

Transport Canada

2005-2006

Departmental Performance Report

The Honourable Lawrence Cannon, P.C., M.P.
Minister of Transport, Infrastructure and Communities

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SECTION I – OVERVIEW

1.1 Minister's Message

As Canada's Minister of Transport, Infrastructure and Communities, I am pleased to submit Transport Canada's *Departmental Performance Report* for the period ending March 31, 2006.

On February 6, 2006, Transport Canada, Infrastructure Canada, and sixteen Crown corporations were brought together in a single portfolio under my leadership as Minister of Transport, Infrastructure and Communities. The portfolio is a point of convergence for some of the most important issues facing Canada today: transportation safety and security; productivity; environmental sustainability; and the quality of life in our cities and communities.



The various tools and policy levers available in this portfolio offer great potential to develop policies and actions to enhance Canada's economic competitiveness and our quality of life. It is from the vantage point of this newly integrated portfolio that I can reflect with pride on Transport Canada's accomplishments during the 2005-2006 fiscal year, and look forward to future opportunities to develop and expand the scope of our work by leveraging the potential of this integrated portfolio.

For example, through the Strategic Highway Infrastructure Program, Transport Canada contributed towards the development of an efficient and integrated transportation system. In 2005-2006, \$138 million was invested in highways and \$12 million in border infrastructure to support major capital improvements for Canada's National Highway System. In addition, Transport Canada invested \$1 million to support fourteen studies that will advance modal integration and transportation planning in urban areas and along transportation corridors. In the future, our capacity to undertake such work through an integrated portfolio will be greatly enhanced.

Transport Canada has also taken important steps to encourage industry to participate in the growth of innovation and efficiency in the transportation sector by supporting the demonstration of new technologies. With Transport Canada's support, provincial, municipal and industry stakeholders completed sixteen Intelligent Transportation System (ITS) projects in 2005-2006, including a demonstration of a prototype management system for oversize vehicles, the implementation of road weather information systems and the development of intelligent sign management systems. The innovative technology supported through Transport Canada's ITS Plan improves the safety, efficiency and competitiveness of the transportation system, creating the potential for improved social, economic and environmental results in the future.

This *Departmental Performance Report* highlights the critical role played by transportation in almost every aspect of our social and economic interactions as Canadians. I am proud to share in the responsibility for optimizing these interactions through the integrated transport, infrastructure and communities portfolio.

The Honourable Lawrence Cannon, P.C., M.P.
Minister of Transport, Infrastructure and Communities

1.2 Management Representation Statement

I submit for tabling in Parliament, the 2005-2006 Departmental Performance Report (DPR) for Transport Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the preparation of Part III of the 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board of Canada Secretariat guidance document;
- It is based on the department's approved Program Activity Architecture structure as reflected in its Management, Resources and Results Structure;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: Louis Ranger

Title: Deputy Minister of Transport, Infrastructure and Communities

1.3 Summary Information

1.3.1 Raison d'être

Transport Canada is responsible for the transportation policies and programs 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.

Our Vision . . .

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

Our vision of a sustainable transportation system — one that integrates and finds the right balance among social, economic and environmental objectives — is guided by the following principles:

- Highest practicable safety and security of life and property — guided by performance-based standards and regulations when necessary;
- Efficient movement of people and goods to support economic prosperity and a sustainable quality of life — based on competitive markets and targeted use of regulation and government funding; and,
- Respect for the environmental legacy of future generations of Canadians — guided by environmental assessment and planning processes in transportation decisions and selective use of regulation and government funding.

Our Mission . . .

To serve the public interest through the promotion of a safe and secure, efficient and environmentally responsible transportation system in Canada

To succeed in its mission, Transport Canada is committed to being a world-leading organization that:

- Develops and implements effective policies, programs, and legislative and regulatory frameworks;
- Works in partnership with other governments, industry and stakeholders;
- Is recognized as a progressive, effective and accountable organization; and
- Sustains a healthy and productive work environment that values professional excellence, teamwork, open communication, diversity, continuous learning and mutual respect.

Legislative Mandate

In Canada, all three levels of government have some responsibility for the country's transportation system. In support of its *Vision and Mission*, Transport Canada delivers its programs and services under numerous legislative and constitutional authorities.

A full listing of the legislation administered by Transport Canada can be found at <http://www.tc.gc.ca/acts-regulations/listofacts/menu.htm>.

Some of the Legislation governing Transport Canada:

- *Department of Transport Act*
- *Canada Transportation Act*
- *Aeronautics Act*
- *Canada Marine Act*
- *Canada Shipping Act*
- *Navigable Waters Protection Act*
- *Railway Safety Act*
- *Transportation of Dangerous Goods Act, 1992*
- *Motor Vehicle Safety Act*
- *Canadian Air Transport Security Authority Act*
- *Marine Transportation Security Act*

1.3.2 Planning for Results

STRATEGIC OUTCOMES

Transport Canada is committed to delivering results to Canadians.

- A *safe and secure* transportation system that contributes to Canada's social development and security objectives;
- An *efficient* transportation system that contributes to Canada's economic growth and trade objectives; and
- An *environmentally responsible* transportation system that contributes to Canada's sustainable development objectives.

PROGRAM PRIORITIES

Transport Canada's vision of a sustainable transportation system — one that integrates and seeks the correct balance among social, economic and environmental objectives — is based on three strategic outcomes and articulated in nine program priorities that guide the development, implementation and measurement of its activities:

Strategic Outcome: A safe and secure transportation system that contributes to Canada's social development and security objectives

- New Security Policies and Programs
- Smart Regulation
- Safety and Security Management Systems

Strategic Outcome: An efficient transportation system that contributes to Canada's economic growth and trade objectives

- Market-based Policy Framework
- Infrastructure, Gateways and Trade Corridors
- Innovation

Strategic Outcome: An environmentally responsible transportation system that contributes to Canada's sustainable development objectives

- Climate Change
- Environmental Assessment
- Environmental Protection and Remediation

1.3.3 Summary Tables

The following tables present the resources needed in 2005-06 to deliver Transport Canada's programs and services for the benefits of Canadians:

Total Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
\$1,498,768	\$1,658,760	\$1,574,165

Total Human Resources (Full time equivalents/FTEs)

Planned	Actual	Difference
4,956	4,873	83

Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments

Government of Canada outcomes ¹	Strategic Outcomes			Program priorities	Program activities	Expected results	RPP 2005-06 commitments	Results achieved in 2005-06 (or progress made)	Performance status	Explanation if expected result is not met / Corrective actions that will be taken
	Safe and Secure	Efficient	Environ. Resp.							
1	√			New Security Policies and Programs Type: ongoing	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Strengthened marine security regime	Six-point Marine Security Action Plan	Continued to interdepartmentally coordinate efforts to progress ongoing marine security measures and to achieve the goals established by the National Security Policy and its six-point Marine Security Action Plan. Also established the International Marine Security Strategy and established the International Marine Security Action Plan.	Ongoing	
						Enhanced security in aviation, including air cargo	Passenger Protect Program (formerly marked as Canadian Air Passenger Assessment Program)	Worked with aviation stakeholders, civil liberties and community groups to complete the program design, with expected implementation in 2006.	Successfully met goals for this year; initiative ongoing	
							Air Cargo	Budget 2006 announced the design and pilot testing of an air cargo security initiative; project will be ongoing over the next three years.	Successfully met goals for this year; initiative ongoing	
						Enhanced aviation security regulation	New or revised aviation security regulations	Developed new or revised aviation security regulations including 100% hold baggage screening requirements and amended the prohibited items list and the requirements to ask security screening questions, responding to the ICAO security audit.	Successfully met goals for this year; initiative ongoing	

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	Safe and Secure	Efficient	Environ. Resp.							
						Enhanced emergency preparedness and counterterrorism capabilities	Participation in NATO activities and international emergency response planning, training and exercises, including responses to chemical, biological, radiological or nuclear (CBRN) emergencies	Shared information and best practices; Increased capabilities to respond to a CBRN incident; Established a database of industrial emergency responders, their capabilities relating to specific products, and geographical areas of response; Provided industrial responders with additional awareness training.	Successfully met goals for this year	
								Made significant progress in new international harmonization initiatives including participating in the trilateral Canada-U.S.-Mexico discussions on the Security and Prosperity Partnership Program.	Successfully met goals for this year; initiative ongoing	
						Improved transportation policies, regulations and enforcement activities	Transportation Security Action Plan (TSAP, formerly Transportation Security Strategy)	Conducted and nearly completed stakeholder consultations for the development of the TSAP, which will identify security priorities and outline an action plan for the next 5 to 7 years, Publication of the plan is expected in 2006.	Successfully met goals for this year; initiative ongoing	

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	Safe and Secure	Efficient	Environ. Resp.							
							Rail and Mass Transit intelligence network	Expanded, in support of better outreach, the rail information-sharing network to include major urban transit authorities.	Successfully met goals for this year	
						Improved security background check requirements	Cooperation with the United States (U.S.)	As a result of the work with the Canadian Border Service Agency and the U.S. administration, the Canadian FAST Card will be accepted as proof that drivers registered to operate in Canada have met the new U.S. requirements (in effect August 10, 2006).	Successfully met goals for this year; initiative ongoing	
1 and 2	√	√		Smart Regulation Type: ongoing	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Regulations that reflect the needs and concerns of industry and the public	Reforms to the <i>Canada Shipping Act (CSA)</i>	Concluded the consultations for the Regulatory Reform Project's Phase 1, for the most part by the end of 2005. There were still a few individual projects under consultation, but most have finished and are now in the legal drafting phase.	Successfully met	
					and Policies, Programs and Infrastructure in support of		Review of the <i>Transportation of Dangerous Goods (TDG) Act</i>	Concluded an analysis of the issues, alternatives and solutions. Amendments to the act are expected to be proposed in the fall of 2006.	Successfully met goals for this year	

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					a market-based framework					
							Review of the <i>Motor Vehicle Safety Act</i> (MVSA)	Prepared draft Memorandum to Cabinet (MC) for MVSA and began to draft Bill.	Not met	MC for MVSA not put forward by the department for Cabinet approval due to other legislative priorities.
						Increased flexibility and innovation opportunities for industry	Performance-based aviation regulations (Safety management system regulations)	Developed new performance-based regulations for 100% hold baggage screening, with voluntary compliance in effect starting January 1, 2006. Regulations to come into effect in 2006.	Successfully met goals for this year; initiative ongoing	
								Formed an Advisory Group as a primary consultative mechanism for aviation security.	Successfully met for this year; initiative ongoing	
								Initiated preparatory work leading to a review of the aviation security framework, regulations and measures, which will be conducted over the next five years.	Successfully met goals for this year; initiative ongoing	

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								Completed initial phase of implementing performance-based aviation regulations by publishing the first series of Safety Management System regulations, which apply to specified certificate holders.	Successfully met goals for this year; initiative ongoing	
						Regulations reflect the needs and concerns of industry and the public	Advances to agreement with the automotive industry on telematic devices Consultation on terms of telematics agreement	Held multiple meetings with industry associations to negotiate a Memorandum of Understanding (MOU) on telematics. The MOU was drafted and has gone through several revisions.	Not met yet	Collaborative efforts to reach an agreement are ongoing.
						Enhanced international standards and regulations when transporting dangerous goods, enhancing safety without hindering trade	Intermediate Bulk Containers (IBCs) requirements and papers for the United Nations Sub-committee of Experts on the Transport of Dangerous Goods (UNSCETDG) meetings	Led UNSCETDG in reviewing testing requirements for IBCs that resulted in the adoption of some revisions to the Model Regulations.	Successfully met for this year; initiative ongoing	

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1 and 2	√	√		Safety and Security Management Systems Type: ongoing	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Enhanced flexibility and innovation in determining ways and means to meet requirements while improving safety	Strategic plan for the implementation of Safety Management Systems (SMS) and Security Management Systems (SeMS)	Developed a strategic plan for aviation SMS and completed initial phase of implementation for various aviation operations.	Successfully met goals for this year; initiative ongoing	
					and Policies, Programs and Infrastructure in support of a market-based framework		Pre-publication of safety management system regulations for aviation organizations in the <i>Canada Gazette</i>	Established initial levels of SMS aviation regulations through <i>Canada Gazette</i> process.	Ongoing	
							Stakeholder forum on experiences to date when implementing SMS in rail	Rescheduled stakeholder forum to future year.	Not met	
						Regulations reflect the needs and concerns of industry and the public	Review of rail SMS regulations and guidance material	Enhanced awareness and safety culture in industry.	Ongoing	

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						Enhanced marine security regime	Identification of opportunities to utilize SMS philosophy in marine security	Identified and incorporated into existing policies and procedures the foundation of SMS and core requirements for full integration.	Ongoing	
2		√		Market-based Policy Framework Type: ongoing	Policies, Programs and Infrastructure in support of a market-based framework	A competitive and viable Canadian transportation sector	Amended <i>Canada Transportation Act</i>	Prepared the draft legislation to amend the <i>Canada Transportation Act</i> for consideration by Parliament during the 2005-06 period.	Not met	Bill C-11 tabled in parliament shortly after the 2005-06 year-end on May 4, 2006; 2 nd reading of this Bill, followed by its review by Parliamentary Standing Committee, is anticipated during 2006-07.
						Better and more economic travel options	Negotiations of bilateral air transport agreements or arrangements (China and India)	Canada successfully negotiated a number of new expanded bilateral air transportation agreements, including: China (April 2005), India (July 2005), Greece (November 2005), U.S. (November 2005).	Exceeded expectations	

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						Commercial and competitive grain transportation system	Decision on disposal of fleet of grain hopper cars	In November 2005, the government announced an agreement in principle to transfer the cars to the Farmer Rail Car Coalition.	Change in policy	A detailed transfer agreement was not reached before the election. The new government subsequently announced it would retain the cars in order to maximize benefits for farmers and taxpayers.
						Protection of financial interests of passengers	New regulations for marine carriers to acquire and maintain insurance coverage sufficient to meet their liability to passengers	Drafted the regulations but they are on hold.	Not met	Due to industry concerns, the regulations will be held in abeyance pending the amendment of the <i>Marine Liability Act</i> .
						Increased information available to support sound decision-making	Data collection: Electronic Collection Air Transport Statistics (ECATS)	Successfully completed Phase 1 of the ECATS initiative. The National Roadside Survey and ECATS exercises undertaken this year will contribute to an increased understanding of the nature of trucking and air traffic in Canada.	Ongoing	

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1, 2 and 3	√	√	√	Infrastructure, Gateways and Trade Corridors Type: ongoing	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Increased investment in transportation infrastructure	New Canada Airports Act	Developed the new act during 2005-06 and tabled it as Bill C-20 in June 2006.	Ongoing	
					and Policies, Programs and Infrastructure in support of a market- based framework	Viability and competitiveness of the transportation system	New rent formula for airport authorities	Announced new airport rent formula announced in May 2005 and implemented it as of January 2006.	Ongoing	
					and Policies and Programs in support of sustainable development		Airport monitoring program, including financial viability, and database creation	Completed template and initial studies regarding financial viability. Database creation is in progress.	Ongoing	

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							Review of Airport Federal Space	Adopted a set of “guiding principles” in March 2006 for the use of accommodations in Canadian airports, and the Canada Border Services Agency agreed to update the Facilities Planning Manual.	Ongoing	
							Review of National Highway System with provinces and territories	Added 11,000 km of existing routes were added to the National Highway System based on operational and technical criteria agreed upon by federal, provincial and territorial governments.	Work ongoing to resolve outstanding issues	
						Marine sector’s economic viability is maintained	Amendments to the <i>Canada Marine Act</i>	Tabled the Bill in June 2005.	Not met	Bill died on order paper in November 2005 when the election was called.
							Comprehensive study of the future infrastructure needs of the St. Lawrence Seaway	Released the Great Lakes – St. Lawrence Seaway Study Report on Stakeholder Engagement and the corresponding response.	Ongoing	

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						End of financial support from the federal government	Options on possible private sector acquisition of Ridley Terminals inc.	Ridley Terminals Inc. (RTI) remained operational and was preserved as a going concern.	Change in policy	If anticipated coal volumes do not come on stream, the expected result will not be met. This will necessitate the need for additional contributions if the Crown wants to preserve RTI as a going concern.
						Future strategic directions for the department reflect the needs and concerns of industry and the public	Federal freight strategy	This initiative merged into a more focused analysis of specific strategic gateways and trade corridors, as a result of changing departmental and governmental priorities. Major milestone was a trade and transportation workshop hosted by Transport Canada in March 2006.	Not met	Ongoing focus on trade and transportation gateways and corridors will meet departmental needs for strategic analysis of freight issues.
						Improved Canadian commercial road and rail infrastructures	Technical input, analysis, advice on and management of projects under the Canada Strategic Infrastructure Fund (CSIF)	Started construction for most of the projects that have been announced (\$2.5 billion in federal funding).	Ongoing	

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	Safe and Secure	Efficient	Environ. Resp.							
							Technical input, analysis, advice on and management of projects under the Border Infrastructure Fund (BIF)	Started project construction at Canada's five major crossings: Windsor, Sarnia, Niagara and Fort Erie, Ontario; and Douglas, British Columbia; (\$505.1 million in federal funding).	Ongoing	
						Enhanced ability for bridges to be self-sufficient	New governance regimes of all domestic and international bridges within Transport Canada's and Infrastructure Canada's areas of responsibility	Developed approval mechanism for new international crossings and established effective oversight of existing international bridges and tunnels through Bill C-44, <i>Amendments to the Canada Transportation Act</i> , including provisions for international bridges.	Not met Bill C-44 received first and second reading then died on the Order Paper in November 2005.	The bridge provisions of Bill C-44 were pulled out to form Bill C-3 (International Bridges and Tunnels Act), which was introduced in Parliament on April 24, 2006. Bill C-3 has been approved by the House of Commons and is now before the Senate.

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								Submitted options concerning the improvement of governance and financial self-sufficiency of federal bridges. These options were not considered.	Not met	Transport Canada sought policy direction on approaches towards funding all bridges (and related assets) under the control and responsibility of the Minister of Transport. Transport Canada was directed to conduct further research and report back following the analysis.
								Concerning the improvement of the governance and financial self-sufficiency of the Confederation bridge: On January 1, 2006, a new toll structure was implemented by the Confederation Bridge operator, Strait Crossing Bridge Limited, which had been approved by the Minister of Transport.	Successfully met	

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1, 2 and 3	√	√	√	Innovation Type: ongoing	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system and	Use of R&D results to enhance the safety, security, efficiency and environmental sustainability of the Canadian transportation system	Strategic Research and Development (R&D) plan	Held internal and external consultations to form a solid policy foundation for a strategic approach to R&D. The Transportation Development Centre undertook numerous studies and research projects to support Transport Canada's mandate.	Ongoing	
					Policies, Programs and Infrastructure in support of a market- based framework and	Increased industry and public adoption of new transportation technologies Increased investment in transportation- related R&D, including ITS	Demonstration of newly developed transportation technologies	Completed 16 ITS projects, including a demonstration of a prototype management system for oversize vehicles, the implementation of road weather information systems and the development of intelligent sign management systems.	Ongoing	
					Policies and Programs in support of sustainable development			The Freight Sustainability Demonstration Program has supported the demonstration of over 30 efficiency-enhancing technologies and best practices since its inception in 2001.	Ongoing	

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						Highly skilled labour force	Transportation Skills Conference	133 participants from across industry, academia and government participated in a National Transportation Skills Development Forum in June 2005.	Ongoing	
							Training modules on the changes that will come into force under the <i>Canada Shipping Act (CSA), 2001</i>	Completed the development of necessary training modules to ensure that marine inspectors will be conversant with the changes that will come as a result of the CSA 2001 coming into force in the spring of 2007.	Successfully met	
3			√	Climate Change Type: ongoing	Policies and Programs in support of sustainable development	Reduction of greenhouse gas emissions in the transportation sector	Policies and programs in support of Canada's Climate Change commitments	Participated in the Treasury Board review of climate change programs.	Ongoing	
								Of the ten projects recommended for funding under the Freight Incentives Program, six are currently being implemented.	Ongoing	
								Completed a feasibility study to identify potential sites in Canada for the implementation of Marine shore power pilot projects.	Ongoing	

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								Transport Canada and the Air Transport Association of Canada signed a Memorandum of Understanding (MOU) on greenhouse gas emissions reduction through fuel efficiency improvement.	Ongoing	
								Hosted a marine awareness conference on technology.	Ongoing	
						Improved new cars and light truck fuel efficiency	Agreement with automakers regarding motor vehicle fuel efficiency	Developed and signed a MOU with automakers.	Successfully met goals for this year	
						Increased awareness of sustainable transportation choices	Public education through Advanced Technology Vehicles Program (ATVP)	As of March 2006, the ATVP had purchased 135 vehicles from around the world incorporating various advanced technologies. Sixty-one of these vehicles have been evaluated for on-road usability, a total of 719 track tests and 280 formal laboratory tests completed. The total number of ATVP events and promotional activities was 178 and the audience reached was estimated in the millions.	Successfully met goals for this year	

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						Reduction of greenhouse gas emissions in the rail sector	Expanded Environment Performance Agreement (Environment Canada, Railway Association of Canada and Transport Canada)	Submitted a final report entitled " <i>Present and Future Canadian Railway Activity and Emissions Profile</i> " on July 28, 2005. A Memorandum of understanding with specific targets for greenhouse gas and criteria air contaminant is in progress.	Ongoing	
2 and 3		√	√	Environmental Assessment Type: ongoing	Policies, Programs and Infrastructure in support of a market-based framework and	Managers have the information they need to perform their duties in compliance with the <i>Navigable Waters Protection Act</i>	New guidance material on environmental assessment responsibilities under the <i>Navigable Waters Protection Act</i>	Developed and distributed guidance material for proponents and staff on the requirements of the <i>Canadian Environmental Assessment Act</i> . The guide has a section dedicated to <i>Navigable Waters Protection Act</i> applicants.	Proponent guide completed, other guide ongoing	
					Policies and Programs in support of sustainable development	Environmental protection from the impacts of transportation projects	Environmental assessments (completed or initiated)	Completed 423 screenings and 2 comprehensive studies. As of April 1, 2006, 647 screenings, 18 comprehensive studies, 4 panel reviews and 6 joint-panel reviews were underway.	Ongoing	

Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments

Government of Canada outcomes ¹	Strategic Outcomes			Program priorities	Program activities	Expected results	RPP 2005-06 commitments	Results achieved in 2005-06 (or progress made)	Performance status	Explanation if expected result is not met / Corrective actions that will be taken
	Safe and Secure	Efficient	Environ. Resp.							
3			√	Environmental Protection and Remediation Type: ongoing	Policies and Programs in support of sustainable development	Increased ability for the public to make more sustainable transportation choices	Interdepartmental collaboration to encourage the use of public transit	Transit Pass Program has enabled 81 departments and agencies in the National Capital Region to access transit passes through payroll- deducted or pre-authorized payment. The program has currently over 12,000 subscribers, including new riders.	Successfully met	
								Distributed commuter Options Guides and delivered four workshops with over 100 participants/organizations.	Met	
						Suspected contaminated sites are identified and high-risk sites are remediated/risk managed	More funding for remediation of high- risk sites through the Federal Contaminated Sites Accelerated Action Plan Fun	Continued to manage sites. In 2005-06 the department received \$13.9 million in funding from the Federal Contaminated Sites Action Plan to undertake assessments and remediation work.	Ongoing	
						Reduced frequency of illegal pollution discharges from vessels	Initiate an aggressive program to increase the effectiveness of the National Aerial Surveillance Program	Flew 1,548 dedicated patrol hours (increase of 41% from previous years); 9,724 vessels were subject to over-flights.	Successfully met goals for this year	

Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments

Government of Canada outcomes ¹	Strategic Outcomes			Program priorities	Program activities	Expected results	RPP 2005-06 commitments	Results achieved in 2005-06 (or progress made)	Performance status	Explanation if expected result is not met / Corrective actions that will be taken
	Safe and Secure	Efficient	Environ. Resp.							
						Improved quality of the marine environment	Purchase two sets of marine pollution surveillance equipment	Purchase made in 2005-06: Observed 78 pollution incidents, including 5 ship-source and 73 mystery spills. Acquired and analyzed 971 Radarsat images and detected 44 suspected pollution events.	Successfully met goals for this year	

Please note that Section II includes narratives that are not in the table "Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments" above, as they were not identified in the Report on Plans and Priorities 2005-06 but are considered worthy of mention in the Departmental Performance Report 2005-06.

Note 1: The number in the "Government of Canada Outcomes" column refers to the three outcomes below.

Transport Canada's three strategic outcomes and program priorities support the following Government of Canada outcomes as they will be presented in the next Canada's Performance report:

1. Safe and secure communities
2. A fair and secure marketplace
3. Strong economic growth

1.4 Overall Departmental Performance

As listed in the Summary of performance table above, most of the 2005-06 activities committed to in the *Report on Plans and Priorities 2005-06* progressed during the year. The achievement of one strategic outcome must be seen as a long-term process, and is the result of investment in a series of policies and programs focusing on various important aspects of the situation to improve.

The creation of the Transport, Infrastructure and Communities portfolio in February 2006, coupled with the change in government that preceded it, brought many challenges and opportunities for Transport Canada. The impact of these substantial changes can be traced throughout this *Departmental Performance Report*. On one hand, several pieces of important legislation, including long-awaited amendments to the *Canada Transportation Act* and the *Canada Marine Act*, died on the Order Paper when Parliament prorogued in November 2005. The consultation and policy development activities, which supported this work, however, will serve to enrich future legislative efforts in this regard. On the other hand, success was achieved on many other initiatives undertaken by Transport Canada in the 2005-06 fiscal year, indicating progress toward departmental strategic outcomes.

Under the strategic outcome, “An efficient transportation system that contributes to Canada’s economic growth and trade objectives”, new expanded bilateral air transportation agreements were negotiated with important trade partners such as China, India, the United States, and Greece, surpassing our own targets for progress in this area. Also, the new performance-based regulations for 100% hold baggage screening is one of a number of activities that contributed to the strategic outcome, “A safe and secure transportation system that contributes to Canada’s social development and security objectives”. Transport Canada’s third strategic outcome, “An environmentally responsible transportation system that contributes to Canada’s sustainable development objectives”, was also advanced with the development and signature of a Memorandum of Understanding with automakers regarding the motor vehicle fuel efficiency and several awareness events on sustainable transportation choices.

Aligning the outcomes of Transport Canada with those of the Government of Canada ensures that transportation decisions contribute to the success of the broader government agenda. And, in partnership with other departments, organizations and industry, the programs and services offered by Transport Canada continue to support safety and security, a strong economy and the protection of the environment objectives.

**SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY
STRATEGIC OUTCOME**

2.1 Strategic Outcome: A safe and secure transportation system that contributes to Canada’s social development and security objectives

Ultimate Result

A Safe and secure transportation system for the protection of life, health, environment and property.

Resource allocation to this strategic outcome for 2005-06 (\$ thousands):

Planned Spending	Total Authorities	Actual Spending
\$879,901	\$961,559	\$914,672

Note: The spending by Strategic Outcome includes a reallocation of departmental administration.

As displayed in the Main Estimates, the two program activities under this strategic outcome are “Policies, Rule-making, Monitoring and Outreach in support of a safe and secure transportation system” and the Crown corporation “Canadian Air Transport Security Authority”. This report provides information on the first program activity only. The Crown corporation has prepared its own annual corporate plan.

The Safety and Security program activity covers policies, rule-making, monitoring and enforcement, and outreach in support of a safe and secure transportation system. It also encompasses the development of national legislation, regulations and standards, and carries out monitoring, testing, inspection, enforcement, education and developmental activities to promote safety and security in all transportation modes. It also covers emergency preparedness plans and delivers aircraft services to government and other transportation bodies.

Transport Canada’s *2005-2006 Report on Plans and Priorities* outlined a number of important areas for the department to focus its efforts in ensuring a safe and secure transportation system. The following section provides highlights of Transport Canada’s progress in these areas by program priority.

- Program Priorities:**
- 2.1.1** New Security Policies and Programs
 - 2.1.2** Smart Regulation
 - 2.1.3** Safety and Security Management Systems

2.1.1 New Security Policies and Programs

Marine Security

During 2005-06 Transport Canada carried out key initiatives in enhancing marine security:

- Transport Canada continued its work and collaboration with the Department of National Defence in establishing the Marine Security Operation Centres (MSOCs) on the east and west coasts (i.e. in Halifax, Nova Scotia, and Victoria, British Columbia). The MSOCs will actively target vessels to ensure compliance with the ISPS Code and to help other government departments in maritime domain awareness. The Department of National Defence with Transport Canada's active support manages the MSOCs.
- Transport Canada continued to work with its international partners in harmonizing marine security, in particular with the U.S. and the International Maritime Organization (IMO). Bi-annual consultations with the Canadian Marine Advisory Committee (CMAC) were completed in 2005-06, including working groups on the development of proposed Regulations for Domestic Ferries. Transport Canada also participated at key IMO Committees for the development and agreement of regulatory requirements and establishing the training and the provision of regulatory guidance/interpretation of the Marine Transportation Security Regulations for both internal and external stakeholders.
- Transport Canada continued with its work in carrying out the Marine Security Contribution Program and granting over \$15 million in funding for security enhancements during 2005-06. The program helps fund projects for such initiatives as the purchase of surveillance equipment, including cameras and closed-circuit TV systems; improvements to dockside and perimeter security and access control, such as fencing, gates, signage and lighting; training and other port security enhancements.
- Significant progress was made in implementing the Marine Transportation Security Clearance Program including the development of the draft regulatory package. In preparation of this package, the consultative approach that had been utilized in the past continued and several sessions were held with industry, in order to present the proposed direction for the regulations and more fully understand the effect this might have on industry.

Aviation Security

In 2005-06 the department launched its new Advisory Group on Aviation Security, which acts as the primary consultative mechanism for aviation security. In addition, to augment the rigorous

security standards already in place, Transport Canada introduced or made significant progress towards developing new or enhanced security regulations, such as:

- 100 per cent hold baggage screening requirements (expected to come into effect in 2006-07, with voluntary compliance in place on January 1, 2006);
- amendments to the prohibited items list and the requirement to ask security screening questions to reflect changes in operations and risk;
- new identity screening regulations, which will complement the Canadian Passenger Protect Program (expected to come into effect in 2006-07); and
- the Restricted Area Identification Card program requirements (expected to come into effect in 2006-07).

Transport Canada also completed some preliminary analysis work needed to undertake a broad-based review of the security regulatory framework, which is expected to take place over the next five years as part of the department's Smart Regulations program.

Transport Canada has assessed the risk posed by Man-Portable Air Defence Systems (MANPADS) and a range of possible countermeasures. In 2005-06, Transport Canada continued to conduct MANPADS vulnerability assessments at a number of Canadian airports, using an approach that is consistent with international best practices.

In close cooperation with its stakeholders, Transport Canada conducted or participated in a number of awareness campaigns for the general public or employees working at key transportation-related sites including airport and air cargo handling facilities. The department is also providing significant guidance and expertise to industry partners in the development of aviation security training material, such as training to airport ground personnel.

Legislative and regulatory enhancements, awareness campaigns and industry training initiatives, international initiatives, and research and development activities have all led to increasing public confidence in aviation safety and security. Research conducted on behalf of the department concluded that:

- a majority of Canadians (64 per cent) rated the safety and security of the air mode of transportation as "high";
- the percentage of Canadians, who agree that there are sufficient security procedures in place to protect air travellers even if they cannot see them, increased by 5 percentage points from 2002 up to 71 per cent, and recent polling suggests that this percentage has further increased to 76 per cent; and
- the majority of Canadians (77 per cent) have a moderate to high confidence in the federal government's ability to prevent terrorist attacks against Canada's airports.

International Influence on Security and Emergency Preparedness

Emergency Preparedness and counterterrorism capabilities continued to be a focal point for the department in 2005-06. The department led, or collaborated on, a number of high profile training exercises to assess Canada's ability to act quickly, decisively and effectively in concert with other partners in the event of a terrorist attack, a security-related threat such as radiological contamination, or other emergencies.

Transport Canada continued to work with other federal government departments, the provinces, industry partners and other governments in order to share information and best practices, and increase capabilities to respond to potential incidents in accordance with the Chemical, Biological, Radiological or Nuclear (CBRN) Response Program for the transportation of dangerous goods. The department established a database of industrial emergency responders, their capabilities relating to specific products, and geographical areas of response. Potential industrial responders have been provided with additional awareness training, and many have expressed interest in the project. There are approximately thirty organizations participating on the CBRN Response Program on a voluntary basis at this time.

Transport Canada also continued to enhance Canada's influence and reputation on the international stage by working with organizations such as the International Civil Aviation Organization (ICAO), the European Civil Aviation Conference, the International Maritime Organization, the North Atlantic Treaty Organization (NATO), and other governments (e.g. U.S. Department of Homeland Security). An example of Transport Canada's significant international security achievements is the collaborative effort being made under the Security and Prosperity Partnership (SPP) of North America. The SPP created an unprecedented commitment between Canada, the U.S. and Mexico to enhance the security, economic well-being and quality of life for citizens of North America. Under the SPP, Transport Canada is leading or co-leading in 52 transportation security initiatives including: transportation security clearances, hold baggage screening, air cargo security, passenger assessment, critical infrastructure, and emergency response, among others. The department is making significant progress in collaborating with its Mexican and U.S. counterparts on many security policies and regulations, and all security initiatives are currently on track as a result of this continued co-operation.

Other key international security and emergency preparedness achievements include:

- Continuing to implement of the transportation-related aspects of the Smart Border Declaration and its companion 30-point action plan to improve the security of shared border services, assure the flow of people and goods, and protect the critical transportation infrastructure;
- Contributing to the counterterrorism capacity building program, through which Canada can influence and harmonize the counterterrorism efforts of other nations (e.g. sponsoring projects to secure funding for ICAO's Universal Security Audit Program and Aviation Security Awareness Training Program);

- Participating and responding to the ICAO's Universal Security Audit Program in cooperation with other countries and international agencies to enhance aviation security and align Canadian and international standards;
- Collaborating with the U.S. and other international partners such as the U.K. in major emergency preparedness and counterterrorism exercises, to assess Canada's ability to act quickly, decisively and effectively in concert with international partners in the event of a terrorist attack, security-related threat such as radiological contamination, or other emergencies; and
- Supporting the ICAO Aviation Security Awareness Training Program through the participation of subject matter experts in training workshops in the Latin America and the Caribbean regions, and sharing expertise on aviation security activities.

Surface and Multi-Modal Security

The 2004 bombing attacks in Madrid, Spain, and the July 2005 bombings in London, England, have led Canada to focus more closely on transportation security in high volume passenger transportation sectors. The passenger rail and public transit sector presents unique security challenges because it consists of extensive, open systems that move high volumes of passengers daily. Although Transport Canada has the lead responsibility for national transportation security, all partners play a role with respect to the related function of emergency management, including preparedness and response.

In November 2005, the department announced an Immediate Action Plan to address security priorities that have been identified by the Government of Canada in collaboration with its partners, to enhance security for passenger rail, public transit and ferry operations through five inter-linked, complementary components:

- Creating a new passenger rail and public transit security contribution program, called Transit-Secure, focused on commuter rail, subway and major transit systems;
- Enhancing Transport Canada's ability to provide security expertise and specialized technology assessments and coordinating the development and sharing of best practices with partners in rail and public transit security;
- Allowing domestic ferry security enhancements to be eligible for funding under Transport Canada's Marine Security Contribution Program;
- Conducting urban transit emergency preparedness exercises to be led by Public Safety and Emergency Preparedness Canada in collaboration with key jurisdictions and stakeholders; and
- Creating a new Urban Transit Task Force on intelligence, policing and response led by Public Safety and Emergency Preparedness Canada.

In 2005-06, as part of its information sharing program, Transport Canada expanded the rail information sharing network to include major urban transit authorities. The granting of security clearances permits the sharing of classified intelligence information as needed or during conference calls to discuss regulations.

With respect to multi-modal initiatives, Transport Canada continued to collaborate with the U.S. on the Canada-U.S. Cargo Security Project. This project is to evaluate technology used to track the movement of cargo containers transiting in the supply chain and detect any security breaches as they move through the transportation system.

In addition, Transport Canada, along with the Canada Border Services Agency and Natural Resources Canada, worked with the U.S. administration to ensure continued access to American markets for dangerous goods drivers (including explosives) and drivers commercially licensed in Canada. As a result of this work, the Free and Secure Trade (FAST) commercial driver card will be accepted as proof that drivers registered to operate in Canada have met the new U.S. requirements, which came into effect on August 10, 2006. In the longer-term, the Government of Canada is co-operating with the U.S. through the Security and Prosperity Partnership on background checks for transportation workers who cross the Canada-U.S. border and work in our respective countries. The department is committed to a made-in-Canada solution that will satisfy both Canadian and international requirements.

2.1.2 Smart Regulation

In 2006, Transport Canada, as a major regulatory department, played a key role in the Government of Canada's commitment to regulating smarter. In practical terms, this meant regulations that were more focused on safety and security results with targeted interventions, and that were designed, where appropriate, to give industry the flexibility to be innovative in meeting those outcomes.

Although the *Canada Shipping Act, 2001* (CSA 2001) received Royal Assent on November 1, 2001, the act does not actually come into force until the regulations needed in support of it are in place. These regulations are being addressed in two phases. In Phase 1, more than 50 existing regulations are being reformed and streamlined. In Phase 2, the remaining regulations are being modernized to be consistent with the requirements of the new act. The CSA 2001 will come into force once the regulations being developed in Phase 1 have been completed, which is expected in early 2007. Until then, the existing *Canada Shipping Act* (CSA) and its related regulations remain in full force and effect.

The CSA is the principal piece of legislation governing personal safety and environmental protection in Canada's marine sector. It applies to Canadian vessels operating anywhere and to foreign vessels operating in Canadian waters.

By way of two Orders in Council, one in December 2003 and one in March 2004, the Governor in Council, on the recommendation of the Prime Minister, transferred CSA legislative and regulatory responsibilities relating to pleasure craft safety, marine navigation services, pollution

prevention and response, and navigable waters, from Fisheries and Oceans Canada to Transport Canada.

With these added responsibilities, Transport Canada conducted cross-country public consultations throughout 2004 and 2005 on the regulations being developed in Phase 1. These consultations took place primarily at the spring and fall regional and national meetings of the Canadian Marine Advisory Council. Several of the individual projects have also been the subject of outreach sessions with stakeholders at various strategic locations across Canada. By the end of 2005, the consultations for Phase 1 had, for the most part, concluded. There were still a few individual projects under consultation, but most are now in the legal drafting phase.

Some of the streamlined regulations to come out of Phase 1 are related to issues such as administrative monetary penalties; ballast water; vessel operation restrictions; cargo fumigation and tackle; collision, competency of operators of pleasure craft; environmental response; fire safety; fishing vessel safety; heritage wreck; load lines; marine personnel; prevention of pollution from ships and for dangerous chemicals; small vessels; vessel clearance; vessel registration and tonnage. Vessel certificates; safety management; ships registry; licensing fees tariffs and appeal from detention orders have been added to the list of Phase 1 regulations, along with three minor regulations that need to be repealed. For more information on the CSA 2001 regulatory reform project, visit <http://www.tc.gc.ca/marinesafety/menu.htm>

To regulate smarter, Transport Canada had also committed to establishing safety management system regulations for aviation organizations. These regulations consist of safety goals; performance targets; risk assessments; responsibilities and authorities; rules and procedures; and monitoring and evaluation processes. Rather than telling aviation organizations how to do it, this smarter way of regulating tells them what needs to be achieved so they are able to determine how to achieve the results based on their in-depth knowledge of their own operations.

The aviation industry had also been given flexibility for innovation in services provided solely to private businesses. These aviation services have historically experienced an extremely low accident rate, and changes to the rules in 2006 have provided various parts of industry with additional opportunities to improve the efficiency of their operations by allowing operators to play a more direct role in managing their own safety systems while not compromising safety.

As reported in the *2004-2005 Departmental Performance Report*, Transport Canada has completed the initial phase of implementing Safety Management Systems (SMS) by publishing the first series of regulations, which apply to specific certificate holders. The consultation process has been completed for various parts of the subsequent phases of SMS implementation and the department is now moving towards full implementation. The implementation of the SMS program will result in improving safety through pro-active management rather than reactive compliance with regulatory requirements.

In 2005-06, an analysis of the issues, alternatives and solutions was concluded regarding the *Transportation of Dangerous Goods Act*, 1992 review. Amendments to the act are expected to be proposed in the fall of 2006. More information on the review of the *Transportation of*

Dangerous Goods Act, 1992 can be found at <http://www.tc.gc.ca/tdg/consult/actreview/menu.htm>.

While Transport Canada's goal is to enhance international standards and regulations when transporting dangerous goods, enhancing safety without hindering trade remains an important objective. In 2005-06, Transport Canada's Transport of Dangerous Goods Directorate led the United Nations Sub-committee of Experts on the Transport of Dangerous Goods in reviewing testing requirements for intermediate bulk containers (IBCs), which resulted in the adoption of some revisions to the Model Regulations that will enhance safety by tightening or, where necessary, clarifying the requirements for testing IBCs. These revisions will be adopted by the International Maritime Organization and possibly by the International Civil Aviation Organization and other international regulatory bodies, and by national authorities, thus enhancing international and domestic harmonization of requirements.

2.1.3 Safety and Security Management Systems

A safety management system (SMS) or security management system (SeMS) is a formalized framework for integrating safety or security into the daily operations of a transportation organization. It includes setting clear goals and performance targets, conducting risk assessments, establishing clear responsibilities and authorities, maintaining rules and procedures that are well documented and communicated to all employees, and regularly conducting internal inspections and evaluations. In the larger sense, this leads to a more thorough identification and resolution of potential systematic safety or security problems. Transport Canada is confident that using SMS and SeMS will make a safe and secure transportation system even safer and more secure.

The implementation of SMS involves a progressive development, and Transport Canada's Civil Aviation Directorate has adopted a phased-in approach to this implementation. The initial phase of SMS became effective through regulations in May 2005 and provided aviation organizations with the flexibility to decide how to meet the safety requirements. Following this initial phase, Transport Canada agreed to establish the Small Operator Pilot Implementation Project to address industry concerns regarding the application of SMS to smaller air operators and aviation maintenance organizations. The result of this initiative will give Transport Canada the opportunity to evaluate and determine the appropriate adjustments required to complete a series of regulations. In addition, a briefing campaign, which comprised a series of national and regional information sessions, was initiated in Spring 2005 to further educate all stakeholders. For more information on SMS in civil aviation, please visit: <http://www.tc.gc.ca/CivilAviation/SMS/menu.htm>.

Marine Transportation Safety Management Systems have been in place since 1998 when they were implemented on a worldwide basis for tankers, bulk carriers and passenger ships in international trade. In 2002, these requirements were extended to almost all vessels trading internationally and are implemented through the *Safety Management Regulations*. To date, close to 60 Canadian vessels have obtained the required statutory certification issued by classification societies on behalf of Transport Canada. Through a well established monitoring program,

Transport Canada directly monitored eight of the audits carried out by these authorized organizations, and reviewed 20 additional audit reports in 2005. Transport Canada continues to support the voluntary adoption of SMS by vessels operating in Canadian waters, and is reviewing the feasibility of implementing SMS for operators of Canadian domestic vessels, including small passenger vessels.

Transport Canada has also made progress in developing a framework outlining an approach to security management systems. Work will continue over the next year, including consultations with stakeholders. A finalized framework is expected in 2006-07, which will guide the review of the aviation security regulatory framework over the next several years.

2.2 Strategic Outcome: An efficient transportation system that contributes to Canada's economic growth and trade objectives

Ultimate Result

A transportation system that is:

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

Resource allocation to this strategic outcome for 2005-06 (\$ thousands):

Planned Spending	Total Authorities	Actual Spending
\$544,528	\$624,045	\$604,348

Note: The spending by Strategic Outcome includes a reallocation of departmental administration.

As displayed in the Main Estimates, the program activities under this strategic outcome include "Policies, Programs and Infrastructure in support of a market-based framework" and three Crown corporations: Jacques Cartier and Champlain Bridges Inc., Marine Atlantic Inc. and VIA Rail Canada Inc. This report provides information on the first program activity only. The Crown corporations have prepared their own annual corporate plans.

This program activity encompasses the development of transportation policies, legislation, programs and infrastructure support in such a manner that competition and market forces 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. Contributing activities include monitoring and analysis of the Canadian transportation system; annual reporting on the health of the system; economic studies; and the development of new policies. Transport Canada also administers airport, port, highway and bridge subsidy programs and performs landlord and monitoring functions for the department for ports, airports and air navigation system sites. Under the infrastructure element of this program activity, Transport Canada negotiates the divestiture of ports, airports and Seaway lands to local interests, and operates airports and ports until their transfer, as well as federally-owned remote airports and remote ports.

Transport Canada's 2005-2006 *Report on Plans and Priorities* outlined a number of important areas for the department to focus its efforts in contributing to an efficient transportation system. The following section provides highlights of Transport Canada's progress in these areas by program priority.

- Program Priorities:**
- 2.2.1** Market-based Policy Framework
 - 2.2.2** Infrastructure, Gateways and Trade Corridors
 - 2.2.3** Innovation

2.2.1 Market-based Policy Framework

Competition and free market forces stimulate performance and increased productivity. A robust marketplace encourages seasoned competitors and new entrants to innovate to improve services and meet the ever-changing transportation needs of Canadians. Both public and private sector investments are critical in achieving a competitive, world-class transportation system, but any government interventions should be targeted to situations where market forces are insufficient to achieve desirable outcomes. Transport Canada has been working on several fronts to support a strong and vigorous marketplace framework for our national transportation system. In many cases, these activities were directly affected by the federal election process, and the change in government. Brief updates concerning some of Transport Canada's activities over the 2005-06 fiscal year follow.

Canada Transportation Act amendments

Legislation proposing amendments to the *Canada Transportation Act* (Bill C-44) died on the Order Paper when Parliament was prorogued. The goal of Bill C-44 was to foster responsive transportation services and capacity within a stable policy framework and encourage an investment climate supporting economic growth and secure international trade. It is the intention of the new government to consult stakeholders on some proposed changes and then to proceed with amendments based primarily along the lines of the former Bill C-44. The amendments may be divided into smaller, more manageable bills in order to expedite passage.

International Air Agreements

The successful negotiation of an Open Skies air bilateral agreement with the United States in November 2005 was preceded by research, preparation and extensive consultation with stakeholders. A document entitled *Canada-United States Air Transport Agreement - Consultations with Stakeholders* was released in May 2005 and formed the basis for stakeholder discussions. Other successful negotiations resulting in expanded air service rights included China, India and Greece. Unsuccessful negotiations were held with France, the Ukraine, and Panama. All negotiations and discussions clarified Canadian expectations to the other country.

Disposal of the Federal Hopper Car Fleet

In Budget 1996, the government announced its intention to dispose of the federal fleet of railway grain hopper cars. This fleet of 12,400 cars has been used for the transportation of western Canadian grain for the past 30 years. In November 2005, the government announced an agreement in principle to transfer the cars to the Farmer Rail Car Coalition, a farmers' organization from Saskatchewan. Negotiations on the detailed transfer agreement were not completed before the election was called, however, and the transfer was not completed. The new

government subsequently announced it would retain the cars in order to maximize benefits for farmers and taxpayers.

Marine Insurance

New regulations for marine carriers to acquire and maintain insurance coverage sufficient to meet their liability to passengers have been drafted. However, they have been put on hold pending further consultations with the marine adventure tourism industry on a possible exemption. Industry concerns were raised as part of a consultation process on amendments to the *Marine Liability Act* (MLA). The regulations will be held in abeyance pending the amendment of the MLA.

Data Collection

Following a ten-month pilot project, Transport Canada initiated the Electronic Collection of Air Transportation Statistics (ECATS) program to improve the quality, scope and timeliness of air transportation statistics for policy formulation, planning and decision-making. During 2005-06, Phase I of the ECATS initiative was successfully completed. Phase I focused on operational air data collection and covered all scheduled airlines serving Canada as well as airlines operating charter services with a minimal size aircraft. Phase II will fill gaps in air cargo reporting, seek more detailed air cargo information, and expand the number airlines filing through ECATS.

In 2005-06, Transport Canada also led the development of a strategy for conducting a fourth National Roadside Survey (NRS). The NRS is a joint federal-provincial-territorial data collection and analysis project, using passive data gathering technology to provide information on trucking operations. The scope of the coverage of the trucking operations includes the National Highway System network and encompasses not only Canadian-based commercial trucking firms but also U.S.-domiciled trucking firms operating in the Canada-U.S. trade context and private trucks operated by shippers for their own account.

Aviation War Risk Liability Program

The Aviation War Risk Liability Program was introduced as an interim measure in the aftermath of September 11, 2001 to provide an indemnity for third party aviation war risk liability to Canadian air transportation companies that could not obtain suitable insurance coverage on commercially acceptable terms. The objectives of the program are to ensure business continuity and enable Canadian aviation stakeholders to maintain a level playing field with foreign equivalents. The department continues to monitor the aviation insurance market, and make adjustments to the program as appropriate.

Port Divestiture

For the past decade, Transport Canada has been transferring the ownership and operation of its regional/local and remote ports to other federal departments, provincial governments and local interests, including municipalities. The ultimate results of these port divestiture efforts contribute to transportation's role as an economic enabler. The divestiture program has placed

the operation of transferred ports in the hands of those best suited to respond to the local circumstances, contributing to a more effective and efficient transportation system.

As of March 31, 2006, Transport Canada had divested 466 (85 per cent) of its original 549 ports, which includes six transfers, and one port demolition during the 2005-06 fiscal year. These transfers have resulted in an estimated net savings to the Canadian taxpayer of \$211 million that would otherwise have been spent on operating and maintaining the ports. During 2005-06, the department contributed \$58.7 million to local interests from the Port Divestiture Fund to facilitate divestiture of the ports, bringing the total expenditure from the Fund to \$203.2 million since the beginning of the program.

The Port Divestiture Program expired on March 31, 2006, and options for the future management of Transport Canada ports are currently under review.

For more information on the Port Divestiture Program, please consult:

<http://www.tc.gc.ca/programs/ports/menu.htm>.

2.2.2 Infrastructure, Gateways and Trade Corridors

Supporting the smooth flow of people and goods as well as creating the right conditions to encourage investments in transportation infrastructure remain key areas of focus for this department. Transport Canada works in co-operation with other levels of government to ensure the viability and competitiveness of our transportation system. Strong and sustainable infrastructure is necessary to support the ever-increasing volume of trade and tourism traffic accessing Canada's highways, borders, gateways and trade corridors.

Using the "gateway" approach, we can move strategically to take advantage of the convergence of opportunities related to international commerce, geography and transportation. Its objective is to maximize the efficiency of our major trade-based gateways and corridors, and to ensure policies are coordinated in order to take full advantage of them.

Canada Airports Act

In 2005-06, Transport Canada undertook extensive consultations with major stakeholders, including airport authorities, other airport operators, air carriers, and their respective associations, to inform them of the development of a proposed Canada Airports Act. Consultations were also undertaken with provincial and territorial officials and other departments of the federal government. Consultations occurred on an ongoing basis and assisted in meeting the needs and concerns of stakeholders when developing the legislation.

Airport Rent

In May 2005, the department completed its rent review process with the introduction of a new formula that targets savings of approximately \$8 billion across all airport authorities over the life of the leases. As a result of this new policy, in the summer and fall of 2005, the department

consulted with the Canadian Airports Council and prepared amendments to the Airport Authority Ground Leases so the new Rent Policy would take effect on January 1, 2006. Eighteen of the twenty-one airport authorities decided to sign amended leases.

Monitoring the National System of Airports

Transport Canada developed a procedure to address extreme circumstances in the National Airports System. The procedure sets out the steps to determine the nature of the threat, whether the threat is to one airport or the system as a whole, who is responsible (both initially and in the mid-to long-term), and what options may be appropriate.

Work is ongoing to develop an effective and comprehensive system to monitor the National Airports System. The first stages of a program to assess the financial viability of airport authorities has been completed, resulting in the creation of a template allowing departmental officials to assess the financial health of Airport Authorities using information available to the public and provided by the Authorities themselves. To date, seven of the 21 Authorities have been assessed using this template.

Airport Federal Space Review

Federal departments are required to occupy space at international and national airports for the purposes of processing incoming international passengers and for security programs. With a few exceptions, space and facilities have been traditionally provided to federal departments at no charge, as the programs are essential to public services. Since September 11, 2001, there has been a need to increase the federal presence at airports to fulfill the government's expanded safety and security roles. As a result of discussions between the departments and agencies involved, work to achieve a degree of consistency regarding accommodation practices was undertaken. In March 2006, a set of "guiding principles" was adopted as a basis for common understanding between departments and agencies using accommodations in Canadian airports. In addition, the Canada Border Services Agency agreed to update the *Facilities Planning Manual*, which is a guidebook of standards used by the Government of Canada to plan for accommodations requirements at airports. This will address the need for consistency in the treatment of federal space requirements at airports in the future.

National Highway System

At the September 2005 meeting of the Council of Ministers responsible for Transportation and Highway Safety, the National Highway System (NHS) was increased by another existing 11,000 km. The updated NHS now consists of three distinct categories: core routes, feeder routes, and northern and remote routes. The core NHS includes the expanded NHS (approved by the Council of Ministers in September 2004) plus 600 km of key intermodal connectors and approximately 10,400 km of feeder and northern and remote routes. Overall, the NHS network has increased from just over 24,300 km in 1988 to over 38,000 km in 2005. This amounts to an overall increase of 56 per cent.

All additions and amendments to the NHS were based on detailed and agreed upon operational and technical criteria. Transport Canada performed the due diligence in all cases to ensure consistent and uniform application of the criteria across the nation.

Asia-Pacific Gateway Initiative

In October 2005, the previous government announced the Pacific Gateway Strategy, including the introduction of the Pacific Gateway Act (Bill C-68), which proposed the creation of the Pacific Gateway Council to help shape the development of the Pacific Gateway. With the dissolution of Parliament in November 2005, Bill C-68 died on the Order Paper.

The new Government remains committed to promoting the Asia-Pacific Gateway and Corridor, and Cabinet approval was secured for a new Asia-Pacific Gateway and Corridor Initiative that will emphasize early results and a more streamlined process. This includes the development of a process to arrive at long-term strategy, policy, and investment priorities for this initiative. It will strengthen Canada's competitive position in international commerce by further developing and exploiting its Asia-Pacific Gateway and Corridor.

Canada Marine Act Review

In 2004-05, the result of studies, in conjunction with the *Canada Marine Act* (CMA) review panel's recommendations, were used to guide the department's efforts with respect to amendments to the CMA. Former Bill C-61 was introduced in Parliament in June 2005, but died on the Order Paper. As a result, a revised package of amendments to the CMA is being considered in the context of the CMA review, stakeholders' reaction to Bill C-61, as well as in the context of new and emerging trends and the priorities and directions of the government and the Minister of Transport, Infrastructure and Communities. Any amendments would support a strategy to encourage competitiveness in the marine transportation sector, consider the long-term role of ports in Canada and their communities, and maintain the safety and security of Canadian waterways and ports. Transport Canada will work in partnership with other levels of government and consult with marine stakeholders before tabling a new Bill in Parliament in 2006-07.

Ridley Terminals

In February 2006, the Minister of Transport, Infrastructure and Communities announced that the Government of Canada made a public policy decision to set aside the Request for Proposal process for the divestiture of Ridley Terminals Inc. (RTI) to ensure that the long-term future operation of RTI supports industry and trade objectives. RTI will continue to be maintained as a Crown corporation. At the same time, the government rescinded the Directive prohibiting RTI from entering into any long-term agreements, in excess of 18 months, without the prior written approval of the Minister of Transport, Infrastructure and Communities. With the approval of its 2006-2010 Corporate Plan in June 2006, the corporation may now enter into long-term contracts. If the favourable coal market continues, RTI predicts to be financially viable by early 2007.

Intermodal Freight

Transport Canada's proposed freight strategy has always been part of a wider strategic commitment to transportation gateways and trade corridors. In the course of 2005-06, the freight strategy evolved into a more focused analysis of specific gateways and trade corridors, in part as a result of the emergence of the Asia-Pacific Gateway Initiative. At the same time, the focus also partially shifted to the trade aspects of transportation gateways and corridors. In March 2006, Transport Canada hosted a trade and transportation workshop to allow invited federal/provincial/territorial representatives to gather knowledge from renowned experts in the field, and to understand the challenges and opportunities for Canada and the implications for policy development. Transport Canada will pursue the discussion with the various stakeholders to improve the development and the efficiency of the intermodal freight system

Great Lakes – St. Lawrence Seaway Study

The implementation of study tasks, projects and technical analyses across a number of areas of study continued in 2005-06.

A *Report on Stakeholder Engagement*, which was publicly released in spring 2005, presents a summary of the major issues and themes raised during the course of the public meetings that were held in 2004. A detailed analysis of the major issues and themes identified was undertaken in spring 2005. Subsequently, a *Response to the Report on Stakeholder Engagement* was publicly released in summer 2005. Both reports may be found on the study website at <http://www.glsls-study.com/>. In addition, two consultative roundtable sessions were held in fall 2005, in Quebec and Cleveland, to clarify how major issues and themes are being addressed in the context of the study's tasks, projects and technical analyses. A final study report is expected by spring 2007.

Strategic Highway Infrastructure Program (SHIP)

Additional information on SHIP is available at <http://www.tc.gc.ca/SHIP/menu.htm>.

SHIP Highway Construction Component

Under the highways construction component of SHIP, 16 projects were completed in 2005-06 in various provinces and territories under the \$485 million allocation. These projects will enhance the safe and efficient movement of people and goods, support trade and economic development, and promote sustainable transportation.

SHIP Border Crossing Transportation Initiative

Under the border crossing transportation initiative of SHIP, two projects were completed in 2005-06 in British Columbia. These projects will improve safety and capacity, as well as access to the border for low risk trucks and passengers pre-screened under the Free and Secure Trade (FAST) and NEXUS programs..

The environmental assessment phase of the process to address cross-border transportation needs in the Windsor-Detroit area for the next 30 years continued throughout 2005-06 under the auspices of the Canada-U.S.-Ontario-Michigan Border Transportation Partnership. In November 2005, the list of fifteen alternative crossing options was narrowed to two options within a single area of continuing analysis. During fiscal year 2006-07, a single preferred option will be identified. These projects will ease traffic congestion and will result in a safer and more efficient highway system for all Canadians. For further project-specific details on the Windsor Gateway, please consult: <http://www.partnershipborderstudy.com/> and <http://www.tc.gc.ca/mediaroom/releases/nat/2005/05-gc003e.htm>.

SHIP Transportation Planning / Modal Integration Initiative

Transport Canada has made \$5 million available for academic research studies and applied transportation initiatives that advance transportation planning and modal integration in urban areas and along transportation corridors. The department has funded several transportation planning/modal integration (TPMI) studies in British Columbia, Alberta, Ontario, Quebec and Nova Scotia related to rapid transit links, rail corridors, supply chain, short sea shipping and goods movement studies. As well, a second call for proposals issued in November 2005 was successfully completed with the announcement, in June 2006, of 13 winning projects. These will receive federal funding of approximately \$1.0 million. To date, most of the \$5 million available for funding has been granted to 45 projects across the country. By encouraging the development of innovative approaches to transportation issues, these projects will increase the efficiency of the transportation system as a whole and improve its sustainability. For further project-specific details concerning the two TPMI call for proposals, consult: <http://www.tc.gc.ca/mediaroom/releases/nat/2004/04-h061e.htm> and <http://www.tc.gc.ca/mediaroom/releases/nat/2006/06-h057e.htm>.

Canada Strategic Infrastructure Fund and Border Infrastructure Fund

Transport Canada worked closely with Infrastructure Canada on the strategic implementation of key surface transportation infrastructure projects. \$2.6 billion in federal funding for transportation-related projects have been announced under the Canada Strategic Infrastructure Fund and negotiations with provinces, territories and municipalities are ongoing. Project construction has started for most of the projects, which will enable the safer and faster movement of people and goods on Canada's major land transportation routes; reduce production of greenhouse gases and airborne pollutants; encourage more effective urban development; increase economic activity including tourism; and encourage the use of innovative technologies and practices to minimize greenhouse gas emissions. One project was completed in Yukon.

The department also worked with Infrastructure Canada to implement projects aimed at improving border efficiency and reduced congestion. \$505.1 million in federal funding for border improvement projects have been announced under the Border Infrastructure Fund. Project construction has started at Canada's five major crossings: Windsor, Sarnia, Niagara and Fort Erie, Ontario; and Douglas, British Columbia. These projects will reduce border congestion and expand existing infrastructure capacity to support ongoing economic growth. On project was completed in the Yukon.

Airports Capital Assistance Program

The Airports Capital Assistance Program assists eligible airports with the financing of capital projects related to safety, asset protection and operating cost reduction. Between 2000-01 and 2004-05, a total of 203 projects were funded; over 99 per cent of these projects were directly related to airside safety. These projects will result in overall operating savings at airports of over \$28.5 million and have extended the life of airport assets by an average of 17 years. No case of urgent safety needs went unfunded. Treasury Board renewed the program for the period of 2005-06 to 2009-10. In 2005-06, 64 new projects were announced, totalling over \$52 million.

2.2.3 Innovation

An innovative and integrated transportation system is necessary to support Canada's success in the global marketplace. Through its innovation, research and development and skills development initiatives, Transport Canada works with other public and private sector organizations to increase the responsiveness, flexibility, and performance of the Canadian transportation sector.

Strategic Research and Development

Ongoing organizational changes in the department continue to bring Transport Canada's innovation, research and development (R&D), and policy research activities into alignment with the Government of Canada's vision of an efficient and competitive economy. A unit has been created to examine the department's overall approach to innovation and R&D from a policy perspective, and to foster relationships with other public and private sector organizations. Through academic workshops and internal consultations held throughout 2005, Transport Canada has laid the groundwork for a strategic approach to R&D management within the department.

Transportation Development Centre

R&D conducted through the Transportation Development Centre (TDC) supports the department's strategic goal of maintaining a competitive and productive transportation system that is safe, secure, and environmentally responsible. Results of TDC's research are made publicly available on the Internet at <http://www.tc.gc.ca/tdc/menu.htm>. Approximately 60 technical reports and summaries were released in 2005-06.

Major research in 2005-06 included the Highway-Railway Grade Crossing Research Program. One project under this study examined factors that contribute to collisions at farm and private crossings. A detailed causal analysis of railway trespassing, and potential countermeasures was also initiated. Other projects undertaken by the TDC in 2005-06 include planning for the operational test phase of the development of a comprehensive, integrated fatigue management program for the North American commercial motor carrier industry and a one-year pilot test to determine whether the Traffic and Criminal Software system can meet the traffic safety data

collection needs of Canadian jurisdictions and integrate effectively with existing government databases.

TDC organized the Seventh Annual Workshop on Highway-Railway Grade Crossing Research in November 2005, which drew more than 170 participants for two days of technical meetings in Montreal. The centre also played an important role in the organization of a major international conference on fatigue management in transportation operations in Seattle, Washington in September 2005. Co-sponsored by Transport Canada and the U.S. Federal Motor Carrier Safety Administration, the event drew nearly 200 researchers and representatives from government and industry.

Intelligent Transportation Systems

Intelligent Transportation System (ITS) refers to the integrated application of information processing, communications and sensor technologies to transportation infrastructure and operations that support the efficiency, safety, security, and sustainability of the transportation system. Under the Strategic Highway Infrastructure Program, \$30 million is dedicated to ITS and, to date, some \$17 million has been spent or committed. Significant progress has been made under the ITS Strategic Plan over the past year:

- Contribution agreements have been signed with 14 recipients selected under the most recent call for proposals for deployment and integration. Four projects under this call for proposals, plus two from a previous call, have been completed, including the demonstration of a prototype management system for oversize vehicles; the development of a strategic plan to guide ITS investments in Quebec; and the implementation and integration of ITS technologies to improve traffic management and traveller information at a bridge crossing;
- Seven R&D projects were completed, including the development of: intelligent sign management systems, work zone traffic management on streets and highways, and a communication driver for dynamic message sign; and
- Transport Canada has signed and announced contribution agreements with several provinces and territories including three agreements for general deployment, four agreements for Road Weather Information Systems (RWIS), and two agreements for R&D projects. Three of the previous agreements for RWIS have been completed, resulting in the implementation of 30 stations. Several components of the provincial/territorial R&D and deployment agreements have also been concluded, including the implementation of additional RWIS stations, and the creation of centres of excellence for rural and rail ITS, and ITS and Freight Security.

For more information about ITS visit: <http://www.its-sti.gc.ca/en/menu.htm>.

Skills Development

Transport Canada has continued to act as a catalyst between different levels of government, industry, academia and other stakeholders to support transportation skills development. In June 2005, Transport Canada hosted a successful National Transportation Skills Development Forum to assist stakeholders in identifying ways to address top skills development priorities. In September 2005, Transport Canada was instrumental in the establishment of a federal-provincial-territorial government Skills Development Task Force to examine skills development issues within and across jurisdictional boundaries. The department co-chairs the Task Force and is active on its sub-committees. The department also funded the expansion of the Western Transportation Advisory Council's bilingual *TranspoCity* (<http://www.transpocity.ca/>) website to promote interest in and awareness of transportation careers among Canadian youth.

Transport Canada also funded the National Training Program that is responsible for the development and administration of technical training courses for the marine inspection community. This ensures inspectors are in compliance with changing rules and regulations and are knowledgeable of the acts and regulations impacting Marine Safety. In 2005-06, the program delivered 14 courses to 175 Marine Safety inspectors across Canada. Ongoing developments include a national policy for mandatory training of inspectors prior to appointment, continued emphasis on small vessel inspections, and backup for regional inspectors when they are assisting with the delivery of training courses. In addition, the development of the necessary training modules were completed to ensure that marine inspectors will be conversant with the changes that will come as a result of the *Canada Shipping Act 2001* coming into force in the spring of 2007.

2.3 Strategic Outcome: An environmentally responsible transportation system that contributes to Canada's sustainable development objectives

Ultimate Results

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

Resource allocation to this strategic outcome for 2005-06 (\$ thousands):

Planned Spending	Total Authorities	Actual Spending
\$74,339	\$73,156	\$55,144

Note: The spending by Strategic Outcome includes a reallocation of departmental administration.

As displayed in the Main Estimates, the program activity under this strategic outcome is "Policies and Programs in support of sustainable development".

This program activity encompasses the development and implementation of programs and policies to protect the natural environment and to achieve a more sustainable transportation system in Canada.

Transport Canada's 2005-2006 *Report on Plans and Priorities* outlined a number of important areas for the department to focus its efforts in protecting the physical environment. The following section provides highlights of Transport Canada's progress in these areas by program priority.

- Program Priorities:**
- 2.3.1** Climate Change
 - 2.3.2** Environmental Assessment
 - 2.3.3** Environmental Protection and Remediation

2.3.1 Climate Change

2004-2006 Sustainable Development Strategy

Transport Canada's third Sustainable Development Strategy was tabled in Parliament on February 16, 2004. This strategy outlines the department's vision of sustainable development and its action plan for promoting a more sustainable transportation system in Canada. It defines seven challenges and 32 specific commitments for the period 2004-2006. To date, over 90 per cent of the 173 targets in the strategy are on track, complete or ongoing. In 2005-06, the department also began the process for developing the 2007-2009 Sustainable Development Strategy, which is due to be tabled in December 2006. Please see table 14 for additional information on Transport Canada's Sustainable Development Strategy. For more information, please visit <http://www.tc.gc.ca/SDS>.

Climate Change Programs

Four programs for which Transport Canada was allocated some \$60 million (Freight Efficiency and Technology Initiative, Freight Efficiency Program, Urban Transportation Showcase Program and Advanced Technology Vehicles Program) were subject to review by Treasury Board, along with some \$1 million in funding that Transport Canada received to provide support for programs led by other departments (i.e., the One-Tonne Challenge and the Climate Change Impacts and Adaptation Program). All of Transport Canada's programs rated well in the review.

On April 5, 2005, the Government of Canada and the Canadian automobile industry signed an agreement to act on climate change. Under the agreement, carmakers will voluntarily work to reduce annual greenhouse gas (GHG) emissions from light-duty vehicles by 5.3 Megatonnes (Mt) in 2010. The agreement gives consumers fuel-saving choices, focuses on immediate action to achieve GHG reductions, and provides a cost-effective solution for government, industry and consumers. Natural Resources Canada, Transport Canada, Environment Canada and Industry Canada were actively involved in this initiative.

A joint government-industry monitoring committee has been established to track the Canadian automotive industry's performance under an Memorandum of Understanding (MOU). Transport Canada, Environment Canada and Natural Resources Canada are represented on this committee. Emissions reductions will be monitored year by year, with interim goals in the years leading up to 2010. The annual reports from the committee will be available to the public, as is the MOU.

Freight Efficiency and Technology Initiative and Freight Efficiency Program

The Freight Efficiency and Technology Initiative (FETI) and the Freight Efficiency Program (FEP) have supported continuous energy-efficiency improvements through the funding of

demonstration projects and projects to purchase and install efficiency-enhancing technologies. In 2005-06, a total of eleven freight-focused projects were initiated with the signing of the programs' contribution agreements. These projects range from the demonstration of biodiesel in a marine application to the demonstration of the fuel efficiency improvements that are possible through the use of parallel diesel-electric hybrid technology in both urban and rural environments. Transport Canada committed approximately \$2.24 million towards these eleven projects in 2005-06. To date, Transport Canada has committed over \$7 million towards energy efficiency enhancing initiatives through the Freight Sustainability Demonstration Program and the Freight Incentives Program (FIP). FIP hosted its second funding deadline of which ten projects were recommended for funding. Of the ten projects, six are currently being implemented. The Freight Sustainability Demonstration Program also hosted its last funding deadline of which five projects were recommended for funding.

Transport Canada worked together with the Canadian Industrial Transportation Association (CITA), Supply Chain and Logistics Canada and industry to organize the initial components of the Shipper Awareness Program. Initial work included participation in CITA's First Confidential Benchmarking Survey. Transport Canada also completed a feasibility study to identify potential sites in Canada for the implementation of marine shore power pilot projects.

Significant progress has been made with respect to the department's work to negotiate voluntary performance agreements with industry. On June 29, 2005 the Government of Canada and the Air Transport Association of Canada signed an agreement to reduce the growth of greenhouse gas emissions in Canada's aviation sector. This agreement is the first of its kind within the aviation sector in Canada and in the world. The department also made significant strides to complete the negotiation of a similar agreement with the Railway Association of Canada and Environment Canada.

The Shipper Awareness Program is also working towards enhancing shippers' understanding of the environmental impacts of their business decisions, and improving the uptake of transportation alternatives available to them with the aim of reducing GHG emissions. In 2005-06 the department participated in the Canadian Industrial Transportation Association's first Confidential Benchmarking Survey and, in February and March 2006, four shipper focus group sessions were conducted by Supply Chain Logistics Canada on behalf of Transport Canada in Toronto, Calgary, Montreal and Moncton to gauge shippers' awareness of the environmental impacts of their transportation choices as well as identify promising methods to inform shippers about this topic.

Urban Transportation Showcase Program

The Urban Transportation Showcase Program (UTSP) is a \$40-million initiative to demonstrate and evaluate the impacts of integrated strategies to reduce GHG emissions from urban transportation. There are presently showcase demonstrations underway in five city regions (Halifax, Waterloo, Greater Toronto and Hamilton, Vancouver, and Whitehorse). The program's goals also include supporting and disseminating information on innovative approaches to sustainable transportation, which is done through the Information Network. In 2005, the program's Information Network supported two national workshop series (Transportation

Association of Canada's Sustainable Transportation Master Plan Guidelines and Association of Commuter Transportation Canada's Transportation Demand Management) and various other learning events that focused on case studies and best practices from international and Canadian projects and initiatives. Over a thousand members of the program's target group attended these sessions and workshops supported by the UTSP. Two awards programs were also supported: the Transportation Association of Canada's Sustainable Urban Transportation Award and the Federation of Canadian Municipalities' Sustainable Transportation Award. The recipients were the Canadian Institute of Transportation Engineers for its "Promoting Sustainable Transportation Through Site Design: A Proposed Recommended Practice", and the City of Vancouver for the Southeast False Creek Sustainable Transportation Strategies project.

Postcards about the UTSP, the Information Network and the ongoing showcases were designed and distributed to over a thousand contacts nationally last fall, helping to highlight the progress and lessons learned of the five demonstration showcases and other case study materials posted on the website. The program also supported the development of a best practice on Transit Priority Measures. Over a thousand copies of this publication have been distributed. For further information on the program's showcases and information network, please visit <http://www.tc.gc.ca/utsp>.

Advanced Technology Vehicles Program

The Advanced Technology Vehicles Program (ATVP), which forms part of the Motor Vehicle Fuel Efficiency Initiative, supports the achievement of a 5.3 MT voluntary light-duty vehicle GHG emissions improvement target for model year 2010. The goal of this program is to encourage the supply and consumer demand of advanced technology vehicles in Canada and to determine the viability of emerging and future technologies. As of March 2006, the ATVP had purchased 135 vehicles from around the world incorporating various advanced technologies. Sixty-one of these vehicles have been evaluated for on-road usability. A total of 719 track tests and 280 formal laboratory tests have been completed. The ATVP has undertaken 178 events and promotional activities. Millions of Canadians have participated in these events. For information about this program or upcoming events, please visit: <http://www.tc.gc.ca/auto>.

Moving On Sustainable Transportation

The Moving On Sustainable Transportation (MOST) program is a key departmental initiative for supporting innovative, community-based, sustainable transportation projects to facilitate a transition to a more sustainable transportation system. The projects funded addressed a wide range of sustainable transportation issues such as active transportation, public transit, urban planning and smart growth, and transportation demand management programs.

An evaluation that was conducted in January 2006 found that:

- The MOST Program is aligned with current government priorities for the environment and strives to encourage Canadians to make more sustainable transportation choices.

- There is an on-going demand for the MOST Program from stakeholders as well as a demand for longer-term funding for sustainable transportation projects.
- There is a legitimate and necessary role for government in the MOST Program. It is the only Canadian federal contribution program that is dedicated to providing contributions for sustainable transportation projects.

To learn more about the program, please visit <http://www.tc.gc.ca/>. More information on findings relating to the success of the program is available at <http://www.tc.gc.ca/programmevaluation/reports/menu.htm>.

One-Tonne Challenge

The One-Tonne Challenge was a three-year social marketing climate change initiative that encouraged Canadians to reduce their personal GHG emissions by one tonne. Transport Canada provided expert advice on transportation issues to help the lead departments, Environment Canada and Natural Resources Canada, design and implement the One-Tonne Challenge marketing campaign. As well, Transport Canada developed content on sustainable transportation, active transportation and urban transportation for communications and web-based products, and played a significant role in securing strategic partnerships with private stakeholders active in the transportation sector. The department also developed and implemented an innovative internal communications plan to raise awareness of the One-Tonne Challenge among its employees.

Impacts and Adaptation

There are many studies underway to determine the potential impacts of climate change and the actions that Canadians could take to adapt to these impacts while reducing adverse effects. In this context, Transport Canada continues to work to better understand the vulnerabilities of the transportation system and to develop effective strategies to respond to negative impacts. The department has continued to work with other federal government departments to develop an effective policy framework with respect to climate change impacts and adaptation.

Fuel Consumption Program

The role of the Fuel Consumption Program (FCP) is to administer the voluntary Government/Industry Fuel Consumption Program. The program is expected to result in increased public awareness of vehicle fuel efficiency and more fuel-efficient new light duty vehicles in Canada. Performance will be measured through the continued maintenance of the Vehicle Fuel Economy Information System; numerical audits of data submitted by manufacturer; confirmatory tests of a limited sample of new motor vehicles; and initiatives to inform the Canadian public about low carbon fuels and fuel-efficient vehicles through the Fuel Consumption Guide and other means. In 2006-07, Transport Canada will be seeking the resources necessary to strengthen both the Advanced Technology Vehicles Program and the FCP, and to place them on a more sustainable footing.

Study and Agreement for the Rail Industry

A study was undertaken by the Railway Association of Canada (RAC) to make projections regarding the possible outcomes from the Memorandum of Understanding (MOU) in terms of GHG and Criteria Air Contaminant (CAC) reductions. A final report entitled “*Present and Future Canadian Railway Activity and Emissions Profile*” was submitted on July 28, 2005. The report considered four potential railway business scenarios, and included assumptions regarding traffic growth, locomotive replacement rate, and engine rebuilding activity versus energy efficiency improvements.

On September 7, 2005, RAC presented to government officials a draft MOU with specific targets for GHG and CAC. Negotiations continued, into the fall, between Transport Canada, Environment Canada and the Railway Association of Canada with the goal to finalize the MOU. Work continues in this area.

2.3.2 Environmental Assessment

On March 29, 2004, responsibility for the Navigable Waters Protection Program was transferred from Fisheries and Oceans Canada to Transport Canada. Certain approvals under the *Navigable Waters Protection Act* (NWPA) trigger the need for an environmental assessment under the *Canadian Environmental Assessment Act*. Transport Canada is now responsible for ensuring that these environmental assessments are carried out and for approving them.

Since that time, both the number of environmental assessments completed and the number of environmental assessments underway have increased significantly due to the NWPA transfer. This increase has significant resource implications for the department. During 2005-06, a new guide titled “*Proponents’ Guide to Environmental Assessment Pursuant to the Canadian Environmental Assessment Act*” was developed to reflect the environmental assessment requirements for proponents. This guide has a specific section for the *Navigable Waters Protection Act* applicants. The department will continue to monitor how many environmental assessments are completed or initiated each fiscal year. For more information, please visit <http://www.tc.gc.ca/programs/environment/environmentalassessment/menu.htm>.

2.3.3 Environmental Protection and Remediation

In January 2005, with the support of the Federal House in Order initiative, Transport Canada invited 92 departments and agencies to join the Transit Pass Program in the National Capital Region (NCR). Since that time, the department’s Transit Pass Program Office has been working with departments and agencies in the NCR to introduce the program and allow employees to access discounted transit passes through payroll deduction or pre-authorized payment. As of April 2006, 81 departments and agencies had successfully joined the program, with over 12,000 employees enjoying the benefits of an annual transit pass with a convenient payment method.

Transport Canada also continued to promote “*Commuter Options: The Complete Guide for Canadian Employers*”. The guide is available through Transport Canada’s website and is marketed with promotional material, through partners like the Association of Commuter Transportation Canada, and through departmental workshops. Four workshops were delivered in 2005-06 in Burlington, Richmond Hill, Winnipeg and Calgary with over 100 participants/organizations.

Transport Canada continues to undertake work as detailed in its Contaminated Sites Management Plan in support of the department’s commitment to manage its sites in a responsible manner. During 2005-06, Transport Canada spent \$22.0 million on the assessment and remediation/risk management of contaminated sites. This includes \$13.9 million from the Federal Contaminated Sites Accelerated Action Plan (FCSAP). FCSAP funding was provided for four remediation and eight assessment projects. For more information, please visit <http://www.tc.gc.ca/programs/environment/contaminatedsites/menu.htm>.

Transport Canada initiated an aggressive program to increase the effectiveness of its National Aerial Surveillance Program in order to reduce the frequency of illegal pollution discharges from vessels. The expected result of this program is to further protect the oceans from any adverse effects of shipping by increasing patrols, improving surveillance measures and modernizing detection equipment. In 2005-06, Transport Canada purchased two pieces of state of the art marine pollution surveillance equipment. One patrol aircraft operating on Canada’s East Coast is being outfitted with this equipment. A second aircraft is currently being sought and will be equipped to patrol Canada’s West Coast. In addition, Transport Canada increased the number of pollution surveillance patrol hours from an average of 1,100 hours per year to 1,548 hours in 2005-06, an increase of 41 per cent.

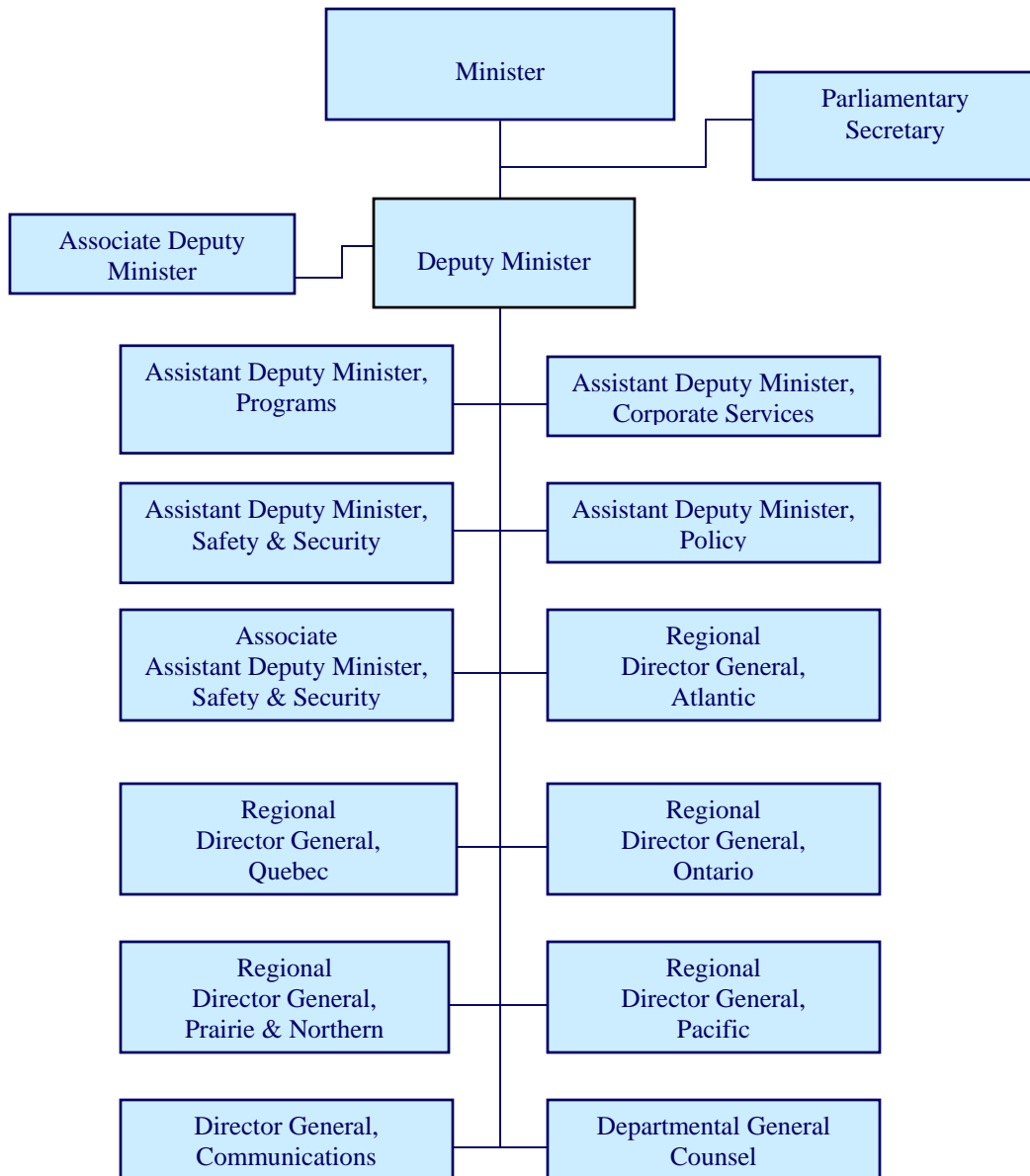
Transport Canada continued to work towards reducing greenhouse gas emissions in the rail sector. Specifically, it worked with Environment Canada and the Railway Association of Canada on expanding the existing Environmental Performance Agreement to include more effective plans and targets to reduce greenhouse gas emissions, and control over toxic emissions.

SECTION III – SUPPLEMENTARY INFORMATION

3.1 Organizational Information

At Transport Canada headquarters, five Assistant Deputy Ministers — Policy, Programs, Corporate Services, Safety and Security, and one Associate Assistant Deputy Minister, Safety and Security — report to the Deputy Minister, in addition to Corporate Management comprising the Communications Group and Departmental General Counsel and an Associate Deputy Minister. Five Regional Directors General — Atlantic, Quebec, Ontario, Prairie and Northern, and Pacific — also report directly to the Deputy Minister. Each of these organizational heads is accountable for the management of his/her organization and for the delivery of results associated to the program activities as set out in the Program Activity Architecture.

DEPARTMENTAL ORGANIZATION CHART



3.2 Financial Tables

Table 1: Comparison of Planned to Actual Spending (including FTEs)

(\$ thousands)

Program activity	2003-04 Actual	2004-05 Actual	2005-06			
			Main Estimates	Planned Spending	Total Authorities	Actual
Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	441,129	438,705	441,772	441,501	523,159	485,906
Canadian Air Transport Security Authority	351,415	501,171	438,400	438,400	438,400	428,766
Policies, Programs and Infrastructure in support of a market-based framework	282,081	338,214	311,797	319,706	352,623	333,826
Jacques Cartier and Champlain Bridges Inc.	33,024	32,019	32,188	31,288	32,188	31,288
Marine Atlantic Inc.	41,595	72,907	24,533	24,533	70,233	70,233
VIA Rail Canada Inc.	264,201	191,301	169,001	169,001	169,001	169,001
Policies and Programs in support of sustainable development	21,727	33,876	74,888	74,339	73,156	55,144
Total	1,435,172	1,608,192	1,492,579	1,498,768	1,658,760	1,574,165
Less: Non-Respendable revenue	(68,100)	(48,017)	-	(31,691)	(76,128)	(76,128)
Plus: Cost of services received without charge	58,040	54,682	-	56,657	59,718	59,718
Total Department Spending	1,425,112	1,614,858	1,492,579	1,523,734	1,642,350	1,557,755
Full Time Equivalents	4,813	4,718	4,786	4,956	4,956	4,873

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

Table 2: Resources by Program Activity

Program Activity	2005-06 Budgetary (\$ thousands)						
	Operating ¹	Capital	Grants	Contributions and Other Transfer Payments ²	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures
Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system							
Main Estimates	441,842	38,330	300	60,223	540,695	(98,923)	441,772
Planned Spending	438,561	41,340	300	60,223	540,424	(98,923)	441,501
Total Authorities	489,455	38,503	200	48,173	576,331	(53,172)	523,159
Actual Spending	469,211	36,946	200	33,295	539,652	(53,746)	485,906
Canadian Air Transport Security Authority							
Main Estimates	303,532	134,868	-	-	438,400	-	438,400
Planned Spending	303,532	134,868	-	-	438,400	-	438,400
Total Authorities ³	438,400	-	-	-	438,400	-	438,400
Actual Spending ³	428,766	-	-	-	428,766	-	428,766
Policies, Programs and Infrastructure in support of a market-based framework							
Main Estimates	136,563	35,076	24,952	362,070	558,661	(246,864)	311,797
Planned Spending	144,472	35,076	24,952	362,070	566,570	(246,864)	319,706
Total Authorities	209,259	35,035	24,952	397,638	666,884	(314,261)	352,623
Actual Spending	218,815	24,807	24,890	378,989	647,501	(313,675)	333,826
Jacques Cartier and Champlain Bridges Inc.							
Main Estimates	28,574	3,614	-	-	32,188	-	32,188
Planned Spending	27,674	3,614	-	-	31,288	-	31,288
Total Authorities ³	32,188	-	-	-	32,188	-	32,188
Actual Spending ³	31,288	-	-	-	31,288	-	31,288
Marine Atlantic Inc.							
Main Estimates	23,503	1,030	-	-	24,533	-	24,533
Planned Spending	23,503	1,030	-	-	24,533	-	24,533
Total Authorities ³	70,233	-	-	-	70,233	-	70,233
Actual Spending ³	70,233	-	-	-	70,233	-	70,233

Table 2: Resources by Program Activity (continued)

Program Activity	2005-06 Budgetary (\$ thousands)						
	Operating ¹	Capital	Grants	Contributions and Other Transfer Payments ²	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures
VIA Rail Canada Inc.							
Main Estimates	169,001	-	-	-	169,001	-	169,001
Planned Spending	169,001	-	-	-	169,001	-	169,001
Total Authorities ³	169,001	-	-	-	169,001	-	169,001
Actual Spending ³	169,001	-	-	-	169,001	-	169,001
Policies and Programs in support of sustainable development							
Main Estimates	58,093	1,384	-	26,104	85,581	(10,693)	74,888
Planned Spending	57,544	1,384	-	26,104	85,032	(10,693)	74,339
Total Authorities	57,693	1,252	-	14,246	73,191	(35)	73,156
Actual Spending	42,311	4,816	-	8,065	55,192	(47)	55,144
Total							
Main Estimates	1,161,108	214,302	25,252	448,397	1,849,059	(356,480)	1,492,579
Planned Spending	1,164,287	217,312	25,252	448,397	1,855,248	(356,480)	1,498,768
Total Authorities	1,466,229	74,790	25,152	460,057	2,026,228	(367,468)	1,658,760
Actual Spending	1,429,625	66,569	25,090	420,349	1,941,633	(367,468)	1,574,165

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

Notes:

- 1. Operating includes statutory payments for employee benefit plans, Minister's allowances, previous years' refunds, payments in respect of the St. Lawrence Seaway Agreement, and proceeds from the disposal of surplus Crown assets.*
- 2. Contributions and Other Transfer Payments include Statutory Payments for Victoria Bridge (Montreal) and the Northumberland Strait Crossing subsidy.*
- 3. Total Authorities and Actual Spending under each Crown corporation: Represents the payment by Transport Canada of the money appropriated to the Crown corporation. It does not differentiate between the operating and capital expenditure made by the Crown corporation.*

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005–06 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Total Actual
1	Operating expenditures	197,377	201,456	291,871	267,934
5	Capital expenditures	74,790	77,800	74,790	66,569
10	Grants and Contributions	417,299	417,299	429,626	389,856
15	Payments to Jacques Cartier and Champlain Bridges Inc.	32,188	31,288	32,188	31,288
20	Payments to Marine Atlantic Inc.	24,533	24,533	70,233	70,233
25	Payments to VIA Rail Inc.	169,001	169,001	169,001	169,001
30	Payments to the Canadian Air Transport Security Authority	438,400	438,400	438,400	428,766
(S)	Minister of Transport Canada – Salary and motor car allowance	70	70	77	77
(S)	Contributions to employee benefit plans	64,671	64,671	65,328	65,328
(S)	Payments to Canadian National Railway Company in respect of the termination of the collection of tolls on the Victoria Bridge, Montreal and for the rehabilitation work on the roadway portion of the Bridge	3,300	3,300	2,793	2,793
(S)	Payments in respect of the St. Lawrence Seaway agreements	17,900	17,900	29,330	29,330
(S)	Northumberland Strait Crossing subsidy payment	53,050	53,050	52,790	52,790
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	2,133	-
(S)	Refunds of amounts credited to revenues in previous years	-	-	200	200
	Total	1,492,579	1,498,768	1,658,760	1,574,165

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

(S): Statutory

Table 4: Services Received Without Charge

	2005-06 (\$ thousands)
Accommodation provided by Public Works and Government Services Canada (PWGSC)	23,693
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS.	28,879
Worker's compensation coverage provided by Human Resources and Skills Development Canada	4,247
Salary and associated expenditures of legal services provided by Justice Canada	2,899
Total Services Received Without Charge	59,718

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

Table 5: Sources of Respendable and Non-Respendable Revenue

(\$ thousands)

Respendable Revenue ¹	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system						
Canadian aviation regulation fees	7,962	7,861	8,817	8,817	8,817	8,415
Aircraft maintenance and flying services	29,366	30,710	25,260	25,260	30,060	30,144
Marine safety regulation fees	9,371	8,259	7,394	7,394	8,394	8,437
Inspections and certifications	3,709	3,491	1,027	1,027	4,527	4,610
Research and development	-	448	-	-	-	-
Airports – lease ²	-	-	50,000	50,000	-	-
Miscellaneous	2,084	2,206	6,425	6,425	1,374	2,140
Sub-total	52,492	52,975	98,923	98,923	53,172	53,746
Policies, Programs and Infrastructure in support of a market-based framework						
Air services forecasts revenues	225	253	160	160	160	235
Public port revenues	12,417	12,882	8,440	8,440	10,128	11,328
Airport operations revenues	11,700	11,341	9,985	9,985	9,985	10,497
Airports – lease and chattel payments ²	214,441	241,862	221,092	221,092	291,092	288,697
Research and development	3,870	3,566	1,884	1,884	1,884	2,554
Miscellaneous	772	635	5,303	5,303	1,013	364
Sub-total	243,425	270,539	246,864	246,864	314,262	313,675
Policies and Programs in support of sustainable transportation						
Airports – lease ²	-	-	10,000	10,000	-	-
Miscellaneous	32	82	693	693	34	47
Sub-total	32	82	10,693	10,693	34	47
Total Respendable Revenue	295,950	323,596	356,480	356,480	367,468	367,468

Table 5: Sources of Respendable and Non-Respendable Revenue (continued)

(\$ thousands)

Non-Respendable Revenue	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Hopper car rentals	18,664	17,386	-	15,000	17,701	17,701
Canada Port Authority stipends	10,716	10,844	-	11,721	11,698	11,698
Non-navigational assets – St. Lawrence Seaway	-	-	-	4,900	10,385	10,385
Research and development – Royalty revenue	-	-	-	70	61	61
Return on investments	22,958	205	-	-	5,882	5,882
Refunds of previous year's expenditures	1,999	1,851	-	-	16,225	16,225
Adjustments to previous year's payables	1,729	4,862	-	-	6,794	6,794
Privileges, licences and permits	4,925	8,616	-	-	37	37
Fines	974	1,329	-	-	893	893
Proceeds from sales	548	1,243	-	-	-	-
Proceeds from disposal of surplus Crown assets	2,760	1,170	-	-	963	963
Proceeds from divestiture sale of real property	-	-	-	-	5,059	5,059
Interest revenue from divested airports	-	-	-	-	20	20
Old Port of Montreal	2,404	-	-	-	-	-
Miscellaneous	423	509	-	-	410	410
Total Non-Respendable Revenue	68,100	48,017	-	31,691	76,128	76,128

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

Notes:

1. For consistency with amounts published in the Public Accounts (Details of Respendable Amounts), the respendable revenue categories include a share of departmental administration's respendable revenue.
2. All actual airport lease revenue are recorded against the program activity Policies, Programs and Infrastructure in support of a market-based framework although an adjustment was made to the planned revenue to allocate some of the vote netted airport lease revenue to other program activities

Table 6: Resource Requirements by Branch/Sector level

(\$ thousands)

Organization¹	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Programs and Infrastructure in support of a market-based framework	Policies and Programs in support of sustainable development	Crown corporations²	Total
Assistant Deputy Minister, Safety and Security					
Planned Spending	284,185	-	-	-	284,185
Actual Spending	285,852	-	53	-	285,905
Assistant Deputy Minister, Policy					
Planned Spending	-	208,858	274	-	209,132
Actual Spending	-	215,123	-	-	215,123
Assistant Deputy Minister, Programs³					
Planned Spending	-	42,300	64,180	-	106,480
Actual Spending	255	(47,974)	20,757	-	(26,961)
Regional Director General, Atlantic					
Planned Spending	26,842	8,081	2,216	-	37,139
Actual Spending	34,663	57,207	4,432	-	96,302
Regional Director General, Quebec					
Planned Spending	30,827	26,724	1,524	-	59,075
Actual Spending	41,033	42,597	6,669	-	90,299
Regional Director General, Ontario					
Planned Spending	36,615	10,034	662	-	47,311
Actual Spending	43,149	21,466	4,446	-	69,061
Regional Director General, Prairie and Northern Region					
Planned Spending	32,592	14,602	4,628	-	51,822
Actual Spending	41,423	27,770	6,039	-	75,232
Regional Director General, Pacific					
Planned Spending	30,440	9,107	855	-	40,402
Actual Spending	39,532	17,638	12,748	-	69,917
Total					
Planned Spending	441,501	319,706	74,339	663,222	1,498,768
Actual Spending	485,906	333,826	55,144	699,288	1,574,165

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

Notes:

- The expenditures by organization presented under each program activity include a portion of departmental administration expenditures.*
- The Crown corporations presented in Transport Canada's Program Activity Architecture are the Canadian Air Transport Security Authority, Jacques Cartier and Champlain Bridges Inc., Marine Atlantic Inc. and VIA Rail Canada Inc. See Table 1 for their respective financial resources.*
- The sector "Assistant Deputy Minister – Programs" includes all the Vote Netted Revenue recorded under the Program Activity "Policies, Programs and Infrastructure in support of a market based framework". The planned Vote Netted Revenue is higher than expenses for that sector therefore the amount is presented in brackets.*

Table 7-A: 2005-06 User Fee Reporting: *User Fees Act*

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified ^B	2005-06					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Aviation Safety - Regulatory Fees (Note 5)	R	<i>Aeronautics Act</i> http://laws.justice.gc.ca/en/A-2/index.html Canadian Aviation Regulations (CARs) fees located at: http://www.tc.gc.ca/civilaviation/regserv/affairs/cars/menus.htm	July 15, 2000 Other amendments (regulations or charges reductions) beyond July 15, 2000 did not trigger the <i>User Fee Act</i> .	8,817	8,292	261,502	Civil Aviation Directive #35 (http://www.tc.gc.ca/CivilAviation/directives/directives35.htm)	Every effort is being made to develop and implement performance tracking systems	FY 06-07 FY 07-08 FY 08-09	8,647 8,659 8,661	256,752 253,187 251,653
		Charges (<i>CARs Part 1 Subpart 4</i>): http://www.tc.gc.ca/CivilAviation/regserv/Affairs/cars/Part1/Subpart4.htm					Service Standards overall information at: http://www.tc.gc.ca/CivilAviation/LevelsOfService.htm				
							Specific standards at: General Aviation Service Standards: http://www.tc.gc.ca/civilaviation/general/policyletters/gapl0202_at12.htm				

Table 7-A: 2005-06 User Fee Reporting: *User Fees Act (continued)*

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified ^B	2005-06					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
							Civil Aviation Medicine Levels Of Service Appendix A: http://www.tc.gc.ca/CivilAviation/cam/service.htm				
							Commercial and Business Aviation, Service Levels – Air Operations, Policy Letter Number 143 - Appendix 1: http://www.tc.gc.ca/CivilAviation/commerce/policy/PL143_att.htm				
							Aircraft Maintenance & Manufacturing, Maintenance and Manufacturing Staff Instructions (MSI) # 29 Appendix A: http://www.tc.gc.ca/CivilAviation/maintenance/AARPC/msi/MSI_29.htm				

Table 7-A: 2005-06 User Fee Reporting: *User Fees Act (continued)*

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified ^B	2005-06					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
							Aircraft Certification – Levels of Service, Policy Letter GEN-005 Appendix A: http://www.tc.gc.ca/CivilAviation/certification/guidance/GEN-005.htm - Appendix A				
Marine Safety - Fees for inspections, surveys, services, etc.	R	Various regulations (http://www.tc.gc.ca/acts-regulations/general/c/csa/menu.htm) under the <i>Canada Shipping Act</i> (http://laws.justice.gc.ca/en/S-9/index.html) such as the Board of Steamship Inspection Scale of Fees, Ships Registry and Licensing Fees Tariff, etc;	June 6, 1995	7,245	8,146	75,658	http://www.tc.gc.ca/marinesafety/service-standards/menu.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	FY 06-07 FY 07-08 FY 08-09	7,322 7,122 7,122	75,884 75,564 74,617

Table 7-A: 2005-06 User Fee Reporting: *User Fees Act (continued)*

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified ^B	2005-06				Planning Years			
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Marine Safety - Office of Boating Safety – Construction Standard Compliance Labels (Note 6)	R	Canada Shipping Act / Small Vessel Regulations / TP 1332 incorporated by reference http://www.tc.gc.ca/acts-regulations/GENERAL/C/CSA/regulations/070/csa076/csa76.html and http://www.tc.gc.ca/MarineSafety/tp/TP1332/pdf-version.htm	1995 Subsequent amendments to Small Vessel Regulations were not fee-related.	210	166	568	http://www.tc.gc.ca/marinesafety/service-standards/fees.htm - OBS Compliance Labels	Note 6	FY 06-07 FY 07-08 FY 08-09	222 222 222	661 778 622
Marine Safety - Ship Radio Inspection program (Note 7)	R	Canada Shipping Act / Ship Radio Inspection Fees Regulations http://www.tc.gc.ca/acts-regulations/GENERAL/c/csa/regulations/060/csa062/csa62.html	1978	80	93	928 Department of Fisheries and Oceans full cost share included above: 294	http://www.tc.gc.ca/marinesafety/service-standards/menu.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	FY 06-07 FY 07-08 FY 08-09	80 80 80	892 892 892 Department of Fisheries and Oceans full cost share included above: 292

Table 7-A: 2005-06 User Fee Reporting: *User Fees Act (continued)*

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified ^B	2005-06					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Airports – Air Services Charges Regulations (ASCR) fees: General Terminal Fees, Landing Fees, Aircraft Parking Charges, Emergency response services charges (Note 8)	O	Section 4.4 (2) of the <i>Aeronautics Act</i> http://laws.justice.gc.ca/en/A-2/index.html , and Section 2 of the Ministerial Regulations Authorization Order - Air Services Charges Regulations: http://www.tc.gc.ca/acts-regulations/General/A/aa/regulations/120/aa129a/aa129a.html	August 31, 2003	4,504	4,757	11,526	http://www.tc.gc.ca/programs/airports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	FY 06-07 FY 07-08 FY 08-09	4,509 4,509 4,509	10,145 10,154 10,154
Airports - Annual Registration of Mobile Equipment used at Airports (Note 8)	O	<i>Government Property Traffic Act</i> and Airport Traffic Regulations, Part III, Section 57 to 60 http://www.tc.gc.ca/acts-regulations/GENERAL/d/dta/regulations/001/dta002/dta002.html	February 24, 2004	0.1	0.2	0.3	http://www.tc.gc.ca/programs/airports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	FY 06-07 FY 07-08 FY 08-09	0.2 0.2 0.2	0.3 0.3 0.3

Table 7-A: 2005-06 User Fee Reporting: *User Fees Act (continued)*

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified	2005-06					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Airports - Vehicle Parking Charges (Note 8)	O	Section 4.4(2) of the <i>Aeronautics Act</i> (http://laws.justice.gc.ca/en/A-2/index.html) and Section 2 of the Ministerial Regulations Authorization Order, Airport Vehicle Parking Charges Regulations: http://www.tc.gc.ca/acts-regulations/GENERAL/A/aa/regulations/130/aa131/aa131.html - COU40H.KE NORP.84YV FE.2	November 19, 1998	134	202	1,182	http://www.tc.gc.ca/programs/airports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	FY 06-07 FY 07-08 FY 08-09	173 175 175	1,041 1,042 1,042

Table 7-A: 2005-06 User Fee Reporting: User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee-Setting Authority	Date Last Modified	2005-06					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Ports - Public Port Revenues: Utility Charges, Wharfage, Berthage, Storage and Harbour Dues	O	Canada Marine Act (http://laws.justice.gc.ca/en/C-6.7/index.html) Fees at: http://www.tc.gc.ca/programs/ports/menupublicportfees.htm	Jan 1, 2004	6,935	8,972	36,612	http://www.tc.gc.ca/programs/ports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	FY 06-07 FY 07-08 FY 08-09	8,525 8,104 8,102	29,510 27,874 27,857
Permits for Vehicles used for the Transportation of Explosives (Note 9)	R	<i>Explosives Act Section 7:</i> http://laws.justice.gc.ca/en/e-17/236943.html#rid-236957 and <i>Explosives Regulations Part III Section 31. (1) i</i> http://laws.justice.gc.ca/en/e-17/C.R.C.-c.599/99425.html#rid-99518	1993	40	37	40	95% of the time, will deliver: a) a decision accepting or rejecting a complete new factory application within 60 days after receipt; and b) a decision accepting or rejecting any other type of complete application within 30 days after receipt.	Service standard met 100% of time Service standard met 100% of time	FY 06-07 FY 07-08 FY 08-09	37 12 0	40 14 0

Table 7-A: 2005-06 User Fee Reporting: User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Access to Information Requests – Fees (Note 10)	O	Access to Information Act and Regulations: http://laws.justice.gc.ca/en/A-1/index.html	1992	8	9	1,169	Service standards are included in the Access to Information Act, Section 7: http://laws.justice.gc.ca/en/A-1/280189.html#rid-280201	Statutory deadlines have been met for 89% of requests. 100% of extension notices were sent within 30 days following the receipt of the request. 100% of transfer notices were sent within 15 days.	FY 06-07 FY 07-08 FY 08-09	9 9 9	1,157 1,157 1,157
			Sub-total (R)	16,392.0	16,734.0	338,696.0		Sub-total R: Sub-total R: Sub-total R:	FY 06-07 FY 07-08 FY 08-09	16,308.0 16,095.0 16,085.0	334,229.0 330,435.0 327,784.0
			Sub-total (O)	11,581.1	13,940.2	50,489.3		Sub-total O: Sub-total O: Sub-total O:	FY 06-07 FY 07-08 FY 08-09	13,216.2 12,797.2 12,795.2	41,853.3 40,227.3 40,210.3
			Total	27,973.1	30,674.2	389,185.3		Total	FY 06-07 FY 07-08 FY 08-09	29,524.2 28,892.2 28,880.2	376,082.3 370,662.3 367,994.3
B. Date Last Modified: Not applicable											
C. Other Information: In addition to the complaint mechanism included in various acts and regulations (e.g. ATIP http://laws.justice.gc.ca/en/A-1/280189.html#rid-280235), several complaint mechanisms have been developed and implemented for service standards related to user fees at public ports http://www.tc.gc.ca/Programs/Ports/standards.htm , airports operated by Transport Canada http://www.tc.gc.ca/programs/airports/standards.htm , and for the Canadian aviation regulations (Civil Aviation Issues Reporting System (CAIRS) http://www.tc.gc.ca/CivilAviation/QualityAssurance/QA/cairs.htm). A policy is currently under development for those complaint mechanisms under the various marine safety fee regulations.											

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

The Internet links in this report may change following publication, since the various websites are updated regularly.

Table 7-A: 2005-06 User Fee Reporting: User Fees Act (continued)

Notes:

1. *The department collects two types of fees: Regulatory Service (R) and Other Goods and Services (O)*
2. *Full Costs (Actual and Estimates) are reported on an accrual basis. They represent the full cost of providing service, facility or privilege. Full cost is not necessarily the cost attributed to fee-paying clients.*
3. *The Forecast Revenues identified for the 2006-07, 2007-08 and 2008-09 fiscal years were those reported in the Report on Plans and Priorities 2006-07 and are reported on a cash basis as for Actual Revenue.*
4. *According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004, the:*
 - *Performance standard, if provided, may not have received Parliamentary review;*
 - *Performance standard, if provided, may not respect all establishment requirements under the UFA (e.g. international comparison; independent complaint address); and*
 - *Performance result, if provided, is not legally subject to UFA section 5.1 regarding fee reductions for failed performance.*
5. *Aviation Safety – Regulatory fees: Revision to standards is ongoing with the Services Standards Working Group.*
6. *Marine Safety - Office of Boating Safety – Construction Standard Compliance Labels: Conditional to the upgrade of the management tool being developed, tested and fully operational. The costs restated in 2005-06 reflect the Full costs and are not necessarily the cost attributed to fee-paying clients.*
7. *Marine Safety - Ship Radio Inspection Program: Represents the full cost of providing inspection services. However, the User Fee is to recover the cost of overtime and travel only for 100% cost recovery.*
8. *Airports User Fees: Exclude revenue and costs from sites divested in 2005-06 or before.*
9. *Permits for vehicles used for the Transportation of Explosives: Natural Resources Canada has entered into an agreement with Transport Canada for the issuance of these permits. Transport Canada collects the revenue. The Transportation of Dangerous Goods Regulations are in the process of being amended. The amendments, which will abolish this permit program, are forecasted to come into effect mid 2007.*
10. *Access to Information Requests – Fees: The Access to Information Act has provisions to waive fees.*

Table 7-B: 2005-06 External Fee Reporting: Policy on Service Standards for External Fees

A. External Fee	Service Standard ¹	Performance Result ¹	Stakeholder Consultation
Aviation Safety - Regulatory Fees (Note 2)	Service standards at: Civil Aviation Directive #35 (http://www.tc.gc.ca/CivilAviation/directives/dir35.htm)	Every effort is being made to develop and implement performance tracking systems	Consultations with stakeholders were last undertaken in 1997 for all fees and, in 2000 and 2004, for specific fees. Consultation with the Canadian Aviation Regulation Advisory Council (CARAC) will be initiated in December 2006. Fees published in <i>Canada Gazette</i> in Dec. 1997, June 2000, and Sept. 2004 respectively. Feedback from stakeholders is an ongoing process through Civil Aviation Issues Reporting System (CAIRS). Amendments (regulations or charges reductions) beyond July 15, 2000 did not trigger the <i>User Fee Act</i> .
	Service standards overall information at: http://www.tc.gc.ca/CivilAviation/LevelsOfService.htm and		
	Specific standards at: General Aviation Service Standards: http://www.tc.gc.ca/civilaviation/general/policyletters/gapl0202_att2.htm		
	Civil Aviation Medicine Levels Of Service Appendix A: http://www.tc.gc.ca/CivilAviation/cam/service.htm		
	Commercial and Business Aviation - Service Levels – Air Operations - Policy Letter Number 143 - Appendix 1: http://www.tc.gc.ca/CivilAviation/commerce/policy/PL143_att.htm		
	Aircraft Maintenance and Manufacturing - Maintenance and Manufacturing Staff Instructions (MSI) # 29 Appendix A: http://www.tc.gc.ca/CivilAviation/maintenance/AARPC/msi/Msi_29.htm		
	Aircraft Certification – Levels of Service - Policy Letter GEN-005 Appendix A: http://www.tc.gc.ca/CivilAviation/certification/guidance/GEN/GEN-005.htm - Appendix A		
Marine Safety - Fees for inspections, surveys, services, etc.	http://www.tc.gc.ca/marinesafety/service-standards/menu.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	Consultation process completed in May 2006; initial comments received were favourable; no written comments received.

Table 7-B: 2005-06 External Fee Reporting: Policy on Service Standards for External Fees (continued)

A. External Fee	Service Standard ¹	Performance Result ¹	Stakeholder Consultation
Marine Safety - Office of Boating Safety - Construction Standard Compliance Labels (Note 3)	http://www.tc.gc.ca/marinesafety/service-standards/fees.htm - OBS Compliance Labels	Note 3	Consultation process completed in May 2006; initial comments received were favourable; no written comments received.
Marine Safety - Ship Radio Inspection Program	http://www.tc.gc.ca/marinesafety/service-standards/menu.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	Consultation process completed in May 2006; initial comments received were favourable; no written comments received.
Airports – Air Services Charges Regulations (ASCR) fees: General Terminal Fees, Landing Fees, Aircraft Parking Charges, Emergency response services charges.	http://www.tc.gc.ca/programs/airports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	Stakeholder feedback was managed through existing channels at the various sites during January and February 2006. Stakeholder relationships are important and valued. Stakeholders were also consulted through TC websites. There are no outstanding issues for stakeholders.
Airports - Annual Registration of Mobile Equipment used at Airports	http://www.tc.gc.ca/programs/airports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	Stakeholder feedback was managed through existing channels at the various sites during January and February 2006. Stakeholder relationships are important and valued. Stakeholders were also consulted through TC websites. There are no outstanding issues for stakeholders.
Airports - Vehicle Parking Charges	http://www.tc.gc.ca/programs/airports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	Stakeholder feedback was managed through existing channels at the various sites during January and February 2006. Stakeholder relationships are important and valued. Stakeholders were also consulted through TC websites. There are no outstanding issues for stakeholders.
Ports - Public Port Revenues: Utility Charges, Wharfage, Berthage, Storage and Harbour Dues	http://www.tc.gc.ca/programs/ports/standards.htm	Performance tracking began on April 1, 2006; results will be available for DPR 2006-07	Letters to the industry were mailed out on January 27, 2006 with a 30-day comment period until February 28, 2006. Stakeholder feedback was managed through existing channels. Stakeholder relationships are important and valued. There are no outstanding issues for stakeholders.

Table 7-B: 2005-06 External Fee Reporting: Policy on Service Standards for External Fees (continued)

A. External Fee	Service Standard ¹	Performance Result ¹	Stakeholder Consultation
Permits for Vehicles used for the Transportation of Explosives (Note 4)	95% of the time, will deliver: a decision accepting or rejecting a complete new factory application within 60 days after receipt, and a decision accepting or rejecting any other type of complete application within 30 days after receipt.	Service standard met 100% of time Service standard met 100% of time	Consultations with stakeholders were successfully undertaken by Natural Resources Canada in 1993
Access to Information Requests – Fees (Note 5).	Service standards are in the <i>Access to Information Act</i> , Section 7: http://laws.justice.gc.ca/en/A-1/280189.html#rid-280201	Statutory deadlines have been met for 89% of requests. 100% of extension notices were sent within 30 days following the receipt of the request. 100% of transfer notices were sent within 15 days.	The service standard is established by the <i>Access to Information Act</i> and the <i>Access to Information Regulations</i> . Consultations with stakeholders were undertaken for amendments done in 1986 and 1992.
<p>B. Other Information: In addition to the complaint mechanism included in various acts and regulations (e.g. ATIP http://laws.justice.gc.ca/en/A-1/280189.html#rid-280235), several complaint mechanisms have been developed and implemented for service standards related to user fees at public ports http://www.tc.gc.ca/Programs/Ports/standards.htm, airports operated by Transport Canada http://www.tc.gc.ca/programs/airports/standards.htm, and for the Canadian aviation regulations (Civil Aviation Issues Reporting System (CAIRS) http://www.tc.gc.ca/CivilAviation/QualityAssurance/QA/cairs.htm). A policy is currently under development for those complaint mechanisms under the various marine safety fee regulations.</p>			

The Internet links in this report may change following publication, since the various websites are updated regularly.

Notes:

1. *As established pursuant to the Policy on Service Standards for External Fees:*
 - *Service standards may not have received Parliamentary review; and*
 - *Service standards may not respect all performance standard establishment requirements under the UFA (e.g. international comparison, independent complaint address)*
 - *Performance results are not legally subject to section 5.1 of the UFA regarding fee reductions for unachieved performance.*
2. *Aviation Safety - Regulatory Fees: Revision to standards is ongoing with the Services Standards Working Group.*
3. *Marine Safety - Office of Boating Safety - Construction Standard Compliance Labels: Conditional to the upgrade of the management tool being developed, tested and fully operational.*
4. *Permits for Vehicles used for the Transportation of Explosives: Natural Resources Canada has entered into an agreement with Transport Canada for the issuance of these permits. TC collects the revenue. The Transportation of Dangerous Goods Regulations are in the process of being amended. The amendments, which will abolish this permit program, are forecasted to come into effect mid 2007.*
5. *Access to Information Requests – Fees: The Access to Information Act has provisions to waive fees.*

Table 8: Major Regulatory Initiatives

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Amendments to the <i>Aeronautics Act</i> are underway to address fatigue management, liability insurance, aviation companies' management systems, analysis and reporting of safety data, and new compliance and enforcement tools. The amendment process is progressing smoothly as a result of early consultation with key industry stakeholders.	Modernized legislative requirements to respond to industry needs.	Number and severity of incidents relating to various issues addressed by these amendments.	The proposed Bill amending the <i>Aeronautics Act</i> was introduced to the House of Commons in the Spring 2006 session.
Amendments to the Canadian Aviation Regulations to allow the Canadian Business Aviation Association to issue certificates of operation for Canadian non-commercially operated business aircraft and to monitor their activities.	Industry is provided with additional flexibility and operating efficiencies, and operators have the opportunity to play a more direct role in managing their own safety systems.	Number and severity of incidents related to business aviation.	These regulations were published in <i>Canada Gazette</i> , Part II on November 30, 2005 and are now in effect.
New Canadian Aviation Regulations incorporate fatigue risk management systems into aviation maintenance organizations. These regulations are an extension of the safety management system approach to managing risks in the aviation environment. They will help minimize the potential occurrence of fatigue-related human error, build awareness of fatigue as a workplace hazard, and improve the operator's ability to mitigate the impact of fatigue-related hazards.	Enhanced aviation safety due to a reduction of incidents related to operator fatigue.	Number and severity of incidents related to operator fatigue.	Consultations on these regulations have been completed and were fully approved in February 2006. The regulations are undergoing legal review and are currently with the Department of Justice for drafting.
New Canadian Aviation Regulations to address air rage and interference with crew members. The regulations will enhance the ability of air operators, private operators and their employees to deal with the growing problem of aviation passengers who are unruly or disruptive.	Enhanced aviation safety due to a reduction of air rage and disruption incidents.	Number and severity of incidents related to air rage and disruption incidents.	The drafting of the regulations is complete and is now proceeding to the <i>Canada Gazette</i> , Part I for publication.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
New Canadian Aviation Regulations to address flight attendant ratios. The regulation will modify the requirements from the current 1 flight attendant for every 40 passengers or portion thereof, to 1 flight attendant for every 50 passenger seats or portion thereof. This would harmonize Canada's regulations with those of the United States.	Industry is provided with additional flexibility and operating efficiencies. Economic parity is allowed for the industry with the United States and all other countries with the exception of Australia (1 in 36).	Number of companies adhering to one of the regulatory flight attendant ratio regime.	The proposed regulations on flight attendant ratios will soon be completed. The next step would be prepublication in the <i>Canada Gazette</i> , Part I.
New Civil Aviation Regulations amendments to introduce a requirement for certificate holders to have a safety management system in place that integrates operations and technical systems with financial and human resource management.	Safe operations and compliance with the Canadian Aviation Regulations.	Number and severity of incidents involving the applicable aviation organizations.	Amendments of the Canadian Aviation Regulations that require specified certificate holders to have a safety management system in place came into effect on May 31, 2005 and were published in the <i>Canada Gazette</i> , Part II in June 15, 2005.
Commercial Drivers' Hours of Service Regulations, under the <i>Motor Vehicle Transport Act</i> , 1987, were published in the <i>Canada Gazette</i> , Part II, winter 2005 for implementation 2006. These harmonized federal and provincial regulations are science-based and simplified.	Reduction in commercial vehicle collisions related to driver fatigue.	Number of commercial vehicle collisions related to driver fatigue.	The publication of these regulations in the <i>Canada Gazette</i> , Part II has been promulgated. Provinces and territories are preparing for implementation January 1, 2007.
Motor Carrier Safety Fitness Certificate Regulations, under the <i>Motor Vehicle Transport Act</i> , 1987, were published in the <i>Canada Gazette</i> , in spring 2005 for implementation on January 1, 2006. For the first time, a prescriptive national regulatory framework will regulate federal motor carriers under a common set of rules, as administered and enforced by provinces/territories.	Reduced incidence of commercial vehicle collisions due to improved safety monitoring, accountability and enforcement of motor carriers.	Number of incidences of commercial vehicle collisions.	These regulations came into effect on January 1, 2006. Provinces and territories are continuing to implement all facets of the safety fitness framework. TC has commenced developing a framework for measuring results.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Canada Motor Vehicle Safety Standard 114 — Locking and Immobilization Systems, to introduce vehicle theft immobilization requirements.	Annual reduction of up to 15 fatalities and 58 injuries due to a reduction in vehicle theft by young offenders.	Number of injuries and fatalities due to a reduction in vehicle theft by young offenders (target: annual reduction of up to 58 injuries and 15 fatalities).	This standard was published in the <i>Canada Gazette</i> , Part II in March 2005.
Canada Motor Vehicle Safety Standard 202 — Head Restraints, to introduce new, more stringent performance requirements for head restraints.	A reduction in neck injuries that result from vehicle collisions.	Number and severity of neck injuries resulting from vehicle collisions.	Working on the development of a global technical regulation.
Canada Motor Vehicle Safety Standard 208 — Occupant Restraint Systems in Frontal Impact, study underway to ensure that seat belts and air bags are designed to provide optimal protection to belted occupants and that any unnecessary injuries due to occupant protection system are minimized.	Annual reduction of 12 fatalities and 44 serious injuries due to advanced seat belts and air bags.	Number of injuries and fatalities due to advanced seat belts and air bags (target: annual reduction of 44 serious injuries and 12 fatalities).	Additional cost benefit analysis underway.
Canada Motor Vehicle Safety Standard 210.1 — User-ready Tether Anchorages for Restraint Systems and Canada Motor Vehicle Safety Standard 210.2 — Lower Universal Anchorage Systems for Restraint Systems and Booster Cushions proposed extension to school buses, requiring one set of universal lower anchorages and tether anchorage on each bench seat to properly secure infant or child restraint systems.	Improved safety of small children travelling on school buses.	Number of infant or child injuries and fatalities while travelling on school buses.	This standard was published in the <i>Canada Gazette</i> , Part II on May 31, 2006.
Canada Motor Vehicle Safety Standard 206 — Door Locks and Door Retention Components. Regulatory development of a new global technical regulation on door locks in conjunction with the National Highway Traffic Safety Administration.	Improved vehicle safety due to superior door lock requirements, which would also be harmonized with those of the U.S., Europe and Japan.	Number of infant or child injuries and fatalities.	The <i>Canada Gazette</i> , Part I submission package is being circulated for approvals.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Canada Motor Vehicle Safety Standard 122 — Motorcycle Brake Systems, update and harmonization to develop one regulatory requirement.	Improved motorcycle brake performance, especially wet braking performance.	Number and severity of injuries resulting from motorcycle incidents or accidents especially related to wet braking performance.	Final global technical regulation is up for voting at the November 2006 WP.29 meeting (World Forum for Harmonization of Vehicle Regulations).
Introduce Canada Motor Vehicle Safety Standard 139 for light duty vehicle tires.	Improved performance of light duty vehicle tires.	Number of tire failures.	Publication of this standard in the <i>Canada Gazette</i> , Part I is scheduled for fourth quarter 2006.
Canada Motor Vehicle Safety Regulations — Interpretation. This regulatory initiative supersedes the planned amendment of Canada Motor Vehicle Safety Standard 500. Review, clarification and update of Low Speed Vehicles (LSV) definition based on U.S. Regulatory Amendment.	Improved control methods for the importation of such vehicles and removal of trade barrier for small LSV trucks.	Number of LSV imported into Canada.	Initiated discussions with provinces and territories (CCMTA) and LSV manufacturers and importers.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
<p>Transport Canada's pollution prevention program will undergo a major update through the introduction of new regulations under the existing <i>Canada Shipping Act</i> (CSA). Existing provisions for sewage and air pollution will be dramatically expanded, provisions for garbage will be updated and new requirements will be introduced for anti-fouling systems and ballast water discharges. At the same time, through co-operative efforts with Environment Canada and Fisheries and Oceans Canada, a variety of issues will be addressed to further efforts to prevent ship-source marine pollution. These will include actions to accelerate the phase-out of single-hulled tankers, eliminate sub-standard ships, introduce a 'green ship' program for Canada, seek higher penalties from the courts for ship-source pollution, optimize surveillance and enforcement efforts, and investigate improvements to the provision of shore waste reception facilities. The regulations will be harmonized where necessary with other nations and administrations.</p>	<p>Reduction in incidents related to the pollution of the environment from ship sources.</p>	<p>Cases of ship-source water pollution from harmful substances such as: oil, dangerous chemicals, sewage, garbage, and anti-fouling systems.</p>	<p>Legal drafting of the proposed regulations was completed and blue-stamped on March 31, 2006. Regulatory submission being prepared for consideration by Treasury Board and pre-publication in the <i>Canada Gazette</i>, Part I.</p>
<p>Ballast Water Regulations (new), to harmonize with the International Maritime Organization's Ballast Water Control Guidelines, U.S. laws regarding ballast water, and the Great Lakes Water Quality Agreement of 1978 (CSA).</p>	<p>Reduced incidents related to ship-source marine pollution.</p>	<p>Cases of introduction of non-indigenous aquatic organisms and pathogens that can be harmful to Canada's existing marine ecosystems.</p>	<p>The proposed regulations were pre-published in the <i>Canada Gazette</i>, Part I, on June 11, 2005. Regulatory submission being prepared for final approval and publication in the <i>Canada Gazette</i>, Part II.</p>
<p>Boating Restriction Regulations (revised) to provide for the establishment of restrictions to boating activities and navigation in Canadian waters. (CSA and CSA 2001)</p>	<p>Enhanced marine safety.</p>	<p>Number and severity of incidents.</p>	<p>The amendments under the CSA completed in 2005-06..</p>

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Competency of Operators of Pleasure Craft Regulations (revised), impose competency requirements on operators of pleasure craft with amendments underway, under the current act, to improve the administration of the testing process to be followed by a reformed regulation, under the new act, to deal with the issue of course provider accreditation (CSA, CSA 2001).	Enhanced marine safety for pleasure craft operators and boating community.	Number and severity of incidents.	The amendments were pre-published in the <i>Canada Gazette</i> , Part I, on October 1, 2005. Legal drafting is in progress and the regulatory submission is being prepared for final approval and publication in the <i>Canada Gazette</i> , Part II.
Life Saving Equipment Regulations (revised) (CSA).	Enhanced safety of children travelling on Canadian vessels.	Number and severity of boating incidents involving children.	The amendments were pre-published in the <i>Canada Gazette</i> , Part I, on May 14, 2005. Legal drafting is in progress and the regulatory submission is being prepared for final approval and publication in the <i>Canada Gazette</i> , Part II.
Navigation Safety Regulations (new), including amendments to the Charts and Nautical Publications Regulations 1995, Crewing Regulations and Ship Station (Radio) Technical Regulations 1999, to give effect to new international requirements contained in Chapter IV Safety of Navigation of the International Convention for the Safety of Life at Sea (1974). (CSA)	Enhanced marine safety.	Number and severity of marine incidents.	The regulations were promulgated in this timeframe, including amendments to existing regulations under the CSA.
Ship Station (Radio) Regulations 1999 (revised), to prescribe radio communication equipment to be carried by commercial ships for the purpose of distress, urgency, safety and general communication (CSA).	Enhanced marine safety.	Number and severity of incidents involving commercial ships.	The amendments to these regulations were completed.
Ship Station (Radio) Technical Regulations 1999 (revised), to prescribe technical characteristics, installation requirements and the operation and inspection of ship stations (CSA).	Enhanced marine safety.	Number and severity of incidents.	The amendments to these regulations were completed.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Special-Purpose Vessels Regulations (new) (CSA).	Enhanced safety of inflatable vessels that carry persons for remuneration in Canadian waters, such as for white-water rafting and whale watching.	Number and severity of accidents associated with these types of activities.	The legal drafting is in progress.
Regulatory reform under the <i>Canada Shipping Act, 2001</i> (CSA 2001) is proceeding in a two-phase approach. Over 50 existing regulations will be overhauled into 17 regulations in Phase I, and the modernization of the remaining regulations will take place in Phase II. Phase I focuses on those that are needed to bring the <i>Act</i> into force and is expected to be completed by the end of 2006. The Department envisions simultaneous development of new products such as training packages and electronic documents and tools to support the new <i>Act</i> . Phase II will concentrate on the existing regulations that are consistent with the <i>Act</i> ; generally, these regulations need only to be updated and modernized and not overhauled as those in Phase I.	A twenty-first century shipping law to promote safety on board vessels and to protect the marine environment in the context of a healthy, competitive marine industry.	Number and severity of marine incidents. Number and severity of non-compliance.	Not available
Administrative Monetary Penalties Regulations (new), to provide a graduated enforcement scheme and effective deterrents for violations on vessels operating in Canadian waters (CSA 2001).	Enhanced marine safety and compliance.	Number and severity of non-compliance.	The legal drafting is in progress.
Cargo, Fumigation and Tackle Regulations (new), to rationalize existing rules for loading and stowing cargo (CSA).	Enhanced marine safety.	Number of marine incidents caused by the improper carriage and handling of cargo.	The legal drafting is in progress.
Collision Regulations (revised), to promote uniform measures and the safe conduct of vessels (CSA 2001).	Improved consistency of regulations and enhanced safety related to the conduct of vessels.	Number and severity of marine collisions.	The legal drafting is in progress.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Environmental Response Regulations (new) will enhance the obligations on the part of response organizations and oil handling facilities to ensure better protection of Canada's marine environment from damage caused by the spillage of oil (CSA 2001).	Enhanced protection of the marine environment.	Number of injuries or damage caused to the environment by the spillage of oil.	Public consultations have been completed and legal drafting is in progress.
Fire Safety Regulations (new), to protect against fire on shipboards (CSA 2001).	Reduced risk of fire-related incidents onboard ships.	Number and severity of consequences of fires on board ships.	Public consultations have been completed and legal drafting is in progress.
Fishing Vessel Safety Regulations (new), to provide for safety onboard fishing vessels (CSA 2001).	Enhanced fishing vessel safety.	Number and severity of fishing vessel incidents.	Public consultations are ongoing.
Load Lines Regulations (new), to streamline existing regulations and address the requirements of the International Load Line Convention and Protocol (CSA 2001).	More streamlined and harmonized regulations.	Compliance and stakeholder understanding of regulations.	The legal drafting is in progress.
Marine Personnel Regulations (new), to streamline the existing crewing and certification requirements into one regulation and add a labour component (CSA 2001).	More streamlined and harmonized regulations.	Number and severity of marine incidents.	The legal drafting is in progress.
Prevention of Pollution from Vessels Regulations (new), to repackage the existing regulations and include the Convention on Marine Pollution MARPOL Annexes 4, 5 and 6 (CSA 2001).	Reduced incidents related to ship-source marine pollution.	Number and severity of marine incidents related to ship-source marine pollution.	On hold until Phase II of CSA 2001 regulatory reform project.
Small Vessels Regulations (new) (CSA 2001).	Improved consistency of construction standards and enhanced marine safety and awareness of small vessels.	Number and severity of incidents involving small vessel users.	Public consultations have been completed and legal drafting is in progress.
Vessel Clearance Regulations (new), to streamline existing regulations and add the requirement to carry additional documentation (CSA 2001).	More streamlined and harmonized regulations.	Number and severity of non-compliance.	Public consultations have been completed and legal drafting is in progress.

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
<p>Vessel Registration and Tonnage Regulations (revised) will clarify the requirements to register and calculate the tonnage of vessels, and comply with the terms of the International Convention on the Tonnage Measurements of Ships (1969) (CSA 2001).</p>	<p>More streamlined and harmonized regulations.</p>	<p>Number and severity of non-compliance.</p>	<p>Public consultations have been completed and legal drafting is in progress.</p>
<p>Pursuant to the <i>Pilotage Act</i>, the four pilotage authorities have to provide safe and efficient pilotage services. The proposed amendments to their pilotage regulations result from distinct pilotage risk studies carried out by these authorities since 2001 on a series of recommendations contained in the 1999 report of the Ministerial review of pilotage issues. The various regulatory initiatives aim at improving pilotage practices and procedures in the four pilotage regions to the benefit of service users.</p>	<p>Safe and efficient pilotage service to commercial vessels in Canadian compulsory pilotage waters.</p>	<p>Number of accident-free pilotage assignments.</p>	<p>Public consultations have been completed and legal drafting is in progress.</p>
<p>Marine Transportation Security Clearance Program: Amendments to the <i>Marine Transportation Security Regulations</i> to increase marine transportation security in Canadian marine facilities by requiring workers with certain key duties affecting security or cargo movement to obtain a transportation security clearance (TSC) from TC. In addition, workers requiring access to certain restricted areas will also be required to obtain a TSC. This initiative is being implemented in the ports of Vancouver, Halifax and Montreal, and will closely parallel requirements now in place in Canadian airports.</p>	<p>Implementation of the infrastructure (including effective regulatory framework), required to process the Marine Transportation Security Clearances.</p>	<p>Rate of incidents in restricted areas of marine facilities.</p>	<p>Not available.</p>

Table 8: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Development of Regulations and/or security measures to support the screening of all checked baggage, as per the Minister's commitment to achieve 100% screening of checked baggage at all designated airports by January 1, 2006.	Enhanced aviation security; alignment with international standards.	Percentage of screened checked baggage at all designated airports (target: 100% screened by January 1, 2006).	Voluntary compliance by industry is expected as of January 1, 2006. The regulatory framework is complete and expected to be published in the <i>Canada Gazette</i> , Part I in Fall 2006.
Review of the Canadian Aviation Security Regulations (CASRs) and security measures as required by the <i>Public Safety Act (2002)</i> . Regulations to replace security measures no longer required to be confidential must be made within one year after the Notice of Intent is published in the <i>Canada Gazette</i> . A broader review and re-alignment of the aviation security regulatory framework is expected to take about four years to complete.	Increased transparency; enhanced aviation security.	Milestones: migration of measures that should be in the public domain to the CASRs; development and implementation of new regulatory framework utilizing the principles of Smart Regulations and performance-based regulation.	The business case has been developed; three FTEs have been created on risk to begin work.
The Transportation of Dangerous Goods Regulations will be amended to harmonize with international agreements, maintain reciprocity with U.S. provisions, revise means of containment standards to reflect new engineering developments and construction designs, and address emerging issues.	Improved level of safety in the transport of dangerous goods.	Number of accidental releases from means of containment during normal conditions of transport.	Amendment #4 was published in the <i>Canada Gazette</i> , Part II on July 31, 2005. Amendment #5 was published in the <i>Canada Gazette</i> , Part II on September 21, 2005.
Marine Liability Regulations: Compulsory insurance for injury or death of passengers. This is to ensure that all marine carriers are insured to the level of their maximum liability to passengers, as established under the <i>Marine Liability Act</i> .	Protection of marine passengers or their dependents from economic loss due to injury or death arising from a marine incident.	Number of non-conformance/compliance.	Not available

Table 9: Details on Transfer Payments Programs (TPPs)

In 2005-06, Transport Canada administered the following transfer payment programs (TPP) in excess of \$5 million:

1. Grant to Province of British Columbia in respect of the provision of ferry and coastal freight and passenger services
2. Outaouais Road Development Agreement
3. Contribution for ferry and coastal passenger and freight services
4. Strategic Highway Infrastructure Program:
 - Highway component
 - Border Crossing Transportation Initiative
 - Transportation Planning and Modal Integration initiative
 - Intelligent Transportation System Component
5. Payment to the Canadian Wheat Board for the acquisition and leasing of hopper cars for the transportation of grain in Western Canada
6. Port Divestiture Fund
7. Airports Capital Assistance Program
8. Contribution Program for operating, capital and start-up funding requirement for Regional and Remote Passenger Rail Services
9. Northumberland Strait Crossing subsidy payment (Statutory)
10. Payments in support of crossing improvements approved under the *Railway Safety Act*
11. Marine Security Contribution Program
12. Action Plan 2000 for Climate Change – Urban Transportation Showcase Program

Supplementary information on transfer payment programs can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Table 10: Alternative Service Delivery

In 2006-07, Transport Canada will be renewing the existing initiative for the following program.

1. Motor Vehicle Test Centre (renewing)

Further information on this alternative service delivery initiative can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Table 11: Horizontal Initiatives

In 2005-06, Transport Canada was involved in the following horizontal initiatives as either the lead or as a partner:

1. Marine Security Horizontal Initiative (lead)
2. Canada Strategic Infrastructure Fund (partner)
3. Border Infrastructure Fund (partner)

Note:

Road Safety Vision 2010 was listed in the *Report on Plans and Priorities 2005-2006* as a horizontal initiative. Based on criteria identified in the *Guide to the Preparation of Part III of the 2005-06 Estimates* from the Treasury Board Secretariat, it was determined that Road Safety Vision 2010 is not an horizontal initiative as there is no formal funding agreement. Consequently, no information is available from other parties and this initiative will not be listed as a horizontal initiative in the future.

Supplementary information on horizontal initiatives can be found at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.

Table 12: Financial Statements of Transport Canada (Unaudited)

Accrual Financial Statements of

TRANSPORT CANADA
(Unaudited)

For the year ended March 31, 2006

TRANSPORT CANADA

STATEMENT OF MANAGEMENT RESPONSIBILITY

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the department's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act* are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the department have not been audited.

Louis Ranger
Deputy Minister
Ottawa, Canada

September 5th, 2006

André Morency
Senior Financial Officer
Ottawa, Canada

September 5th, 2006

TRANSPORT CANADA

Statement of Operations
(Unaudited)

For the Year Ended March 31

	2006	2005
	(In thousands of dollars)	
<hr/>		
Expenses (Note 4):		
Infrastructure	\$ 867,872	\$ 801,403
Safe and secure transportation	574,181	535,936
Sustainable development	41,808	34,955
Ship-Source Oil Pollution Fund and other programs (Note 15)	638	4,561
<hr/>		
Total expenses	1,484,499	1,376,855
Revenues (Note 5):		
Infrastructure	368,956	346,210
Safe and secure transportation	55,144	55,673
Sustainable development	68	57
Ship-Source Oil Pollution Fund and other programs (Note 15)	12,360	12,933
<hr/>		
Total revenues	436,528	414,873
<hr/>		
Net cost of operations	\$ 1,047,971	\$ 961,982
<hr/>		

The accompanying notes form an integral part of these financial statements.

TRANSPORT CANADA

Statement of Financial Position (Unaudited)

At March 31

	2006	2005
	(In thousands of dollars)	
Assets:		
Financial assets:		
Accounts receivable and advances (Note 6)	34,196	39,262
Loans receivable (Note 7)	10,771	26,916
Rent receivable (Note 8)	70,928	63,841
Investments (Note 9)	10,300	10,300
Total financial assets	126,195	140,319
Non-Financial assets:		
Prepaid expenses	1,684	2,505
Inventory	97,830	103,483
Tangible capital assets (Note 10)	3,197,905	3,380,992
Total non-financial assets	3,297,419	3,486,980
Total	\$ 3,423,614	\$ 3,627,299
Liabilities and Equity of Canada		
Liabilities:		
Accounts payable and accrued liabilities (Note 11)	\$ 689,805	\$ 425,465
Vacation pay and compensatory leave	27,596	24,559
Employee severance benefits (Note 12)	73,716	64,705
Deferred revenue	3,449	3,374
Lease obligations for tangible capital assets (Note 13)	682,660	696,141
Environmental liabilities (Note 14)	149,670	164,802
Total liabilities	1,626,896	1,379,046
Equity of Canada	1,796,718	2,248,253
Total	\$ 3,423,614	\$ 3,627,299

Contingent liabilities (Note 14)
Contractual obligations (Note 16)

The accompanying notes form an integral part of these financial statements.

TRANSPORT CANADA

Statement of Equity of Canada
(Unaudited)

At March 31

	2006	2005
	(In thousands of dollars)	
Equity of Canada, beginning of year	\$ 2,248,253	\$ 2,481,383
Net cost of operations	(1,047,971)	(961,982)
Current year appropriations used (Note 3a)	874,877	810,794
Revenues not available for spending	(58,007)	(88,444)
Change in net position of the Consolidated Revenue Fund (Note 3c)	(280,152)	(48,180)
Services provided without charge by other departments (Note 17)	59,718	54,682
Equity of Canada, end of year	\$ 1,796,718	\$ 2,248,253

The accompanying notes form an integral part of these financial statements.

TRANSPORT CANADA

Statement of Cash Flows
(Unaudited)

For the Year Ended March 31

	2006	2005
	(In thousands of dollars)	
Operating activities:		
Net cost of operations	\$ 1,047,971	\$ 961,982
Adjustment for items not affecting cash:		
Non-cash items:		
Amortization of tangible capital assets	(178,059)	(177,618)
Services provided without charge by other departments (Note 17)	(59,718)	(54,682)
Loss on disposals and write-downs of tangible capital assets	(53,072)	(55,708)
Allowance for environmental and contingent liabilities	20,326	(2,326)
Provision for valuation of loans and investments	(20,603)	-
Prior years' work-in-progress expensed	(9,045)	(12,524)
Employee severance benefits	(9,011)	(3,913)
Other	(1,396)	(2,230)
Variations in Statement of Financial Position:		
Decrease (increase) in liabilities	(272,646)	(88,441)
Increase (decrease) in financial assets	6,479	34,191
Increase (decrease) in inventory and prepaid expenses	(6,474)	4,175
Cash used by operating activities	464,752	602,906
Capital investment activities:		
Principal repayment of tangible capital leases	13,481	12,894
Acquisitions of tangible capital assets	64,507	60,783
Proceeds from disposal of tangible capital assets	(6,022)	(2,413)
Cash used by capital investment activities	71,966	71,264
Net cash provided by Government of Canada	(536,718)	(674,170)

The accompanying notes form an integral part of these financial statements.

TRANSPORT CANADA

Notes to Financial Statements
(Unaudited)

1. Authority and objectives:

Transport Canada is a department of the Government of Canada named in Schedule 1 of the *Financial Administration Act* and reports to Parliament through the Minister of Transport, Infrastructure and Communities.

Transport Canada is responsible for the transportation policies, programs and goals set by the Government of Canada, which are supported through the following departmental programs:

- Infrastructure: contributes to Canada's international competitiveness, productivity, and overall quality of life in urban, rural or remote areas through strategic investments in areas that directly support federal priorities, improving governance of transportation infrastructure providers, divestiture of federal assets to parties that are better placed to manage them, continued support to federally-dependent facilities and landlord of substantial land assets.
- Secure and safe transportation: promotes the safety of Canada's transportation system consisting of the air, marine, rail, and road modes of transportation through policy development, rule-making, monitoring and enforcement and outreach activities to ensure the protection of people from accidents and exposure to dangerous goods; enables the efficient flow of people and goods, and protects the environment from pollution.
- Sustainable development: develops and implements programs and policies in support of sustainable development to protect the natural environment and to achieve a more sustainable transportation system in Canada.

Transport Canada delivers its programs and services under numerous legislative and constitutional authorities including the *Department of Transport Act*, *Canada Transportation Act*, *Aeronautics Act*, *Canada Marine Act*, *Canada Shipping Act*, *Navigable Waters Protection Act*, *Railway Safety Act*, *Transportation of Dangerous Goods Act*, *Motor Vehicle Safety Act*, *Canadian Air Transport Security Authority Act* and *Marine Transportation Security Act*.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

- (a) Parliamentary appropriations – Transport Canada is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the department do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

2. Summary of significant accounting policies (*cont'd*):

- (b) Net Cash Provided by Government – Transport Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the department is deposited to the CRF and all cash disbursements made by the department are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.
- (c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-responsible revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.
- (d) Revenues:
- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
 - Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
 - Revenues that have been received but not yet earned are recorded as deferred revenues.
- (e) Expenses – these are recorded when the underlying transaction or expense occurred subject to the following:
- Grants are recognized in the year in which the conditions for payment are met. In the case of grants, which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements;
 - Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement;
 - Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
 - Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, worker's compensation, and legal services are recorded as operating expenses at their estimated cost.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

2. Summary of significant accounting policies (*cont'd*):

- (f) Employee future benefits:
 - (i) Pension benefits: Eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The department's contributions to the plan are charged to expenses in the year incurred and represent the total departmental obligation to the plan. Current legislation does not require the department to make contributions for any actuarial deficiencies of the plan.
 - (ii) Severance benefits: Employees are entitled to severance benefits, as provided for under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.
- (g) Accounts receivables from external parties are stated at amounts expected to be ultimately realized; a provision is made for external receivables where recovery is considered uncertain.
- (h) Loans receivable are recorded at cost. They are written down to their net present value to reflect concessionary terms using market rates at the time of the loans. Loan discounts are amortized over the term of the loans. A provision is made for loans where recovery is considered uncertain.
- (i) Investments in Crown corporations are recorded at cost. If there is a permanent impairment in value, an allowance is recorded to reduce the carrying value of the investment to a nominal amount.
- (j) Contingent liabilities – Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statement.
- (k) Environmental liabilities – Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the department becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the department's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.
- (l) Inventories – Inventories consist of spare parts, material and supplies held by the department. Inventories, other than serialized inventory items or rotatable parts, are valued at average cost. Serialized inventory items and rotatable parts are valued on a specific cost basis. A *serialized inventory item* is consumable inventory, which has a serial number and is required to be tracked for airworthiness purposes. A *rotatable part* is a part that is not fully consumed during use and where part or all of the economic value is restored through refurbishment after use. Rotatable parts are returned to stock for future consumption after refurbishment. Inventories with no further service potential, are valued at the lower of cost or net realizable value.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

2. Summary of significant accounting policies (*cont'd*):

- (m) Foreign currency transactions – transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on March 31, 2006. Losses resulting from foreign currency transactions are included in miscellaneous expenses on the statement of operations.
- (n) Tangible capital assets – all tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the tangible capital assets as follows:

Asset type	Amortization period
Confederation Bridge	100 years
Buildings and works:	
Buildings	20 to 40 years
Works and Infrastructure	10 to 40 years
Machinery and equipment:	
Machinery and equipment	5 to 15 years
Informatics hardware	3 to 5 years
Informatics software	3 years
Vehicles:	
Ships and boats	10 to 20 years
Aircraft	15 years
Motor vehicles	6 to 35 years
Leasehold improvements	According to the lease terms
Leased tangible capital assets:	
Leased material and equipment	According to the useful life of the asset if a bargain purchase offer exists or over the term of the lease

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

2. Summary of significant accounting policies (*cont'd*):

- (o) Measurement uncertainty — The preparation of these financial statements, in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

Transport Canada receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the department has different net results of operations for the year on a government-funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

3. Parliamentary appropriations (*cont'd*):

(a) Reconciliation of net cost of operations to current year appropriations used:

	2006	2005
	(In thousands of dollars)	
Net cost of operations	\$ 1,047,971	\$ 961,982
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Revenues not available for spending	\$ 58,007	\$ 88,444
Refunds of previous years' expenses	8,766	6,714
Amortization of tangible capital assets	(178,059)	(177,618)
Vacation pay	(3,037)	(4,522)
Loss on disposals and write-downs of tangible capital assets	(53,072)	(55,708)
Other	(1,396)	(2,241)
Inventory used	(10,575)	(4,015)
Bad debts	-	(1,331)
Provision for valuation of loans and investments	(20,603)	-
Allowance for environmental and contingent liabilities	20,326	(2,326)
Prior years' work-in-progress expensed	(9,045)	(12,524)
Employee severance benefits	(9,011)	(3,913)
Justice Canada legal fees	(5,167)	(5,023)
Services provided without charge	(59,718)	(54,682)
	(262,584)	(228,745)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less):		
Variation in prepaid expenses	(821)	1,973
Acquisitions of tangible capital assets	64,507	60,783
Inventory purchased	4,922	5,756
Payments of capital lease	13,481	12,894
Other	7,401	(3,849)
	89,490	77,557
Current year parliamentary appropriations used	\$ 874,877	\$ 810,794

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

3. Parliamentary appropriations (*cont'd*):

(b) Appropriations provided and used:

	2006	2005
	(In thousands of dollars)	
Appropriations provided		
Vote 01 – Operating expenditures	\$ 291,871	\$ 283,944
Vote 05 – Capital expenditures	74,790	68,198
Transfer payments	429,626	439,408
Statutory amounts	152,651	138,158
Less:		
Appropriations available for future years	(963)	-
Lapsed appropriations: Operating	(73,098)	(118,914)
Current year appropriations used	\$ 874,877	\$ 810,794

(c) Reconciliation of net cash provided by Government to current year appropriations used:

	2006	2005
	(In thousands of dollars)	
Net cash provided by Government	\$ 536,718	\$ 674,170
Revenues not available for spending	58,007	88,444
Change in net position in the Consolidated Revenue Fund:		
- Refunds of previous years' expenses	8,766	6,714
- Justice Canada legal fees	(5,167)	(5,023)
- Variation in financial assets	(6,479)	(34,191)
- Variation in liabilities	269,609	83,920
- Proceeds of disposal	6,022	2,413
- Other adjustments	7,401	(5,653)
	\$ 280,152	\$ 48,180
Current year appropriations used	\$ 874,877	\$ 810,794

TRANSPORT CANADA

Notes to Financial Statements (*continued*)

(Unaudited)

4. Expenses

The following table presents details of expenses by category:

	2006	2005
	(In thousands of dollars)	
Other levels of governments within Canada	\$ 231,550	\$ 260,301
Non-profit organizations	136,678	66,449
Industry	66,215	52,982
Individuals	798	844
Total transfer payments	\$ 435,241	\$ 380,576
Salaries and employee benefits	\$ 471,038	\$ 446,249
Amortization of tangible capital assets	178,059	177,618
Professional and special services	107,577	114,744
Net loss on disposal of tangible capital assets	52,549	55,708
Interest on capital lease	40,170	39,309
Travel and relocation	33,895	29,235
Equipment repair and maintenance	47,863	56,817
Accommodation (Note 17)	23,693	22,194
Utilities, materials and supplies	26,605	17,224
Telecommunications	7,373	7,465
Payments in lieu of taxes	6,833	7,172
Information services - communications	5,698	5,096
Rentals	4,528	4,626
Damage and other claims against the Crown	38,394	3,412
Postage	3,498	3,328
Miscellaneous	847	1,521
Pollution control (Note 15)	638	4,561
Total operating expenses	1,049,258	996,279
Total Expenses	\$ 1,484,499	\$ 1,376,855

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

5. Revenues

The following table presents details of revenues by category:

	2006	2005
	(In thousands of dollars)	
Sales of goods and services:		
Airport rent	\$ 295,941	\$ 277,863
Monitoring and enforcement revenues	39,934	34,894
Rentals and concessions	35,415	33,571
Aircraft maintenance and flying services	29,722	30,897
Transport facilities user fees	16,031	17,479
Miscellaneous	4,570	3,867
Research and development	1,757	2,456
Interest	798	913
Pollution control (Note 15)	12,360	12,933
Total revenues	\$ 436,528	\$ 414,873

6. Accounts receivable and advances

The following table presents details of accounts receivable and advances:

	2006	2005
	(In thousands of dollars)	
Accounts receivable from other government departments	\$ 13,709	\$ 17,721
Accounts receivable from external parties	28,982	30,415
Advances to employees	399	517
Less: allowance for doubtful accounts on external accounts receivable	(8,894)	(9,391)
Total accounts receivable and advances	\$ 34,196	\$ 39,262

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

7. Loans receivable:

	2006	2005
	(In thousands of dollars)	
St. John Harbour Bridge Authority	\$ 22,647	\$ 22,647
Canadian Airport Authorities	24,330	21,400
Victoria Harbour	2,536	-
St. Lawrence Seaway Management Corporation	179	179
Less:		
Allowances on loans	(20,604)	-
Discounts on loans	(18,317)	(17,310)
Total Loans	\$ 10,771	\$ 26,916

(i) Saint John Harbour Bridge Authority:

The loan receivable from the Saint John Harbour Bridge Authority consists of consolidated non-interest bearing advances made in connection with the financing, construction and operation of a toll bridge across the harbour of Saint John, New Brunswick. Additional non-interest bearing advances may be made in years when the operating and financing costs of the toll bridge exceeds its revenues. Where the revenue for the year exceeds the operating and financing costs, the Saint John Harbour Bridge Authority will remit the excess funds to Transport Canada on an annual basis to repay the debt. A discount of \$13,478,000 has been recorded to reflect the concessionary nature of the loan.

(ii) Canadian Airport Authorities:

Loans totalling \$24,330,000 to Canadian Airport Authorities relate to the transfer of chattels and consumable stock to individual authorities upon transfer of the management, operation and maintenance responsibilities to the authority under the National Airports Policy. The loans receivable portfolio consists of 13 non-interest bearing loans to Canadian Airport Authorities issued in the years from 1997 to 2003, with prescribed annual repayment terms. The loans are recorded at their discounted net present values using market interest rates at the time of the loans. On May 9, 2005 the Government of Canada announced it would adopt a new rent relief policy for federally owned airports and in addition to the rent reductions, the government announced it would forgive outstanding chattels payments. As a result, an allowance for the full amount of the chattel loans was recorded.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

7. Loans receivable (*cont'd*):

(iii) Victoria Harbour:

The Victoria Harbour long-term receivable relates to the sale of a parcel of Victoria Harbour land for \$2,578,469. The receivable has prescribed annual repayment terms and is recorded at its discounted net present value of \$1,423,000 using the market interest rate at the time of sale. The first payment of \$42,720 was received in fiscal year 2005-06.

(iv) St. Lawrence Seaway Management Corporation:

The St. Lawrence Seaway Management Corporation loan portfolio account was established by subsection 80(1) of the *Canada Marine Act*. The loan portfolio is managed in accordance with an agreement between Transport Canada and the St. Lawrence Seaway Management Corporation. The loan has prescribed monthly repayment terms with an annual interest rate of 7%. The loan is secured by title on the property and partial discharge on the individual lots may be granted in the amount of \$6,000. To date, three of the four loans have made full discharge. The mortgagor is in negotiations with Transport Canada and Justice Canada with respect to the remaining loan, which was repayable March 2004.

8. Rent receivable

The National Airport System (NAS) consists of 26 Canadian airports considered essential to air transportation in Canada, including 3 airports owned by Territorial Governments. Transport Canada has leased all of these airports under long-term operating agreements with Canadian Airport Authorities (22) and a municipal government (1).

In fiscal year 2003-04, Transport Canada entered into lease amendments with nine of the Canadian Airport Authorities, which provided for deferral of a portion of the airport rent payable by the Airport Authorities to Transport Canada for the 2003 to 2005 lease years. The total rent deferred for 2003-2005 is payable to Transport Canada over 10 years beginning in the 2006 lease year. Repayments of \$1,832,000 were received in fiscal year 2005-06. Rent receivable was \$70,927,797 at March 31, 2006 and \$63,841,442 at March 31, 2005.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

9. Investments

	2006	2005
	(In thousands of dollars)	
Via Rail Canada Inc.	\$ 9,300	\$ 9,300
Ridley Terminals Inc.	90,000	90,000
Less: Allowance for valuation	(89,000)	(89,000)
Total Investments	\$ 10,300	\$ 10,300

(i) Via Rail Canada Inc.:

In fiscal year 1979/1980, non-budgetary authority was granted to purchase common shares of Via Rail Canada Inc. to be valued at \$100 per share for a total value of \$9,300,000.

(ii) Ridley Terminals Inc.:

On November 1, 2000, the shares of Ridley Terminals Inc. owned by Canada Ports Corporation were transferred to the Crown under the administration of Transport Canada. Due to concerns regarding the viability of Ridley Terminals Inc., for prior years, the investment in Ridley Terminals Inc. has been written-down to a nominal value in Transport Canada's financial statements.

TRANSPORT CANADA

Notes to Financial Statements (continued)

(Unaudited)

10. Tangible capital assets:

(In thousands of dollars)	Cost				Accumulated amortization				2006 Net book Value	2005 Net book Value
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance		
Land ⁽¹⁾	202,591	-	4,005	198,586	-	-	-	-	198,586	202,591
Buildings and Works ⁽²⁾	4,150,462	21,487	137,012	4,034,937	2,107,650	127,736	85,931	2,149,455	1,885,482	2,042,812
Machinery and equipment ⁽³⁾	125,385	9,301	2,528	132,158	70,404	16,727	1,840	85,291	46,867	54,981
Vehicles	796,509	9,212	8,707	797,014	535,015	24,296	5,016	554,295	242,719	261,494
Leasehold improvements	7,389	6,246	-	13,635	4,234	1,112	-	5,346	8,289	3,155
Work-in-progress	61,280	18,261	10,070	69,471	-	-	-	-	69,471	61,280
Confederation Bridge	818,820	-	-	818,820	64,141	8,188	-	72,329	746,491	754,679
TOTAL	\$ 6,162,436	\$ 64,507	\$ 162,322	\$ 6,064,621	\$ 2,781,444	\$ 178,059	\$ 92,787	\$ 2,866,716	\$ 3,197,905	\$ 3,380,992

Amortization expense for the year ended March 31, 2006 is \$178,059 (2005 - \$177,618).

⁽¹⁾ Includes land for 23 National Airports with a net book value of \$131,743,000 and \$131,750,000 (2005).

⁽²⁾ Includes building and works for 23 National Airports with a net book value of \$1,088,739,000 and \$1,169,286,000 (2005).

⁽³⁾ Includes machinery and equipment for 23 National Airports with a net book value of \$317,000 and \$400,000 (2005).

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

10. Tangible capital assets (*cont'd*):

(a) National Airport System assets

The National Airport System assets recorded above consist of the land, buildings, work and infrastructures of the remaining 23 Canadian airports.

Transport Canada has leased all of these airports under long-term operating agreements with Canadian Airport Authorities (22) and a municipal government (1). These agreements are in accordance with the federal *National Airports Policy, the Public Accountability Principles for Canadian Airport Authorities and the Fundamental Principles for the Creation and Operations of Canadian Airport Authorities*, which, in part, entails the transfer of the management, operations and maintenance of certain airports in Canada to Canadian Airport Authorities.

Transport Canada has the right to terminate the operating agreements and assume the responsibility for the management, operation and maintenance of the airport if the leased airports are not operated in accordance with the terms of the respective operating agreements and the *Policies and Principles* referred to above.

11. Accounts payable and accrued liabilities

	2006	2005
	(In thousands of dollars)	
Payables to third parties	\$ 566,566	\$ 310,431
Payables to other government departments	69,041	48,673
Accrued salaries	15,589	23,682
Other accounts payable and accrued liabilities	38,609	42,679
Total Accounts Payable and Accrued Liabilities	\$ 689,805	\$ 425,465

12. Employee Benefits:

(a) Pension benefits:

The department's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2005-06 expense amounts to \$58,770,000 (\$55,664,000 in 2004-05), which represents approximately 2.6 times the contributions by employees.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

12. Employee Benefits (*cont'd*):

The department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits:

The department provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2006	2005
	(In thousands of dollars)	
Accrued benefit obligation, beginning of year	\$ 64,705	\$ 60,792
Expense for the year	14,435	9,230
Benefits paid during the year	(5,424)	(5,317)
Accrued benefit obligation, end of year	\$ 73,716	\$ 64,705

13. Lease obligations for tangible capital assets

Under the *Northumberland Strait Crossing Act*, the Government of Canada entered into a long-term capital lease arrangement in 1992 and is obligated to pay an annual subsidy of \$41,900,000 (1992 dollars) to the Strait Crossing Finance Inc., a wholly owned corporation of the Province of New Brunswick, for the construction of the Confederation Bridge. The annual payments made by Transport Canada are due on April 1st and will be used to retire \$661,000,000 of 4.5 percent real rate bonds issued in October 1993 by Strait Crossing Finance Inc. to finance the construction of the bridge. Annual payments made by Transport Canada began in 1997 and will continue until 2033. At such time, the ownership of the bridge will be transferred to the Government of Canada.

On April 1, 2005 an annual payment in the amount of \$52,790,000 was made. This payment represents payment of principal in the amount of \$13,480,721 and interest expense of \$39,309,279.

The department has recorded a capital lease obligation of \$682,660,000 as of March 31, 2006 based on the present value for the future subsidy payments using an interest rate of 6.1605%.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

13. Lease obligations for tangible capital assets (*cont'd*):

Future minimum annual lease payments are as follows:

Maturing year	2006	2005
	(In thousands of dollars)	
2005-2006	-	52,790
2006-2007	54,265	51,776
2007-2008	52,558	52,558
2008-2009	53,352	53,352
2009-2010	54,158	54,158
2010-2011	54,976	54,976
2011-2012 and thereafter	1,379,736	1,379,736
Total future minimum lease payments	1,649,045	1,699,346
Less: imputed interest	966,385	1,003,205
Balance of obligations under leased tangible capital assets	\$ 682,660	\$ 696,141

14. Contingent liabilities:

(a) Contaminated sites:

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where Transport Canada is obligated or likely to be obligated to incur such costs. The department has identified approximately 571 sites (556 sites in 2005) where such action is possible and for which a liability of \$149,670,000 (\$164,802,000 in 2005) has been recorded. The department has estimated additional clean-up costs of \$154,427,000 (\$154,629,000 in 2005) that are not accrued, as these are not considered likely to be incurred at this time. Transport Canada's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by the department in the year in which they become known.

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

14. Contingent liabilities (*cont'd*):

(b) Claims and litigation:

Claims have been made against Transport Canada in the normal course of operations. Legal proceedings for claims totalling approximately \$37,500,000 (\$33,424,000 in 2005) were still pending at March 31, 2006. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

Transport Canada is named as a defendant in a claim for \$330,000,000 filed by the Mohawks of Akwesasne. The action was first initiated in 1976 for unlawful expropriation and breach of fiduciary duty regarding the expropriation of land in the 1950's for the construction of the Saint Lawrence Seaway and of the Seaway International Bridge. The outcome of this claim is not determinable at this time. No accrual for this contingency has been made in the financial statements.

15. Restricted equity of Canada

The department includes in its revenues and expenses certain transactions that legislation requires be earmarked for expenses relating to a specified purposes. The department has two such accounts:

- (a) The Ship-source Oil Pollution Fund (Fund) was established pursuant to section 702 of the *Canada Shipping Act*, to record levy tonnage payments for oil carried by ships in Canadian waters. Maritime pollution claims, the fee of the Fund Administrator, and related oil pollution control expenses, are financed out of the Fund.

	2006	2005
	(In thousands of dollars)	
<hr/>		
Restricted Ship-source Oil Pollution:		
Balance – April 1, 2005	\$ 339,109	\$ 330,734
Revenues	12,316	12,912
Expenses	(582)	(4,537)
<hr/>		
Balance – March 31, 2006	\$ 350,843	\$ 339,109

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

15. Restricted equity of Canada (*cont'd*):

- (b) The Fines for Transport of Dangerous Goods account was established pursuant to the *Transportation of Dangerous Goods Act, 1992* and related regulations to record fines levied by courts.

	2006	2005
	(In thousands of dollars)	
Restricted - Fines for Transport of Dangerous Goods:		
Balance – April 1, 2005	\$ 611	\$ 614
Revenues	44	21
Expenses	(56)	(24)
Balance – March 31, 2006	\$ 599	\$ 611
Restricted equity of Canada	\$ 351,442	\$ 339,720

16. Contractual obligations

The nature of Transport Canada's activities results in some large multi-year contracts and obligations whereby the department will be committed to make some future payments when the services/goods are rendered. Significant contractual obligations that can be reasonably estimated are as follows:

(In thousands of dollars)	2006	2007	2008	2009	2010	There-	Total
	-2007	-2008	-2009	-2010	-2011	after	
Transfer payments	\$ 300,745	\$ 110,548	\$ 74,639	\$ 73,176	\$ 37,379	\$ 63,575	\$ 660,062
Tangible capital assets	5,752	523	139	-	-	-	6,414
Other goods and services	10,014	4,222	2,013	1,617	-	-	17,866
Software maintenance agreements	2,127	1,176	644	195	-	-	4,142
Building retrofits	200	-	-	-	-	-	200
Other	976	-	-	-	-	-	976
Total	\$ 319,814	\$ 116,469	\$ 77,435	\$ 74,988	\$ 37,379	\$ 63,575	\$ 689,660

TRANSPORT CANADA

Notes to Financial Statements (*continued*)
(Unaudited)

17. Related party transactions:

Transport Canada is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The department enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, Transport Canada received services, which were obtained without charge from other Government departments as presented below.

Services provided without charge:

During the year the department received without charge from other departments, accommodation, the employer's contribution to the health and dental insurance plans, worker's compensation, and legal services.

These services without charge have been recognized in the department's Statement of Operations as follows:

	2006	2005
	(In thousands of dollars)	
Accommodation provided by Public Works and Government Services Canada	\$ 23,693	\$ 22,194
Contributions covering employer's share of employees' insurance premiums and costs paid by Treasury Board Secretariat	28,879	25,069
Worker's compensation cost provided by Human Resources and Skills Development Canada	4,247	4,055
Legal services provided by Department of Justice	2,899	3,364
Total	\$ 59,718	\$ 54,682

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the department's Statement of Operations.

Table 13: Response to Parliamentary Committees, Audits and Evaluations for FY 2005-2006

Response to Parliamentary Committees
Nil
Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (CESD)
<p><u>April 2005 Auditor General’s Report</u></p> <p>Chapter 2 – National Security in Canada – The 2001 Anti-Terrorism Initiative: Air Transportation Security, Marine Security, and Emergency Preparedness http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20050402ce.html.</p> <p>This audit included a number of federal government departments and agencies, including Transport Canada. With respect to Transport Canada, the audit focused on assessing whether: Transport Canada’s oversight of the air transport security system is adequate; Transport Canada and the Canadian Air Transport Security Authority (CATSA) have adequately managed those elements of Explosives Detection Systems acquisition and implementation for which they are responsible; and the International Ship and Port Facility Security Code was implemented according to the government’s plan.</p> <p>With respect to air transportation security, the Auditor General made the following recommendations (Transport Canada’s response to each recommendation is also found below):</p> <p>2.29 Recommendation: Transport Canada should complete a formal analysis of threats and risks to the entire air transport system and use the results as a basis for deploying resources and focussing enforcement efforts.</p> <p>Transport Canada’s response: Transport Canada recognizes the importance of risk management, which has been an essential foundation of its aviation security program since its inception in the 1970s. More recently, the department has initiated a comprehensive Transportation Security Strategy, which will examine risk in all modes and activities within each mode. The strategy will include a formal threat-and-risk-analysis instrument that could be used in risk management decision making for regulatory, legislative, and enforcement activities (spring 2006). In the interim, Transport Canada will continue to rely on its inspectors and existing analytical capacity to address emerging security needs.</p> <p>2.50 Recommendation: Transport Canada should put in place system-wide performance measures that specify what it considers to be satisfactory performance by the Canadian Air Transport Security Authority (CATSA).</p>

Table 13: Response to Parliamentary Committees, Audits and Evaluations for FY 2005-2006 (continued)

Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (CESD) (continued)

Transport Canada's response: Transport Canada has developed a comprehensive enforcement program, including monitoring and inspection, to ensure compliance with the rules. With respect to CATSA, Transport Canada has taken, and will continue to take, an incremental approach to enforcement. While Transport Canada does not consider monetary penalties to be necessarily the best compliance tool, it can take appropriate enforcement action, drawing if necessary on the range of legislative and administrative mechanisms available, including holding directors and officers accountable. In addition, Transport Canada is now developing system-wide qualitative and quantitative measures of performance by screeners and equipment, which will be reviewed on a regular basis. Measures will be finalized by early 2006.

No audit recommendations were made with respect to Transport Canada's role in marine security.

November 2005 Auditor General's Report

Chapter 8 – Other Audit Observations

Audit: Transport Canada – The Quebec Bridge

<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20051108ce.html>

The audit objective was to determine whether, at the time of the Quebec Bridge transfer in 1993 and the 1997 funding agreement, Transport Canada had applied management principles that protected the interests of Canadian taxpayers and ensured the long-term viability of this essential infrastructure.

The audit concluded that the restoration work on this regional transportation infrastructure is only partially completed. Major issues remain regarding the financing of the rest of the restoration work in the years to come.

**Table 13: Response to Parliamentary Committees, Audits and Evaluations for
FY 2005-2006 (continued)**

Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (CESD) (continued)

While no recommendations were directed at Transport Canada, the department provided comments. Transport Canada's position is that Canadian National (CN) is responsible for the long-term viability of the Quebec Bridge as per the 1993 agreement. The department intends to ensure that CN fully complies with the requirements of the 1993 agreement as well as the requirements of the 1997 tripartite agreement pertaining to the restoration program for the Quebec Bridge. For the past fifteen years, Transport Canada's policy has been to divest itself of the operations of the transportation system. In the case of the Quebec Bridge and other Canadian Government Railway (CGR) lands, the Government transferred the lands to CN, a Crown Corporation, which had been entrusted the lands for management and operation since 1923. The full value of CN, including the CGR lands, was realized by Canadian taxpayers through the privatization of CN in 1995.

2005 Status Report of the Auditor General

Chapter 2 – Transport Canada – Overseeing the National Airports System

<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20050202ce.html> .

The objective of this follow-up audit was to evaluate the extent to which Transport Canada implemented the recommendations of the Auditor General's 2000 audit of Airport Transfers – National Airports System (NAS).

The Auditor General made the following recommendations (Transport Canada's response is also found below):

2.55 Recommendation: Canada should clarify how it will continue overseeing the long-term viability of the NAS once the data from the Airports Rent Policy Review becomes obsolete. In particular, it should determine what data to collect; who will collect it, how often, and how it will be collected; and how the results will be used.

Table 13: Response to Parliamentary Committees, Audits and Evaluations for FY 2005-2006 (continued)

Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (CESD) (continued)

Transport Canada's response: To determine if policies and frameworks are working as intended and to provide early warning indicators of potential financial trouble at an airport, the department intends to build upon the work it did assessing the long-term viability of the leased NAS airports for the Rent Policy Review. To facilitate this, the existing forecast model would be updated, on an ongoing basis, with current financial and traffic data.

2.56 Recommendation: Transport Canada should develop a comprehensive strategy for responding in the event that an airport authority encounters serious financial difficulty. In particular, the strategy should state who in the department would assume primary responsibility, when the department would intervene and the methods it would use, and the legal limits of the intervention.

Transport Canada's response: Transport Canada concurs. As noted in the department's discussion paper, serious financial difficulty can arise from a variety of underlying causes, which may accordingly require different skill sets (finance and accounting, policy, operations, etc.). The department will develop a variety of case scenarios to ensure it can:

- (i) assign primary responsibility in any foreseeable case;
- (ii) marshal the necessary information for decision makers to decide whether to intervene, and if so, how; and
- (iii) identify the legal and financial authorities the department has or would have to obtain for such a case.

2.65 Recommendation: Transport Canada should:

- develop a framework identifying the airports whose performance it wants to measure; what it needs to measure; what data it needs to collect, who will collect it, how it will be collected, and how often; how it will use the results; and how it will report on the performance;
- have the framework approved by departmental executives; and
- start, as soon as possible, collecting data, measuring the airports' performance, and reporting on the results.

Transport Canada's response: Transport Canada recognizes the importance of developing and implementing a performance-monitoring framework. This was reflected in early drafts of a proposed legislative framework for airports (2003). To ensure that airport business dynamics and data availability are taken into consideration, this project would be developed in consultation with the relevant airports to identify and prioritize appropriate performance measures. The department will enhance its data gathering capabilities, as well as determine the best approach to report the results.

Table 13: Response to Parliamentary Committees, Audits and Evaluations for FY 2005-2006 (continued)

<p>Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (CESD) (continued)</p>
<p><u>2005 Report of the Commissioner of the Environment and Sustainable Development</u></p> <p>Chapter 3 – Canadian Biodiversity Strategy: A Follow-Up Audit http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20050903ce.html</p> <p>The objective of this follow-up audit was to determine the progress by the federal government in implementing selected aspects of the Canadian Biodiversity Strategy. This audit included a number of federal government departments and agencies.</p> <p>No audit recommendations were directed at Transport Canada.</p> <p>Chapter 7 – Sustainable Development Strategies http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20050907ce.html</p> <p>In this audit, the Commissioner of the Environment and Sustainable Development focused on four key areas: government-wide direction, the quality of the 2004 Sustainable Development Strategies, implementation of Strategy commitments, and action on international commitments.</p> <p>No audit recommendations were directed at Transport Canada.</p> <p>Chapter 8 – Environmental Petitions http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20050908ce.html</p> <p>The objective of this audit was to inform Parliament and Canadians on the use of the petitions process and the Commissioner’s monitoring of commitments and statements made in response to specific petitions. This audit included a number of federal government departments and agencies.</p> <p>No audit recommendations were directed at Transport Canada.</p>
<p>External Audits (note: these refer to other external audits conducted by the Public Service Commission or the Office of the Commissioner of the Official Languages or the Official Languages Branch of the Public Service Human Resources Management Agency).</p>
<p>Nil</p>

Table 13: Response to Parliamentary Committees, Audits and Evaluations for FY 2005-2006 (continued)

Internal Audits or Evaluations
<p>Internal audits approved by Transport Canada's Audit and Review Committee in 2005-06:</p> <ul style="list-style-type: none">• Audit of the Transportation Association of Canada Contribution Program• Final Audit Report – Cabin Security Enhancement Contribution Program• Financial Audit of the Operation and Maintenance of the Blainville Motor Vehicle Test Centre• Review of Priority Cheque Printing Facility• Review of CN Alternate Use Agreements – Phase IV – 2000 – 2003 Crop Years• Study of the Quality of Information for Resource Decision-Making – Phase 1 <p>More information is available at http://www.tc.gc.ca/corporate-services/audit/menu.htm.</p> <p>Internal evaluations completed by Departmental Evaluation Services in 2005-06:</p> <ul style="list-style-type: none">• Grant to British Columbia Ferries• Contribution to the Canadian Wheat Board for leasing of hopper cars• Evaluation of Ridley Terminals – September 2005• Grade Crossing Improvement Program• Combined evaluation of contributions to the Canadian Red Cross and the Canadian Safe Boating Council• Outaouais Roads Agreement Contribution• Sustainable Transportation Fund (MOST) <p>More information is available at http://www.tc.gc.ca/programevaluation/reports/menu.htm.</p>

Table 14: Sustainable Development Strategies (SDS)

Department: Transport Canada	
Points to address	Departmental Input
1. What are the key goals, objectives, and/or long-term targets of the SDS?	TC has seven strategic challenges: <ol style="list-style-type: none"> 1. Encourage Canadians to make more sustainable transportation choices 2. Enhance innovation and skills development 3. Increase system efficiency and optimize modal choices 4. Enhance efficiency of vehicles, fuels, and fuelling infrastructure 5. Improve performance of carriers and operators 6. Improve decision-making by governments and the transportation sector 7. Improve management of Transport Canada operations and lands.
2. How do your key goals, objectives and/or long-term targets help achieve your department's/agencies' strategic outcomes?	Transport Canada's seven strategic challenges reflect the key results that the department intends to influence. Within these seven challenges there are 32 commitments and 173 targets where the department will focus its efforts for the 2004-2006 period. This is in direct support of the department's strategic outcomes to: <ul style="list-style-type: none"> • Ensure high standards for a safe and secure transportation system; • Contribute to Canada's economic growth and social development; and, • Protect the physical environment The strategy also addresses key federal priorities such as climate change, clean air, clean water, and contaminated sites.
3. What were your targets for the reporting period?	The strategy identifies a total of 173 targets, which are reported on an annual basis.
4. What is your progress to date?	For the 2005-06 fiscal year, over 90% of the targets for the 2004-2006 SDS were reported to be either complete or on-track. A detailed SDS Progress Report is compiled each year and posted online at http://www.tc.gc.ca/programs/Environment/SD/menu.htm
5. What adjustments have you made, if any?	No adjustment in 2005-06. Minor adjustments to how performance measures are reported in commitment 2.1 (Intelligent Transportation Systems (ITS) Research and Development and ITS Deployment and Integration Plan) were made in 2004-05 in order to gain more of an accurate status as to the progress of the targets. These adjustments are noted within the SDS Progress Report.

Table 15: Procurement and Contracting

Department/Agency: Transport Canada	
Points to address:	Organization's Input:
1. Role played by procurement and contracting in delivering programs	<p>The department uses procurement and contracting to obtain expertise in support of existing ongoing programs in areas such as informatics, auditing and language training. In addition, the department contracts for the specialized services of experts to undertake a variety of ad hoc studies and projects. This expertise is not available in-house and includes the services of consultants in the fields of finance, policy, environmental issues, science and technology, and so on. Services obtained under contract are often instrumental in ensuring that the department meets its operational requirements.</p>
2. Overview of how the Department manages its contracting function.	<p>The department operates in a decentralized environment with designated departmental procurement specialists in Headquarters (HQ), and the Regions who have full contracting authority. Low dollar value procurement authority has been delegated to Responsibility Centre Managers throughout the department so that they can meet most of their acquisition needs quickly and with minimal administrative burden. A few organizations in HQ also have specific limited contracting authority for specialized requirements such as the purchase of aircraft parts, vehicles and parts for testing purposes, informatics professional services and management consulting services. In addition, Transport Canada uses the services of PWGSC to procure goods exceeding \$5,000 that are not available under a standing offer, and certain types of services (e.g., audio-visual production).</p> <p>Most Responsibility Centre Managers have use of a departmental acquisition card for purchases up to \$5,000.</p> <p>Contracts are created using the department's automated contracting system, which is based on Oracle software.</p> <p>Transport Canada uses MERX, the federal government's electronic tendering system to advertise most procurement opportunities exceeding \$25,000.</p> <p>A Contract Review Committee has been established in Headquarters and in each Region to review and challenge certain types of contracting situations such as proposed sole source contracts exceeding \$25,000, unauthorized contracting actions, and some amendments. The regional Contract Review Committees are limited to reviewing contracts that do not exceed \$10,000. The HQ Committee must review all the rest.</p>

Table 15: Procurement and Contracting (continued)

Department/Agency: Transport Canada	
Points to address:	Organization's Input:
<p>3. Progress and new initiatives enabling effective and efficient procurement practices.</p>	<p>Materiel and Contracting Services, part of the Administrative Services Branch, has developed a number of instruments to assist managers with their contracting requirements. These include <i>A Guide to Procurement and Materiel Management</i> that takes the managers through the entire contracting process from the planning stage to contract management, and Materiel and Contracting Services Bulletins on specific contracting issues. These are posted on the branch's Intranet website.</p> <p>In addition, the department has developed a number of training courses for managers on contracting in Transport Canada, developing terms of reference, managing contracts and evaluating bids.</p> <p>Materiel and Contracting Services has also developed a new procedures manual for contracting specialists in headquarters. The manual is available to contracting specialists in the regions who may wish to adapt it to reflect their own processes.</p> <p>Transport Canada has exceeded its targets for contracting with Aboriginal suppliers pursuant to the Procurement Strategy for Aboriginal Business for the past few years.</p>

Table 16: Service Improvement

A survey was completed at the end of 2004-05 to measure the satisfaction of the general public, stakeholders within Transport Canada (TC), and others, with the TC external website. In response, TC launched many initiatives. The study revealed that nearly 60% of all citizen concerns relate to information/access to rules and regulations of some sort. Prevalent issues were: acts, regulations, and standards; emergencies and health and safety regulations; licensing and registration of land, air, and marine vehicles.

Building on these evaluations and through continued introduction of online methods of interacting with the department, TC worked throughout 2005-06 on enhancing its citizen-focused services and its relationships with customers and suppliers, following the objectives originally set out in the Government On-line (GOL) initiative. Other client satisfaction surveys will be conducted in the future to measure how service has improved, but no firm date has been set at this time.

The following initiatives are examples of services made available in 2005-06:

Electronic Collection of Air Transportation Statistics (GTEC Distinction Award 2005 Gold Medal Winner)

Electronic Collection of Air Transportation Statistics (ECATS) is TC's air-transportation data-collection and dissemination software application. A joint government and industry initiative, ECATS enables air carriers serving Canada to submit essential air-transportation data to TC via two web interfaces, reducing data-reporting costs for airlines, enhancing the timeliness and availability of air transportation statistics for departmental decision-making, and improving dissemination of air transportation statistics to approved users of the data.

Transact (GTEC Distinction Award 2005 Bronze Medal Winner)

Transact is TC's secure finance portal through which external clients can access the department's online storefront and e-billing website. The corporate storefront features a broad variety of multimedia products, including printed materials, videos, CDs and DVDs. It includes an online application for small commercial vessel licences by integrating with an existing vessel database system. Over time, the storefront will continue to evolve to include a wide range of goods and services. Potential services include the distribution of forms, examinations, inspection/certification services and registrations.

Table 16: Service Improvement (*continued*):

Through Transact, TC clients also have online access to their customer account to review transaction details, print information and pay bills by credit card. Functionality is also in place to provide electronic notification of invoices and statements. This function is available to both private sector and government clients. Changes have been made to allow government departments and agencies to pay for goods and services on the storefront using the inter-departmental settlement process. Government clients can also use the e-billing website to view account activity, print transactions and export information to assist with reconciliation and analysis activities.

Continuing Airworthiness Web Information System

The Continuing Airworthiness Web Information System (CAWIS) is a web-based interface designed to help monitor the airworthiness of Canadian aircraft and enhance the safety of air travel in Canada. To accomplish these objectives, CAWIS enables aircraft owners and operators to submit required airworthiness data to TC via the Internet. The system also provides the department's aviation authorities with a direct, high-speed channel through which to disseminate crucial safety and other advisory information to aircraft owners and operators in Canada, and aviation authorities around the world.

iProcurement

With iProcurement, TC has introduced a web-based approach to purchasing goods and services from reliable suppliers via online catalogues. This application is the first step by TC to develop a range of web-based service-delivery tools under the Business Intelligence and Resource Management Project strategy. It allows small, medium and large sized enterprises throughout Canada with an opportunity to supply goods and services to TC through an electronic mechanism.

Marine Safety Regulations Query System

The Marine Safety Regulations Query System (RQS) is a web-based application that enables users to search all marine acts and regulations any time, anywhere. The system's process of guided navigation simplifies and enhances searches, making it possible for vessel owners and operators, marine-safety inspectors and the general public to locate precise information within the voluminous amount of regulation that governs marine traffic. The system was also of valuable assistance to policy makers as they performed essential regulatory development while preparing for the implementation of the renewed *Canada Shipping Act* in 2006.

Table 16: Service Improvement (continued):

Urban Transportation Showcase Program

The Urban Transportation Showcase Program (UTSP) is a TC initiative that aims to reduce greenhouse-gas emissions through implementation of showcase demonstrations in eight municipalities across Canada, and through dissemination of information about these demonstrations. Results of these sustainable-transportation demonstrations have been disseminated through the program's national, web-based Information Network. In addition to serving as a forum for municipal officials, transportation practitioners and other professionals to share information and lessons learned about the showcase demonstrations, the UTSP Information Network has profiled a wealth of innovative new strategies to help Canadians reduce greenhouse gas emissions produced by urban transportation.

In an effort to look for cost savings, increased productivity, consistency and a reduction in "reinventing the wheel" by all departments acting in isolation, the department has and continues to participate in horizontal initiatives. From an internal efficiencies standpoint, in April 2005, TC's Management Executive Committee endorsed the TC Information Management/Information Technology (IM/IT) Investment Plan 2005-06 which positions key departmental IM/IT investments within this changing government landscape. In their endorsement of this plan, TC's Management Executive Committee directed the implementation of several IM/IT efficiencies in order to reallocate resulting savings to higher departmental priorities, and to implement a departmental performance framework which would allow for ongoing monitoring of approved IM/IT investments as well as measure the results of these investments. As result of this work, the department attained savings/cost avoidance in the identified efficiency areas amounting to approximately \$1.4 million, which was reallocated to address other departmental pressures. In addition, the IM/IT performance framework has ensured that its investments in IM/IT projects are sound.

Work continued in 2005-06 with projects such as the Civil Aviation Issues Reporting System (CAIRS). CAIRS is a mechanism that provides external stakeholders, such as individuals, pilots, unions and the aviation industry at large with a means to raise issues with TC in an effort to improve service delivery to all clients in the aviation field. Transport Canada Civil Aviation employees may also use CAIRS to raise issues (such as concerns, complaints, compliments and suggestions for improvement) and identify operational hazards to management. The main component for tracking and responding to these issues is a web-based application.

A solid foundation on which to build a reporting culture within the department, CAIRS seeks to address issues quickly and at the lowest possible level before resorting to more formal redress processes. While assuring users of complete privacy, CAIRS does not prevent stakeholders or employees from using any other established redress mechanisms or reporting systems. CAIRS is also in compliance with the User Fee Act, which stipulates that a regulating authority that receives a complaint on a proposed user fee must try to resolve the complaint prior to going to the next level.

Table 17: Travel Policies

Transport Canada follows and uses Treasury Board Secretariat Travel policies parameters.

SECTION IV – OTHER ITEMS OF INTEREST

4.1 Our Offices

TRANSPORT CANADA HEADQUARTERS

Website:

<http://www.tc.gc.ca/en/menu.htm>

Mailing Address:

Transport Canada
Place de Ville, Tower C
330 Sparks Street
Ottawa, Ontario
K1A 0N5

General Enquiries:

Telephone: 613 990-2309
Fax: 613 954-4731

Library and Research Services Centre:

Telephone: 613 998-5128

TRANSPORT CANADA REGIONAL OFFICES

Atlantic Region

95 Foundry Street
Moncton, New Brunswick
E1C 8K6
Telephone: 506 851-7316

Quebec Region

700 Leigh Capreol
Dorval, Quebec
H4Y 1G7
Telephone: 514 633-2714

Ontario Region

4900 Yonge Street
Toronto, Ontario
M2N 6A5
Telephone: 416 952-2170

Prairie and Northern Region

344 Edmonton Street
Winnipeg, Manitoba
R3C 0P6
Telephone: 204 984-8105

Pacific Region

620-800 Burrard Street
Vancouver, British Columbia
V6Z 2J8
Telephone: 604 666-3518

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