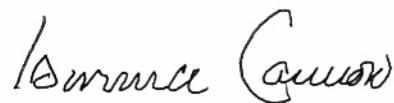


# **Transport Canada**

## **2006-2007 Estimates Report on Plans and Priorities**

**Approved**



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Minister of Transport, Infrastructure and  
Communities



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## **SECTION I – OVERVIEW**



## 1.1 Minister's Message

I am pleased to present Transport Canada's 2006-2007 *Report on Plans and Priorities*, which outlines the department's corporate direction for the next three fiscal years.

On February 6, 2006, the Prime Minister appointed me as Minister of Transport, Infrastructure and Communities, responsible for a portfolio consisting of Transport Canada, the subject of this report, Infrastructure Canada, and 16 Crown Corporations. The broad scope and synergies of this new portfolio create a point of convergence for some of the most important opportunities and key challenges facing Canada today. Bringing the various tools and policy levers of this portfolio under the responsibility of a single minister offers great potential for strategic and coherent policy development and actions aimed at enhancing Canada's economic competitiveness and our quality of life in a streamlined manner that is transparent and accountable to Canadians.



Throughout our history, transportation has played a central role in building the Canadian nation, and driving economic opportunity for its citizens. Bold ventures like crossing a rugged continent by rail, planning the Trans-Canada Highway, and building one of the world's first international airlines are achievements that captured the imagination of past generations.

Today, as commerce becomes increasingly dominated by the rapid movement of goods through seamless global supply chains, efficient, integrated transportation systems are more crucial than ever to competitiveness.

Transportation continues to be at the centre of a web of interconnected challenges. Infrastructure, international commerce, border management, safety, security, skills shortages, governance, and the need for shared vision and collaboration across jurisdictions and across public and private sectors are all "transportation" issues.

Within the integrative, system-wide context of the Canadian transportation sector, Transport Canada will be modernizing a number of statutory and regulatory instruments, including amendments to the *Aeronautics Act* and the *Canada Transportation Act* and proposals around the creation of new legislation, such as an *International Bridges and Tunnels Act* and a *Canada Airports Act*.

Efficient transportation systems, safety management, environmental responsibility, and the development of transportation security measures compatible with the effective flow of trade, continue to be important priorities for Transport Canada as the department moves on a variety of fronts, to position the Canadian transportation system for success.

The 2006-2007 *Report on Plans and Priorities* outlines the course of action on how Transport Canada intends on capitalizing on the opportunities associated with these priorities.

A handwritten signature in black ink that reads "Lawrence Cannon". The signature is written in a cursive, flowing style.

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

## 1.2 Management Representation Statement

I submit for tabling in Parliament, the *2006-2007 Report on Plans and Priorities* (RPP) for

### TRANSPORT CANADA

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

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



Name: Louis Ranger

Title: Deputy Minister of Transport, Infrastructure and Communities



### 1.3 Transport, Infrastructure and Communities Portfolio

The reports of Transport Canada and Infrastructure Canada are the first to be submitted to Parliament since the creation of the Transport, Infrastructure and Communities (TIC) portfolio in February 2006. The Minister of Transport, Infrastructure and Communities' portfolio responsibilities include Transport Canada, Infrastructure Canada, and sixteen Crown Corporations.

The portfolio is a point of convergence for some of the most important issues facing Canada today: the productivity of the economy; transportation safety and security; environmental sustainability; and the quality of life in cities and communities. It brings together a range of tools, including programs, legislation, policy frameworks and stakeholder networks to advance the Government's priorities in a cohesive and coordinated manner. When the federal government can speak with one voice on complex issues and act in a focused manner, Canadians benefit from the results.

Budget 2006 made significant commitments for federal investments in transportation and other infrastructure. This includes a new Highways and Border Infrastructure Fund (HBIF); the Asia-Pacific Gateway Initiative; transportation security; a Public Transit Capital Trust; the renewal of the Canada Strategic Infrastructure Fund (CSIF) and the Municipal Rural Infrastructure Fund (MRIF); and the maintenance of the Gas Tax Fund and GST Rebate for cities and communities.

The TIC portfolio will permit the effective management of these investments to ensure maximum benefits for Canadians and their communities through greater coordination and integration of policies, programs, and investment decisions, under the accountability of a single Minister. It also positions the Government of Canada to work more closely and efficiently, through partnerships with the provinces, territories, municipalities and other groups, to support the development of communities, the planning of transportation systems, and the renewal of infrastructure.

Work is underway to maximize the potential and opportunities the portfolio offers. The aim is to improve Canadians' health and quality of life and the competitiveness and sustainability of Canada's economy, while achieving tangible improvements in the environment and ensuring transparency and accountability to Canadians. The focus is on national challenges and the federal role in meeting them.

The TIC portfolio will move forward on measures and actions in the areas of:

**Sustainable infrastructure** – developing a framework for a long-term federal role in infrastructure and delivering infrastructure program funding;

**Gateways and trade corridors** – the Asia-Pacific Gateway Initiative and a National Framework for Gateways and Trade Corridors;

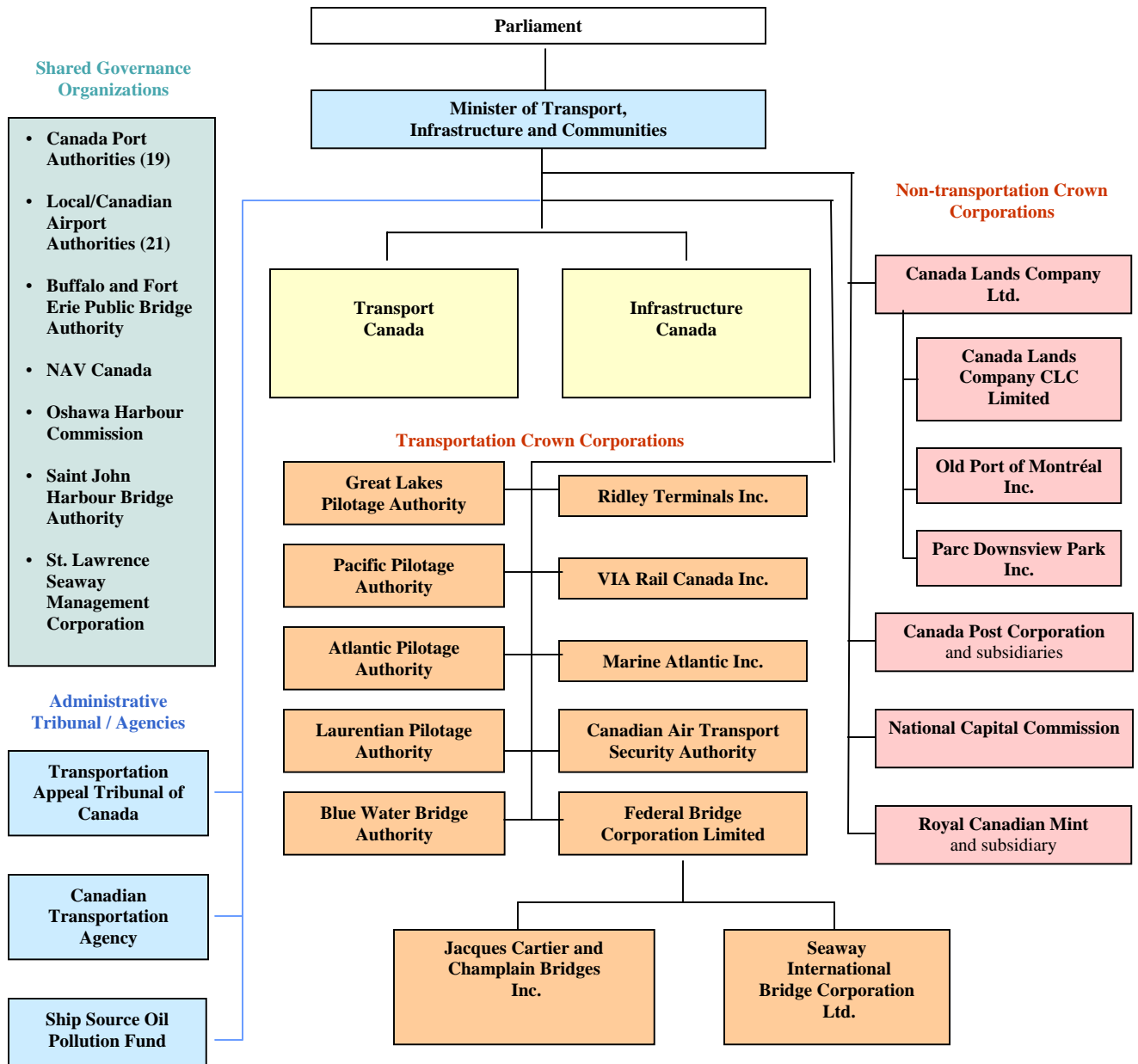
**Strong communities** – developing a Framework for strong communities and a Clean Transportation Strategy; and,

**Transportation security** – the Transportation Security Action Plan and enhanced transportation security.

The TIC approach integrates and maximizes the synergies within the portfolio. The specific objectives and priorities of both Transport Canada and Infrastructure Canada are detailed in their respective Report on Plans and Priorities.

The Transport, Infrastructure and Communities portfolio responsibilities are displayed in the diagram below. Infrastructure Canada, the Canadian Transportation Agency and the Transportation Appeal Tribunal of Canada produce their own Reports on Plans and Priorities. The Crown corporations prepare their own annual corporate plans.

### TRANSPORT, INFRASTRUCTURE AND COMMUNITIES PORTFOLIO



## 1.4 Departmental Overview

### 1.4.1 Raison d'être

Transport Canada is responsible for the transportation policies and programs set by the Government of Canada. The department works to ensure that all parts of the transportation system work effectively and in an integrated manner.

#### OUR VISION

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

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

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

#### OUR MISSION

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

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

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

## LEGISLATIVE MANDATE

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

### Some of the legislation governing Transport Canada:

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

### 1.4.2 Planning for Results

Transport Canada is committed to delivering results to Canadians.

### STRATEGIC OUTCOMES

Transport Canada has established three strategic outcomes or ultimate results that support the federal government's overall agenda of providing for:

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

### MANAGEMENT PRIORITIES

Transport Canada's management priorities have been developed in the context of two key considerations: the completion of commitments made in the previous Report on Plans and Priorities, and internal and external assessments using the Management Accountability Framework elements for the identification of opportunities to improve to management practices within the department.

Management priorities for 2006-07 will build on the achievements of 2005-06 and will continue to strengthen management capacity in the areas of **people, including values and ethics, stewardship and accountability.**

## People

Transport Canada had developed a phased implementation strategy for the introduction of the **Public Service Modernization Act** (PSMA) within the department and made considerable progress in its implementation during 2005-06. The new *Public Service Employment Act* came into effect on December 31, 2005, requiring the delivery of mandatory training sessions for all delegated managers in Transport Canada and the development of a comprehensive suite of policies and best practices to define the accountability framework under which the new provisions of the act are to be applied in Transport Canada. Implementing a learning strategy for both managers and human resource professionals was a key element of our implementation strategy. Yet, putting all of this into practice will require effort as the department moves away from past practices to the new provisions of the new act. During 2006-07, Transport Canada will devote significant efforts to implementing and assessing the efficiency of the new policies, processes, frameworks, systems and delegation instruments required under the new legislation. Transport Canada will also engage and inform employees, managers and human resource professionals on the new regime to facilitate cultural change; it will revise and further implement a learning strategy to ensure that all stakeholders are equipped with the knowledge and skills they need to function under the new regime.

Another initiative to strengthen **human resource management** in Transport Canada will be to implement the three-year human resource plans developed by all departmental groups and regions during the 2005-06 fiscal year. These plans will provide opportunities for Transport Canada to be more strategic with respect to staffing strategies, ensuring that it has access to a continuous pool of qualified people to meet its many program objectives.

Transport Canada will also pursue an examination of a more comprehensive approach that integrates values and ethics throughout the organization. Transport Canada has made it a priority to develop a **Values and Ethics Framework**, which will include a tailored governance structure to integrate all of its business operations. Once completed, the Values and Ethics Framework will enable Transport Canada to more effectively report on outcomes and achievements in accordance with the key indicators in the people component of the Management Accountability Framework.

The ultimate objective is to have, within two years, values and ethics well enshrined in the leadership of Transport Canada, its organizational culture and the department's policies, guidelines and recourse mechanisms.

### Indicators of progress

- *Institutionalization of the PSMA as evidenced through collaborative labour/management relations; training, tool kits, guides and other support for managers and human resource professionals; internal policies, procedures and monitoring to ensure consistent and fair implementation of the new act.*
- *Human resource plans contributing to more strategic and effective staffing strategies – getting the right people, with the right skills, in an appropriate time frame.*
- *A new governance structure within the department that contributes to a more comprehensive and integrated values and ethics framework for the department.*

## Stewardship

In 2005-06, Transport Canada initiated the first in a series of **comprehensive reviews** as part of the department's ongoing assessment of the effectiveness and efficiency of its programs and associated expenditures. The reviews will be conducted nationally and in two phases over the next 18 to 24 months. They will serve to provide departmental senior executives with the information required to ensure that funds appropriated by Parliament are contributing to the efficiency and effectiveness of departmental programs, thereby demonstrating that the Government of Canada is making the best possible investments in the areas that matter most to Canadians.

Important considerations in the conduct of these reviews are those measures introduced by the Government of Canada to facilitate reallocation of resources to the highest priorities: reforming procurement; strengthening and modernizing management practices; and improving accountabilities and promoting good governance.

Transport Canada is working to be more responsive, accountable and innovative by the end of the comprehensive review exercise by adopting more effective and efficient management systems in such areas as information technology, human resources and finance. Strengthening and modernizing Transport Canada's organizational processes has benefits for Canadians and users of the transportation systems.

Transport Canada is also committed to contributing to the government-wide expenditure review reallocation exercise, focusing on improved efficiencies in all government activities. For its part, Transport Canada plans to develop internal reallocation initiatives leading to cost savings.

### Indicators of progress

- *Well-defined program activities, priorities, outcomes, outputs and performance measures.*
- *Opportunities identified for re-allocation of resources to the highest priorities.*
- *Identification of alternative program delivery options.*

## Accountability

On February 6, 2006, the Government of Canada created a new portfolio styled as Transport, Infrastructure and Communities. Within this new portfolio are 16 Crown corporations. Furthering the work started in 2005-06 to **strengthen accountability in the governance of Crown corporations**, Transport Canada will enhance its capacity to advise the minister on best practices for the oversight of such a large portfolio of Crown corporations.

Effective, competent and accountable Boards of Directors are essential to the prosperity of any corporation. It is expected that the pursuit of the following initiatives will add to the good governance of the Crown corporations in the Transport, Infrastructure and Communities portfolio: annual mandate letters from the minister to Chairs of the Crown corporations within his portfolio, enunciating the broad policy objectives of the government of the day and how each of the Crown corporations are expected to contribute to these objectives; an appointment process

for Chairs, Chief Executive Officers (CEO) and Directors that is premised on the competency profiles required for each of the positions; a performance management program for CEOs that is aligned to performance objectives set out by the minister in the mandate letter for the Crown corporation; the review and adoption of codes of conduct of Crown corporations to ensure that they adequately reference stewardship accountabilities; the maintenance of an appropriate arms-length relationship of the minister responsible from the day to day operations of the Crown corporations; and voluntary reporting by the Crown corporations on their stewardship and performance results.

#### **Indicators of progress**

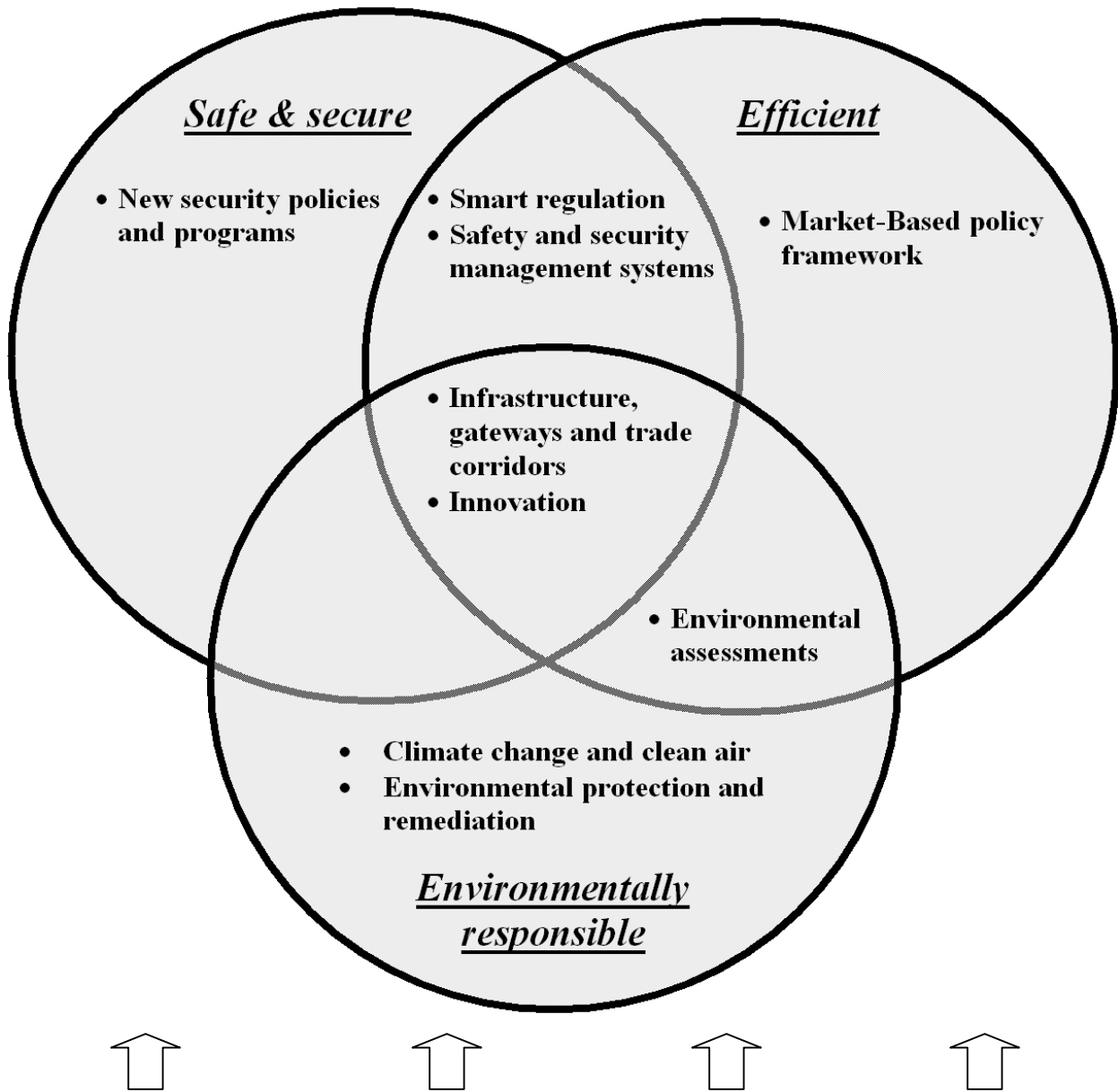
- *The creation of a Crown corporation Secretariat that provides expert advice and services to the Minister on good governance of the Crown corporations within his portfolio.*
- *The adoption of best practices with respect to good stewardship of Crown corporations.*
- *The completion of competency profiles for the executive positions of all Crown corporations within the portfolio.*
- *A transparent and efficient appointment process for the filling of vacant Board positions that contributes to the effectiveness of Boards of Directors and the operation of the Crown corporations.*

### **PROGRAM PRIORITIES**

Transport Canada's vision of a sustainable transportation system — one that integrates and seeks the correct balance among social, economic and environmental objectives — is based on three strategic outcomes: An efficient transportation system that contributes to Canada's economic growth and trade objectives; A safe and secure transportation system that contributes to Canada's social development and security objectives; An environmentally responsible transportation system that contributes to Canada's sustainable development objectives. These strategic outcomes are articulated in nine program priorities and are presented below in order of precedence.

1. New security policies and programs
2. Infrastructure, gateways and trade corridors
3. Market-Based policy framework
4. Smart regulation
5. Safety and security management systems
6. Climate change and clean air
7. Environmental protection and remediation
8. Innovation
9. Environmental assessments

As depicted in the diagram below, the departmental program activities support the nine program priorities which, in an integrated manner, support more than one strategic outcome.



<b>Program activities</b>		
<b>Policies, Rule-making, Monitoring and Outreach in support of a safe and secure transportation system</b>	<b>Policies, Programs and Infrastructure in support of a market-based framework</b>	<b>Policies and Programs in support of sustainable development</b>

Note: As displayed in the Main Estimates, Transport Canada’s program activities also include four Crown corporations: Canada Air Transport Security Authority, Jacques Cartier and Champlain Bridges Inc., Marine Atlantic Inc. and VIA Rail Canada Inc.



### 1.4.3 Our Co-delivery Partners

Transport Canada works in cooperation with hundreds of other organizations with an interest in transportation issues.

**Other federal organizations** — whose programs and services may be affected by transportation activities. For example: Agriculture and Agri-Food Canada, Canada Border Services Agency, Canadian Food Inspection Agency, Canada Port Authorities, Canadian Air Transport Security Authority, Canadian Nuclear Safety Commission, Canadian Security Intelligence Service, Canadian Transportation Agency, Transportation Appeal Tribunal of Canada, Department of National Defence, Environment Canada, Fisheries and Oceans Canada, Health Canada, Industry Canada (e.g. Competition Bureau), Infrastructure Canada, Justice Canada, Natural Resources Canada, pilotage authorities, Public Safety and Emergency Preparedness Canada, Royal Canadian Mounted Police, Solicitor General of Canada, Transportation Safety Board and Western Economic Diversification Canada.

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

**Transportation sector industries** — all of which count on the fair application of regulations and the development of policies to enhance the efficiency of the transportation system. For example: air carriers (e.g. Air Canada, WestJet), airports, Algoma Central Marine, Association of International Automobile Manufacturers of Canada, CP Rail, Canadian manufacturers of aviation equipment, Canadian National Railway Company, Canada Steamship Lines, Canadian Vehicle Manufacturers Association, NAV CANADA, and VIA Rail.

**Agencies and associations** — with a vested interest in the transportation infrastructure, regulatory regime and safety. For example: Air Transport Association of Canada, Association of Regional Railways of Canada, Association québécoise de transport et des routes, Canada Safety Council, Canadian Association of Petroleum Producers, Canadian Airports Council, Canadian Council of Motor Transport Administrators, Canadian Ferry Operators Association, Canadian Marine Advisory Council, Canadian Maritime Law Association, Canadian Ship Owners Association, Canadian Trucking Alliance, Canadian Urban Transit Association, Council of Marine Carriers, Federation of Canadian Municipalities, Operation Lifesaver, Railway Association of Canada, Shipping Federation of Canada, Transportation Association of Canada, Transportation of Dangerous Goods General Policy Advisory Council, Association of Canadian Port Authorities, Chamber of Maritime Commerce, St. Lawrence Economic Development Council, St. Lawrence Ship-operators Association, vehicle manufacturers associations and unions.

**International organizations** — to share information and harmonize transportation regulations. These include: Asia-Pacific Economic Co-operation, European Conference of Ministers of Transport, European Joint Airworthiness Authorities, International Civil Aviation Organization, International Labour Organization, International Maritime Organization, International Oil Pollution Compensation Fund, North Atlantic Treaty Organisation, National Highway Traffic Safety Administration, Organization for Economic Cooperation and Development, Organization

of American States, United Nations (UN) Sub-committee of Experts on the Transport of Dangerous Goods, UN Economic Commission of Europe Global World Forum for Harmonization of Vehicle Regulations, UN Commission on International Trade Law, European Civil Aviation Conference, World Trade Organization, World Road Association, U.S. Federal Aviation Administration, U.S. Federal Emergency Management Agency, U.S. Federal Highway Administration, U.S. Federal Railway Administration and U.S. Transportation Security Administration.

#### 1.4.4 Summary Planned Spending

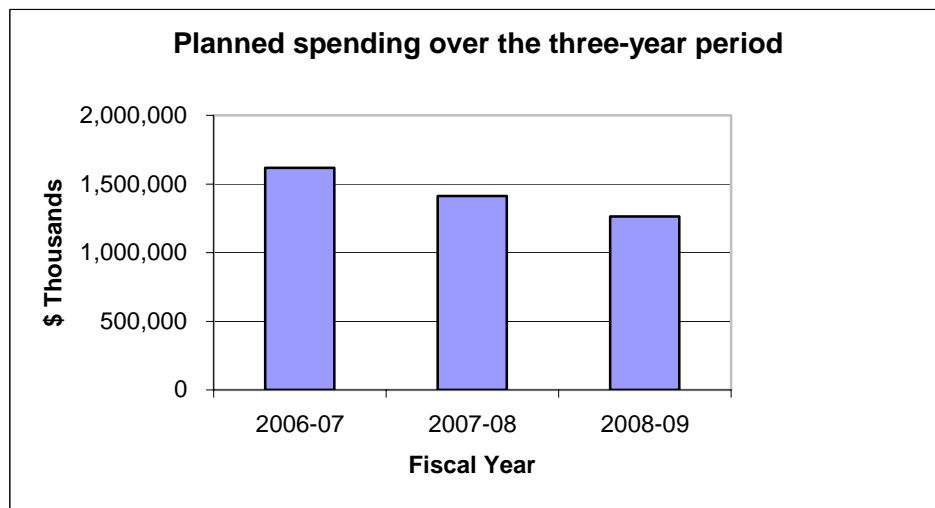
Transport Canada is largely funded through operating expenditures, with authority to spend revenue received during the year. Some of the department's programs are managed through grants and contributions. Transport Canada is held to the terms and conditions set out in each individual grant or contribution.

##### Financial Resources (\$ thousands)

2006-07	2007-08	2008-09
\$1,616,629	\$1,412,504	\$1,263,389

##### Human Resources (Full time equivalents/FTEs)

2006-07	2007-08	2008-09
4,900 FTEs	4,832 FTEs	4,825 FTEs



Note: Refer to Section III, Table 1 for explanation of variance over the three-year period.

## Departmental Program Priorities by Strategic Outcome

Strategic Outcomes			Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
Safe and secure	Efficient	Environ. resp.		1: Ongoing		2006-07 Areas of Focus	Outputs	Expected Results	
√			New security policies and programs	1	<ul style="list-style-type: none"> <li>• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> </ul>	<ul style="list-style-type: none"> <li>• The National Security Policy</li> <li>• Transportation Security Action Plan</li> <li>• Passenger rail and public transit systems security</li> <li>• The Security and Prosperity Partnership</li> </ul>	<ul style="list-style-type: none"> <li>• New or enhanced transportation frameworks, security policies, legislation, regulations, guidelines and programs</li> <li>• Contribution agreements</li> <li>• Information shared with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Greater awareness, understanding cooperation of and compliance with transportation security systems</li> <li>• Increased stakeholder ability to meet transportation security and emergency preparedness requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> </ul>
√	√		Smart regulation	1	<ul style="list-style-type: none"> <li>• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> </ul>	<ul style="list-style-type: none"> <li>• Automotive telematics</li> <li>• Aviation Safety Management Systems</li> <li>• Regulatory harmonization initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement with the automotive industry on telematic devices</li> <li>• Performance-based aviation regulations</li> <li>• Reforms to the <i>Transportation of Dangerous Goods Act, Canada Shipping Act, Motor Vehicle Safety Act</i></li> <li>• Improvements and enhancements to the UN Model Regulations regarding</li> </ul>	<ul style="list-style-type: none"> <li>• Increased flexibility and innovation opportunities for industry</li> <li>• Regulations reflecting the needs and concerns of industry and the public</li> <li>• Enhanced international standards and regulations when transporting dangerous goods, enhancing safety without hindering trade</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> <li>• A fair and secure market-place</li> </ul>

Strategic Outcomes			Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
Safe and secure	Efficient	Environ. resp.		1: Ongoing		2006-07 Areas of Focus	Outputs	Expected Results	
							Intermediate Bulk Containers (IBCs) to be adopted by the United Nations Sub-committee of Experts on the Transport of Dangerous Goods		
√	√		Safety and security management systems	1	<ul style="list-style-type: none"> <li>• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing safety and security management systems (SMS and SeMS) in aviation, rail and marine organizations</li> </ul>	<ul style="list-style-type: none"> <li>• New aviation SMS regulations</li> <li>• Regional information sessions</li> <li>• Review of rail SMS regulations and guidance material</li> <li>• Opportunities to use SMS and SeMS in marine safety and security sectors identified</li> <li>• SMS/SeMS framework</li> </ul>	<ul style="list-style-type: none"> <li>• Improved commitment by industry to adopt SMS/SeMS</li> <li>• Enhanced awareness and safety culture in industry</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> <li>• A fair and secure market-place</li> </ul>
	√		Market-based policy framework	1	<ul style="list-style-type: none"> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> </ul>	<ul style="list-style-type: none"> <li>• Amendments to the <i>Canada Transportation Act</i></li> <li>• Negotiations of operating and refurbishment agreements for the</li> </ul>	<ul style="list-style-type: none"> <li>• New and amended acts and regulations</li> <li>• Agreements</li> <li>• Monitoring reports</li> <li>• Program adjustments</li> </ul>	<ul style="list-style-type: none"> <li>• Legislative framework that supports free market forces with government intervention targeted to situations where market forces are</li> </ul>	<ul style="list-style-type: none"> <li>• A fair and secure market-place</li> </ul>

Strategic Outcomes			Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
Safe and secure	Efficient	Environ. resp.		1: Ongoing		2006-07 Areas of Focus	Outputs	Expected Results	
						federal fleet of hopper cars with railways <ul style="list-style-type: none"> <li>• Liberalization of economic regulation of air industry</li> <li>• Canada Airports Act</li> <li>• Aviation War Risk Liability Program</li> <li>• <i>Marine Liability Act</i></li> </ul>		insufficient. <ul style="list-style-type: none"> <li>• A competitive and viable Canadian transportation sector</li> </ul>	
√	√	√	Infrastructure, gateways and trade corridors	1	<ul style="list-style-type: none"> <li>• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> <li>• Policies and Programs in</li> </ul>	<ul style="list-style-type: none"> <li>• Asia-Pacific Gateway Initiative</li> <li>• Airport performance monitoring</li> <li>• Infrastructure funding programs</li> <li>• Domestic and international bridges</li> <li>• <i>Canada Marine Act</i> amendments</li> <li>• St. Lawrence Seaway infrastructure needs study</li> <li>• Ridley Terminals</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships with provinces and stakeholders</li> <li>• Agreements</li> <li>• Frameworks</li> <li>• Reports</li> <li>• Legislative amendments</li> <li>• Funding</li> <li>• Investment plans</li> <li>• New governance regimes</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term sustainable funding and accountability framework for transportation infrastructure</li> <li>• Increased investment in transportation infrastructure</li> <li>• Strengthened governance, transparency and accountability</li> <li>• Strengthened Canadian competitiveness in international markets</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> <li>• A Fair and secure market-place</li> <li>• Strong economic growth</li> </ul>

Strategic Outcomes			Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
Safe and secure	Efficient	Environ. resp.		1: Ongoing		2006-07 Areas of Focus	Outputs	Expected Results	
					support of sustainable development	<ul style="list-style-type: none"> <li>Marine Atlantic long-term strategy</li> <li>International collaboration</li> </ul>			
√	√	√	Innovation	1	<ul style="list-style-type: none"> <li>Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> <li>Policies, Programs and Infrastructure in support of a market-based framework</li> <li>Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Full cost initiative</li> <li>Strategic research and development (R&amp;D)</li> <li>ITS Plan for Canada</li> <li>Innovation and skills development</li> </ul>	<ul style="list-style-type: none"> <li>Analytical tools</li> <li>Strategy</li> <li>Funding</li> <li>Partnerships</li> <li>Reports</li> <li>Action plan</li> </ul>	<ul style="list-style-type: none"> <li>Highly skilled labour force</li> <li>Increased investment in transportation-related R&amp;D, including ITS</li> <li>Use of R&amp;D results to enhance safety, security, efficiency and environmental sustainability of the Canadian transportation system</li> </ul>	<ul style="list-style-type: none"> <li>Safe and secure communities</li> <li>A Fair and secure market-place</li> <li>Strong economic growth</li> </ul>
		√	Climate change and clean air	1	<ul style="list-style-type: none"> <li>Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Climate change agreement with automobile industry</li> <li>Advanced Technology</li> </ul>	<ul style="list-style-type: none"> <li>Strategies</li> <li>Reports</li> <li>Showcases/ demonstrations</li> <li>Studies</li> </ul>	<ul style="list-style-type: none"> <li>Increased awareness of sustainable transportation choices and climate change impacts</li> <li>Increased ability for</li> </ul>	<ul style="list-style-type: none"> <li>Strong economic growth</li> </ul>

Strategic Outcomes			Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
Safe and secure	Efficient	Environ. resp.		1: Ongoing		2006-07 Areas of Focus	Outputs	Expected Results	
						Vehicles Program <ul style="list-style-type: none"> <li>• Urban Transportation Showcase Program</li> <li>• Motor Vehicle Fuel Consumption Program</li> <li>• Arctic climate change</li> </ul>		the public to make more sustainable transportation choices <ul style="list-style-type: none"> <li>• Reduction of emissions in the transportation sector</li> </ul>	
	√	√	Environmental assessments	1	<ul style="list-style-type: none"> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> <li>• Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental assessments for projects requiring approval under the <i>Navigable Waters Protection Act</i></li> </ul>	<ul style="list-style-type: none"> <li>• Environmental assessments (completed or initiated)</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental protection from the impacts of transportation projects</li> </ul>	<ul style="list-style-type: none"> <li>• A Fair and secure market-place</li> <li>• Strong economic growth</li> </ul>

Strategic Outcomes			Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
Safe and secure	Efficient	Environ. resp.		1: Ongoing		2006-07 Areas of Focus	Outputs	Expected Results	
		√	Environmental protection and remediation	1	<ul style="list-style-type: none"> <li>• Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Feasibility of discounted annual transit pass employer programs in Canada</li> <li>• Contaminated sites management</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement with Canadian Urban Transit Association to increase Transit pass programs across Canada</li> <li>• Contaminated Sites Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Increased ability for the public to make more sustainable transportation choices</li> <li>• Suspected contaminated sites are identified and high-risk sites are remediated/risk managed</li> </ul>	<ul style="list-style-type: none"> <li>• Strong economic growth</li> </ul>

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

- Strong economic growth
- A fair and secure marketplace
- Safe and secure communities

This alignment ensures that transportation decisions continue to contribute to the success of the broader Government of Canada agenda. The programs and services offered by Transport Canada to Canadians aim to achieve results in partnership with the other departments, organizations and industry toward a strong economy, the protection of the environment, and the safety and security of Canadians.



## 1.5 Overall Planning Context

### 1.5.1 Challenges and Opportunities

Canada is the most trade-dependent country in the G-8. International trade today is driven by the rapid, seamless and secure movement of goods and people around the world in global supply chains. With goods seldom moving via a single mode of transport, success depends more than ever on integrated systems that span the entire supply chain from inputs to the end consumer.

Transportation infrastructure is fundamental to that success, but in an interconnected world, international trade, border management, security, skills shortages, land use, taxation, governance, and the need for cooperation across jurisdictions and across public and private sectors are also “transportation” issues. In that context, a more sophisticated approach to transportation is emerging as a major opportunity for national leadership that leverages partnerships with other jurisdictions and the private sector, resulting in tangible measures that will advance Canada’s productivity, prosperity and social well-being in the years ahead.

Transportation is now the third-largest sector of economic activity in Canada, accounting for 13 per cent of household spending, and employing 850,000 people. Over the last 20 years, market-oriented policies (deregulation, privatization and commercialization of transportation services and infrastructure) have contributed to productivity gains in this sector that far outstrip those in the overall economy. However, that momentum has now tailed off, and new approaches to policy and investment are needed. The next generation of productivity gains can be achieved through policies and investments that address the interconnections and integration the 21<sup>st</sup> century economy demands. We must show leadership in adapting policies to changing economic realities at national, continental and global levels.

- Citizens of developed nations once took for granted the benefits of transportation systems. Terrorism, however, has challenged this sense of comfort. Recent attacks have reminded citizens about the role of transportation in their lives and raised their expectations that governments are acting in a coordinated, integrated and strategic fashion in order to keep transportation systems and border crossings secure and efficient. A review of transportation security in close partnership with a wide range of actors from the public and private sectors could provide a strong basis for national partnership with a clear definition of the roles and responsibilities of various partners. It could also send a strong signal to key international partners about the commitment of Canada to security at home and abroad.
- In the era of seamless global supply chains our success in international commerce depends more than ever on efficient transportation systems and trade promotion strategies that build on our advantages in geography and transportation. For example, we need to act strategically to take advantage of our position as the natural gateway between North America and the emerging economic giants of the Asia-Pacific region.
- In order to address congestion, bottlenecks and system-wide efficiency, investments are also required in highways and borders, ports, intelligent transportation systems, interurban commuter networks and planning and feasibility studies to ensure high-productivity

investments. We must work with provinces and territories to negotiate stable funding for Canada's strategic infrastructure.

- Environmental quality is another major public preoccupation that is connected with transportation. This sector of the economy contributes most of the pollutants that cause urban smog, and is also a major source of Canada's greenhouse gas emissions. These dynamics mean that the nexus of transport, environmental and urban quality of life issues is one of the most profound challenges for policy-makers today.

For all of these reasons, transportation is at the heart of a range of converging pressures and opportunities. Transport Canada is moving on a number of fronts defined by its strategic priorities to advance Canada's competitiveness, and achieve the coherence necessary for the greatest possible safety, security, efficiency and sustainability of the system as a whole.

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

## **2.1 Plans and priorities by Strategic Outcome**

This section identifies activities that Transport Canada will be undertaking over the next three years in addressing priorities toward meeting its three strategic outcomes.

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

An efficient transportation system is essential to Canada's economic growth and social development. It directly contributes to Canada's international competitiveness, productivity, and overall quality of life in urban, rural and remote areas. Given the constantly accelerating pace of global trade, the profound connections among transportation, nation-building and prosperity that informed the transportation decisions of previous generations of Canadian leaders have again assumed pre-eminence.

Transport Canada has a key role to play in providing a solid foundation for an efficient transportation system. It develops modal and multi-modal policy frameworks, laws and regulations that govern the economic behaviour of transportation carriers. Competition and market forces are basic tenets of our national transportation policy and will continue to be prime agents in guiding the growth and development of the national transportation system. A strong and healthy marketplace encourages existing competitors and new entrants to innovate and provide new services to meet the transportation needs.

An efficient transportation system also depends on reliable, safe, well-maintained transportation infrastructure to support its development. The departmental activities on this front are wide-ranging and fall under five broad areas: strategic investments in areas that directly support federal priorities, monitoring of transportation infrastructure providers, ensuring appropriate policy and legislative frameworks, divestiture of federal assets to parties that are better placed to manage them, and continued support to federally-dependent facilities and landlords of substantial land assets.

More specifically, Transport Canada continues to implement its well-advanced divestiture program of regional/local airports while continuing to assume responsibilities for airports and ports until their transfer. It supports federally-dependent facilities (ports, airports and ferries) as well as rail and ferry services to remote communities. The department carries out landlord and monitoring functions for strategic assets such as major airports and ports throughout the country. Transport Canada's expertise in policy and program development related to transportation infrastructure and its consideration of the public interest is recognized throughout the federal government. The department develops and implements policies and programs on its own and in partnerships with public and private sector partners.

The department continues to be fully committed to divesting its remaining regional/local ports and is working closely with entities across the country to meet this goal. It ensures that Airports Capital Assistance Program (ACAP) funds are properly managed and directed to those airports most in need of safety, asset protection and operating cost reduction assistance.

The department also contributes funds to the constitutionally mandated Nova Scotia to Newfoundland and Labrador ferry services operated by Marine Atlantic Inc., administers the annual operating and capital subsidies to VIA Rail Canada, supports and provides oversight to numerous federal bridges (Jacques Cartier, Champlain, etc.), provides an annual grant to British Columbia for its coastal and freight services, and provides capital and operating contributions to Ridley Terminals Inc.

In support of these responsibilities and other priorities, the department needs to engage domestic and foreign jurisdictions and private sector stakeholders on an ongoing basis. This is the case, for example, in its negotiation of bilateral air transport agreements or arrangements for international air services and representing the Government of Canada as a member of the International Civil Aviation Organization (ICAO) or co-leading the Canada-U.S. Transportation Border Working Group with the U.S. Federal Highways Administration.

In addition, Transport Canada ensures the effective, strategic direction and coordination of its involvement in international activities (including with multilateral bodies such as the Asia Pacific Economic Cooperation and the European Conference of Ministers of Transport), as well as coordination of key bilateral relationships (for example with the United States and China) and coordination of the minister's and senior management's involvement in international activities.

The department is also actively engaged in bilateral and multilateral trade negotiations that impact trade in transportation services.

Transport Canada has an extensive program of monitoring and analysis of the Canadian transportation system, including reporting to Parliament on the state of transportation in Canada (*Canada Transportation Act*), conducting economic studies, managing transportation data and monitoring transportation activities throughout Canada. The department contributes to federal science and all departmental priorities by supporting research and development activities, in particular through its Transportation Development Centre.

The department recognizes that progress toward achieving its high-level ultimate outcomes will be influenced by some factors that it does not directly control, such as global economic conditions, international crises or the actions of other governments. At the same time, it understands that performance information is needed to adjust priorities and strategies to ensure that progress continues in the right direction. The box below provides an overview of the indicators that Transport Canada plans to use to monitor its progress in promoting an efficient transportation system.

#### **Indicators of progress**

- *Increased productivity of the transportation system*
- *Price and service levels*
- *Financial viability of the different components of the system*
- *Reduction of cost to taxpayer*
- *Benefits to industry and consumers from improved harmonization*

## **Efficiency: Challenges and Opportunities**

In the face of globalization and the integration of the North American market, increasing Canada's productivity and international competitiveness is critical to the creation of new and viable trade opportunities. Improvements in the productivity of the transportation sector over the past several years have contributed significantly in economic growth. A more recent slowdown in transportation's productivity gains is indicative of the need to keep transportation productivity improvements a priority in the future to sustain Canada's economic growth. Remaining competitive will necessitate that we create the right conditions to encourage further investment in transportation infrastructure to address capacity constraints at key ports and borders. In addition, there is a need for increased coordination and consultation, both nationally and internationally, particularly with our largest trading partner, the United States. While competition within and among modes will continue, successful participation in the global economy will require transportation stakeholders to cooperate in the development of seamlessly integrated national and international transportation systems.

In practice, this means a change in perspective, recognizing that our major ports and airports are engines of economic activity crucial for trade and commerce, and key in creating dynamic urban centres that are magnets for investments and talent. At the same time, a converging set of pressures flows from the pre-eminent role of global supply chains in international commerce. As a result, an ever-higher premium is placed on seamless, secure and rapid movement of goods and people, as production processes are disaggregated and re-aggregated to maximize value. An integrative policy approach that recognizes the interplay of trade, safety, security and other transportation issues is essential for Canada to remain competitive in this evolving global environment.

The **air industry** has always had a strong international as well as domestic dimension. Competitiveness and access to opportunities are as important as addressing the domestic public good through the availability of services on reasonable terms. The federal role with respect to this largely privatized sector of transportation is to ensure the public good through implementation of appropriate economic policy and legislative frameworks while facilitating service opportunities in a rapidly changing global environment. Issues to be addressed in the near-term include: introduction of a legislative framework for airports to complement the new rent policy announced in May 2005, monitoring and research in support of international air policy development, airport competitiveness, airport financial viability, and continued refinement of the existing legislative framework for the sector.

Enhanced financial and competitive flexibility also needs to be provided to the **Canadian marine sector and Canada Port Authorities (CPAs)** so they can respond to economic opportunities and realize their potential as economic generators. Issues to be addressed include the potential refinement of legislative and regulatory instruments in order to provide further tools for instilling and promoting an appropriate investment climate for CPAs, as well as other measures to ensure future port competitiveness.

**Rail transportation** contributes to national competitiveness through its role in the development of strategic North American **gateways** and trade corridors. The department is increasingly

focusing attention, with others in the public and private sectors, in examining challenges associated with transportation capacity to meet ever-increasing trade growth. Particular areas of attention include the west coast — our Asia-Pacific Gateway — where the boom in trade with China is creating significant congestion, and in south western Ontario where work is underway to address short- and longer-term challenges concerning congestion and capacity at the Windsor-Detroit gateway. In addition, the provision of passenger rail services, including those in remote areas of the country, is a continuing area of interest for the department.

The future of our economy depends on **efficient trade corridors** that allow all modes of transport to capitalize on Canada's competitive advantage as a gateway between North American and other global markets. Ensuring the secure and efficient flow of people and goods at border crossings and along corridors requires both infrastructure improvements and a coordinated approach to implementing enhanced border and transportation processes.

As mentioned under the priority “New Security Policies and Programs”, Transport Canada is actively participating in the **Security and Prosperity Partnership** (SPP) of North America. On the prosperity side, the department is working with its partners to help ensure secure and more efficient border crossings (including a compendium of border infrastructure needs, improved coordination and implementation of infrastructure and technology investments, and the development of a new bridge crossing at the Windsor-Detroit Gateway), to improve aviation safety, enhance airspace capacity and air navigation, and achieve greater air liberalization. Work under the SPP thus provides the opportunity to achieve key departmental objectives within the context of North American growth, competitiveness, and quality of life.

The government's **innovation strategy** is focused on fostering innovation and developing the necessary skills for this innovation capacity to grow. Research and development supporting transportation innovation will continue to be central to maintaining a competitive and productive transportation system that is safe and secure and environmentally responsible. A steady flow of new ideas is required to advance technologies and science that support intermodal integration, improved infrastructure design, congestion management, supply chain logistics and environmental initiatives, and more public-private partnerships must be fostered to realize these objectives. There is also a need for the transportation sector as a whole to focus on skills development to ensure we have the people and the capacity to continue to operate and improve the system.

### **Efficiency: Program Priorities**

To promote an efficient transportation system that contributes to Canada's economic growth and trade objectives, Transport Canada will focus its efforts on key activities and initiatives that support the three program priorities of **Market-based Policy Framework; Infrastructure, Gateways and Trade Corridors; and Innovation.**

### 2.1.1.1 Market-based Policy Framework

This is Transport Canada's third priority for the planning period.

Ensuring the continued improvement of transportation services by providing rules that allow transportation undertakings to adapt, innovate, remain competitive and serve the public — has been the successful focus of federal transportation policy over the years. Experience has demonstrated that competition and free market forces stimulate performance. When government interventions are needed, they should be targeted to situations where market forces are insufficient to achieve desirable outcomes. While much has been accomplished to provide a competitive marketplace and to better focus government actions, there still remains room for improvements.

The *Canada Transportation Act* (CTA) provides the basic rules that govern the economic behaviour of railways and airlines. A renewed proposal to amend the CTA was introduced in the House of Commons on March 24, 2005. Bill C-44, which replaced former Bill C-26, died on the order paper in November 2005. The intention of Bill C-44 was to ensure that transportation service and capacity remain responsive within a stable policy framework and encourage an investment climate supporting strategic private investment. The government is committed to proceeding, on a priority basis, with most of the proposed amendments to the CTA. The government will develop a legislative strategy to ensure the expeditious passage of these important amendments.

In May 2006, the Government of Canada announced that it had decided to retain ownership of its fleet of hopper cars. Transport Canada will negotiate new operating and refurbishment agreements with the railways.

On November 4, 2004, the government requested the assistance of the Standing Committee on Transport (SCOT) to conduct a review to determine if Canada should further liberalize its approach to the **economic regulation of the air industry**. On May 19, 2005, the SCOT delivered an interim report with recommendations. The government tabled its response to the recommendations in the SCOT interim report in August 2005. The present government continues to monitor international developments and to pursue opportunities to incrementally liberalize Canada's air bilateral agreements for the benefit of Canada's air industry and air traffic users.

Canada had more than 70 bilateral air transport agreements or arrangements for **international air services** in place at the end of 2005. Having successfully concluded negotiations in 2005 to liberalize several important agreements (China, India and the United States), priority in the coming year will be given to agreements with which Canada can secure additional economic opportunities. The expansion of Canada's air agreements is intended to secure new operating rights for Canadian carriers as well as to provide Canadian travellers and shippers with better and more economic travel options. The department continues work with its partners to identify and remove impediments to ensure that Canadian industry and consumers can take advantage of new flexibilities.



Canada's Permanent Representative to the Council of the **International Civil Aviation Organization (ICAO)** is accountable for all aspects of relations between Canada and the 189 member states and the ICAO Secretariat. Key priorities for the coming year will be to continuously advance the agendas for safety, security and the environment, and to assist in the transition related to a new president of the council and a re-elected secretary general. Coordination will remain a critical element of developing Canadian positions.

Consultations have been completed on a revised **Canada Airports Act**, to be introduced in the new Parliament. Former Bill C-27 died on the order paper in November 2003. The objectives of the new act will include provisions to strengthen governance, transparency and accountability at Canadian airports, especially those operated by Airport Authorities. Work is also underway to better understand the competitiveness of Canada's National Airport System airports.

The **Aviation War Risk Liability Program** was introduced in the aftermath of September 11, 2001 to provide an indemnity for third party aviation war risk liability for Canadian air transportation companies that could not obtain suitable insurance coverage on commercially acceptable terms. The program has been extended several times, most recently to the end of 2007. The objective of the program is to ensure the continued operation, viability and competitiveness of the Canadian aviation industry. Over the course of 2006, the department will continue to monitor the aviation insurance market, and make adjustments to the program as appropriate.

Transport Canada plans to introduce regulations in 2006-07 to require marine carriers to get and maintain insurance coverage sufficient to meet their liability to passengers under Part 4 of the **Marine Liability Act**. These compulsory insurance regulations will protect the financial interests of passengers and support competition by ensuring that fully insured operators face no competitive disadvantage from those who would under-insure their operation.

#### **2.1.1.2 Infrastructure, Gateways and Trade Corridors**

This is Transport Canada's second priority for the planning period.

Creating the conditions that encourage investments in transportation and directly supporting transportation infrastructure that serves the national interest and enhances the quality of life in our communities are key departmental priorities.

Growth in Canadian trans-Pacific trade, both exports and imports, has created the potential for congestion and delays that could have a significant negative impact on the Canadian economy as a whole. In 2005, Transport Canada undertook important new measures for a strategic national approach to trade and transportation issues through the Asia-Pacific Gateway Initiative. The government is strongly committed to this initiative that was designed to enhance prosperity and strengthen Canada's position in international commerce by further developing the Asia-Pacific Gateway. This is a pan-Canadian and international initiative, with strong Asia-Pacific and Canada-U.S.A. commercial, investment, and security dimensions. The initiative will focus on issues of improved efficiency of the whole transport system, new infrastructure investments and closely related security, trade, investment, human resource and environmental issues.

Transport Canada will place a priority on working with British Columbia and other western provinces, and with regional and municipal levels of government to further develop Asia-Pacific Gateway measures. The department also recognizes the importance of key private sector stakeholders in Canada's transportation network, and will continue to work with them towards the successful implementation of this government's Asia-Pacific Gateway Initiative.

Extensive collaboration among all levels of government together with private sector partners, and the establishment of a deep level of consensus across a range of issues was a pre-condition for concerted government action pertaining to the Asia-Pacific Gateway. Stakeholders examining similar initiatives in other regions of Canada characterized by major international trade volumes and opportunities are encouraged to work together in developing their vision and priorities.

Transport Canada also works closely with Infrastructure Canada on highways, transit and border projects by providing technical input, analysis and advice on the selection of transportation projects, jointly negotiating and seeking Treasury Board approval of the contribution agreements, and implementing the projects.

As of December 2005, approximately \$4 billion had been invested in transportation projects through the **Strategic Highway Infrastructure Program (SHIP)**, the **Canada Strategic Infrastructure Fund (CSIF)** and the **Border Infrastructure Fund (BIF)**. The SHIP provides for cost-sharing highway and border improvement projects with provinces and territories. It also provides funding for intelligent transportation systems deployments and research and development projects, and for transportation planning and modal integration initiatives. Most of the money available under these funds has been committed. However, many projects remain to be implemented.

For 2006-07, the department's priorities will be to manage and ensure the compliance of transportation projects under the funding programs SHIP, CSIF and BIF. For example, the construction of a four-lane Trans-Canada Highway (Route 2) in New Brunswick (\$200 million federal); the studies and other preliminary work (phase 1) on Highway 30 to explore the potential for a public-private partnership to complete this section of highway, spanning 42 kilometres southwest of Montreal, in Quebec (\$10.5 million federal); improvements to GO Transit's rail network in the extended Greater Toronto Area (\$385 million federal); improvements to highways and border-crossing infrastructure in the Sarnia, Niagara and London areas in Ontario (\$154 million federal); and the construction of a light rail transit line, linking central Richmond, Vancouver International Airport and downtown Vancouver in British Columbia (\$450 million federal); and, national corridors for Canada in the Northwest Territories (\$65 million federal).

Transport Canada will continue negotiations for a number of announced transportation projects, such as the Let's Get Windsor Essex Moving Strategy (\$150 million federal); a light rail expansion from downtown Ottawa to Barrhaven in Ontario (\$200 million federal); highway rehabilitation projects on Route 1 of the Trans-Canada highway in Newfoundland (\$24 million federal); and the construction of a four-lane divided highway (Route 175) between Quebec City and Saguenay (\$262.5 million federal).

In **Budget 2006**, the Government made a strong commitment to providing stable and reliable funding to the provinces, territories and municipalities to help them meet their infrastructure needs. The Budget includes \$2.4 billion over the next 5 years for a new **Highways and Border Infrastructure Fund** (HBIF) for which Transport Canada is developing a framework and program objectives, \$2.3 billion to renew the CSIF, \$2.2 billion to renew the Municipal Rural Infrastructure Fund, \$591 million for the Pacific Gateway Initiative, and \$1.3 billion in Public Transit Infrastructure Investments. A key objective of the HBIF will be to cost-share with provinces and territories improvements to the core National Highway System (NHS) and border crossings. In addition, Transport Canada is considering how this Fund could address the multi-modal priorities identified by the Council of the Federation's December 2005 transportation plan. The Budget also commits to maintaining the estimated \$3.9 billion in current funding over the next four years under existing infrastructure agreements, and maintaining the gas tax funding agreement under the New Deal for Cities and Communities. Over the next four years, federal support for infrastructure will reach \$16.5 billion. Furthermore, the Budget also specifically mentions that infrastructure projects will adhere to best practices, including not funding cost overruns and requiring funding recipients to be accountable to Canadian taxpayers.

Among the most significant infrastructure initiatives announced by the Government in the Budget is the HBIF. This new \$2.4 billion program will be managed by Transport Canada. A key objective of the new fund, which will be delivered over five years, will be to cost-share, with the provinces and territories, improvements to the core National Highway System, including the Trans-Canada Highway.

Transport Canada will continue to work with other federal departments and our provincial, territorial, municipal and private sector partners to develop and deliver these programs efficiently and effectively in order to meet federal objectives.

In support of the development of Highway 30 in Quebec, Bill S-31 (*Statutes of Canada (2005) Chapter 37*) — an act to authorize the construction and maintenance of a bridge over the St. Lawrence River and a bridge over the Beauharnois Canal for the purpose of completing Highway 30 — was adopted by the Senate in June 2005 and by the House of Commons in September 2005, and received royal assent on November 3, 2005. This special act contains provisions requiring Quebec to submit plans, specifications and the location of the two bridges for examination and approval by the Governor-in-Council before work commences, and includes a provision under which the Governor-in-Council may, for the purpose of navigation, make regulations respecting the two bridges.

Transport Canada will continue to provide leadership through the development of highway policies that focus on the 38,000 kilometres of federal-, provincial- and territorial-owned **National Highway System** (NHS), which is comprised of the core, feeder and northern and remote routes.

In September 2005, following a federal/provincial/territorial review of the NHS, the Council of Ministers responsible for Transportation and Highway Safety agreed to add a further

approximately 10,500 kilometres of existing highways to the NHS. Most of these routes have been added in 2 new categories: feeder routes and northern and remote routes. The total length of the NHS has increased by 38 per cent from September 2004 when just over 2700 km of additional highways were added to the core routes. The NHS now comprises of 27,608 km of core routes; 4,500 km feeder routes; and over 5,900 km northern and remotes routes. Work will continue over the next year to develop:

- Criteria to identify key connections to the NHS within major metropolitan areas; and
- A process and scope for future reviews and reporting on the state of the NHS.

Transport Canada is currently reviewing the governance and operation of all **domestic and international bridges** within its portfolio with a view to enhancing their ability to be self-sufficient over the long-term. In addition, the department is examining mechanisms to improve the oversight capability to better manage critical infrastructure. In April 2006, Transport Canada introduced legislation that would provide the federal government with the authority to approve the construction of new international bridges and tunnels, alterations to existing bridges and tunnels, the sale or transfer of existing bridges and tunnels, international bridges and tunnels over the St. Lawrence River, and to implement regulations to ensure the safety, security, and efficient operation of these critical components of the international transportation system. As well, the department is currently developing a strategy for the governance and operation of the international bridges within its portfolio to improve the oversight capability and to more effectively manage these structures.

Improving international traffic flows at the **Windsor-Detroit gateway** is a key government priority. In addition to the Let's Get Windsor-Essex Moving Strategy, which is funding improvements to existing infrastructure in the Windsor area, the department continues to participate in the Canada-U.S.-Ontario-Michigan Border Transportation Partnership, with the purpose of developing a long-term strategy to improve the movement of people, goods and services across the Windsor-Detroit gateway. Through a coordinated environmental assessment (EA) study process the partnership is identifying the location for a new international border crossing, inspection plazas and connecting roads leading from Highway 401 in Canada to the Interstate Highway System in Michigan. This study is expected to be complete in 2007, at which time the partnership will have concluded consultations and developed a preliminary design for the new border crossing. The partnership is also working on the development of a governance regime for the new crossing that is expected to be in place by the completion of the EA. In addition, Transport Canada is also working with the City of Windsor and local railways to examine the opportunities for rail rationalization in the Windsor area.

In terms of passenger travel, VIA Rail is responsible for the safe and efficient provision of inter-city passenger rail services in Canada. VIA receives an annual operating subsidy of \$169 million and also relies on Government funding for its capital needs. In 2006, Transport Canada will work with VIA Rail to develop a strategy for ensuring the long-term sustainability of its operations.

In her 2005 Status Report, the Auditor General recommended that Transport Canada update its ability to monitor long-term viability, prepare a strategy for response to financial distress, and

develop a framework for the monitoring of **airport performance**. The department is updating its ability to monitor long-term viability and has developed a process to respond to financial distress of a National Airports System Airport Authority. The department is continuing to develop a framework for the monitoring of airport performance.

Transport Canada is leading a federal-provincial-territorial task group looking at the **small airport viability issue**, including the identification of options for the future.

The *Canada Marine Act* (CMA) established the first single, comprehensive piece of legislation to govern many aspects of Canada's marine sector, including the establishment of Canada Port Authorities (CPAs), the commercialization of the St. Lawrence Seaway and federal ferry services, and improvements to the way in which pilotage authorities operate in Canada. Bill C-61, *An Act to amend the Canada Marine Act and other Acts*, was introduced in Parliament in 2005. This legislation, which proposed amendments to the CMA, aimed at allowing the marine sector (especially CPAs) to respond more effectively to capacity demands and deal with aging infrastructure, died on the order paper in 2005. Subsequent steps related to this proposed legislation will rest with the new Parliament.

Transport Canada is working with the U.S. Department of Transportation, the U.S. Army Corps of Engineers and the Canadian St. Lawrence Seaway Management Corporation on a comprehensive study of the **future infrastructure needs of the St. Lawrence Seaway**, including the engineering, economic and environmental implications of those needs. The principal focus of the study is to assess the long-term maintenance and capital needs to sustain and optimize the existing Seaway infrastructure.

**Ridley Terminals Inc.** (RTI) is a parent Crown corporation, which operates a bulk terminal on lands leased from the Prince Rupert Port Authority. This terminal was created to provide a direct route for the shipment of northeast British Columbia coal to Asian markets. RTI has experienced financial difficulties relating largely to the fortunes of northeast British Columbia coalmines and low volume of throughput at the terminal. In 2004 and 2005, the department provided financial support to RTI through contribution agreements and, in 2006, will be providing additional funding to allow RTI to operate as a going concern. Financial projections indicate that RTI will require federal government support to cover operating and capital requirements for the first two quarters of 2006, and there is reasonable expectation — based on increased demand in world coal markets and new developments in the Canadian coal industry — that RTI will reach its break-even throughput level and will likely become self-sufficient and have financially viable operations by early 2007.

**Marine Atlantic Inc.** (MAI) is a parent Crown corporation that fulfills Canada's constitutional obligation to Newfoundland and Labrador (NL) to provide year-round ferry service between North Sydney, Nova Scotia and Port aux Basques, NL. MAI relies on Government funding for its capital and operating needs. In the coming year, Transport Canada will continue to work closely with MAI to develop a long-term strategy to address the corporation's financial requirements. The strategy will consider important elements for MAI's revitalization, including a renewed rate structure, governance and future capital and fleet requirements.

### 2.1.1.3 Innovation

This is Transport Canada's eighth priority for the planning period.

Innovation is key to Transport Canada's objectives and, in particular, to reconciling the three strategic outcomes (safety and security, efficiency, and environmental responsibility) of the department's vision of a sustainable transportation system. Innovation and skills development can make the transportation sector stronger, more resilient, adaptable and responsive to changing demands and pressures.

Transport Canada has launched an initiative aimed at measuring the **full costs** of all transportation activities. Full costs include both economic costs as well as social costs. This initiative will help to develop an additional analytical tool to better guide decisions related to sustainable transportation.

Transport Canada also continues to review its approach to research and development (R&D). The department will establish a comprehensive vision for R&D at Transport Canada to provide direction for future activities by conducting R&D into safety, security, efficiency and environment and energy use to advance the development of a sustainable transportation system for the efficient and effective movement of people and goods; providing leadership and acting as a catalyst for partnerships, collaborative efforts and integration across the transportation community; and encouraging the flow of information on R&D activity results.

Key activities to be undertaken in the planning period at Transport Canada's Transportation Development Centre include enhanced networking for creative solutions, partnership opportunities, the demonstration of the functionality of newly developed transportation systems and technologies and pursuing the transfer and commercialization of our successful research outcomes to the community.

Through the **Intelligent Transportation Systems (ITS) Plan for Canada**, "*En Route to Intelligent Mobility*", Transport Canada continues to promote awareness of these innovative technologies. Through targeted funding, Transport Canada will continue to accelerate research, development, deployment and integration of ITS in support of national objectives (e.g. the Innovation Agenda, Asia-Pacific Gateway Initiative, Let's Get Windsor-Essex Moving Strategy), as well as departmental priorities such as safety, security and efficiency of the transportation system. Given that the national strategic plan is now more than six years old, Transport Canada will commence the process to review and update this policy framework.

**Transportation-related innovation and skills development** offers the promise of increased productivity and efficiency, a more environmentally sustainable transportation system and the creation of an investment-friendly business environment through more efficient movements of goods and people. In 2006, Transport Canada will continue its efforts with public and private sector partners to identify and seek ways to address top skills development challenges, and to identify opportunities for joint federal-provincial-territorial action. The department will also explore opportunities to support a limited number of specific transportation-related initiatives undertaken by academics and/or public and private sector partners to promote transportation

innovation and skills development and to increase interest and awareness of transportation-related research and careers. Any activities to support the department's overall approach to innovation and skills development will take into account other initiatives already underway, such as the Asia-Pacific Gateway Initiative.

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

Transport Canada promotes the safety and security of Canada's transportation system consisting of the air, marine, rail, and road modes of transportation. A safe and secure system protects people from acts of terrorism, accidents and exposure to dangerous goods, enables the efficient flow of people and goods, and protects the environment from pollution. It is an essential element for a healthy population, a high quality of life and a prosperous economy.

Policy development, rule-making, monitoring and enforcement and outreach activities support the safety and security objective. Through its policy development and rulemaking efforts for all the modes of transportation, the department establishes and implements legislation, regulations, standards and policies. Monitoring and enforcement activities include issuing licences, certificates, registrations and permits, monitoring compliance through audits, inspections and surveillance, and taking appropriate enforcement action in instances of non-compliance. In particular, the department's inspectors monitor the system to make sure the rules are being followed, and, if required, enforce the policies and rules. Outreach activities involve efforts to promote, educate and increase awareness of safety and security issues and make users and industry aware of requirements.

Transport Canada is responsible for the security of the Canadian transportation system and plays a lead role in the security of the travelling public. The department discharges that responsibility through activities such as establishing security rules and standards for transportation facilities; screening air travellers and their baggage; responding to security incidents and threats; restricting access to certain parts of airports to authorized personnel only, training and qualifying security screeners and securing air cargo and mail. Transport Canada also regulates the Canadian Air Transport Security Authority (CATSA), a Crown corporation responsible for the screening of passengers and their belongings and certain other specific initiatives to improve air passenger and airport security. In the fall of 2005, the Minister of Transport, Infrastructure and Communities appointed an Advisory Panel to conduct a review of the provisions and operations of the *CATSA Act* to ensure it provides a sound and adequate statutory basis for its air transport security mandate. The Minister has also asked for the Panel's advice on future aviation security requirements that may impact on CATSA's future operations. The Panel may also make observations on other important matters that come to its attention during the course of its work.

Transport Canada also establishes safety standards for rail transportation, the manufacturing of motor vehicles and aircraft, the navigation of commercial vessels through Canadian waters and the transportation of dangerous goods. In addition, Transport Canada maintains a small fleet of aircrafts for the non-military use of the Government of Canada.

Transport Canada works in partnership with other governments, industry, stakeholders and international organizations to develop the laws and rules that promote the safety and security of the transportation system. The department contributes to enhancing Canada's influence and reputation on the international stage by leading and participating in activities at international levels through organizations like the International Civil Aviation Organization and the International Maritime Organization.

Transport Canada works to ensure the safe movement of dangerous goods. The Canadian Transport Emergency Centre (CANUTEC) is the department's 24-hour response centre that assists personnel in handling dangerous goods emergencies. An *Emergency Response Guidebook* has been developed and distributed to firefighters and emergency personnel across Canada. It is available in 18 different languages.

Transport Canada puts into place regulatory, educational and promotional programs that reduce the probability of an incident occurring and mitigates the consequences if one does occur.

In partnership with the Department of National Defence (DND) and the National Search and Rescue Secretariat (NSS), Transport Canada also supports and facilitates search and rescue activities including response services by providing regulations for the carriage of emergency equipment to protect the survivors of accidents and alerting devices to find them. Transport Canada receives funding from the Search and Rescue New Initiatives Fund administered by the NSS to manage programs that contribute to search and rescue in Canada. This funding (included in Vote 1 – Operating, Table 3) will total \$459,976 in 2006-07, \$367,000 in 2007-08 and \$207,752 in 2008-09.

In the event of investigations after an accident, Transport Canada provides the required assistance to the Transportation Safety Board. The department learns from these investigations to better identify the causes of the accidents and further improve the rules and policies to better protect the public as required.

A safe and secure transportation system contributes to the quality of life for all Canadians and supports safe and secure communities, as outlined in *Canada's Performance 2005*.

#### **Indicators of progress**

- *High level of public confidence in transportation safety and security*
- *Reduction in accident/incident rates relative to the increase in traffic*
- *Reduction in fatality rates relative to the accident/incident rates*
- *Progress in implementing safety management systems and security management systems*



## **Safety and Security: Challenges and Opportunities**

Canada has one of the safest and most secure transportation systems in the world. However, the dramatic growth of new markets and the changing dynamics of global trade represent immense challenges for the transportation system. Bottlenecks are beginning to develop at key ports and there are concerns about the ability of our rail and marine systems to meet current demands and future growth. New technologies will affect the way planes, trains, vehicles and vessels operate and their level of safety and security. These changes will put new pressures on the transportation system and introduce new risks. Transport Canada will be challenged to ensure that, while traffic in all modes is increasing, the levels of safety and security are also continuously improving, and that the department's policies and rules adapt to these changes. Transport Canada will continue to work closely with industry and other stakeholders to develop innovative approaches to research, rule-making, outreach, monitoring and enforcement.

A fundamental role of the federal government is to help ensure the safety and security of the nation's citizens, which is addressed through the National Security Policy (NSP) – a long-term strategic framework that provides a blueprint for action on national security issues, including actions in the transportation sector. The policy recognizes that everyone has a role to play in public safety and security. The policy also recognizes the essential nature of collaboration, including the mechanisms to ensure collaboration. Transportation security is addressed under the NSP and is an essential component of a successful transportation system. Many of the major terrorist attacks of the last 30 years have been linked to transportation. Within this context, the Government of Canada has taken major steps to enhance the security of the aviation and marine transportation systems.

Given the importance of the marine industry to Canada's economic prosperity, marine security has been a particular focus of attention. Global movements of vessels, their cargo and their passengers, as well as potential threats to marine infrastructure, have resulted in major security enhancement projects at Canadian ports and marine facilities.

In the rail mode, Transport Canada has a Memorandum of Understanding on rail security with the Railway Association of Canada that establishes voluntary implementation of security procedures such as incident reporting and emergency response. The department is also involved in developing and implementing initiatives to improve the secure and efficient flow of traffic along key trade corridors. Following terrorist attacks in Madrid in 2004 and in London in July 2005, the department expanded a rail information-sharing network to include major urban transit authorities. In partnership with Public Safety and Emergency Preparedness Canada, Transport Canada is reviewing passenger rail and transit security needs in collaboration with the many partners in this sector.

Transportation safety and security is an essential requirement for a healthy population, a high quality of life and a prosperous economy. The department's challenge is to find innovative and cost-effective ways to identify and mitigate safety and security risks in the transportation system without harming the environment or hindering economic growth.

## **Safety and Security: Program Priorities**

To promote a safe and secure transportation system that contributes to Canada's social development and security objectives, Transport Canada will continue to focus on the three program priorities of **New Security Policies and Programs**, **Smart Regulation**, and **Safety and Security Management Systems**.

### **2.1.2.1 New Security Policies and Programs**

This is Transport Canada's first priority for the planning period.

Implementing a comprehensive National Security Policy will ensure a more focused and integrated approach to securing our own society. Within this context, cooperation with the United States (U.S.) to strengthen our economic and security relations is an essential requirement for Canada's security and economic objectives. The National Security Policy contains three transportation-related deliverables: a six-point action plan to strengthen the marine security regime; enhancement of security in aviation, including air cargo; and improving and extending security background check requirements for transportation workers.

Transport Canada will continue to implement aspects of *Securing an Open Society: Canada's National Security Policy* in 2006-07, including: developing a comprehensive program for enhancing air cargo and airmail security; exploring the expansion of requirements for background checks to a broader range of transportation workers; and continuing work with the United States, G8 and other partners to further develop security measures in areas such as airport security. Transport Canada will also continue to develop a Transportation Security Action Plan. The plan will identify transportation security priorities across all modes of transportation and will include formal threat and risk assessments that will be integrated with departmental policies, regulations and enforcement activities. To further advance **air security**, Transport Canada will continue working with other government departments and key interested parties to implement a Canadian air passenger assessment program. This Passenger Protect Program will provide an additional layer of aviation security by preventing individuals who pose an immediate threat to air security from boarding aircrafts.

As an efficient transportation system is closely intertwined with its safety, Transport Canada continues to support programs instrumental in improving aviation safety worldwide. Specifically, our continued participation in the International Civil Aviation Organization Cooperative Development of Operational Safety and Continuing Airworthiness Program will enable designated areas of the world to improve their air transport safety oversight capabilities. This program will provide financial and in-kind assistance to developing states. Through the provision of international technical cooperation, Transport Canada continues to advance its policy objectives as well as open opportunities for Canada's aviation industry in international markets.

Transport Canada will continue to implement transportation-related aspects of the Canada-U.S. bilateral Smart Border Declaration and its companion 30-point action plan, including participating on the working group for the **protection of critical infrastructure** such as airports,

ports, bridges and tunnels. This working group serves as a forum for identifying critical infrastructure of shared interest that crosses the border and for sharing of information.

Building on the success of the Smart Border Declaration, Transport Canada will develop and implement new transportation security policies and programs under the Security and Prosperity Partnership (SPP), a trilateral initiative among Canada, the U.S. and Mexico. The SPP is designed to further enhance the security of North America and to promote the quality of life of citizens. Transport Canada, in close collaboration with other government departments, provinces and territories, Canadian stakeholders and the U.S. and Mexico, will play a key role in developing and implementing North American transportation security strategies that deal with, among other issues, aviation security, marine security, emergency preparedness and critical infrastructure protection.

Marine security continues to be a high priority for Canada as it supports a vital trade gateway, connecting Canada to the world. To date, a total of \$930 million has been invested toward marine security initiatives across government. As part of this investment, the Interdepartmental Marine Security Working Group (IMSWG) was developed under the leadership of Transport Canada to coordinate marine security efforts on behalf of the Government of Canada. Over the next three years, the IMSWG will continue to identify federal government actions in support of national and international marine security obligations, enhance effectiveness in delivering marine security initiatives, and facilitate communication with federal departments and agencies, other levels of government, the private sector, and regional committees with interest in or responsibilities for marine security.

The security at Canada's ports and marine facilities will be enhanced under the Marine Security Contribution Program, a three-year \$115 million initiative that commenced in 2004-05. In 2006-07, the program will continue to fund projects to strengthen security at Canada's ports.

Transport Canada will fortify the marine security regime and continue to implement a Marine Security Regulatory Oversight and Enforcement Program, which includes the development of standards, inspection and compliance, awareness education and support activities. The program is critical to reducing the vulnerability of Canada's ports and ships on international voyages to terrorist attack and for enhancing the security of Canadian citizens and our trade and economic well-being. Transport Canada will also continue to work diligently toward establishing the Marine Security Operations Centers in cooperation with other federal partners.

Transport Canada will also continue to work with stakeholders to establish and implement the Marine Transportation Security Clearance Program. The aim of this program is to ensure the security of persons at ports as well as the prevention of unlawful acts of interference with marine transportation.

Internationally, Transport Canada will enhance transportation security and implement new security policies and programs to establish a common approach to security. Efforts include initiatives to: improve aviation security (including air cargo); establish comparable standards for screening (e.g. of passengers and their luggage) and background checks; and, improve container security. In addition, over the next three years, in collaboration with other government departments as well as international partners, Transport Canada will create a compatible

maritime regulatory environment with a consistent approach to vessels and cargo destined to and within North American waters.

Canada's transportation emergency preparedness and counter-terrorism capabilities will be enhanced. The department will continue to participate in the North Atlantic Treaty Organisation activities and national and international emergency response planning, training and exercises, with an emphasis on rail and urban transit security, and pandemic influenza. The department will also be initiating a program to access trained emergency responders to assist first responders (at the request of local authorities) in handling chemical, biological, radiological, and nuclear agents in the event of terrorism in Canada.

#### **2.1.2.2 Smart Regulation**

This is Transport Canada's fourth priority for the planning period.

In the coming year, Transport Canada, as a major regulatory department, will continue to support the government's **Smart Regulation Initiative**. In practical terms, this means regulations that are more focused on safety and security results with targeted interventions, and with the flexibility to be innovative in meeting outcomes.

A key initiative in Transport Canada this year will be progressing toward an agreement with the automotive industry concerning the manufacturing and use of in-vehicle telematics devices, such as navigation, Internet access and cell phones. This agreement will include a safety standard and the general principles and process elements that will guide product design and evaluation. Producing safer telematics devices will help reduce incidents of driver distraction and collisions. The agreement will give industry more flexibility and opportunities for innovation in product design and will not require the department to issue new or adapt old regulations to respond to new technological advances. Consultations on the terms of the agreement are underway and should be completed in spring of 2007.

Transport Canada is committed to developing more performance-based regulations that deal with safety management systems for aviation organizations. The civil aviation regulatory framework recognizes the importance of implementing systematic approaches to further improve safety performance. An amendment to the *Canadian Aviation Regulations* will allow the Canadian Business Aviation Association to issue certificates for Canadian privately operated aircraft. This initiative is being undertaken in recognition of the very low accident rate for private operators. This regulatory change will provide private operators with additional opportunities to improve the efficiency of their operations by allowing the operators to play a more direct role in managing their own safety systems while not compromising safety.

Transport Canada will continue to develop responsive marine security regulations, which will keep Canada in step with a continuously evolving marine security regulatory environment. Key areas of development include domestic ferries, Administrative Monetary Penalties and Events of National Significance (i.e., tall ships at the Olympics).

Other key aspects of Transport Canada's regulatory strategy are the creation of rules that align with the rules of other regulatory agencies, both within Canada and internationally, and having meaningful consultations with both industry and the public. Rigorous and thorough consultation processes have helped to ensure that upcoming reforms associated with key acts will result in rules that reflect the needs and concerns of both industry and the public:

- the review of the *Transportation of Dangerous Goods Act, 1992*, continues. Amendments are expected to be proposed in the fall of 2006;
- the *Canada Shipping Act 2001*, will encompass up-to-date requirements of the International Maritime Organization and International Labour Organization Maritime Labour Conventions and bring clarity and consistency, more rapid adaptability and general applicability of maritime instruments; and,
- the *Motor Vehicle Safety Act* will include modernized provisions regarding regulatory efficiency and harmonization, certification and enforcement, and importation.

### 2.1.2.3 Safety and Security Management Systems

This is Transport Canada's fifth priority for the planning period.

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

Working closely with industry, labour and other key interested parties, the department will develop plans to implement SMS/SeMS. The implementation of SMS in aviation, rail, and marine organizations is the cornerstone for improving the safety, security and economic performance of industry. In 2006-07, the department will continue to actively implement this new approach.

With the expected global shift to more open markets and fewer regulatory resources, Transport Canada's vision is that safety management systems will be implemented in all regulated civil aviation organizations. This opens the door for the growing involvement of industry associations in further delegation, an important strategy to address future challenges. In 2006, the department is committed to publishing in the *Canada Gazette* the next series of safety management system regulations for smaller aviation operations, as well as airports and flight training units. These regulations will provide aviation organizations with the flexibility of deciding how to meet the safety requirements. This will allow for innovation, while continuing to improve safety. An up-to-date table of forecasted implementation dates is available on the department's website:

[www.tc.gc.ca/CivilAviation/SMS/implementation.htm](http://www.tc.gc.ca/CivilAviation/SMS/implementation.htm). The department will continue to organize regional information sessions to prepare the civil aviation industry for the implementation of safety management systems.

The railway safety management system regulations, which came into effect on March 31, 2001, require railway companies subject to the *Railway Safety Act* to implement and maintain safety management systems. A stakeholder forum on the experiences to date on implementing SMS in rail will be held, and a review of the department's rail SMS regulations and guidance material will be conducted.

Canada was one of the member countries of the International Maritime Organization that was instrumental to implementing requirements for Safety management systems on all ships trading internationally. The systems were mandated for Canadian international shipping through the Safety Management Regulations, which introduced the International Safety Management (ISM) Code in 1998 and expanded the scope of its application in 2002. Transport Canada has had some success in promoting voluntary adoption of the ISM Code by domestic shipping companies. The department has also developed guidance material for small passenger vessels operating internationally for which a full-blown ISM would not be feasible. Transport Canada is examining ways to increase the implementation of such systems and is assessing various shipping sectors for opportunities for increased participation. Transport Canada will continue to work with the marine industry over the coming years to identify opportunities to utilize an SMS philosophy in the continued enhancement of the marine safety and security regime in Canada.

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

Although transportation provides many economic and social benefits, the movement of people and goods can have significant environmental consequences, which in turn have social and economic repercussions. Effective Sustainable transportation decision-making necessitates that the environment be considered alongside economic and social factors. Environmental impacts from transportation include air, water and noise pollution, greenhouse gas emissions, and the loss of agricultural land and wildlife habitat. These stresses are caused by various transportation activities, including: construction of infrastructure; airport and port operation; road system operation and maintenance; production, operation, maintenance and disposal of vehicles; and consumption of energy.

Transport Canada will continue to promote a sustainable transportation system through developing and implementing programs and policies in support of sustainable development to protect the natural environment. As sustainable transportation is a shared responsibility, the department will work with its partners and stakeholders, including the general public, the transportation industry, other federal government departments, provinces, territories and municipalities, as well as international organizations.

Transport Canada is in the process of developing its fourth successive three-year [Sustainable Development Strategy](#). The strategy outlines principles for sustainable development, includes concrete deliverables and performance measures, and defines what the department can do better

to integrate sustainable development into its activities. It brings more precision to the concept of sustainability. The next strategy (for 2007-09) will be tabled in December 2006. Over the 2006-07 fiscal year, the department will hold national consultations with various stakeholders. In the short-term, the department will continue to implement the commitments and targets that it set out for 2004-06 and develop the next strategy for 2007-09.

Transport Canada, in its *Sustainable Development Strategy 2004-2006*, has included a key challenge involving the improvement of environmental management on Transport Canada lands and in their operations. The department has met this continuing challenge through its Environmental Management System (EMS). The EMS helps the department better understand the nature of the environmental impacts of transportation. It has led to the development of programs in the areas of environmental assessment, site remediation, environmental protection and real property management. In 2006-07, EMS will continue to aid the department in facilitating an understanding and management of the environmental impacts of transportation.

Transport Canada's climate change programs strive to reduce the growth of greenhouse gas (GHG) emissions in the transportation sector through a broad range of partnerships, commercialization of near-term fuel-efficient technologies, and sharing the risks and costs of innovation. The programs draw upon the best ideas identified by the Transportation Climate Change Table in 2000 in three main areas. Partnerships established through the [Urban Transportation Showcase Program](#) assist in encouraging more sustainable urban transportation. Energy-efficiency is continually improving within the freight system through the [Freight Efficiency and Technology Initiative](#) and the [Freight Efficiency Program](#). The introduction of new fuel-efficient technologies for vehicles is promoted through the [Advanced Technology Vehicles Program](#). Main activities under these programs include demonstrations and pilot projects, technology purchase incentives, industry awareness and capacity-building initiatives, and the negotiation of voluntary GHG reduction agreements with modal associations. The programs have developed a substantial presence in these sectors, and are effectively reducing GHG emissions as many projects near completion. Transport Canada is currently seeking the resources necessary to strengthen all of these programs and to place them on a more sustainable footing.

Since 1999, Transport Canada's Moving on Sustainable Transportation (MOST) program has funded innovative, smaller-scale projects to expand the range of sustainable transportation options for Canadians. The program aims to improve air quality and health, and realize other benefits by supporting the work of non-profit organizations across Canada.

The following box provides some high-level performance indicators that will be used to track progress towards the department's sustainable transportation goals.

### **Indicators of progress**

- *Reduction of total GHG emissions per mode (road gasoline, road diesel, aviation fuel, rail diesel, marine fuel)*
- *Average fuel efficiency for light duty vehicles, light trucks, heavy duty trucks, locomotives and aircraft*
- *Reduction of freight GHG emissions by tonne-km for light trucks, medium trucks, heavy trucks, locomotives and vessels*
- *Average air pollutant per light-duty vehicle (where data is available)*
- *Decreased in air pollutant per tonne-km for for-hire-trucking, marine, rail and air*
- *Reduction of GHG emissions from Transport Canada activities*
- *Number of Transport Canada contaminated sites that have undergone remediation or risk management*

### **Environmental Responsibility: Challenges and Opportunities**

Transportation accounts for about a quarter of our GHG emissions, and two-thirds of transport emissions originate in our urban areas. The sector also accounts for about 52% of all nitrogen oxides emissions, 40% of carbon monoxide, 20% of volatile organic compounds, 5% of sulphur oxides and 5% of particulate matter – the major constituents of urban smog.

Multiple factors from passenger and freight transportation affect the interplay with the environment, specifically in urban areas, where about 80 per cent of Canadians reside. To encourage sustainable transportation, Canada has relied significantly on education and awareness, voluntary measures and initiatives that promote new technologies and best practices. These actions are important, but much more is needed to ensure that the environment is more fully incorporated into transportation decisions. Furthermore, there is a growing need to address systemic challenges and opportunities – to make certain that there is greater integration where possible. Efforts to influence both transportation supply and demand will be critical in terms of forging a more sustainable transportation system – one that is safe and secure, efficient and respectful of the environment.

Additional emphasis is needed on what can be achieved through other measures such as transportation demand management, transit pass, road pricing/user pay systems, parking policies and alternatives to the single occupancy vehicle. Future efforts will also increasingly focus on ensuring the efficiency of the urban transportation system, relieving congestion and improving air quality.

Influencing the choices of transportation users and shippers is a major long-term challenge. Federal leadership is key to achieving real progress in improving modal use and choice. A continuing challenge is to acknowledge the issue of full-cost pricing by identifying and measuring both financial and external costs of transportation, and how best to integrate them in decision-making. Transport Canada will also continue to advance new technologies in support of sustainable transportation and will investigate opportunities to expand its role in research and development for sustainable transportation. The federal government will continue to promote vehicle fuel economy. Transport Canada will champion the integration of technology options for



cleaner or more efficient vehicles/fuels in all modes, and optimize the overall efficiency of transportation systems.

The ultimate challenge is to adopt a systemic approach to achieve a sound integration of environmental issues into transportation policy. To this end, Transport Canada will take an integrated and comprehensive approach in developing and managing policies and programs to address government-wide sustainable development and environmental issues as they relate to the transportation sector. The department will work with its partners and stakeholders, to overcome the challenges outlined above.

### **Environmental Responsibility: Program Priorities**

To promote an environmentally responsible transportation system that contributes to Canada's sustainable development objectives, Transport Canada will focus its efforts on key activities and initiatives that support the three program priorities of **Climate Change and Clean Air, Environmental Assessment and Environmental Protection and Remediation.**

#### **2.1.3.1 Climate Change and Clean Air**

This is Transport Canada's sixth priority for the planning period.

The Government of Canada is committed to the development and implementation of a Made-in-Canada Plan for reducing greenhouse gases and ensuring clean air, water, land and energy for Canadians. The Made-in-Canada approach will be effective, realistic and focus on achieving sustained reductions in emissions in Canada while ensuring a strong economy. The Government will develop solutions that have clear environmental benefits to Canada and improve our ability to market new technologies around the world.

Transport Canada plays a lead role on climate change and clean air policy as it relates to transportation. It works with other government departments and stakeholders to develop and analyze new policies and measures for reducing emissions from the transportation sector. In 2005-06, the department proposed new programs in support of greenhouse gas reduction and will continue to examine new opportunities in 2006-07.

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

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

leading up to 2010. The annual reports from the committee will be available to the public as is the MOU.

At the same time, the government is examining other ways to promote the production and purchase of more environmentally friendly vehicles. This includes the possible use of economic instruments, such as feebates and rebates. Work conducted by the Transport Canada-led interdepartmental working group on economic instruments will be important in terms of positioning the government to promote further advances in vehicle fuel-economy.

The Advanced Technology Vehicles Program (ATVP) evaluates advanced technology vehicles to determine their role in meeting the program objectives and to showcase these technologies demonstrating to Canadians their benefits in achieving a sustainable transportation future for Canadians. Some findings of the program point to new construction materials and methods, such as using recycled materials, lightweight material including aluminum, magnesium and plastics, playing a major role in reducing fuel consumption. The ATVP is also examining the use of advanced and low carbon fuels. The introduction of lower sulphur gasoline in 2005, and lower sulphur diesel in 2006, will play a major role in reducing emissions in years to come. In 2006-07, the ATVP will continue its public outreach programs with a minimum of 10 events and the addition of 10 new advanced technology vehicles. The program will continue to participate in interdepartmental efforts to support the recent GHG emission reduction memoranda of understanding with vehicle manufacturers' associations. The knowledge gained from the monitoring and testing of advanced technologies as they enter the marketplace will be one key contribution to these efforts.

The Motor Vehicle Fuel Consumption Program's (MVFCP) goal is to promote public awareness of vehicle fuel efficiency. By encouraging the use of standardized fuel consumption labels on each new vehicle, and by publishing the same information in the annual *Fuel Consumption Guide* booklet, the MVFCP assists the consumer in making an informed energy efficient decision. Another goal is to monitor the average fuel consumption of the new Canadian fleet by collecting detailed motor vehicle fuel economy and engine technology data and by testing selected new model vehicles. In addition, the program encourages improvements in the fuel efficiency of the new vehicle fleet by setting annual company average fuel consumption (CAFC) goals for the motor vehicle industry. Manufacturers and importers strive to meet or improve upon the CAFC goals established under the voluntary program. Additional incentives are also available to encourage the industry to increase the production of vehicles that operate on alternative fuels. In 2006-07, the MVFCP will continue to provide the services listed above. An additional 35 to 50 vehicles will be purchased for compliance testing and improvements will be made to the data submission and processing component of the MVFCP.

Transport Canada has partnered with municipal and regional governments to demonstrate innovative and integrated approaches to reducing GHG emissions from the urban passenger sector through the Urban Transportation Showcase Program. These showcase demonstrations are encouraging modal shifts away from single occupancy vehicles by offering residents a wider variety of sustainable transportation options. The lessons from these demonstrations and from other successful Canadian case studies are being disseminated to encourage broader uptake of successful approaches.

As we know, the Arctic is vulnerable to climate change and its impacts. Historically, the harsh environment has made resources difficult to access. In the past half-century however, technological advances and demand for resources have increased the rate of development and climate change has become a major force shaping the future of the North. While an increase in accessibility and marine activity will require greater support and pose increased environmental risks, it will also lead to social and economic development through increased investment, infrastructure, and improved access to goods, services and supplies. Under the PAME (Protection of the Arctic Marine Environment) working group, Transport Canada, Finland and the United States will lead a three-year study called the “Arctic Marine Shipping Assessment”. The final report is to be presented to the 6<sup>th</sup> Arctic Council Ministerial in Autumn 2008.

### **2.1.3.2 Environmental Assessment**

This is Transport Canada’s ninth priority for the planning period.

During 2005-06 the conduct of environmental assessments pursuant to the *Canadian Environmental Assessment Act* for projects requiring a *Navigable Waters Protection Act* approval continued to represent a significant workload for both headquarters and regional personnel. Environmental assessments are underway or completed for many projects, including bridges, dams, liquefied natural gas facilities, mines, aquaculture and hydro-electric plants. In 2006-07, the department will continue to review procedures and develop guidance material with a view to maintaining a high quality of environmental assessment, delivered in an efficient manner.

### **2.1.3.3 Environmental Protection and Remediation**

This is Transport Canada’s seventh priority for the planning period.

Beginning in late 2004, Transport Canada launched a Transit Pass Program enabling employees of the 92 federal departments and agencies in the National Capital Region (NCR) to access discounted annual transit passes through payroll deduction or pre-authorized debit payment. With 80 departments enrolled in the program, the NCR program has been a notable achievement. Employee participation has reached 12,000 and the program has stimulated a 5-7 per cent increase in transit ridership among federal employees. The demand to expand this program beyond the NCR has been growing and so, in 2006-07, Transport Canada will work with the Canadian Urban Transit Association (CUTA) and its members to explore the feasibility of offering discounted annual transit passes through payroll deduction to federal employees in other areas of the country.

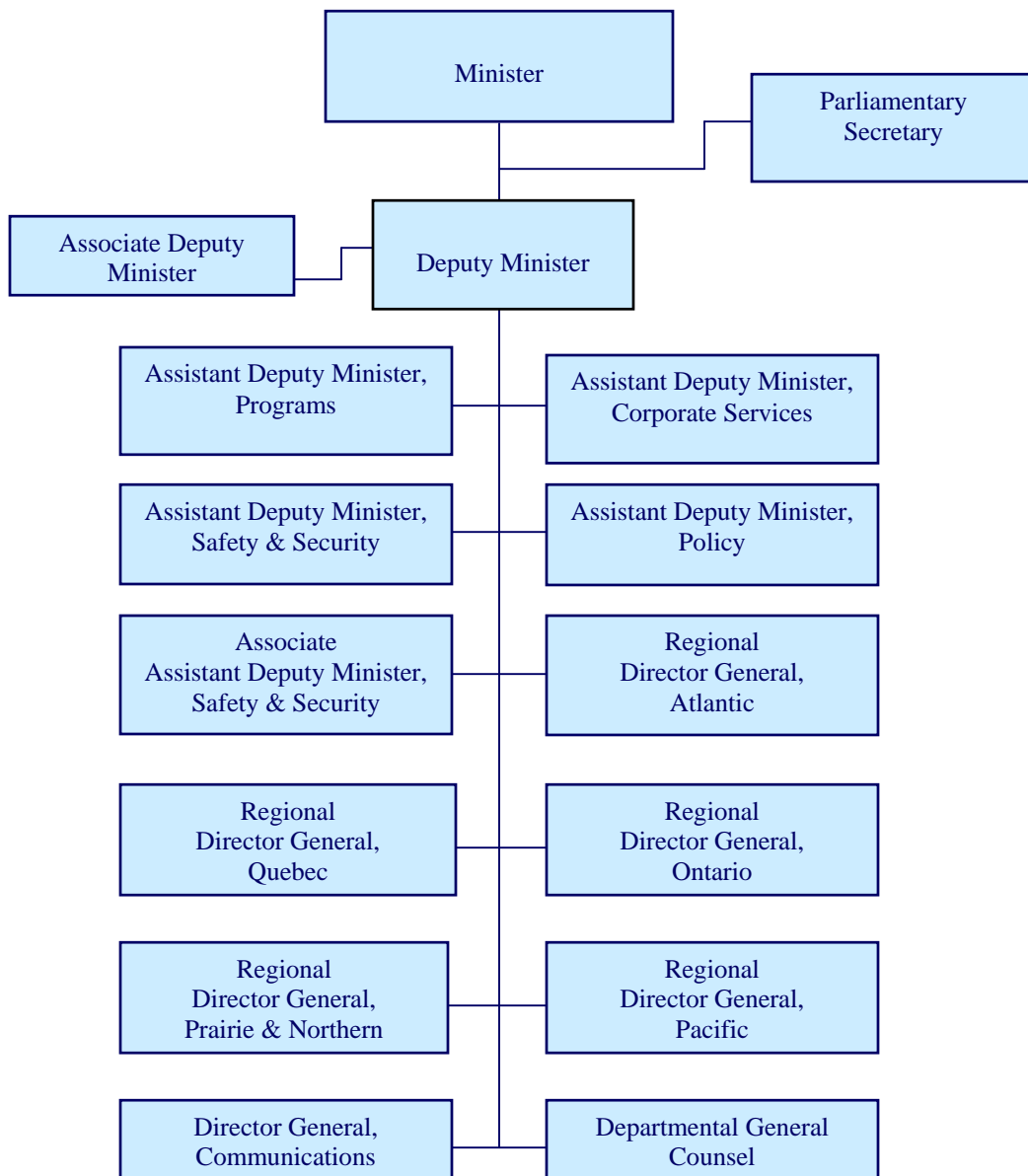
In 2006-07, Transport Canada will also continue to undertake work detailed in its departmental Contaminated Sites Management Plan. The plan is a Treasury Board requirement that outlines the department’s five-year strategy for managing its contaminated sites and identifying suspected contaminated sites. In addition to funding from within the department, the Federal Contaminated Sites Accelerated Action Plan Fund will be utilized to initiate or accelerate assessment work and remediate high-risk sites.

## **SECTION III – SUPPLEMENTARY INFORMATION**

### 3.1 Organizational Information

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

#### DEPARTMENTAL ORGANIZATION CHART



## 3.2 Financial Tables

**Table 1: Departmental Planned Spending and Full Time Equivalents**

(\$ thousands)	Forecast Spending 2005-06 <sup>1</sup>	<b>Planned Spending 2006-07<sup>2</sup></b>	Planned Spending 2007-08	Planned Spending 2008-09
• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	540,695	<b>594,832</b>	556,169	536,977
• Canadian Air Transport Security Authority	438,400	<b>381,366</b>	309,500	290,000
• Policies, Programs and Infrastructure in support of a market-based framework	558,661	<b>433,509</b>	329,662	319,015
• Jacques Cartier and Champlain Bridges Inc.	32,188	<b>30,488</b>	29,339	26,608
• Marine Atlantic Inc.	24,533	<b>80,980</b>	26,980	26,980
• VIA Rail Canada Inc.	169,001	<b>169,001</b>	169,001	169,001
• Policies and Programs in support of sustainable development	85,581	<b>94,834</b>	53,337	53,791
Budgetary Main Estimates (gross)	1,849,059	<b>1,785,010</b>	1,473,988	1,422,372
Less: Respendable revenue <sup>3</sup>	356,480	<b>367,818</b>	357,733	341,857
<b>Total Main Estimates</b>	1,492,579	<b>1,417,192</b>	1,116,255	1,080,515
<i>Adjustments:</i>				
• Governor General Special Warrants	82,540	-	-	-
• Additional Respendable Revenue	10,988	-	-	-
• Unspent Authorities	(11,942)	-	-	-
• <i>Public Safety Act</i>	-	<b>4,458</b>	3,004	2,479
• ERC - Procurement Savings	-	<b>(4,660)</b>	-	-
• Strategic Infrastructure - Kicking Horse Canyon	-	<b>137</b>	142	147
• Real Property Disposition Revolving Fund	-	<b>2,745</b>	-	-
• Action Plan to enhance passenger, rail, mass transit and ferry security	-	<b>38,702</b>	49,686	4,737
• St-Laurence Seaway Management Corporation (Statutory)	-	-	-	8,000
• Capital carryforward	-	<b>3,740</b>	-	-

**Table 1: Departmental Planned Spending and Full Time Equivalents**  
(continued)

(\$ thousands)	Forecast Spending 2005-06 <sup>1</sup>	Planned Spending 2006-07 <sup>2</sup>	Planned Spending 2007-08	Planned Spending 2008-09
• Honoré Mercier Bridge re-decking project	-	<b>11,800</b>	36,500	36,700
• Seaway International Bridge - Replacement of the North Channel Bridge and North Corridor improvements	-	<b>1,630</b>	9,020	26,730
• Strategic Infrastructure - CSIF - Greater Moncton area bypass	-	<b>23</b>	23	13
• Reduced cost of the new Ministry - Regional responsibilities	-	<b>(150)</b>	(150)	(150)
• Securing Canada's Air Cargo Transportation System	-	<b>8,500</b>	9,000	8,500
• Campaign - Keeping Canadians Safe	-	<b>2,000</b>	-	-
• National Airports Rent Policy Review	-	<b>7,300</b>	-	-
• Interim strategy on existing Climate Change Programs	-	<b>(12,221)</b>	8,913	2,911
• Passenger Rail - Regional and Remote Rail	-	<b>3,800</b>	-	-
• Federal Contaminated Sites Action Plan	-	<b>2,554</b>	-	-
• Asia-Pacific Gateway Initiative	-	<b>13,500</b>	52,000	90,500
• Operating carry forward	-	<b>27,693</b>	-	-
• Transfer of Crown Corporation Portfolio Management from Infrastructure Canada (Approved February 6, 2006)	-	<b>1,416</b>	1,426	1,426
• Transfer of Crown Corporation Portfolio Management from Canada Revenue Agency (Approved February 6, 2006)	-	<b>874</b>	881	881
• Airport Security - Vancouver	-	<b>(4)</b>	4	-
• Increased Passenger Flows and Other Operating Pressures - Operating	-	<b>41,400</b>	75,400	-
• Increased Passenger Flows and Other Operating Pressures - Capital	-	<b>44,200</b>	50,400	-
<b>Total Adjustments</b>	<b>81,586</b>	<b>199,437</b>	<b>296,249</b>	<b>182,874</b>
<b>Total Planned Spending</b>	<b>1,574,165</b>	<b>1,616,629</b>	<b>1,412,504</b>	<b>1,263,389</b>

**Table 1: Departmental Planned Spending and Full Time Equivalents**  
(continued)

(\$ thousands)	Forecast Spending 2005-06 <sup>1</sup>	<b>Planned Spending 2006-07<sup>2</sup></b>	Planned Spending 2007-08	Planned Spending 2008-09
Total Planned Spending	1,574,165	<b>1,616,629</b>	1,412,504	1,263,389
Less: Non-Respendable revenue <sup>3</sup>	76,127	<b>32,734</b>	33,186	33,960
Plus: Cost of services received without charge <sup>4</sup>	59,717	<b>57,499</b>	58,109	58,950
<b>Total Departmental Spending</b>	1,557,755	<b>1,641,394</b>	1,437,427	1,288,379
<b>Full Time Equivalents</b>	4,888	<b>4,900</b>	4,832	4,825

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

The planned spending over the three-year period is diminishing mainly because of: a decrease in the Canadian Air Transport Security Authority capital budget; a programmed increase for 2006-07 only to cover an operating shortfall for Marine Atlantic Incorporated; the continued divestiture of ports and airports; the winding down of transfer payment programs such as the Strategic Highway Infrastructure Program and Action plan 2000 for Climate Change; and increasing annual reductions for efficiency and procurement imposed by the Expenditure Review Committee of Cabinet.

1. *The Forecast spending for 2005-06 reflects actual spending as published in the Public Accounts.*
2. *The Planned Spending amounts represent the sum of the Main Estimates and the adjustments planned for each fiscal year.*
3. *For more details, see Table 7 Sources of Respendable and Non-Respendable Revenue.*
4. *For more details, see Table 4 Services Received Without Charge.*



**Table 2: Resources by Program Activities**

Program Activity (\$ thousands)	2006-07 Budgetary							Adjustments (planned spending not in Main Estimates)	Total Planned Spending
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net = Total Main Estimates		
Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	493,406	32,991	430	68,005	594,833	(44,398)	550,435	72,902	<b>623,336</b>
Canadian Air Transport Security Authority	305,905	75,461	-	-	381,366	-	381,366	85,596	<b>466,962</b>
Policies, Programs and Infrastructure in support of a market-based framework	137,868	40,003	25,426	230,212	433,508	(323,349)	110,159	36,805	<b>146,965</b>
Jacques Cartier and Champlain Bridges Inc.	29,291	1,197	-	-	30,488	-	30,488	11,800	<b>42,288</b>
Marine Atlantic Inc.	79,847	1,133	-	-	80,980	-	80,980	-	<b>80,980</b>
VIA Rail Canada Inc.	169,001	-	-	-	169,001	-	169,001	-	<b>169,001</b>
Policies and Programs in support of sustainable development	61,990	3,461	-	29,383	94,834	(71)	94,763	(7,666)	<b>87,097</b>
<b>Total</b>	<b>1,277,308</b>	<b>154,246</b>	<b>25,856</b>	<b>327,600</b>	<b>1,785,010</b>	<b>(367,818)</b>	<b>1,417,192</b>	<b>199,437</b>	<b>1,616,629</b>

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

**Table 3: Voted and Statutory Items listed in Main Estimates**

<b>2006-07</b>			
Vote or Statutory Item	Truncated Vote or Statutory Wording	<b>Main Estimates 2006-07 (\$ thousands)</b>	Main Estimates 2005-06 (\$ thousands)
1	Operating expenditures	<b>234,692</b>	197,377
5	Capital expenditures	<b>76,455</b>	74,790
10	Grants and contributions	<b>296,228</b>	417,299
15	Payments to Jacques Cartier and Champlain Bridges Inc.	<b>30,488</b>	32,188
20	Payments to Marine Atlantic Inc.	<b>80,980</b>	24,533
25	Payments to VIA Rail Canada Inc.	<b>169,001</b>	169,001
30	Payments to the Canadian Air Transport Security Authority	<b>381,366</b>	438,400
(S)	Minister of Transport — salary and motor car allowance	<b>73</b>	70
(S)	Contributions to employee benefit plans	<b>66,781</b>	64,671
(S)	Payments to Canadian National Railway Company in respect of the termination of the collection of tolls on the Victoria Bridge, Montreal and for the rehabilitation work on the roadway portion of the Bridge	<b>3,300</b>	3,300
(S)	Payments in respect of St. Lawrence Seaway agreements	<b>23,900</b>	17,900
(S)	Northumberland Strait Crossing subsidy payment	<b>53,928</b>	53,050
	<b>Total Department</b>	<b>1,417,192</b>	1,492,579

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

(S): Statutory

**Table 4: Services Received Without Charge**

(\$ thousands)	2006-07
<ul style="list-style-type: none"><li>• Accommodation provided by Public Works and Government Services Canada (PWGSC)</li></ul>	<b>23,630</b>
<ul style="list-style-type: none"><li>• Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and expenditures paid by TBS</li></ul>	<b>26,361</b>
<ul style="list-style-type: none"><li>• Worker's compensation coverage provided by Human Resources and Skills Development Canada</li></ul>	<b>3,660</b>
<ul style="list-style-type: none"><li>• Salary and associated expenditures of legal services provided by the Department of Justice Canada</li></ul>	<b>3,848</b>
<b>Total 2006-07 Services received without charge</b>	<b>57,499</b>

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

**Table 5: Summary of Capital Spending by Program Activity**

(\$ thousands)	Forecast Spending 2005-06 <sup>1</sup>	Planned Spending 2006-07	Planned Spending 2007-08	Planned Spending 2008-09
• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	36,946	<b>32,991</b>	28,910	31,172
• Canadian Air Transport Security Authority	134,868	<b>75,461</b>	19,500	-
• Policies, Programs and Infrastructure in support of a market-based framework	24,807	<b>40,003</b>	44,458	41,558
• Jacques Cartier and Champlain Bridges Inc.	6,395	<b>1,197</b>	1,546	2,641
• Marine Atlantic Inc.	6,412	<b>1,133</b>	1,134	1,135
• VIA Rail Canada Inc.	-	-	-	-
• Policies and Programs in support of sustainable development	4,816	<b>3,461</b>	1,882	2,270
Total Main Estimates <sup>2</sup>	214,244	<b>154,246</b>	97,430	78,776
Adjustments <sup>3</sup>	-	<b>65,041</b>	93,524	61,030
<b>Total</b>	214,244	<b>219,287</b>	190,954	139,806

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

1. The Forecast spending for 2005-06 reflects the actual spending as published in the Public Accounts.
2. The Capital spending by Program activity is included in the Total budgetary Main Estimates in Table 1.
3. The adjustments to planned spending represent the capital portion of the adjustments listed in Table 1. These adjustments are in addition to the Main Estimates amounts.

**Table 6: Loans, Investments and Advances (Non-Budgetary)**

Transport Canada does not have any non-budgetary items (Loans, Investments and Advances) in its forecast spending for 2005-06 nor in the upcoming planned spending for the next three years.

The table published in previous Transport Canada Report on Plans and Priorities and Departmental Performance Report presented the balance of loans, investments and advances at year-end. That information is not required in these documents and will not be presented in the future.

**Table 7: Sources of Respendable and Non-Respendable Revenue**

**Respendable Revenue**

(\$ thousands)	Forecast Revenue 2005-06 <sup>1</sup>	Planned Revenue 2006-07	Planned Revenue 2007-08	Planned Revenue 2008-09
<b>Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</b>				
• Canadian Aviation Regulation User Fees	8,291	<b>8,648</b>	8,659	8,661
• Aircraft Maintenance and Flying Services	29,700	<b>25,646</b>	25,646	25,646
• Marine Safety Regulation User Fees	8,315	<b>7,544</b>	7,344	7,344
• Revenues from the Registrar of Imported Vehicles Program	2,423	<b>600</b>	600	600
• Inspections and certifications	2,119	<b>292</b>	292	292
• Lease payments from the Motor Vehicle Test Center	290	<b>155</b>	155	155
• Rentals and concessions	838	<b>598</b>	338	223
• Sales and training	1,071	<b>812</b>	812	812
• Research and development	-	-	-	-
• Miscellaneous	698	<b>106</b>	106	106
	53,746	<b>44,400</b>	43,952	43,839
<b>Policies, Programs and Infrastructure in support of a market-based framework</b>				
• Air Services Forecasts revenues	235	<b>160</b>	160	160
• Public port revenues from user fees and wharf permits	9,033	<b>8,577</b>	8,156	8,154
• Airport revenues from user fees and service contracts	5,038	<b>4,690</b>	4,692	4,692
• Airports Authorities - lease and chattel payments	288,320	<b>299,894</b>	290,703	274,985
• Research and development	2,550	<b>1,744</b>	1,744	1,744
• Rentals and concessions	8,125	<b>7,574</b>	7,572	7,541
• Sales and training	112	<b>109</b>	110	110
• Miscellaneous	263	<b>602</b>	602	602
	313,675	<b>323,349</b>	313,738	297,987

**Table 7: Sources of Respendable and Non-Respendable Revenue**  
(continued)

**Respendable Revenue** (continued)

(\$ thousands)	Forecast Revenue 2005-06 <sup>1</sup>	<b>Planned Revenue 2006-07</b>	Planned Revenue 2007-08	Planned Revenue 2008-09
<b>Policies and Programs in support of sustainable development</b>				
• Rentals and concessions	40	<b>62</b>	36	24
• Miscellaneous	7	<b>7</b>	7	7
	47	<b>69</b>	43	31
<b>Total Respendable Revenue</b>	367,468	<b>367,818</b>	357,734	341,858

**Non-Respendable Revenue**

(\$ thousands)	Forecast Revenue 2005-06	<b>Planned Revenue 2006-07</b>	Planned Revenue 2007-08	Planned Revenue 2008-09
<b>Policies, Programs and Infrastructure in support of a market-based framework</b>				
• Non-navigational assets - St. Lawrence Seaway	10,385	<b>5,200</b>	5,200	5,200
• Canada Port Authority stipends	11,698	<b>12,534</b>	12,986	13,760
• Research and development - Royalty revenue	61	-	-	-
• Hopper cars (lease, damage settlements and demurrage charges)	17,701	<b>15,000</b>	15,000	15,000
• Return on investments	5,882	-	-	-
• Refunds of previous year's expenditures	16,225	-	-	-
• Adjustments to previous year's payables	6,794	-	-	-
• Privileges, licences and permits	37	-	-	-
• Fines	893	-	-	-
• Proceeds from disposal of surplus Crown assets	963	-	-	-
• Proceeds from divestiture sale of real property	5,059	-	-	-

**Table 7: Sources of Respendable and Non-Respendable Revenue**  
(continued)

**Non-Respendable Revenue** (continued)

(\$ thousands)	Forecast Revenue 2005-06	<b>Planned Revenue 2006-07</b>	Planned Revenue 2007-08	Planned Revenue 2008-09
• Interest revenue from divested airports	20	-	-	-
• Miscellaneous	410	-	-	-
<b>Total Non-respendable Revenue</b>	76,127	<b>32,734</b>	33,186	33,960

<b>Total Respendable and Non-Respendable Revenue</b>	443,596	<b>400,553</b>	390,920	375,818
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Due to rounding, columns may not add to total shown.

1. The Forecast Revenue for 2005-06 reflects actual revenue as published in the Public Accounts.

**Table 8: Resource Requirements by Branch or Sector**

2006-07					
(\$ thousands)	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Programs and Infrastructure in support of a market-based framework	Policies and Programs in support of sustainable development	Crown corporations <sup>2</sup>	Total Planned Spending
Assistant Deputy Minister – Safety and Security	399,024	-	-		<b>399,024</b>
Assistant Deputy Minister – Policy	-	176,278	-		<b>176,278</b>
Assistant Deputy Minister – Programs	-	(102,287) <sup>1</sup>	71,810		<b>(30,478)</b>
Regional Director General Atlantic	39,199	8,349	2,913		<b>50,461</b>
Regional Director General Quebec	45,171	35,902	2,841		<b>83,914</b>
Regional Director General Ontario	49,666	12,945	2,465		<b>65,076</b>
Regional Director General Prairie and Northern Region	48,882	9,909	3,580		<b>62,372</b>
Regional Director General Pacific	41,394	5,869	3,488		<b>50,751</b>
<b>Total</b>	<b>623,336</b>	<b>146,965</b>	<b>87,097</b>	<b>759,231</b>	<b>1,616,629</b>

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

Note:

1. The sector “Assistant Deputy Minister – Programs” includes all the Vote-Netted Revenue recorded under the Program Activity “Policies, Programs and Infrastructure in support of a market-based framework”. The planned Vote-Netted Revenue is higher than expenses for that sector therefore the amount is presented in brackets.
2. The Crown corporations presented in Transport Canada’s Program Activity Architecture are Canada Air Transport Security Authority, Jacques Cartier and Champlain Bridges Inc., Marine Atlantic Inc. and VIA Rail Canada Inc. See Table 1 for their respective financial resources.



**Table 9: Major Regulatory Initiatives**

<b>Regulations</b>	<b>Expected Results</b>
<b>Amendments to the <i>Aeronautics Act</i></b> are underway to address fatigue management, liability insurance, aviation companies' management systems, analysis and reporting of safety data, and new compliance and enforcement tools.	Modernized legislative requirements to respond to industry needs.
<b>New series of Canadian Aviation Regulations</b> amendments to introduce a requirement for airports, flight training units and smaller commercial operations to have a safety management system in place that integrates operations and technical systems with financial and human resource management.	Safe operations and compliance with the Canadian Aviation Regulations.
<b>New Canadian Aviation Regulations</b> incorporating fatigue risk management systems into aviation maintenance organizations. These regulations are an extension of the safety management system approach to managing risks in the aviation environment.	Enhanced aviation safety due to a reduction of incidents related to operator fatigue.
<b>Canada Motor Vehicle Safety Standard 208 — Occupant Restraint Systems in Frontal Impact:</b> Further research and a cost-benefit study are underway to ensure that seat belts and air bags are designed to provide optimal protection to belted occupants and that any injuries due to occupant protection system are minimized.	Annual reduction of 12 fatalities and 44 serious injuries due to advanced seat belts and air bags.
<b>Regulatory reform under the <i>Canada Shipping Act, 2001</i></b> (CSA 2001), is proceeding in a two-phase approach. Over 50 existing regulations will be overhauled into 17 regulations in Phase I, and the modernization of the remaining regulations will take place in Phase II. Phase I focuses on those that are needed to bring the act into force and is expected to be completed by early 2007. Phase II will concentrate on the existing regulations that are consistent with the act; generally, these regulations need only to be updated and modernized and not overhauled as those in Phase I.	A twenty-first century shipping law to promote safety on board vessels and to protect the marine environment in the context of a healthy, competitive marine industry.
Transport Canada's pollution prevention program will undergo a major update through the <b>introduction of the Regulations for the Prevention of Pollution from Ships and for Dangerous Chemicals (new) under the existing <i>Canada Shipping Act</i></b> (CSA). Once finalized, these new Regulations will put Canada in a position to accede to the optional Annexes IV, V and VI of the International Convention for the Prevention of Pollution from Shipping (MARPOL) and the Anti-fouling Systems Convention.	Reduction in incidents related to the pollution of the environment from ship sources.

**Table 9: Major Regulatory Initiatives** (*continued*)

Regulations	Expected Results
<b>Ballast Water Regulations (new)</b> , to harmonize with the International Maritime Organization’s Ballast Water Convention, U.S. laws regarding ballast water, and the Great Lakes Water Quality Agreement of 1978. (CSA)	Reduced incidents related to ship source marine pollution.
<b>Boating Restriction Regulations (revised)</b> to provide for the establishment of restrictions to boating activities and navigation in Canadian waters. (CSA and CSA 2001)	Enhanced marine safety.
<b>Competency of Operators of Pleasure Craft Regulations (revised)</b> , impose competency requirements on operators of pleasure craft with amendments underway, under the current act, to improve the administration of the testing process to be followed by a reformed regulation, under the new act, to deal with the issue of course provider accreditation. (CSA and CSA 2001)	Enhanced marine safety for pleasure craft operators and boating community.
<b>Life Saving Equipment Regulations (revised)</b> (CSA)	Enhanced safety of children travelling on board Canadian vessels.
<b>Administrative Monetary Penalties Regulations (new)</b> , to provide a graduated enforcement scheme and effective deterrents for violations on vessels operating in Canadian waters. (CSA 2001)	Enhanced marine safety and compliance.
<b>Cargo, Fumigation and Tackle Regulations (new)</b> , to rationalize existing rules for loading and stowing cargo. (CSA)	Enhanced marine safety.
<b>Collision Regulations (revised)</b> , to promote uniform measures and safe conduct of vessels. (CSA 2001)	Improved consistency of regulations and enhanced safety related to the conduct of vessels.
<b>Marine Personnel Regulations (new):</b> To streamline the existing crewing and certification requirements into one regulation and add a labour component. (CSA 2001)	More streamlined and harmonized regulations.
<b>Vessel Registration and Tonnage Regulations (revised):</b> These new regulations will clarify for stakeholders the requirements for registering and calculating the tonnage of their vessels as well as comply with the terms of the International Convention on the Tonnage Measurements of Ships (1969). (CSA 2001)	More streamlined and harmonized regulations.

**Table 9: Major Regulatory Initiatives (continued)**

Regulations	Expected Results
<p>Pursuant to the <i>Pilotage Act</i>, the four pilotage authorities have to provide safe and efficient pilotage services. The proposed amendments to their <b>Pilotage Regulations</b> result from distinct pilotage risk studies carried out by these authorities since 2001, on a series of recommendations contained in the 1999 report of the Ministerial review of pilotage issues. The various regulatory initiatives aim at improving pilotage practices and procedures in the four pilotage regions to the benefit of service users.</p>	<p>Safe and efficient pilotage service to commercial vessels in Canadian compulsory pilotage waters.</p>
<p><b>Marine Transportation Security Clearance Program:</b> Amendments to the <i>Marine Transportation Security Regulations</i> to increase marine transportation security in Canadian marine facilities by requiring workers with certain key duties affecting security or cargo movement to obtain a transportation security clearance (TSC) from Transport Canada. In addition, workers requiring access to certain restricted areas will also be required to obtain a TSC. This initiative is being implemented in the ports of Vancouver, Halifax and Montreal, and will closely parallel requirements now in place in Canadian airports.</p>	<p>Implementation of the infrastructure (including effective regulatory framework), required to process the Marine Transportation Security Clearances.</p>
<p><b>Development of regulations and/or security measures</b> to support the screening of all checked baggage, as per the Minister's commitment to achieve 100% screening of checked baggage at all designated airports by January 1, 2006.</p>	<p>Enhanced aviation security; alignment with international standards.</p>
<p>A review of the <b>Canadian Aviation Security Regulations</b> and security measures as required by the <i>Public Safety Act (2002)</i>. Regulations to replace security measures no longer required to be confidential must be made within one year after the Notice of Intent is published in the <i>Canada Gazette</i>. A broader review and re-alignment of the aviation security regulatory framework is expected to take about four years to complete.</p>	<p>Increased transparency; enhanced aviation security.</p>
<p><b>The Transportation of Dangerous Goods Regulations will be amended</b> to harmonize with international agreements, maintain reciprocity with U.S. provisions, revise means of containment standards to reflect new engineering developments and construction designs, and address emerging issues.</p>	<p>Improved level of safety in the transport of dangerous goods.</p>

**Table 9: Major Regulatory Initiatives** (*continued*)

<b>Regulations</b>	<b>Expected Results</b>
<b>Marine Liability Regulations:</b> Compulsory Insurance for Injury or Death of Passengers.	Protection of marine passengers or their dependents from economic loss due to injury or death arising from a marine incident by ensuring that all marine carriers are insured to the level of their maximum liability to passengers, as established under the <i>Marine Liability Act</i> .
<b>Regulation for Vancouver</b> to ensure Vancouver and Fraser River Port Authorities implement a licencing system with various conditions approved by the Vancouver Port Authority as well as any provincial measures.	To achieve labour stability in the owner-operated container trucking sector through regulating access to ports.
<b>New International Bridges and Tunnels Regulations</b> as permitted under current legislation before Parliament as described in the International Bridges and Tunnels Act. These regulations will address safety, security and operations of these 24 vehicular and 9 railway bridges and tunnels.	Consistent application of safety and security standards and assurance that these bridges and tunnels are operated and maintained in accordance with government's objectives.

## **Table 10: Details on Transfer Payment Programs**

Over the next three years, Transport Canada will manage the following transfer payment programs in excess of \$5 million:

### **2006-07**

1. Grant to Province of British Columbia in respect of the provision of ferry and coastal freight and passenger services
2. Payments in support of crossing improvements approved under the *Railway Safety Act*
3. Marine Security Contribution Program
4. Contribution for ferry and coastal passenger and freight services
5. Strategic Highway Infrastructure Program:
  - Highway component
  - Border Crossing Transportation Initiative
  - Transportation Planning and Modal Integration initiative
  - Intelligent Transportation System Component
6. Outaouais Road Development Agreement
7. Contribution in support of the divestiture of the non-National Airport System airports
8. Airports Capital Assistance Program
9. Contribution program for operating, capital and start-up funding requirement for Regional and Remote Passenger Rail Services
10. Northumberland Strait Crossing subsidy payment under the *Northumberland Strait Crossing Act* (Statutory)
11. Action Plan 2000 for Climate Change – Urban Transportation Showcase Program
12. Climate Change: Emission Reduction Package – non-roads freight initiatives

**Table 10: Details on Transfer Payments Programs** (*continued*)

**2007-08**

1. Grant to Province of British Columbia in respect of the provision of ferry and coastal freight and passenger services.
2. Payments in support of crossing improvements approved under the *Railway Safety Act*
3. Marine Security Contribution Program
4. Contribution for ferry and coastal passenger and freight services
5. Contribution program for operating, capital and start-up funding requirement for Regional and Remote Passenger Rail Services
6. Outaouais Road Development Agreement
7. Airports Capital Assistance Program
8. Northumberland Strait Crossing subsidy payment under the *Northumberland Strait Crossing Act* (Statutory)

**2008-09**

1. Grant to Province of British Columbia in respect of the provision of ferry and coastal freight and passenger services.
2. Payments in support of crossing improvements approved under the *Railway Safety Act*
3. Contribution for ferry and coastal passenger and freight services
4. Contribution program for operating, capital and start-up funding requirement for Regional and Remote Passenger Rail Services
5. Airports Capital Assistance Program
6. Northumberland Strait Crossing subsidy payment under the *Northumberland Strait Crossing Act* (Statutory)

For further information on the above-mentioned transfer payment programs see [www.tbs-sct.gc.ca/est-pre/estime.asp](http://www.tbs-sct.gc.ca/est-pre/estime.asp)

## Details on Transfer Payments Programs for Transport Canada

Over the next three years, Transport Canada will manage the following transfer payment programs (TPP) in excess of \$5 million:

1) Name of Transfer Payment Program: <b>Grant to the Province of British Columbia for ferry and coastal freight and passenger services.</b>				
2) Start Date: 1977			3) End Date: ongoing	
4) Description: The Province of British Columbia assumes the entire responsibility for the operation of ferry and coastal freight and passenger services.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: Transportation links to the national surface transportation system from various regions and isolated areas of British Columbia.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants	\$24,890	\$25,426	\$ 25,426	\$25,426
12) Total Contributions				
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$24,890	\$25,426	\$ 25,426	\$25,426
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. An evaluation of the program was completed in 2005.			

1) Name of Transfer Payment Program: <b>Contribution for ferry and coastal passenger and freight services</b>				
2) Start Date: 1941		3) End Date: ongoing		
4) Description: Operating funding for two regional passenger and vehicle ferry services, CTMA Traversier Ltee and Northumberland Ferry Ltd.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: <ul style="list-style-type: none"> <li>• Ensuring commercial viability of ferry services that effectively meet demand and rates that reflect market conditions.</li> <li>• Access to mainland transportation network.</li> <li>• Safe, efficient and reliable ferry services between Cap-aux-Meules, Iles-de-la-Madeleine and Souris, Prince Edward Island, and Wood Islands, Prince Edward Island and Caribou, Nova Scotia, that contribute to local and regional economic development.</li> </ul>				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants				
12) Total Contributions	\$9,355	\$8,466	\$8,649	\$8,734
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$9,355	\$8,466	\$8,649	\$8,734
14) Planned Audits and Evaluations	An audit was carried out in 2004. A follow-up of the status of the management action plan will be carried out and the program will be considered for audit in the next Annual Audit Plan development cycle. An evaluation of the program was completed in 2004. The next evaluation is planned for 2010.			



1) Name of Transfer Payment Program: Name of Transfer Payment Program <b>Strategic Highway Infrastructure Program – Highway Component</b> <b>Strategic Highway Infrastructure Program – Border Crossing Transportation Initiative</b> <b>Strategic Highway Infrastructure Program – Transportation Planning/Modal Integration (TPMI) Initiative</b> <b>Strategic Highway Infrastructure Program – Intelligent Transportation Systems Initiative</b>				
2) Start Date: March 29, 2001		3) End Date: SHIP <i>Highway Component</i> ends March 31, 2009.  SHIP <i>Border Crossing Transportation Initiative</i> and <i>Transportation Planning and Modal Integration (TPMI) Initiative</i> have been extended until March 31, 2007.  SHIP <i>Intelligent Transportation Systems Initiative</i> has been extended until March 31, 2007.		
4) Description: <b>SHIP Highway Component:</b> Provide federal funding under cost-shared contribution agreements with provincial and territorial governments for highway improvement projects to address the needs of Canada’s National Highway System.  <b>SHIP Border Crossing Transportation Initiative and TPMI Initiative:</b> Provide federal funding under cost-shared contribution agreements with provincial, territorial, municipal governments and other partners to improve the access to land border crossings, mobility, modal integration and transportation efficiency.  <b>SHIP Intelligent Transportation Systems Initiative:</b> Provide federal funding under cost-shared contribution agreements with provincial, territorial, municipal governments and other partners to enable the undertaking of the deployment of intelligent transportation systems.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada’s economic growth and trade objectives.				
6) Expected Results: <b>SHIP – Highway Component:</b> Sustained strategic infrastructure investments in all regions, enhanced safety performance, support to trade and economic development and promotion of sustainable transportation. This funding will provide an efficient, integrated and accessible transportation system.  <b>SHIP – Border Crossing Transportation Initiative and TPMI Initiative:</b> Increased operational and regulatory efficiencies for system users and public agencies, improved mobility and traveller information, enhanced safety and security for passengers and freight including inter-modal connections, reduced congestion and enhanced trade and economic development.  <b>SHIP Intelligent Transportation Systems Initiative:</b> Improved mobility and transportation efficiencies, and enhanced safety performance and sustainable transportation.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a	Policies, Programs and Infrastructure in support of a	Policies, Programs and Infrastructure in support of a	Policies, Programs and Infrastructure in support of a

	market-based framework	market-based framework	market-based framework	market-based framework
12) Total Grants				
12) Total Contributions	\$155,834	\$90,317	-	-
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$155,834	\$90,317	-	-
14) Planned Audits and Evaluations	The program components will be considered for audit work in the next Annual Audit Plan development cycle of Audit and Advisory Services. An evaluation of all three SHIP components is currently underway and will be completed in 2006.			

1) Name of Transfer Payment Program: <b>Outaouais Roads Agreement</b>				
2) Start Date: January 7, 1972			3) End Date: No sunset clause	
4) Description: Contributions to the Province of Quebec related to the Outaouais Roads Agreement toward highway improvements are made to enhance overall efficiency and promote safety while encouraging regional and industrial development and tourism.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: An improved National Capital transportation system by reducing congestion and improving safety, while encouraging regional, industrial development and tourism.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants				
12) Total Contributions	\$14,344	\$11,773	\$12,588	\$3,075
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$14,344	\$11,773	\$12,588	\$3,075
14) Planned Audits and Evaluations	A limited scope audit of this program was completed in the 2005-2006 fiscal year. An evaluation was completed in 2005. The next evaluation is planned for 2009-10.			

1) Name of Transfer Payment Program: <b>Contribution in support of the divestiture of the non-National Airport System (Non-NAS) airports</b>				
2) Start Date: April 1 <sup>st</sup> , 2005 (Original program started July 1994)		3) End Date: March 31 <sup>st</sup> , 2007		
4) Description: The Contribution Program allows offering, as part of the transfer of Non-NAS airports, funding for base capital expenditures and operational deficits for a transition period.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: Funding to new airport operators during a transition period for base capital expenditures and operating deficits to ensure a viable system of airports in Canada.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants				
12) Total Contributions	-	\$5,600	-	-
12) Total Other Types of Transfer Payments				
13) Total Program Activity	-	\$5,600	-	-
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. An evaluation was completed in 2004. The next evaluation is tentatively planned for 2007-08.			

1) Name of Transfer Payment Program: <b>Airports Capital Assistance Program</b>				
2) Start Date: April 1 <sup>st</sup> , 1995			3) End Date: March 31 <sup>st</sup> , 2010	
4) Description: Airports Capital Assistance Program (ACAP) assists eligible applicants in financing capital projects related to safety, asset protection and operating cost reduction.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: Maintained or increased safety, contribution to asset protection, reduction in operating cost and increased use of environmentally sustainable practices at airports, where possible.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants				
12) Total Contributions	\$35,400	\$38,000	\$38,000	\$38,000
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$35,400	\$38,000	\$38,000	\$38,000
14) Planned Audits and Evaluations	Project specific audits are planned for the spring of 2006. An evaluation was completed in 2004-05. The next evaluation is planned for 2008-09.			

1) Name of Transfer Payment Program: <b>Contribution Program for operating, capital and start-up funding requirement for Regional and Remote Passenger Rail Services</b>				
2) Start Date: June 1, 2004			3) End Date: March 31, 2010	
4) Description: Provide operating funding for the regional and remote passenger rail services not provided by VIA Rail, for capital and start-up costs for regional and remote passenger rail services, and to address potential costs of transferring regional services.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: Continuation of safe, viable, reliable and sustainable regional and remote passenger rail services.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants				
12) Total Contributions	\$25,292	\$8,100	\$8,100	\$5,600
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$25,292	\$8,100	\$8,100	\$5,600
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. An evaluation of the program was completed in 2004. The next evaluation is planned for 2009-10.			

1) Name of Transfer Payment Program: <b>Northumberland Strait Crossing subsidy payment (Statutory)</b>				
2) Start Date: April 1, 1997		3) End Date: April 1, 2032		
4) Description: Subsidy payments are made to bridge operator to honour constitutional obligations to provide a transportation link between Prince Edward Island and the mainland.				
5) Strategic Outcome(s): An efficient transportation system that contributes to Canada's economic growth and trade objectives.				
6) Expected Results: Federal funding is provided for continuous and efficient year-round transportation of people and goods between Prince Edward Island and the mainland to support an efficient, integrated and accessible transportation system.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework	Policies, Programs and Infrastructure in support of a market-based framework
12) Total Grants				
12) Total Contributions	\$52,790	\$53,928	\$55,023	\$56,119
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$52,790	\$53,928	\$55,023	\$56,119
14) Planned Audits and Evaluations	The program is included in Audit and Advisory Service's Annual Audit Plan 2005–2006 and the audit is scheduled to be completed early in 2006-07. This is a statutory payment and therefore, no evaluation is planned.			

1) Name of Transfer Payment Program: <b>Grade Crossing Improvement Contribution Program (approved under <i>Railway Safety Act</i>)</b>				
2) Start Date: 1989			3) End Date: ongoing	
4) Description: Payments made to railway companies, municipalities to improve the safety at public road/railway grade crossings.				
5) Strategic Outcome(s): A safe and secure transportation system that contributes to Canada's social development and security objectives.				
6) Expected Results: Safety Improvements at Grade crossings that result in accident reductions.				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system
12) Total Grants	\$200	\$300	\$300	\$300
12) Total Contributions	\$11,045	\$7,145	\$7,145	\$7,145
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$11,245	\$7,445	\$7,445	\$7,445
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. An evaluation of the program was completed in 2005. The next evaluation is planned for 2010-11.			



1) Name of Transfer Payment Program: <b>Marine Security Contribution Program</b>				
2) Start Date: Dec. 1, 2004		3) End Date: Nov. 30, 2007		
4) Description: Enhanced Marine Security				
5) Strategic Outcome(s): A safe and secure transportation system that contributes to Canada's social development and security objectives.				
6) Expected Results:				
<p>Output:</p> <p>Financial assistance to aid in the speedy implementation of security measures and to help offset the costs of operators who would not have the financial capacity to cover security costs without significantly affecting operating costs.</p> <p>Expected Results (Immediate):</p> <ul style="list-style-type: none"> <li>• Accelerated implementation, construction and other changes to security procedures, equipment and training.</li> <li>• Enhanced ability of marine facility operators and ports to address security gaps.</li> <li>• Offset costs of rapid regulatory change placed on ports and marine facility owners and operators</li> </ul> <p>Outcomes:</p> <ul style="list-style-type: none"> <li>• Establishment and maintenance of a high and consistent security standard for all visitors and trade entering Canada</li> <li>• Reduced likelihood of a marine transportation security incident, including terrorist acts</li> <li>• Maintenance of the competitiveness of Canada's marine transportation sector.</li> </ul>				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system	Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system
12) Total Grants				
12) Total Contributions	\$17,403	\$56,000	\$15,000	-
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$17,403	\$56,000	\$15,000	-
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. An evaluation of the program is planned for 2006-07.			

1) Name of Transfer Payment Program: <b>Action Plan 2000 for Climate Change – Urban Transportation Showcase Program</b>				
2) Start Date: June 21, 2001		3) End Date: March 31, 2007		
4) Description: To test and measure the impacts of strategies to reduce urban Greenhouse Gas (GHG) emissions from transportation, so as to lay a foundation for the adoption of effective, integrated GHG reduction strategies in urban centres across Canada by 2010.				
5) Strategic Outcome(s): An environmentally responsible transportation system that contributes to Canada's sustainable development objectives.				
6) Expected Results:				
Intermediate:				
<ul style="list-style-type: none"> <li>• Behavior changes in showcase communities result in GHG reductions;</li> <li>• Capacity to reduce GHG emissions is enhanced;</li> <li>• Decision makers from communities across Canada select more energy efficient land use and transportation planning strategies;</li> <li>• GHG emissions reduction strategies are replicated in communities across Canada and GHG emissions are reduced.</li> </ul>				
Long-term:				
<ul style="list-style-type: none"> <li>• Showcase communities GHG emissions are reduced by 0.8 MT of GHG (by 2010).</li> <li>• Urban transportation GHG emissions across Canada are reduced - the potential reduction of the strategies is 12 - 15 MT by 2010.</li> </ul>				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies and Programs in support of sustainable transportation	Policies and Programs in support of sustainable transportation	Policies and Programs in support of sustainable transportation	Policies and Programs in support of sustainable transportation
12) Total Grants				
12) Total Contributions	\$6,986	\$21,432	-	-
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$6,986	\$21,432	-	-
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. An evaluation is planned for 2006-07.			

1) Name of Transfer Payment Program: <b>Climate Change: Emission Reduction Package – non-roads freight initiatives.</b>				
2) Start Date: April 23, 2004			3) End Date: March 31, 2007	
4) Description: The Freight Efficiency Program is a four-year, \$11 million program that aims to reduce the growth of greenhouse gas emissions in Canada's freight transportation sector through: i) providing financial incentives to encourage the use of efficiency-enhancing technologies, equipment and practices in the rail, marine and aviation sectors; ii) facilitating the sharing of information; and iii) establishing new awareness programs for shippers and freight forwarders to help them make more informed modal choices.				
5) Strategic Outcome: An environmentally responsible transportation system that contributes to Canada's sustainable development objectives.				
6) Expected Results: <ul style="list-style-type: none"> <li>• Greater adoption of efficiency enhancing technologies, equipment and practices in the rail, marine and aviation sector to increase freight efficiency within and across modes.</li> <li>• Increased awareness and uptake of the environmental, economic and other benefits of different transportation choices by shippers and freight forwarders.</li> </ul>				
(\$ thousands)	7) Forecast Spending 2005–2006 <sup>1</sup>	8) Planned Spending 2006–2007	9) Planned Spending 2007–2008	10) Planned Spending 2008–2009
11) Program Activity	Policies and Programs in support of sustainable transportation	Policies and Programs in support of sustainable transportation	Policies and Programs in support of sustainable transportation	Policies and Programs in support of sustainable transportation
12) Total Grants				
12) Total Contributions	\$282	\$5,308	-	-
12) Total Other Types of Transfer Payments				
13) Total Program Activity	\$282	\$5,308	-	-
14) Planned Audits and Evaluations	An audit of the program will be considered in the next risk based annual Audit Plan development cycle of Audit and Advisory Services. A Climate Change Review was completed by TBS in 2005 in lieu of a program evaluation.			

Note:

1. Due to the lateness of tabling the Report on Plans and Priorities 2006-2007, the Forecast Spending 2005-2006 reflects the actual spending as published in the Public Accounts.

### **Table 11: Alternative Service Delivery**

Over the next three years, Transport Canada will be renewing the existing initiative for the following program:

1. Motor Vehicle Test Centre (renewing)

For further information on the above-mentioned program or services and their use of alternative service delivery see [www.tbs-sct.gc.ca/est-pre/estime.asp](http://www.tbs-sct.gc.ca/est-pre/estime.asp)

### **Table 12: Horizontal Initiatives**

Over the next three years, Transport Canada will be involved in the following horizontal initiatives with other government departments or agencies as either the lead or as a partner:

1. Marine Security Horizontal Initiative (Lead)
2. Canada Strategic Infrastructure Fund (partner)
3. Border Infrastructure Fund (partner)
4. Mackenzie Gas Project and induced oil and gas exploration and development activities in the Northwest Territories (partner)

For further information on the above-mentioned horizontal initiatives, please see [www.tbs-sct.gc.ca/est-pre/estime.asp](http://www.tbs-sct.gc.ca/est-pre/estime.asp)

## Alternative Service Delivery for Transport Canada

<b>Name of ASD Initiative</b>	<b>Current Status</b>	<b>Projected Implementation Date</b>	<b>Contact</b>
<p>Motor Vehicle Test Centre</p> <p>(Government organization contractor-operated arrangement for the management and maintenance of the facility as well as the compliance and research testing)</p>	<p>Renewal of a contracting out initiative started in 1996.</p> <p>The service contract ends June 2006.</p>	<p>A prolongation contract to March 2007 will be issued during which a request for proposals will be published for a long-term contract starting April 2007.</p>	<p>Robert Malo (450) 430-6968 maloro@tc.gc.ca</p>

<b>Horizontal Initiative</b>	
1) Name of Horizontal Initiative: <b>Marine Security</b>	2) Name of Lead Department(s): <b>Transport Canada</b>
3) Start Date of the Horizontal Initiative: Budget 2001	4) End Date of the Horizontal Initiative: Ongoing
5) Total Federal Funding Allocation: Not Applicable	
<p>6) Description of the Horizontal Initiative: The Marine Security Initiative is a horizontal initiative that is linked to the Government’s key priority of “protecting the security of Canadians”. It is a major initiative to improve security at Canadian ports, in waterways and in territorial waters. Elements of this initiative include:</p> <ul style="list-style-type: none"> <li>• Increased domain awareness, surveillance and tracking of marine traffic;</li> <li>• Improved co-ordination and consultations on marine security;</li> <li>• Clearance programs for marine sector employees;</li> <li>• Additional requirements of Visas for foreign seafarers joining ships in Canada;</li> <li>• Implementing new detection equipment in Canadian ports to monitor containers;</li> <li>• Additional resources from the RCMP for emergency response and supporting marine security; and</li> <li>• International initiatives, which will ensure that Canada will meet current international standards and obligations, including those being developed by the International Maritime Organization (IMO). These measures will also ensure that Canada remains competitive with our international trading partners, by meeting their expectations for maritime security.</li> </ul>	
<p>7) Shared Outcome(s): <i>The following are planned shared outcomes and activities in marine security.</i></p> <p><b><u>Key areas include:</u></b></p> <ul style="list-style-type: none"> <li>• Domain awareness – Increased surveillance and tracking of marine traffic;</li> <li>• Responsiveness – Additional resources for emergency response and supporting marine security;</li> <li>• Safeguarding – Includes clearance programs for marine sector employees working in restricted areas, Visas for foreign seafarers joining ships in Canada and new detection equipment in Canadian ports to monitor containers; and</li> <li>• Collaboration – Improved coordination and consultation on marine security.</li> </ul> <p><b><u>Ultimate Outcome:</u></b></p> <ul style="list-style-type: none"> <li>• To improve maritime security at Canadian ports, waterways and territorial waters.</li> </ul>	

#### 8) Governance Structure(s):

The Government of Canada created the Interdepartmental Marine Security Working Group (IMSWG), chaired by Transport Canada, to identify and coordinate federal government actions in support of Canada's objectives concerning public security and anti-terrorism in the maritime realm, as well as its international marine security obligations. Under the guidance of the IMSWG, each partnering department is responsible for the following:

#### **TRANSPORT CANADA**

Leads the Government's initiatives in marine security enhancements, including:

Policy coordination:

- Chairing the Interdepartmental Marine Security Working Group (IMSWG),
- Regulatory development in support of marine security initiatives,
- Marine Security Oversight and Enforcement Program,
- Leads development of the Marine Transportation Security Clearance Program,
- Marine Security Contribution Program,
- Participates in the Marine Security Operations Centres.

#### **DEPARTMENT OF FISHERIES AND OCEANS/CANADIAN COAST GUARD**

Contributor to the enhancement of the level of domain awareness within the Canadian exclusive economic zone (EEZ) through increased surveillance activities and the implementation of shore based Automatic Identification System (AIS) infrastructure and the development of a long range vessel tracking capability. As well, increased its level of on-water capability for response to marine security incidents.

Also participates in the Marine Security Operations Centres.

#### **PUBLIC SAFETY AND EMERGENCY PREPAREDNESS CANADA**

Counter-Terrorism Training Exercises

#### **CANADA BORDER SERVICES AGENCY**

- Horizontal Learning Initiative: Funding was provided for this initiative and no further expenditures requested,
- Installation of Radiation Detection Equipment at key Canadian Marine Container Terminals Dan,
- Marine Awareness Training Program (Marine Center of Expertise): Funding was provided for this initiative and no further expenditures requested,
- Passenger and Crew Screening Initiative: Expansion of the Marine Security Officers program in the Great Lakes and ongoing funding for the current Marine Security Officers in Pacific, Atlantic and Quebec, and
- Cruise Ship Inspections Increased use of IPIL and API/PNR and Contraband Detection Tools at all ports of entry. Consistent and effective risk management of cruise ship passengers and crew.

**ROYAL CANADIAN MOUNTED POLICE**

National Ports Project; Emergency Response Team training and a partner in the Marine Transportation Security Clearance Program.

Also participates in the Marine Security Operations Centres.

**DEPARTMENT OF NATIONAL DEFENCE**

Contributes to improve collaboration and coordination through a Maritime Information Management and Data Exchange and enhanced domain awareness employing High Frequency Surface Wave Radar network for the surveillance of strategic high traffic coastal area.

Leads the Marine Security Operations Centres.



9) Federal Partners Involved in Each Program	10) Names of Programs	11) Total Allocation (\$000's)	12) Planned Spending for 2006–2007 (\$000's)	13) Expected Results (Refer to the four key areas listed in section 7 above).
<b>1. Transport Canada</b>	<b>a) Marine Security Coordination Fund</b>	\$16,200	\$2,000	<ul style="list-style-type: none"> <li>• Collaboration</li> </ul>
	<b>b) Marine Security Regulatory Oversight Program</b>	\$54,070	\$12,818	<ul style="list-style-type: none"> <li>• Domain awareness</li> <li>• Responsiveness</li> <li>• Safeguarding</li> <li>• Collaboration</li> </ul>
	<b>c) Marine Security Enhanced Policy Coordination</b>	\$5,000	\$1,000	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Responsiveness</li> <li>• Collaboration</li> </ul>
	<b>d) Marine Transportation Security Clearance Program (MTSCP)</b>	\$11,800	\$2,000	<ul style="list-style-type: none"> <li>• Safeguarding</li> </ul>
	<b>e) Marine Security Contribution Program</b>	\$125,000	\$56,000	<ul style="list-style-type: none"> <li>• Responsiveness</li> <li>• Safeguarding</li> <li>• Collaboration</li> </ul>
	<b>f) Security Enhancement to Crown-Owned Public Ports and Public Facilities</b>	\$2,000	\$2,000	<ul style="list-style-type: none"> <li>• Safeguarding</li> </ul>

<b>2. Department of Fisheries and Oceans</b>	<b>a) Funding of Additional Fleet Operations</b>	\$10,000 (annually and ongoing)	\$10,000	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Safeguarding</li> <li>• Responsiveness</li> </ul>
	<b>b) Automated Identification System and Long Range Vessel Identification and Tracking Project</b>	\$27,500	\$13,500	<ul style="list-style-type: none"> <li>• Domain Awareness</li> </ul>
	<b>c) Enhanced Conservation &amp; Protection Air Surveillance Flights</b>	\$7,000 (annually and ongoing)	\$7,000	<ul style="list-style-type: none"> <li>• Domain Awareness</li> </ul>
<b>3. Canada Border Services Agency (CBSA)</b>	<b>a) Installation of Radiation Equipment at key Canadian Marine Container Terminals</b>	\$9,500 (over 5 years)	\$1,000	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Safeguarding</li> <li>• Responsiveness</li> <li>• Collaboration</li> </ul>
	<b>b) Passenger and Crew Screening Initiative</b>	\$5,315	\$5,315	<ul style="list-style-type: none"> <li>• Collaboration</li> </ul>
	<b>c) Cruise Ship Inspections</b>	\$541	\$541	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Safeguarding</li> <li>• Responsiveness</li> <li>• Collaboration</li> </ul>

<b>4. Public Safety and Emergency Preparedness Canada</b>	<b>a) Marine-Based Counter-terrorism Exercises (sometimes referred to as scenario based training)</b>	\$400	\$195	<ul style="list-style-type: none"> <li>• Collaboration</li> </ul>
	<b>b) Great Lakes / St.Lawrence Seaway Marine Security Operations Centres</b>	\$420	\$140	<ul style="list-style-type: none"> <li>• Collaboration</li> </ul>
<b>5. Department of National Defence</b>	<b>a) Marine Information Management Data Exchange Program (MIMDEX)</b>	\$7,600 capital \$1,200 O&M scheduled to start in April 2008.	\$4,400	<ul style="list-style-type: none"> <li>• Domain Awareness</li> </ul>
	<b>b) High Frequency Surface Wave Radar</b>	\$43,100	Not available	<ul style="list-style-type: none"> <li>• Domain Awareness</li> </ul>
	<b>c) Marine Security Operations Centres</b>	\$165,000	\$19,900	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Responsiveness</li> <li>• Safeguarding</li> <li>• Collaboration</li> </ul>
	<b>d) IMIC3</b>	\$17,000	\$453	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Responsiveness</li> <li>• Safeguarding</li> <li>• Collaboration</li> </ul>

<b>6. Royal Canadian Mounted Police</b>	<b>a) National Port Project</b>	\$1,029	\$1,029	<ul style="list-style-type: none"> <li>• Safeguarding</li> </ul>
	<b>b) National Ports Enforcement Team</b>	\$4,260	\$4,260	<ul style="list-style-type: none"> <li>• Safeguarding</li> </ul>
	<b>c) Marine Intervention Program Training</b>	\$500	\$500	<ul style="list-style-type: none"> <li>• Responsiveness</li> <li>• Safeguarding</li> </ul>
	<b>d) Marine Intervention Program</b>	\$7,710	\$7,710	<ul style="list-style-type: none"> <li>• Responsiveness</li> </ul>
	<b>e) Marine Transportation Clearance Program</b>	\$280	\$280	<ul style="list-style-type: none"> <li>• Safeguarding</li> </ul>
	<b>f) Marine Security Operations Centres</b>	\$1,108	\$1,108	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Collaboration</li> </ul>
	<b>g) National Waterside Security Coordination Program</b>	\$839	\$839	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Collaboration</li> </ul>
	<b>h) Marine Security Enforcement Teams</b>	\$3,202	Not available	<ul style="list-style-type: none"> <li>• Domain Awareness</li> <li>• Responsiveness</li> <li>• Safeguarding</li> </ul>
15) Contact Information: Hamida Charania, Chief Planning and Resource Management — Marine Security, Transport Canada; 613 949-0597; <a href="mailto:charanh@tc.gc.ca">mailto:charanh@tc.gc.ca</a>		16) Approved by: Laureen Kinney, Director General — Marine Security, Transport Canada; 613 990-3651.		17) Date Approved: August 18, 2006

**Table 13: Sustainable Development Strategy**

<b>Department: Transport Canada</b>	
<b>Points to address</b>	<b>Departmental Input</b>
1. How does your department/agency plan to incorporate sustainable development principles into your mission, vision, policy and day-to-day operations?	<p>Transport Canada’s Sustainable Development Strategy (SDS) is the department’s plan for incorporating sustainable development principles into its policies, programs and operations. The department’s mission and vision address the three pillars of sustainable development: economy, environment and society. Transport Canada will continue to promote a sustainable transportation system for Canada, one that is efficient, safe, secure and environmentally responsible (see section 2.1.3 for more information).</p>
2. What Goals, Objectives and Targets from your most recent SDS will you be focusing on this year? How will you measure your success?	<p>TC has seven strategic challenges:</p> <ol style="list-style-type: none"> <li>1. Encourage Canadians to make more sustainable transportation choices</li> <li>2. Enhance innovation and skills development</li> <li>3. Increase system efficiency and optimize modal choices</li> <li>4. Enhance efficiency of vehicles, fuels, and fuelling infrastructure</li> <li>5. Improve performance of carriers and operators</li> <li>6. Improve decision-making by governments and the transportation sector</li> <li>7. Improve management of Transport Canada operations and lands.</li> </ol> <p>The strategy identifies a total of 173 targets, which are reported on an annual basis. The 2004-06 targets are available online at <a href="http://www.tc.gc.ca/programs/environment/sd/sds0406/menu.htm">www.tc.gc.ca/programs/environment/sd/sds0406/menu.htm</a>. To gauge the success of the SDS, Transport Canada annually reports the progress made towards completing commitments and targets, each of which has specific performance measures.</p>
3. Identify any sustainable development tools, such as Strategic Environmental Assessments or Environmental Management Systems that will be applied over the next year.	<p>Transport Canada’s Strategic Environmental Assessment and Environmental Management Systems are important parts of how the department carries out its decision-making processes and day-to-day operations. The department will continue to apply these tools over the next year.</p> <p>The Sustainable Transportation Lens is being developed as part of a commitment in the current SDS. It will be studied over the next year as to its potential for wider applications.</p>

**Table 14: Internal Audits and Evaluations**

The Audit and Advisory Services and Departmental Evaluation Services will conduct the following internal audits and evaluations in 2006-07<sup>1</sup>

<b>Internal Audits</b>	<b>Estimated start date</b>	<b>Estimated completion date</b>
Recoveries from Other Government Departments	2005-06	2006-07
Quality of Information for Decision-Making Phase 2	2006-07	2006-07
Transportation Infrastructure Projects	2006-07	2006-07
Quality Assurance in Safety and Security	2006-07	2006-07
Management Accountability Framework - Corporate Risk Assessment	2006-07	2006-07
Special Purpose Accounts	2006-07	2006-07
Confederation Bridge	2006-07	2006-07
Acquisition Cards	2006-07	2006-07
Travel	2006-07	2006-07
Vehicle Use	2006-07	2006-07
SAR/New Search and Rescue Initiatives Fund (Seascope)	2006-07	2006-07
Information for Decision-Making Operational Information	2006-07	2006-07
Statutory Payments – Payments to CATSA and VIA Rail	2006-07	2006-07
Smaller Grants and Contributions	2006-07	2006-07
Follow-up audits	Ongoing	Ongoing
<b>Internal Evaluations</b>		
Strategic Highway Infrastructure Program (SHIP)	2005-06	2006-07
Aviation and Other, Non-Marine, Security Initiatives Under the Public Security and Anti-Terrorism Strategy	2005-06	2006-07
Transport Canada Marine Security	2005-06	2006-07
Rail Safety	2005-06	2006-07
Direction 2006	2005-06	2006-07
Advanced Technology Vehicle Program	2006-07	2006-07
Canadian Business Aviation Association	2006-07	2006-07
Freight Efficiency and Technology Initiative	2006-07	2006-07
Freight Efficiency Program	2006-07	2006-07
Port Divestiture Program	2006-07	2006-07
Marine Safety	2006-07	2006-07
National Safety Code	2006-07	2006-07

<sup>1</sup> Please note that the list of planned audits will change, as required, to reflect the results of ongoing risk-based audit planning, which ensures that audit resources are directed at the highest risk priorities. Also, consultations on the Evaluation Plan have been undertaken in March 2006, and the plan have been presented to and approved by Transport Canada's Management Executive Committee in April.

## **SECTION IV – OTHER ITEMS OF INTEREST**

## 4.1 Our Offices

### **TRANSPORT CANADA HEADQUARTERS**

**Web site:**

[www.tc.gc.ca/en/menu.htm](http://www.tc.gc.ca/en/menu.htm)

**Mailing Address:**

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

**General Enquiries:**

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

**Library and Research Services Centre:**

Telephone: 613 998-5128

### **TRANSPORT CANADA REGIONAL OFFICES**

**Atlantic Region**

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

**Quebec Region**

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

**Ontario Region**

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

**Prairies and Northern Region**

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

**Pacific Region**

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



## 4.2 Key Links for More Information

Advanced Technology Vehicles program at [www.tc.gc.ca/programs/environment/atvpgm/menu.htm](http://www.tc.gc.ca/programs/environment/atvpgm/menu.htm)

Airports Capital Assistance Program at [www.tc.gc.ca/programs/airports/acap/menu.htm](http://www.tc.gc.ca/programs/airports/acap/menu.htm)

Bridge Governance at [www.tc.gc.ca/programs/Surface/bridges/menu.htm](http://www.tc.gc.ca/programs/Surface/bridges/menu.htm)

Canada's Performance 2005 at [www.tbs-sct.gc.ca/report/govrev/05/cp-rc\\_e.asp](http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp)

*Canada Shipping Act: Canada Shipping Act 2001* and other safety regime initiatives at [www.tc.gc.ca/marinesafety/menu.htm](http://www.tc.gc.ca/marinesafety/menu.htm)

Canada Strategic Infrastructure Fund (CSIF) and Border Infrastructure Fund (BIF) at [http://www.infrastructure.gc.ca/funding/index\\_e.shtml](http://www.infrastructure.gc.ca/funding/index_e.shtml)

Canadian Air Transport Security Authority at [www.catsa.gc.ca/english/index.htm](http://www.catsa.gc.ca/english/index.htm)

Fuel Consumption Program at [www.tc.gc.ca/programs/environment/fuelpgm/menu.htm](http://www.tc.gc.ca/programs/environment/fuelpgm/menu.htm)

*Management Accountability Framework* at [www.tbs-sct.gc.ca/maf-crg/index\\_e.asp](http://www.tbs-sct.gc.ca/maf-crg/index_e.asp)

Management, Resources and Results Structure Policy [www.tbs-sct.gc.ca/rma/mrrs-sgrr\\_e.asp](http://www.tbs-sct.gc.ca/rma/mrrs-sgrr_e.asp)

Port Divestiture Program at [www.tc.gc.ca/programs/Ports/menu.htm](http://www.tc.gc.ca/programs/Ports/menu.htm)

*Public Service Modernization Act* at [www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp/psma\\_e.asp](http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp/psma_e.asp)

TBS' Official Languages Policy Framework at [www.tbs-sct.gc.ca/pubs\\_pol/hrpubs/OffLang/olpf-cplo\\_e.asp](http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/OffLang/olpf-cplo_e.asp)

Transit Pass Program (Ecopass) at [www.octranspo.com/Fares\\_menu\\_e\\_copass.htm](http://www.octranspo.com/Fares_menu_e_copass.htm) and [http://www.sto.ca/tarification/tarifs\\_reduits\\_e.html](http://www.sto.ca/tarification/tarifs_reduits_e.html)

*Transportation of Dangerous Goods Act, 1992*, more information on the review of the act can be found at [www.tc.gc.ca/tdg/consult/actreview/menu.htm](http://www.tc.gc.ca/tdg/consult/actreview/menu.htm)

Transport Canada's Sustainable Development Strategy 2004-2006 at [www.tc.gc.ca/programs/Environment/SD/menu.htm](http://www.tc.gc.ca/programs/Environment/SD/menu.htm) and climate change policy analysis and development at [www.tc.gc.ca/programs/environment/climatechange/menu.htm](http://www.tc.gc.ca/programs/environment/climatechange/menu.htm)

TC Environmental Assessments at [www.tc.gc.ca/programs/environment/environmentalassessment/menu.htm](http://www.tc.gc.ca/programs/environment/environmentalassessment/menu.htm)

Transport Canada Environmental Affairs at [www.tc.gc.ca/programs/environment/menu.htm](http://www.tc.gc.ca/programs/environment/menu.htm).

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