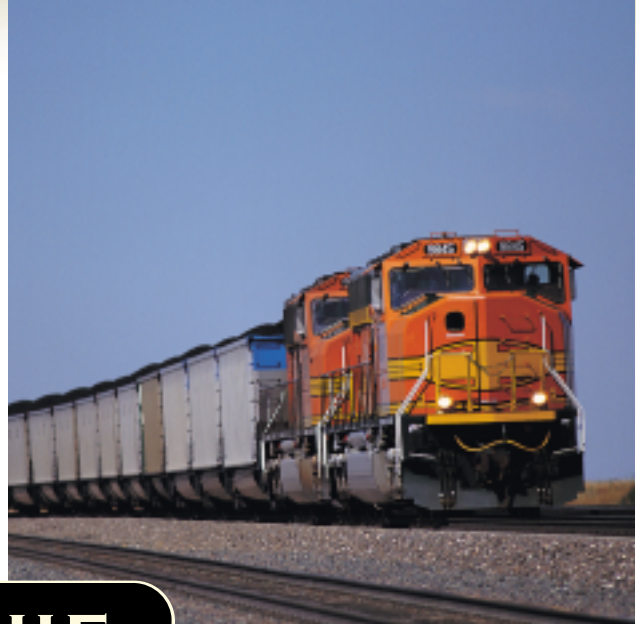




Transport
Canada

Transports
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TP 13605



LOOKING TO THE NEW MILLENNIUM



Transport Canada 2001–2004 Business Plan — An Update



**THE BEST TRANSPORTATION SYSTEM
FOR CANADA AND CANADIANS**

**LE MEILLEUR RÉSEAU DE TRANSPORT
POUR LE CANADA ET LES CANADIENS**

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Message from the Deputy Minister

It is with great pleasure that I present Transport Canada's 2001–2004 Business Plan, an update to the previous year's plan. This plan reconfirms the departmental priorities that were set out by senior management in October 2000, and presents the department's activities in terms of their contribution to these priorities.

Some new features have been added, including a section outlining our management agenda to provide information about the fundamental corporate work being done to address external pressures and challenges and improve the way we carry out our business. We have also highlighted our values and described the manner in which we strive to put these values into action.

Over the past several months, the department reviewed its vision statement and confirmed it to be . . .

"The best transportation system for Canada and Canadians".

In working toward this vision, we have assessed the future forces that will affect transportation, such as the economy, the demographics of an aging population, urbanization, globalization, and information technology. Based on the external factors affecting transportation in Canada, as well as the internal factors affecting the department, this plan reflects the work that we will be undertaking over the next three years to meet our priorities and strategic objectives.

As we embark upon the new century, the accomplishments of our highly qualified and dedicated employees will ensure our success. We will foster a climate of innovation that creates a transportation system that is sustainable — safe, efficient and environmentally responsible. The ongoing contribution of our staff, in collaboration with our stakeholders, will enable us to maintain our excellent safety record, complete the restructuring of the transportation sector, and prepare the transportation sector for the challenges of the future.



Margaret Bloodworth
Deputy Minister

1.0 Transport Canada — An Overview

1.1 Who We Are

Transport Canada is the department responsible for the transportation policies, programs and goals set by the federal government. The department contributes to ensuring that all parts of the transportation system work effectively, and in an integrated manner, to provide Canadians with a sustainable system — one that is safe, efficient and environmentally responsible. Our particular role is to develop and administer policies, programs and regulations that contribute to the creation of a modern system that is capable of meeting the needs of all Canadians.

In fact, all levels of government have a role to play in the country's transportation system. In addition, the transportation industry and a number of newly created service entities — NAV CANADA, the St. Lawrence Seaway Management Corporation, Canada Port Authorities, Canadian Airport Authorities, and the Federal Bridge Corporation — all make important contributions to ensuring the integrity and effectiveness of the system.

1.2 Vision and Mission

Our Vision . . .

The best transportation system for Canada and Canadians

Our Mission . . .

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

1.3 Strategic Objectives

ENSURE HIGH STANDARDS FOR A SAFE AND SECURE TRANSPORTATION SYSTEM	CONTRIBUTE TO CANADA'S ECONOMIC GROWTH AND SOCIAL DEVELOPMENT	PROTECT THE PHYSICAL ENVIRONMENT
Ultimate Outcomes		
<ul style="list-style-type: none"> • Protection of life, health, environment and property. • High public confidence in the safety and security of our transportation system. 	<p>A transportation system that is:</p> <ul style="list-style-type: none"> • efficient, effective, viable, affordable and accessible; • responsive to passengers, users and local communities; and • competitive and harmonized, both domestically and internationally. 	<ul style="list-style-type: none"> • An 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. • Sound environmental stewardship of Transport Canada's properties and operations.



Editor's Note: During 2000, the department revisited its vision, mission, and strategic objectives — which were originally developed in 1996 — to confirm their ongoing validity. Some minor revisions were approved by senior management, and these have been presented in this report. The revisions will be submitted in 2001 for Treasury Board approval as part of a proposal to amend our Planning, Reporting and Accountability Structure (PRAS). In addition, the business line “key results” now reflected in our PRAS will be replaced with our “ultimate outcomes”. Virtual planning team members will be contacted for further departmental consultations in this regard.

1.4 Our Values

Respect

We show value and respect for our colleagues and clients by being open, fair and honest in our dealings.

Professionalism

We show professionalism by working conscientiously and in a fiscally prudent manner, by applying common sense in everything we do, and continuously upgrading our training and technology.

Teamwork

We encourage teamwork by listening and communicating openly, supporting collective decisions and showing trust in our colleagues, and sharing resources and remaining open to change.

Client Services

We provide excellent service to our clients by listening and responding to their needs and soliciting their feedback.

Communication

We practice open communication by meeting face-to-face with our colleagues, clients and partners whenever possible.

1.5 How We Work

To deliver on its strategic objectives, Transport Canada must strive to put its values into action. As stated in the government's *Results for Canadians* report, "... management in the public service must be guided by a clear set of values." To this end, Transport Canada is committed to managing its business, financial resources, and people according to the professional and ethical standards presented in Section 1.4.

Transport Canada will provide a challenging and caring work environment by treating *people* — employees, citizens, clients, parliamentarians and stakeholders — with trust, respect, fairness and dignity. We will develop and implement effective human resource strategies, and provide a reward and recognition system consistent with our values.

In accordance with our *professional values*, we will provide high-quality, impartial advice on transportation issues, and commit to the design, delivery and continuous improvement of programs and services to benefit Canadians. We will achieve concrete and measurable results based on service standards that lead to improvements in Canadians' satisfaction with the delivery of our services.

Our *teamwork* is demonstrated through our work with partners and clients; through effective consultation on transportation initiatives and the implementation and management of joint undertakings. The department will strengthen its *services* by understanding clients' needs and providing decision-making as close as possible to the clients.

In the face of constant change, values are the foundation which support our actions. As such, our values deserve ongoing attention. The department's policies, systems, and interaction with clients, stakeholders, parliament and citizens should be aligned with our values. And making this alignment — through a process of continual dialogue and reinforcement — is an important challenge of the future.





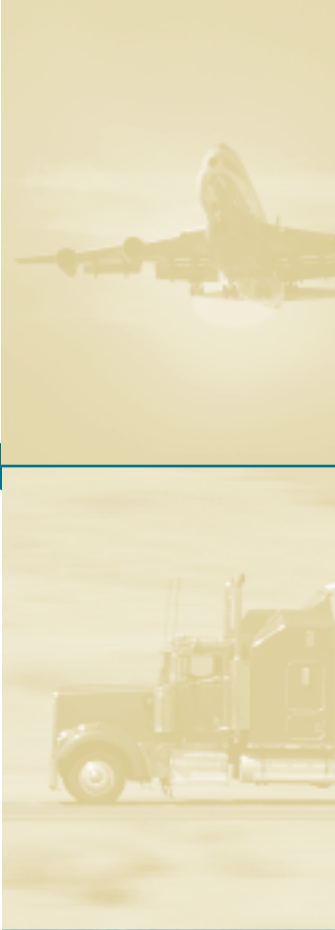
1.6 Departmental Structure

Transport Canada’s activities and services are carried out by approximately 4,200 people working across Canada. At its headquarters, four Assistant Deputy Ministers of Policy, Programs and Divestiture, Safety and Security, and Corporate Services report to the Deputy Minister and are responsible for providing functional leadership to the regional offices. Five Regional Directors General in the Atlantic, Quebec, Ontario, Prairie and Northern, and Pacific regions also report directly to the Deputy Minister and are responsible

	POLICY	PROGRAMS AND DIVESTITURE
BUSINESS LINE ACTIVITIES	Establishes the policy and legislative framework for all federally regulated modes of transportation. In support of this role, other business activities include monitoring and analysis of the transportation system, and the undertaking of economic studies and program evaluations.	Negotiates the divestiture of airports and ports, and plays a substantial stewardship role. Operates sites until they are transferred, administers highway and bridge programs, carries out landlord functions for airports, ports, bridges and air navigation system sites, and manages the department’s real property portfolio. On the environmental front, committed to providing leadership on sustainable transportation, making sustainable development a fundamental principle of the department’s policy development and program delivery, and ensuring all its operations are conducted in an environmentally responsible manner.
SERVICE LINES	<ul style="list-style-type: none"> • Transportation Policy • System Monitoring and Analysis 	<ul style="list-style-type: none"> • Airports • Ports • Surface • Environment
RESOURCES	\$89,519 K 189 FTEs <i>Crown Corporations:</i> VIA Rail \$247,739 K Marine Atlantic \$36,347 K	\$80,794 K 421 FTEs <i>Crown Corporation:</i> Jacques Cartier and Champlain Bridges \$116,237 K

for the daily operations of the business lines and for service delivery within their regions. They also operate 70 Transport Canada Centers in diverse sites across the country; these were established to ensure that services are delivered as close as possible to clients and stakeholders. The following chart summarizes the business lines' responsibilities, service lines, and 2001–2002 planned spending levels and full-time equivalents (FTEs), as reflected in the *2001–2002 Report on Plans and Priorities*.

SAFETY AND SECURITY	DEPARTMENTAL ADMINISTRATION
<p>Shares responsibility for safety programs for the Canadian transportation system. Develops national legislation, regulations and standards, and carries out monitoring, testing, inspection, enforcement, education and research and development activities for the safety and security of all transportation modes. Develops emergency preparedness plans, ensures security of persons working in restricted areas of airports, delivers aircraft services to government and other transportation bodies, and has certain legislative authority on environmental matters.</p>	<p>Supports the department's other business lines by providing essential services that include financial, informatics, administrative, human resources, executive, legal, audit and review, and internal and external communications.</p>
<ul style="list-style-type: none"> • Multi-modal Safety • Aviation Safety • Marine Safety • Rail Safety • Transport Dangerous Goods • Road Safety • Research and Development • Security and Emergency Preparedness • Aircraft Services 	<ul style="list-style-type: none"> • Corporate Services • Corporate Management
<p>\$277,424 K 2,846 FTEs</p>	<p>\$93,045 K 698 FTEs</p>





2.0 What We've Achieved

Over the past few years, Transport Canada has reached many milestones, as described below.

2.1 Modernizing our Regulatory and Safety Regime

The department continued the overhaul of its legislative regime, including amendments to the *Canada Shipping Act*, *Railway Safety Act*, *Motor Vehicle Transport Act*, and new marine security regulations. Numerous revisions were also made to regulations governing Canada's aviation, surface and marine modes, and to those involving the transportation of dangerous goods. Central to meeting its safety responsibilities has been the department's ongoing implementation of results-focused strategic planning initiatives, e.g., Road Safety Vision 2001, Flight 2005, Rail Safety Direction 2006, as part of the implementation of the Safety and Security Strategic Plan framework. The strategic initiatives are designed to build a strong safety culture, where safety is recognized by our stakeholders as a shared responsibility. The adoption of a systematic approach to safety risk assessment and management also forms an essential part of our strategies.

2.2 Developing and Implementing Comprehensive Policies and Programs

The department has developed and implemented numerous wide-reaching policies and programs to give Canada's transportation industry the framework it needs to effectively compete and adapt to changes in domestic and international economies. We have included much in this regard, such as:

- restructuring the Canadian airline industry;
- reforming the grain handling and transportation system;
- developing and implementing the *Canada Marine Act*;
- infusing funds to revitalize VIA Rail;
- drafting the *Marine Liability Act*;
- developing new international policies for air cargo and charter services;
- earmarking in the Budget of new funds for highways and system integration initiatives;
- commencing of a major review of federal transportation legislation;
- announcing the initiation of the Toronto Waterfront Revitalization project;
- developing an Intelligent Transportation System (ITS) Plan for Canada; and
- organizing the Millennium Transportation Conference.

These initiatives have all been aimed at improving the efficiency of the transportation system and contributing to Canada's economic growth and social development.

2.3 Sustainable Development

Transport Canada's Sustainable Development Strategy 2001–2003, which was tabled in Parliament in February 2001, reinforces its commitment to sustainable transportation. The strategy was developed on the basis of extensive consultations and builds on the successes of the department's 1997 Sustainable Development Strategy.

The department played a key role at the Transportation Table on Climate Change, part of a major federal-provincial initiative to develop an implementation strategy to meet the targets to reduce greenhouse gas emissions announced in the Kyoto Protocol.

Transport Canada co-chaired and provided the secretariat for the Transportation Table, which completed the Options Paper in November 1999 and assessed over 100 potential measures to reduce emissions from transportation. The results of the Table's work fed into the Government of Canada's *Action Plan 2000 on Climate Change* and the first business plan of the National Implementation Strategy announced in October 2000. The department also launched its Moving on Sustainable Transportation Program (MOST) to support innovative projects in sustainable transportation.

2.4 Divestiture/Commercialization

The department developed new and more effective ways of operating key components of the transportation system. Under the National Airports Policy and the National Marine Policy, the department continues to transfer operational control of most of its airports and ports to not-for-profit organizations, provincial and local governments, community interests, private businesses or other interests, with the goal of operating these facilities in accordance with local needs as well as established business principles.

The department has made good progress with respect to airport transfers. As at the end of December 2000, 117 of 136 of the airports originally owned, operated or subsidized by Transport Canada had been transferred — a completion rate of 86 per cent. On the ports side, 382 of 549 port sites — 70 per cent — had been transferred, demolished or had their public harbour status terminated at the end of December.

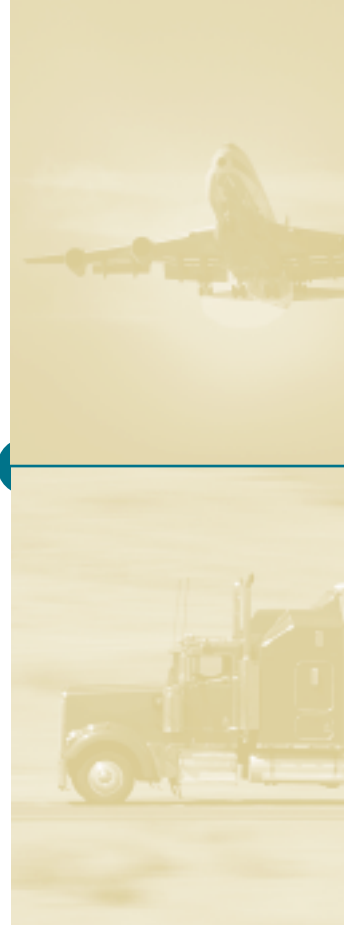
2.5 International Presence

Transport Canada continued to seek out and maintain good working relationships with Canada's international trade partners. For instance, the department co-sponsored the 1999 6th World Congress on ITS in Toronto, and participated actively in the XXIst World Road Congress in Kuala Lumpur. We were also actively involved in port state control and monitoring the transportation of dangerous goods, and we continued to share our transportation expertise in such countries as Guyana, Jamaica, Chile, Vietnam, Poland, Ireland, South Africa and Turkey.

Transport Canada represents the country in numerous specialized fora, such as the International Civil Aviation Organization, International Marine Organization, the UN World Forum for the Harmonization of Vehicle Regulations, NAFTA committees and sub-committees, and the Organization for Economic Cooperation and Development (OECD). It is also managing some 70 bilateral air agreements with foreign countries. As an example, the department represents Canada on the Bureau of Maritime Transport Committee of the OECD, and plays a very active role in the APEC Transportation Working Group, the Organization of American States–Inter-American Committee of Ports, and the Western Hemispheric Transportation initiative. Participation in these numerous organizations has led — and will continue to lead — to the harmonization of transportation rules, standards and regulations to facilitate trade while maintaining high levels of safety.

2.6 Conclusion

Transport Canada has been very successful in addressing the department's mission of developing and administering policies, regulations and programs for a safe, efficient and environmentally responsible transportation system for Canada. We will continue to be responsive to our environment and the needs of our stakeholders and clients and we remain committed to our ambitious and wide-reaching vision of the best transportation system for Canada and Canadians.





3.0 Future Directions

3.1 Departmental Planning Context

Driven by the trade and knowledge-based sectors, the Canadian economy has experienced consistent growth in recent years which, in conjunction with a stringent expenditure restraint program, has allowed the Government of Canada to eliminate the federal deficit. The surplus over the next five fiscal years has essentially been allocated to high priority areas — health care, tax cuts, children, the knowledge-based economy, the environment, education, and reduction of the national debt. Recently, concerns have been raised about the impact of the U.S. economic slowdown on Canada, and it is expected that fiscal prudence will continue for the foreseeable future. The federal government's focus now will be on the reallocation of existing resources for funding new programs.

Population growth rates are projected at under one per cent over the next five years. Overall, Canada will become older, more urbanized, and more ethnically diverse. The outlook for the transportation industry, which supports trade, is increasingly global, and our domestic and international agendas are becoming increasingly intertwined.

Transport Canada is on the verge of completing a fundamental transformation of the transportation sector, including deregulation and competitive enhancements, privatization, divestiture of assets and services, and subsidy reduction and elimination. These efforts have resulted in a range of transportation services being delivered under commercial terms by private or quasi-private entities operating at arms-length from government. These reforms have, on the whole, delivered positive results.

Looking ahead, the review of the *Canada Transportation Act* and the follow-up to the Millennium Transportation Conference will provide an opportunity for a broad examination of transportation policies and key challenges facing the transportation sector in the years to come; it will allow the government to define strategic, integrated and fiscally responsible directions for the future. Rail competition, congestion, environmental pressures, the need for innovation, and urban mobility are expected to be among the key focuses of these efforts. With respect to the last issue, the 2001 Speech from the Throne indicated that the federal government will cooperate with provincial and municipal partners to help improve public transit infrastructure, and the department will need to position itself to address this government priority.

3.2 Performance Framework

Transport Canada's performance will be established, measured and reported using three distinct levels of results. Each level builds on the previous one, beginning with operational and management activities, leading to behavioural changes and, finally, to ultimate outcomes/key results.

1. Operational and management results — are generated through departmental processes, resources and activities; these are factors over which the department has direct control.
2. Behavioural changes — relate to the department's impact on the behaviour of target groups. The focus of the performance is on influencing desired changes in the behaviour of key players in the transportation system; changes in behaviour are expected to lead to an improved state.

3. Ultimate outcomes — are the key results that reflect the department's contribution to, and effect on, the state of transportation in Canada. These results can only be indirectly influenced by the department because there are many other contributing factors and players involved in achieving these outcomes.

The departmental initiatives discussed in this plan are presented together with their key results. For additional performance information related to the initiatives, refer to the department's 2001–2002 *Report on Plans and Priorities*.

3.3 Departmental Priorities

In October 2000, based on an assessment of the department's current situation, Transport Canada's management team confirmed the following six departmental priorities for the coming years:

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

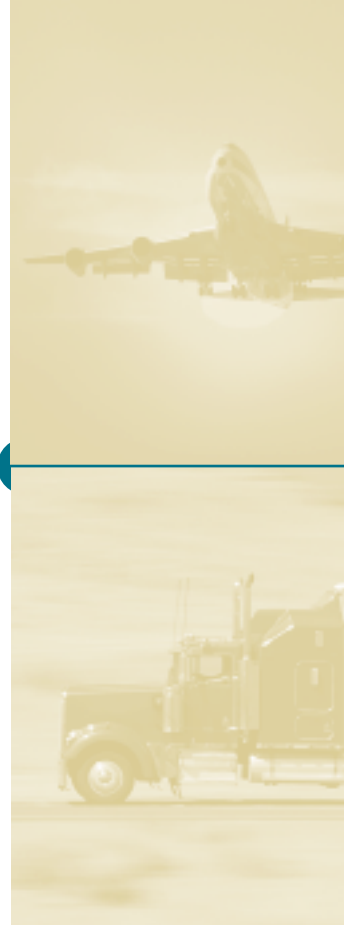
The 2000–2003 Business Plan referred to a seventh departmental priority — recruiting, retaining and developing human resources — which is now being addressed in the context of Workforce Renewal in the Management Agenda section (see page 30).

The following pages describe the departmental priorities and the key initiatives being carried out in support of these priorities. It must be noted that each key initiative is listed under its most relevant departmental priority, although in some cases the initiative may support multiple priorities. In addition, these initiatives are the activities being undertaken to respond to our changing environment and do not necessarily reflect all of our core activities. An overview of the departmental priorities and associated initiatives is presented in Appendix A on page 35.

3.3.1 Maintain and enhance the safety regime

The public continues to demand a transportation sector that is among the safest in the world. Safety is affected by factors such as the growth of the transportation sector, rapid technology developments in the industry, and demographic trends. There will be continuing pressures to manage the safety risks, real or perceived, in a more integrated and systematic manner. In addition, globalization means that we must be prepared to work effectively with the international community, in international fora, global partnerships and collaborative undertakings, to increase the convergence and international harmonization of transportation rules, standards, and regulations amongst countries while not compromising our high safety standards.

Compounding these factors, Transport Canada is facing an aging inspection workforce in all modes, as well as recruitment and retention challenges. To this end, the department is exploring more flexible ways of hiring, and is addressing training needs and exploring alternative service models in the face of continuing shortages. Monitoring the transportation industry to ensure the continued fulfillment of safety obligations that have been granted to industry (i.e., self-inspection, safety management systems) will continue to be one of the department's key priorities. While past efforts focused on large transportation operators, departmental interventions increasingly involve small operators and environmental issues.





Transport Canada will have to monitor the performance of regulations and determine what, if any, alternatives may be needed.

A major challenge in the coming years will be to fully flesh out the evolving role of the department in terms of safety oversight where the department is no longer owner or operator. Many functions previously performed by the department have been devolved to outside entities (e.g., the Motor Vehicle Test Centre, Canadian Coast Guard, NAV CANADA, the Air Transport Security Corporation, and airports and ports). Ongoing challenges include strengthening our cooperative relationships to promote a widespread and viable safety culture while maintaining public confidence in the safety of transportation operations performed by these devolved entities.

While technological advances will continue to provide benefits for the efficiency of the national transportation system (e.g., Intelligent Transportation Systems), several challenges have arisen in terms of both the pace of change and our ability to respond with the appropriate regulatory framework. Some examples include the interaction of small, light, environmentally friendly vehicles with heavier vehicles, and the impact of new in-vehicle technologies and services on safety (e.g., driver concentration, control of vehicle problems). With increased understanding of advanced technologies, Transport Canada can encourage technological developments and improvements that enhance, rather than adversely affect, safety.

The continued development and administration of policies, regulations and services which maintain a high level of safety and security involves not only the department and its personnel, but also the people that we regulate and the traveling public. The department will be challenged to find new ways to ensure high safety standards, instill a safety culture in the transportation sector, consider further delegation of responsibilities, and focus resources on the greatest risk abatement.

Regulatory Reform

Within the federal government, Transport Canada is one of the most active regulators; the department is involved in 53 acts with primary or shared responsibility. There are over 600 related regulations with thousands of sections and numerous incorporated documents. The majority of these instruments are administered by the Safety and Security business line, which will continue to modernize them (e.g., the *Canada Shipping Act* and associated regulatory instruments, the *Aeronautics Act*, the *Motor Vehicle Safety Act*), simplify the structure and language (e.g., "plain language" Transportation of Dangerous Goods Regulations), and develop administrative-based enforcement tools and proactive conflict management and dispute resolution mechanisms (e.g., proposed Transportation Appeal Tribunal of Canada Act).

Over the next few years most of our legislation will have been modernized and our challenge will be to ensure that we continue to have effective safety regulations. In our leaner and reorganized structure, the focus on results, a systematic and integrated approach to risk management, and a shared responsibility for safety are key characteristics of reform. The regulatees are given greater responsibility for operating in a safe manner (e.g., implementation of rail safety management systems (SMS), marine delegated inspections for international SMS, and the development of civil aviation SMS), while our responsibilities shift toward auditing/performance monitoring, supported by the appropriate compliance and enforcement tools. Our legislative initiatives have been developed in partnership with the provinces and other stakeholders and are consistent with our strategies for building a strong safety culture.

Key result: Consistent and high standards of safety and security and international competitiveness through harmonization.

Safety Management Systems

Safety management systems (SMS) promote a safety culture within industry by providing a means for industry to integrate safety into their day-to-day operations. Through SMS, companies can manage safety proactively, ensuring that safety is given management time and corporate resources and is subject to performance measurement and monitoring. We anticipate that increased management attention to safety — coupled with an enhanced safety culture within the industry — will reduce public and employee fatalities and injuries, reduce property damage resulting from accidents, and reduce the impact of accidents on the environment. SMS will also enable industry to demonstrate in a concrete and visible manner its commitment to the safety of employees, customers and the public, and will help industry comply with regulatory requirements. SMS will better enable the department to provide to the public a level of assurance of the state of safety in Canada.

Key result: Implementation by stakeholders of SMS to improve safety practices and foster a strong safety culture leading to a reduction of risks of accidents and fatal accidents.

Effective Intervention — Inspection and Monitoring Program

There are approximately 1,400 inspectors within the Safety and Security business line, representing nearly 50 per cent of its workforce. The inspection function is critical to the delivery of Transport Canada's mandate to foster industry compliance with regulatory instruments. To this end, the department also partners with other jurisdictions, delegates inspections to extend its capacity and continues to explore and promote the most appropriate forms of intervention to achieve compliance. For example, the department is moving from an exclusively hands-on, transaction-based compliance and enforcement approach to one of performance monitoring, audit and consultation. This will allow the inspectors to assist the transportation industry in finding better ways to comply with regulations and build a strong safety culture.

Key result: Reduction of risks and subsequent reduction in the number of accidents and fatalities and public confidence in the safety and security of the transportation system.

Road Safety Vision 2001/2010

Road Safety Vision 2001 is a national effort aimed at making Canada's roads the safest in the world. As road collisions continue to account for more than 90 per cent of all transportation-related deaths, this initiative and its objectives will be extended to 2010. Vision 2010, like Vision 2001 which was implemented in 1996, is supported by all levels of government and by key public and private sector stakeholders. We have the know-how to reduce road fatalities substantially, but we need to do more if we are to keep pace with road safety progress in other developed countries.

Key result: A targeted 30 per cent reduction in road collisions and fatalities by the year 2010.





Rail Safety Direction 2006

Railway crossing and trespassing occurrences continue to represent a significant risk to both the public and the railways. Through funded and partnership programs, Transport Canada is striving to improve the public safety at rail crossings and railway property. Through the Rail Safety Direction 2006 initiative, Transport Canada wants to reduce grade crossing collisions and trespassing incidents by 50 per cent by the year 2006 (over 1995 figures). The initiative focuses on seven key areas (education, enforcement, engineering, research, legislative framework, resources, and communications) and on specific audiences (youth, Aboriginal communities, farmers, high risk drivers) and works through a partnership among all levels of government, railway companies, public safety organizations, police services, unions and community groups. The department also provides financial incentives, through the Grade Crossing Improvement Program and Operation Lifesaver, to railways and road authorities.

Key result: A targeted 50 per cent reduction in the number of highway/railway grade crossing collisions and trespassing incidents on railway property by 2006.

Civil Aviation Flight 2005

In 1999, Transport Canada introduced its safety framework for civil aviation, Flight 2005, which established safety targets that will take the Canadian aviation industry to a new level of safety and achieve a high level of public confidence in civil aviation in Canada. The framework describes the safety directions for the next five years; many individual projects arising from this framework are being tracked through a complementary implementation plan. Two of the more significant areas to be addressed are the implementation of the safety management concept into aviation companies, and the mitigation of behavioural and organizational situations that contribute to human errors in the aviation industry. Other areas include building capacity for safety data, focusing resources on areas of highest risk, strengthening co-operative relationships and partnerships, and proactively communicating with targeted audiences. With the cooperation and acceptance of industry stakeholders, the department is taking a proactive approach to address these and other safety issues through a combination of safety promotion, awareness training, and regulatory activity.

Key result: Continued improvement on the high level of safety in Canada, moving toward the 2005 target of a 25 per cent reduction in the five-year average number of aviation accidents and fatal accidents, and high level of public confidence in our civil aviation program, moving toward the 2005 target that 90 per cent of respondents in public opinion research will say that air travel is safe or very safe.

Safety Oversight of the Air Canada–Canadian Airlines Merger

As a result of the Air Canada–Canadian Airlines merger (including Air BC, Air Ontario, Air Nova and Canadian Regional Airlines), Transport Canada is providing the necessary regulatory oversight for a safe transition to the new structure and ultimately to increase public confidence in civil aviation. The department will provide regulatory oversight of the existing companies, certify the merged companies, and conduct post-integration audits.

Key result: Moving toward meeting the Flight 2005 safety target of a 40 per cent reduction in the five-year average number of major airline accidents.

Security at Canadian Airports

Transport Canada is developing the regulatory framework for a Canadian explosives detection system (EDS), which involves the screening of passengers and their belongings for explosives on flights leaving Canada. EDS implementation must be responsive to Canadian security needs at the required airports and traffic levels. Transport Canada is working with the Canadian aviation industry to develop a policy framework which will govern industry implementation. Funding in the amount of \$10 million for aspects of this project was announced in the 2000 Budget.

The Transport Canada Automated Fingerprint Identification System (TCAFIS) is aimed at enhancing the quality, effectiveness and efficiency of airport security by modernizing the manner in which security clearances are processed. In a joint effort with the RCMP, Transport Canada will invest approximately \$5.8 million to revise and update its security clearance system by spring 2002 to meet the growing demand for airport personnel clearance actions.

Key result: Enhanced aviation security for international flights, and reduced accidents and security incidents that may otherwise result from unlawful interference.

Small Vessel Monitoring and Inspection Program

This Marine Safety program is aimed at reducing small vessel accidents (vessels under 15 tons with fewer than 12 passengers) by ensuring that vessels are operating safely and in compliance with applicable regulations. A “spot check” monitoring program — as opposed to annual inspections — is considered to be the most effective strategy to verify that the proper safety equipment (e.g., fire-fighting and lifesaving equipment) is on board at all times and that operators address safety issues year-round.

Key result: A reduction in small passenger vessel accidents and incidents.

Canadian Certificate of Competency

As a result of concerns raised at the International Maritime Organization (IMO) convention on counterfeit and fraudulent use of certificates, there is a new international requirement, under the Standard on Training, Certification and Watchkeeping (STCW), to register, record and produce a new digitized Canadian Certificate of Competency for ships’ deck and engineer officers. Transport Canada is the certifying body responsible for Canada’s approval of the new STCW through IMO. The issuance of the new certificates will cost approximately \$1 million over the next two years.

Key result: Enhanced security, and a reduction in marine accidents and incidents that may otherwise result from possible fraudulent duplication/unlawful interference.

Data Management Framework

Reliable data is essential to monitor the health of the transportation system. This multi-modal framework will enable the Safety and Security business line to more effectively manage its data assets and will lead to improved quality and integrity of shared data as well as an improved decision-making process based on sound and reliable information. It will include capabilities for trend analysis, risk assessment and performance measurement. The project includes the involvement of external stakeholders.

Key result: Improved management decision-making based on sound and reliable information.





3.3.2 Foster competitiveness in a global economy

World trade, fueled by international agreements such as the FTA, NAFTA and the WTO, continues to grow vigorously, outpacing domestic trade growth. Being a derived demand, transportation has followed a similar pattern and the international activities of transport companies (truck, rail, air and marine) are leading their growth. The outlook of the transportation industry, which is integrally connected to the trade function, is becoming increasingly global; industry players are larger, a growing share of their revenues are earned abroad, they define themselves as global or North American players, and they are merging or partnering with foreign carriers. As a result of globalization, our national market frameworks and regulatory regimes are being debated and negotiated both internationally and regionally. It is clear that Transport Canada's domestic and international agendas are becoming increasingly intertwined. Canada has some influence on but cannot control the world's direction and our national responses to these pressures will dominate the domestic policy agenda.

Canada needs to be competitive in the global economy. Several departmental initiatives over the past few years have been aimed at increasing competition. For example, the deregulation of the trucking industry and domestic air industry, the relaxation of economic regulations for the rail industry, the signing of liberal agreements with key trading partners, and international policies for air cargo and charter services have contributed to making the Canadian transport system more competitive. Our policies of deregulation and subsidy reduction have contributed to improved system performance. On an annual basis, changes in transport productivity level from 1981 to 1997 are worth \$9.5 billion. Because of the intense competition brought about by deregulation, most of these gains (\$8.1 billion), have been transferred to consumers and shippers in the form of lower prices.

Transport Canada has the mandate to set technical safety and environmental standards for all modes under federal jurisdiction. International air and maritime technical standards are governed through international conventions established by the International Maritime Organization (IMO) and the International Civil Aviation Authority (ICAO). With respect to the development of international motor vehicle regulations, the department was instrumental in drafting the United Nations Global Agreement on Technical Regulations for safety and environmental performance of road vehicles, becoming its second signatory. Transport Canada is working with other nations to prepare global technical regulations under the agreement, and plans to incorporate them in its own regulations to improve regulatory efficiency and harmonization. The department is reviewing the *Motor Vehicle Transport Act* with a view to finding ways to increase the harmonization of Canadian and international vehicle regulations, thereby facilitating greater competitiveness of Canadian manufacturers. Nationally, the department continues to work with provinces/territories and the motor carrier industry to increase consistent application of the National Safety Code.

Overall, there are three key challenges which the department must continue to manage:

- (1) fostering collaborative undertakings aimed at harmonizing or partnering in transportation-related areas of shared jurisdiction with the provinces, territories and municipalities (e.g., the National Safety Code for bus and truck safety, railway short lines);
- (2) participating in deliberations with the United States and internationally in harmonization efforts (e.g., international standards) with the aim of increasing harmonization without compromising our high safety standards; and

- (3) monitoring the potential impact of international and US/Canada agreements (e.g., NAFTA, GATTs, TBTA) on domestic transportation regulations.

International Trade Negotiations

The Government of Canada is currently involved in several trade negotiations that could result in the creation of legally binding obligations, in addition to those already in existence, under the North American Free Trade Agreement and the World Trade Organization (WTO). These include WTO services negotiations, the Free Trade Area of the Americas and several bilateral trade initiatives (e.g., Costa Rica, Singapore, Central America). Active participation by the department ensures the provision of effective sectoral advice, preservation of flexibility in trade rules to ensure that our pursuit of the department's mandate and objectives is unconstrained, and enhancement of export opportunities for the Canadian transportation industry.

Key result: Support Canada's overall approach to trade and its important contribution to the strengthening of Canada's economy.

Study on North American Modal Integration

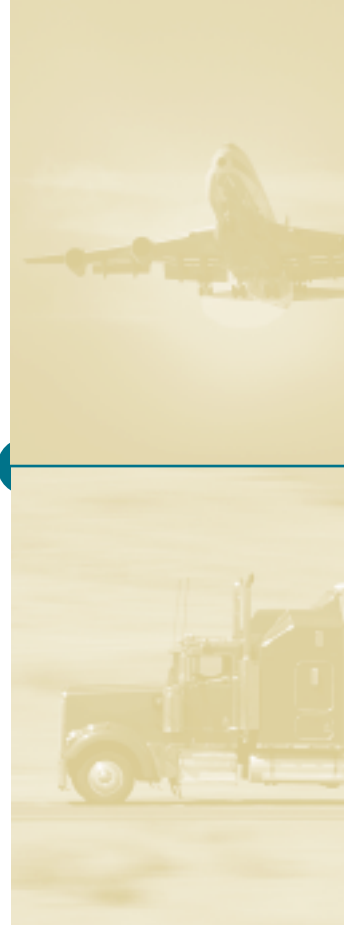
Transport Canada will undertake a comprehensive overview of major North American freight transportation systems and how they compete with and complement each other. The overview will cover all modern facilities and associated services. The factors and developments driving the use of individual systems will be identified. Changes due to the evaluation of the global supply chain, and the expected impact upon the competitiveness of Canadian transportation systems, will be highlighted.

Key result: Contribute to the determination of how North American freight transportation systems compete with, and complement each other, by identifying factors that lead to a competitive and integrated transportation system.

Review of the *Canada Transportation Act*

The *Canada Transportation Act* (CTA) requires the Minister of Transport to conduct a comprehensive review of the act and any other pertaining legislation under the Minister's responsibility. The review will assess whether the act and related legislation provide Canadians with an effective, efficient, flexible and affordable and accessible transportation system. The review may also recommend amendments to the national transportation policy and to the legislation where necessary to support those objectives. A panel was appointed by the Minister of Transport to conduct the review between July 2000 and June 2001, where upon completion of the review report, the Minister will formally respond to the Panel's recommendations and outline, among other things, the government's perspective on future challenges confronting Canadian transportation and possible solutions.

Key result: Contribute to an efficient, effective, flexible, affordable and accessible transportation system by recommending necessary legislative amendments and initiatives through the CTA review process.





International Air Policy Review

A review of Canada's international air policy is underway, with a view to further liberalization. Policy measures to make international scheduled air markets more open to competitive forces and to create opportunities for market expansion for Canadian-based carriers will be considered. This policy provides a framework for some 70 bilateral agreements between Canada and foreign partners and indicates how service rights should be allocated among Canadian carriers.

Key result: Contribute to a more competitive international air market through policy changes to reduce regulation and create more effective international air services for Canadians and new opportunities for Canadian air carriers and airport authorities.

Airline Industry Restructuring and Monitoring

In July 2000, legislation was passed to ensure an orderly restructuring of Canada's airline industry, with the least possible disruption to communities, the traveling public and airline employees. In addition to the safety and linguistic tenets, the legislation flowed from five basic principles: protection from price gouging; protection of service to small communities; the fair treatment of employees; the fostering of competition; and the maintenance of Canadian ownership and control. The legislation includes measures respecting major airline mergers and acquisitions, revised exit notice provisions, expanded oversight of domestic prices, new powers in the area of anti-competitive behaviour by airlines and clarified responsibility for Air Canada to ensure the provision of services to the public in both official languages. In terms of the airline industry, domestic issues will continue to focus on consumer choice and protection, service to small communities, and adequate access to airport infrastructure by new entrants.

Key result: Contribute to a competitive airline industry that provides an acceptable service level to all points in Canada at fair prices and is capable of competing globally, by ensuring that the objectives of recent legislation are met.

Development of a Great Lakes/Seaway Strategy

In response to the marine industry's document, *The Great Lakes St. Lawrence Waterway: A 20/20 Vision for the Future*, the department is developing, in conjunction with the Canadian Coast Guard and other stakeholders, a domestic marine strategy focused on the Great Lakes/Seaway system. It will include an assessment of the current domestic marine policy, the concerns of all stakeholders, and a review of all measures and options that may be available to strengthen the competitive position of this major marine infrastructure system.

Key result: Contribute to a safe, efficient, competitive and environmentally responsible domestic shipping industry by assessing current domestic marine policy and reviewing possible measures and options.

Monitor Grain Transportation Reform

In May 2000, the federal government announced major changes to grain transportation and handling policies. These included the introduction and gradual expansion of tendering for Canadian Wheat Board shipments, replacing the maximum grain rate scale with a cap on railways' annual grain revenues, improving branch line rationalization and the final offer arbitration provisions of the *Canada Transportation Act*, a five-year, \$175 million

transitional funding program for prairie grain roads, and a mechanism for continuous monitoring of the impact of the reforms on the overall performance of the grain handling and transportation system. The department is now designing a program for monitoring the system and will engage an independent monitor to report on system performance. This will lead to the availability of information that will allow us to analyze the efficiency, effectiveness and accountability of the system, correct problems, and identify opportunities for improvements.

Key result: Contribute to a more commercial, efficient and accountable grain transportation and handling system that will better serve the needs of producers, shippers and customers of Canadian prairie grain, by monitoring and assessing the effectiveness of recent reform.

3.3.3 Support infrastructure development

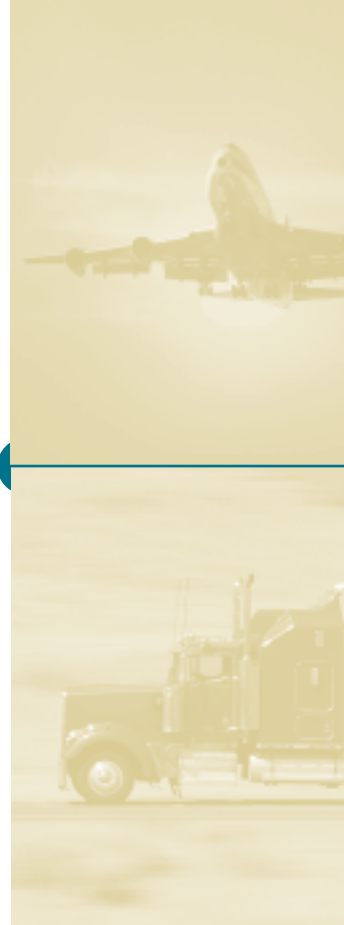
High quality transportation infrastructure is key to our competitiveness, attracting foreign investments, respecting the environment and our quality of life. Unprecedented demand placed on key corridors and international gateways, congestion in our major urban areas, and the maintenance of infrastructure in rural and remote areas require attention to sustain our economic growth and quality of life. The fundamental issue in addressing these challenges in surface transportation is the identification of a sustainable source of financing, including through public-private partnership, while maintaining a level playing field and furthering environmental sustainability. Surface infrastructure is critical to the country's economic health and the safety of Canadians, with more than 40 per cent of our Gross Domestic Product, and one in three jobs, depending on trade. In February 2000, \$600 million was announced in the Federal Budget for a strategic highway infrastructure program.

In the other modes of transportation, the entities resulting from our reforms (ports, airports, St. Lawrence Seaway, air navigation system) will require careful oversight and stewardship to protect the broader public interest. The governance regime of these entities and their accountability to the public are fundamental public interest issues. Finding the right balance between the need for autonomy, which has to be granted to these entities so they can operate as commercial enterprises, and the need for adequate protection of the broader public interest will always be a delicate issue. In short, we continually need to fine-tune our approach to ensure that natural or quasi-natural monopolies perform in a way that is consistent with the broader public interest.

The decisions with respect to infrastructure at the policy, program and project level are also increasingly scrutinized and challenged from a sustainable development perspective and therefore need to display proper balance between a broad range of economic, social and environmental considerations.

Toronto Waterfront Revitalization

In the fall of 2000, the federal government committed \$500 million to fund the first phase of the Toronto Waterfront Revitalization project in support of Toronto's bid to host the 2008 Olympic and Paralympic games. The federal government, the Province of Ontario and the City of Toronto are equal partners in this project and have established an Intergovernmental Steering Committee of senior representatives from each government, including Transport Canada as the lead federal department. The committee is undertaking the work required in the short term, such as identifying and coordinating studies and projects to support the first phase of the waterfront redevelopment and demonstrate





support for Toronto's Olympic bid, and establishing a long-term corporation to manage joint projects.

Key result: Contribute to the revitalization of the Toronto waterfront and support the City of Toronto's bid to host the 2008 Olympic and Paralympic games by maximizing the efforts of the governments involved and managing the federal government's contribution.

Airport Policy Framework

An effective and efficient network of airports in Canada is a key to the country's prosperity. Over the past few years, the department reviewed the performance of the first four Local Airport Authorities (LAA). Based on the results of that review, revisions to the airport policy framework are being considered to address the demands of stakeholders and to clarify the governance and transparency regime of the National Airport System (NAS) airports.

Key result: Contribute to an efficient, effective, flexible and affordable network of national airports, and support the competitiveness of the air sector through the development of legislation.

Airport Rent Policy Review

Industry stakeholders have criticized the government about the lack of a policy basis for Crown rent at NAS airports leased to airport authorities. In contrast, the Auditor General criticized Transport Canada for failing to determine the fair market value for airport assets and business opportunities being transferred. A rent policy review will be considered, including timing and parameters.

Key result: Contribute to an efficient, effective, flexible and affordable air transportation system by assessing the requirement to conduct a rent review.

NAS Airports Lease Administration

Transport Canada is continuing to strengthen its existing landlord role with respect to administering the leases with airport authorities — 18 to date — for the operation of NAS airports. The department is implementing a more rigorous lease monitoring program and developing tools to ensure a national treatment of the leases while taking into account the specific terms and conditions of each lease. The importance of the landlord role was highlighted in the LAA Lease Review and confirmed by the Office of the Auditor General.

Key result: Effective administration of airport leases.

Highway Contribution Agreements

Highways support the bulk of our trade activity, with 75 per cent of all freight shipments (by value) moved by trucks. Highways also support 90 per cent of all inter-city travel. Although highway matters in Canada are a provincial responsibility, the department's role is to work closely with its partners to ensure that the mobility of persons and goods across Canada continues to be supported and that the economy is enhanced by the transportation system. Transport Canada participates in a series of federal and provincial cost-shared funding agreements to preserve and improve the efficiency and safety of the existing highway system. The initiative involves the negotiation and implementation of

the new federal-provincial highway contribution agreements as part of the government's new infrastructure program.

Key result: Contribute to a safe, efficient and effective surface transportation infrastructure, based on sustainable development principles, that promotes inter-provincial and international trade, meets the needs of Canadians, and is responsive to commercial and personal traffic.

Constitutional and Subsidized Ferry Programs

The department is responsible for the integrity of the constitutional ferry service linking Newfoundland to the rest of Canada. To this end, Transport Canada provides an annual appropriation of approximately \$38 million to Marine Atlantic Inc. Commercialized services in other maritime regions receive operating subsidies and also use federal assets such as the terminal sites and vessels. In addition, as part of the divestiture of federal responsibility for ferry services to British Columbia, B.C. Ferries receives an annual grant, which increases each year by the Vancouver Cost of Living Index.

Key result: Contribute to safe, efficient and economic ferry services that will meet demand and fulfill constitutional and remote community obligations by providing direct and indirect financial support.

Canada Port Authorities

As part of the government's initiative to rationalize the Canadian marine transportation system, Transport Canada continues to work on establishing and monitoring Canada Port Authorities (CPAs), the network of independently-managed major ports. This initiative was developed to ultimately reduce the burden on the Canadian taxpayer and to create a more efficient marine transportation system.

Key result: Contribute to a competitive, efficient and commercially oriented, locally responsive ports system through the establishment of CPAs that are financially self-sufficient with local or regional management that takes into account user and community input.

VIA Rail Revitalization

The federal government announced that VIA Rail would receive increased capital funding of \$401.9 million over five years. These funds are to be used to renew the capital base and to position VIA to handle new traffic growth. The corporation is developing a long-term capital plan as part of its overall corporate plan, with a current emphasis on replacing rolling stock as quickly as possible. Transport Canada will ensure that these new funds are spent in accordance with government direction.

Key result: Contribute to a safe, efficient and accessible national passenger rail system by providing assurance that government directions and appropriations to VIA are being met.

Air-Rail Link between Toronto's Union Station and Pearson International Airport

The redevelopment of Pearson International Airport provides a unique opportunity to provide improved mass transit for the Greater Toronto Area. The Minister of Transport has identified a dedicated, fast rail connection between Union Station and Pearson International Airport as a key transportation priority. Such a service is expected to provide





safe and accessible access for passengers travelling to and from the airport. The service is also expected to complement existing commuter and inter-city passenger rail services and provide seamless connections with other transportation modes.

The department is proceeding with the development and release of an expression of interest (EOI) seeking bidders interested in the financing, building and operation of a dedicated rail service between Toronto's Union Station and Pearson International Airport. Future action will depend on the success of the EOI process, which will be available in the summer of 2001.

Key result: Contribute to improving mobility, reducing congestion, and fostering environmental sustainability in the Greater Toronto area by gauging private sector interest in the establishment of an inter-modal link.

Urban Strategy

The continued urbanization of Canada is putting pressures on urban mobility, with significant economic, environmental and safety implications. We have more cars that are driven longer distances, a road network that cannot meet the demand, a public transit system moving fewer Canadians, rising greenhouse gas emissions, and air quality warnings that are now common in Canadian cities during the summer months, with attendant health impacts and costs. Taken together, these long-term trends are not healthy. In the 2001 Speech from the Throne, the federal government indicated that it will cooperate with its provincial and municipal partners toward improving Canada's public transit infrastructure. In this context, the department will be exploring the various options available to address congestion in urban centers.

Key result: Contribute to improving urban mobility and the government's objective of ensuring strong and secure communities by exploring various options to address congestion in urban centers.

Border Crossing Studies/Projects

Every day, more than 250,000 travelers and one billion dollars in goods cross the shared border between Canada and the United States. Canada exported \$136 billion worth of goods by road in 1996, nearly all of which were destined for the U.S. and Mexico markets. The bulk of this trade transited through relatively few border crossing points. To effectively plan for continual increases in international traffic, the federal government will participate in several border crossing studies/projects to identify future demands. For example, the department is currently participating with the Province of Ontario and the United States in examining capacity problems at the Detroit-Windsor crossing.

Key result: Ensure that international border crossings at Canada's key ports of entry are safe, efficient and effective in handling the increasing commercial and personal traffic.

World Road Association

In September 1999, the Minister announced the formation of the Canadian National Committee of the World Road Association (CNC-PIARC). PIARC is an association of over 97 governments, with 2,000 members in more than 113 countries. It is the leading international forum for analysis and discussion of the full spectrum of transport issues relating to roads and road transport. The Canadian National Committee enables Transport Canada, and provincial and territorial governments to make known Canadian road

expertise. It also enables Canadian entrepreneurs to be very active in the organization and thus gain a higher profile for Canadian businesses worldwide.

Key result: The exchange of technical information that will contribute to a safe, efficient and effective surface transportation infrastructure that promotes international cooperation, a higher profile for Canadian businesses, and economic development.

Assets Management

The department plays a direct role in the monitoring of the Management Asset Agreement with the St. Lawrence Seaway (SLS) Management Corporation. This agreement is essential for both the day-to-day operation and the long-term planning of the Seaway, a vital trade corridor for Canada and the United States. A key initiative is the disposal of 177 surplus SLS properties to the Canada Lands Company. Assets management also includes administration of the Seaway agreements, the Confederation Bridge Agreement, and the Victoria Bridge Agreement. The department has an oversight role with respect to the following major bridges: Jacques-Cartier, Champlain, Seaway International, Thousand Islands, Sault Ste. Marie, Blue Water, and the Peace Bridge.

Key result: Contribute to a safe, efficient and effective surface transportation infrastructure, based on sustainable development principles, that promotes inter-provincial and international trade, meets the needs of Canadians, and is responsive to commercial and personal traffic.

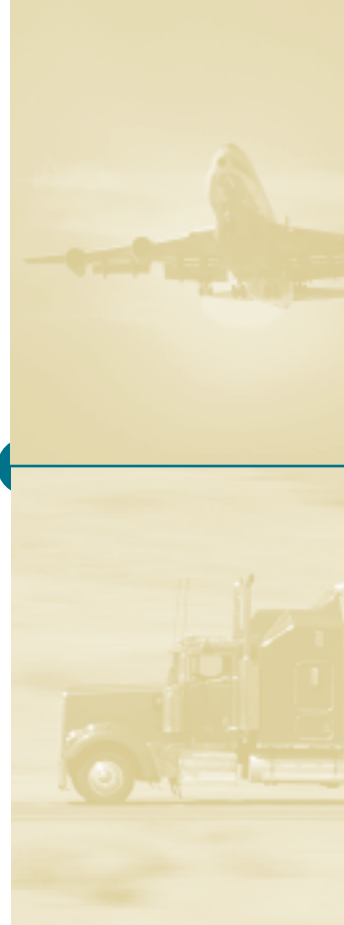
3.3.4 Advance sustainable transportation

Sustainable development and climate change continue to be major public issues for the foreseeable future, and are two of the key challenges to be faced by the transportation sector on a global basis. Growth rates over the next 40 years are expected to result in 800 million more people owning cars. Based on current technology and usage habits, this will result in enormous strains on the world's environment. Transportation accounts for 25–50 per cent of key air pollutants that contribute to smog in urban centres.

Sustainable Development Strategy

The Sustainable Development Strategy (SDS) is our primary tool for promoting sustainable transportation within the department and within the transportation sector as a whole. Within the department, integrating sustainable development principles can be realized by incorporating environmental, social, and economic considerations into policy and program development; reflecting environmental considerations in safety and security operations (e.g., regulations); in our research and development; and by effectively communicating the concept of sustainable development to all departmental staff. Integrating sustainable development considerations within the transportation sector can be addressed through a number of activities, including education, promotion, awareness, capacity building, regulation, voluntary compliance, incentives, and sharing of best practices, which improve the understanding of sustainable transportation issues and actions.

In February 2001, Transport Canada tabled its second SDS; the strategy identifies seven strategic challenges and 29 commitments that will shape the transportation sector. The department's work in these areas, both alone and in partnership with other federal departments, levels of government, and stakeholders, will help foster a more sustainable transportation system — one that is safe, efficient and environmentally sound for Canada's present and future generations. Over the next three years, the department will implement its SDS and enhance its sustainable development management system, which is based on





the ISO 14001 model; the *Action Plan 2000 on Climate Change* (see next initiative) forms a major component of the strategy. A national advisory group will oversee SDS implementation, and specific commitments will involve cooperation with the provinces, territories, municipalities, and other key stakeholders in the transportation sector.

Key result: An environmentally sustainable transportation system for Canadians.

Air Quality and Climate Change

Transportation is the largest single contributor of greenhouse gas emissions in Canada, producing some 25 per cent of total emissions. Current forecasts are that, in the absence of any new policies or pricing changes, GHG emissions from transportation will exceed 1990 levels by 32 per cent in 2010, and by 53 per cent by 2020. While cars and trucks account for almost one-half of GHG emissions, reflecting the forecast pattern of economic growth, the three sources of emissions expected to grow most quickly between 1990 and 2020 are Canadian air carriers, trucking, and off-road uses. Similarly, transportation is a major contributor to smog, particularly in our urban centres.

The Kyoto Protocol, if ratified, will commit Canada to reducing its emissions by six per cent below 1990 levels between 2008 and 2012. In October 2000, the government announced the *Government of Canada Action Plan 2000 on Climate Change*, which outlined coordinated, sustained and informed action by governments, industry, interest groups and individual Canadians in all economic sectors. In cooperation with Natural Resources Canada, Transport Canada will guide the development and implementation of the transportation component of the plan, which addresses five areas — urban transportation, new vehicle fuel efficiency, fuel ethanol production/update, fuel cell vehicle refueling infrastructure, and freight transportation.

Key result: A reduction in greenhouse gas and other air emissions from the transportation sector, in support of Canada's national target and a reduction in the impact of air emissions from the transportation sector.

Environmental Remediation

Transport Canada is working to mitigate and, as much as possible, prevent environmental damage from transportation activities. One important activity is the conduct of environmental site assessments and the identification and management of contamination on property owned, or previously owned, by Transport Canada. If not properly managed, contaminated sites could lead to health and safety concerns and legal liabilities. The department works with interdepartmental working groups for a consistent federal approach to the management of contaminated sites. To this end, the department will develop, by 2001–2002, a contaminated sites management framework.

Key result: Prevention and mitigation of environmental damage from Transport Canada's activities.

Environmental Management System

To address our responsibility for environmental management of Transport Canada sites, which include airports, storage areas and office buildings, the department is working to implement an environmental management system (EMS) and promote the benefits of environmental best practices and standards within the transportation sector. The department's EMS was expanded in 1999 to include a broader scope of departmental

activities and operations. An internal awareness program will be developed by 2001–2002 to familiarize employees with a departmental Strategic Environmental Assessment Policy and enhance the department's capacity to undertake such assessments. Beginning in 2000–2001, the department will also meet six revised EMS targets that focus on its remaining operational responsibilities. Canada will implement an environmental monitoring program for all its properties to ensure compliance with regulations and to identify best practices and potential liabilities.

Key result: Prevention and mitigation of environmental damage from transportation activities.

3.3.5 Facilitate transition to the knowledge-based economy

The transition to a knowledge-based economy is a key challenge in Canada. Governments and businesses are focusing on the use of emerging technologies, such as electronic commerce, the Internet, and Intelligent Transportation Systems (ITS), to streamline and replace paper-based processes. Citizens and businesses will increasingly rely on these technologies for improved access to government services and information.

Transport Canada must consider two aspects in this transition: how it interacts with the public in this new economy; and how the transportation sector responds to it. The department needs additional information on how the Canadian transportation sector is adapting to the transition to the knowledge-based economy. Our role in this area currently consists of safety regulation of transportation technologies, transportation innovations through research and development, and most recently the fostering of ITS and innovations.

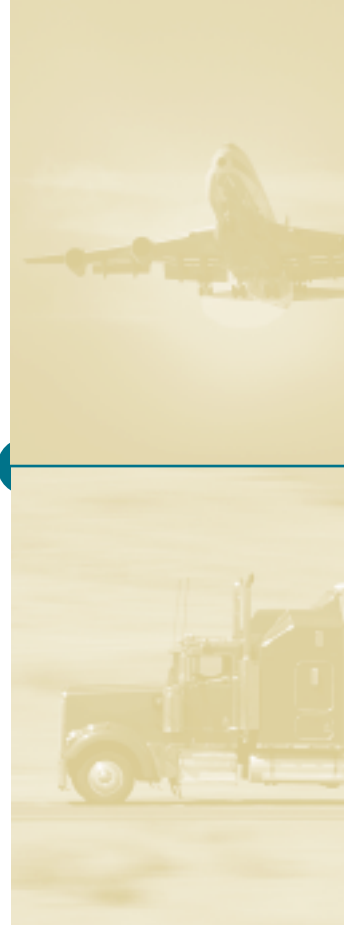
Intelligent Transportation Systems

Intelligent Transportation Systems (ITS) are key to connecting transportation to the knowledge-based economy and critical tools for improving safety, operational efficiencies, productivity and environmental performance. ITS will help optimize existing capacity and integrate cross-modal and cross-jurisdictional transport operations. Transport Canada has developed, and is leading the implementation of, Canada's ITS Plan, which is aimed at promoting the development and deployment of ITS by and for all modes across urban and rural Canada. We are working with the Intelligent Transportation Systems Society of Canada, the provinces, territories and municipalities, other federal departments, academia, the private sector and the United States.

Key result: Contribute to improving traffic flows in congested corridors, reducing border congestion, and increasing productivity by undertaking various initiatives with public and private sector partners.

Government On-Line and Electronic Service Delivery

There is growing pressure to make government more accessible, responsive, and affordable through the provision of information and services via electronic medium. In the 1999 Speech from the Throne, the government announced that it wanted to be recognized worldwide as the government most connected to its citizens, with Canadians able to access all government information and services on-line. Advances in technology and delivery mechanisms, as well as the increasing number of Canadians going on-line, allow the government to provide more convenient access to information and services. More than 60 per cent of Canadians who look for government information do so via





the Internet. The Government On-Line (GOL) initiative embraces a vision of electronic service delivery that will offer Canadians the services they need at the right time, in the right place, and in a secure, convenient and accessible manner.

To respond to the government's GOL commitment to stakeholders and the public, Transport Canada must increase its capacity to provide information and services electronically and ensure that the provision of these services meets the needs of stakeholders and the public. By spring 2001, a GOL strategic plan will be in place to identify and prioritize the services that will be brought on-line. The department will introduce on-line capacity for these identified services and, by 2004, potentially 85 different services could be available electronically.

Key result: The timely and efficient provision of Transport Canada information and services to meet demands by stakeholders and the public.

Research and Development Program

Through the development and application of new technologies and operational innovations, Transport Canada's current research and development (R&D) program contributes to many departmental and federal strategic objectives, more broadly to the Canadian transportation sector. The program provides direction for decision-making, and promotes improvements in such areas as modern safety management systems, sustainable transportation and climate change, and accessibility for the elderly and the disabled. The program is managed through the Transportation Development Centre and attracts many national and international partners.

The federal government has indicated that it wants Canada to have one of the most innovative economies in the world, and that a key element in getting there is to ensure that our R&D effort per capita is among the top five countries in the world. To achieve that objective, the government is pursuing a five-part plan that includes a doubling of the current federal investment in R&D by the year 2010. In this context, there is a need to reassess support to R&D in the transportation sector.

Key result: Improved knowledge base, new technologies, and better information for decisions leading to a reduction in transportation-related injuries and fatalities, a reduction in transportation-related pollutants and greenhouse gases, and a competitive, efficient, effective, and accessible transportation system.

3.3.6 Complete the divestiture programs

Under the 1994 National Airports Policy (NAP) all Transport Canada airports, except those designated as remote, are to be transferred to local operators. The 1995 National Marine Policy announced that Transport Canada would withdraw from the ownership and operation of up to 549 port sites by the end of 2001–2002. The objective of both these policies is to transfer ownership to those who are best placed to match local requirements with local economic realities and ensure that users pay a fair share of the costs. The airport divestiture program is nearing completion and the port divestiture is well underway. However, there are external challenges facing both programs, including First Nation's land claims, and provincial concerns.

Airport Divestiture

Under NAP, the largest and busiest airports — those that make up the National Airports System (NAS) — are being transferred to Canadian Airport Authorities by way of lease. (The first four were transferred to Local Airport Authorities as opposed to Canadian Airport Authorities.) The smaller (non-NAS) airports are being offered for transfer to local community interests. Airports designated as remote will continue to be operated by Transport Canada for the foreseeable future. The department has made very good progress with respect to airport transfers; 19 sites remain to be transferred by March 31, 2002. The divestiture of airports will foster more commercial and locally accountable airport management, increase airport viability, and more closely match airport facilities with the needs of users and communities.

Key result: An airport system that is able to meet the needs of Canadians and is responsive to passengers and local communities.

Port Divestiture

With one year remaining in the port divestiture program under the National Marine Policy, 133 regional/local ports, or 24 per cent of the original 549 port sites, remain to be transferred or otherwise divested. This will leave 34 remote ports (6 per cent of the original 549) to be retained by Transport Canada unless other arrangements can be made. The divestiture of ports will ensure Canada has the best possible national port system and ultimately reduce the burden on the Canadian taxpayer.

Key result: A port system that is able to meet the needs of Canadians and is responsive to commercial shipping, passengers and local communities.





4.0 The Management Agenda

The challenge of our management agenda is to create and maintain the capacity to achieve the department's objectives and respond to the needs and priorities of Parliament, the public, and central agencies. The agenda addresses the key issues that affect the business lines' ability to deliver their core services; it must consider the breadth of our activities, the limited availability of resources, and the current environment and constraints.

Many government-wide issues are having a significant impact on our ability to deliver results: resource constraints, non-competitive public service salaries, an aging workforce, and a requirement to provide an increasing number of services to our clients and stakeholders through the use of technology.

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

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
- Financial Management Strategy
- Information Management/Information Technology (IM/IT) Strategy
- Public Accountability for Program Administration
- Communications Priorities

4.1 Workforce Renewal

One of the major issues confronting the federal government is the renewal of the federal public service. There are many challenges that must be met over the next several years to ensure a vital and high-performing public service. There is a need to recruit and retain

KEY CHALLENGES:

- Recruit knowledge workers in technical and professional categories.
- Ensure the transfer of corporate knowledge to new employees and managers.
- Retain employees in a competitive job market.
- Provide employees with opportunities to develop and apply new skills and abilities.

employees as a result of unprecedented numbers of retirements at all levels, and to transfer to new groups of Transport Canada employees, managers and executives, the corporate knowledge that retirees will take with them. Increasingly, the federal government is competing with the private sector to attract potential employees, and the department's ability to recruit candidates with required skills and knowledge will affect its ability to carry out its mandate.

In recognition of the increasing competition for professionals, Transport Canada is committed to becoming an employer of choice. This will be achieved by creating a learning environment to provide employees with the experience and training to develop their skills and realize their career objectives. In addition, the department will become more strategic in its approach to human resource issues, redesigning human resource tools and procedures to improve timeliness and reduce workload.

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

Key result: A challenging, supportive and inclusive work environment that is free of systemic barriers. Transport Canada as an employer of choice. A highly skilled, professional and representative workforce that is recognized and respected by the transportation industry. Public confidence and stakeholder satisfaction with levels of service and safety.

4.2 Financial Management Strategy

A key component of the department's management agenda in the pursuit of its strategic objectives is a sound financial management strategy. In keeping with the government's management framework (*Results for Canadians — A Management Framework for the Government of Canada*), and given the limited nature of public funds, Transport Canada must ensure responsible spending. The cost of departmental initiatives must be linked with results to ensure value for the taxpayer. Existing programs and initiatives must be systematically assessed, and management frameworks aligned to ensure due diligence and proper stewardship of public funds.

To support effective program delivery, the department must be able to rely on a financial management strategy that allows us to maximize the acquisition of financial resources as well as their best allocation and utilization. To be effective, a financial management strategy must be supported by integrated processes, which include: business planning; performance measurement; financial planning, analysis and reporting; budget allocation; and production of Estimates documents for Parliament and other central agency reports.

While the department has been successful in obtaining additional funding to cover growing workload in the safety area, the probability of obtaining further increases appears low at this time. Current discussions surrounding the Government Expenditure Management System indicate a strong message to departments to "reallocate from within existing resources" to meet new requirements. Central agencies have also expressed a desire to conduct in the near future a review of Transport Canada's A-base. This context points in two key directions to guide the development of an appropriate departmental financial management strategy for 2001–2002 and beyond:

1. Transport Canada needs to complete some activities and prepare for the future with respect to:
 - the future of the divestiture effort;
 - future airport lease revenues;
 - unfunded safety workload requirements;
 - the requirements associated with Transport Canada's developing role as a landlord and a regulator;
 - the emerging mandate for environmental issues; and
 - a more integrated policy framework for transportation in Canada.

These are all key issues that will obviously drive the department's financial management strategy both for the short term and long term.

2. The department must continue to develop tools to assess and define an adequate resource base when challenged by central agencies. Current developmental work in areas such as performance measurement, risk management and other modern comptrollership priorities must be continued and preferably accelerated. In particular, our work on performance measurement needs to be driven down to meaningful measures at the service line level if we are to satisfy the commitments of the government's management framework.



Key result: Optimum acquisition and utilization of departmental resources. Efficient and effective decision-making based on timely and useful information.

4.3 IM/IT Strategy

The strategic management of information and information technology (IM/IT) is essential to effective program delivery. Information and technology are changing the way we work and how we interact with each other, with stakeholders and with the public. Transport Canada is committed to respond effectively to the government's direction to deliver key services on-line by the year 2004 (i.e., Government On-Line).

Our priorities are driven by business requirements, and include improving service delivery in all parts of the department, finding new ways to meet citizens' needs for access to public information, protecting privacy, responding in a more timely way to letters and questions and engaging stakeholders in the policy development process. As a priority, we will look for ways in which information technology can enhance our ability to protect the safety of the traveling public and make it easier for our clients to do business with the department.

In the coming year our objectives are to:

- update key office technology systems;
- renew the department's infrastructure to ensure we have the capacity to deliver on our Government On-Line objectives;
- implement tools to organize and store electronic information effectively;
- improve the accessibility of seamless, integrated information to employees and the public as appropriate; and
- identify and respond to the key technology requirements for delivering services on-line, in conjunction with partners and stakeholders.

We will also continue to develop tools to improve internal service delivery to employees to improve efficiency and accessibility of services.

In managing our internal processes we will work to ensure that our investments in IM/IT are well coordinated and that implementation initiatives are managed effectively in accordance with the principles of the Treasury Board Secretariat "Enhanced Management Framework". An IM/IT framework has been developed to guide IM/IT standards and policies and to define the architecture of our IT systems. Key investment decisions will be made in the context of departmental business planning.

Key Results: More effective and efficient program delivery through strategic use of information and information technology. Enhanced productivity through modernized internal technology and information tools.

4.4 Public Accountability for Program Administration

The Government of Canada's increased focus on good management practices and accountability has resulted in initiatives such as modernizing the comptrollership function and implementing the Financial Information Strategy (FIS). To respond to accountability requirements, for which there is growing public demand, the Treasury Board has introduced new policies for internal audit and transfer payments; these policies are intended to provide appropriate controls for the management of departmental programs.

In support of Transport Canada's accountability to the public, the Audit and Review Committee (ARC) has been established, with an emphasis on providing assurance services to senior management. To this end, the department's Audit and Advisory Services Branch

is developing an audit plan which will be submitted to ARC for approval in spring 2001. Risk assessment criteria will be used to determine the specific audits to be carried out for each of the following areas:

- FIS;
- transfer payments;
- divested entities;
- corporate enablers (human resources, IM/IT, finance);
- management frameworks for regulation and policy; and
- special reviews and follow-up audits.

The monitoring of program delivery in these areas through audits and reviews will provide assurance related to financial and non-financial information, risk management and performance measurement. As part of this assurance, all audits require a management action plan, a decision by ARC concerning the plan and recommendations, follow-up audits, and publication of results via the departmental web site.

Public access to information is also an important element in the context of accountability. Under legislation, i.e., the *Access to Information Act* and *Privacy Act* (ATIP), the government has thirty days in which to respond to requests for information. Transport Canada's goal is to increase its on-time performance through process improvements that will include promoting awareness of the acts and knowledge of relevant aspects of the regulations and processes through training workshops and awareness sessions, adding an ATIP module to the new employee orientation program, updating software to partially automate the process and reduce time delays, and promoting informal access to certain categories of departmental information.

Key result: Improved departmental performance and results. Cost-effective departmental policies and programs. Transport Canada as a leader in performance-based measurement.

4.5 Communications Priorities

Corporate Strategic Communications Plan

The Corporate Strategic Communications Plan is a consensus document that provides a framework for communications at Transport Canada, supporting and complementing the departmental mission. It reflects the need to link our communications messages to federal priorities, and reconcile regional/community and national perspectives. It also reflects the new information technologies and the shift toward greater citizen engagement in the activities of government.

The objectives of the corporate strategic plan are to:

- maintain public confidence in the transportation system in terms of safety and security, economic efficiency and environmental protection;
- enhance the understanding of the contribution of transportation and Transport Canada to the quality of life of all Canadians; and
- contribute to the adoption of desirable transportation behaviours and decisions by stakeholders and partners.

To achieve the communications objectives, Transport Canada's communications efforts must take several new directions:

1. *Moving Toward Dialogue* — Our communications efforts will take place increasingly within a two-way interactive context. Citizens must be informed and meaningfully





engaged. This means involving Canadians early on — telling them what’s at stake, consulting with them on their views, bringing the trade-offs and options into clear focus, showing them how our programs and initiatives will meet our objectives, and providing them with the means for evaluating our success.

2. *Opening Up Communications* — We must get our message across to broader groups of Canadians, not just traditional stakeholders but to other groups and the general public. To accomplish this, we have to find better ways of reaching key target groups, employing a wider variety of innovative tools and activities and entering into more partnerships to maximize our reach.
3. *Linking Communications Messages to Federal Public Priorities* — It will be important to communicate how our work contributes to the Government of Canada’s broader priorities, such as building a world-leading economy and ensuring a clean, healthy environment. It will also be important to demonstrate to Canadians the linkages between local, national and international transportation issues, given that solving problems like smog and ensuring the competitiveness of our transportation system will require cooperation at the local, national and international levels.
4. *Embracing Internet Communications Culture* — The Internet provides an important infrastructure for citizen engagement. Our Internet communications will therefore reflect an increased transparency, promote greater accountability, and respond to growing demands for citizen involvement. Access to or use of the new information technology is far from universal. For the time being at least, we will need to maintain two parallel information dissemination tracks: the paper/traditional and the electronic/Internet.

Key result: Broad-based interactive and innovative communications with the general public and with departmental stakeholders.

Corporate Internal Communications Plan

The Corporate Internal Communications Plan supports Transport Canada’s mission by providing a framework for communications within the department. It promotes the national scope of the organization while respecting geography, regional particularities and realities, and individual group and employee uniqueness.

The objectives of the internal communications plan are to:

- ensure that clear and consistent messages are delivered to all Transport Canada employees in a timely fashion;
- provide employees with accessible, easy-to-use, two-way communications tools and methods;
- promote management’s commitment to effective communications; and
- enhance the working environment by establishing/improving/maintaining effective two-way internal communications.

To achieve these objectives, the department must continue to promote and enable face-to-face communications among employees, provide opportunities for two-way communication at all levels and in all directions, ensure employees have access to two-way communications tools (e.g., e-mail, Intranet), and regularly monitor the effectiveness of departmental internal communications tools, methods and practices.

Key result: Regular, consistent, timely and effective two-way communication among Transport Canada employees.

Appendix A — An Overview of Priorities and Initiatives

Mission

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

STRATEGIC OBJECTIVES	Ensure high standards for a safe and secure transportation system	Contribute to Canada's economic growth and social development	Protect the physical environment
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PRIORITIES	MAINTAIN AND ENHANCE THE SAFETY REGIME	FOSTER COMPETITIVENESS IN A GLOBAL ECONOMY	SUPPORT INFRASTRUCTURE DEVELOPMENT	ADVANCE SUSTAINABLE TRANSPORTATION	FACILITATE TRANSITION TO THE KNOWLEDGE-BASED ECONOMY	COMPLETE THE DIVESTITURE PROGRAMS
ACTION PLAN OF KEY INITIATIVES	Regulatory reform	International trade negotiations	Toronto Waterfront revitalization	Sustainable Development Strategy	Intelligent Transportation Systems	Airport divestiture
	Safety Management Systems	Study on North American modal integration	Airport policy framework	Climate Change	Government On-Line	Port divestiture
	Effective intervention — inspection and monitoring	Review of the <i>Canada Transportation Act</i>	Airport rent policy review	Environmental remediation	Research and Development Program	
	Road Safety Vision 2001/2010	International air policy review	NAS airports lease administration	Environmental Management System		
	Rail Safety Direction 2006	Airline industry restructuring and monitoring	Highway contribution agreements			
	Civil Aviation Flight 2005	Great Lakes/Seaway Strategy	Ferry programs			
	Safety oversight of merged airlines	Monitor grain transportation reform	Canada Port Authorities			
	Security at Canadian airports		VIA Rail revitalization			
	Small vessel monitoring and inspection program		Air-rail link (Toronto)			
	Certificate of Competency		Urban Strategy			
	Data management framework		Border crossing studies			
			World Road Association			
			Assets management			

Management Agenda

- Workforce Renewal
- Financial Management
- IM/IT
- Public Accountability
- Communications

Editor's Note: Initiatives are displayed according to their **primary** contribution to a departmental priority.

Appendix B — References and Contacts

INITIATIVE	WEB SITE	DEPARTMENTAL CONTACT ¹
Regulatory Reform	http://info/Actsregs/a-r_e.htm	Gaétan Boucher, 990-3797
Safety Management Systems	http://info/railway/SMSGuide/Guide_e.htm http://info/aviation/2005/Imppage4.htm http://info/marinesafety/en/QualityAssurance/IntraDev_e/QA/MarineSafetyQA.html	Gaétan Boucher, 990-3797
Effective intervention	http://leadership.gc.ca/static/ri_community/	Gaétan Boucher, 990-3797
Road Safety Vision 2001/2010	http://info/roadsafety/vision/vis_ind_e.htm	Derek Sweet, 998-1990
Rail Safety Direction 2006	http://info/railway/Dir2006_e.htm http://www.direction2006.com/	Terry Burtch, 998-2984
Civil Aviation Flight 2005	http://info/aviation/2005/imptoc_e.htm	Art LaFlamme, 990-1322
Safety oversight of merged airlines		Art LaFlamme, 990-1322
Security at Canadian airports		Hal Whiteman, 990-3651
Small vessel monitoring and inspection	http://www.tc.gc.ca/canadashippingact/english/small_e.htm	Bud Streeter, 998-0610
Certificate of competency (marine)		Bud Streeter, 998-0610
Data management framework		Gaétan Boucher, 990-3797
International trade negotiations		Ted Cherrett, 990-6500
Study on North American modal integration		Guylaine Roy, 998-2689
Review of the Canada Transportation Act	http://206.191.61.189/	Guylaine Roy, 998-2689
International air policy review	http://www.tc.gc.ca/pol/en/airpolicy/Air_Policy_Menu_Page.htm	Valerie Dufour, 991-6435
Airline industry restructuring/monitoring	http://www.tc.gc.ca/pol/en/T-FACTS_E/Air/Airline_Restructuring_Menu_Page.htm	Valerie Dufour, 991-6435
Great Lakes/Seaway Strategy	http://www.shipowners.ca http://www.greatlakes-seaway.com	André Pageot, 998-1843
Monitor grain transportation reform	http://tcinfo/railpolicy/default_e.htm	Guylaine Roy, 998-2689
Toronto waterfront revitalization	http://www.tc.gc.ca/en/waterfront.htm	Mike Baker, 991-3536
Airport policy framework	http://info/airports/nap/english/index.htm	Valerie Dufour, 991-6435
Airport rent policy review		Valerie Dufour, 991-6435
NAS airports lease administration		David Bell, 993-4465
Highway contribution agreements	http://info/im%5Fit%5Fframework/surface%5Fe.htm	Brenda Baird, 990-0624
Ferry programs		André Pageot, 998-1843
Canada Port Authorities	http://info/PortPrograms/ENGLISH/CPAIndex.htm	Randy Morriss, 990-3014
VIA Rail revitalization	www.viarail.ca	André Pageot, 998-1843
Air-rail link (Toronto)		Guylaine Roy, 998-2689
Urban strategy		Guylaine Roy, 998-2689
		John Forster, 991-5995
Border crossing studies		Brenda Baird, 990-0624
		Guylaine Roy, 998-2689
World Road Association		Brenda Baird, 990-0624
Assets management		Brenda Baird, 990-0624
Sustainable Development Strategy	http://www.tc.gc.ca/envaffairs/english/	John Forster, 991-5995

References and Contacts (continued)

INITIATIVE	WEB SITE	DEPARTMENTAL CONTACT ¹
Climate Change	http://info/envaffairs/english/climate_change.htm	John Forster, 991-5995
Environmental remediation	http://info/envaffairs/english/index.htm	John Forster, 991-5995
Environmental Management System	http://info/envaffairs/english/ems.htm	John Forster, 991-5995
Intelligent Transportation Systems	http://www.its-sti.gc.ca/	Brian Plant, 998-9834
Government On-Line	http://tcinfo/gol/gol_site_plan.stm	Gerard McDonald, 990-8376
Research and Development Program	www.tc.gc.ca/TDC/index.htm	Gaétan Boucher, 990-3797
Airport divestiture	http://info/airports/nap/title.html	David Bell, 993-4465
Port divestiture	http://info/PortPrograms/ENGLISH/Index_e.htm	Randy Morriss, 990-3014
Workforce Renewal		Yvonne Latta, 991-6317
Financial Management Strategy		Pierre Faucher, 998-5032
IM/IT Strategy	http://tcinfo/framework/english/vision48.html	Chris Molinski, 998-6465
Strengthening public accountability for program administration		Duncan Jamieson, 998-6469
Communications Plan	http://tcinfo/Communications/Corp_Strategic_Plan_e.htm	Phil Hurcomb, 990-6138

1. Area code 613 for all listed telephone numbers.

