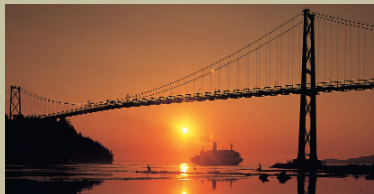




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MINISTRY OF TRANSPORTATION 2004/05 – 2006/07



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January 26, 2004

Honourable Kevin Falcon
Minister of Transportation

Dear Colleague:

Since June 2001, our government has been working to implement our *New Era* vision to revitalize the economy, restore sound fiscal management, and put patients and students first.

Our *New Era* platform contained 201 specific commitments that our government would undertake on behalf of British Columbians. These included a commitment to “establish service plans that include measurable performance standards and targets for all programs that are annually audited and published, for all taxpayers to see.”

On June 25, 2001, I sent your predecessor a letter of instruction setting out the key priorities for your Ministry, including a list of the *New Era* commitments assigned to your Ministry. These commitments were also included in the Government Strategic Plan and Ministry Service Plans that were tabled in the Legislature in February 2002, covering fiscal years 2002/03 through 2004/05.

The Service Plan you are tabling today represents the final year of the first three-year plans. And it shows that we have made significant progress toward honouring our commitments. Specifically, of the six *New Era* commitments that involved your Ministry, the province has now completed or begun work on all of these. Accomplishments in your Ministry over the past two-and-a-half years include:

- Initiated \$1.9 billion in transportation infrastructure improvements over the next three years.
- Introduced B.C. Ferry Services Inc. with enhanced customer focus, financial stability and reliability including guaranteed service levels and fare rates, as well as the ability to partner with the private sector.
- Announced the \$1 billion B.C. Rail Investment Partnership to revitalize rail services, create jobs and economic opportunities.

.../2

In the coming year, the province will continue work on a number of priorities to honour the commitments that we have made. These are detailed in your Ministry Service Plan, and include:

- Implement transportation improvements to support the 2010 Olympic and Paralympic Winter Games, to strengthen British Columbia's international gateways and trade corridors.
- Pursue partnerships and federal cost sharing to target strategic investments.
- Continue to address the transportation needs of the Heartlands communities.

It is important to note that all of the province's achievements to date, and our priorities for the year ahead, will be accomplished while balancing the budget in 2004/05, and having significantly increased funding for health care and education.

Clearly, we will do more if we can, as new resources are available, to build on the funding priorities detailed in this Service Plan – in a way that is consistent with our balanced budget commitment.

As our measures to revitalize the economy continue to create new jobs, growth and investment, this will allow us to continue strengthening public services for the benefit of British Columbians. Opportunities like the 2010 Olympic and Paralympic Winter Games will showcase British Columbia to the world and generate economic benefits all across our province. Future service plans will further demonstrate those benefits.

I know that you will continue to build on the progress your Ministry has made. Let me conclude by thanking you for your commitment to serving the best interests of all British Columbians.

Yours sincerely,

A handwritten signature in black ink, reading "Gordon Campbell". The signature is written in a cursive, flowing style with a prominent initial "G".

Honourable Gordon Campbell
Premier



Ministry of Transportation



I am pleased to present the Ministry of Transportation's 2004/05 – 2006/07 Service Plan.

The past year has seen some historic changes that will improve the way transportation services are delivered in British Columbia. The government entered into a partnership for BC Rail that is expected to bring \$1 billion to British Columbia, eliminating the railway's debt and supporting new job growth. The ministry will continue to pursue partnerships and other innovative approaches to make the most of the public's investment in transportation.

Across the province, major improvements can be expected on the Sea-to-Sky Highway, the Trans-Canada Highway, the Okanagan corridor, the Okanagan Lake Bridge and the Nisga'a Highway. We are improving the roads in the province's Heartlands used by rural residents and resource industries, as well as the roads leading to our northeast oil and gas fields. We are working to reduce congestion in Vancouver and are making it easier to move goods between seaports, airports and intermodal terminals.

We have long encouraged the federal government to recognize British Columbia's role as Canada's gateway to the Pacific and key U.S. markets. This approach has secured federal funding of \$220 million for provincial projects and \$300 million for the planned Richmond-Airport-Vancouver (RAV) Rapid Transit Project. We will continue to seek out opportunities for co-operation in the future.

As promised in previous service plans, the ministry has established eight Regional Transportation Advisory Committees. These independent committees will bring a stronger local voice to ministry planning by identifying regional transportation priorities.

The transportation system is crucial to British Columbia's economic and social health. The investment strategies in this plan will keep the system safe and reliable and improve it in ways that will drive economic growth and trade.

A handwritten signature in black ink, appearing to read "Kevin Falcon".

Honourable Kevin Falcon
Minister of Transportation

February 4, 2004

Accountability Statement

The 2004/05 – 2006/07 Ministry of Transportation Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 30, 2004 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



Honourable Kevin Falcon
Minister of Transportation

February 4, 2004

Ministry Overview

The Ministry of Transportation plans transportation networks, develops and implements transportation policies, provides transportation services, and administers various transportation-related acts and regulations. This mandate is set out in section 5 of the *Ministry of Transportation and Highways Act*.

Ministry Responsibilities

To accomplish its mandate, the ministry:

- builds highways to meet the economic and social needs of British Columbians;
- maintains existing highways to a high standard through contracts with privately owned road maintenance providers;
- manages contracts for inland ferry operations;
- develops provincial transportation plans to integrate various modes of transportation, in conjunction with Regional Transportation Advisory Committees and the transportation related Crown corporations and commissions;
- works with partners and other levels of government to provide efficient, low-cost public transit and coastal ferry services; and
- licenses and regulates commercial bus and taxi services through the *Motor Carrier Act*.



Primary Customers and Clients

The Ministry of Transportation works to meet the needs of:

- the travelling public;
- businesses and business travellers;
- the tourism industry;
- trucking organizations;
- resource industries;
- developers needing to connect to the public highway system; and
- emergency responders, such as ambulance services and the police.

Partners in Transportation

The ministry works closely with other groups that have transportation-related responsibilities, such as the federal government, local governments, British Columbia Ferry Services Inc., TransLink and the Insurance Corporation of British Columbia. Where possible, the ministry shares the costs of projects that serve a common interest.

Crown Corporations and Commissions

The Minister of Transportation is responsible for the following Crown corporations and commissions:

BC Transportation Financing Authority

The BC Transportation Financing Authority (BCTFA) makes investments in transportation infrastructure and finances these investments through borrowing and dedicated taxes. The BCTFA is a Crown corporation with no dedicated full-time staff; management is provided by staff at the Ministry of Transportation.

The principles of prudent and transparent fiscal management and sustainable transportation financing are at the core of the mandate of the BCTFA. In February 2003, the government announced the first phase of a 10-year Transportation Investment Plan and a 3.5 cents per litre motor fuel tax dedicated to financing the Plan. These revenues flow directly — by legislation — to the BCTFA. Future Annual Service Plan Reports will include audited financial statements that demonstrate how these funds have been used. BCTFA activities are covered in this service plan.

BC Transit

BC Transit is a Crown corporation charged with providing public transportation throughout the province, outside of the Greater Vancouver Regional District (GVRD). Within the GVRD, transit services are provided by TransLink. BC Transit's web site is located at <http://www.bctransit.com>.

Rapid Transit Project 2000

Rapid Transit Project (RTP) 2000 Ltd. is a provincially-held company incorporated under the *Company Act*. Its primary mandate is to design and construct the Millennium Line, which links Vancouver and New Westminster via the Broadway-Lougheed corridor. TransLink opened the Millennium Line on August 31, 2002. The project is continuing with the construction of one more station and guideway at Vancouver Community College, which is expected to be completed in early 2006. The RTP 2000 web site is located at <http://www.rapidtransit.bc.ca>.

British Columbia Railway Company

The British Columbia Railway Company is a commercial Crown corporation with three principal business units: BC Rail; BCR Properties; and BC Rail Partnership. In November 2003, legislation was approved which will permit agreements to facilitate the provision of rail freight and passenger services by third parties on lines owned by the Company. An agreement was signed on November 25, 2003, that will allow CN Rail to provide rail freight services. BC Rail's web site is located at <http://www.bcrail.com>.

Motor Carrier Commission

The Motor Carrier Commission regulates commercial passenger carriers, such as taxis and buses. Every commercial passenger carrier that operates in British Columbia must hold a motor carrier license, along with a motor carrier certificate and plate for each vehicle in the carrier's fleet. Commissioners examine applications for new and altered motor carrier licenses. The Motor Carrier Commission's web site is located at <http://www.th.gov.bc.ca/mcc/mcc.htm>.

A description of the legislative environment under which the Transportation ministry and Crown corporations operate is provided in Appendix 3.

Resource Summary

Core Businesses	2003/04 Restated Estimates ¹	2004/05 Estimates	2005/06 Plan	2006/07 Plan
Operating Expenses (\$000)				
Transportation Improvements	13,536	13,386	13,322	13,322
Public Transportation ²	368,871	363,474	363,914	362,631
Highway Operations	454,240	417,570	417,725	419,637
Motor Carrier Regulation	1,851	1,786	1,786	1,657
Executive and Support Services	16,549	14,844	14,803	14,803
Total	855,047	811,060	811,550	812,050
Full-time Equivalents (FTEs)				
Transportation Improvements	290	280	280	280
Highway Operations	962	630	630	630
Motor Carrier Regulation	19	19	19	18
Executive and Support Services	114	70	70	71
Total	1,385	999	999	999
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Transportation Improvements	974	473	448	448
Highway Operations ³	5,150	11,285	5,635	5,685
Executive and Support Services	326	1,522	1,567	1,567
Total	6,450	13,280	7,650	7,700
Other Financing Transactions (\$000)				
Public Transportation ²	46,390	25,200	39,978	3,666
Revenue (\$000)				
Total Receipts ⁴	76,665	77,838	78,998	58,043

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2004/05 *Estimates*. Schedule A, Consolidated Revenue Fund Expense, FTE and Capital Expenditure Reconciliations — 2003/04, of the *Estimates* presents a detailed reconciliation.

² Public Transportation: Operating Expenses include government transfers to British Columbia Transit and British Columbia Ferry Services Inc., as well as amortization and debt servicing costs for prepaid capital advances to British Columbia Transit and Rapid Transit Project 2000. Financing Transactions include prepaid capital advances to British Columbia Transit for buses and to Rapid Transit Project 2000 for construction of the Millennium SkyTrain Line, scheduled for completion in 2005/06.

³ The 2004/05 estimates include capital costs related to expansion of ferry capacity on Francois Lake.

⁴ The increase in revenue is due to new interest revenues from the province's investment in British Columbia Ferry Services Inc. The majority of the ministry's reported revenue comes from Coquihalla Tolls (\$46.6 million in 2004/05; \$47.8 million in 2005/06; and \$49 million in 2006/07).

BC Transportation Financing Authority — Consolidated Income Statement

	2003/04 Budget ¹	2004/05 Budget	2005/06 Plan	2006/07 Plan
Revenue (\$000)				
Dedicated taxes ²	418,300	425,280	438,123	451,364
Amortization of deferred contributions ³	174,808	171,145	165,270	155,282
Other revenue ⁴	4,120	4,844	4,844	4,844
Total	597,228	601,269	608,237	611,490
Expenditures (\$000)				
Amortization	287,528	301,827	313,215	319,917
Interest ⁵	160,479	150,357	179,377	199,154
Heartlands roads program ⁶	35,000	35,000	35,000	35,000
Grant programs ⁷	18,400	24,200	20,000	18,000
Operations and administration	3,820	8,156	3,866	3,866
Contracted services	—	—	15,056	15,056
Total	505,227	519,540	566,514	590,993
Net Income (Loss) (\$000)				
Net Earnings (Loss)	92,001	81,729	41,723	20,497
Capital (Consolidated Capital Plan) (\$000)				
Capital Expenditures (Net) ⁸	357,800	457,968	524,660	362,296

¹ These amounts have been restated to be consistent with the classification of expenditures adopted for the 2004/05 and subsequent years' budgets.

² Dedicated taxes include 6.75 cents per litre motor fuel tax and a provincial sales tax on short-term car rentals of \$1.50 per day.

³ Contributions towards capital assets are deferred and amortized to income at the same rate as the related highway infrastructure is amortized to expense.

⁴ Other revenue includes property and economic development revenues, net of related expenses.

⁵ Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.

⁶ Improvements to Heartlands roads are included in capital expenditures; repairs to Heartlands roads are expensed. Total Heartlands roads program is \$75 million per year.

⁷ Grant programs include grants paid under the infrastructure works program, the newly incorporated territories program, the transportation partnership program for ports and airports, the provincial contribution to the Richmond-Airport-Vancouver rapid transit project, and other projects.

⁸ Capital spending is shown net of federal funding for various projects in the capital plan.

Rapid Transit Project 2000 — Income Statement

	2003/04 Budget ¹	2004/05 Budget	2005/06 Plan	2006/07 Plan
Revenue (\$000)				
Recognition of deferred capital and pre-operating contributions	29,896	28,384	28,205	28,304
Expenditures (\$000)				
Amortization of deferred capital contribution	29,896	28,384	28,205	28,304
Net Income (Loss) (\$000)				
Net Earnings	—	—	—	—

¹ These amounts have been restated to be consistent with the classification of budgets adopted for the 2004/05 fiscal year and subsequent years' plans.

Transportation Investment Plan

In February 2003, the government announced the first phase of a multi-year Transportation Investment Plan. The Plan is set out in detail in “Opening up BC: A transportation plan for British Columbia”, available online at:

http://www.gov.bc.ca/bcgov/content/images/transportation_plan_web.pdf.

The Plan is financed primarily from a 3.5 cents per litre motor fuel tax that was implemented on March 1, 2003. These taxes are dedicated through legislation to the BC Transportation Financing Authority. Additional funding of \$200 million is expected from the proceeds of the BC Rail Partnership.

The province will provide over \$1.9 billion from 2003/04 to 2006/07 for investment in transportation infrastructure. The funds will be used to leverage cost-sharing and partnership arrangements with federal, regional and municipal governments and private sector partners to initiate projects totalling \$6.5 billion.

Key elements of the Plan are set out in the following section.

Highway Rehabilitation

Objectives: To keep the provincial highway network safe and reliable, and to prevent deterioration from 2003/04 levels, when 76 per cent of highways and 80 per cent of bridges were in good condition. This is to be achieved through the resurfacing of approximately 7,500 kilometres of highway through 2006/07, and continued investment in seismic retrofitting and in safety improvements such as guardrail installation.

Costs: Projected investment from 2004/05 through 2006/07 is \$438 million.

Benefits:

- Improved highway safety.
- Protection and enhancement of economic activity that relies on provincial highways.
- Reduced incidence of highway failure and the resulting requirement for closures and reconstruction.

Risks: Flooding, slides and other natural events could affect the scheduling and completion of projects.



Rehabilitating the highways: Fresh asphalt re-paving

Highway Corridors

Objective: To improve performance of highway corridors through smaller projects such as passing lanes, 4-laning, left turn slots, and realignments.

Costs: Projected investment from 2004/05 through 2006/07 is \$278 million. Approximately \$35 million of this will be provided by the federal government under the Strategic Highway Program and a further \$34 million is anticipated from cost-sharing with developers and local governments.

Benefits:

- Safer and more reliable highways.
- Partnerships with industry and local government.

Risks: Flooding, slides and other natural events could affect the scheduling and completion of projects.

Transportation Partnership Program

Objective: To provide capital contributions to those public port and airport infrastructure investments that will result in significant, incremental economic benefit. The ministry has to date expressed support for projects that will see expansions to airports at Cranbrook and Prince George, and the development of a container handling facility at the Port of Prince Rupert.

Costs: Projected expenditures from 2004/05 through 2006/07 are \$37 million.

Benefits:

- Expansion to airports and ports will result in an increase in goods shipment and passenger volumes.
- Airports will have increased capacity to accommodate more non-stop air services to international markets, and port facilities will be able to take advantage of world growth opportunities in the container traffic and cruise ship passenger sectors, thus enhancing economic and tourism development opportunities.
- Creation of new opportunities and revitalization of economic growth in every region of the province will help make B.C. a gateway for growing trade and tourism.

Risks:

- Possible project development/implementation delays could influence the timing of expenditures.
- While funding decisions are based on business case analyses, unanticipated market forces could delay the realization of economic benefits.

Heartlands Roads

Objectives: The ministry is dramatically increasing its investment in northern and rural roads. British Columbia's heartlands communities and resource industries rely on these critical lifelines to reach essential services, natural resources and world markets. Making these roads safer and more reliable will help revitalize the provincial economy and strengthen ties between B.C. communities. The northern and rural road network is deteriorating faster each year, making its renewal a top priority.

Costs: Projected investment from 2004/05 through 2006/07 is \$225 million.

Benefits:

- Revitalized economies in rural and northern communities, due to improved access to resource and recreation areas, markets and trade gateways.
- Better access to critical regional services.
- Safer and more reliable roads.
- Savings in maintenance and rehabilitation costs, due to longer-lasting roads.
- Partnerships with industry and local government.

Risks: Flooding, slides and other natural events could affect the scheduling and completion of projects.

Oil and Gas Exploration Roads

Objective: Improve the side road network, especially in the Peace River area, to strengthen the road base and reduce restrictions on road use in order to increase oil and gas exploration activity.

Costs: Projected investment is \$13 million in 2004/05, the final year of this 6-year program.

Benefits:

- Revitalized economies in rural and northern communities, due to improved access to potential oil and gas areas.
- Attraction of significant new oil and gas investment.
- Significant new job creation.
- Safer and more reliable roads.

Risks: Flooding, slides and other natural events could affect the scheduling and completion of projects.

Border Crossing Program

Objective: More than \$24 billion in goods travel through B.C.'s borders each year, and the health of the provincial economy depends on these gateways. Delays cost cross-border carriers over \$60 million a year, according to a 1998 survey of B.C. trucking companies, and the more stringent security measures in recent years have added to these delays.

The provincial government's border crossing program will enhance the free flow of goods through B.C.'s busiest border crossings. Projects at the border or on highway approaches will use infrastructure improvements and investments in transportation technology to keep international trade moving and B.C.'s economy strong.

Costs: The estimated total program cost is \$242 million, which encompasses project expenditures beyond the three-year scope of this service plan. Of this, British Columbia is to provide \$135.5 million, while the federal government is to contribute \$102 million under the Strategic Highway Infrastructure Program and the Border Infrastructure Fund. Other partners are to contribute \$4.5 million.

Benefits:

- Improvements at border crossings throughout the province will see reduced congestion and more efficient and economical cross-border transport — a key component of facilitating increased international trade.
- Less congestion at the border will result in reduced operating costs for trucking companies.
- Cost-shared funding through a component of the federal Strategic Highway Infrastructure Program (SHIP) will result in improved access, increased use of intelligent transport systems, advanced traveller information and greater availability of dedicated lanes to serve frequent and pre-approved users.

Risks:

- Cost estimates are based on preliminary information.
- Some partner funding has yet to be finalized.
- Aggressive implementation is required to meet the federal program horizons.

Weigh Scales Upgrade Program

Objectives: Protect road integrity with greater efficiency and reduce congestion, delays and safety related problems at weigh scales. This will be accomplished by relocating and redesigning weigh scales, implementing joint facility operations at borders, and/or using new technologies with intelligent transportation systems to process truck traffic more efficiently.

Costs: Projected expenditures from 2004/05 through 2006/07 are \$15 million.

Benefits:

- Less congestion and better accessibility to improve safety, speed up processing, and enable the faster transportation of goods.
- Cost savings for the trucking industry resulting from fewer stops and less waiting time.
- Cost savings from funding through partnerships with adjoining jurisdictions at joint use facilities, and synergies created through cooperation.

Risks: Cost estimates are based on preliminary information.

Okanagan Corridor Improvements

Objective: To improve safety and capacity in the Okanagan corridor, beginning with the four-laning of Highway 97 north of Swan Lake and upgrades to key portions of Highway 1.

Costs: Projected expenditures from 2004/05 through 2006/07 are \$67 million, excluding the construction of a new Okanagan Lake Bridge.

Benefits:

- Support for trade and tourism in a significant north-south corridor.
- Reduced congestion in urban areas.

Risks: No material risks have been identified.

Gateway Program

Objectives: The ministry has begun development of a Gateway Program, a potential set of improvements to the regional road network that would significantly improve the movement of people, goods and services along and across the Fraser River. The Program would increase access to trade and industrial facilities, reduce travel times, improve neighbourhood livability and take a significant step toward completing the region's road network.

Potential Gateway projects include:

The South Fraser Perimeter Road Project — a new east-west route along the south side of the Fraser River from Port Kells in Surrey/Langley to Deltaport Way in South Delta, providing significantly improved access to industrial areas, travel time savings for residents, and a free-flow route for tourists accessing the ferries to Vancouver Island.

The North Fraser Perimeter Road Project — localized operational, safety and capacity improvements to existing roads from the north end of the Queensborough Bridge in New Westminster to the north end of the proposed New Fraser River Crossing in Pitt Meadows/Maple Ridge. The project would include improved reliability over the Pitt River via a new fixed link.

The Port Mann Bridge/Highway 1 Project — twinning the Port Mann Bridge as well as improving access and traffic flow along the region's primary trade corridor from approximately First Avenue in Vancouver to 200 Street in Langley. The Port Mann Bridge currently is the single-most congested area in the Province, with traffic queues for up to 16 hours a day.

Costs, Benefits and Risks: The Ministry of Transportation is currently working with the Greater Vancouver Transportation Authority (GVTA) and municipalities to assess the existing highway network, review traffic forecasts and develop the scope of each potential project. Preliminary estimates suggest that the infrastructure investment would be in the range of \$3 billion. Detailed consultation with local governments, communities and road users will begin in 2004.

Major Capital Projects

Nisga'a Highway

Objective: The Nisga'a Highway Project is beginning year six of a seven-year investment program that involves upgrading the Nisga'a Highway from a gravel resource road to an all-weather, two-lane highway that meets a 70 kilometres per hour standard. The upgrade is now 70 per cent paved and complete, and the remaining segments are easy to construct in comparison to the completed work. The upgrade will better serve Nass Valley residents and resource industries in the area.

Costs: The estimated total cost for the seven-year program is \$52 million.

Benefits:

- Safer roads.
- Travel time savings.
- Better access to British Columbia communities.
- Economic development through increased tourism and more efficient movement of goods and services.

Risks: This project has presented engineering and construction challenges due to the rugged terrain. However, few risks remain as the construction left on the Nisga'a Highway upgrade is straightforward gravel and paving work.

Kicking Horse Canyon

Objective: Upgrade the 26-kilometre section of the Trans-Canada Highway to a modern four-lane standard from the junction of Highway 95 at Golden to the western boundary of Yoho National Park. This mostly two-lane corridor, originally constructed throughout the 1950s, is an important route for tourism, resource development and inter-provincial trade.

Costs: The estimated cost is \$191 million for the first two phases.

- **5-Mile (Yoho) Bridge (current budget \$61 million):** The cost of this work is being shared with the Government of Canada under the Strategic Highway Infrastructure Program (SHIP). The federal portion is \$23 million and the provincial portion is \$38 million. Construction is on schedule and expected to be complete by fall 2006.
- **10-Mile (Park) Bridge (preliminary estimate \$130 million):** The cost of this work is being shared with the Government of Canada under the Strategic Infrastructure Fund (SIF). The federal portion is \$62.5 million and the provincial portion is \$67.5 million. Engineering is in progress. The provincial government is investigating financing and alternate project delivery options. A request for proposals is targeted to be issued in May 2004.

Note: It is anticipated in the future there will be a third phase for upgrades from Golden to 5-Mile and 10-Mile to Yoho National Park when federal cost-sharing is secured. Improvements will likely be made over the longer term, rather than within the three-year scope of this service plan.



Kicking Horse Canyon: The planned 10-Mile (Park) Bridge replacement near Golden.

Benefits:

- Safer roads and increased capacity on a critical provincial and national gateway.
- Fewer road closures due to slides and accidents.
- Replacement of two major structures that are nearing the end of their service lives.
- Economic development through increased tourism and more efficient movement of goods and services.

Risks:

- Challenging climatic conditions.
- Possible construction problems due to difficult terrain or unstable areas.

Okanagan Lake Bridge

Objectives: To construct a new five-lane bridge to replace the 45 year old bridge now at the end of its economic and useful life, and to reduce congestion in peak hours and through the summer. The project includes construction of a pair of one-way streets in downtown Kelowna to improve traffic flow, a truck climbing lane on the west side of Okanagan Lake, and two interchanges on the west side of the bridge.

Costs: The bridge project is expected to cost approximately \$100 million. In addition, improvements valued at approximately \$20 million will be constructed on the west side of the bridge. The province is delivering the bridge project through a public-private partnership.

Benefits:

- Safer bridge and connecting roads.
- Travel time savings due to relieved congestion.
- Economic development through increased tourism and more efficient movement of goods and services.

Risks: Engineering challenges. However, the risks associated with the construction of floating bridges have been substantially reduced in recent years with the introduction of new flotation technologies.

Sea-to-Sky Highway

Objectives: Implement critical safety and reliability upgrades to Highway 99 (the Sea-to-Sky Highway) and construct lane expansions along some sections of the highway between Horseshoe Bay and Whistler. The schedule requires these upgrades to be completed by the end of 2009. The work will be delivered by public-private partnerships. These upgrades are in addition to other improvements currently under construction between Culliton Creek and Cheakamus Canyon.

Costs: The estimated construction cost is \$600 million. Further information, including a Capital Project Plan on the Sea-to-Sky Highway Improvement Project, is available at <http://www.seatoskyimprovements.ca/>.



The Sea-to-Sky Highway

Benefits:

- A safer road.
- Travel time savings.
- Reduced operating costs.
- Fewer road closures due to slides and accidents.
- Ability to meet the needs of the 2010 Olympic and Paralympic Winter Games.

Risks:

- Challenging climatic conditions.
- Challenging construction due to difficult terrain or unstable areas, and the need to maintain traffic flows.

Rapid Transit Project 2000

Objective: The Millennium Line project, which is mostly complete and is running smoothly, included construction of the 21.6 kilometre Millennium Line extension to the SkyTrain rail transit system in the Lower Mainland, plus feasibility studies of two planned further extensions of SkyTrain.



The SkyTrain

Costs: The total cost of the Millennium Line is forecast to be \$1.12 billion, which is lower than its approved budget of \$1.17 billion.

An operating lease with TransLink is in the final negotiation stage.

Benefits:

- Rapid transit service for current and future commuters.
- Reduced congestion.
- Reduced automobile exhaust emissions.
- Slower growth in the demand for new highway infrastructure.
- Less urban sprawl, due to compact development around transit stations.

Risks: Risks are related to one remaining section, from Commercial Station to Vancouver Community College, which faces standard construction and financial risks and is expected to be completed in early 2006.

Fees and Licences

Coquihalla Highway Tolls

Tolls are levied for vehicles using the Coquihalla Highway. Estimated annual revenue is approximately \$47 million.

Motor Carrier Regulation

The ministry is currently working towards the implementation of revisions to fees and licences administered by the Motor Carrier Commission and Branch. Current estimated annual revenue is approximately \$700,000.

Development Approvals

Development Approvals fees are charged for rural subdivision approvals. Estimated annual revenue is approximately \$200,000. Progress to establish full cost recovery options for this program has been slower than anticipated and results will be delayed by one year.

Core Business Areas

Transportation Improvements

Managing and improving the province's transportation network requires careful planning, monitoring and direction, looking decades into the future. The ministry must ensure that the most pressing transportation needs in British Columbia are addressed first, so that the public's investment in transportation can bring as many benefits as possible. The Minister relies on advice of eight independent Regional Transportation Advisory Committees across the province to identify and prioritize transportation projects.



Road widening construction north of Prince George

The ministry's work in this core business area includes:

Transportation Policy and Legislation

Transportation Policy and Legislation staff provides guidance on new ministry policies and legislation relating to transportation and highways.

Planning, Engineering and Construction

Activities in this area include:

- transportation planning;
- development and monitoring of the ministry's capital program, which identifies new roads and bridges to be built;
- development of investment strategies, which are ways to address the public's transportation needs within available funding;
- direction and management of projects;
- quality management;
- engineering, survey and design;
- property acquisition for provincial highways;
- construction of provincial highways; and
- management of accesses, intersections and other connections to provincial highways.

Partnerships

Partnerships' staff works to reduce the cost of new highway facilities to taxpayers by:

- developing cost-sharing and alternative delivery partnerships with the private sector and other levels of government; and
- making efficient use of property under the ministry's jurisdiction, which may involve selling surplus property or exchanging it for highway construction services.

Public Transportation

Public transit and coastal ferry services are vital to the economic and social health of many communities. Public transit consists of passenger transportation services, including services to the disabled, in various communities around the province. Coastal ferry services are an extension of the highway system, connecting islands on the B.C. coast with other islands and the mainland.

The provincial government supports public transportation services around the province with annual transfers of capital and/or operating funding to BC Transit, Rapid Transit Project 2000 and British Columbia Ferry Services Inc. The Public Transportation business area manages these transfers, and the associated amortization and debt servicing expenditures.

The province is also contributing funding through the BC Transportation Financing Authority to the Richmond-Airport-Vancouver (RAV) Rapid Transit Project, which will be led by the Greater Vancouver Transportation Authority (TransLink) and cost shared with the federal government, the Vancouver International Airport Authority and a private builder/operator.



Highway Operations

Highway Operations staff keeps our existing highway network safe, reliable and in good repair. The ministry's highway operations are divided by geographic area into three regions: South Coast, Southern Interior and Northern. Each region is subdivided into districts and maintenance areas for more efficient administration.

The ministry's work in this core business area includes:

Maintenance and Traffic Operations

Activities in this area include:

- establishing and monitoring road and bridge maintenance contracts;
- regional and district operations;
- pavement marking;
- electrical maintenance;
- avalanche control; and
- rock slope stabilization.

Asset Preservation

Activities in this area include:

- road and bridge surfacing;
- bridge rehabilitation and replacement;
- safety improvements;
- minor betterments, such as guardrails; and
- weigh scale operations to ensure that heavy vehicles do not damage public roads.

Inland Ferries

The ministry either directly provides or contracts for ferry services on 14 fresh water routes to connect provincial highways.

Coquihalla Toll Administration

The ministry operates the toll booths on the Coquihalla Highway. Toll revenue goes into the provincial government's consolidated revenue fund, which is used to fund various government programs including the maintenance of the Coquihalla and other highways.

Motor Carrier Regulation

The ministry regulates the motor carrier industry to ensure public safety and a healthy industry. Motor carriers include commercial buses and taxis. This business area encompasses two operational units:

Motor Carrier Commission (MCC)

The commission is an independent body that regulates the province's commercial passenger industry pursuant to the *Motor Carrier Act*. The commission also issues licenses for the interprovincial and international road transport of passengers, by delegation, under the *Motor Vehicle Transport Act (Canada)*.

Motor Carrier Branch

This branch is the administrative arm of the MCC. It carries out investigations associated with motor carrier license applications. Working with other agencies, the branch participates in compliance activities such as:

- road checks;
- the investigation of complaints; and
- random audits of the records of licensed motor carriers.

Executive and Support Services

This business area supports all ministry programs, through:

- the minister's and deputy minister's offices;
- service planning, reporting and performance measurement;
- financial and administrative services;
- human resources;
- facilities management;
- information systems; and
- freedom of information, protection of privacy and records management.

Goals, Objectives, Strategies and Results

This section describes the ministry’s overall goals, as well as supporting objectives that should be met along the way. This section also describes major strategies the ministry will use to accomplish its aims, and targets against which performance will be measured.

Ministry staff and the public will be able to gauge how well these strategies are working over the next three years by comparing the performance targets below with the actual measured results that will appear in future annual service plan reports.

Goal 1: *Key transportation infrastructure is improved to drive economic growth and trade.*

Core Business Area: *Transportation Improvements.*

Objective 1: *Regional and local input is used when setting transportation priorities.*

- Strategies:**
1. *Create an environment in which Regional Transportation Advisory Committees (RTACs) provide the ministry with informed and independent advice.*
 2. *Incorporate RTAC advice to the Minister in ministry planning.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Annual reports from RTACs.	Solicit input; review and incorporate input into ministry planning.	Review and respond to priority recommendations.	Solicit input, and review and respond to priority recommendations.	Solicit input, and review and respond to priority recommendations.

What is being measured: The RTACs will provide annual reports to the minister documenting their activities and recommendations. These reports will identify regional needs and transportation priorities. The successful incorporation of RTAC input will fulfill the overall government commitment to give regions a greater say in their transportation needs and planning.

Objective 2: *Available provincial investment dollars are used as effectively as possible.*

- Strategies:**
1. *Develop public-private partnerships, in consultation with Partnerships BC.*
 2. *Capture value from surplus land to fund transportation improvements.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Partnerships investment leveraged: Private investment capital leveraged through public-private partnerships, plus defrayed or reduced costs from efficient land use.	\$20 M	\$20 M	\$90 M	\$240 M

What is being measured: The measure for investments leveraged equals funds contributed from non-provincial treasury sources at the time of construction. These include contributions from municipalities, Crown corporations, First Nations and the private sector, but exclude contributions from the federal government, which are measured separately. The contribution/recovery from partners and the land contribution by the province are measured against the gross cost of the capital project. The ministry's success will be measured by the amount of non-provincial funding obtained.

Note: The targets shown above have been revised downward from those indicated in the previous service plan as a result of the provincial government's decision not to proceed with a proposal to lease the Coquihalla Highway to a private partner.

- Strategies:**
1. *Participate in the federal border infrastructure fund program to improve major trade corridors in the lower mainland serving border crossings and national gateways.*
 2. *Pursue delivery of the Fraser Gateway program through a private sector partnership.*
 3. *Focus cost-shared investment in areas of economic and trade opportunity.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Federal funding investment leveraged: Capital investment from federal government programs.	\$48 M	\$79 M	\$69 M	\$58 M

What is being measured: The above figures refer to the amount of federal funding secured through B.C./Canada contribution agreements. The amount of funding from the federal government will assist in B.C.'s ability to achieve longer term sustainable financing for transportation improvements. The ministry's ability to leverage federal funding is dependent on B.C. government decisions with respect to the availability of matching provincial funding, and federal funding allocation and prioritization practices.

Strategy: 1. *Complete projects on budget and on time, using the best project management practices.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Capital Project Performance:				
• Percentage of work completed on budget.	100 %	100 %	100 %	100 %
• Percentage of work completed on schedule.	100 %	100 %	100 %	100 %

What is being measured: All projects encompassed under the capital program will be aggregated each fiscal year to compare 1) the planned to actual cost of the projects, and 2) the scheduled to actual progress of the projects.

Objective 3: *The worsening congestion trend in urban areas is mitigated.*

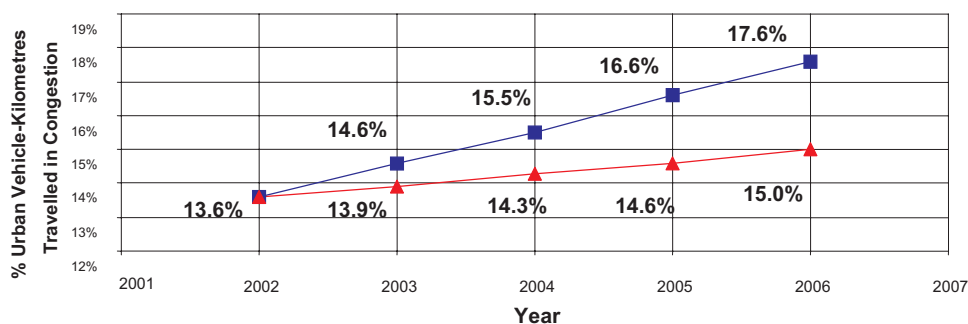
- Strategies:**
1. *Implement cost effective highway upgrades that improve traffic flow, reduce delay-causing crashes and add new capacity, using partnership cost-sharing where feasible.*
 2. *Make better use of existing capacity through intelligent transportation systems initiatives and promoting travel demand management initiatives.*
 3. *Balance landowner access to main highways with the mobility needs of long-distance users.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Level of traffic congestion: Percentage of urban vehicle kilometres travelled in congested conditions.	13.6%	14.3%	14.6%	15.0%

What is being measured: Segments of the highway system are categorized as urban or rural. Previous calculations for the rural congestion rate resulted in very low rates of congestion, so the reporting emphasis is now on urban areas where congestion is a growing problem. A congested condition occurs when the measured hourly traffic volume exceeds 80 per cent of the highway’s capacity. Future targets show congestion worsening over time due to increasing population and travel demand. The cost of providing additional highway capacity and the associated social and environmental impacts of doing same limit the ministry’s ability to reverse the congestion trend; however, the ministry will continue to implement strategies to mitigate this problem.

Note: 2003 data will not be available until April 2004, therefore the baseline measure for traffic congestion is from 2002 data. Targets for this measure refer to the calendar and not fiscal year (i.e. the 2004/05 target encompasses the period from January to December 2004).

% of Urban Vehicle-Kilometres Travelled in Congestion by Year



- Estimate of the deterioration of performance if the Ministry does nothing to improve urban congestion
- ▲ Baseline and Targets

This chart is provided for general information and reference. The top line is an estimate of the projected deterioration of performance, due to increasing demand, if the ministry does nothing to improve urban congestion. The bottom line illustrates that, although urban congestion is expected to worsen in future years, the ministry’s strategies for dealing with congestion will be effective at reducing the rate of deterioration.

Objective 4: *Improved mobility for highways servicing major economic gateways.*

- Strategies:**
- 1. Improve mobility and reliability and reduce bottlenecks on major urban and rural trade corridors using partnership cost-sharing where feasible.*
 - 2. Reduce congestion at weigh scales by relocating them, redesigning them, and/or using new technologies with intelligent transportation systems to process truck traffic more efficiently.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Commercial trucking travel time between economic gateways.	Under development	Under development	Under development	Under development

What is being measured: The ministry will measure truck travel time on specific highway segments which serve major economic gateways using data obtained through existing satellite tracking technology. Data capture is anticipated to commence in early 2004.

Note: The previous service plan included this objective: “A practical long-term framework for an integrated, multi-modal transportation system in B.C.” This objective will be achieved once the strategic framework document is in place by March 31, 2004. The published document will remain a priority to the ministry and will provide a framework for ongoing transportation initiatives throughout the province.

Goal 2: *B.C. is provided with a safe and reliable highway system.*

Core Business Area: *Highway Operations.*

Objective 1: *Contractors maintain the provincial highway system to a high standard.*

Strategy: *1. By October 2004, tender and award all road and bridge maintenance contracts under the new process established in 2002/03.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Maintenance cost per lane kilometre.	\$4,170	\$4,110	\$4,194	\$4,316

What is being measured: Maintenance costs make up a substantial portion of the ministry’s budget, and the cost per lane kilometre helps measure how well the ministry is containing these costs. These figures include the cost of road and bridge maintenance contracts, and an estimate of the cost of other maintenance activities performed by ministry staff. The target decreases in the first year, reflecting the savings achieved in the new contracts, and increases afterwards due to the maintenance agreement provision for inflation adjustments (based on indices for labour, fuel and construction costs).

Strategy: *1. Fully implement and review the Contractor Assessment Program, a new procedure for auditing how well highway maintenance contractors are delivering their services.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Contractor Assessment Program: Rating of the maintenance contractors’ performance with a maximum score of 1.	0.91	0.91	0.91	0.92

What is being measured: The Contractor Assessment Program measures the performance of road and bridge maintenance contractors. The process examines how well contractors are meeting the standards set out in the maintenance contracts, and is regularly reviewed to ensure highway users receive good value and service. Contractors are assessed based on the results of local and regional audits, and road user satisfaction ratings obtained through stakeholder assessments, where key stakeholders such as the RCMP, emergency response

providers, major trucking firms and bus lines in each service area are asked to rate their level of satisfaction with road maintenance activities such as snow removal, mowing, painting and sign maintenance.

Objective 2: *The existing main highway system is systematically preserved and replaced at the least life-cycle cost.*

- Strategies:**
1. *Maintain the current condition of our highways and prevent any onset of deterioration.*
 2. *Regularly assess the condition of the main highways to determine which needs should take priority in the annual resurfacing program.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Pavement Condition: Per cent of kilometres where condition is good or excellent.	76%	76%	76%	76%

What is being measured: Pavement condition is measured by surface distress, which is a true engineering measure of the pavement deterioration, and pavement roughness which measures the riding comfort experienced by the road user. Combined, both types of information provide a Pavement Condition Rating, which is the basis for the ministry to determine highway rehabilitation needs. A life cycle costing evaluation is performed to determine the appropriate road surface type.

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Bridge Condition: Per cent of bridges where condition is good or excellent.	80%	80%	80%	80%

What is being measured: The Bridge Condition Index is a measure of the average condition of a bridge and its components. Factors affecting bridge performance are related to condition as well as function, and are addressed in the rehabilitation program, including the condition of all bridge elements, horizontal and vertical clearances, live load capacity, and horizontal and/or vertical alignments of bridges or approaches. Bridges not currently in good or excellent condition are those needing rehabilitation. Bridges are monitored regularly and repaired in order of vulnerability according to urgency rating, operation, safety and the live load capacity index.

Strategy: 1. *Rehabilitate the main highways according to the long-term strategy and using the most cost-effective methods.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Number of lane kilometres improved.	2,500	2,500	2,500	2,500

What is being measured: Rehabilitation restores roads and bridges to their original condition and extends their useful lives at minimal cost if it is done before deterioration has progressed too far. Rehabilitation needs must be met every year if the highway system is to continue to support economic development and community growth. The number of lane kilometres treated for improvements will include all roadways that are resurfaced within a fiscal year. Typical resurfacing treatments include asphalt overlays, hot-in-place recycle, milling, reclamation, micro-surfacing, sealcoat applications and first time hard surfacing of gravel roads.

Objective 3: *Improved road access for resource industries and rural residents.*

Strategy: 1. *Implement the substantial investment of \$225 million over three years to address the deficit in the heartlands road quality.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Surface Condition: Per cent of kilometres where condition is good or excellent.	37%	40%	43%	46%

What is being measured: Road surface condition assessments will be undertaken by independent contractors and will measure surface distress, and roughness for paved surfaces. Heartlands roads provide vital links to communities and resource industries. These roads have deteriorated in the last decade because of a shortage of funding for maintenance and rehabilitation. A substantial increase in investment to \$75 million per year will yield significant improvements. The ministry will invest strategically to support resource industries and ensure the safety and reliability of these roads.

Strategy: 1. *Invest strategically to support B.C.'s resource industries, by providing enhanced ability to move critical goods that drive the economy.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Number of lane kilometres improved.	870	870	870	870

What is being measured: Lane kilometres will be improved through various treatments such as base reconstruction and strengthening, gravel surfacing, first time hard surfacing or resurfacing.

Objective 4: *Improved highway safety and reliability.*

- Strategies:**
1. *Monitor highway safety and improve high-risk locations, in consultation with Regional Transportation Advisory Committees.*
 2. *Maximize highway safety and reliability through safety focused enhancements, and through low-cost improvements such as signs, lighting and lane markings.*
 3. *Work with safety partners such as ICBC, the RCMP and the Ministry of Public Safety and Solicitor General (PSSG) to develop a safety plan to achieve the targets established in the Canada-wide Road Safety Vision 2010.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Demonstrated safety improvements on a capital project by project basis. Measures will compare crash data before and after projects.	TBD	TBD	TBD	TBD

What is being measured: The performance measures under development will determine the effectiveness of highway safety improvements by comparing crash data over a five year period following completion of those improvements, with data collected at the same locations prior to the improvements. Highway safety improvements can reduce the number and severity of motor vehicle crashes; however, the impacts of these improvements can be negated by other significant factors outside the ministry's control, such as weather conditions, and driver and vehicle safety. Responsibility for driver and vehicle safety resides with ICBC and PSSG.

Note: The previous service plan used the amount of new rumble strip and guardrail the ministry had installed as a way of measuring safety. However, such measurements actually reflect how well the ministry was implementing its strategy for improving safety, rather than how well the strategy itself was working. The new measures described above better determine the effectiveness of our safety strategies.



Implementing safety improvements: Rock bolt installation

Strategy: 1. *Continue to take both proactive and responsive approaches to prevent unplanned lane closures.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Annual total duration of unplanned highway closures greater than ½ hour for all numbered highways.	2,500 hours	2,500 hours	TBD*	TBD*

* There is limited trend data available; therefore, future targets cannot be determined as yet. These targets will be set when a better understanding of trends is developed.

What is being measured: Causes of highway lane closures are diverse and vary from year to year. Some closures are planned for work (e.g. avalanche control) but many closures are unplanned, such as those from traffic accidents and weather, and are largely outside the ministry’s control. The ministry minimizes closures by being responsive (e.g. through clearance of debris and collisions), proactive (e.g. through rock scaling and planned avalanches), working with police to minimize the duration of closures after accidents and making physical improvements to the highway system.

Objective 5: *An effective risk management process is established across the ministry.*

- Strategies:**
1. *Develop a risk management plan to balance risks against mitigation costs and potential outcomes.*
 2. *Apply risk management tools and deliver training to ensure that internal planning and decision-making processes comply with a risk management approach.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Risk management plan.	Initial development.	Completion of the plan.	Full implementation of the plan.	Review and update of the plan.

What is being measured: The Risk Management Plan will include a process for identifying and mitigating ministry risks that may have a significant impact on costs and the achievement of goals and objectives.

Goal 3: *B.C.'s transportation industries become more competitive.*

Core Business Areas: *Transportation Improvements, Highway Operations and Motor Carrier Regulation.*

Objective 1: *A one-third reduction in the provincial regulatory burden on the public, industry and stakeholders.*

- Strategies:**
1. *Review all ministry legislation, regulations and policies to cut red tape. Work for the relevant legislation and Orders-in-Council to be in place.*
 2. *Continue to assess all new or amended regulations against the Regulatory Reform Criteria.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Reduction in legislation, regulations and policies.	1,531	Reduce by one-third.	Maintain status quo.	Maintain status quo.

What is being measured: The ministry's deregulation contributes to government's *New Era* commitment of reducing regulatory requirements by one-third by June 2004. The result will be substantive streamlining of ministry business processes that will enhance public service and improve relationships with local government.

Note: The initial baseline count from June 2001 of 1,444 regulatory requirements was increased to 1,531 when weigh scale functions were transferred to the ministry from ICBC. The ministry's count as of September 30, 2003 is 1,264 and reflects reductions to date of 17 per cent. A further targeted reduction of the remaining 16 per cent (of 1,531) will eliminate one-third of regulatory requirements in total. This reduction will depend on the enabling legislative changes being approved and passed by the Legislature.

Objective 2: *Simplified licensing and processing procedures for commercial passenger carriers, with safety as the primary criterion.*

- Strategies:**
1. *Reduce the number of motor carrier licensing regulations by June 2004.*
 2. *Streamline procedures for assessing motor carrier license applications.*
 3. *Review commercial vehicle weight restrictions to achieve an effective balance between the efficient movement of goods and the need to protect our highway infrastructure.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Reduction in the number of motor carrier regulatory requirements.	824	Reduce by one-third.	Maintain status quo.	Maintain status quo.

What is being measured: Motor carrier deregulation contributes to government's *New Era* commitment of reducing regulatory requirements by one-third by June 2004. The result will be substantive streamlining of motor carrier business processes that will enhance public service and improve relationships with the commercial passenger industry.

Note: The initial baseline count from June 2001 showed that the Motor Carrier Commission had 824 regulatory requirements. The ministry's most recent count as of September 30, 2003 is 622 and reflects reductions to date of 25 per cent. A further targeted reduction of the remaining 8 per cent (of 824) will eliminate one-third of regulatory requirements in total by June 2004. This reduction will depend on the enabling legislative changes being approved and passed by the Legislature.

Objective 3: *Reduction or elimination of third party regulations and policies that impede B.C.'s ability to compete with other jurisdictions in the transportation market.*

- Strategies:**
1. *Work with the Vancouver International Airport Authority (YVRAA) to encourage the federal government to adopt a policy of liberalized international air agreements that would allow more carriers to stop in Vancouver and either pick up or drop off passengers and goods. This would be negotiated on a reciprocal basis with other countries, especially the U.S.*
 2. *Work with YVRAA and the Vancouver Port Authority to facilitate seamless connecting transportation for cruise ship passengers, and to identify strategies to compete effectively with Seattle for cruise ship traffic.*
 3. *Continue to press the federal government to make revisions to the Canada Marine Act, to provide Canada Port Authorities with greater financial flexibility and make them eligible for federal infrastructure funding.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Progress toward implementation of an amended Canada-U.S. air service agreement.	Memorandum of Understanding (MOU) with YVRAA outlining a negotiating strategy.	Implement strategy and report on results.	Amended Canada-U.S. air service agreement.	N/A

What is being measured: The negotiating strategy outlined in the MOU will put forward arguments to support revisions to Canada's international air policies, revisions which are needed to maximize Vancouver's role as a North American gateway. The successful achievement of a more liberalized Canada-U.S. air service agreement will depend on decisions made outside the ministry. However, the ministry will do its utmost to promote these changes, as they would contribute to increased tourism and business development.

Note: The previous service plan included this objective: "Arrange effective alternate service delivery by the private sector to encourage economic activity." This objective has now been successfully accomplished, as the privatization of selected operations will be substantially complete by March 31, 2004. Performance measures relating to service delivery by the private sector are tracked internally by the ministry.

Goal 4: *Excellent customer service is achieved and the ministry is recognized as a good employer.*

Core Business Areas: *All.*

Objective 1: *Excellent service is provided to all British Columbians.*

- Strategies:**
1. *Undertake annual surveys of customer satisfaction and compare survey results with baseline data to ensure customer needs are met.*
 2. *Use survey results and public feedback to improve customer service processes and procedures.*
 3. *Conduct focus group sessions with individual stakeholder groups to identify specific gaps in service delivery, and determine how to refine ways of doing business in order to better meet customer needs.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Customer Satisfaction Survey: Highway users' satisfaction with existing ministry services and delivery processes, rated through surveys on a scale of 1 to 10.	6.5	7.0	7.5	8.0

What is being measured: Ministry staff conducted a total of 1,043 surveys throughout the province in 2003 and used the results to set a benchmark for the ministry to evaluate and compare annual overall performance and quality of service as perceived by stakeholders and highway users of B.C. The targets reflect a weighted average of several areas that were surveyed, and the ministry is targeting its efforts in the areas that indicate a higher need for improvement. Significant accomplishments towards streamlining business processes will contribute to an increased level of satisfaction, and recent survey results suggest that the ministry is succeeding in its efforts to improve service quality. Canada-wide satisfaction with provincial/territorial government services averaged 6.5 out of 10, according to a 2002 survey by Citizens First. Canada-wide satisfaction with road construction, maintenance and snow removal services was 4.7 out of 10.

Objective 2: *Employees are provided with the support, training and working environment they need to excel at their jobs.*

- Strategies:**
- 1. Implement the ministry's Human Resource Management/People Plan to enhance productivity and employee satisfaction.*
 - 2. Undertake annual surveys of employee satisfaction and use survey results to target for enhanced employee learning and an innovative organization.*

Performance Measure	Baseline	2004/05 Target	2005/06 Target	2006/07 Target
Employee Satisfaction Survey: Survey of employee satisfaction with organizational improvements.	62%	67%	69%	72%

What is being measured: An Employee Satisfaction Survey will be administered on an annual basis through BC Stats, and targets will be established based on the findings. The purpose of the survey is threefold: (1) to allow the ministry to monitor the current level of employee satisfaction; (2) to establish a benchmark of employee satisfaction for comparison against future years; and (3) to allow the ministry to determine how well it is progressing toward the goals outlined in the People Plan.

Appendix 1. Strategic Context

Vision, Mission and Values

Vision

The vision of the Ministry of Transportation is a fully integrated transportation system that advances economic and social growth, and moves goods and people within British Columbia and to markets beyond.

Mission

The mission of the Ministry of Transportation is to:

- create an integrated transportation network that incorporates all modes of transport, reflects regional priorities, and provides a strong foundation for economic growth; and
- maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.

Values

- We respect regional and community goals and priorities.
- We are responsive to the needs of British Columbia business.
- We strive for excellence and innovation.
- We respect the people we serve and work with.

Planning Context

When making plans for the future, the ministry must anticipate the demand for its services in the years ahead and the availability of resources to meet those demands. Ministry staff monitors ongoing pressures and trends to make sure the ministry is ready for any changes. The ministry also pays close attention to opportunities to enhance its delivery of services and potential risks that could require it to find new ways to accomplish its goals.

Pressures and Anticipated Trends

- Economic development and population growth in British Columbia will continue to increase demand for transportation, especially in the more populous areas of the province. More vehicles will be on the road and vehicles will be driven farther.
- External trade through transportation gateways will continue to be a major component of the B.C. economy, dominated by trade with the United States.
- Resource industries will continue to need to control transportation costs to compete in world markets. Controlling such costs will require an integrated system that links resource roads to processing facilities and moves goods on provincial highways and freight railways to interprovincial and international gateways.
- Road-based transport will remain most people's preferred alternative for personal and work trips over short and medium distances. Outside urban areas, road-based transport will usually be the only option for these trips.
- Funding available from public sources will continue to lag behind the amount needed for transportation improvements to facilitate economic development and community growth.
- Aging infrastructure will need continued investment to keep B.C. competitive and, in some cases, to catch up on deferred investments from the past.
- The use of heavier commercial trucks will increase wear and tear on all highways and require bridges to be stronger.
- The 2010 Winter Olympics and Paralympics will bring significant transportation demand, requiring improvements to be complete in time for the events.
- First Nations land claims will be resolved over an extended period of time, removing uncertainty about access to land and resources.

Opportunities

- Being open to the talents and innovative ideas of British Columbians could make transportation planning more effective. For example, Regional Transportation Advisory Committees are allowing more regional involvement in transportation decisions.
- Improving relations between the provincial and federal governments could lead to more federal government funding for transportation infrastructure in B.C.
- New models for investment could allow the private sector to fund new transportation infrastructure, reducing the cost to the provincial government and allowing British Columbians to benefit from the new infrastructure sooner than would otherwise be possible.
- A reliable transportation system could encourage major tourism growth by reinforcing B.C.'s image as a safe destination with diverse and unique travel experiences.
- Technological advances could allow the ministry to improve transportation service and competitiveness and/or reduce costs.

Risks

- Wide variation in fuel prices due to world events may result in lower fuel usage, reducing the fuel tax revenues on which the ministry relies to fund needed infrastructure improvements.
- Fluctuations in the price of oil affect the cost of oil-based products used by the ministry such as asphalt, primer, seal coat and crack sealant. For every dollar increase in the world price of crude oil, the ministry faces a corresponding cost pressure of approximately \$900,000.
- Potential partners (public and private) may not finance transportation improvements to the degree anticipated, potentially delaying improvements.
- Security concerns or trade protectionism may disrupt cross-border trade in spite of infrastructure improvements.
- Competition from gateways in other jurisdictions may draw existing business away from B.C. For example, cruise ships could change their base of operations from Vancouver to Seattle.
- Potential shortages of labour in key occupations may affect infrastructure improvements by raising their costs or delaying their completion.
- Weather and related phenomena, such as slides, floods, avalanches and fire, likely will remain highly unpredictable and could cause major events that affect the transportation system.

Highlights of Strategic Shifts and Changes from the Previous Service Plan

The ministry's strategic focus is unchanged from the previous service plan. The ministry remains committed to solicit and incorporate regional input into the development of its transportation plans, and to make the best use of limited available funding to maintain and improve the provincial transportation network to drive economic growth and trade.

Consistency with Government Strategic Plan

The *British Columbia Government Strategic Plan* is the guiding document for government, outlining its goals and providing a broad framework for all individual ministry service plans. The Ministry of Transportation's service plan supports most strongly the government goal for "a strong and vibrant provincial economy". By meeting the goals within this service plan, the ministry will contribute to the successful achievement of the overall government strategic plan.

Government Goal: *A strong and vibrant provincial economy.*

Government Objectives Related to the Ministry
<ul style="list-style-type: none">• British Columbia will have a prosperous economy.• British Columbia will have employment opportunities.• British Columbia will have a skilled workforce.• Government will be affordable and fiscally responsible.
Ministry of Transportation Goals
<ul style="list-style-type: none">• Key transportation infrastructure is improved to drive economic growth and trade.• B.C. is provided with a safe and reliable highway system.• B.C.'s transportation industries become more competitive.• Excellent customer service is achieved and the ministry is recognized as a good employer.

Appendix 2. Summary of Related Planning Processes

Information Resource Management Plan Overview

Current Information Management/Information Technology (IM/IT) Environment

The ministry operates information systems in support of engineering and highway-specific operating requirements, including the road inventory, road conditions, design and asset management systems.

The ministry's overall strategy is to make IM/IT part of the business, not apart from it. This approach puts the necessary processes and resources in place to:

- support the business through the provision of high quality information that is integrated, timely and easily accessible;
- use technology as an enabler for streamlining the business;
- provide cost effective solutions to serve the needs of the business; and
- support the business by providing a transparent and reliable IT infrastructure.

Through its governance and management processes:

- IM/IT activities are governed by the Ministry Systems Secretariat (MSS) and the Information Systems Council (ISC);
- business cases are prepared by business areas and submitted for approval to ISC and MSS; and
- the accountability for project delivery rests with the proponent for the project.

IM/IT resources within the Information Systems Branch are aligned to support the business through its:

- planning services aligned with the business of Ministry of Transportation (MOT);
- business services aligned with individual business programs;
- application services aligned with application portfolios; and
- technical services received from Common Information Technology Services (CITS) based on a defined service agreement.

Future IM/IT Environment (Major Projects)

The ministry's focus on the stabilization and standardization of its information resources continues. Projects include:

- the Road Inventory and Maintenance System (RIMS), which supports the highway maintenance contract management process by providing an aligned database of road features and linear referencing data for all roads controlled by the ministry; and
- Drive BC!, which uses Internet technology to collect and distribute road and related weather condition information to highway users.

Human Resource Management Plan Overview

Note: The ministry refers to its Human Resource Management Plan as the "People Plan".

The Ministry of Transportation is known for the excellent quality of its people, for having a "can do" approach and for producing excellent results. Clearly our people are our most important strength. They make the delivery of our service plan possible. We are committed to giving them the best possible work environment, the tools to do their jobs effectively and the respect and freedom they need to excel.

Our People Vision

Our ministry is the best place to work in government. We are a well-recognized and well-equipped team with excellent leadership. We work in a goal-oriented environment with opportunities for growth, learning and innovation. We lead healthy and balanced lives as we deliver a safe, efficient and reliable transportation system to British Columbians.

Our People Values

Respect: To treat those we serve, and each other, with courtesy, fairness, dignity and trust.

Integrity: To conduct ourselves in an ethical, honest, consistent and professional manner.

Diversity: To honour other perspectives, personalities and communication styles.

Balance: To encourage a healthy balance of work and life activities.

Our Goals

We have developed the following six goals, which incorporate our people values, to enable us to achieve our people vision:

- To make the ministry the best place to work in government.
- To retain, develop and attract excellent employees.
- To establish clear goals, expectations and feedback for every employee.
- To have excellent leadership.
- To build a learning and innovative organization.
- To ensure successful implementation of renewal in the public service.

Appendix 3. Minister's Legislative Mandate

The ***British Columbia Railway Act*** establishes the British Columbia Railway Company and a board of directors, sets out the reporting and institutional relationships with the provincial government, and provides for third-party provision of railway services on rail lines owned by the Company.

The ***British Columbia Transit Act*** establishes the British Columbia Transit Authority and a board of directors and sets out the reporting and institutional relationships with the provincial government.

The ***Build BC Act*** establishes the BC Transportation Financing Authority and a board of directors and sets out the reporting and institutional relationships with the provincial government.

The ***Coastal Ferry Act*** facilitates the conversion of the British Columbia Ferry Corporation (a Crown corporation) into British Columbia Ferry Services Inc. (an independent company under the *Company Act*). Also established is the B.C. Ferry Authority and the British Columbia Ferries Commissioner.

The ***Commercial Transport Act*** (section 3 only). The act establishes legislative and licensing requirements for commercial vehicles, as well as commercial vehicle configuration and safety standards. Section 3 exempts roadbuilding machines from the licensing and other provisions of the act.

The ***Greater Vancouver Transportation Authority Act*** establishes the Greater Vancouver Transportation Authority (TransLink) and a board of directors and sets out funding mechanisms, powers and authorities.

The ***Highway Act*** deals with the establishment, maintenance, alteration and regulation of public highways under provincial jurisdiction, including bridges and tunnels.

The ***Highway (Industrial) Act***, in combination with other acts, governs the operation of resource roads and vehicles using those roads.

The ***Highway Scenic Improvement Act*** allows the ministry to remove abandoned vehicles and requires the removal of unsightly accumulations on property adjacent to highways designated as scenic routes.

The ***Ministry of Transportation and Highways Act*** (excluding section 34) creates the ministry and sets out its mandate. The act also authorizes the collection of tolls for the Coquihalla Highway and inland ferry administration.

The ***Motor Carrier Act*** establishes the Motor Carrier Commission and sets out licensing and tariff requirements for passenger motor carriers.

The ***Land Title Act*** (section 77.2 only) provides authority for the Lieutenant Governor in Council to appoint approving officers for rural areas of the province. The subdivision approving function is carried out by employees of the Ministry of Transportation who are given this designation by Order-in-Council.

The ***Motor Vehicle Act*** is shared between the Minister of Transportation, the Minister of Public Safety and Solicitor General, and the Minister Responsible for ICBC. The Minister of Transportation is responsible for the sections that set out the rules of the road and traffic control device standards. The Minister of Public Safety and Solicitor General is responsible for authorities for the Office of the Superintendent of Motor Vehicles. The Minister Responsible for ICBC is responsible for the sections on vehicle and driver licensing, driver training, vehicle standards and inspections.

The ***Railway Act*** allows for the administration of railway safety standards and inspection procedures by the Ministry of Community, Aboriginal and Women's Services. The Minister of Transportation is responsible for the remaining provisions regarding corporate matters.

The ***Transport of Dangerous Goods Act*** (section 23 only) sets out regulations and standards for the movement of dangerous goods by truck within the province.

The ***Transportation Investment Act*** provides a framework for developing public-private partnerships to expand and improve provincial transportation infrastructure.

