



Transport Canada

2002-2003
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled in the spring and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

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

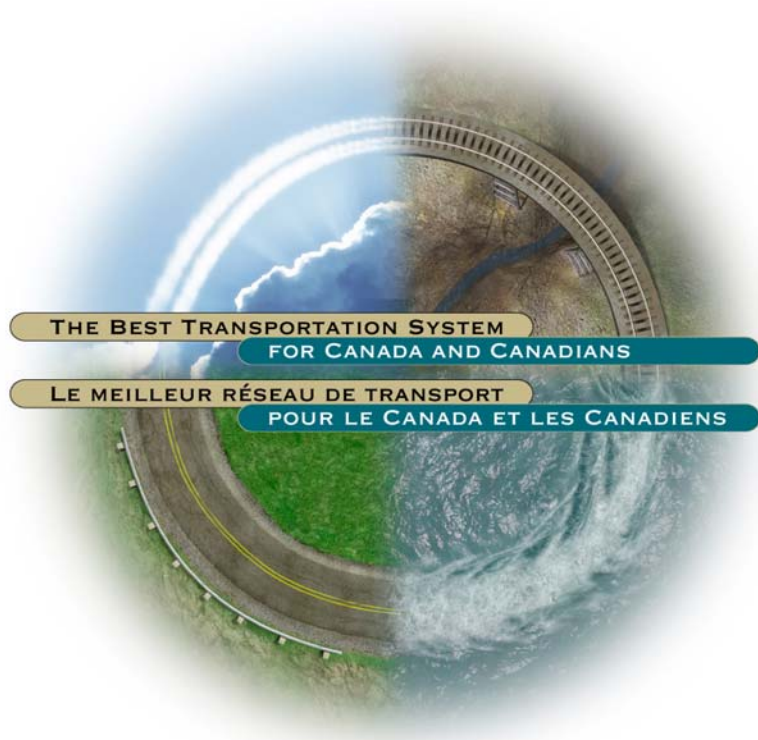
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THE BEST TRANSPORTATION SYSTEM
FOR CANADA AND CANADIANS

LE MEILLEUR RÉSEAU DE TRANSPORT
POUR LE CANADA ET LES CANADIENS

Transport Canada

**2002-2003 Estimates
A Report on
Plans and Priorities**

Approved

Minister of Transport





Table of Contents

1.0	Messages	1
1.1	Minister's Message	1
1.2	Management Representation.....	2
2.0	An Introduction to Transport Canada	3
2.1	Who We Are	3
2.2	Legislative Mandate	3
2.3	Strategic Objectives	4
2.4	An Organization Structure for Results.....	4
2.5	Overview of Planned Spending.....	6
3.0	Planning Context — Challenges and Priorities	7
3.1	The Impact of September 11 th	7
3.2	Transportation Blueprint.....	7
3.3	Canadian Transportation Act Review	8
4.0	Planned Performance	9
4.1	Measuring the Achievement of Our Strategic Objectives	9
4.2	Plans, Results and Resources by Strategic Objective	10
4.2.1	<i>Ensure high standards for a safe and secure transportation system</i>	10
4.2.2	<i>Contribute to Canada's economic growth and social development</i>	17
4.2.3	<i>Protect the physical environment</i>	25
4.3	Implementing Transport Canada's Management Agenda	32
5.0	Supplementary Information	37
5.1	Financial Tables	37
5.2	Business Line Details.....	49
5.3	Our Office Locations	50
	Index	51

List of Financial Tables

Table 1 — Net Cost of Program for the Estimates Year	37
Table 2 — Summary of Capital Spending by Business Line	38
Table 3 — Details on Major Capital Project Spending.....	39
Table 4 — Summary of Transfer Payment Spending by Business Line	41
Table 5 — Details on Transfer Payment Programs.....	42
Table 6 — Source of Respendable and Non-respendable Revenue	45
Table 7 — Loans, Investments and Advances.....	47
Table 8 — Main Estimates Spending Authority	48

The following symbols are used in this report:

	See elsewhere in this document for additional information.
	Additional information is available in another document.
	Visit a web site to get additional information.
	Item relates to priority from the 2001 Speech from the Throne (www.sft-ddt.gc.ca)

1.0 Messages

1.1 Minister's Message



I am pleased to present Transport Canada's *2002-2003 Report on Plans and Priorities*, which outlines the department's direction over the next three fiscal years.

Over the past few months, our world has changed immeasurably as a result of the terrorist attacks in the United States on September 11th. The tragic events of that day have put public security at the top of Canadians' priority list. Accordingly, the Government of Canada has taken concrete steps to deal with the new challenges, and to secure our future.

Canada has always had an enviable record on transportation safety and security. We already have a very safe transportation system, and we are taking positive steps to make it safer. The December 2001 budget announced significant new resources to enhance the system, particularly new initiatives to improve aviation security. The cornerstone of the wide-ranging initiatives is the creation of the Canadian Air Transport Security Authority, a new Crown corporation that will be responsible for the provision of key air security services. In addition, the Government of Canada will provide funding for enhanced pre-board screening and advanced explosives detection systems at Canadian airports, additional staffing associated with aviation security functions, and armed police on board selected domestic and international flights.

Transportation plays an essential role in our quality of life. Transport Canada is working toward bringing forward the Transportation Blueprint in spring 2002. The blueprint will address the broad directions the federal government will pursue in transportation over the next decade and beyond.

Sustainable transportation is also high on the department's agenda. We believe we can advance the sustainability issue by integrating economic, social, and environmental considerations into decisions that affect transportation activity. Economically, we need a transportation system that is efficient and competitive. Socially, the system must be safe and accessible. The system must also respect the natural environment. It is not always easy to balance these three considerations, but Transport Canada is striving to make Canada's transportation system more sustainable and to encourage Canadians to make more sustainable choices so that we can all enjoy the best transportation system.

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

1.2 Management Representation

MANAGEMENT REPRESENTATION STATEMENT

Report on Plans and Priorities 2002-2003

I submit, for tabling in Parliament, the *2002-2003 Report on Plans and Priorities* for

TRANSPORT CANADA

To the best of my knowledge, the information:

1. accurately portrays the department's plans and priorities;
2. is consistent with the reporting principles contained in the *Guide to the Preparation of the 2002-3003 Report on Plans and Priorities*;
3. is comprehensive and accurate; and
4. is based on sound underlying departmental information and management systems.

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

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

Signed: _____

Name: Margaret Bloodworth

Title: Deputy Minister

Date: _____

2.0 An Introduction to Transport Canada

2.1 Who We Are

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

Our Vision . . .

The best transportation system for Canada and Canadians

Our Mission . . .

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

2.2 Legislative Mandate

In Canada, all levels of government have some responsibility for the country's transportation system. Transport Canada delivers its programs and services under numerous legislative and constitutional authorities. The focus is on developing a modern and relevant legislative framework that will enhance the safety, security, competitiveness, and sustainability of Canada's transportation system.

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

Some of the legislation we administer:

- *Aeronautics Act*
- *Canada Marine Act*
- *Canada Shipping Act, 2001*
- *Canada Transportation Act*
- *Marine Liability Act*
- *Motor Vehicle Safety Act*
- *Motor Vehicle Transport Act, 1987*
- *Railway Safety Act*
- *Transportation of Dangerous Goods Act*

2.3 Strategic Objectives

Transport Canada's strategic objectives are to:

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



2.4 An Organization Structure for Results


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

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

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

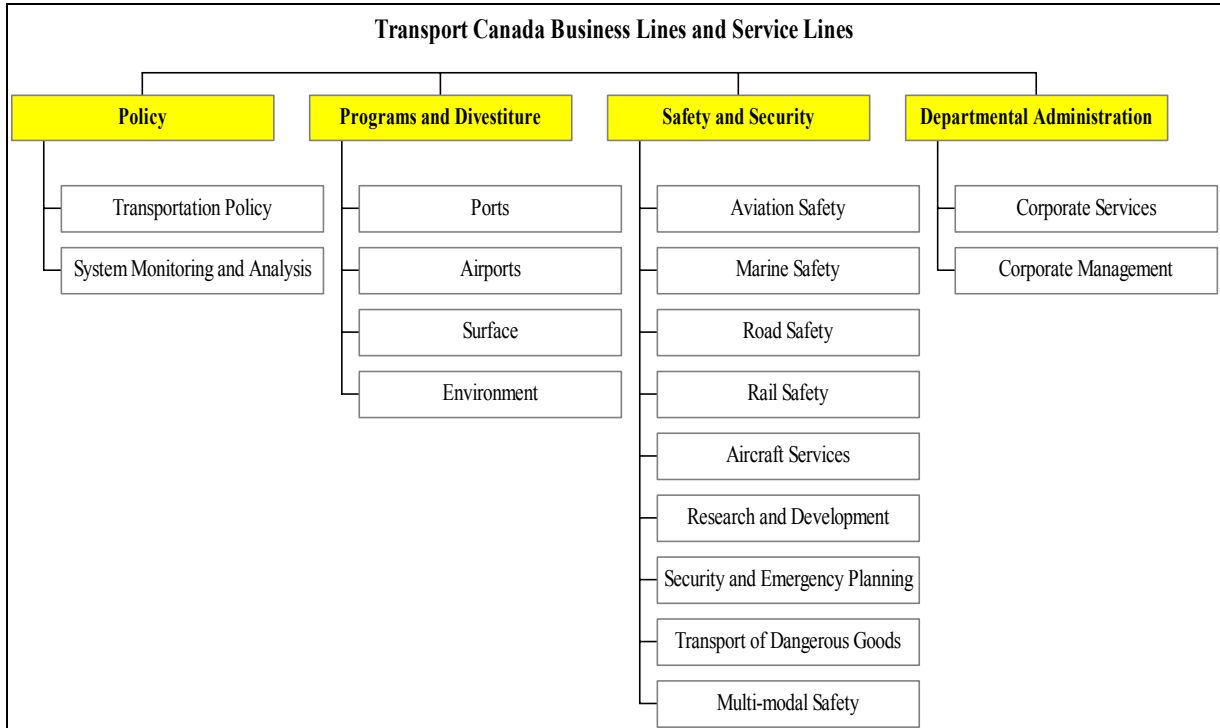
Functional management is based on business lines and service lines that cut across the organizational structure to provide a focus on shared strategies and results. The business/service line structure has a multi-modal focus that emphasizes the department's core roles (Table 1 refers).

Some of our partners and stakeholders:

- *Travelling public*
- *Carriers and shippers*
- *Manufacturers*
- *Transportation workers*
- *Environmental interest groups*
- *Emergency response organizations*
- *Transportation industry organizations*
- *International organizations*
- *Owners and operators of transportation companies, facilities and equipment*
-  *See our web site at www.tc.gc.ca/aboutus/pubs/tp13384e/page7.htm for information on how we work with our partners*

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

Table 1



Details on Transport Canada’s four business lines (e.g., objectives, activities and resources) are provided in Section 5.2 on page 49.

2.5 Overview of Planned Spending

<i>(\$000's)</i>	Forecast Spending 2001-2002 ¹	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
Policy	604,564	414,553	313,880	303,695
Programs and Divestiture	414,630	534,959	464,903	492,696
Safety and Security	429,511	344,549	335,921	324,062
Departmental Administration	121,595	108,814	106,907	95,738
Total Main Estimates (gross)	1,570,300	1,402,875	1,221,611	1,216,191
Less: Respendable revenue ²	337,986	344,909	366,176	379,427
Total Main Estimates (net)	1,232,314	1,057,966	855,435	836,764
Spending Adjustments ³	n/a	36,463	33,732	14,989
Net Planned Spending	1,232,314	1,094,429	889,167	851,753
Less: Non-respendable revenue ²	31,315	25,298	25,918	25,873
Plus: Estimated cost of services received without charge	57,062	56,117	53,935	51,331
Net Cost of the Department	1,258,061	1,125,258	917,184	877,211
Full Time Equivalents	4,525	4,315	4,228	4,207

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

1. Reflects best forecast of total net planned spending to the end of the fiscal year.
2. For details by business line, see Table 6 on page 45.
3. Adjustments reflect spending approvals obtained following Main Estimates.

3.0 Planning Context — Challenges and Priorities

3.1 The Impact of September 11th

Transport Canada is committed to improving the safety of Canadians and the transportation system. Canada has one of the safest and most secure air transportation systems in the world — a system that will now be safer thanks to the actions taken by the Government of Canada and the aviation community since the tragic terrorist acts of September 11th. The comprehensive and far-reaching initiatives announced in the December 2001 federal budget will allow us to maintain and improve on that record in the months and years to come. Among the initiatives included in the budget to increase air security, the government will:

- Create a new Canadian Air Transport Security Authority.
- Enhance pre-board screening at Canadian airports.
- Ensure that advanced explosive detection systems are installed at airports across the country, which is expected to cover 99 per cent of all air passengers in Canada.
- Expand the program of placing armed police on board aircraft.
- Develop new standards and regulations for security improvements to aircraft design.
- Enhance airport policing and security.
- Hire new inspectors to provide increased oversight of aviation security.

✍ Additional details on these initiatives are provided in Section 4.2.1 on page 11.

3.2 Transportation Blueprint

In April 2001, the Minister of Transport launched the Transportation Blueprint initiative, to develop a federal strategy that responds to the major challenges that will face Canada's transportation sector over the next decade and beyond. The Minister has consulted with his provincial and territorial counterparts and a cross-section of carriers, shippers, associations, authorities and urban transport interests concerning the Blueprint.

The department is working toward bringing forward the Transportation Blueprint, including proposed amendments to the *Canada Transportation Act* (CTA), in spring 2002. Consultations will be carried out before the planned tabling of legislative amendments to the CTA in the fall.

🖥 Visit our web site at www.tc.gc.ca/aboutus/blueprint/menu.htm for information about the progress of the Transportation Blueprint initiative.

3.3 Canadian Transportation Act Review

A requirement of the *Canada Transportation Act* (CTA), which came into effect in 1996, was that a comprehensive review be undertaken within four years. In June 2000, the Minister of Transport appointed a five-member panel to conduct this review and report on the economic regulation of transportation activities under the legislative authority of Parliament. The Minister received the CTA Review Panel's final report in June 2001 and it was tabled in Parliament on July 18, 2001.

The challenging body of proposals, research, findings and recommendations that has resulted from the work of the CTA Review Panel will form a key component of the Transportation Blueprint discussed above. Stakeholders can be assured that the department will be carefully examining all of the proposals and positions that have been put forward as part of the Transportation Blueprint initiative.

 The final report of the Review Panel is available at www.reviewcta-examenltc.gc.ca/index.htm.

4.0 Planned Performance

4.1 Measuring the Achievement of Our Strategic Objectives

The achievement of Transport Canada’s strategic objectives depends on the performance of all four departmental business lines. The work done within the business lines — whether it be the development of policies and legislation or the delivery of programs and services — has an impact on each of our safety, economic and environmental objectives.

Associated with each strategic objective are ultimate outcomes (key results) that we intend to measure over time as a means of providing evidence of our achievement of objectives. The ultimate outcomes can be mapped to one or more business lines, thereby providing the link between the business lines and the strategic objectives, and highlighting the business lines’ work in terms of *primary* and *secondary* contribution to objectives.

Strategic Objectives		
<i>Ensure high standards for a safe and secure transportation system</i>	<i>Contribute to Canada’s economic growth and social development</i>	<i>Protect the physical environment</i>
2002-2003 Planned Spending by Strategic Objective ¹		
\$440 million	\$625 million	\$30 million

Ultimate Outcomes		
<ul style="list-style-type: none"> • Protection of life, health, environment and property. • High confidence in the safety and security of our transportation system. 	An integrated and inter-modal transportation system that is: <ul style="list-style-type: none"> • efficient, effective, viable, affordable and accessible; • responsive to users and to communities; and • competitive and harmonized, both domestically and internationally. 	<ul style="list-style-type: none"> • Environmentally sustainable transportation system for Canadians. • Reduction of greenhouse gas emissions and pollution from the transportation sector. • Prevention and mitigation of environmental damage from transportation activities.



Contributing Business Line — Primary (P) or Secondary (S)		
Safety and Security (P) Programs and Divestiture (S) Policy (S)	Policy (P) Programs and Divestiture (P) Safety and Security (S)	Programs and Divestiture (P) Safety and Security (S)
Departmental Administration contributes indirectly to all strategic objectives		

1. The linking of our 2002-2003 planned spending to the strategic objectives is based on a reasonable approximation, to provide the reader with a sense of the magnitude of resources devoted to the achievement of outcomes. Note that Crown corporations have been included in the economic objective.

4.2 Plans, Results and Resources by Strategic Objective

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

4.2.1 Ensure high standards for a safe and secure transportation system

Canadians want a transportation system that is safe and secure. This desire is recognized in the *Canada Transportation Act*, wherein the need for Canada's transportation system to meet "the highest practicable safety standards" is part of the statement of national policy. Despite the fact that standards are already high, transportation accidents still cause over 400 casualties and eight deaths on average every day across the country.

Transport Canada's principal means of helping to provide Canadians with safe and secure transportation is through its continuing policy and regulatory role. This involves striving to influence the safety and security practices of its stakeholders and keeping them aligned with public expectations.

Challenges

Some of the challenges associated with transportation safety and security are highlighted below.

- In the wake of September 11, 2001, Transport Canada is adjusting its security standards to meet a new type of threat for all forms of domestic and international transportation. The department is working with stakeholders to determine the requirement for new and strengthened standards, and is putting in place a framework for implementing the standards and establishing mechanisms for assessing their effectiveness.
- Current surveys have revealed that only 44 to 56 per cent of Canadians consider air travel to be safe, which represents a significant decrease from pre-September 11th levels. The challenge is to help restore public confidence by ensuring the media and the public have factual and pertinent information concerning aviation safety and security.
- To protect the integrity of its safety programs, the department needs to find ways of deploying resources to those activities that have the greatest safety benefits while continuing to meet both established standards and service expectations.
- The attrition rate of the department's safety inspectors and engineers due to an aging workforce and private sector competition is presenting the department with a challenge to recruit and retain new personnel to ensure the continued effective delivery of our regulatory program.
- Manufacturers are striving to produce lighter, quieter and more fuel-efficient transportation equipment (aircraft, locomotives, motor vehicles) that assuages environmental concerns, and this calls for the development and use of advanced

materials, structures and electronics. The challenge for Transport Canada's safety specialists is to keep pace with the rapidly changing knowledge and skill requirements of new technologies to be able to address the associated concerns.

Principal Activities

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

Ultimate Outcomes

Through its efforts to ensure high standards of safety and security, Transport Canada is helping to achieve two results of importance to Canadians:

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

The targets associated with these ultimate outcomes, which were developed in conjunction with our key stakeholders, are presented in the side box.

Targets:

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

Priorities

In pursuing these results for Canadians, Transport Canada has grouped its areas of program emphasis into the following five priority areas:

Enhancing the security regime

The events of September 11th galvanized the Government of Canada into moving quickly on several fronts to strengthen Canada's aviation security regime. Major initiatives were announced in the December 2001 budget and, because of Transport Canada's regulatory responsibility for aviation security, the department is playing the lead role in implementing these initiatives. Over the coming year, the department will work in conjunction with the air transport industry and other federal departments, notably the Solicitor-General, to:

- Establish the Canadian Air Transport Security Authority, a new Crown corporation that will be responsible for the provision of key air security services. The authority will report to the Minister of Transport and be responsible for:
 - pre-board screening of passengers and their belongings;
 - the acquisition, deployment and maintenance of explosives detection equipment at airports;
 - the certification and testing of security officers responsible for screening services;
 - federal contributions for security-related airport policing; and
 - contracting for armed police on board aircraft.
- Develop new regulations and standards concerning modifications to existing passenger aircraft, the delivery of aviation security services, and new limits for carry-on luggage and random secondary searches of U.S.-bound passengers.
- Assist airlines cover the cost of mandatory security modifications to their existing passenger aircraft, e.g., strengthening the cockpit doors.
- Recruit additional security inspectors to provide increased oversight of aviation security.

Transport Canada is also the lead department for marine security and is working with other organizations, both domestically and internationally, to identify requirements aimed at protecting Canadian ports and other critical marine infrastructure, increase the intelligence gathering necessary to screen for potential terrorists, weapons and explosives, and coordinate security preparedness.

Security activities
Results
<ul style="list-style-type: none"> • Reduced risks related to security incidences (e.g., potential terrorist threats) • Increased public confidence in travel safety and security

With respect to rail and road transportation, Transport Canada is working closely with industry and other governments and agencies, including its U.S. counterparts, to review the status of security, particularly at critical locations such as border crossings, bridges and tunnels.

Emphasizing safety program delivery

Over 50 per cent of the resources allocated to the safety and security objective are for oversight activities. As a result of continuing growth in the transport sector, particularly civil aviation, Transport Canada’s core safety program responsibilities have been increasing. Despite the increase in workload, the associated resources have not been keeping pace.

To ensure that safety program delivery is not compromised as a result, one of the department’s focus areas concerns compliance-monitoring strategies. The degree of oversight provided to regulated entities is based on applying risk criteria that have generally been derived and modified through experience. With the increasing

Compliance monitoring strategies
Results
<ul style="list-style-type: none"> • Improved compliance with regulations in higher risk areas

sophistication of risk assessment techniques and related safety information systems, it has been possible to determine areas where monitoring could be increased or reduced.

To this end, a new inspection program is planned for small commercial vessels (less than five gross tons and carrying fewer than 12 passengers) and fishing vessels of less than 15 gross tons. There will be increased audits of short-line railway companies and increased focus on air taxi operations. Opportunities to reduce oversight in the coming year are being examined for certain non-passenger aviation operations, airports that handle few passengers, and inspections of railway infrastructure, equipment and operations. This will allow Transport Canada's safety specialists to focus their efforts on areas of higher risk, which will contribute to the travelling public's continued confidence in Transport Canada's ability to maintain high safety standards for passengers and shippers.

Modernizing regulatory frameworks and instruments

Safety regulatory programs are encountering major challenges, including:

- demands for greater participation in their creation;
- the need to keep pace with technological advances and to take multi-jurisdictional action;
- increased risk of liability; and
- a growing need to ensure that Canada's approach to regulation is consistent with international trends.

Modernizing regulatory frameworks and instruments
Results <ul style="list-style-type: none">• A framework that is fair, reasonable and consistent• A reform process that is open and transparent• A regulated community that is engaged and well-informed

Priorities for the coming year include:

- Reforming all regulations under the *Canada Shipping Act, 2001*. The Act received Royal Assent in November 2001 and represents a thorough overhaul of one of the oldest pieces of legislation in Canada. The new legislation provides for an effective modern regulatory framework that would come into force once the first phase of the regulatory reform exercise has been completed.
- Amending the *Aeronautics Act*. Proposed amendments will address fatigue management, liability insurance, aviation companies' management systems, analysis and reporting of safety data, and new compliance and enforcement tools.
- Implementing the *Transportation Appeal Tribunal of Canada Act*, which would continue the Civil Aviation Tribunal as a multi-modal transportation tribunal, to provide individuals and companies in the aviation, marine and rail communities with enforcement review and appeal rights.
- Implementing amendments to the *Motor Vehicle Transport Act, 1987*, which provides for every bus and truck to be rated according to their safety performance in areas such as vehicle maintenance, driver performance and accident record.
- Modernizing the *Motor Vehicle Safety Act* to enhance its flexibility, clarity and timelines.

- Implementing road/railway grade crossing and railway access control regulations, to establish minimum safety standards and to clarify the roles and responsibilities of railway companies, road authorities and the communities through which rail lines pass.
- Continuing the emphasis on harmonizing Transport Canada’s safety regulations and standards with those of provincial and foreign governments, particularly NAFTA partners, to allow for reciprocal acceptance of safety authorizations issued by one jurisdiction to a company operating in another.

Strengthening stakeholder engagement and relationships

Transport Canada can strengthen stakeholder engagement through its outreach activities, i.e., safety promotion, awareness and education initiatives. In the coming year, the department will continue to focus its attention on cost-sharing programs with other jurisdictions in the following areas:

- Inter-provincial bus and truck transportation — contributions to provincial and territorial governments to encourage harmonization of safety standards in such areas as hours of duty and vehicle maintenance through the National Safety Code.
- Grade crossings — payments to railway companies and road authorities to make design changes, install safety devices and close crossings.
- General road and rail safety presentations and materials — working with police departments, media and citizen groups.

Outreach activities
<p style="text-align: center;">Results</p> <ul style="list-style-type: none"> • Better coordination and cooperation with stakeholders in the design and delivery of safety messages • Increased understanding of safety issues and benefits • Greater willingness to adopt safe practices

The department will work closely with stakeholders to promote a pervasive safety culture through the implementation of safety management systems, which place the responsibility and accountability for safety within the management structure of a transportation company.


Building and maintaining the resource base

The continued effective delivery of safety and security programs requires a strong foundation of resources — human, information and physical.

Transport Canada will be expanding its training program for marine safety inspectors to provide a focus on the oversight of small vessel operations. The expected outcome is improvement of stakeholder confidence in the competencies of the marine safety inspectorate in response to the recommendations made at the coroner’s inquest into the sinking of the TRUE NORTH II, which occurred on June 16, 2000. A knowledge transfer program is being instituted to allow experienced safety specialists to document their unique knowledge before they retire, thereby minimizing the loss of key technical

knowledge from the department. In addition, the department is leading the interdepartmental Regulatory/Inspection initiative, working with the inspector community to build capacity in this key area. This activity will enhance the communities' understanding of agencies' regulatory activities, increase stakeholder understanding of the inspection role, and increase Canadians' awareness of the career potential in this area.

More timely, reliable and accessible safety data will lead to improved decision-making, better risk assessment, and more efficient use of safety information resources. To this end, Transport Canada plans to develop a data repository that will bring together meaningful information from many disparate systems, both inside and outside the department, facilitating data sharing amongst stakeholders.

Another area of emphasis will be the re-vitalization of the department's program of safety research and development, which contributes to the government's innovation agenda .

Planned projects include:

- Testing several advanced radar technologies for use in shuttle tanker operations in a hazardous environment, and advanced simulator and performance standards for evacuation of personnel from ships and offshore rigs.
- Researching the conditions under which the build-up of ice on runways and aircraft can adversely affect aircraft performance.
- Solving operational issues related to the effectiveness of satellite navigation systems.
- Evaluating the cost-effectiveness of safety devices on school buses and at road-rail grade crossings.
- Developing rollover criteria for highway tanker trucks and the effectiveness of pressure release valves (transportation of dangerous goods).
- Investigating the impact of human factors in decision-making (e.g., the effects of fatigue on the alertness of airline and marine pilots).

<p>Research and Development activities</p> <p>Results</p> <ul style="list-style-type: none">• Development of new safety products and technologies• Improved understanding of stakeholders needs
--

The timely replacement and enhancement of the physical assets is essential to preserve the base and ensure its alignment with evolving program needs. This is particularly true of Transport Canada's aircraft fleet and related infrastructure, where several significant investments are planned. These include modifications to the nine Citation aircraft and their simulator to permit flights above 29,000 feet in all Canadian-controlled airspace, the design and construction of a new hangar at Moncton Airport, and engine overhauls on King Air C-90 and Twin Otter aircraft to allow their continued operation. These investments will increase the efficiency of aircraft used by Transport Canada's inspectors and other federal government departments, and will enhance working conditions for Transport Canada employees.

Transport Canada's motor vehicle testing equipment also needs to be replaced and updated to keep pace with industry developments. Planned investments include state-of-the-art crash test dummies, vehicles and related test equipment to assess newer safety technologies related to frontal and side airbags. Testing activities could lead to the development of new safety standards.

Compliance testing activities

Results

- Increased motor vehicle safety as a result of improved decisions on recall campaigns by motor vehicle manufacturers

4.2.2 Contribute to Canada's economic growth and social development

Transportation is a major contributor to Canada's economic growth and social development. What happens in the transportation sector influences Canada's international competitiveness, productivity, inflation and overall standard of living. The cost of transportation services, including taxes and fees, affects what Canadians pay to travel or ship goods by all modes; it affects the price of everything Canadians buy and sell.

Challenges

The Minister of Transport's Blueprint initiative (see page 7) has identified the main challenges in transportation over the coming years. One of these challenges is to find new ways to integrate safety, security, economic, environmental and social transportation goals. The events of September 11th have made that challenge more complex, as government seeks to balance security improvements with trade-related issues such as the efficient flow of traffic at the Canada–U.S. border. Highlighted below are other specific challenges associated with economic growth and social development.

- Transportation users and providers continue to expand beyond Canada's borders; they are increasingly North American or global players.
- Some components of Canada's transportation network are congested while others are not being used to their full potential.
- Canada has become one of the most urbanized countries in the world, and the supporting infrastructure has had trouble keeping pace.
- The limited traffic base in rural and remote areas makes it difficult to sustain the costs of transportation infrastructure and services.
- As the population ages, an increasing and significant proportion of Canadians with disabilities will demand transportation services that meet their needs.
- Canadian transportation innovations need to be marketed domestically and internationally, by showcasing technological capabilities and encouraging pilot projects and the widespread application of lessons learned.

Principal Activities

Transport Canada responds to these challenges by developing policies and strategies for new initiatives, some of which may lead to new or amended legislation. The department implements its well-advanced divestiture program and continues to operate remote facilities and those not yet transferred. Where the department maintains ownership of land and infrastructure, it carries out its landlord responsibilities and establishes appropriate monitoring and system oversight. In addition, it administers a variety of programs that support the objectives of economic growth and social development.

Ultimate Outcomes

The ultimate outcome of Transport Canada's economic growth and social development initiatives is an integrated and inter-modal transportation system that is efficient, effective, viable, affordable and accessible, responsive to users and communities, and competitive and harmonized, both domestically and internationally. The department recognizes that progress toward achieving this ultimate outcome will be influenced by factors that it does not directly control, i.e., international crises, global economic conditions, the actions of other governments, and so on. At the same time, it recognizes that outcome information is needed to adjust priorities and strategies. Progress will be monitored through indicators such as those listed in the side bar.

Indicators of progress:

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

Priorities

Promoting economic growth and trade

It is the Government of Canada's policy that the country's transportation system contributes to economic prosperity while supporting safety, security, social and environmental objectives. To contribute to prosperity means that the system must be integrated. People and freight must travel seamlessly by the most appropriate transportation mode, with no artificial barriers. Transport Canada contributes to prosperity by fostering viable and efficient transportation services based on competition, commercial discipline, market forces and strong accountability regimes. Where market forces are insufficient, the department may intervene to protect the public interest in ways that ensure equity in the application of fiscal and regulatory requirements.

Air Transportation

From January to September 2001, total air passenger traffic in Canada grew at above average rates as a result of strong growth in the domestic and other international sectors. The trans-border sector did not perform as well, primarily because of a weakening economy on both sides of the border. Stimulated by more capacity from the low-cost/charter air carriers, domestic passenger traffic grew despite the economic slowdown in Canada. During this period, Air Canada's market share continued to drop as it faced increasing competition from other carriers and a reduction in business air travel. The impact of September 11th on air passenger traffic in Canada was very pronounced; passenger traffic dropped significantly the first few weeks following the terrorist attacks. More recently, preliminary information indicated that total passenger traffic remained about 20 per cent below last year's traffic. Passenger traffic at the top eight Canadian

airports, and in particular at Toronto, Montreal and Vancouver, is expected to remain weak during the first part of 2002 and to improve gradually with the expected economic recovery and return of confidence.

In response, Transport Canada is closely monitoring the air transportation environment, assessing whether the current policy framework continues to be appropriate, and developing

options to guide future direction. The objective remains for Canada to have an efficient and viable air industry with strong domestic and international competitors and which is affordable, responsive to users and their communities and, overall, satisfies the needs of all Canadians.

Monitoring, assessments and option development	
Results	Indicators of progress
<ul style="list-style-type: none"> • Stronger markets • Enhanced consumer choices • Consumer protection in light of the emergence of a dominant carrier • Equitable air carrier access to airport infrastructure 	<ul style="list-style-type: none"> • Firms serving air transportation markets and market shares • Route changes • Traffic levels • Prices • Client satisfaction with prices and services
Partners	
Airline industry and other stakeholders	

In addition to the new Canada Airports Act and rent policy review, which are discussed in the next section, Transport Canada’s plans to contribute to the advancement of the air services sector are summarized below.

- The focus for domestic air services will be on an adequate framework that promotes fair competition and the development of new services within the current economic policy framework of a Canadian-controlled industry.
- The introduction of in-transit pre-clearance of U.S.-bound passengers at airports in Calgary, Toronto and Montreal will result in more in-transit passengers from foreign countries using Canadian airports as the connecting point for getting to the U.S. as well as an overall improvement in the viability of the Canadian air transportation industry.
- Competition and service will improve through new bilateral agreements that give Canadian carriers access to foreign air markets and allow foreign carriers into Canada. Bilateral negotiations with Japan, Italy, France and Israel remain a priority.
- The interests of Canadian stakeholders will be protected through the department’s participation in the World Trade Organization’s consideration of options to expand the list of ancillary air transport services governed by the General Agreement on Trade in Services. International route rights would not be affected.

Surface Transportation

Surface transportation is a significant contributor to Canada’s economic growth and trade. Approximately 45 per cent of Canada’s gross domestic product depends on trade, with the U.S. being our major trading partner. In the 1990’s, inter-provincial trade grew

by 5.1 per cent on average, while U.S. and Mexican imports and exports grew at 12.3 per cent and 13.8 per cent, respectively. Highways are the dominant mode of transportation for North American trade, carrying on average over 65 per cent by value of Canada–U.S. trade, with a large proportion flowing through relatively few land border crossings. Since September 11th, border crossings are posing even more challenges as governments ensure national security is maintained along with the efficient movement of goods and people.

Transport Canada works with other jurisdictions, industry and associations to support infrastructure and service improvements. The department consults with a variety of stakeholders on legislative or other policy initiatives and collaborates domestically and internationally with institutions that foster harmonization and innovative problem solving. For highway programs, short-term results indicators focus on number of new agreements with co-delivery partners and level of funds from other sources. In the medium term, indicators include recipient compliance with terms and conditions and the extent to which capacity and information sharing have improved. Longer-term measures address the extent to which highway safety, efficiency and environmental sustainability have improved, user and community satisfaction, and financial indicators such as operating ratios, price performance and subsidy reduction.

Measuring progress on policy changes and collaborative efforts provides assurance that the appropriate developmental steps, including consultation with the right people, are carried out. Ultimately, results indicators are needed for specific objectives such as increased competitiveness, reduced congestion, greater accessibility, etc. They may include volume and value of goods transported by the surface mode, average processing time at land borders and the level of satisfaction of Canadians living in remote areas or those with disabilities.

Plans in surface transportation are as follows.

- The December 2001 federal budget provides \$600 million over five years for a new border infrastructure program. Under this program, the government will seek to partner with the provinces, municipalities and private sector, and will help finance improvements to infrastructure at or near the border. Potential border-related projects could include new or improved highway access to border crossings, processing centers for commercial vehicles to speed up border clearance times, and soft infrastructure such as the deployment of intelligent transportation systems.
- Transport Canada's Strategic Highway Infrastructure Program will have a positive impact on transportation efficiency and safety. The program will fund \$500 million in cost-shared agreements with provinces and territories for highway construction and provides \$100 million for intelligent transportation systems and border crossing initiatives from 2001-02 to 2005-06. Other regional programs will provide an additional \$120 million for highway infrastructure in Atlantic Canada and Quebec.
- The government recently introduced legislation to implement the \$2 billion Canada Strategic Infrastructure Fund. This fund will provide assistance to large-scale strategic infrastructure projects, including highway or rail, local transportation,

tourism or urban development, sewage treatment and water infrastructure. The fund will help the government achieve its goal of building a stronger economy and improving the quality of life of all Canadians.

- Changes in grain transportation and handling policies, including expanded tendering for Canadian Wheat Board shipments to port, a cap on railways' annual grain revenues and improved branch line rationalization, will lead to a more efficient, effective and accountable system that better serves the needs of producers, shippers and customers of prairie grain. An independent monitor, Quorum Corporation, will assess system performance, helping to identify problems or opportunities for further improvements. (☐ For further information on grain transportation and handling, visit www.tc.gc.ca/rail/menu.htm#Grain)
- VIA Rail is receiving increased capital funding of \$401.9 million over five years to revitalize rail passenger services. It is expected that a modern fleet and network of services — that are more reliable and environmentally responsible, and reduce travel times and increase frequencies — will stimulate demand and improve the corporation's cost/revenue ratio. A long-term capital investment plan will be developed to address VIA Rail's sustainability over the long run. A performance-monitoring regime is focusing on service quality, efficiency, safety, environmental impacts and financial viability.
- To meet a commitment from the 1996 federal budget to move toward a more commercial system for the movement of grain, the federal government will dispose of its fleet of grain hopper cars.

Marine Transportation

The year 2001 saw significant reductions in bulk marine trades as most of the basic industries served by marine transportation, such as steel and the construction industries, were the first to be affected by the economic slowdown. Most bulk marine trades are expected to return to their previous levels, with limited growth anticipated. Overseas container trades between Canada and other countries — which have been the fastest growing component of marine traffic — saw a significant slowdown in 2001, with small traffic reductions recorded at Vancouver and Montreal. Container trades are expected to return to previous levels.

In marine transportation, as in other modes, Transport Canada has been withdrawing from direct service delivery. Its role in promoting economic growth and trade for marine transportation now focuses more strongly on international and domestic monitoring, policy development, and oversight of third-party service delivery. Its goal is a strengthened Canadian marine transportation industry that has an increased market share. The long-term strategy is to influence development of a marine transportation system that is competitive, efficient, effective, flexible, affordable and well integrated with other modes. At the same time, it recognizes government's commitment to its constitutional obligations in marine transportation.

Indicators of progress on these goals and strategies are being developed and could include freight volumes by route, cost per ton, subsidy levels, firm viability, user and community satisfaction, and number and impact of international harmonization issues.

The planned results are listed below.

- The department’s involvement in intergovernmental organizations and its modernization of economic legislation will increase harmonization with international practice and improve the Canadian marine sector’s international competitiveness.
- The department will continue to examine issues that may have an impact on the competitiveness of Canadian ports.
- Government payments to Marine Atlantic Inc., expected to total approximately \$37 million annually over the next five years, will fulfill Canada’s constitutional obligations to Newfoundland to maintain a transportation link to mainland Canada.
- Reductions to federal subsidies supporting commercialized ferry services in Atlantic Canada will continue to be pursued while promoting safe, efficient and economical ferry services.
- The Toronto waterfront will be revitalized through an initiative jointly funded by the federal, provincial and municipal governments.

Completing the divestiture program and building relationships with divested entities

In the early 1990s, Transport Canada started to transfer key elements of the transportation system to not-for-profit organizations managed at arms-length from government and controlled by a broad range of stakeholders. One early indicator of progress is the number of entities divested and on that basis the department has been very successful. The air navigation system is fully owned and operated by NAV CANADA; all major airports and ports are operated by local authorities; St. Lawrence Seaway navigation is operated and maintained by the St. Lawrence Seaway Management Corporation; and 75 per cent of regional/local port sites and 88 per cent of regional/local and smaller airports are owned and operated by other entities.

Plans for on-going and new divestiture are as follows.

- Options will be developed for the future of those port sites and airports not transferred by March 31, 2002.

One option is to extend the program to allow time to improve transfer prospects and meet complex negotiation challenges.

- Ferry services in Eastern Canada for which the Government of Canada has policy obligations will increasingly be delivered by the private sector.

Divestiture initiatives	
Results	Indicators of progress
<ul style="list-style-type: none"> • Viability • Self-sufficient • Transparency • Accountability to clients and local communities 	<ul style="list-style-type: none"> • Entities’ compliance with legislation, regulations, leases or <i>Letter Patent</i> • Entities’ financial results and investments plans • Department’s gross costs in support of divestiture • Prices • Services provided • Stakeholder satisfaction

Audits, evaluations and reviews are contributing to Transport Canada's understanding of how well it is meeting divestiture objectives and how it can continue to improve its relationships with divested entities. Through these efforts, the department will fulfill its responsibility to protect the public interest and treat entities in a fair and consistent manner, while respecting that entities are autonomous corporations whose autonomy is guaranteed in law and through long-term agreements.

Plans to improve performance and develop new relationships with divested entities are as follows.

- A new Canada Airports Act scheduled for late 2002 will strengthen governance, transparency and accountability at the 26 airports that make up the National Airport System (NAS). (last part of original sentence deleted)
- A rent policy review for NAS airports that includes extensive consultation will be completed in 2002. It will determine whether airport authorities are paying an appropriate rent for the lands and facilities that they lease from the federal government and assess the impact of rental costs on the aviation system.
- The department will improve its oversight of NAS airports' compliance with leases through a rigorous approach to monitoring, more consistent national treatment of leases and sensitivity to airport-specific terms and conditions.
- A new compliance-monitoring framework for Canada Port Authorities, the major ports that carry on their core business as agents of the Crown, will assist the department in meeting its landlord and other oversight responsibilities.
- A review of the *Canada Marine Act*, which is required by 2003, will provide opportunities to examine the framework governing major ports and other marine activities covered by the act and, if appropriate, make adjustments that further enhance commercialization and system viability.
- A second negotiated five-year plan (2003-2008) with the St. Lawrence Seaway Management Corporation will allow for adjustments based on experience to date. This process will be able to draw on an evaluation scheduled for completion in 2002 that is studying safety, viability, participation, service and the fulfillment of federal obligations.

Fostering Innovation and Skills

The Government of Canada seeks to close Canada's innovation gap and build a world-leading economy driven by innovation, ideas and talent. It calls for a doubling of investment by 2010, making Canada one of the top five countries for research and development (R&D). Transport Canada will do its part by creating coordinated, strategic R&D approaches that rely on strong partnerships with the private sector, provinces and academia in areas such as road safety, traffic management, highway and border congestion, and accessibility for passengers with disabilities.

Initially, results indicators will include the level of federal investment in transportation-related R&D projects and amount of resources leveraged from other sources. In the longer term, the department will need to assess commercialization potential, actual marketability and return on investment. It will also need to monitor capacity advances such as the development of a highly skilled workforce that responds to rapid changes in technology and new ways of doing business.

The planned results of two key innovation and skill development initiatives are as follows.

- Transport Canada's Strategic Highway Infrastructure Program will allocate \$30 million over five years for the development of intelligent transportation systems that help highway infrastructure meet future mobility needs and connect to the knowledge economy. These systems provide a seamless exchange of information between users, vehicles and infrastructure, increasing highway performance without major investments in new infrastructure.
- There will be strong departmental support for projects that maximize transportation's contribution to the potentially massive global e-commerce market — estimated at between US\$1.3 billion and \$1.8 trillion by 2003. Attention will focus on small- and medium-sized transportation firms that are lagging behind larger firms in their use of e-commerce. It is also expected that these innovations will fuel further productivity gains by improving interaction between carriers and shippers or travellers.

4.2.3 Protect the physical environment

While transportation is a major contributor to Canada's economic and social development, it also has significant environmental consequences. These include greenhouse gas (GHG) emissions; the increased use of non-renewable resources, air, water and noise pollution; and loss of agricultural land and wildlife habitat. For Canadians, a clean environment is essential for healthy living, economic prosperity and a high quality of life. The best transportation system for Canadians is one that is sustainable on all fronts — economic, social and environmental — in the long term. 🇨🇦

For further information on transportation and the environment:

📖 Visit our web site at www.tc.gc.ca/envaffairs/english/UNCSD9_April23_01.htm for *Sustainable Transportation: the Canadian Context*

📖 See Chapter 5 in our Annual Report, *Transportation in Canada 2000* or 📖 visit our web site at www.tc.gc.ca/pol/en/t-facts3/Transportation_Annual_Report.htm.

Challenges

In working towards this vision, Transport Canada faces a number of challenges in protecting the physical environment and shaping the transportation agenda for years to come. Priority issues are climate change, clean air and water quality, all of which have an international dimension. Some of the key challenges are highlighted below.

- Transportation is the largest single source of greenhouse gas (GHG) emissions, contributing about one-quarter of Canada's total emissions. Approximately two-thirds of our transportation-related GHG emissions come from our cities. In the transportation sector, emissions are growing rapidly and, without further action, they could rise 32 per cent above 1990 levels by the year 2010, and 53 per cent above by 2020.
- Air emissions contribute to air pollution and smog, among other things, which can have serious environmental and human health impacts. Transportation accounts for about 52 per cent of all nitrogen oxides (NO_x) emissions, 40 per cent of carbon monoxide (CO), 20 per cent of volatile organic compounds (VOCs), five per cent of sulphur oxides (SO_x), and five per cent of particulate matter — the major constituents of urban smog.
- Transportation trends point toward an increase in the number of cars on the road and a growth in both airline and commercial trucking industries. While fuel efficiency is improving, it is not keeping pace with annual increases in the use of transportation. Managing the impacts of this trend will require both behavioural changes and technological improvements.
- Transportation activities contribute to water pollution through the release of effluents and solid wastes. Spills and leaks of fuels, oils and hazardous waste by-products can contaminate both surface and ground waters.

Principal Activities

To address these challenges, and to promote a sustainable transportation system, Transport Canada will continue to develop and implement policies and programs that address sustainable development and foster a safe, secure, efficient and environmentally sound transportation system for Canadians. As sustainable transportation is a shared responsibility, Transport Canada will work with other departments, other levels of government, industry, domestic and international partners, stakeholders and the general public to implement these initiatives.

Ultimate Outcomes

In the long-term, Transport Canada's activities related to protecting the environment are intended to contribute towards the following ultimate outcomes: an environmentally sustainable transportation system for Canadians; the reduction of greenhouse gas emissions and pollution from the transportation sector; and the prevention and mitigation of environmental damage from transportation activities. It is important to note that Transport Canada is only one of many contributors to achieving these long-term objectives. It is, nevertheless, important to track progress towards these outcomes even if they are outside the department's direct control. Some possible indicators of progress towards these ultimate outcomes are presented in the side bar.

Indicators of progress:

- *Level of Canadians' awareness of the environmental impact of transportation activities*
- *Percentage increase in the use of more energy efficient vehicles*
- *Energy/passenger-km (passenger)*
- *Reduction in transportation demand as represented by reduced annual vehicle kilometres*
- *Energy/tonne-km (freight)*
- *Transportation sector share of energy consumption/GHG emissions by mode*
- *Other air pollutants by mode*
- *Percentage of Transport Canada contaminated sites that have undergone remediation or risk management*

Priorities

Transport Canada's 2001-2003 Sustainable Development Strategy (SDS) is the main document guiding the department's environmental initiatives over the next two years. The SDS identifies seven challenges, including commitments, targets and performance measures, aimed at addressing the department's strategic objective to protect the physical environment. The department will also begin work on the next SDS, which is due to be tabled in December 2003.

📄 Transport Canada's 2001-2003 SDS is available at www.tc.gc.ca/./envaffairs/english/SDStrategy/2001.htm.

An overview of the department's SDS challenges, outlining key activities, results, and indicators, is presented below.

Improve education and awareness of sustainable transportation (SDS Challenge 1)

For Canadians to adopt more environmentally sustainable transportation choices (e.g., active transportation, public transit, carpooling), they must first be aware of the environmental challenges of transportation and the alternatives available. Among its commitments toward this goal, Transport Canada will continue to assist in providing funding, through the Moving on Sustainable Transportation (MOST) program (www.tc.gc.ca/EnvAffairs/most/About.shtml), to organizations who implement projects with the intended outcome of improving education and awareness of sustainable transportation. The department will also expand the Green Commute program to regional offices and other federal departments by 2003-2004 to increase the adoption of environmentally friendly commuting practices among federal employees.

Education and awareness activities	
Results	Indicators of progress
<ul style="list-style-type: none"> • Increased awareness and understanding of sustainable issues • Increased awareness of the range of solutions available for addressing sustainable transportation challenges • Increased application of sustainable transportation practices • Partnerships and alliances to achieve sustainable developments results • Development and testing of innovative tools, approaches and practices in support sustainable transportation • Positive changes in commuting behaviour and increased knowledge of sustainable transportation as a result of the implementation of the Green Commute program. 	<ul style="list-style-type: none"> • Level of awareness of sustainable transportation reported by participating organizations • Number of completed MOST projects • Results achieved by MOST projects • Number of partnerships established • Number of partnerships maintained after Transport Canada's funding ends • Number of green commute programs implemented and results collected from evaluation forms • Number of new visitors to Transport Canada's web site.

Develop tools for better decisions (SDS Challenge 2)

Decision-makers need to understand the environmental impacts of their decisions, as there are often trade-offs between social, economic and environmental benefits. Better data, information, analyses and tools will lead to better decisions. To develop tools for

better decisions, Transport Canada will work in partnership with the Centre for Sustainable Transportation (www.cstctd.org) and others to

develop sustainable transportation indicators by 2003-2004. It will strengthen its capability to conduct Strategic Environmental Assessments (SEA) and by 2002-2003 will report on the

implementation of the SEA policy. The department will also develop by 2003-2004 a departmental position on cost internalization.

Tools for better decisions	
Results	Indicators of progress
<ul style="list-style-type: none"> Enhanced ability to report on progress towards sustainable transportation Enhanced ability for Transport Canada managers to make sound environmental decisions 	<ul style="list-style-type: none"> Level of adoption and acceptance of sustainable transportation indicators Level of knowledge gained through training courses Use and impacts of SEA tools on surface policies and programs Level of SEA awareness among Transport Canada employees Level of awareness and acceptance among stakeholders with respect to developing a position on cost internalization

Promote the adoption of sustainable transportation technology (SDS Challenge 3)

Technology holds the promise of providing Canadians with transportation options that are more efficient and environmentally friendly. To promote the adoption of sustainable transportation technology, Transport Canada will support research and development

Awareness and Research and Development activities	
Results	Indicators of progress
<ul style="list-style-type: none"> Increased awareness and use of ITS and ATV by industry, stakeholders and the public 	<ul style="list-style-type: none"> Amount of R&D undertaken Percent increase in energy density through identification of lightweight materials Improvements in vehicle efficiency and emissions Increase in awareness through public awareness events held

(R&D) of Intelligent Transportation Systems (ITS) and adoption of Advanced Technology Vehicles (ATV). Specific R&D projects relate to new information and communication technologies as well as the development of lightweight and low-emission vehicles using fuel cells,

electric and hybrid drives. The R&D projects identified within the SDS are to be undertaken by 2003-2004. Transport Canada will also promote awareness of ATVs through the creation of a Green Vehicle program, the development of a Green Vehicle website and an assessment of the market penetration and potential of ATVs, by 2002-2003.

Improve environmental management for Transport Canada operations and lands (SDS Challenge 4)

By showing leadership on environmental management, Transport Canada can reduce its own environmental impacts and lead by example for others in the transportation sector. To improve environmental management of its operations and lands, the department will enhance its Environmental Management System (EMS). This will include increased efforts related to specific EMS components such as contaminated lands and air emissions.

Enhance environmental management system	
Results	Indicators of progress
<ul style="list-style-type: none">• Improved management of real property• Increased environmental awareness within the department.• Inventory and remediation or risk management of all of the department's contaminated sites by 2003-2004• 50 per cent of fleet vehicles purchased between 2001 and 2003 are to be low emission vehicles	<ul style="list-style-type: none">• Number of new contaminated sites identified• Number of contaminated sites undergoing remediation or risk management• Percent of low emission vehicles purchased of total annual Transport Canada fleet vehicles purchased

Reduce air emissions (SDS Challenge 5)

Reducing air emissions involves both short-term measures and the analysis and planning necessary to implement international agreements and new Canada-wide standards for clean air. In its Action Plan 2000, Canada committed to a number of activities that will reduce GHG emissions by 65 mega tonnes per year between 2008 and 2012. This represents about one third of the Kyoto protocol target.

One of the key results for Transport Canada will be the implementation of measures within the transportation component of the Government of Canada's *Action Plan 2000 on Climate Change*. This component addresses five areas: urban transportation; new vehicle fuel efficiency; ethanol production; fuel cell vehicle refuelling infrastructure; and freight transportation. Transport Canada has the lead on both the urban and freight transportation initiatives, and is participating actively in the new vehicle efficiency initiative.

 More information on specific transportation initiatives is available at www.tc.gc.ca/programs/environment/climatechange/menu.htm

In doing its part to reduce air emissions, Transport Canada intends to see the following results:

Transport Canada's part in the *Action Plan 2000 on Climate Change*

Results	Indicators of progress
<ul style="list-style-type: none"> • Reduced GHG emissions, enhanced capacity to reduce GHG, and replication of best-practices for reducing GHG • Increased awareness and adoption of cleaner, more fuel efficient vehicles and fuels • Commitments by stakeholders to achieve GHG reductions, through the department programs such as the Freight Efficiency and Technology Initiative (FETI) and the Urban Transportation Showcase Program (UTSP) • Demonstration of innovative tools, technologies and best practices that can reduce GHG emissions in a practical and cost-effective manner within the freight transportation sector. • Establishment of voluntary performance agreements between the federal government and industry associations under FETI • Establishment of a comprehensive and pro-active national network for the dissemination of information on successful GHG reduction strategies for sustainable urban transportation • Increased awareness of practices to reduce air emissions among industry, stakeholders, and Canadian public 	<ul style="list-style-type: none"> • Number of freight firms adopting technologies that lead to GHG reductions • Number of actions leading to GHG and air emission reductions • Number of urban transportation showcase initiated • Number of newsletters and other products produced and circulated • Level of awareness of air emission reduction practices identified through independent polling

Reduce pollution of water (SDS Challenge 6)

Transportation activities contribute to water pollution through the release of liquid effluents and waste; they also create a risk of accidents that can release hazardous materials into the environment. Transport Canada's mandate for water pollution derives in part from various pieces of legislation and international conventions. The department will work towards mitigating these impacts and achieving the following key results:

Prevention and control activities	
Results	Indicators of progress
<ul style="list-style-type: none"> • Development of a monitoring framework at Transport Canada-owned ports for remediation projects related to third party discharges of effluent and waste • Development of new regulations and standards for ballast water management in Canada by 2002-2003 • Improved handling of unintentional discharges 	<ul style="list-style-type: none"> • Number of third party discharges of effluent and waste at ports • Number of remediation projects adopted and implemented by Canada Port Authorities and Transport Canada-owned ports • Development of new standards and regulations for ballast water management • Percentage of pollution reports and aerial sightings investigated by Transport Canada • Number of prosecutions through the improved inspection and aerial surveillance program • Number of spills or pollution activity observed through aerial surveillance

Promote efficient transportation (SDS Challenge 7)

Promoting efficient transportation will improve the efficiency of Canada's transportation system and serve to protect the environment from increased land use, pollution and consumption of non-renewable resources. To promote an efficient transportation system, Transport Canada will share best practices with other levels of government, industry, and

stakeholders. It will also conduct studies on modal integration and provide recommendations by 2002-2003; initiate recommendations for modal integration by 2003-2004; and incorporate sustainable development criteria into its funding agreements and programs on an ongoing basis after 2002-2003.

By pursuing these activities, Transport Canada is working towards attaining the following results and targets:

Promoting activities	
Results	Indicators of progress
<ul style="list-style-type: none"> • Creation of best practices website and national awards program in 2002-2003 • Increased awareness of best practices by other levels of government, stakeholders, and the public • Development of best practices through projects funded with Transport Canada's assistance • Adoption of identified recommendations, environmentally friendly technologies and best practices that contribute to a more efficient and integrated transportation system 	<ul style="list-style-type: none"> • Number of new and return visits to the Transport Canada "best practices" web site • Number of submissions received by the awards program • Percentage of funding agreements using sustainability criteria • Quantifiable improvements such as improved safety, reduced costs and environmental impacts • Improvements in modal integration such as reduced connection times, improvement in load transfers and improved trip times

4.3 Implementing Transport Canada's Management Agenda

The activities undertaken as part of Transport Canada's management agenda are integral to the daily work life of all departmental employees and ultimately to the department's clients and stakeholders. The agenda addresses the fundamental issues that affect the business lines' ability to deliver their programs and services. It reflects the need to improve the management of our resources — our people, funds, assets and information — to ensure a modern workplace that responds to the needs of Parliament and the public.

Identifying strengths, weaknesses and opportunities is an important component of the management agenda and provides critical information on strategic issues and priorities. It provides the department with an opportunity to compare how we currently do business with how we can shift our service offerings to ensure the "best services for Transport Canada". With this in mind, the department is striving to move toward organizational effectiveness by way of continuous self-assessment and improvement. Such a process not only allows us to meet the dynamic needs of our internal clients, it also allows us to react in a timely manner to ever-changing environmental drivers.

Challenges

There are many external factors that have a significant impact on the department's ability to deliver results: limited resources due to public spending restraints; an aging workforce coupled with a competitive job market; a requirement to provide an increasing number of services through the use of technology, which also has the potential to change the way we do business; and a greater emphasis on results-based management. There are also many central agency initiatives that compete for time and money, including Modernization of Comptrollership, Government On-Line (GOL), Financial Information Strategy (FIS), the revised Access to Information and Privacy legislation, the focus on values and ethics, staffing reforms and labour relations.

There is ongoing public demand for accountability in the expenditure of public funds through effective administration and internal audit. This situation highlights issues related to efforts to modernize the comptrollership function to decentralize control in key areas of responsibility, which is based on strong risk management practices, well-understood values and ethics, full performance information, and effective advice and training. The general public expects rapid and full access to public information, strict protection of individual privacy, quick response to letters and e-mail to Ministers, and engagement in the policy process.

In the financial and human resource areas, corporate systems are enabling more effective service delivery through better reporting information and self-service. There are, however, very large costs associated with the acquisition, licensing, maintenance and renewal of these systems and, although we work with other departments to minimize costs, the necessity to upgrade to new versions imposes a serious financial and workload burden. Our challenge is to minimize costs by collaborating with others, make strategic

decisions on the requirement to upgrade, and plan sufficiently well to minimize the inevitable disruptions to service that accompany such upgrades.

Principal Activities

Transport Canada will achieve its management objectives by providing strategic direction and executive oversight in support of all departmental programs and responding to public and parliamentary enquiries and requests for information. The development and management of sound systems and support services related to human and financial resources, information technology and administrative systems will ensure an infrastructure that supports the effective delivery of services.

Ultimate Outcomes

The management agenda serves to assure the following results:

- Public and stakeholder awareness, confidence and satisfaction with departmental programs and services.
- Prudent use of public resources.

Progress toward these results will be measured through client feedback and surveys, financial reports, audit observations and program evaluations.

Priorities

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

Workforce Renewal

Modernizing human resource processes. Transport Canada is striving to create an operating environment that allows for more timely and responsive delivery of human resource services. This will include shifting from a process-based orientation to one based on results. The department will work to develop services and initiatives that reflect the needs and expectations of managers and employees, and respect the values and principles of the public service.

Succession planning. Succession planning will continue to be a priority for departmental managers. Current demands for capable employees are already taxing our human resources systems and, when considered in light of future demands vis-à-vis departmental demographics, the importance of human resource issues — recruitment and retention, employee training and development, mentoring and coaching, learning plans and knowledge transfer — becomes self-evident. For succession planning to work, it must be incorporated into the ongoing operation of the department, and this will be achieved to a great extent by working with managers to develop suitable plans and strategies to maintain and improve the operational capacity of the department.

Diversity. Transport Canada is committed to creating a stimulating and attractive work environment that is representative of the clients it serves and can respond to the expectations of a diverse Canadian society. The creation of an inclusive organization that treats all employees in a fair manner is the responsibility of each manager in the organization. The department will work to develop and implement appropriate strategies and will continue its efforts to effect and sustain the cultural change that is required to address this issue.

Communications

Transport Canada works to ensure effective and comprehensive communications between the department and its internal and external clients, which are many and diverse. They range from multinational corporations to pilots and truckers, from trade associations to non-governmental organizations, from international organizations such as the International Civil Aviation Organization (ICAO) to local airport authorities, from provincial and municipal transportation authorities to national and international media, and individual Canadians who travel by plane, bus, ferry, train or car. Transport Canada's employees are also important stakeholders. Each of these groups requires a particular focus for communications.

There are several distinct communications challenges emerging as priorities. They relate to developments in air security; the department's policy and operational involvement in infrastructure development and management (including highways, borders, airports and ports); ongoing transportation safety issues; information technology and outreach challenges; and sustainable transportation and the environment.

Over the planning period, Transport Canada will continue to implement the national internal communications strategy *People Talking to People*; expand the distribution of all communications products through the use of new technologies; make use of public opinion research in areas such as transportation policy, safety and security, and sustainable transportation; and provide public environmental scanning and analysis in support of policy development initiatives.

Access to information. The Access to Information and Privacy (ATIP) program is one of the department's most highly visible methods of responding to the concerns and information needs of Canadians. Transport Canada is constantly reviewing ATIP trends across government, and monitoring performance with a view to streamlining processes and increasing effectiveness. Over the past three years, the number of ATIP requests has increased an average of 20 per cent per year. There has also been a higher volume of requests since the September 11th terrorist attacks, owing to the heightened focus on transportation concerns and security issues. Despite these trends, Transport Canada's on-time performance for ATIP responses has improved significantly over the past few years and the department will continue to work toward performance improvements.

Comptrollership

Performance measurement. The use of performance measures is essential in determining the quality of work being produced by Transport Canada. To this end, the department continues to work toward the development and implementation of an integrated performance framework that will include activity and results information. This process will ensure that mutually desirable priorities exist amongst senior management and staff. The nature and importance of performance measurement will need to be further communicated so that its purpose is clearly understood by all employees. Likewise, it is important to understand that it takes time to work a results-based management framework through the organization to receive the full benefits of this activity.

Values and ethics. Values are essential to the success of any organization and are central to the uniqueness of an organization's culture. Understandable and demonstrated core values not only provide a cultural framework, they serve to contribute to client assurance of a credible organization. In past discussions with employees, the department's existing values were endorsed, with the suggestion that consistent behaviours expected in various situations were not well defined or understood. Transport Canada will continue the dialogue on values and will be drafting a related handbook to increase employee understanding and acceptance and ensure that values are practiced consistently in the workplace.

The department has established an Office of Integrity in response to Treasury Board's policy on the internal disclosure of information concerning wrongdoing in the workplace. The objective is to ensure that employees are treated fairly and are protected from reprisal if they disclose wrongdoing within the organization, and that any allegations of wrongdoing are addressed in an appropriate and timely fashion. The office reports directly to the Deputy Minister and will focus in the immediate term on increasing employees' awareness and understanding of the mandate and objectives of the policy.

Technology

The strategic management of information and information technology (IM/IT) is an integral part of all Transport Canada activities. There is a growing requirement to increase the department's capacity to provide electronic information and services to employees, stakeholders and the public, and to develop new technological capabilities to serve operational requirements. It is critical that the evolution of IM/IT remain in synch with government initiatives and priorities, such as increasing the security of transportation systems in the wake of escalating threats and the recent terrorist attacks in the United States, and electronic service delivery (Government On-Line) — both of which are expected to have an enormous impact on Transport Canada's IM/IT infrastructure, investment and program delivery. To position itself to meet these challenges, the department is finalizing an IM/IT strategic plan to align IM/IT with program delivery.

Government On-Line. The Government On-Line (GOL) initiative is the focal point for ensuring a comprehensive horizontal strategy for the use of electronic service delivery by federal departments and agencies to reach Canadians. The GOL initiative will combine electronic technologies with a citizen-centred delivery model to offer integrated services for conducting business with government.

Electronic service delivery will re-shape the manner in which the department conducts its business. Information access, sharing and flow will all dramatically increase, driving up the speed of doing business and driving down and distributing decision making in the organization. Management and sharing of intellectual capital (e.g., knowledge, information, data, human resource expertise, business processes) will become increasingly important the more an organization participates in the knowledge economy and does business on line.

Transport Canada has established a GOL project office to act as the departmental focal point for planning, coordinating and monitoring GOL activities and progress. Partnerships have been created with several other federal departments and provincial governments to conduct horizontal initiatives. It has been estimated that over \$71 million would be required over the next four years to transform the department's key services.

For further information on this government-wide initiative, visit www.gol-ged.gc.ca

Service Improvement Initiative

In accordance with the Treasury Board's Service Improvement Initiative, Transport Canada's goal is to continue to provide exemplary service to Canadians. An emphasis in the coming year will be on establishing level of service standards for aviation regulatory services, particularly those for which a fee is charged. For service recipients, the outcome will be a clear benchmark against which to judge the quality, timeliness and consistency of service received. For Transport Canada, the outcome will be a continuing means of performance monitoring.

For further information on this government-wide initiative visit www.tbs-sct.gc.ca/si-si

5.0 Supplementary Information

5.1 Financial Tables

Table 1 — Net Cost of Program for the Estimates Year

Total Department (\$000's)	2002-2003
Gross Planned Spending	1,439,338
<i>Plus: Services received without charge:</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	25,827
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	19,865
Workman's compensation coverage provided by Human Resources Development Canada (HRDC)	4,700
Salary and associated expenditures of legal services provided by Justice Canada	5,725
	<u>56,117</u>
Gross Program Cost	<u>1,495,455</u>
<i>Less:</i>	
Respendable Revenue	344,909
Non-respendable Revenue	25,298
Net Cost of Program	<u>1,125,248</u>

Due to rounding, columns may not add to totals shown

Table 2 — Summary of Capital Spending by Business Line

Business Line (\$000's)	Forecast Spending 2001-2002¹	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
Policy	337	809	714	718
Programs and Divestiture	37,474	77,799	75,158	92,271
Safety and Security	65,123	27,327	27,663	3,992
Departmental Administration	15,859	15,565	13,965	3,019
Total Capital Spending	118,793	121,500	117,500	100,000

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

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

Table 3 — Details on Major Capital Project Spending

All capital projects with a total estimated cost (TEC) of over \$2 million are listed below.

Business Line <i>(\$000's)</i>	Forecast TEC	Forecast Spending to Mar 31 2002	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Future Years' Spending
Policy						
All Policy projects			809	714	718	-
Total Policy			809	714	718	
Programs and Divestiture (P&D)						
Stephenville, Newfoundland						
• Environmental remediation (S-DA)	3,553	2,478	731	344	-	-
Fredericton, New Brunswick						
• Infrastructure Project (I-DA)	2,000	100	1,900	-	-	-
Gander, Newfoundland						
• Resurface Runway 13/31 and taxis D&E (I-DA)	3,500	-	3,500	-	-	-
Blanc Sablon, Quebec						
• Reconstruct wharf (I-DA)	9,753	602	4,966	2,790	1,395	-
Kuujuuaq, Quebec						
• Rehabilitate runway 07/25 (S-DA)	11,734	11,709	25	-	-	-
• Construction of building (S-DA)	2,451	245	2,206	-	-	-
Cap-aux-Meules, Quebec						
• Breackwater repairs (S-DA)	2,701	1,807	894	-	-	-
Îles-de-la-Madelaine, Quebec						
• Rehabilitate movement areas and parking (I-DA)	6,467	267	2,500	3,700	-	-
Pickering, Ontario						
• Mould remediation (I-DA)	3,754	1,565	1,080	721	388	-
Fort Nelson, British Columbia						
• Remediation per EBS (S-DA)	9,004	3,996	1,968	1,487	1,125	428
• Remediation Escarpment Landfill (S-DA)	5,127	4,815	123	63	63	63

(Continued on next page)

Major Capital Project Listing *(continued)*

Business Line <i>(\$000's)</i>	Forecast TEC	Forecast Spending to Mar 31 2002	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Future Years' Spending
Sandspit, British-Columbia						
• Rehabilitation of runway 12/30, taxiway A and apron (I-DA)	2,078	50	2,028	-	-	-
Other P&D projects			55,878	55,453	84,900	
Total P&D			77,799	75,158	92,271	
Safety and Security (S&S)						
Headquarters						
• AMDS Aircraft Maintenance Dispatch System (S-DA)	2,816	1,810	1,006	-	-	-
• JT15D-4 engine overhauls (S-DA)	6,242	2,792	-	1,750	700	1,000
• Automated fingerprinting identification system (S-DA)	4,991	3,007	1,984	-	-	-
Moncton, New Brunswick						
• Construct Hangar (I-DA)	7,655	214	1,205	6,236	-	-
Other S&S projects			23,132	21,427	2,733	
Total S&S			27,327	27,663	3,992	
Departmental Administration (DA)						
Headquarters						
• RDIMS Implementation (S-DA)	11,500	8,132	3,368	-	-	-
• Lifecycle Infrastructure replacement (S-DA)	6,500	2,300	2,200	2,000	-	-
• Windows 2000 Upgrade (I-DA)	3,499	1,899	1,600	-	-	-
• Oracle Release 11i (I-DA)	14,507	1,398	6,467	6,642	-	-
Other DA projects			1,930	5,323	3,019	
Total DA			15,565	13,965	3,019	
Total Capital Spending			121,500	117,500	100,000	

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

Table 4 — Summary of Transfer Payment Spending by Business Line

Business Line (\$000's)	Forecast Spending 2001-2002¹	Planned Spending 2002-2003²	Planned Spending 2003-2004	Planned Spending 2004-2005
Grants				
Policy	179,965	23,539	23,539	23,539
Programs and Divestiture	—	—	—	—
Safety and Security	350	100	—	—
Departmental Administration	—	—	—	—
Total Grants	180,315	23,639	23,539	23,539
Contributions				
Policy	37,075	72,960	61,441	48,516
Programs and Divestiture	190,782	319,156	282,449	264,297
Safety and Security	13,846	13,792	12,523	8,080
Departmental Administration	—	—	—	—
Total Contributions	241,703	405,908	356,413	320,893
Total Transfer Payments	422,018	429,547	379,952	344,432

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


1. *Reflects best forecast of planned spending to the end of the fiscal year.*
2.  *For a detail list of all grants and contributions, see the 2002-2003 Estimates Part II.*

Table 5 — Details on Transfer Payment Programs

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

Program Name	Our objective is to . . .	And the expected results . . .
Policy		
Grant to the Province of British Columbia for ferry and coastal freight and passenger services (ongoing program).	Assist the Province in providing ferry services in the waters of British Columbia.	Transportation links to the national surface transportation system from various regions and isolated areas of British Columbia.
Contribution for non-VIA Rail passenger services (TEC \$37.8 M).	Ensure the provision of transportation services to remote regions.	Continued access to rail service for Canadians in remote areas (between Sept-Îles and Labrador City/Schefferville; Sault Ste. Marie and Hearst; and Toronto and North Bay).
Contribution for ferry and coastal passenger and freight services (ongoing program).	Monitor ferry service operations with a view to reduce operators’ dependence on federal subsidies by ensuring the commercial viability of the operation through services that effectively meet demand and rates that reflect market conditions.	Safe, reliable and affordable ferry services between Wood Island and Caribou; and Souris and Cap-aux-Meules.
Payment to the Canadian Wheat Board (CWB) for hopper cars for the transportation of grain in Western Canada (ongoing program).	Assist the CWB with the acquisition and leasing of hopper cars.	Efficient transportation of grain in Western Canada.
Allowances to former employees of Newfoundland Railways, Steamships and Telecommunications Services transferred to Canadian National Railways (ongoing program).	Assume responsibility for that portion of the pension costs not payable by the Government of Newfoundland or Canadian National Railways for the transferred employees.	Ensure a pension income equivalent to the provincial plans at the time of transfer is accessible for the former provincial employees.
Contribution toward the Quebec Bridge Restoration Program (TEC \$6 M).	Assist CN Rail with the restoration of the Quebec Bridge, which was originally built by the Government of Canada in 1918.	Continued safe operation of vehicle and train traffic on the bridge.

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Transfer Payments *(continued)*

Program Name	Our objective is to . . .	And the expected results . . .
Policy <i>(continued)</i>		
Toronto Waterfront Revitalization Project, a project of collaboration among three levels of government (TEC \$10.1 M)	Enhance Toronto's economic vitality, social development, transportation system, housing development, and environmental sustainability.	A clean, green, vital, accessible and beautiful waterfront that will be enjoyed by city residents and welcome tourists and visitors from Canada and around the world.
Strategic Highway Infrastructure Program – Border Crossing (Planning and Integration) (TEC \$68 M)	Enhance the reliability and overall operating performance of the surface transportation system.	Improved mobility and transportation efficiencies and enhanced safety performance and sustainable transportation.
Strategic Highway Infrastructure Program – Intelligent Transportation System (TEC \$29 M)	Enhance the reliability and overall operating performance of the surface transportation system.	Improved mobility and transportation efficiencies and enhanced safety performance and sustainable transportation.
Programs and Divestiture		
Contributions for the operation of non-National Airport System (NAS) airports (ongoing program).	Provide operating subsidies to airport sites across Canada.	Safe operations at non-NAS airports not yet transferred (and not yet eligible for ACAP).
Airports Capital Assistance Program (maximum of \$190 million over five years).	Assist eligible airports in financing capital projects.	Safe operations, protection of assets, and reduced costs at non-NAS airports.
Port Divestiture Fund (TEC \$115 M).	Provide assistance/incentive to potential non-federal port encourage acceptance of the port and facilities with an undertaking to continue port operations and to assist in bringing the port property to a minimum safety and operating standard.	Facilitate the transfer/divestiture of regional/local ports to local groups (implementation of the National Marine Policy).
Contributions to provinces toward highway improvements to enhance overall efficiency and promote safety while encouraging regional, industrial development and tourism which includes New Brunswick Highway Improvements and Outaouais Road Development Agreement (ongoing program).	Participate in joint federal-provincial financing of the construction, strengthening and improvement of certain highway links and roads.	Improved transportation safety and efficiency and promotion of economic development.

(Continued on next page)

Transfer Payments *(continued)*

Program Name	Our objective is to . . .	And the expected results . . .
Programs and Divestiture <i>(continued)</i>		
Trans-Canada Highway (TCH) Agreement — Newfoundland (TEC \$403.5 M).	Construct links of the TCH in Newfoundland and Labrador in exchange for the termination of rail operations in the province.	Strengthened and improved TCH in Newfoundland and Labrador.
(S) Payments to CN Rail in respect of the termination of tolls on the Victoria Bridge in Montreal, and for the rehabilitation work on the roadway portion of the bridge (ongoing program).	Compensate CN for the federal decision to remove tolls, and to contribute to a major rehabilitation of the roadway portion of the bridge.	Defray negative impact on CN's revenues of the removal of the tolls and support safe operation of vehicles on the bridge and approaches.
(S) Northumberland Strait Crossing subsidy payment (ongoing program).	Honour constitutional obligation to provide transportation link between Prince Edward Island and the mainland.	Continuous and efficient year-round transportation provided for people and goods between Prince Edward Island and the mainland.
Strategic Highway Infrastructure Program – Highway Component (TEC \$485 M)	Provide funding for provincial highway projects to address the needs of Canada's National Highway System.	Improved mobility and transportation efficiencies and enhanced safety performance and sustainable transportation.
Action Plan 2000 for Climate Change (TEC \$40.2 M)	Reduce the growth of greenhouse gas (GHG) emissions from the transportation sector.	Adoption of more energy-efficient transportation and land use, and the capacity to reduce GHG emissions. The take-up of innovative technologies and best practices related to the reduction of GHG.
Safety and Security		
Payments in support of crossing improvements approved under the <i>Railway Safety Act</i> (ongoing program).	Provide assistance to railway companies and/or road authorities to carry out works to improve safety at public road/railway grade crossings.	Reduced risk of collisions and casualties at public road/railway grade crossings.
National Safety Code (TEC \$17.8 M).	Provide assistance to provinces and territories in support of the uniform application of the National Safety Code Standards to extra-provincial carriers.	Improved safety levels, safety monitoring capabilities, and national uniformity of standards.

Table 6 — Source of Respendable and Non-respendable Revenue

Business Line <i>(\$000's)</i>	Forecast Spending 2001-02 ¹	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Respendable Revenue:				
Policy				
International cooperation contract fees	350	50	50	50
Rental revenue	118	—	—	—
Revenues for the provision of statistical data	260	—	—	—
Internal revenues from Agriculture Canada for grain monitoring	452	460	348	—
Miscellaneous internal and external revenues	140	—	—	—
	1,320	510	398	50
Programs and Divestiture				
Harbours and ports revenues (net of commissions)	14,106	13,015	11,518	11,518
Airports — Concessions	1,693	738	111	111
Airports — Rentals	5,435	4,980	3,789	3,789
Airports — Landing fees	4,490	2,632	665	665
Airports — General terminal fees	3,188	1,843	527	527
Airports — Lease and chattel payments	249,368	272,130	300,388	313,987
Miscellaneous internal and external revenues	522	475	194	194
	278,802	295,813	317,192	330,791
Safety and Security				
Aviation safety fees	11,891	10,839	10,839	10,839
Internal and external revenues for aircraft services	31,139	26,497	26,497	26,497
Internal and external marine safety revenues	7,438	7,400	7,400	7,400
Road safety fees	1,980	460	460	460
Shortline rail inspections and other rail safety revenues	142	63	63	63
Internal and external revenues from research and development activities	3,867	1,925	1,925	1,925
Miscellaneous internal and external revenues	50	25	25	25
	56,507	47,209	47,209	47,209

(Continued on next page)

Source of Responsible and Non-responsible Revenue (continued)

Business Line <i>(\$000's)</i>	Forecast Spending 2001-02 ¹	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Responsible Revenue (cont'd):				
Departmental Administration				
Internal and external lease and concession revenue	956	788	788	788
Miscellaneous internal and external revenue	401	589	589	589
	<u>1,357</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
Total Responsible Revenue	<u>337,986</u>	<u>344,909</u>	<u>366,176</u>	<u>379,427</u>
Non-responsible Revenue:				
Policy				
Hopper car leases	10,000	10,000	10,000	10,000
Programs and Divestiture				
Non-navigational assets — St. Lawrence Seaway	5,000	5,000	5,000	5,000
Port sales and chattels	1,801	—	—	—
Canada Port Authority stipends	14,514	10,298	10,918	10,873
	<u>21,315</u>	<u>15,298</u>	<u>15,918</u>	<u>15,873</u>
Total Non-responsible Revenue	<u>31,315</u>	<u>25,298</u>	<u>25,918</u>	<u>25,873</u>
Total Revenues	<u>364,424</u>	<u>370,207</u>	<u>392,094</u>	<u>405,300</u>

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

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

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

Table 7 — Loans, Investments and Advances

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

Business Line <i>(\$000's)</i>	Forecast Spending 2001-2002 ¹	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
<i>Programs and Divestiture</i>				
Loan to Saint John Harbour Bridge Authority	25,024	24,024	23,024	22,024
Loans assumed from the former St. Lawrence Seaway Authority	699	673	644	613
Total Outstanding Loan Balance	25,723	24,697	23,668	22,637

Due to rounding, columns may not add to totals shown

1. *Reflects best forecast to the end of the fiscal year.*

Table 8 — Main Estimates Spending Authority

Vote	(\$000's)	Main Estimates	
		2002-03	2001-02
Budgetary			
1	Operating expenditures	97,092	131,005
5	Capital expenditures	104,000	97,449
10	Grants and Contributions	376,347	203,528
15	Payments to the Jacques Cartier and Champlain Bridges Inc.	83,740	116,237
20	Payments to Marine Atlantic Inc.	32,949	36,347
25	Payments to VIA Rail Canada Inc.	255,701	247,739
(S)	Minister of Transport — Salary and motor car allowances	65	52
(S)	Payments to Canadian National Railway Company — Victoria Bridge, Montreal	3,300	4,000
(S)	Contributions to employee benefit plans	52,972	48,471
(S)	Payments in respect of St. Lawrence Seaway agreements	1,900	1,577
(S)	Northumberland Strait Crossing subsidy payment	49,900	48,400
Total Department		1,057,966	934,805

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

5.2 Business Line Details

	Policy	Programs and Divestiture	Safety and Security	Departmental Administration
Objective	To develop and implement transportation policies and legislative changes which contribute to a competitive, efficient and effective Canadian transportation system.	To develop and manage programs and strategies, including divestiture and post-divestiture stewardship, which best contribute to a safe, effective, and efficient transportation system based on sustainable development principles.	To promote the safety and security of the national transportation system.	To provide efficient and effective support services that respond to departmental needs
Activities	Establishes the policy and legislative framework for all federally regulated modes of transportation. The business line also monitors and analyses the transportation system, reports on the state of transportation in Canada, carries out economic studies and program evaluations, supports the Minister and Deputy Minister in their relations with other federal departments, other levels of government, and foreign governments, represents the department in international trade issues, and evaluates policy and programs for the entire department.	Plays a substantial stewardship role in addition to negotiating the divestiture of ports and airports. It operates sites until they are transferred, administers highway and bridge programs, carries out landlord and monitoring functions in respect to airports, ports, bridges and air navigation system sites, and manages the department's real property portfolio. On the environmental front, this business line also provides leadership within the federal government and the transportation sector on sustainable transportation.	Develops national legislation, regulations and standards, and carries out monitoring, testing, inspection, enforcement, education and research and development activities to promote safety and security in all transportation modes. It also develops emergency preparedness plans, ensures security of persons working in restricted areas of airports, and delivers aircraft services to government and other transportation bodies.	Establishes the department's administrative accountability framework, and supports the department's other business lines by providing essential services that include financial, administrative, human resources, information management/information technology, internal and external communications, legal and executive.
Resources	\$414 million 198 Full-time equivalents	\$243 million 368 Full-time equivalents	\$330 million 2,929 Full-time equivalents	\$107 million 820 Full-time equivalents

5.3 Our Office Locations

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Index

A

Access to Information and Privacy
(ATIP) program, 34
Aeronautics Act, 13
Air Transportation, 20

C

Canada Airports Act, 19
Canada Shipping Act, 2001, 13
Canada Strategic Infrastructure Fund, 22
Canadian Air Transport Security
Authority, 12
Climate Change, 29

D

Divestiture program, 18

E

Emphasizing safety program delivery,
12

G

Government On-Line, 36

M

Marine Transportation, 23
Modern comptrollership, 35
Motor Vehicle Safety Act, 14
Motor Vehicle Transport Act, 1987, 14
Moving on Sustainable Transportation
program, 27

S

Security regime, 11
Service Improvement Initiative, 36
Strategic Highway Infrastructure
Program, 22, 24, 43, 44
Surface Transportation, 21
Sustainable Development Strategy, 26

W

Workforce Renewal, 33