47,536	47,218

(Continued on next page)

Source of Respendable and Non-respendable Revenue (continued)

	Forecast	Planned	Planned	Planned
Business Line	Spending	Spending	Spending	Spending
(\$000's)	$2002-03^{1}$	2003-04	2004-05	2005-06
Departmental administration				
Internal and external rental and concession				
revenues	968	932	932	932
Miscellaneous internal and external				
revenues	618	119	119	119
	1,586	1,051	1,051	1,051
Total Respendable Revenue	384,907	339,277	348,866	360,041
Non-respendable Revenue:				
Policy				
Hopper car leases	12,000	12,000	12,000	12,000
Programs and Divestiture				
Non-navigational assets — St. Lawrence	4,500	4,300	4,300	4,300
Seaway				
Port sales and chattels	375	-	-	_
Canada Port Authority stipends	10,233	10,446	10,862	10,815
Total Non-respendable Revenue	27,108	26,746	27,162	27,115
Total Revenues	412,015	366,023	376,028	387,156

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

Note: Internal revenues are those collected from within the federal government, from other departments and agencies. External revenues are those collected from outside the federal government.

1. Reflects best forecast of planned spending to the end of the fiscal year.

Table 7 — Loans, Investments and Advances

This table reflects the expected outstanding balances on loans owed to Transport Canada at the end of each fiscal year.

Business Line (\$000's)	Forecast Spending 2002-2003 ¹	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Programs and Divestiture				
Loan to Saint John Harbour Bridge Authority	24,152	23,152	22,152	21,152
Loans assumed from the former St. Lawrence Seaway Authority	715	686	655	624
Total Outstanding Loan Balance	24,867	23,838	22,807	21,776

Due to rounding, columns may not add to totals shown

^{1.} Reflects best forecast to the end of the fiscal year.

 $Table\ 8 - Main\ Estimates\ Spending\ Authority$

		Main E	stimates
Vote	(\$000's)	2003-04	2002-03
	Budgetary		
1	Operating expenditures	193,798	97,092
5	Capital expenditures	82,264	104,000
10	Grants and Contributions	401,548	376,347
15	Payments to the Jacques Cartier and Champlain Bridges Inc.	33,345	83,740
20	Payments to Marine Atlantic Inc.	25,095	32,949
25	Payments to VIA Rail Canada Inc.	266,201	255,701
30	Payments to the Canadian Air Transport Security Authority	459,676	-
35	Payment to the Queens Quay West Land Corporation	4,000	-
40	Payments to Old Port of Montreal Corporation Inc.	-	-
(S)	Minister of Transport — Salary and motor car allowances	67	65
(S)	Payments to Canadian National Railway Company — Victoria Bridge, Montreal	3,300	3,300
(S)	Contributions to employee benefit plans	58,464	52,972
(S)	Payments in respect of St. Lawrence Seaway agreements	1,900	1,900
(S)	Northumberland Strait Crossing subsidy payment	50,400	49,900
	Total Department	1,580,058	1,057,966

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

Annex 2 — Our Business Lines

	Objective	Activities	Resources
Policy	To develop and implement transportation policies and legislative changes which contribute to a competitive, efficient and effective Canadian transportation system.	Establishes the policy and legislative framework for all federally regulated modes of transportation. The business line also monitors and analyses the transportation system, reports on the state of transportation in Canada, 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.	\$ 396 million 203 Full-time equivalents
Programs and Divestiture	To develop and manage programs and strategies, including divestiture and post-divestiture stewardship, which best contribute to a safe, effective, and efficient transportation system based on sustainable development principles.	Plays a substantial stewardship role in addition to negotiating the divestiture of ports and airports. It operates sites until they are transferred, administers highway and bridge programs, carries out landlord and monitoring functions in respect to airports, ports, 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.	\$ 256 million 384 Full-time equivalents
Safety and Security	To promote the safety and security of the national transportation system.	Develops national legislation, regulations and standards, and carries out monitoring, testing, inspection, enforcement, education and research and development activities to promote safety and security in all transportation modes. It also develops emergency preparedness plans, ensures security of persons working in restricted areas of airports, and delivers aircraft services to government and other transportation bodies.	\$ 813 million 3087 Full-time equivalents
Departmental Administration	To provide efficient and effective support services that respond to departmental needs	Establishes the department's administrative accountability framework, and supports the department's other business lines by providing essential services that include financial, administrative, human resources, information management/information technology, internal and external communications, legal and executive.	\$ 128 million 883 Full-time equivalents

Annex 3 — Our Office Locations

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