

Transport Canada

2004-2005

Departmental Performance Report

The Honorable Jean-C. Lapierre, P.C., M.P.
Minister of Transport

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SECTION I – OVERVIEW

1.1 Minister's Message

As Canada's Minister of Transport, I am pleased to submit Transport Canada's *Departmental Performance Report* for the period ending March 31, 2005.

It has been a very productive year as the department has worked diligently to promote a safe and secure, efficient and environmentally responsible transportation system. The 21st century reality requires rigorous and effective security measures, and we continue efforts to enhance transportation security. Transport Canada is at the forefront of numerous and high profile national security initiatives. These include the new \$115 million contribution program, which is helping the marine sector boost security and meet international requirements. We have also made great progress in our efforts to enhance safety by promoting a safety culture in all facets of transportation through smart regulation and a greater emphasis on safety management systems.



We continue to refine our policy approach, which is founded on modal balance and market forces, and aims to promote a more efficient and competitive transportation system. To this end, I am proud to have been able to announce an \$8 billion reduction in rents for major Canadian airports, and also to have introduced amendments to the *Canada Transportation Act*. We have made significant progress working with other governments and stakeholders to improve the flow of passengers and goods at our borders and along our vital trade corridors, including for example in Windsor-Essex. We also delivered multi-billion dollar programs in support of transportation infrastructure. And we continue our efforts to reduce the environmental impacts of transportation, in particular through climate change initiatives to reduce greenhouse gas emissions in the transportation sector.

This *Departmental Performance Report* demonstrates the significant contributions of the department and the fundamental role of transportation to the well-being of Canadians. I invite all Canadians to join me and the Transport Canada team as we continue to work together to build and maintain a safe and secure, efficient and environmentally responsible transportation system.

The Honourable Jean-C. Lapierre, P.C., M.P.
Minister of Transport

1.2 Management Representation Statement

I submit for tabling in Parliament, the 2004-2005 Departmental Performance Report (DPR) for Transport Canada.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada Secretariat's *Guide for the preparation of 2004-2005 Departmental Performance Reports*:

- It adheres to the specific reporting requirements;
- It uses an approved Business Lines structure;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results pursued or achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: Louis Ranger
Title: Deputy Minister

1.3 Summary Information

1.3.1 Raison d'être

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

Our Vision . . .

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

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

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

Our Mission . . .

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

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

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

1.3.2 Legislative Mandate

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

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

Some of the Legislation governing Transport Canada:

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

1.3.3 Strategic Outcomes

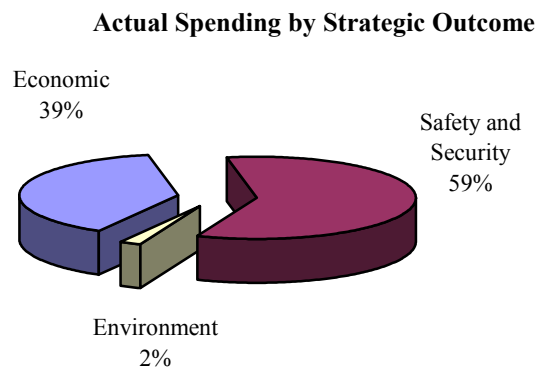
As part of a strategic planning exercise in 2004-05, Transport Canada has refined its three strategic outcomes or ultimate results with the intention to better link them to the benefits for Canadians:

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

However, for consistency in reporting, the strategic outcomes as shown in the Report on Plans and Priorities 2004-05 will be used as the basis for reporting in this document:

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

This illustration of our 2004-05 actual net spending by Strategic Outcome is based on estimates. Note that Crown corporations such as Marine Atlantic inc., VIA Rail inc. and Jacques Cartier and Champlain Bridges are included in the economic strategic outcome as Canadian Air Transport Security Authority is included in the safety and security one.



1.3.4 Summary Tables

The following tables present the resources needed in 2004-05 to deliver Transport Canada's programs and services for the benefits of Canadians:

Total Financial Resources (\$ thousands)

Planned	Authorities	Actual
\$1,756,141	\$1,729,668	\$1,608,192

Total Human Resources

Planned	Actual	Difference
4,812	4,718	94

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

2004-05 Priorities/ Commitments	Type	Planned Spending (\$000s)	Actual Spending (\$000s)	Expected Results and Current Status
Strategic Outcome: Contribute to Canada's economic growth and social development				
Policy Framework initiatives:				
Air sector activity monitoring ¹	Ongoing	\$615	\$706	<i>Expected result:</i> Federal policies are contributing to economic sustainability of the air sector. <i>Current status:</i> Successfully met in 2004-05 and ongoing
Liberalization of air bilateral agreements ¹	Ongoing	\$90	\$68	<i>Expected result:</i> Expansion of bilateral air transport agreements or arrangements for international air services. <i>Current status:</i> Successfully met in 2004-05 and ongoing
Stakeholder consultations on domestic and international air transportation policies	Ongoing	—	—	<i>Expected result:</i> Policies that contribute to economic sustainability of the air sector while protecting the interest of air travellers. <i>Current status:</i> Successfully met in 2004-05 and ongoing
Electronic Collection of Air Transportation Statistics	New	\$747	\$647	<i>Expected result:</i> Improvement of the quality, scope and timeliness of air transportation statistics for policy formulation, planning and decision-making. <i>Current status:</i> Successfully met
Aviation Third Party War Risk Liability Insurance	Previous	\$100	\$98	<i>Expected Result:</i> Business continuity for the aviation industry until reasonable and practical alternatives become available on the commercial insurance market. <i>Current Status:</i> Successfully met in 2004-05 and Ongoing

2004-05 Priorities/ Commitments	Type	Planned Spending (\$000s)	Actual Spending (\$000s)	Expected Results and Current Status
Regional and Small Airports Study	Previous	\$100	\$112	<i>Expected Result:</i> Departmental understanding of the impact of government divestitures on affected communities. <i>Current Status:</i> Successfully met
Intermodal freight	New	\$5,000 over a 5 year period	\$23	<i>Expected result:</i> Intermodal freight policy framework that reduce impediments to modal integration. <i>Current status:</i> Ongoing
Disposal of grain hopper cars	Ongoing	\$979 3 FTEs	\$677	<i>Expected result:</i> A more commercial, efficient and competitive grain transportation system. <i>Current status:</i> Ongoing
Shortsea shipping initiatives ¹	New	\$100	\$37	<i>Expected result:</i> Shortsea shipping initiatives are advanced and promoted. <i>Current status:</i> Successfully met in 2004-05 and ongoing
Bi-annual meetings of the Advisory Committee on Accessible Transportation	Ongoing	—	May 2004 \$38 Nov. 2004 \$40	<i>Expected result:</i> Meetings are better aligned with the role of the Minister and respect modern consultation practices. <i>Current status:</i> Successfully met
Research projects to enhance the accessibility of the transportation network ¹	Ongoing	\$75 1 FTE	\$75 1 FTE	<i>Expected result:</i> Improved accessibility of Canada's transportation system. <i>Current status:</i> Successfully met in 2004-05 and ongoing
Infrastructure and Efficient, Secure Trade Corridors:				
Airport Legislation ¹	Ongoing	\$205	\$309	<i>Expected result:</i> To strengthen governance, transparency and accountability at Canada's major airports. <i>Current status:</i> Ongoing
Airport rent policy review ¹	Previous	\$90	\$98	<i>Expected result:</i> The federal government's airport rent policy balances the interests of all stakeholders, including the air industry and Canadian taxpayers. <i>Current status:</i> Successfully met
Airport Federal space review	Ongoing	—	—	<i>Expected result:</i> Policy achieving a degree of consistency regarding accommodation practices at airports. <i>Current status:</i> Ongoing
Airport Lease management	Ongoing	\$1,600	\$1,394	<i>Expected Results:</i> Well-maintained infrastructure that complies with safety, security and environmental laws; Protection against major losses for the Crown and Canadian taxpayers. <i>Current Status:</i> Successfully met in 2004-05 and ongoing

2004-05 Priorities/ Commitments	Type	Planned Spending (\$000s)	Actual Spending (\$000s)	Expected Results and Current Status
Airport Risk management	Ongoing	\$100	\$51	<i>Expected Result:</i> Risk management for Airport Authorities that is more flexible and cost effective. <i>Current Status:</i> Successfully completed
Airports Capital Assistance Program	Ongoing	\$43,300	\$24,386	<i>Expected Results:</i> Enhanced airport safety levels, increased life of assets, reduced operating costs and increased use of environmentally sustainable practices. <i>Current Status:</i> Successfully met in 2004-05 and ongoing
Contribution programs in support of Canada's national highway system and other surface infrastructure	Ongoing	\$206,600	\$203,400	<i>Expected Results:</i> Completion of highway and border projects that contribute to: sustained strategic infrastructure investments in all regions; improved mobility and transportation efficiencies; enhanced safety performance; trade and economic development support; and sustainable transportation promoted. <i>Current Status:</i> Successfully met in 2004-05 and ongoing
Infrastructure programs for transportation projects in support of highways, transit and borders	Previous	\$2,700 Note: Planned spending omitted O&M resources towards CSIF & BIF projects. Contribution Funding rests with Infrastructure Canada.	\$7,538 (\$1,038 Operations and maintenance (O&M) resources CSIF & BIF + \$6,500 Outaouais Road.	<i>Management of transportation projects approved under the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF):</i> <i>Expected Results:</i> Secure and efficient Canada-U.S. trade and transportation flows and land border operations are promoted. <i>Management of the Outaouais Road Agreement:</i> <i>Expected Result:</i> Compliance with terms and conditions as outlined in the Outaouais Road Agreement. <i>Current Status:</i> Ongoing
Governance of federal bridges	Ongoing	\$87,800	\$87,681	<i>Expected Results:</i> Federally owned bridges that are safe, secure and support the efficient movement of traffic. Crown corporations and private operators that effectively manage federal bridge assets. <i>Current Status:</i> Successfully met in 2004-05 and ongoing
International crossings	New	\$300	\$300	<i>Expected Result:</i> Improved quality of federal oversight on international bridge and tunnel crossings. <i>Current Status:</i> Exceeded

2004-05 Priorities/ Commitments	Type	Planned Spending (\$000s)	Actual Spending (\$000s)	Expected Results and Current Status
Port divestiture	Ongoing	\$46,800 Note: \$25M planned spending reprofiled to future year of program.	\$20,200	<i>Expected Results:</i> Local interests operate and maintain ports more economically than the Crown and are best placed to make decisions that benefit the community; Savings to Canadian taxpayers. <i>Current Status:</i> Ongoing
Ferry services contribution Program (BC Ferries, CTMA, NFL) ¹	Ongoing	\$32,550	\$33,759	<i>Expected results:</i> Access to mainland transportation network. Safe, reliable and affordable remote and constitutional ferry services. <i>Current status:</i> Successfully met
St. Lawrence Seaway surplus lands divestiture	Ongoing	\$1,800	\$1,769	<i>Expected Result:</i> Surplus properties divested as per terms and conditions of the Agreement of Purchase and sale with Canada Lands Company. <i>Current Status:</i> Progressing as planned in the Agreement.
Marine Navigational Services Study	Ongoing	\$250	—	<i>Expected result:</i> Evaluating alternative methods of delivering marine navigational services in Canada. <i>Current status:</i> Not met (See Section 2.1.2.3 for details)
Skills and R&D Supporting Innovation:				
Science and Technology / Research and Development initiatives	Ongoing	\$7,500 23 FTEs	\$7,850 23 FTEs	<i>Expected result:</i> Advancing S&T/R&D to promote innovation in transportation and to support departmental strategic initiatives. <i>Current status:</i> Successfully met in 2004-05 and ongoing
Intelligent Transportation Systems	Ongoing	\$3,178 7 FTEs	\$3,132 7 FTEs	<i>Expected Result:</i> Improved safety, security, efficiency and sustainability of the transportation system through the development and deployment of ITS technologies. <i>Current Status:</i> Successfully met in 2004-05 and ongoing
Strategic Outcome: Ensure high standards for a safe and secure transportation system				
Civil Aviation Flight 2005	Ongoing	\$127,000 1,433 FTEs	\$135,968 1,416 FTEs	<i>Expected Results:</i> Continued improvement on the high level of aviation safety in Canada; A high level of public confidence in our civil aviation program. <i>Current Status:</i> Successfully met in 2004-05 and ongoing
Road Safety Vision 2010	Ongoing	\$25,564 101 FTEs (revised numbers)	\$24,635 97 FTEs	<i>Expected Result:</i> Decrease in the average number of road users killed or seriously injured by 30% during the 2008-2010 period compared with 1996-2001 average figures. <i>Current Status:</i> On track to be successfully met

2004-05 Priorities/ Commitments	Type	Planned Spending (\$000s)	Actual Spending (\$000s)	Expected Results and Current Status
Rail Safety	Ongoing	\$20,000 146 FTEs	\$23,124 155 FTEs	<i>Expected Results:</i> Continued improvements in compliance, safety culture, public and industry awareness, effective regulatory tools and partnership and stakeholder engagement. <i>Current Status:</i> On track to be successfully met
Marine Safety, The Next Wave	Ongoing	\$35,000 450 FTEs	\$58,374 604 FTEs	<i>Expected Result:</i> To continuously maintain and enhance safety and the protection of life, health, property and the marine environment through: <ul style="list-style-type: none"> the development, maintenance and implementation of an effective regulatory regime; education and awareness; and monitoring and enforcement. Transport Canada has committed to achieving a number of marine safety targets by 2010, including a 20% reduction in fatalities from the 1998-2002 average of 33.8 per year. <i>Current Status:</i> On track to be successfully met
Transportation of Dangerous Goods 2010	Ongoing	\$10,000 122 FTEs	\$11,029 123 FTEs	<i>Expected Result:</i> All dangerous goods shipments arriving at their destination without incident caused by the dangerous good. <i>Current Status:</i> On track to be successfully met
Transportation Security	Ongoing	\$34,000 365 FTEs	\$40,076 336 FTEs	<i>Expected Results:</i> Safeguarding the integrity and security of both the national transportation system and the department; Providing an effective emergency preparedness capability. <i>Current Status:</i> Successfully met in 2004-05 and ongoing
Strategic Outcome: Protect the physical environment				
2004-2006 Sustainable Development Strategy	Ongoing	\$500	\$742	<i>Expected Result:</i> A more sustainable transportation system. <i>Current Status:</i> Ongoing
Climate Change	Ongoing	\$27,500 Note: \$9,897 was reprofiled to future years as a result of slow acceptance of industry	\$7,530 Note: \$1,230 spent for the Advanced Technology Vehicles Program was not included in the planned spending because funds were received in May 2004	<i>Expected Result:</i> Impact of transportation on the environment is reduced. <i>Current Status:</i> Ongoing

2004-05 Priorities/ Commitments	Type	Planned Spending (\$000s)	Actual Spending (\$000s)	Expected Results and Current Status
Contaminated sites	Ongoing	\$31,100	\$27,300	<i>Expected Result:</i> Contaminated sites are managed in a responsible manner. <i>Current Status:</i> Ongoing
Strategic environmental assessment (SEA)	Ongoing	\$150	\$122	<i>Expected Result:</i> Increased TC compliance with SEA Cabinet Directive. <i>Current Status:</i> Ongoing
Clean air initiatives	Ongoing	\$600	\$424	<i>Expected result:</i> Reduced air emissions from locomotives, marine vessels, aircraft, and at airports within an international context. <i>Current Status:</i> Ongoing
Full costs of transportation	New	\$400	\$330	<i>Expected Result:</i> The full costs of transportation are investigated. <i>Current Status:</i> On track to be successfully met

Note:

1. The planned spending for that commitment was not available at the time of publication of the RPP 2004-05 and has now been added for comparison purposes.

1.4 Overall Departmental Performance

NOTE: Transport Canada's departmental performance and financial tables are presented using the framework provided under the departmental strategic outcomes and Business Lines structure.

Operating Environment and Context

During 2004-05, the department invested considerable effort in updating and clarifying its strategic directions. A new vision, mission, strategic outcomes and strategic priorities for the coming years were developed. These were first reported in the 2005-06 *Report on Plans and Priorities* (RPP), which presents the most current snap-shot of the department's direction. As a result of this change, this *Departmental Performance Report* (DPR) is a transitional report; as by necessity, it must report on the RPP commitments for 2004-05.

This internal refocusing was brought about in response to changes facing Transport Canada and the transportation system. Throughout our history, Canada's transportation policies have evolved to meet changing priorities and emerging challenges, as governments have worked to ensure that transportation is able to contribute to our economic and societal growth. The most recent significant shift in priorities came in the aftermath of the terrorist attacks of September 11, 2001, which resulted in a new focus on security for governments in general, including considerable emphasis on the security of the transportation system. While the initial focus was on the air sector, more recently the department has been working on measures to respond to security needs in the marine and surface sectors as well, with the dual objective of securing Canadians and our prosperity.

Changes beyond our border are having other impacts on the Canadian transportation system and the department's activities. Chief among these are globalization and changing global trade patterns. To support these markets, in 2004-05 Transport Canada managed over \$665 million in federal investments to improve traffic flows and address congestion and security issues at Canada's borders, leveraging investments of nearly \$1 billion with provincial partners. We continued to support our vibrant relationship with our U.S. trading partner at key gateways such as Windsor-Detroit, while increasing our focus on the opportunities presented by emerging markets such as China, India and Brazil. Our transportation system, supported by key program investments and policies, was essential to the success of these endeavours as we developed, maintained and enhanced efficient systems and appropriate infrastructure to link us with the rest of the world.

Transport Canada has continued to work to provide a solid foundation upon which Canadian transportation companies can compete successfully. A significant marker in terms of the competition within the transportation system was the emergence of Air Canada from bankruptcy protection, following the successful development of a private sector solution. On the legislative front, the first minority government in almost 25 years has changed the operating environment. In this new context, the department has worked diligently towards the introduction of a number of important pieces of legislation, including Bill C-44 amending the *Canada Transportation Act*.

Our commitment to environmental responsibility continues, and our strategic direction on this front took an important step forward with the release of *Project Green*, the Government of Canada's plan for honouring our Kyoto commitments. Transportation, as the single largest emitter of greenhouse gases, will play an important role to mitigate and adapt to climate change. As such, over the last year Transport Canada continued to play a key role by supporting Infrastructure Canada in managing federal investments in our cities' public transit systems – investments that have leveraged with our provincial, municipal and private sector partners nearly \$5 billion in new funding for transit across Canada.

This fluctuating working environment set the stage for many achievements by the department during the reporting year. The delivery of Transport Canada's programs and services is largely funded through operating expenditures, with authority to spend revenue received during the year. Some of our programs are managed through grants and contributions and we are held to the terms and conditions set out in each individual grant or contribution.

The context description would not be complete without mentioning the relationship between the department objectives and those of the federal government as a whole. Transport Canada's three strategic outcomes support the following Government of Canada outcomes as found in *Canada's Performance 2004*:

- A Prosperous and Sovereign Canada in a Safe and Secure North America;
- A Canada Committed to Multilateral Cooperation;
- A Secure and Fair Marketplace;
- Strong Regional Economic Growth;
- Caring Communities;
- Sustainable Cities and Communities;
- A Healthy Population;
- Canada's Environment is Protected and Restored from Pollution; and
- The Risk of Climate Change is Minimized.

This alignment ensures that transportation decisions continue to contribute to the success of the broader government agenda. The programs and services offered by Transport Canada to the Canadian society aimed to achieve results in partnership with the other departments toward the Canadian safety and security, a strong economy and the protection of the environment. These three results are common and closely intertwined with the nine Government of Canada's outcomes listed above.

The following pages will detail how the department has responded to the challenges facing the transportation system and successfully met the commitments it established in the 2004-05 RPP.

SECTION II – ANALYSIS OF PERFORMANCE BY STRATEGIC OUTCOME

2.1 Contribute to Canada's economic growth and social development

Ultimate Results

A transportation system that is:

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

Resource allocation to this strategic outcome for 2004-05 (\$ thousands):

Planned spending	Total Authorities	Actual
\$684,437	\$692,709	\$621,465

Note: The spending by Strategic Outcome includes a reallocation of corporate overhead.

This first strategic outcome is divided into three priorities and then sub-divided by mode of transportation.

- Priorities:**
- 2.1.1 Policy Framework Initiatives**
 - 2.1.2 Infrastructure and Efficient, Secure Trade Corridors**
 - 2.1.3 Skills and R&D Supporting Innovation**

2.1.1 Policy Framework Initiatives

Market forces and competition not only guide our transportation system, but also yield positive results for our national economy. A robust marketplace encourages seasoned competitors and new entrants to innovate to improve services to meet the ever-changing transportation needs of Canadians. The marketplace must, at the same time, respond to Canada's ongoing challenges such as globalization and integration of the North American market, the need to be vigilant and to balance security and international trade imperatives, and to be mindful of our changing demographic and an aging workforce. The following are examples of specific initiatives undertaken by Transport Canada in 2004-05 to support a strong and healthy marketplace framework for our national transportation system.

2.1.1.1 Air

Air Sector Monitoring

Transport Canada monitors the air industry as a whole (airlines, airports and air navigation systems), to determine whether federal policies are contributing to the economic sustainability of the air sector. As part of these activities, Transport Canada closely monitored Air Canada's restructuring efforts that it began after filing for protection under the *Companies' Creditors Arrangement Act* on April 1, 2003. The department worked closely with the Department of Finance, Industry Canada and Labour Canada and other government departments to ensure that government issues arising from restructuring were addressed. The airline emerged from bankruptcy protection on September 30, 2004, with reduced operating costs, a smaller debt burden and \$1.8 billion in new equity. As a result of restructuring, Bill C-47, which will amend the *Air Canada Public Participation Act* to ensure that existing language and headquarters

location obligations continue to apply under Air Canada's new corporate structure, was tabled in the House of Commons in the spring of 2005.

Pursuant to the February 2005 report of the Auditor General, Transport Canada initiated the development of a strategic framework for monitoring the long-term financial viability of airports in the National Airport System. Monitoring of the performance of airports was also done in the context of the Airport Rent Policy Review (See Section 2.1.2.1 for more information on that review).

Liberalization of Air Bilateral Agreements

Canada presently has more than 70 bilateral air transport agreements or arrangements for international air services in place. During 2004-05, the federal government participated in seven rounds of negotiations with five countries and held consultation meetings with 14 other countries. An amended air transport agreement was concluded with the Russian Federation expanding the rights to operate to and to overfly each other's territory. Similarly, an agreement was reached expanding the airline operating opportunities for scheduled air services between Canada and Japan. Pending the conclusion of an agreement with the Republic of Colombia, a temporary arrangement was reached permitting limited air services.

On February 24, 2005, the Minister of Transport and the United States Secretary of Transportation, agreed to explore further liberalization of the air transport relationship between Canada and the U.S. A consultation document has been distributed to stakeholders in order to assess the merits of further broadening the current agreement. Following the review of stakeholder submissions, consideration will be given to a negotiating mandate, with a decision to be made in fall 2005.

International Air Transportation Policies

On March 31, 2004, Canada became the 28th state to sign the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment. Bill C-4, an act to Implement the Convention and Protocol, was introduced in the House of Commons on October 8, 2004 and received royal assent on February 23, 2005. The act and the eventual ratification of the Convention and Protocol will facilitate and encourage international asset-based financing, i.e., financing using the value of equipment as security for payment. In support of this initiative, Transport Canada is participating on the committee of experts and working closely with ten other countries to develop appropriate regulations to oversee the international registry.

On May 7, 2004, following extensive consultations by Transport Canada in 2003 and 2004 with members of the travel distribution industry, air carriers and other governments, the amended Computer Reservation Systems Regulations were published in the *Canada Gazette*, Part II. The amendments move to a more deregulated system, while continuing to protect the interests of air travellers. They also recognize significant developments, such as the emergence of the Internet as an information and sales tool.

Electronic Collection of Air Transportation Statistics

Following a ten-month pilot project, Transport Canada initiated the Electronic Collection of Air Transportation Statistics (ECATS) program to improve the quality, scope and timeliness of air transportation statistics for policy formulation, planning and decision-making. During 2004-05, the ECATS initiative was successful in implementing electronic data collection from over 95 per cent of the domestic air carriers and over 65 per cent of other foreign carriers providing services in Canada. To date, over 80 per cent of U.S. and other foreign carriers are reporting electronically. In total, over 90 per cent of all commercial air carriers providing services to Canada are participating in the ECATS program. Efforts are ongoing to integrate the remaining carriers into the program.

Aviation Third Party War Risk Liability Insurance

One of the consequences of the events of September 11, 2001 was the cancellation of certain types of aviation insurance. Most classes of insurance were eventually reinstated, albeit at higher cost, but third party war risk insurance remains unavailable on realistic terms and at commercially reasonable rates. Transport Canada has continued to monitor developments in the global aviation and insurance fields, but no effective alternative developed in 2004-05. Canada's air transportation industry cannot operate without full insurance coverage and, for this reason, the Minister of Transport continues to provide an indemnity to Canadian air transportation companies for aviation third party war risk liability over \$US 35 million. The current authority expires December 31, 2005.

Regional and Small Airports Study

Further to its commitment made in the 2003-04 RPP, the department released its study on Regional and Small Airports (TP14283B) in September 2004. One of the objectives of the study was to understand the impact of divestiture on affected communities.

The study found that airports currently running operating deficits almost all have the same obstacle – insufficient potential passenger base to attract or support significant air carrier service. The great majority of airports that were in a deficit position at the time of transfer have been able to significantly reduce that deficit or even generate a surplus since divestiture. This was possible even in the face of adverse circumstances, particularly since September 2001.

It became evident that some airports had more than one role and served more than one purpose in the community. Transport Canada, in a joint exercise with the provincial and territorial governments, is now looking at developing objective criteria to determine the mission of regional and small airports (cargo, tourism, regional development, etc.). The department's Regional and Small Airports Study can be found at <http://www.tc.gc.ca/programs/airports/RSAS/menu.htm>.

2.1.1.2 Surface

Disposal of the Federal Hopper Car Fleet

In Budget 1996, the government announced its intention to dispose of the federal fleet of railway grain hopper cars. This fleet of 12,400 cars has been used for the transportation of western Canadian grain for the past 30 years. In 2004-05, departmental officials consulted widely with stakeholders in the grain sector, assessed various options put forward for a possible disposal, and commissioned studies into the condition of the cars and their market value. On March 9, 2005, the government announced that it would open negotiations with the Farmer Rail Car Coalition, a broad-based farmer's organization from Saskatchewan, concerning the possible transfer of the fleet to the coalition. The government has committed to ensure that the possible transfer supports continued efforts to move towards a more commercial, efficient and competitive grain transportation system that meets the needs of producers and other stakeholders and that it optimizes value for Canadian taxpayers. Transport Canada has conducted a significant amount of due diligence on the coalition's proposal to ensure that it is both financially viable and operationally sound. The government expects to make a final decision on the disposal later in 2005.

2.1.1.3 Marine

Canada Marine Act Review

In 2004-05, the results of studies, in conjunction with the recommendations from the panel of marine industry experts, were used to guide the department's considerations regarding amendments to the *Canada Marine Act* (CMA). Bill C-61 was introduced in Parliament on June 22, 2005. As a result, these amendments will provide Canada Port Authorities with access to federal contribution programs for key infrastructure improvements. They will also enhance the safety and efficiency of Canadian waterways by reforming the enforcement regime.

Shortsea Shipping Initiatives

The departmental strategy to advance and promote shortsea shipping consisted of a number of activities. The department raised the level of awareness among stakeholders of the potential for shortsea shipping to contribute to a more integrated transportation system through a national conference, the creation of a roundtable group with Quebec provincial and industry representatives and the funding for regional shortsea shipping studies. Transport Canada noticed that a variety of private sector initiatives involving potential shortsea shipping applications are being pursued for possible implementation.

2.1.1.4 Multimodal

Intermodal Freight

Transport Canada successfully consulted stakeholders, provinces and other interested parties on intermodal freight issues in 2004 by holding over 70 meetings in all parts of the country. Most

of the individuals and groups consulted agreed that federal transportation policy, which emphasizes market forces and modal competition, was appropriate. The consultations suggested that an approach to freight policy focused more broadly on freight movement than specifically on freight intermodalism would be appropriate, the department is preparing a draft freight strategy paper for release in fall 2005. A summary of the consultations can be found at <http://www.tc.gc.ca/pol/EN/Report/Intermodal/Consultations.htm>.

Canada Transportation Act Amendments

On March 24, 2005, legislation proposing amendments to the *Canada Transportation Act* (Bill C-44) was introduced in Parliament. The bill focuses on achieving a balance between the interests of consumers, shippers and communities, and those of air carriers and rail carriers, while also addressing the governance regimes for international bridges and tunnels, the Canadian Transportation Agency and VIA Rail. The goal of Bill C-44 is to foster responsive transportation services and capacity within a stable policy framework and encourage an investment climate supporting economic growth and secure international trade. Initially introduced as Bill C-26 in the previous parliamentary session, Bill C-44 represents more than three years of extensive consultation with varied public and private sector stakeholders.

Trade Policy

In 2004-05, Transport Canada completed stakeholder consultations to confirm and update the Canadian positions for various bilateral free trade negotiations and for the multilateral services negotiations in the World Trade Organization. In respect of the latter, the department formulated the transportation component of Canada's revised services offer. Successful conclusion of these negotiations will allow greater access to foreign markets for our transportation industry. Pursuant to the Treasury Board Secretariat *Management Framework for International Trade Litigation*, the department also conducted reviews of all its legislative initiatives to ensure compliance with Canada's international obligations.

Advisory Committee on Accessible Transportation (ACAT)

Through its transportation policy, the federal government seeks to provide an accessible national transportation network free of undue obstacles for persons with disabilities and those with unique needs, such as seniors. The department pursued a number of key activities and initiatives in 2004-05 to achieve this result. For example, the department modernized the ACAT to better align it with the role of the Minister and to respect modern consultation practices, including the principles of Canada's Voluntary Sector Accord. The modernized ACAT, through its responses to matters put to it for consultation, will contribute to the development of a long-term multimodal strategy for enhancing accessibility.

Transport Canada has undertaken several other projects to improve the accessibility of the federal transportation system:

- An awareness campaign for the Intercity Bus Code of Practice was undertaken in 2004. In consultation with the Canadian Bus Association, the department has extended the

public education effort into 2005 to increase the number of travellers reached through the voluntary sector before an evaluation of the results is undertaken.

- The final report on the Service Animal Workshop of 2003 was shared with industry stakeholders, and discussed extensively with ACAT. Positive results are indicated by such measures as Canadian Airport Authorities reporting on how service animals are accommodated in airports on the Access to Travel website.
- Two technical research and development studies were completed in response to issues raised by ACAT: “Study of Automated Dispensing Machines and Automated Kiosks in the Transportation System”, and “Audibility of Public Address Systems in Airports”.
- Several policy research projects were completed: “Examination of the Policy Framework for Accessible Transportation in Five European Countries”, “Mobility Challenges of an Aging Canadian Population”, “Environmental Scan of Issues in the Transportation System”, and “Economics of Accessible Transportation”.

2.1.2 Infrastructure and Efficient, Secure Trade Corridors

Supporting the smooth flow of people and goods as well as creating the right conditions to encourage investments in transportation infrastructure remain key focuses of Transport Canada. The department encourages the continued improvement of transportation by providing rules that allow transportation infrastructure providers to adapt, innovate, remain competitive and serve the public. Working cooperatively with other departments, such as Infrastructure Canada, and stakeholders, Transport Canada continues to promote and encourage progressive responses and strategic investments in our national transportation system.

2.1.2.1 Air

Airport Legislation

The proposed Canada Airports Act, introduced as Bill C-27 in the House of Commons in March 2003, died on the order paper when the House was prorogued in November 2003. It contained provisions to strengthen governance, accountability and transparency at Canada’s major airports. In 2004-05, based on reactions of stakeholders and parliamentarians to the original bill, Transport Canada made revisions. The proposed new bill will maintain the original focus, however, it will be based more on principles and will address differences between large and small airports. The Minister intends to introduce new legislation in 2005-06.

Airport Rent Policy Review

A review of the rent policy for 21 airport authorities in the National Airports System (NAS) was launched in 2001 in response to the demands of airports and aviation communities and to the issues raised by the Auditor General in October 2000. The review was designed to assess whether the federal government’s airport rent policy balances the interests of all stakeholders, including the air industry and Canadian taxpayers.

Based on the findings of the review, the Minister announced on May 5, 2005, that the Government of Canada is adopting a new rent policy for NAS airports. The new policy is

expected to result in close to \$8 billion in rent relief for airport authorities over the course of their existing leases and will address inequities in the system and among airports of similar size.

Airport Federal Space Review

Federal departments are required to occupy space at international and national airports for the purposes of processing incoming international passengers and for security programs. With a few exceptions, space and facilities have been traditionally provided to federal departments at no charge, as the programs are essential to public services. Since September 11, 2001, there has been a need to increase the federal presence at airports to fulfill the government's expanded safety and security roles. Transport Canada continues to facilitate discussion between departments and agencies on this issue. While progress has been slow, the department will continue to foster dialogue and work towards achieving a degree of consistency regarding accommodation practices.

Airport Lease Management

The health of Canada's air transportation industry relies heavily on the ongoing viability and efficiency of National Airports System (NAS) airports. Twenty-one airport authorities operate 22 of the 26 NAS airports. In its role as landlord of those airports, Transport Canada monitored all 21 airport authorities in 2004-05. Based on the lease monitoring activities carried out in 2004-05, airport authorities are complying, in all material respects, with the terms and conditions of their ground leases (e.g. safety, security, environment, provision of facilities, governance, insurance, rent, etc.).

Airport Risk Management

The insurance provisions of the ground leases were revised taking into account the overall risk management practices of the airport authorities. The airport authorities provided active support to the development of the necessary changes through the Canadian Airports Council. The ground lease changes provide the airport authorities with the opportunity for more flexible and cost-effective risk management, and airport authorities are able to better tailor their risk management plans and insurance to their needs.

Airports Capital Assistance Program

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

2.1.2.2 Surface

Strategic Highway Infrastructure Program (SHIP)

SHIP – Highway Construction Component

To date, \$485 million has been committed under the *highway construction* component of SHIP to all provinces and territories. In 2004-05, the department invested \$180 million to fund over ten highway improvement projects such as twinning and upgrades to the Trans Canada Highway and the construction of interchange ramps and high speed connectors, in order to increase highway safety and eliminate congestion on the National Highway System. In September 2004, joint funding for three new projects was announced in Newfoundland and Labrador (\$2.1 million federal), Prince Edward Island (\$1.1 million federal) and British Columbia (\$0.9 million federal). These highway improvement projects will result in a safer and more efficient highway system for all Canadians. For further project specific details, please consult <http://www.tc.gc.ca/SHIP/menu.htm>.

SHIP – Border Crossing Transportation Initiative

To date, \$65 million has been allocated to border crossing improvement projects at Canada's busiest commercial border crossings. In 2004-05, the department invested \$15 million to fund 13 border improvement projects in Lacolle, Quebec; Windsor, Ontario; and the Lower Mainland, British Columbia. Projects include rehabilitation, wind break construction, installation of traffic signalization, construction of a dedicated NEXUS/FAST lane, installation of an *Advanced Traveler Information System* to provide travelers and commercial carriers with delay information prior to their departure or en route to assist them in making travel decisions. On May 7, 2004, an announcement of \$5.6 million federal funding was made to build a 3 km international truck route in Sault. Ste. Marie that will connect with Highway 17 (Trans-Canada Highway), via the existing Second Line Road, and provide a more direct connection with the International Bridge and Interstate 75 in Michigan. In particular, under the auspices of the Canada-U.S.-Ontario-Michigan Border Transportation Partnership to address cross-border transportation needs in the Windsor-Detroit area for the next 30 years, the environmental assessment phase of the process was started in 2004-05. These projects will ease traffic congestion and will result in a safer and more efficient highway system for all Canadians. For further project specific details, please consult: <http://www.partnershipborderstudy.com/> and <http://www.tc.gc.ca/mediaroom/releases/nat/2005/05-gc003e.htm>

SHIP – Transportation Planning / Modal Integration Initiative

In addition, Transport Canada has made \$5 million available for academic research studies or applied transportation initiatives that advance transportation planning and modal integration in urban areas and along transportation corridors. The department has funded several transportation planning/modal integration studies in British Columbia, Ontario and Alberta related to rapid transit links and rail corridors. As well, a call for proposals issued in February 2004 was successfully completed with the announcement, in October 2004, of 17 winning projects that will receive federal funding (for a total of approximately \$2.2 million). By encouraging the

development of innovative approaches to transportation issues, these projects will increase the efficiency of the transportation system as a whole and improve its sustainability.

National Highway System (NHS)

At the September 2004 meeting of the Council of Ministers responsible for Transportation and Highway Safety, following a “due diligence exercise” by Transport Canada, the NHS network was expanded by over 2,700 km, or 11 per cent, and now totals over 27,000 km. This was the first time since the NHS was defined in 1988 that all federal, provincial and territorial Ministers agreed to change the NHS.

At that meeting, Ministers adopted a resolution to form a task force to develop a two-tiered NHS for their consideration. The department has undertaken a considerable amount of work on this issue since September 2004, and the results of the NHS review will be presented to Ministers at their next meeting, currently planned for fall 2005.

Border Infrastructure Fund (BIF)

The \$600 million Fund helps to support initiatives in the *Smart Border Action Plan* signed by the Canadian and U.S. governments, by contributing to projects that reduce border congestion, improve the flow of goods and services and expand infrastructure capacity over the medium term. Although the funding resides with Infrastructure Canada, which has overall responsibility and accountability for this Fund, Transport Canada, as a partner in this horizontal initiative, is negotiating and implementing seven contribution agreements with funding recipients under a Memorandum of Understanding with Infrastructure Canada. As of March 31, 2005, sixteen border improvement projects had been announced for a total of \$430 million.

For details on project announcements, please consult http://www.infrastructure.gc.ca/bif/publication/newsreleases/index_e.shtml.

Canada Strategic Infrastructure Fund (CSIF)

Through the \$4 billion CSIF, the Government of Canada works with provincial, territorial and municipal governments, as well as with the private sector, to meet strategic infrastructure needs throughout the country. Although the funding resides with Infrastructure Canada, which has overall responsibility and accountability for this Fund, the department, as a partner in this horizontal initiative, is negotiating and implementing 17 contribution agreements with funding recipients under a Memorandum of Understanding with Infrastructure Canada. As of March 31, 2005, 23 transportation projects had been announced for a total of \$2.5 billion. For details on project announcements, please consult

http://www.infrastructure.gc.ca/csif/publication/newsreleases/index_e.shtml.

All the project announcements are the first milestone towards the expected results, which include, for both BIF and CSIF, the reduction of traffic congestion supporting environmental objectives and more efficient and safe routes supporting economic growth and safety of Canadians.

Governance of Federal Bridges/International Crossings

Transport Canada continued to oversee the sound management of federally owned bridges. On March 24, 2005, following a previous proposal in 2003 that died on the order paper, amendments to the *Canada Transportation Act* were tabled again in Parliament as Bill C-44. The proposed amendments for international bridges and tunnels were expanded as a means of strengthening the federal government's oversight role for international crossings. In addition to giving the governor-in-council the authority to approve the construction or alteration of these structures, they provide the authority to develop regulations. The legislative framework would ensure that the structures are safe and secure, that they are being maintained so as to maximize their long term viability, and that they are being operated in a manner that will support the efficient flow of goods and people.

2.1.2.3 Marine

Port Divestiture

For the past decade, Transport Canada has been transferring the ownership and operation of its regional/local ports to port users and stakeholders. Divestiture contributes to transportation's role as an economic enabler. Local interests are able to operate and maintain the ports more economically than the Crown and are best placed to make decisions that benefit the community. To ensure that isolated communities have access to the transportation of people and goods, the department will continue to own and operate its remote ports unless there is an expressed interest in acquiring those sites.

As of March 31, 2005, Transport Canada had divested 459 of its original 549 ports (84 per cent), alleviating the financial cost of operating and maintaining the ports and ultimately saving Canadian taxpayers an estimated \$165 million that would otherwise have been spent on the ports. During 2004-05, the department contributed \$17.8 million to local interests from the Port Divestiture Fund to facilitate divestiture of the ports.

For further information on port divestiture, visit our website at <http://www.tc.gc.ca/programs/Ports/menu.htm>.

Great Lakes – St. Lawrence Seaway Study

Pursuant to a 2003 Memorandum of Cooperation between Transport Canada and the U.S. Department of Transportation, a joint Canada/U.S. endeavour is underway to assess the infrastructure needs of the Great Lakes-St. Lawrence Seaway system and the implications of those needs in accordance with three key aspects: transportation policy and economics, navigation-related infrastructure engineering, and environmental factors. A number of studies have been initiated to evaluate the condition and reliability of the marine transportation infrastructure and to identify the factors and trends affecting the domestic and international marine transportation industries serving the Great Lakes/Seaway system, including infrastructure considerations linked to shortsea shipping, optimization of waterway capacity, modal integration

and evolving transportation technologies. A series of stakeholder meetings were held in 2004 in Canadian and U.S. cities. The meetings provided a useful venue for an open discussion and sharing of information on the study's context, objectives and scope. The exchanges reinforced the importance of ensuring that both public and private interests are adequately heard and fully considered.

St. Lawrence Seaway Disposal of Surplus Land

In March 2002, Transport Canada signed an agreement with the Canada Lands Company to divest 177 seaway properties that are no longer required for the operation of the St. Lawrence Seaway. As of March 31, 2005, 127 of these properties had been divested or withdrawn from the Sales Agreement. The department is proceeding to action the remaining 50 properties with a view to either divesting or withdrawing them from the sales agreement. The sale of these properties will allow the Government of Canada to save Canadian taxpayers money that would otherwise have been spent to operate and maintain these lands.

Marine Navigational Services Study

In partnership with Fisheries and Oceans Canada and industry, Transport Canada is committed to evaluating alternative methods of delivering marine navigational services (MNS) in Canada. Phase I of the study described the current MNS system and methods of delivering MNS in selected other countries. Although Phase II of the study, which was to consider the design and evaluation of possible policy alternatives, was delayed due to the creation of a Special Operating Agency for the Canadian Coast Guard, discussions with users of marine navigation services were ongoing.

2.1.3 Skills and R&D Supporting Innovation

Transport Canada has undertaken a range of actions on the innovation and skills front with a view to making the transportation sector stronger, more resilient, adaptable and responsive to support the Canadian economy in a highly competitive global environment.

Science and Technology (S&T) / Research and Development (R&D)

A departmental strategic plan for S&T/R&D and innovation was drafted in collaboration with departmental stakeholders and with the involvement of the transportation and non-transportation sector. The strategic plan is currently in the consultation phase.

R&D conducted through the Transportation Development Centre (TDC), Transport Canada's centre of excellence for multi-modal transportation R&D, supports the department's strategic priorities of developing advanced safety and security technologies, enhancing inter-modal integration, better managing congestion, improving system data monitoring, protecting the environment, achieving a sustainable transportation system, enhancing human performance, and improving accessibility. Results of TDC's research are made publicly available on the Internet at: <http://www.tc.gc.ca/tdc/menu.htm>. Approximately 50 technical reports were released in 2004-05.

Major work in 2004-05 included the establishment of the Railway Ground Hazard Research Program, a five-year, \$2 million initiative developed in collaboration with Canadian railways, federal agencies, universities, and other stakeholders to predict and mitigate damage from natural hazards such as washouts, avalanches and rock falls. The Joint Winter Runway Friction Measurement Program, which involves more than 30 industry and government agencies from 12 countries, culminated in an international meeting in Montreal in November 2004 that drew leading experts from around the world to discuss the research results. The work is aimed at developing an international index of runway friction to allow pilots to better predict landing distances in winter conditions.

Intelligent Transportation Systems (ITS)

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

- A call for proposals for deployment and integration has been concluded, with 25 projects selected to receive co-funding.
- Five deployment projects were completed including video traffic management systems, dynamic message signs and transit technologies.
- Five research and development projects were completed, including development of advanced transponder applications for commercial vehicle movements and an analysis of technical requirements for a national network of traveller information systems.
- Transport Canada has concluded and announced contribution agreements with several provinces, including five agreements for general deployment, four agreements for Road Weather Information Systems, and three agreements for R&D projects.

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

Skills Development

Acting as a catalyst between government, industry, academia and other domestic and international stakeholders, Transport Canada hosted three discussion tables in Ottawa, Calgary and Halifax in 2004-05 to identify and seek ways to address top skills development challenges. Guests from across the sector were invited to make presentations and to share their perspectives regarding the top skills issues facing their particular segment of the industry. The discussion tables followed a very successful Transport Skills Symposium held in December 2003, and have built momentum for a National Transportation Skills Forum held in June 2005. The department also supported initiatives in 2004-05, undertaken by the National Aboriginal Achievement Foundation (NAAF) and the Western Transportation Advisory Council (WESTAC), to promote interest in and awareness of transportation careers among Canadian youth. Both of these tools will be fully rolled out later in 2005, and initial results will be available thereafter.

2.2 Ensure high standards for a safe and secure transportation system

Ultimate Result

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

Resource allocation to this strategic outcome for 2004-05 (\$ thousands):

Planned spending	Total Authorities	Actual
\$1,015,816	\$981,077	\$951,336

Note: The spending by Strategic Outcome includes a reallocation of corporate overhead.

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 Canadians from accidents and deliberate harm, and is essential for a healthy population, a high quality of life and a robust economy.

Rule-making, oversight, policy development and outreach activities are carried out in support of safety and security objectives. Through its policy development and rulemaking efforts for all the modes of transportation, the department establishes and implements legislation, regulations, standards and policies. Oversight 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 has inspectors who continuously monitor the system to make sure the rules are being followed. Outreach activities make the public and industry aware of the rules and involve promotion, education and increased awareness of safety and security issues.

In addition to safety, Transport Canada plays a lead role in the security of the travelling public through activities such as establishing security rules for marine facilities and for the screening of air passengers and their baggage, responding to security incidents and threats.

2.2.1 An Improving Safety Record

Transport Canada is committed to providing the best transportation system for Canada and Canadians. A continuously improving safety record through 2004-05 is helping make that vision a reality. The safety and security improvements under this strategic outcome are resulting from efforts and resources put into various programs and initiatives, as listed in the summary table in Section I, such as: the Civil Aviation Flight 2005, the Road Safety Vision 2010, the Rail Safety, the Marine Safety – The Next Wave, the Transportation of Dangerous Goods 2010 and the Transportation Security.

In air transportation, the five-year average of accidents and fatal accidents has been reduced by 27.6 per cent and 37.8 per cent respectively, exceeding the department's goals of a 25 per cent reduction. Public confidence has increased, with over two-thirds of Canadians (70 per cent) feeling *highly confident* in flight safety in Canada, up ten percentage points from 2002. For more information on the department's aviation safety strategies, visit <http://www.tc.gc.ca/civilaviation/menu.htm>.

One of the key commitments in the *Marine Safety Strategic Plan 2003-2010* is to achieve safety targets by 2010 based on a five-year average (1998-2002) for Canadian and foreign flag vessels. These safety targets are focused on the number of fatalities, injuries, and the Canadian and foreign flag commercial accident rates. The target for 2010 is a 20 per cent reduction in the number of marine fatalities, and the 2004 figures indicate that 85.8 per cent of this target has been achieved. For more information on the plan and safety targets, visit <http://www.tc.gc.ca/MarineSafety/tp/tp13111/menu.htm>.

Road fatalities and serious injuries remain a major safety issue for Canada. Each year about 2,800 people are killed and 17,000 seriously injured as a result of more than 625,000 vehicle collisions on Canadian roads. This equates to approximately 8 deaths and 45 serious injuries every day with the estimated societal costs ranging as high as \$25 billion annually. Despite these horrific numbers, in 2003, fatalities were down 7 per cent and serious injuries were down 3 per cent compared to the 1996-2001 baseline, indicating progress toward the Road Safety Vision 2010 goal of an overall quantitative national target of 30 per cent decrease in fatalities and serious injuries by 2010. These reductions can be attributed in part to improved vehicle safety, reductions in impaired driving, and increases in occupant restraint use, rural road safety and intersection safety.

In rail safety, crossing accidents decreased five per cent in 2004, and remained below the five-year average. Fatalities relating to crossing accidents also decreased slightly from 28 in 2003 to 25 in 2004. Trespasser accidents, however, increased 52 per cent and the fatalities relating to trespassing accidents increased to 67 fatalities in 2004 from 45 in 2003.

The *Transportation of Dangerous Goods 2010* strategy aims to have all dangerous goods shipments arriving at their destination without incident caused by the dangerous good. There are more than 30 million shipments involving dangerous goods in Canada annually. In 2004, there were 379 incidents involving shipments of dangerous goods, though none of these were caused by the dangerous good itself. There was one fatality resulting from dangerous goods released as a result of a transport accident.

2.2.2 Legislative and Regulatory Reform

The government's October 2004 Speech from the Throne committed to "smart government" to make it easier for businesses to do business in Canada while accomplishing public policy objectives efficiently and in a transparent manner. Transport Canada has played a key role in the government's commitment to regulating smarter. A number of initiatives are underway or completed that shift emphasis from previous prescriptive approaches to a more performance-based system that engages industry in achieving safety and security outcomes through greater flexibility and innovation. Smart regulation is an ongoing initiative that will continually be improving regulations, better managing the regulatory process, and recognising the shared responsibility of governments, citizens and industry in making the system more effective.

Transport Canada is committed to establishing Safety Management System regulations for aviation organizations. These regulations consist of safety goals, performance targets, risk

assessments, responsibilities and authorities, rules and procedures, and monitoring and evaluation processes. Rather than telling aviation organizations how to do it, this smarter way of regulating tells them what needs to be achieved so they can determine how based on their in-depth knowledge of their own operations. For 2004-05, Transport Canada committed to implement regulatory changes for aviation Safety Management Systems (SMS). The first set of amendments to the Canadian Aviation Regulations that require air operators to implement safety management systems in their organizations came into effect on May 31, 2005, and were published in the *Canada Gazette*, Part II on June 15, 2005. For more information on SMS in Civil Aviation, please visit: <http://www.tc.gc.ca/CivilAviation/SMS/menu.htm>.

As well, a bill to amend the *Aeronautics Act* to address fatigue management, liability insurance, analysis and reporting of safety data, and new compliance and enforcement tools was completed and will be introduced in the first session of the 38th Parliament. Transport Canada also committed to provide industry with flexibility for innovation in aviation services provided solely to private businesses. As a result, industry has been given flexibility to develop a safety system suited to its individual operations while not compromising safety. This was made possible through a regulatory approach of performance-based rules linked to a safety management system. These regulations were published in the *Canada Gazette*, Part I in March of 2005.

On the rail safety side, the *Railway Safety Management System (RSMS) Regulations* came into force on March 31, 2001. They require all federally regulated railway companies to document, implement and maintain a RSMS with mandatory components as outlined in the regulations.

During 2004-05, RSMS audits of over twenty companies have shown that railways have moved to adopt formalized safety management practices into corporate level decision-making. While this represents a significant step towards enhancing a safety culture, the audits have also shown that improvements are necessary to integrate the SMS approach within all operating levels. For more information on rail safety RSMS, visit http://www.tc.gc.ca/railway/SMS_Regulations.htm.

To augment the rigorous security standards already in place, Transport Canada introduced new security legislation and regulations, such as:

- the *Public Safety Act*, which enhances aviation security by improving Canada's capacity to prevent terrorist attacks, protect citizens and respond quickly should a threat be identified;
- the new Marine Transportation Security Regulations, which apply to vessels, ports and marine facilities;
- an amendment to the Canadian Air Transport Security Authority Aerodrome Designation Regulations to extend security screening by CATSA to Mont-Tremblant International Airport in Quebec and Red Deer Regional Airport in Alberta, and to open up new economic development opportunities; and
- enhancements to aviation security training requirements for crewmembers, to identify and address potential threats to civil aviation, including hijackings and bomb threats, and outline processes concerning the presence of aircraft protective officers.

In Road Safety, the department has continued to move forward on a range of new vehicle safety requirements, through regulatory initiatives, concerning anti-theft devices, hours of service regulations and safety ratings for motor carriers, as well as voluntary memoranda of understanding concerning seat belts fit and on-board telematics devices.

Transport Canada has also worked to harmonize safety standards including safety practices with those in the national and international community. This has not only enhanced our ability to improve safety and security but also responds to efficiency requirements in a global economy. For example, railway tank cars transporting liquefied gases built before 1989 with specific design characteristics experienced a significant number of accidents in winter conditions where product was released through cracks in the tank cars. Transport Canada and the Federal Railroad Administration worked together to address this safety concern. Industry had to either remove these tank cars from service or perform inspections, repairs and design modifications. As a result, approximately 1,000 of these tank cars have been removed from service.

In the area of motor vehicle safety, the department is leading the development of several global technical regulations under the *U.N. Global Agreement Concerning The Establishing of Global Technical Regulations for Wheeled Vehicles, Equipment and Parts Which Can Be Fitted and/or Be Used on Wheeled Vehicles*. The goal of this effort is to promote, negotiate and develop global technical regulations regarding safety aspect of the construction of motor vehicles that are consistent with Canada's needs. The specific global technical regulations being led by the department deal with light and light-signaling devices, controls and displays, and motorcycle brakes. In addition, the department has contributed to the development of the first global technical regulation on door locks and is actively contributing to the development of several others.

Finally, a fundamental aspect of regulatory reform is consultation with the people and organizations that are directly affected by regulation, as well as with other governments, parliamentarians, the general public, and international stakeholders. In 2004-05, the focus of the *Transportation of Dangerous Goods Act, 1992* review was to collect and analyze information aimed at identifying potential safety enhancements to the act as well as emerging security issues. Public consultations were conducted across the country. Analysis of the issues, alternatives and solutions continues. More information on the review of the *Transportation of Dangerous Goods Act, 1992* can be found at <http://www.tc.gc.ca/tdg/consult/actreview/menu.htm>.

The *Canada Shipping Act, (CSA)* is the principal piece of legislation governing personal safety and environmental protection in Canada's marine sector, and applies to Canadian vessels operating anywhere and to foreign vessels operating in Canadian waters. In 2004, responsibility for CSA legislative regulatory responsibilities relating to pleasure craft safety, marine navigation services, pollution prevention and response, and navigable waters was transferred from Fisheries and Oceans Canada to Transport Canada. CSA regulations will be modernized in a phased approach, and as part of the first phase Transport Canada conducted cross-country public consultations throughout 2004 and early 2005 contributing to increased stakeholder awareness of the changes to come. These streamlined regulations will come into force once this first phase is complete, and will modernize marine safety for years to come. To help ensure that Transport Canada's own marine safety inspectors remain knowledgeable of the rules, regulations and the

acts that effect marine safety amidst a changing regulatory environment, the National Training Program (NTP) initiated the planning phase to develop the necessary training modules to ensure that marine inspectors will be familiar with the changes that will come as a result of the *Canada Shipping Act 2001* coming into force. For more information on the CSA 2001 Regulatory Reform Project, visit <http://www.tc.gc.ca/marinesafety/rsqa/CSA2001RegRefSite/menu.htm>.

2.2.3 Transportation Security

2.2.3.1 National Security Policy

Transportation security remains a key priority for Transport Canada. One of the Government of Canada's major accomplishments in 2004-05 was the announcement of its first National Security Policy, which provides a more focused and integrated approach to national security, including transportation security. Transport Canada's key security achievements in 2004-05 included launching the development of a Transportation Security Strategy and producing comprehensive threat assessments for the intelligence community through the Integrated Threat Assessment Centre (ITAC).

Transport Canada continued to implement the transportation-related aspects of the Smart Border Declaration and its companion 30-point action plan to improve the security of shared border services, assure the flow of people and goods, and protect the critical transportation infrastructure. Along with other government departments, Transport Canada also participated in the development of national emergency plans for emergency response during various emergencies for example pandemic influenza, Federal Nuclear Emergency Plan.

2.2.3.2 Aviation Security

Transportation by air brings Canadians together and links Canada to the world. As a result, aviation security continues to be a priority for Transport Canada. In 2004-2005, significant progress was made to further enhance security through a number of initiatives:

- Man Portable Air Defence Systems (MANPADS): vulnerability assessments were conducted at major airports, with initial assistance from the U.S. Transportation Security Administration;
- The Secure and Facilitated Travel Initiative (SAFTI): Canada and other G8 members evaluated vulnerability assessment methodologies to ensure the safe and efficient movement of passengers and cargo, which would benefit international commerce while enhancing security;
- The ICAO's Universal Security Audit Programme (USAP): Transport Canada co-chairs this initiative and because of its recognized expertise, has trained inspectors worldwide to work on inspection teams;
- Participation and chairing of the ICAO Aviation Security Panel and the 15th meeting of the Ad Hoc Group of Specialists for Detection of Explosives, to enhance explosives detection capabilities and align Canadian and international standards;

- In January 2005, Transport Canada participated in and chaired a trilateral working group improving cooperation between Canada, the United States and Mexico, and progressing towards the harmonizing aviation security policies and regulations;
- Continued cooperation with the U.S. Departments of Homeland Security and Transportation to jointly manage aviation security issues and align regulatory requirements, and continued participation in the Counter-Terrorism Bilateral Agreement;
- Participation in research and development activities under the federal government's counter-terrorism research initiative;
- Information and awareness campaigns to raise the awareness of airport employees and air carriers on air cargo security and airport screening in cooperation with CATSA, the Canadian Airports Council, the Air Transport Association of Canada, and NAV Canada; and
- In cooperation with industry, Transport Canada also began work to integrate and better coordinate cargo security training and awareness activities in Canada by promoting national and international partnerships with other cargo security-related organizations.

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

- a majority of Canadians (61 per cent) rated the safety and security of the air mode of transportation as "high";
- the percentage of Canadians who agree that there are sufficient security procedures in place to protect air travellers increased by 5 percentage points from 2002 up to 71 per cent, and recent polling suggests that this percentage has further increased to 76 per cent;
- the majority of Canadians (77 per cent) have a moderate and high confidence in the federal government's ability to prevent terrorist attacks against Canada's airports.

2.2.3.3 Marine Security

Canada's marine sector is a critical component of the national transportation system as it supports a vital trade gateway, connecting Canada to the world. During 2004-05 Transport Canada enhancements to marine security included:

- improving security to ports and port facilities with surveillance equipment and dockside access control equipment by successfully implementing the International Maritime Organization's International Ship and Port Security (ISPS) Code in Canada;
- establishing bilateral agreements and working with international partners, such as the U.S. and the IMO, to ensure close and effective cooperation in security to the long waterside borders between Canada and the U.S.;
- providing \$23.6 million in funding under the Marine Security Contribution Program to 69 ports and marine facilities across Canada, which assisted these facilities in making security enhancements associated with the International Maritime Organization's (IMO) International Ship and Port Security (ISPS) Code; and
- conducting consultations on the Marine Security Clearance Program, which are designed to prevent unlawful acts of interference with the marine transportation system.

2.2.3.4 Other Security Initiatives

In early 2004, Transport Canada began a comprehensive review of rail security and its self-regulatory regime in collaboration with the Railway Association of Canada and other stakeholders. This review grew in importance given the March 2004 train bombings in Madrid, Spain. Transport Canada organized nationwide teleconferences with federal railway security officials and major mass transit systems, promoting best practices and sharing learning experiences.

As well, Transport Canada, Public Safety and Emergency Preparedness Canada, and the Canada Border Services Agency began collaborating with the provincial governments of Quebec and Nova Scotia, and other Canadian and U.S. stakeholders to develop the Canada-U.S. Cargo Security Project. Although it is too early to measure, the objective of this project is to track the cargo container movement and detect any security breaches in the transportation system.

Under the National Critical Infrastructure Assurance Program, led by Public Safety and Emergency Preparedness Canada, Transport Canada worked with New Brunswick in a federal-provincial sponsorship program to develop a Critical Infrastructure Assurance Program which could be used by other provinces and territories, by providing input to threat, risk and vulnerability assessments on various infrastructure.

To enhance emergency response, Transport Canada continued to implement the *Chemical, Biological, Radiological and Nuclear (CBRN) Response Project* for the transportation of dangerous goods. The objective of this project is to secure access to trained industrial emergency response teams that are capable of helping first responders handle dangerous goods used as CBRN agents in terrorism situations in Canada. In 2004-05, Transport Canada increased awareness through organized sessions for industry responders in Halifax, Toronto, Edmonton, Montreal and Vancouver.

2.2.4 Other Programs and Initiatives

Whether it be through policy, research and development, or innovative approaches to regulatory oversight, Transport Canada continued in 2004-05 to provide services to Canadians that improved safety and security in the transportation system.

Direction 2006 is a targeted partnership program focussed on reducing railway crossing collisions and trespasser accidents. In 2004-05, the focus was placed on outreach initiatives to communities to get them involved in long-term solutions to change behaviour with respect to trespassing. In Windsor, Ontario, a community with a high number of trespassing incidents, one such initiative took place. It involved community officials, the media, police, businesses, the general public and railway companies. The results of this initiative included significant reductions in trespassing and increased awareness within the community, the city of Windsor allocated in its annual budget a sum of money targeted at trespassing reduction.

The *Emergency Response Guidebook* is published by the Canadian Transport Emergency Centre (CANUTEC). CANUTEC assists personnel in handling dangerous goods emergencies 24 hours a day, seven days a week. This guidebook is updated every four years, and in 2004-05 it was distributed to fire and police departments, and ambulance services. With one book provided for each response vehicle, more than 2 million copies have been distributed throughout North America. The guidebook is also available to other countries and has been translated into 17 languages.

Transport Canada also led a concentrated inspection campaign on bulk carriers in Marine Safety. Through an international task force, a new inspection regime was developed that included targeting criteria for ships and areas for inspection. As well, an international conference on Port State control took place in November of 2004 in Vancouver, marking the second time that Canada brought together member countries of the Paris and Tokyo Memorandum of Understandings (MOUs) and MOU observer states and organizations. The Paris and Tokyo MOU members and observers signed a Ministerial Declaration that detailed new measures to be implemented by administrations in their continuing efforts to eliminate sub-standard ships worldwide. The declaration focused on the development and implementation of standards to promote a wider safety and security culture throughout the entire maritime industry, to protect the global marine environment and to safeguard crews with respect to their living and working conditions on board ships.

To improve road safety, research to establish a sound scientific basis for decision making remains key. Ground breaking crashworthiness work, aimed at reducing deaths and injuries in frontal and side collisions was done as part of Canada's contribution to international harmonized research activities. Transport Canada also continues to play a leading role in other research initiatives, including work on young drivers, impaired driving, speed management, driver distraction, road infrastructure, and achieving ambitious national road safety targets.

2.3 Protect the physical environment

Ultimate Results

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

Resource allocation to this strategic outcome for 2004-05 (\$ thousands):

Planned spending	Total Authorities	Actual
\$55,888	\$55,882	\$35,391

Note: The spending by Strategic Outcome includes a reallocation of corporate overhead.

Transportation contributes to the health, well-being and quality of life of all Canadians. Transport Canada is committed to promoting a sustainable transportation system for Canada - one that is safe, secure, efficient, and environmentally friendly. Sustainable transportation calls for ensuring that the environment is taken into account along with economic and social considerations in transportation decision-making and program implementation processes. As population, economy and trade flows grow, so does the demand for transportation. The pressures of globalization and trade are putting more and more strain on our transportation systems. Environmental impacts from transportation activities include air, water and noise pollution, GHG emissions, and the loss of agricultural land and wildlife habitat.

Indicators of our progress...

- Between 1990 and 2003, the average fuel efficiency in litres/100km improved by 7% for cars, roughly 5% for light trucks, and by 9% for heavy-duty trucks. Locomotives also experienced dramatic improvements in fuel use (between 35% and 39%) while passenger aircraft fuel efficiency improved by 13%.
- Between 1990 and 2003, GHG intensity levels (gms/tonne-km) for heavy-duty trucks declined by 21%, both domestic marine and rail had impressive improvements in GHG intensity (23% and 35% respectively), while aircraft GHG emissions per tonne-km increased by close to 20%.
- Overall, GHG emissions from on-road gasoline vehicles increased by roughly 16.7 megatonnes (Mt) or 21% between 1990 and 2003. The emissions intensity (emissions per level of activity) did, however, decline over the same period, indicating some improvement. In comparison, domestic aviation and marine emissions increased modestly by 0.8 Mt and 1.1 Mt respectively (13% and 22% respectively) while rail emissions declined by 1 Mt or 14%.

continued...

Indicators of our progress... (continued)

- In the ten years after 1990, criteria air contaminant emissions from each light duty vehicle have, on average, been dramatically reduced. Emissions, per vehicle, of fine particulate matter have dropped by roughly 38%, Nitrogen Oxides (NOx) emissions by 49%, Volatile Organic Compounds (VOCs) emissions by 50%, and Sulphur Oxides (SOx) emissions by 1%.
- In 2000, heavy-duty trucks emitted roughly 82% fewer emissions of fine particulate matter per tonne-km, 56% less NOx emissions, 91% fewer SOx emissions and 81% less VOC emissions. Significant reductions in air pollutants were also evident in the rail and aviation sectors. The marine sector also reduced its air pollutant emissions per tonne-km, with a notable 33% reduction of VOC emissions in the domestic marine sector.
- In 2003-04, Transport Canada reduced its GHG emissions from internal operations by 10%.
- Of Transport Canada's 556 sites listed in its contaminated sites inventory, 231 sites have undergone remediation or risk management. A further 63 sites are currently being remediated while no action is required on 60 sites.

Transport Canada's 2004-05 Report on Plans and Priorities outlined key priority areas for the department to focus its efforts in protecting the physical environment. The following section provides highlights of Transport Canada's progress in these areas.

2.3.1 2004-2006 Sustainable Development Strategy

Transport Canada's third Sustainable Development Strategy was tabled in Parliament on February 16, 2004. This strategy outlines the department's vision of sustainable development and its action plan for promoting a more sustainable transportation system in Canada. It defines seven challenges and 32 specific commitments for 2004-2006. To date, over 85 per cent of the 173 targets in the strategy are complete or ongoing. Please see table 13 for additional information on Transport Canada's Sustainable Development Strategy. For more information, please visit <http://www.tc.gc.ca/programs/Environment/SD/menu.htm>.

2.3.2 Climate Change Initiatives

Climate Change Plan

In April 2005, the Government of Canada released *Project Green: Moving Forward on Climate Change: Honouring our Kyoto Commitment*. The 2005 Climate Change Plan builds on measures in the *Climate Change Plan for Canada 2002* and sets targets and explains how new funds will work to reduce Canada's greenhouse gas emissions by 270 Mt by 2012.

Four programs for which Transport Canada was allocated some \$60 million (Urban Transportation Showcase Program, Freight Efficiency and Technology Initiative, Freight Efficiency Program, and Advanced Technology Program) are subject to review by Treasury Board, along with some \$1 million in funding that Transport Canada receives to provide support for programs led by other departments (i.e. the One-Tonne Challenge and the Climate Change Impacts and Adaptation Program). During 2004-05, Transport Canada developed new measures focused on such areas as urban transportation, modal integration and efficiency, and economic instruments.

For more information, please visit

<http://www.climatechange.gc.ca/english/newsroom/2005/plan05.asp>

One-Tonne Challenge

The One-Tonne Challenge (OTC) is a climate change initiative that calls on all Canadians to reduce their personal GHG emissions by one tonne. Transport Canada has provided expert advice on transportation issues to help the lead departments, Environment Canada and Natural Resources Canada, design and implement the One-Tonne Challenge marketing campaign. As well, Transport Canada has developed content for communications and web-based products, and played a significant role in securing strategic partnerships with private stakeholders active in the transportation sector. In 2004-05, OTC welcomed almost 100,000 visitors at travelling exhibits, home shows, car shows and local events. A marketing survey showed that unaided recall of TV ads was 27 per cent, surpassing the industry standard of 20 per cent. The department has also developed and implemented an innovative internal communications plan to raise awareness of the One-Tonne Challenge among its employees. For more information, please visit <http://www.climatechange.gc.ca/onetonne/english/index.asp?pid=171>

Impacts and Adaptation

Transport Canada continues to work to better understand the transportation system's vulnerabilities to climate change and to develop effective strategies to respond to negative impacts. During 2004-05, the department participated in the federal working group tasked with developing an effective policy framework with respect to climate change impacts and adaptation. The work of this group is reflected in the 2005 Climate Change Plan.

To further enhance the networking capacity to exchange information, Transport Canada has successfully launched an electronic information update. The department participates in ongoing transportation related research and collaborates with professional associations. In addition, through the Climate Change Impacts and Adaptation Program, eleven studies examining the impacts of climate change on transportation are nearing completion. For more information, please visit http://www.adaptation.nrcan.gc.ca/home_e.asp

Climate Change Programs

Freight Efficiency Program (FEP)

The Freight Efficiency Program (FEP) is an \$11 million program that will provide financial incentives for the purchase and installation of energy efficiency enhancing equipment in the air, marine and rail modes; and education and awareness to support improved decision-making by shippers. The program has three main activities: Freight Incentives Program, Marine Shore Power Pilots, and the Freight Shipper Awareness Initiative. Under the Freight Incentives Program, four projects have been approved for a total of \$1.5 million for the purchase of a hybrid switching locomotive, top-of-rail friction modification systems and QES III excitation and autostart systems. In fall 2004, the contract for the Marine Shore Power Feasibility Study was awarded to help identify suitable locations for marine shore power across Canada. Finally, the development of the Freight Shipper Awareness Initiative is underway and key program partnerships have been established. For more information, please visit <http://www.tc.gc.ca/programs/environment/Freight/FEP/menu.htm>.

Freight Efficiency and Technology Initiative (FETI)

The Freight Efficiency and Technology Initiative (FETI) is designed to reduce the growth of GHG emissions from the freight sector. Under the Freight Sustainability Demonstration Program, eight projects were selected for funding for a total of \$1.3 million. This brings the Program to a total of 30 selected projects for a total of \$3.2 million. The Program and demonstration results (e.g. GHG reductions, fuel savings, new or underutilized technologies) were promoted at key events.

One company has demonstrated a software application to facilitate the use of tidal currents to reduce fuel consumption. It has been estimated that the use of this software will result in savings in fuel consumption and GHG emissions by 16 per cent. In another case, an airline is implementing a series of fuel saving measures that are expected to result in a reduction in its annual fuel consumption by 3 to 8 per cent, which translates to savings of between \$6 and \$8 million annually.

Through the FETI, Transport Canada has successfully negotiated a Memorandum of Understanding (MOU) with the Air Transport Association of Canada, which includes a GHG reduction goal. Similarly, a draft MOU with the Railway Association of Canada has been prepared and negotiations are well underway. In addition, a Marine Fuel Efficiency and Emissions Conference, held in January 2005, has created momentum towards negotiation of an MOU on GHG reductions with the marine industry. Transport Canada also sponsored workshops including the Western Transportation Advisory Council's "Walking the talk" and a marine pollution abatement workshop, to build capacity in the freight industry modes for improved fuel efficiency. For more information, please visit: <http://www.tc.gc.ca/programs/environment/Freight/FETI/menu.htm>.

Urban Transportation Showcase Program (UTSP)

The Urban Transportation Showcase Program is a \$40 million initiative to demonstrate and evaluate the impacts of integrated strategies to reduce GHG emissions from urban transportation. In 2004, showcase demonstrations in five city regions (Halifax, Waterloo, Greater Toronto and Hamilton, Vancouver, and Whitehorse) were launched and the Program's Information Network held 12 learning events. Two awards programs were supported: the Transportation Association of Canada's Sustainable Urban Transportation Award and the Federation of Canadian Municipalities' Sustainable Transportation Award. The recipients were the Regional Municipality of Waterloo for its "You can clear the air" Grade Three Curriculum Supplement and Translink for its U-Pass Program. Twenty-five sustainable urban transportation case studies were developed and posted on the program website. For more information on the program's showcases and information network, please visit <http://tcinfo/programs/Environment/UrbanTransportation/menu.htm>.

Moving On Sustainable Transportation (MOST)

The Moving On Sustainable Transportation program is a key departmental initiative for supporting innovative, community-based sustainable transportation projects to facilitate a transition to a more sustainable transportation system. In 2004, Transport Canada announced funding for 17 projects. These projects resulted in a variety of benefits including comprehensive community sustainability planning, enhanced access to safe and sustainable modes of transportation, research and information to help improve knowledge and decision-making capabilities, and reduced emissions. Between 2002 and 2005, forty-eight projects with contributions totalling approximately \$1.7 million have been funded. To learn more about the program, please visit <http://www.tc.gc.ca/programs/environment/most/menu.htm>.

Advanced Technology Vehicles Program (ATVP)

The ATVP, which forms part of the Motor Vehicle Fuel Efficiency Initiative, supports the achievement of a 5.3 MT voluntary light-duty vehicle GHG emissions improvement target for model year 2010. The goal of this program is to encourage the supply of advanced technology vehicles in Canada and consumer demand for these vehicles and determine viability of emerging and future technologies. As of March 2005, the ATVP has purchased 126 vehicles from around the world incorporating various advanced technologies. Fifty-six of these vehicles have been evaluated for on-road usability with a total of 647 track tests and 275 formal laboratory tests completed. One hundred forty-five ATVP events and promotional activities were organized, reaching an estimated audience of over 7 million Canadians. For information about this program or upcoming events, please visit <http://www.tc.gc.ca/programs/environment/atvpgm/menu.htm>.

2.3.3 Environmental Programs

Contaminated Sites

Transport Canada continues to undertake work as detailed in its Contaminated Sites Management Plan in support of the department's commitment to manage its sites in a responsible manner. During 2004-05, Transport Canada spent \$27.3 million on the assessment and remediation/risk management of contaminated sites. This included \$7.6 million from the Federal Contaminated Sites Accelerated Action Plan (FCSAP). FCSAP funding was provided for two remediation and 10 assessment projects. Of Transport Canada's 556 sites listed in its contaminated sites inventory, 231 sites have undergone remediation or risk management. A further 63 sites are currently being remediated while no action is required on 60 sites. For more information on Transport Canada's Contaminated Sites Management Plan, please visit <http://www.tc.gc.ca/programs/environment/contaminatedsites/menu.htm>.

Strategic Environmental Assessment (SEA)

As of March 31, 2005, 12 SEA training sessions were held and 168 Transport Canada policy and program officers, in headquarters and regions, have received SEA training. Transport Canada created a new Director General/Regional Director sign-off requirements on all preliminary scans and detailed analyses and worked towards improving the SEA tracking system, delivering a presentation to other departments on the Transport Canada SEA process, and revising the SEA manual that is now available to all Transport Canada employees through the department's intranet site. These efforts are expected to promote full compliance with the department's SEA policy and the SEA Cabinet directive and will help to ensure that environmental effects are reflected within proposals on the same level as economic and social considerations early in the decision-making process. Transport Canada's achievements and leadership in implementing SEA were acknowledged in the October 2004 report of the Commissioner of Environment and Sustainable Development. For more information, please visit http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c2004menu_e.html.

Clean Air Initiatives

In 2004-05 Transport Canada received funding from Environment Canada for its component of the Border Air Quality Strategy commitments on Clean Air. There are a variety of measures that are being explored to reduce air emissions from locomotives, marine vessels, aircraft, and at airports within an international context. Transport Canada worked with the International Civil Aviation Organization to promote the circular *Operational Opportunities to Minimize Fuel Use and Reduce Emissions* at two successful conferences and seminars and continues to look for future opportunities to encourage use of this important guidance document. In 2004, the department joined the Federal Aviation Administration and the National Aeronautics and Space Administration as a sponsor of the Center of Excellence for Aircraft Noise and Aviation Emissions Mitigation and is benefiting from ongoing access to international research on aviation and emissions that will bring about a more sustainable aviation sector.

2.3.4 Full Costs of Transportation Project

Transport Canada has undertaken a three-year project, started in 2003, to investigate the full costs of transportation, i.e., all costs resulting from transportation networks; commercial transportation services; private transport activities, including the direct financial costs of their provision; and also the social costs of their impacts on health and the environment and personal time losses in congestion. The department is collaborating with provincial and territorial governments and consulting with industry and other stakeholders. A Full Cost Accounting Task Force has been set up under the auspices of the Council of Deputy Ministers Responsible for Transportation and Highway Safety.

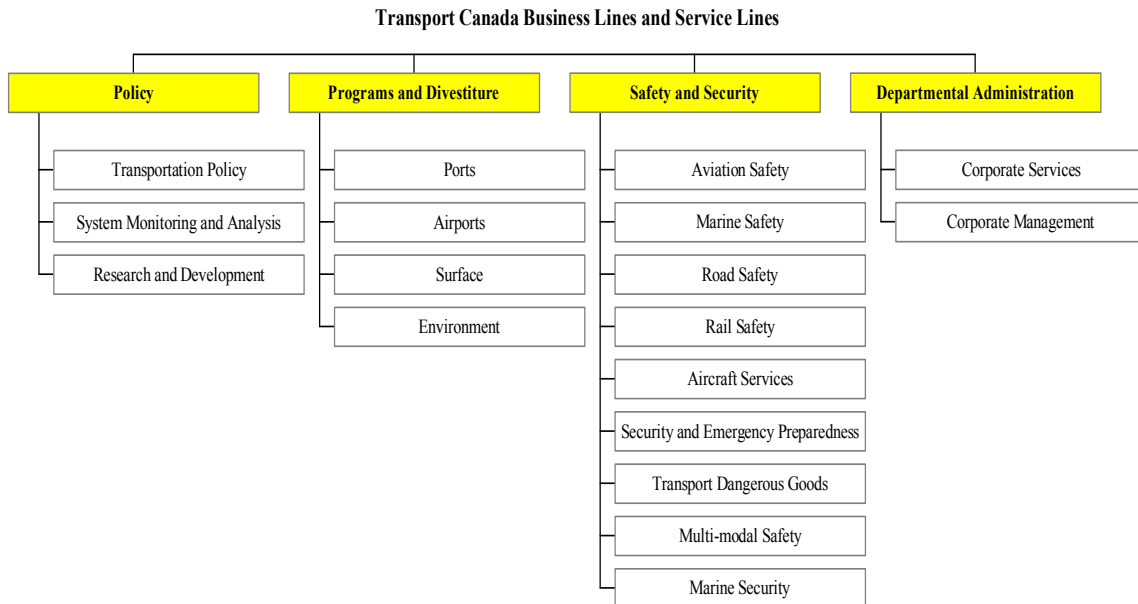
Determination of the investigation's objectives, methodology, work plan and resource requirements took place early in 2004. The prime objectives included comparisons of full costs among alternative modes of transport, and consideration of the implications of alternative means of meeting the costs, including their full reflection in users' prices. The immediate output from the work will be a series of reports of the findings, including estimates of the costs. The subsequent uses of the recommendations will be in quantitative analyses not only by Transport Canada but also by governments at all levels and other stakeholders of the costs and benefits of proposed policies, programs, infrastructure investments or regulations, and in retrospective evaluations of such actions.

SECTION III – SUPPLEMENTARY INFORMATION

3.1 Organizational Information

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

Transport Canada is divided into four business lines, each of which comprises two or more service lines (see following chart). The business lines reflect the department’s programs and services and do not mirror the organizational lines exactly. That is to say, the Assistant Deputy Minister, Corporate Services, falls under the Departmental Administration business line, as do the Communications Group and General Counsel. In addition, the four business lines cut across the regional organizations to ensure a multi-modal focus that concentrates on shared strategies and results. The business/service line structure is the forum for setting national programs, policies and standards and providing functional leadership to the regional offices.



3.2 Financial Tables

Table 1: Comparison of Planned to Actual Spending (incl. FTE)

(\$ thousands)	2002-03 Actual	2003-04 Actual	2004-2005			
			Main Estimates	Planned Spending	Total Authorities	Actual
Policy	404,589	485,422	452,796	395,960	430,233	410,210
Programs and Divestiture	69,284	125,525	234,337	297,774	271,822	205,156
Safety and Security	627,987	723,477	837,400	927,430	892,798	872,851
Departmental Administration	150,692	116,360	122,680	134,977	134,815	119,976
Total	1,252,552	1,450,784	1,647,213	1,756,141	1,729,668	1,608,192

Total	1,252,552	1,450,784	1,647,213	1,756,141	1,729,668	1,608,192
Less: Non-Responsible revenue	(68,789)	(68,100)	-	(27,639)	(48,017)	(48,017)
Plus: Cost of services received without charge	55,943	58,040	-	55,419	54,682	54,682
Net cost of Department	1,239,706	1,440,724	1,647,213	1,783,921	1,736,333	1,614,858

Full Time Equivalents	4,676	4,813	4,646	4,812	4,804	4,718
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Note: The following chart illustrate the Business Lines share of Actual expenditures in 2004-05. The actual spending of Policy includes the payments to VIA Rail inc. (\$191 million) and Marine Atlantic inc. (\$73 million), Safety and Security includes payments to CATSA (\$501 million) and Program and Divestiture includes payments to Jacques Cartier and Champlain Bridges inc. (\$32 million).

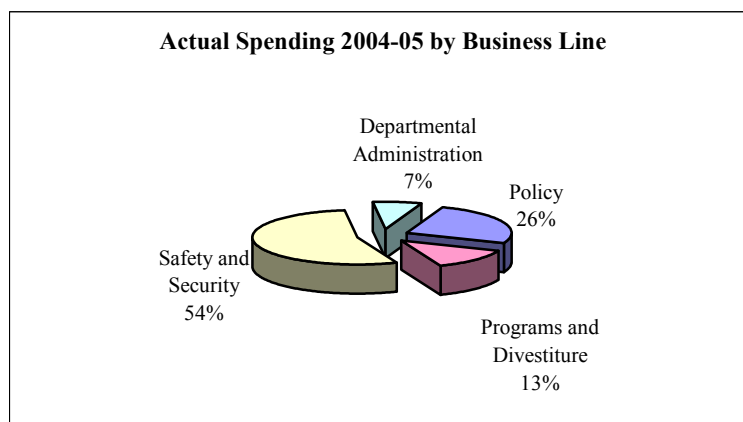


Table 2: Use of Resources by Business Lines

Business Lines (\$ thousands)	Budgetary					
	Gross Operating ¹	Capital	Grants and Contributions ²	Total: Gross Budgetary Expenditures	Less: Responsible Revenue	Total: Net Budgetary Expenditures ³
Policy						
Main Estimates	255,430	1,614	195,912	452,956	(160)	452,796
<i>Planned Spending</i>	<i>303,143</i>	<i>1,614</i>	<i>104,612</i>	<i>409,369</i>	<i>(160)</i>	<i>409,209</i>
Total Authorities	327,611	1,614	102,912	432,137	(1,904)	430,233
<i>Actual Spending</i>	<i>326,284</i>	<i>2,308</i>	<i>85,915</i>	<i>414,507</i>	<i>(4,297)</i>	<i>410,210</i>
Programs and Divestiture						
Main Estimates	127,917	30,885	382,324	541,126	(306,789)	234,337
<i>Planned Spending</i>	<i>181,269</i>	<i>36,518</i>	<i>385,824</i>	<i>603,611</i>	<i>(306,789)</i>	<i>296,822</i>
Total Authorities	173,036	34,998	370,577	578,611	(306,789)	271,822
<i>Actual Spending</i>	<i>130,713</i>	<i>26,321</i>	<i>314,013</i>	<i>471,047</i>	<i>(265,892)</i>	<i>205,156</i>
Safety and Security						
Main Estimates	858,503	18,259	8,080	884,842	(47,442)	837,400
<i>Planned Spending</i>	<i>941,176</i>	<i>20,634</i>	<i>13,272</i>	<i>975,082</i>	<i>(47,652)</i>	<i>927,430</i>
Total Authorities	895,646	22,134	20,716	938,496	(45,698)	892,798
<i>Actual Spending</i>	<i>884,499</i>	<i>20,038</i>	<i>20,397</i>	<i>924,934</i>	<i>(52,084)</i>	<i>872,851</i>
Departmental Administration						
Main Estimates	114,285	9,452	-	123,737	(1,057)	122,680
<i>Planned Spending</i>	<i>114,285</i>	<i>9,452</i>	-	<i>123,737</i>	<i>(1,057)</i>	<i>122,680</i>
Total Authorities	126,420	9,452	-	135,872	(1,057)	134,815
<i>Actual Spending</i>	<i>111,033</i>	<i>10,266</i>	-	<i>121,299</i>	<i>(1,323)</i>	<i>119,976</i>
Total						
Main Estimates	1,356,135	60,210	586,316	2,002,661	(355,448)	1,647,213
<i>Planned Spending</i> ⁴	<i>1,539,873</i>	<i>68,218</i>	<i>503,708</i>	<i>2,111,799</i>	<i>(355,658)</i>	<i>1,756,141</i>
Total Authorities	1,522,713	68,198	494,206	2,085,116	(355,448)	1,729,668
<i>Actual Spending</i> ⁴	<i>1,452,531</i>	<i>58,933</i>	<i>420,325</i>	<i>1,931,788</i>	<i>(323,596)</i>	<i>1,608,192</i>

Note:

1. Gross Operating includes statutory payments for employee benefit plans, Minister's allowances, previous years' refunds, payments in respect of the St. Lawrence Seaway Agreement, and proceeds from the disposal of surplus Crown assets.
2. Grants and Contributions include Statutory Payments for Victoria Bridge (Montreal) and the Northumberland Strait Crossing subsidy.
3. Transport Canada does not have any Non-budgetary item in its current authorities.
4. The variance of \$148 million between the Planned and Actual spending is mostly attributable to lower actual spending in Transfer Payments (\$83 million) which is explained by variances in a number of Contribution programs due to delays in the implementation or execution (ex: Strategic Highway Infrastructure Program and Port Divestitures, \$24.6 million each).

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording (\$ thousands)	2004–2005			
		Main Estimates	Planned Spending	Total Authorities	Actual
1	Operating expenditures	213,861	287,742	283,944	251,423
5	Capital expenditures	60,210	68,218	68,198	58,933
10	Grants and Contributions	531,216	503,708	439,408	365,528
15	Payments to Jacques Cartier and Champlain Bridges Inc.	32,077	32,077	32,077	32,019
20	Payments to Marine Atlantic Inc.	27,607	72,907	72,907	72,907
25	Payments to VIA Rail Inc.	191,301	191,301	191,301	191,301
30	Payments to the Canadian Air Transport Security Authority	466,499	530,609	503,675	501,171
(S)	Minister of Transport Canada – Salary and motor car allowance	70	70	70	70
(S)	Contributions to employee benefit plans	67,372	69,509	61,225	61,225
(S)	Payments to the Canadian National for the Victoria Bridge in Montreal	3,300	3,300	3,018	3,018
(S)	Payments in respect of the St. Lawrence Seaway agreements	1,900	1,900	18,799	18,799
(S)	Northumberland Strait Crossing subsidy payment	51,800	51,800	51,779	51,779
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	3,247	-
(S)	Refunds of amounts credited to revenues in previous years	-	-	19	19
	Total	1,647,213	1,756,141	1,729,668	1,608,192

(S): Statutory

Table 4: Net Cost of Department

(\$ thousands)	2004–2005
Total Actual Spending	1,608,192
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	22,194
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	25,069
Worker's compensation coverage provided by Social Development Canada	4,055
Salary and associated expenditures of legal services provided by Justice Canada	3,364
<i>Less: Non-responsible Revenue</i>	(48,017)
2004–2005 Net cost of Department	1,614,858

Table 5: Contingent Liabilities

Contingent Liabilities	(\$ thousands)	
	March 31, 2004	March 31, 2005
Claims, Pending and Threatened Litigation	33,404	33,504
Total	33,404	33,504

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

Transport Canada does not have any non-budgetary items (Loans, Investments and Advances) in its previous or current authorities.

The table published in previous Transport Canada Report on Plans and Priorities and Departmental Performance Report was presenting the balance of loans, investments and advances at year-end. That information is not required in this document.

Table 7: Sources of Respendable and Non-Respendable Revenue

Respendable Revenue

(\$ thousands)	Actual 2002-03	Actual 2003-04	2004-2005			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Policy						
Air Services forecast revenues	274	225	160	160	160	253
Internal and external revenues from research and development activities ¹	-	3,486	-	-	1,744	3,566
Miscellaneous internal and external revenues	460	539	-	-	-	478
Sub-total	734	4,251	160	160	1,904	4,297
Programs and Divestiture						
Harbours and ports revenues	11,010	12,166	8,687	8,687	8,687	12,882
Airports operating revenues	19,491	11,700	13,250	13,250	13,250	10,991
Airports - Lease and chattel payments	299,551	214,441	284,736	284,736	284,736	241,862
Miscellaneous internal and external revenues	260	178	116	116	116	157
Sub-total	330,311	238,485	306,789	306,789	306,789	265,892
Safety and Security						
Aviation regulatory and inspection revenues	9,198	9,902	9,762	9,762	9,762	9,202
Aviation training revenues	117	385	809	809	809	171
Internal and external revenues for aircraft services	28,274	29,826	26,700	26,700	26,700	31,167
Internal and external marine regulatory and inspection revenues	10,680	9,389	7,434	7,434	7,434	8,307
Revenues from the Registrar of Imported Vehicles Program	-	1,191	475	475	475	1,981
Lease payments from the Motor Vehicle Test Centre	259	335	280	280	280	354
Shortline rail inspection revenues	112	208	63	63	63	139
Internal and external revenues from research and development activities ¹	3,498	384	1,884	1,884	140	448
Miscellaneous internal and external revenues	342	481	35	35	35	314
Sub-total	52,479	52,101	47,442	47,442	45,698	52,084
Departmental Administration						
Internal and external rental and concession revenues	972	930	932	932	932	929
Miscellaneous internal and external revenues	793	183	125	125	125	394
Sub-total	1,765	1,114	1,057	1,057	1,057	1,323
Total Respendable Revenue	385,290	295,950	355,448	355,448	355,448	323,596

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

Non-Respendable Revenue

(\$ thousands)	Actual 2002-03	Actual 2003-04	2004-2005			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Hopper car leases	15,432	18,664	-	12,000	17,386	17,386
Canada Port Authority stipends	9,765	10,716	-	11,339	10,844	10,844
Return on investments ²	21,410	22,958	-	-	205	205
Refunds of previous year's expenditures	1,057	1,999	-	-	1,851	1,851
Adjustments to previous year's payables	5,323	1,729	-	-	4,862	4,862
Privileges, licences and permits	4,916	4,925	-	4,300	8,616	8,616
Fines	1,063	974	-	-	1,329	1,329
Proceeds from sales	796	548	-	-	1,243	1,243
Proceeds from disposal of surplus Crown assets	4,108	2,760	-	-	1,170	1,170
Miscellaneous	1,256	423	-	-	509	509
CTMA Traversier Ltée	833	-	-	-	-	-
Old Port of Montreal	2,315	2,404	-	-	-	-
Gulf War Compensation against Iraq	420	-	-	-	-	-
Great West Life Canada Ports Refund	95	-	-	-	-	-
Total Non-Respendable Revenue	68,789	68,100	-	27,639	48,017	48,017

Note:

1. *Respendable Revenue: The Research and Development revenue was transferred from Safety and Security to Policy group. The Business Line in which the actual or planned numbers are presented is in accordance with the Main Estimates, the Report on Plans and Priorities and the Public Accounts.*
2. *Non-Respendable Revenue: The variance between the actual return on investment reported in 2003-04 and 2004-05 (\$22.7 million) results from the Government restructuring announcement of December 12, 2003. The ministerial authority for Canada Post Corporation and Canada Lands Company Limited was transferred out to Canada Revenue Agency and Environment Canada respectively.*

Table 8: Resource Requirements by Branch/Sector level

2004-2005					
Organization (\$ thousands)	Policy	Programs and Divestiture	Safety and Security	Departmental Administration	Total
Assistant Deputy Minister - Policy					
Main Estimates	448,719				448,719
Planned Spending	391,302				391,302
Total Authorities	425,575				425,575
Actual Spending	406,156				406,156
Assistant Deputy Minister - Programs and Divestiture					
Main Estimates		167,752			167,752
Planned Spending		175,689			175,689
Total Authorities		149,737			149,737
Actual Spending		84,055			84,055
Assistant Deputy Minister - Safety and Security					
Main Estimates			693,020		693,020
Planned Spending			782,551		782,551
Total Authorities			747,919		747,919
Actual Spending			736,113		736,113
Assistant Deputy Minister - Corporate Services					
Main Estimates				80,954	80,954
Planned Spending				85,952	85,952
Total Authorities				85,790	85,790
Actual Spending				72,172	72,172
Corporate Management					
Main Estimates				11,214	11,214
Planned Spending				18,214	18,214
Total Authorities				18,214	18,214
Actual Spending				18,011	18,011
Regional Director General Atlantic					
Main Estimates	642	10,234	22,409	5,649	38,935
Planned Spending	692	26,234	22,909	5,649	55,484
Total Authorities	692	26,234	22,909	5,649	55,484
Actual Spending	683	26,212	22,869	5,180	54,944

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Table 8: Resource Requirements by Branch/Sector level (continued)

2004-2005					
Organization (\$ thousands)	Policy	and Divestiture	Safety and Security	Departmental Administration	
Regional Director General Quebec					
Main Estimates	1,066	22,349	29,903	6,056	59,374
Planned Spending	1,566	36,649	29,903	6,056	74,174
Total Authorities	1,566	36,649	29,903	6,056	74,174
Actual Spending	1,543	36,636	27,493	5,856	71,528
Regional Director General Ontario					
Main Estimates	463	11,026	32,322	6,106	49,917
Planned Spending	493	14,226	32,322	6,106	53,147
Total Authorities	493	14,226	32,322	6,106	53,147
Actual Spending	479	14,149	30,627	5,798	51,053
Regional Director General Prairie and Northern Region					
Main Estimates	1,404	16,267	32,041	7,320	57,032
Planned Spending	1,404	18,267	32,041	7,620	59,332
Total Authorities	1,404	18,267	32,041	7,620	59,332
Actual Spending	1,018	18,023	28,679	7,522	55,242
Regional Director General Pacific					
Main Estimates	503	6,709	27,704	5,380	40,296
Planned Spending	503	26,709	27,704	5,380	60,296
Total Authorities	503	26,709	27,704	5,380	60,296
Actual Spending	331	26,080	27,069	5,337	58,817
Total					
Main Estimates	452,796	234,337	837,400	122,680	1,647,213
Planned Spending	395,960	297,774	927,430	134,977	1,756,141
Total Authorities	430,233	271,822	892,798	134,815	1,729,668
Actual Spending	410,210	205,156	872,851	119,976	1,608,192

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

Table 9-A: 2004-05 User Fee Reporting Template – User Fees Act

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Aviation Safety - Regulatory Fees	R	<i>Aeronautics Act</i> http://laws.justice.gc.ca/en/A-2/index.html , Canadian Aviation Regulations (CARs) fees located at: http://www.tc.gc.ca/civilaviation/regserv/affairs/cars/menu.htm	July 15, 2000 Other amendments (regulations or charges reductions) beyond July 15, 2000 up to July 15, 2005 do not trigger the <i>User Fee Act</i> .	9,583	7,861	254,387	Service Standards information at: http://www.tc.gc.ca/CivilAviation/LevelsOfService.htm Existing standards are being reviewed/amended by a working group for compliance with policy requirements. Compliance is expected for 2005-06 DPR	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	8,817 8,832 8,846	244,395 243,301 243,235
Marine Safety - Fees for inspections, surveys, services, etc.	R	Various regulations under the <i>Canada Shipping Act</i> http://laws.justice.gc.ca/en/S-9/index.html incl. the Board of Steamship Inspection Scale of Fees; Ships Registry and Licensing Fees Tariff; http://www.tc.gc.ca/acts-regulations/general/csa/menu.htm	June 6, 1995	7,434	8,114	70,578	A working group has been established and status reports are prepared every 2 months. Every effort is being made to have service standards available for 2005-06 DPR.	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	7,245 7,000 6,804	65,960 66,027 65,781

R: Regulatory Service

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Table 9-A: 2004-05 User Fee Reporting Template – User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost (\$000) ³	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)
Marine Safety - Office of Boating Safety - Construction Standard Compliance Labels	R	<i>Canada Shipping Act /Small Vessel Regulations / TP 1332 incorporated by reference</i> http://www.tc.gc.ca/acts-regulations/GENERAL/CSA/regulations/070/csa076/csa76.html	1995 Subsequent amendments to Small Vessel Regulations were not fee related.	210	167	373	A working group has been established and status reports are prepared every 2 months. Every effort is being made to have service standards available for 2005-06 DPR.	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	210 210 210	386 395 395
Marine Safety - Ship Radio Inspection program	R	<i>Canada Shipping Act /Ship Radio Inspection Fees Regulations</i> http://www.tc.gc.ca/acts-regulations/GENERAL/c/csa/regulations/060/csa062/csa62.html	1987	70	18	1,016 Department of Fisheries and Oceans (DFO) full cost share included above: 294	Status reports are prepared every 2 months. Every effort is being made to have service standards available for 2005-06 DPR.	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	80 80 80	894 894 894 DFO full cost share included above: 294

Table 9-A: 2004-05 User Fee Reporting Template – User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Airports – Air Services Charges Regulations (ASCR) fees: General Terminal Fees, Landing Fees, Aircraft Parking Charges, Emergency response services charges.	O	Section 4.4 (2) of the <i>Aeronautics Act</i> http://laws.justice.gc.ca/en/A-2/index.html , and Section 2 of the Ministerial Regulations Authorization Order - Air Services Charges Regulations http://www.tc.gc.ca/acts-regulations/General/A/aa/regulations/120/aa129a/aa129a.html	August 31, 2003	5,959	5,073	14,774	A working group has been established and status reports are prepared every 2 months. Every effort is being made to have service standards available for 2005-06 DPR.	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	4,504 4,504 4,504	11,469 11,321 11,299

O: Other Goods and Services

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Table 9-A: 2004-05 User Fee Reporting Template – User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Airports - Annual Registration of Mobile Equipment used at Airports	O	Government Property Traffic Act and Airport Traffic Regulations - Part III Section 57 to 60 http://www.tc.gc.ca/acts-regulations/GENERAL/dta/regulations/001/dta002/dta002.html	February 24, 2004	0.2	0.1	0.5	A working group has been established and status reports are prepared every 2 months. Every effort is being made to have service standards available for 2005-06 DPR.	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	0.1 0.1 0.1	0.3 0.3 0.3
Airports - Vehicle Parking Charges	O	Section 4.4(2) of the <i>Aeronautics Act</i> (http://laws.justice.gc.ca/en/A-2/index.html) and Section 2 of the Ministerial Regulations Authorization Order, Airport Vehicle Parking Charges Regulations: http://www.tc.gc.ca/acts-regulations/GENERAL/A/aa/regulations/130/aa131/aa131.html - COU40H.KENORP.84YVFE.2	November 19, 1998	230	229	1,207	A working group has been established and status reports are prepared every 2 months. Every effort is being made to have service standards available for 2005-06 DPR.	Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.	FY 05-06 FY 06-07 FY 07-08	134 134 134	868 853 851

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Table 9-A: 2004-05 User Fee Reporting Template – User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05					Planning Years		
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
Ports - Public Port Revenues: Utility Charges, Wharfage, Berthage, Storage and Harbour Dues Public Ports	O	<p><i>Canada Marine Act</i> (http://laws.justice.gc.ca/en/C-6.7/index.html)</p> <p>Fees at: http://www.tc.gc.ca/programs/ports/menupublicportfees.htm</p>	Jan 1, 2004	6,904	10,369	55,944	<p>Status reports are prepared every 2 months.</p> <p>Every effort is being made to have service standards available for 2005-06 DPR.</p>	<p>Every effort is being made to implement performance tracking systems by April 1, 2006 for full year assessment results available for 2006-07 DPR.</p>	<p>FY 05-06</p> <p>FY 06-07</p> <p>FY 07-08</p>	<p>6,935</p> <p>6,278</p> <p>6,299</p>	<p>41,089</p> <p>40,451</p> <p>38,723</p>
Access to Information Requests - Fees	O	<p><i>Access to information Act</i> and Regulations: http://laws.justice.gc.ca/en/A-1/index.html</p>	1992	8	8	997	<p>Service standards are in the <i>Access to information Act</i>, Section 7: http://laws.justice.gc.ca/en/A-1/index.html</p>	<p>From the 784 requests processed, 72% were treated within 30 days. 208 requests were extended beyond 30 days according to the provisions included in the act.</p>	<p>FY 05-06</p> <p>FY 06-07</p> <p>FY 07-08</p>	<p>8</p> <p>8</p> <p>8</p>	<p>986</p> <p>986</p> <p>986</p>

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Table 9-A: 2004-05 User Fee Reporting Template – User Fees Act (continued)

A. User Fee	Fee Type ¹	Fee Setting Authority	Date Last Modified	2004-05				Planning Years			
				Forecast Revenue ³ (\$000)	Actual Revenue ³ (\$000)	Full Cost ² (\$000)	Performance Standard ⁴	Performance Results ⁴	Fiscal Year	Forecast Revenue ³ (\$000)	Estimated Full Cost ² (\$000)
			Sub-Total (R)	17,297	16,160	326,354		Sub-total R:	FY 05-06	16,352	311,635
								Sub-total R:	FY 06-07	16,122	310,617
								Sub-total R:	FY 07-08	15,940	310,305
			Sub-total (O)	13,101.2	15,679.1	72,922.5		Sub-total O:	FY 05-06	11,581.1	54,412.3
								Sub-total O:	FY 06-07	10,924.1	53,611.3
								Sub-total O:	FY 07-08	10,945.1	51,859.3
			Total	30,398.2	31,839.1	399,276.5		Total	FY 05-06	27,933.1	366,047.3
									FY 06-07	27,046.1	364,228.3
									FY 07-08	26,885.1	362,164.3
B. Date Last Modified: Not applicable											
C. Other Information: The performance results for the fees related to the Access to Information Requests are based on the Report on the Access to Information Act provided annually to the Treasury Board Secretariat.											

Notes:

1. *The department collects two types of fees: Regulatory Service (R) and Other Goods and Services (O)*
2. *Full Costs (Actual and Estimates) are reported on an accrual basis.*
3. *The Forecast Revenues identified for the 2005-06, 2006-07 and 2007-08 fiscal years were those reported in the Report on Plans and Priorities 2005-06 and are reported on a cash basis as for Actual Revenues.*
4. *According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004 the:*
 - *Performance standard, if provided, may not have received Parliamentary review;*
 - *Performance standard, if provided, may not respect all establishment requirements under the UFA (e.g. international comparison; independent complaint address)*
 - *Performance result, if provided, is not legally subject to UFA section 5.1 regarding fee reductions for failed performance.*

Table 9-B: 2004–05 User Fee Reporting Template – Policy on Service Standards for External Fees

A. External Fee	Service Standard ¹	Performance Result ¹	Stakeholder Consultation
Access to Information Requests – Fees.	Service standards are in the <i>Access to information Act</i> , Section 7: http://laws.justice.gc.ca/en/A-1/index.html	From the 784 requests processed, 72% were treated within 30 days. 208 requests were extended beyond 30 days according to the provisions included in the act.	The service standard is established by the <i>Access to Information Act</i> and the Access to Information Regulations. Consultations with stakeholders were undertaken for amendments done in 1986 and 1992.
B. Other Information: The performance results above are based on the Report on the Access to Information Act provided annually to the Treasury Board Secretariat.			

Notes:

1. *As established pursuant to the Policy on Service Standards for External Fees:*
 - *Service standards may not have received Parliamentary review;*
 - *Service standards may not respect all performance standard establishment requirements under the UFA (e.g. international comparison; independent complaint address)*
 - *Performance results are not legally subject to UFA section 5.1 regarding fee reductions for failed performance.*
2. *As working groups have been established for the development of service standards in compliance with the Treasury Board Secretariat Policy, every effort is being made to have service standards available for all external fees for 2005-06 DPR.*

Table 10: Major Regulatory Initiatives

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Development of the Marine Transportation Security Regulations	Consistent application and enforcement of new international marine security requirements.	Number of non-conformances/compliances	Marine Transportation Security Regulations promulgated.
The development of a regulatory framework for the Marine Transportation Security Clearance Program (formerly known as the Marine Facilities Restricted Area Access Clearance Program)	Enhanced security of port workers and overall marine transportation security system.	Rate of incidents in restricted areas of marine facilities.	Consultations conducted.
New regulation for a comprehensive monetary penalty enforcement structure	Enhanced marine security in achieving consistency with the <i>Transportation Appeals Tribunal Act</i>	Consistency of monetary penalties.	Regulatory development has been initiated.
<p>The <i>Canada Shipping Act, 2001</i> (CSA, 2001) Regulatory Reform Project is proceeding in two phases over the course of which over 100 existing regulations will be reviewed and restructured. Phase I, now underway, focuses on those regulations required to bring the new act into force which is expected to occur prior to the end of 2006. Phase 2 will concentrate on those current regulations that are consistent with the new act but yet are in need of updating.</p> <p>Following are particulars of the major regulations being introduced or reformed under Phase 1. Refer to a number of marine safety regulations in RPP 2004-05:</p> <p>1. Administrative Monetary Penalties (AMP) Regulations</p> <p>2. Cargo Regulations</p>	<p>A twenty-first century shipping law that promotes safety on board vessels and better protect the marine environment.</p> <p>TC inspectors will have an additional enforcement tool which will provide them with greater flexibility in their efforts to enforce and seek compliance the provisions of the new CSA, 2001 regime.</p> <p>Rationalization of the existing rules and regulations pertaining to the loading and stowing of cargo.</p>	<p>See detailed criteria below.</p> <p>Number and severity of non-compliances</p> <p>Number of marine incidents caused by the improper carriage and handling of cargo.</p>	<p>See status below.</p> <p>Public consultations completed. Document now in legal draft phase.</p> <p>Public consultations completed. Document now in legal draft phase.</p>

Table 10: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
3. Collision Regulations	Improved consistency of regulations and enhanced safety related to the conduct of vessels.	Number and severity of marine collisions.	Public consultations completed. Document now in legal draft phase.
4. Fire Safety Regulations	Better protect against fire on board ship through enhancing fire safety related requirements.	Number and severity of consequences of fires on board ship.	Public consultations completed. Document now in legal draft phase.
5. Fishing Vessel Regulations	Enhanced fishing vessel safety.	Number and severity of fishing vessel incidents.	Public consultations currently underway.
6. Load Line Regulations	More streamlined and harmonized regulations that address the requirements of the International Load Line Convention and its Protocol.	Compliance and stakeholder understanding of regulations.	Public consultations completed. Document now in legal draft phase.
7. Marine Personnel Regulations	More streamlined and harmonized regulations.	Number and severity of marine incidents.	Public consultations completed. Document now in legal draft phase.
8. Vessel Clearance Regulations	More streamlined and harmonized regulations including additional requirement to carry more documentation.	Number and severity of non-compliances.	Public consultations completed. Document now in legal draft phase.
<p>The <i>Canada Shipping Act</i> and its regulations remain in full force and effect until the new act, the <i>Canada Shipping Act, 2001</i> comes into force in late 2006. In this interim period, regulations under the CSA still must be amended from time to time.</p>			
<p>Following are particulars of those existing CSA regulations that have been amended during the period of this report:</p>			
1. Special Purpose Vessel Regulations	Enhanced safety of inflatable vessels that carry persons for remuneration in Canadian waters such as white water rafting and whale watching.	Number and severity of accidents associated with these types of activities.	Amendments completed in this timeframe.

Table 10: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
2. Boating Restriction Regulations	Enhanced communities' enjoyment of their marine environment	Number and severity of incidents.	Amendments completed in this timeframe.
3. Life Saving Equipment Regulations	Enhanced safety of children travelling on board Canadian vessels.	Number and severity of boating incidents involving children.	Amendments completed in this timeframe.
4. Transportation of Dangerous Goods Regulations	Improved level of safety in the transport of dangerous goods.	Number of injuries or damage caused to the environment by dangerous goods spills.	Amendments completed in this timeframe.
5. Navigation Safety Regulations	Enhanced marine safety. To give effect to new international requirements contained in Chapter IV Safety of Navigation of the International Convention for the Safety of Life at Sea (1974)	Number and severity of marine incidents.	Amendments completed in this timeframe.
6. Revised Ship Station (Radio) Technical Regulations 1999	Enhanced marine communications and thereby contribute to safer navigation	Number and severity of incidents.	Amendments completed in this timeframe.
7. Ship Station (Radio) Regulations 1999	Enhanced marine communications and thereby contribute to safer navigation.	Number and severity of incidents involving commercial ships.	Amendments completed in this timeframe.
8. Small Vessel Regulations	Enhanced safety and awareness of small vessels not regulated elsewhere.	Number and severity of incidents involving small vessel users.	Amendments completed in this timeframe.
9. Ballast Water Regulations	Reduced incidents related to ship-source marine pollution.	Cases of introduction of non-indigenous aquatic organisms and pathogens that can be harmful to Canada's existing marine ecosystems.	Amendments completed in this timeframe.
10. Prevention of Pollution from Vessels Regulations	Reduced incidents related to ship-source marine pollution	Cases of ship source water pollution from harmful substances such as: Oil; Dangerous Chemicals; Sewage; Garbage; and Anti-fouling systems.	Amendments completed in this timeframe.

Table 10: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
<p>Amend the <i>Aeronautics Act</i> (Refer to a number of New Canadian Aviation Regulations listed in the RPP 2004-05).</p>	<p>Enhanced aviation safety (fatigue management, liability insurance, aviation companies' management systems, analysis and reporting of safety data, and new compliance and enforcement tools)</p>	<p>Number and severity of incidents relating to various issues addressed by these amendments.</p>	<p>Drafting of the bill is complete and will be introduced in the first session of the 38th Parliament.</p>
<p>Development of regulations and/or security measures to support the screening of all checked baggage.</p>	<p>Improved screening of all checked baggage.</p>	<p>Percentage of screened checked baggage at all designated airports (target: 100% screened by December 31, 2005).</p>	<p>Training and awareness campaigns conducted.</p>
<p>Amend the Canadian Aviation Regulations (private businesses)</p>	<p>Industry has additional flexibility to develop a safety system suited to their individual operations while not compromising safety.</p>	<p>Number and severity of incidents related to business aviation.</p>	<p>These regulations were published in the <i>Canada Gazette</i>, Part I on March 12, 2005 and are now proceeding to the <i>Canada Gazette</i> Part II publication.</p>
<p>New Civil Aviation regulatory amendments to introduce a requirement for certificate holders to have a Safety Management System for aviation organizations.</p>	<p>Improved safety practices through fostering stronger safety cultures within the civil aviation industry.</p>	<p>Number and severity of incidents involving the applicable aviation organizations.</p>	<p>The first set of amendments to the Canadian Aviation Regulations that require air operators to implement safety management systems in their organizations came into effect on May 31, 2005 and were published in the <i>Canada Gazette</i>, Part II on June 15, 2005</p>
<p>Road/Railway Grade Crossing Regulations and Access Control Regulations</p>	<p>Improved safety at highway/railway grade crossings and along rights-of-way.</p>	<p>Number of incidents/accidents at highway/railway grade crossings and along rights-of-way.</p>	<p>Work continues on these complex regulations which involve a large number of stakeholders.</p>
<p>Development of Commercial Drivers' Hours of Service Regulations, under the <i>Motor Vehicle Transport Act</i>, 1987.</p>	<p>Reduced commercial vehicle collisions related to driver fatigue.</p>	<p>Number of commercial vehicle collisions related to driver fatigue</p>	<p>Regulations promulgated.</p>
<p>Development of Motor Carrier Safety Fitness Certificate Regulations, under the <i>Motor Vehicle Transport Act</i>, 1987.</p>	<p>Reduced incidence of commercial vehicle collisions due to improved safety monitoring, accountability and enforcement of motor carriers.</p>	<p>Number of incidences of commercial vehicle collisions.</p>	<p>Regulations promulgated.</p>

Table 10: Major Regulatory Initiatives (continued)

Regulations	Expected Results	Performance measurement criteria	Status and Results achieved
Canada Motor Vehicle Safety Standard 114 — Locking System	Reduction of injuries and fatalities due to a reduction in vehicle theft by young offenders.	Number of injuries and fatalities due to a reduction in vehicle theft by young offenders. (target: annual reduction of up to 58 injuries and 15 fatalities)	Vehicle theft immobilization requirements introduced by the <i>Canada Gazette</i> Part II in 2005.
Update of Canada Motor Vehicle Safety Standard (CMVSS) 208 — Occupant Restraint Systems in Frontal Impact	Ensure that seat belts and air bags are designed to provide optimal protection to belted occupants and that any unnecessary injuries due to occupant protection system are minimized.	Number of injuries and fatalities due to advanced seat belts and air bags. (target: annual reduction of 44 serious injuries and 12 fatalities).	Contract issued for completion of the detailed benefit analysis.
Updates to Canada Motor Vehicle Safety Standard 210.1 — User-ready Tether Anchorages for Restraint Systems and Canada Motor Vehicle Safety Standard 210.2 — Lower Universal Anchorage Systems for Restraint Systems and Booster Cushions	Improved safety of small children travelling on school buses.	Number of infant or child injuries and fatalities while travelling on school buses.	Part I publication in the <i>Canada Gazette</i> in 2004, included the department's proposal. Consultation underway for development of the final requirements.
Canada Motor Vehicle Safety Standard 206 — Door Locks and Door Retention Components.	Improved vehicle safety due to superior door lock requirements, which would also be harmonized with those of the U.S., Europe and Japan	Number of infant or child injuries and fatalities.	Publication of the advanced notice in the <i>Canada Gazette</i> in 2004 and subsequent approval of the Global Technical Regulation completed in the 2004 session of the United Nations Working Party 29(WP.29).
Canada Motor Vehicle Safety Standard 223 (new) — Rear Impact Guards.	Enhanced safety through the requirement that most trailers with a gross vehicle weight rating of 4,536 kg or more be equipped with rear impact guards.	Number of fatalities. (target: annual reduction of up to 4 fatalities due to reducing the consequence of vehicle collisions into the rear end of trailers).	Rear Impact Guard requirements introduced by the <i>Canada Gazette</i> - Part II in 2004.
Amendments to Canada Motor Vehicle Safety Standard 301 — Fuel System Integrity.	Reduced fatalities resulting of fuel spillage in high-speed rear impacts.	Number of fatalities due to fuel spillage in high-speed rear impacts (target: annual reduction of up to 2 fatalities).	Upgraded fuel system integrity requirements introduced by the <i>Canada Gazette</i> - Part II publication in 2004.
Canada Motor Vehicle Safety Standard 500 — Low-speed Vehicles.	Improved safety of low-speed vehicles due to the implementation of performance requirements.	Number of injuries or fatalities.	Project under review

Table 11: Details on Transfer Payments Programs (TPPs)

1) Name of Transfer Payment Program: Grant to the Province of British Columbia for ferry and coastal freight and passenger services.						
2) Start Date: 1977		3) End Date: Ongoing		4) Total Funding: not applicable		
5) Description of Transfer Payment Program: The Province of British Columbia assumes the entire responsibility for the operation of ferry and coastal freight and passenger services.						
6) Objective(s), expected result(s) and outcomes: Objective: Assist the province in providing ferry services in the waters of British Columbia. Expected Result: Transportation links to the national surface transportation system from various regions and isolated areas of British Columbia.						
7) Achieved results or progress made: The ferry service was maintained allowing the transportation of coastal freight and passenger.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Policy					
-Total Grants	23,377	23,975	24,514	24,514	24,343	171
- Total Contributions						
- Total Other Transfer Payments						
15) Total for BL	23,377	23,975	24,514	24,514	24,343	171
- Other BL						
16) Total TPP	23,377	23,975	24,514	24,514	24,343	171
17) Comment on Variances: Planned spending based on estimate of B.C. consumer price index. Final spending reflects actual consumer price index.						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation was conducted in 2005 and is close to completion. Results will be reported in the next DPR.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Contribution Agreement with the Canadian Wheat Board Governing the Leasing of Hopper Cars						
2) Start Date: March 1981		3) End Date: July 2006		4) Total Funding: \$400 million		
5) Description of Transfer Payment Program: Reimbursement to the Canadian Wheat Board for leasing of hopper cars for transfer of Canadian grain to export position.						
6) Objective(s), expected result(s) and outcomes: Objective: Hopper cars will be available for movement of prairie grain to port. Expected result: A more commercial, efficient and competitive grain transportation system.						
7) Achieved results or progress made: The Canadian Wheat Board leased cars have been in continuous use transporting western Canadian grain from the Prairies to points of export and to Board customers in Canada.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Policy					
-Total Grants						
- Total Contributions	16,045	12,913	16,967	12,379	12,309	4,658
- Total Other Transfer Payments						
15) Total for BL	16,045	12,913	16,967	12,379	12,309	4,658
- Other BL						
16) Total TPP	16,045	12,913	16,967	12,379	12,309	4,658
17) Comments on Variances: Actual spending is less than planned spending due to alternative use revenue for rail cars, favourable exchange rates for lease payments made in U.S. dollars, and the sunsetting of one of the leases.						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation will be conducted in 2005-06. Results will be reported in the next DPR.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Regional and Remote Passenger Rail Services Class Contribution Program						
2) Start Date: June 1, 2004		3) End Date: March 31, 2010		4) Total Funding: \$74.8 million		
5) Description of Transfer Payment Program: 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.						
6) Objective(s), expected result(s) and outcomes: Continuation of safe, viable, reliable and sustainable regional and remote passenger rail services.						
7) Achieved results or progress made: A safe, reliable and sustainable services were provided in 2004-05.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Policy					
-Total Grants						
- Total Contributions	6,773	7,083	625	17,925	17,888	(17,263)
- Total Other Transfer Payments						
15) Total for BL	6,773	7,083	625	17,925	17,888	(17,263)
- Other BL						
16) Total TPP	6,773	7,083	625	17,925	17,888	(17,263)
17) Comments on Variances: Timing of the Cabinet approval of the new Regional and Remote Passenger Rail Services Class Contribution Program did not allow for inclusion in the Main Estimates 2004-05.						
18) Significant Evaluation Findings and URL to last evaluation: The evaluation completed in 2004 found that the services provided by the Quebec North Shore and Labrador Railway (QNS&L) and the Algoma Central Railway (ACR) funded by this program meet the remote access justification as a rationale for federal government financial contributions. However, the Ontario Northland Transportation Commission (ONTC) service does not. The evaluation also found that all three services have good safety records and passengers are generally satisfied with the services provided.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Ferry Services Contribution Program for operating funding requirements for two regional ferry services.						
2) Start Date: 1941		3) End Date: ongoing		4) Total Funding: not applicable		
5) Description of Transfer Payment Program: Operating funding for two regional passenger and vehicle ferry services, CTMA Traversier Ltee and Northumberland Ferry Ltd.						
6) Objective(s), expected result(s) and outcomes: Ensuring commercial viability of ferry services that effectively meet demand and rates that reflect market conditions. Access to mainland transportation network. 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						
7) Achieved results or progress made: The services met the demand and provided transportation of freight and people from the islands to the mainland.						
	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
(\$ thousands)						
14) Business Lines (BL)	Policy					
-Total Grants						
- Total Contributions	8,027	8,036	8,036	9,290	9,244	(1,208)
- Total Other Transfer Payments						
15) Total for BL	8,027	8,036	8,036	9,290	9,244	(1,208)
- Other BL						
16) Total TPP	8,027	8,036	8,036	9,290	9,244	(1,208)
17) Comments on Variances: Mainly due to decrease in traffic and increase in operating and capital expenses considering enhanced safety and regulatory requirements.						
18) Significant Evaluation Findings and URL to last evaluation: The evaluation completed in 2004 found that, while the CTMA service from Cap-aux-Meules, Iles-de-la-Madeleine, Quebec to Souris, Prince Edward Island (PEI) remains relevant since it supports the mandate of Transport Canada and serves a remote community, the Northumberland Ferries service between Wood Islands, PEI and Caribou, Nova Scotia does not directly support TC priorities and there is no constitutional obligation to maintain the ferry service. Both ferry services were found to provide quality, efficient and affordable services responding to user needs and both contribute to the tourism industry in their local area.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Contribution to the Greater Toronto Airports Authority for the air rail link.						
2) Start Date: October 24, 2003		3) End Date: March 31, 2006		4) Total Funding: \$18.4 million		
5) Description of Transfer Payment Program: Transport Canada is investing \$18.4 million from the Toronto Waterfront Revitalization Initiative to facilitate access for an Air Rail Link into Lester B. Pearson International Airport's new terminal building and to allow sharing of joint station facilities with the Airport's People Mover system.						
6) Objective(s), expected result(s) and outcomes: The goal of this program is to allow direct access for the Air Rail Link from Toronto Union Station into the new airport terminal building at Lester B. Pearson International Airport by putting in place shared infrastructure to support the new terminal and the Airport People Mover system. The Air Rail Link is expected to provide a seamless and rapid connection to the Waterfront Area and the various other modes of public transportation such as GO Commuter trains, TTC's subway system, as well as VIA Rail Canada and Amtrak inter-city passenger services. As such, it is also expected to meet some of the objectives set out in the Climate Change Plan for Canada by increasing the use of public transit and facilitating intermodal connections.						
7) Achieved results or progress made: The project is progressing as scheduled and is expected to be completed by March 31, 2006.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Policy					
-Total Grants						
- Total Contributions	-	6,863	9,795	9,095	9,052	743
- Total Other Transfer Payments						
15) Total for BL	-	6,863	9,795	9,095	9,052	743
- Other BL						
16) Total TPP	-	6,863	9,795	9,095	9,052	743
17) Comments on Variances: The variance is the result of delays in carrying out certain planned activities. The project is nonetheless on target to be completed by March 31, 2006.						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation is planned for 2007-08.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Payment to Ridley Terminals Incorporated's cash deficit						
2) Start Date: April 1, 2004		3) End Date: April 30, 2005		4) Total Funding: \$9.215 million		
5) Description of Transfer Payment Program: Program to cover operating and capital shortfalls for Ridley Terminals Inc. (RTI) due to insufficient volumes of coal.						
Note: \$64.0 million in 9) Actual Spending for 2003-04 below was for debt reduction.						
6) Objective(s), expected result(s) and outcomes: To allow RTI to continue operating as a going concern until such time as Cabinet has the opportunity to determine the long-term future of RTI. Preserving RTI as a going concern will ensure that as many options as possible are presented to Cabinet for consideration. If RTI did not receive the contributions, RTI would be unable to meet its operating needs.						
7) Achieved results or progress made: RTI has remained operational.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Policy					
-Total Grants						
- Total Contributions	-	64,000	-	9,222	9,215	(9,215)
- Total Other Transfer Payments						
15) Total for BL	-	64,000	-	9,222	9,215	(9,215)
- Other BL						
16) Total TPP	-	64,000	-	9,222	9,215	(9,215)
17) Comments on Variances: Pending Cabinet's direction, Transport Canada has provided interim funding to ensure RTI can continue to operate as a going concern.						
18) Significant Evaluation Findings and URL to last evaluation: The evaluation conducted in 2005 found that within the limits of the short term outcomes of keeping Ridley Terminals operating as a going concern until such time as a decision about its long-term future could be made, the contribution was consistent with federal government priorities. It found that without the contribution, Ridley would have become insolvent and forced to discontinue operations. It also found that RTI is making a significant contribution to the local economy of Prince Rupert, and to the regional economy of northern British Columbia.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Marine Security Contribution Program						
2) Start Date: Dec. 1, 2004		3) End Date: Nov. 30, 2007		4) Total Funding: \$115 million		
5) Description of Transfer Payment Program: Enhanced Marine Security						
6) Objective(s), expected result(s) and outcomes: Objectives: To provide 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. Expected Results (Immediate): <ul style="list-style-type: none"> • Accelerated implementation, construction and other changes to security procedures, equipment and training. • Enhanced ability of marine facility operators and ports to address security gaps. • Offset costs of rapid regulatory change placed on ports and marine facility owners and operators • Increased assistance for third party service providers (e.g. provinces and municipalities providing coordinated marine security services). Outcomes: <ul style="list-style-type: none"> • Establishment and maintenance of a high and consistent security standard for all visitors and trade entering Canada • Reduced likelihood of a marine transportation security incident, including terrorist acts • Maintenance of the competitiveness of Canada's marine transportation sector. 						
7) Achieved results or progress made: In Round 1 of the Program, contribution agreements were signed with 20 recipients for the expenditure of \$8.25 million in FY 2004-05 Program funds. Contribution agreements will also be signed with an additional 49 recipients in Round 1 for the expenditure of \$15.3 million in FY 2005-06 Program funds. In total, Round 1 of the Program awarded \$23.6 million worth of contribution funds to 69 recipients for 223 projects to be paid out of 2004-05 and 2005-06 allocations.						
	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
(\$ thousands)						
14) Business Lines (BL)	Safety and Security					
-Total Grants						
- Total Contributions	-	-	5,000	8,250	8,250	(3,250)
- Total Other Transfer Payments						
15) Total for BL	-	-	5,000	8,250	8,250	(3,250)
- Other BL						
16) Total TPP	-	-	5,000	8,250	8,250	(3,250)
17) Comments on Variances: The additional \$3.25 million was reallocated by the department in order to complete the funding of the first round of approved projects for the Marine Security Contribution Program.						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation of this program is scheduled for 2007.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Grade Crossing Improvement Contribution Program (approved under the <i>Railway Safety Act</i>)						
2) Start Date: 1989		3) End Date: ongoing		4) Total Funding: not applicable		
5) Description of Transfer Payment Program: Payments made to railway companies, municipalities to improve the safety at public road/railway grade crossings.						
6) Objective(s), expected result(s) and outcomes: Safety Improvements at Grade crossings that result in accident reductions.						
7) Achieved results or progress made: Over the past 15 years, over \$20 million has been spent by Transport Canada to fund improvements at public road/railway grade crossings (approximately 80 sites per year). Accident rates at public crossings have dropped by approximately 50% between 1991 and 2004.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Safety and Security					
-Total Grants	-	60	250	105	100	150
- Total Contributions	7,495	7,440	7,245	7,340	7,340	(95)
- Total Other Transfer Payments	-	-	-	-	-	-
15) Total for BL	7,495	7,500	7,495	7,445	7,440	55
- Other BL						
16) Total TPP	7,495	7,500	7,495	7,445	7,440	55
17) Comments on Variances: Nil						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation is currently underway and should be completed by end of 2005. This evaluation is required to support program renewal before March 31, 2006.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Airports Capital Assistance Program						
2) Start Date: April 1 st , 2000		3) End Date: March 31 st , 2005 (renewed for the period 2005-06 to 2009-10)			4) Total Funding: \$190M	
5) Description of Transfer Payment Program: Airports Capital Assistance Program (ACAP) assists eligible applicants in financing capital projects related to safety, asset protection and operating cost reduction.						
6) Objective(s), expected result(s) and outcomes: maintained or increased safety, contribution to asset protection, reduction in operating cost and increased use of environmentally sustainable practices at airports, where possible.						
7) Achieved results or progress made: Between 2000-01 and 2004-05, 203 projects were funded; over 99% of these projects were directly related to airside safety. These projects will result in overall operating savings at airport of over \$28.5M and have extended the life of airport assets by an average of 17 years.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Programs and Divestiture					
-Total Grants						
- Total Contributions	32,386	32,210	37,700	24,434	24,386	13,314
- Total Other Transfer Payments						
15) Total for BL	32,386	32,210	37,700	24,434	24,386	13,314
- Other BL						
16) Total TPP	32,386	32,210	37,700	24,434	24,386	13,314
17) Comments on Variances: Short construction season due to weather conditions, delay in obtaining order-in-council for the Quebec projects and higher than anticipated bid that required re-tendering caused delays in many projects.						
18) Significant Evaluation Findings and URL to last evaluation: <ul style="list-style-type: none"> - ACAP is in line with the current objectives of TC and of the government, most airports are not able to self-finance projects funded by ACAP and that there are no other sources of funding available for these projects. - ACAP met its objectives as it contributes to safety, asset protection and reduction of operating costs at funded airports. ACAP also contributes to the maintenance of a feeder airport system. - The applicant and project eligibility criteria were appropriate. Some improvements to decision-making processes, particularly with respect to timeliness, are warranted. <p>http://www.tc.gc.ca/pol/EN/programevaluation/reports/ACAP2004/toc.htm.</p>						

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Table 11: Details on Transfer Payments Programs (continued)

<p>1) Name of Transfer Payment Program: Strategic Highway Infrastructure Program – Highway Component Strategic Highway Infrastructure Program – Border Crossing Transportation Initiative Strategic Highway Infrastructure Program – Transportation Planning/Modal Integration (TPMI) Initiative Strategic Highway Infrastructure Program – Intelligent Transportation Systems Initiative</p>		
<p>2) Start Date: March 29, 2001</p>	<p>3) End Date: SHIP <i>Highway Component</i> ends March 31, 2006 except for the Province of Ontario 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.</p>	<p>4) Total Funding: SHIP <i>Highway Component</i>: \$500 Million SHIP <i>Border Crossing Transportation Initiative</i>: \$65 Million SHIP <i>Transportation Planning/Modal Integration Initiative</i>: \$5 Million SHIP <i>Intelligent Transportation Systems Initiative</i>: \$30 Million Total SHIP: \$600 Million</p>
<p>5) Description of Transfer Payment Program: SHIP Highway Component: 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. SHIP Border Crossing Transportation Initiative and TPMI Initiative: 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. SHIP Intelligent Transportation Systems Initiative: 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.</p>		
<p>6) Objective(s), expected result(s) and outcomes: SHIP – Highway Component: The objective is to provide funding for provincial/territorial highway improvement projects to address the needs of Canada’s National Highway System (NHS). The expected results are to sustain strategic infrastructure investments in all regions, enhance safety performance, support trade and economic development and promote sustainable transportation. This funding will provide an efficient, integrated and accessible transportation system. SHIP – Border Crossing Transportation Initiative and TPMI Initiative: The objective is to support tourism, trade and traffic flows on north-south and east-west transportation corridors across the Canada-U.S. border. The expected results are to improve mobility, enhance safety and security for passengers and freight including inter-modal connections, reduce congestion and enhance trade and economic development. SHIP Intelligent Transportation Systems Initiative: The objective is to enhance the reliability and overall operating performance of the surface transportation system. The expected results are to improve mobility and transportation efficiencies, and to enhance safety performance and sustainable transportation.</p>		

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Table 11: Details on Transfer Payments Programs (continued)

Name of Transfer Payment Program: Strategic Highway Infrastructure Program (Continued)						
7) Achieved results or progress made: Through funding in infrastructure, progress has been achieved toward an efficient, integrated and accessible transportation system. The department has negotiated and signed highway agreements with all provinces and territories providing \$485 million in federal funding through the SHIP <i>Highway Component</i> . \$50.8 million for border improvement projects have been announced in Ontario, Quebec and British Columbia under the SHIP <i>Border Crossing Transportation Initiative</i> .						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Program and Divestiture: – Highway Component – Border Crossing Transportation Initiative Policy: – Intelligent Transportation Systems Initiative – Transportation Planning/Modal Integration Initiative					
-Total Grants						
- Total SHIP Contributions	35,064	66,918	223,848	223,848	199,205	24,643
- Total Other Transfer Payments						
15) Total for BL	35,064	66,918	223,848	223,848	199,205	24,643
- Other BL						
16) Total TPP	35,064	66,918	223,848	223,848	199,205	24,643
17) Comments on Variances: Delays have been experienced in negotiating and completing contribution agreements with potential recipients.						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation of all three SHIP components is currently being undertaken and is expected to be complete in spring 2006.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Northumberland Strait Crossing subsidy payment						
2) Start Date: April 1, 1997		3) End Date: April 1, 2032		4) Total Funding: \$376.4 million		
5) Description of Transfer Payment Program: Subsidy payments are made to bridge operator to honour constitutional obligations to provide a transportation link between Prince Edward Island and the mainland.						
8) Objective(s), expected result(s) and outcomes: 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.						
7) Achieved results or progress made: Subsidy payments have been made to the bridge operator and an efficient year-round transportation service was offered.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
14) Business Lines (BL)	Programs and Divestiture					
-Total Grants						
- Total Contributions						
- Total Other Transfer Payments (S)	48,956	51,147	51,800	51,779	51,779	1
15) Total for BL	48,956	51,147	51,800	51,800	51,779	1
- Other BL						
16) Total TPP	48,956	51,147	51,800	51,779	51,779	1
17) Comments on Variances: Nil						
18) Significant Evaluation Findings and URL to last evaluation: This is a statutory payment and therefore no evaluation is planned.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Outaouais Road Agreement						
2) Start Date: January 7, 1972		3) End Date: No sunset clause		4) Total Funding: \$29.2 million over the years 2005-06 to 2008-09		
5) Description of Transfer Payment Program: Contributions to the Province of Quebec related to the Outaouais Roads Development Agreement toward highway improvements are made to enhance overall efficiency and promote safety while encouraging regional and industrial development and tourism.						
6) Objective(s), expected result(s) and outcomes: These federal contributions are for highway improvements to enhance overall efficiency and promote safety, while encouraging regional, industrial development and tourism. As a result, the National Capital transportation system will be improved by reducing congestion and improving safety to support an efficient, integrated and accessible transportation system.						
7) Achieved results or progress made: The department completed Phase 1 of the McConnell-Laramée project in Gatineau that will link Highway 50 to Saint-Joseph Boulevard and completed a 12 km bypass on Highway 50 in Buckingham.						
	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Variance(s) between 10 and 12
(\$ thousands)						
14) Business Lines (BL)	Program and Divestiture					
-Total Grants						
- Total Contributions	2,302	5,129	2,632	6,491	6,490	(3,858)
- Total Other Transfer Payments						
15) Total for BL	2,302	5,129	2,632	6,491	6,490	(3,858)
- Other BL						
16) Total TPP	2,302	5,129	2,632	6,491	6,490	(3,858)
17) Comments on Variances: Primarily due to additional construction on the McConnell/Lamarée Boulevard in Gatineau.						
18) Significant Evaluation Findings and URL to last evaluation: An evaluation was conducted in 2005 and is close to completion. Results will be reported in the next DPR.						

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Table 11: Details on Transfer Payments Programs (continued)

1) Name of Transfer Payment Program: Port Divestiture Fund						
2) Start Date: April 1, 1996		3) End Date: March 31, 2006		4) Total Funding: \$175 million		
5) Description of Transfer Payment Program: Contributions for the divestiture of regional/local ports to local stakeholders.						
6) Objective(s), expected result(s) and outcomes: The objective of the Port Divestiture Program is to facilitate the divestiture process by providing new port owners with sufficient resources to ensure continued operation of the port. It is expected that safety and operating standards will be maintained at transferred ports. An evaluation is scheduled at the end of the program, March 31, 2006.						
7) Achieved results or progress made: As of March 31, 2005, Transport Canada had divested 459 of its original 549 ports (84%) and had saved taxpayers an estimated \$165 million that would otherwise have been spent on the ports.						
(\$ thousands)	8) Actual Spending 2002-03	9) Actual Spending 2003-04	10) Planned Spending 2004-05	11) Total Authorities 2004-05	12) Actual Spending 2004-05	13) Spending Variance
14) Business Lines (BL)	Programs and Divestiture					
-Total Grants						
- Total Contributions	22,102	1,697	42,500	44,151	17,840	24,660
- Total Other Transfer Payments						
15) Total for BL	22,102	1,697	42,500	44,151	17,840	24,660
Other BL						
16) Total TPP	22,102	1,697	42,500	44,151	17,840	24,660
17) Comments on Variances: Agreements were not reached with all ports that were planned for divestiture in 2004-05. In some cases, delays were due to provincial government positions while, in other cases, outstanding issues between the entity and TC remain to be resolved. Negotiations are continuing.						
18) Significant Evaluation Findings and URL to last evaluation: The evaluation conducted in 2003-04 found that the program is aligned with federal government and departmental policies and priorities. It also found that, although divestiture rates are below targets due to unanticipated issues, the program has made significant progress in the divestiture of regional/local ports. The evaluation also found that the program was successful in considering the economic and social interests of local communities. For details on the evaluation, see website at http://www.tc.gc.ca/pol/en/programevaluation/reports/2003%20-%202004.htm .						

Table 12: Response to Parliamentary Committees, Audits and Evaluations for FY 2004-2005

Response to Parliamentary Committees
Nil
Response to the Auditor General
Commissioner for the environment and sustainable development annual report – Fall 2004
<p><u>Chapter 1</u> - International Environmental Agreements, including the <i>International Convention for the Prevention of Pollution from Ships</i> (MARPOL).</p> <p>1.78 Recommendation. Transport Canada should define the environmental performance and results expectations that ocean oil pollution prevention and surveillance programs can reasonably achieve.</p> <p>Department’s response. Transport Canada accepts the recommendation. Transport Canada recognizes that it does not have the ability to monitor all ships at all times while in waters under Canadian jurisdiction, and is therefore not capable of calculating the actual total quantities of pollutants being discharged intentionally or otherwise. Instead Transport Canada will use the results of existing inspection investigation and aerial surveillance programs as indicators of environmental performance by the shipping industry. Transport Canada does intend to provide better reporting on the programs that are in place to implement the oil pollution prevention regulations. Reporting for the 2004 season to be completed by the fall of 2005.</p> <p>http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20041001ce.html - ch1hd4c</p> <p><u>Chapter 4</u> - Assessing the Environmental Impact of Policies, Plans and Programs</p> <p>Given that the recommendations were addressed to the government as a whole, Transport Canada has provided input to the Canadian Environmental Assessment Agency, which prepared the government response to the recommendations.</p> <p><u>Chapter 6</u> - Environmental Petitions</p> <p>6.110 Recommendation. Transport Canada, which will administer the project office for the payroll deduction program, should evaluate the costs relative to the benefits achieved before further expanding the program.</p>

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Table 12: Response to Parliamentary Committees, Audits and Evaluations for FY 2004-2005 (continued)

Response to the Auditor General (continued)
<p>Transport Canada's response. The department accepts the recommendation. Transport Canada, as the project lead for the transit pass program will continue to ensure that the cost benefits of the program are reviewed prior to full implementation.</p> <p>As part of the pilot project evaluation, Transport Canada and the working group evaluated the costs and benefits of the project. The decision to move forward and expand the pilot project to the National Capital Region was based on a careful review of the costs with Public Works and Government Services Canada.</p> <p>Once the transit pass program is implemented in the National Capital Region, Transport Canada will undertake a full cost-benefit analysis by fall 2005 before expanding such a program across Canada.</p> <p>http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20041006ce.html - ch6hd4a</p> <p><u>Chapter 5</u> - Fisheries and Oceans (F&O) Audit re: Salmon Stocks, Habitat and Aquaculture</p> <p>References made about TC in the chapter but no recommendations aimed at TC.</p> <p><u>Auditor General November 2004 report</u></p> <p><u>Chapter 7</u> - Process of responding to parliamentary Order Paper Questions</p> <p>References made about TC in the chapter but no recommendations aimed at TC.</p> <p><u>Auditor General February 2005 report</u></p> <p><u>Chapter 2</u> - Transport Canada-Overseeing the National Airports System</p> <p>Transport Canada has responded. The department agrees with our recommendations and has indicated the actions it plans or has under way to address them.</p> <p>2.55 Recommendation. Transport Canada should clarify how it will continue overseeing the long-term viability of the NAS once the data from the Airports Rent Policy Review becomes obsolete. In particular, it should determine what data to collect, who will collect it, how often, and how it will be collected, and how the results will be used.</p> <p>Transport Canada's response. To determine if policies and frameworks are working as intended and to provide "early warning" indicators of potential financial trouble at an airport, the department intends to build upon the work it did assessing the long-term viability of the leased NAS airports for the Rent Policy Review. To facilitate this, the existing forecast model would be updated, on an ongoing basis, with current financial and traffic data.</p>

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Table 12: Response to Parliamentary Committees, Audits and Evaluations for FY 2004-2005 (continued)

Response to the Auditor General (continued)
<p>2.56 Recommendation. Transport Canada should develop a comprehensive strategy for responding in the event that an airport authority encounters serious financial difficulty. In particular, the strategy should state who in the department would assume primary responsibility, when the department would intervene and the methods it would use, and the legal limits of the intervention.</p> <p>Transport Canada’s response. Transport Canada concurs. As noted in the department’s discussion paper, serious financial difficulty can arise from a variety of underlying causes, which may accordingly require different skill sets (finance and accounting, policy, operations, etc.). The department will develop a variety of case scenarios to ensure it can</p> <ul style="list-style-type: none"> (i) assign primary responsibility in any foreseeable case; (ii) marshal the necessary information for decision makers to decide whether to intervene, and if so, how; and (iii) identify the legal and financial authorities the department has or would have to obtain for such a case. <p>2.65 Recommendation. Transport Canada should</p> <ul style="list-style-type: none"> • develop a framework identifying the airports whose performance it wants to measure; what it needs to measure; what data it needs to collect, who will collect it, how it will be collected, and how often; how it will use the results; and how it will report on the performance; • have the framework approved by departmental executives; and • start as soon as possible collecting data, measuring the airports’ performance and reporting on the results. <p>Transport Canada’s response. Transport Canada recognizes the importance of developing and implementing a performance-monitoring framework. This was reflected in early drafts of a proposed legislative framework for airports (2003). To ensure that airport business dynamics and data availability are taken into consideration, this project would be developed in consultation with the relevant airports to identify and prioritize appropriate performance measures. The department will enhance its data gathering capabilities, as well as determine the best approach to report the results.</p> <p>http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20050202ce.html.</p>
<p>External Audits (note: these refer to other external audits conducted by the Public Service Commission or the Office of the Commissioner of the Official Languages or the Official Languages Branch of the Public Service Human Resources Management Agency).</p>
<p>Nil</p>

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Table 12: Response to Parliamentary Committees, Audits and Evaluations for FY 2004-2005 (continued)

Internal Audits or Evaluations
<p>Internal audits completed by Audit and Advisory Services and approved by the Audit and Review Committee in 2004-05:</p> <ul style="list-style-type: none">• Audit of Canadian Business Aviation Association (CBA) Contribution Program• Audit of Ports Divestiture Fund Program• Audit of Gross Revenue Charges received from Canada Port Authorities• Recipient Audit of Privately Owned and Federally Operated Ferry Services for both Northumberland Ferry Ltd and CTMA Traversier Ltee• Audit of Canadian Port Authorities (CPA) Compliance Framework• Audit of External Reporting - Financial Statements• Audit of Aircraft Parts Inventory• IM/IT Strategic Planning Process• Audit of Non-navigational Seaway Assets - Revenue and Management Expenses• Audit of the National Safety Code Contribution Program• Audit of Contribution Agreement - Mulgrave / Port Hawkesbury Wharves <p>More information is available at http://www.tc.gc.ca/corporate-services/audit/menu.htm .</p> <p>Internal evaluations completed by Departmental Evaluation Services in 2004-05:</p> <ul style="list-style-type: none">• Evaluation of the Contribution Program for the Danish and Icelandic Joint Financing Agreements• Evaluation of Transport Canada's Funding of Remote Airports• Evaluation of TC's Contributions to Ridley Terminals• Evaluation of Transport Canada's Funding to the Transportation Association of Canada (TAC)• Formative Evaluation of Transport Canada's Web Presence <p>http://www.tc.gc.ca/pol/en/programevaluation/reports/2004%20-%202005.htm .</p>

Table 13: Sustainable Development Strategies (SDS)

Department: Transport Canada	
Points to address	Departmental Input
1. What are the key goals, objectives, and/or long-term targets of the SDS?	TC has seven strategic challenges: <ol style="list-style-type: none"> 1. Encourage Canadians to make more sustainable transportation choices 2. Enhance innovation and skills development 3. Increase system efficiency and optimize modal choices 4. Enhance efficiency of vehicles, fuels, and fuelling infrastructure 5. Improve performance of carriers and operators 6. Improve decision-making by governments and the transportation sector 7. Improve management of Transport Canada operations and lands.
2. How do your key goals, objectives and/or long-term targets help achieve your department's/agencies' strategic outcomes?	Transport Canada's seven strategic challenges reflect the key results that the department intends to influence. Within these seven challenges there are 32 commitments and 173 targets where the department will focus its efforts for the 2004-2006 period. This is in direct support of the department's strategic outcomes to: <ul style="list-style-type: none"> • Ensure high standards for a safe and secure transportation system; • Contribute to Canada's economic growth and social development; and, • Protect the physical environment The strategy also addresses key federal priorities such as climate change, clean air, clean water, and contaminated sites.
3. What were your targets for the reporting period?	The strategy identifies a total of 173 targets, which are reported on an annual basis.
4. What is your progress to date?	Over 85% of the 173 targets are either complete or on-track. A detailed SDS Progress Report is compiled each year and posted online at http://www.tc.gc.ca/programs/Environment/SD/menu.htm .
5. What adjustments have you made, if any?	Minor adjustments to how performance measures are reported in commitment 2.1 (Intelligent Transportation Systems (ITS) Research and Development and ITS Deployment and Integration Plan) were made in order to gain more of an accurate status as to the progress of the targets. These adjustments are noted within the SDS Progress Report.

Table 14: Procurement and Contracting

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

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Table 14: Procurement and Contracting (Continued)

<p>3. Progress and new initiatives enabling effective and efficient procurement practices.</p>	<p>Materiel and Contracting Services, part of the Administrative Services Branch, has developed a number of instruments to assist managers with their contracting requirements. These include A Guide to Procurement and Materiel Management that takes the managers through the entire contracting process from the planning stage to contract management, and Materiel and Contracting Services Bulletins on specific contracting issues. These are posted on the Branch's Intranet website.</p> <p>In addition, the department has developed a number of training courses for managers on contracting in TC, developing Terms of Reference, and managing contracts.</p> <p>New Course: Bid Evaluation.</p> <p>New Guideline: Selecting Conference Facilities</p> <p>Transport Canada has exceeded its targets for contracting with Aboriginal suppliers pursuant to the Procurement Strategy for Aboriginal Business for the past few years.</p>
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Table 15: Service Improvement Initiative (SII)

Transport Canada continues to provide exemplary service to Canadians. During the past five years, the emphasis concerning the Service Improvement Initiative was put on the implementation of on-line methods of interacting with the department.

Transport Canada had developed a strategic plan for its web presence that spans both Internet and Intranet sites. The vision behind this plan is to provide quick and easy access to the broadest range of credible information, trusted tools and services related to transportation issues.

In March 2004, Transport Canada evaluated and measured the current state of its web presence from the perspective of different stakeholders, including the Canadian general public, stakeholders within Transport Canada and others.

Overall, respondents are quite satisfied with the site

Overall, the vast majority of survey participants said the site met or exceeded their expectations in terms of the information and service they received. While they clearly felt there was room for improvement in terms of organization of the information and navigation of the site, on the whole they felt the site was meeting their needs reasonably well. Most respondents were somewhat or very satisfied with the site (59% giving a rating of 4 or 5 on a 5-point scale). Approximately one quarter expressed a neutral opinion (24% give a rating of 3).

Another study evaluated Transport Canada's Internet site through the messages sent by members of the Canadian general public using the Transport Canada website. Nearly 60 percent of all inquiries concern rules and regulations of some sort. Questions concerning acts, regulations, and standards, questions concerning emergencies and health and safety regulations, as well as questions about the licensing and registration of land, air, and marine vehicles are the most common.

Building on these evaluations and through continued introduction of on-line methods of interacting with the Department, Transport Canada continues to work on enhancing its citizen-focused services and its relationships with customers and suppliers, pursuant to the objectives of the Government On-line (GOL) initiative. In an effort to look for cost savings, increased productivity, consistency and a reduction in "reinventing the wheel" by all departments acting in isolation, the department has and continues to participate in horizontal initiatives.

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Table 15: Service Improvement Initiative (SII) (continued)

For example, Transport Canada is one of four lead departments in the development of the Government of Canada Marketplace, which will increase our electronic commerce capacity. This initiative will put suppliers of goods and services in an electronic catalogue for federal government purchasing agents, allowing small, medium and large sized enterprises throughout Canada with an opportunity to supply goods and services to the Government of Canada, through an electronic mechanism. A first phase of this initiative has enabled Transport Canada to offer clients web-based options for paying bills (iReceivables) and purchasing publications and other multi-media products (iStore). Options are under consideration to expand the available products and services.

Work also continues on implementing transactional services such as allowing clients and stakeholders to apply, review and purchase licensing and permitting services online.

Other client satisfaction surveys will be conducted in the future to measure how service has improved in the department, but no firm date has been set at this time.

Table 16: Horizontal Initiatives

In 2004-05, Transport Canada was involved in the following horizontal initiatives as either the lead or as a partner:

1. Marine Security Horizontal Initiative (Lead)
2. Road Safety Vision 2010 Horizontal Initiative (Lead)
3. Canada Strategic Infrastructure Fund (partner)
4. Border Infrastructure Fund (partner)

For further information on the first two above-mentioned horizontal initiatives, please see http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.

Table 17: Travel Policies

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

SECTION IV – OTHER ITEMS OF INTEREST

4.1 Management Agenda

In the 2004-2005 Report on Plans & Priorities, Transport Canada refocused its management agenda to pursue appropriate actions to strengthen and integrate its management agenda, in keeping with *Results For Canadians* and the *Management Accountability Framework*.

For more information on *Results for Canadians* see: http://www.tbs-sct.gc.ca/res_can/rc_1_e.asp
For more information on the Treasury Board's Management Accountability Framework see: http://www.tbs-sct.gc.ca/maf-crg/index_e.asp.

Accordingly, to move toward management excellence, the department has been pursuing activities to increase its management capacity and, most importantly, integrate the ten management principles of excellence (elements) stated in the *Management Accountability Framework*. While pursuing progress on all ten elements, Transport Canada had stated it would specifically focus on strengthening its capacity in the following areas: *Accountability, People, Stewardship, and Values and Ethics*.

However, to ensure that the essential conditions such as internal coherence and alignment to outcomes are in place for providing effective strategic direction, support to the Minister and Parliament, and the delivery of results, it was subsequently agreed that the *Governance and Strategic Directions* element of the *Management Accountability Framework* would also be key.

As a result, in 2004-05, Transport Canada redrafted its Vision, Mission and Strategic Objectives to ensure they remain an accurate and meaningful reflection of our corporate direction and goals. An added value of this new mission and vision is that it also sets the foundation to move forward in a way that integrates the principles of modern management.

Towards Management Excellence

As mentioned above, the department has now started to assess its status against the *Management Accountability Framework* through an annual self-evaluation using the previous Modern Comptrollership capacity assessment as a baseline. As a result, Transport Canada now has a baseline from which it can demonstrate ongoing progress against most elements of the *Management Accountability Framework*. While additional work to further improve its management capacity remains to be done, the challenge will be to keep pursuing these improvement plans while responding to other departmental and government priorities.

An important first step has been the initiation of an ongoing dialogue across the department in regards to how best achieve management excellence. As a result of these discussions, Transport Canada has developed an Action Plan to identify improvement opportunities against each element of the *Management Accountability Framework*, and specifically against the four initial priorities identified in the 2004-2005 Report on Plan and Priorities. While implementation of the Action Plan is in its early stages, a concerted effort to raise awareness, with employees and managers, was undertaken through learning events, briefings, the addition of *Management Accountability Framework* related information to TC management courses and the development of other tools, such as a dedicated Intranet website.

Accountability

To further improve Transport Canada's capacity to focus on results and strengthen its accountability framework, the development and implementation of an initial Program Activity Architecture (PAA) framework at Transport Canada (TC) will hopefully lead to an improved capacity for the department to present information in a way that is more meaningful to Parliament and Canadians. As well, the PAA has provided the basis for the department to improve linkages between financial and non-financial information to support informed decision-making, while driving organizations within TC to develop their performance frameworks. Although significant progress has been made in 2004-05 to set the stage for improved reporting on results and horizontal reporting, the exercise is not completed yet. As a result, activities to fully integrate the PAA in the way we plan, allocate and reallocate resources, set priorities, and report internally will continue over the next several years. As well, the examination and development of a corporate risk profile for the department is continuing.

TC's internal audit resources strengthen the management accountability and promote effective management through control and management frameworks. The internal audit function is continuing to develop its services in line with the proposed new Internal Audit Policy. Risk-based audit plans are developed every year and approved by the Audit and Review Committee. This will be further enhanced for 2005-06. All audit recommendations have management action plans. Completed internal audits are posted on the Transport Canada website. The highest priority areas are monitored and follow-up is incorporated into the annual audit plan as appropriate. An annual report is prepared each year and approved by the Deputy Minister before posting on Transport Canada's Internet.

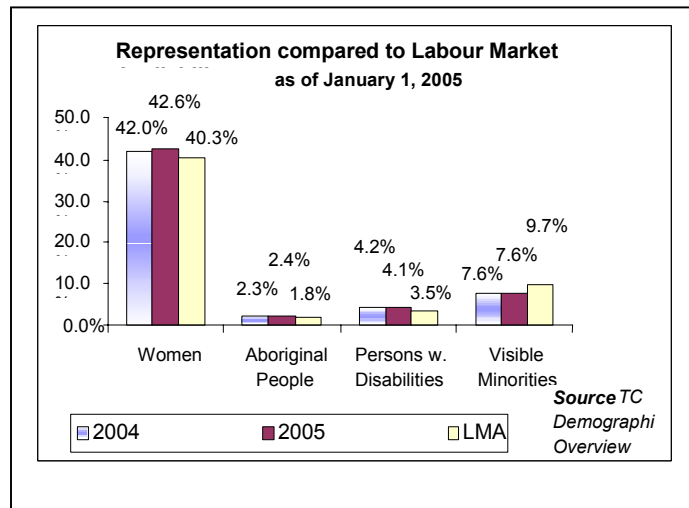
People

In 2004-05, Transport Canada developed and put in place an implementation strategy for the introduction of the new *Public Service Modernization Act*. Its strategy is phased to align with the coming into force of the various parts of the legislation. Five intradepartmental implementation committees were established for each of the major challenges, and include line management, Human Resources staff, unions and regional representation. In order to meet the requirements for the April 1, 2005 coming into force of the new *Public Service Labour Relations Act* and amendments to the *Financial Administration Act*, particular emphasis this year was placed on learning activities to further develop the expertise of labour relations professionals to provide guidance and advice to their clients, and training TC managers to exercise their delegation in accordance with the new legislation. In addition to successfully implementing this first phase, the department positioned itself for the coming into force of the *Public Service Employment Act* in December 2005.

A workforce that is reflective of Canada

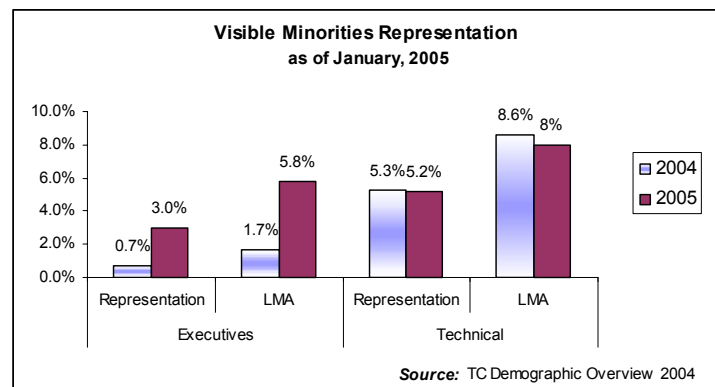
Throughout the planning period, TC continued to improve its Diversity Strategy to respond to its commitment of ensuring a workforce that is reflective of Canada. To measure progress, TC is using the Equity Continuum which is a tool that measures the way an organization approaches

diversity in its workplace, using a scale from 1 to 5. A benchmark of 2.5 on the Equity Continuum was independently determined in 2003. TC's goal is to reach a rating of 4 out of 5 by 2008. As per TC's Diversity Strategy, the Diversity Climate Survey will be conducted in 2005-06 and finally in 2008 to determine the progress of the department along the Equity Continuum.



Transport Canada's representation remained fairly stable over the last year in all Employment Equity categories. Overall, the department is meeting Labour Market Availability statistics in three of the four Employment Equity groups. However, Visible Minorities is still the area where the department needs to improve. Transport will, through its development of a more integrated human resources/business planning process, progress toward the achievement of Embracing Change objectives, particularly within the department's executive cadre. A key commitment for all executives' performance accords has been agreed upon for fiscal year 2005-06 to that effect.

As in previous years, Transport Canada's biggest challenge has been in Visible Minorities representation in the Executive and Technical^a categories. Although no progress was made in the representation in the Technical category, significant progress was made in the Executive category as representation increased to three per cent from 0.7 per cent. TC will continue its effort in these categories to address the gaps.



An organization that is respectful of official language requirements

The department continues its efforts to meet its official languages obligations through its Official Languages Strategy. As part of this strategy, a number of initiatives were undertaken to improve Official Languages (OL) management and the linguistic duality of the department. Such initiatives include: the development and implementation of policies and directives; the modification of the OL module of Transport Canada's human resources information

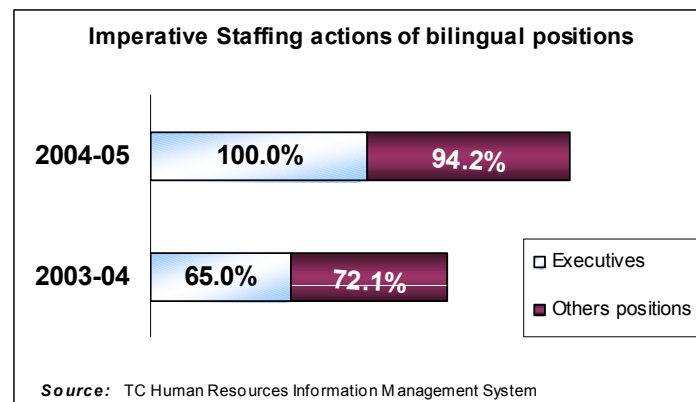
^a Technical category includes: Aircraft Operations; Engineering & Scientific support; Electronics; General Technicians; Social Science support; Technical Inspection

management system to capture indicators from the new Treasury Board policies that came into effect April 1, 2004; and the development of tools and workshops.

As indicated in its 2004-05 Reports on Plans and Priorities, Transport Canada completed a survey of its restricted clientele (specific group or category of clients) to measure the demand for services in either official language at all Transport Canada Centres. The results were communicated to the Public Service Human Resources Management Agency of Canada in early January 2005. The department awaits confirmation regarding the effective date of the revised linguistic obligations. Also awaited is a decision from the Public Service Human Resources Management Agency of Canada regarding the proposed methodology to determine the linguistic obligations for airports that TC owns and operates.

Also, the department initiated a review of supervisory positions with the objective of increasing the number of bilingual supervisory positions within bilingual regions. As of December 2004, 456 positions were classified as bilingual positions compared to 443 in 2003.

At the end of March 2005, 83.4 per cent of supervisors in bilingual regions met the language requirements of their positions and an additional 6.2 per cent are excluded from meeting it. Languages training plans have been developed for incumbents of supervisory positions that are not fully meeting the language requirements of their positions. The number of Executives meeting the CBC proficiency levels significantly improved from 87.5 per cent in March 2004 to 94.9 per cent in March 2005.



Following the new Treasury Board official languages policies and directives that came into effect April 1, 2004, TC updated its policy framework to ensure that non-imperative staffing actions for bilingual positions were used only in exceptional circumstances. As a result, bilingual imperative staffing actions increased in 2004-05.

For more information on Transport Canada’s initiatives and performance on Official Languages, refer to TC’s 2004-05 Annual Review on Official Languages.

Stewardship

Transport Canada continues to improve administrative efficiencies and controls over the financial and physical protection of Transport Canada assets and improvements continue to be made to further enhance the department’s capacity to provide a comprehensive, integrated source of financial information on programs and activities. This ensures that internal stakeholders will have reliable and relevant information on the resources required to achieve program results and

to measure program performance. To attain these objectives, a data warehouse and modern business intelligence tools have been implemented but improvements will be required to take advantage of the financial information in the warehouse and link it to non-financial information prior to decision-making.

Transport Canada has also responded to the Government Information Policy by a detailed action plan to implement the Government of Canada Management of Government Information Policy over the next 24 months. This plan will result in improved management of information throughout its lifecycle and in turn facilitate access to timely information in both paper and electronic formats.

An example of integration of corporate information systems and controls is Transport Canada's implementation of an electronic routing and approval of purchasing transactions by delegated managers that ensures approval details are recorded and saved within the system for control purposes. In addition, new budgeting tools have improved financial management processes by streamlining monthly budget and forecast reviews and providing one common source of integrated data. New tools have also been implemented that serve to improve the quality and availability of information available to decision makers.

Transport Canada is working to enhance its citizen-focused services and its relationships with customers and suppliers, pursuant to the objectives of the Government On-line initiative. In an effort to look for cost savings, increased productivity, consistency and a reduction in "reinventing the wheel" by all departments acting in isolation, the department is also participating in horizontal initiatives. For example, Transport Canada is participating as one of four lead departments in the development of the Government of Canada Marketplace, which will increase our electronic commerce capacity. This initiative will put suppliers of goods and services in an electronic catalogue for federal government purchasing agents.

As a measure of positive external stakeholder satisfaction with on-line services, Use of Transport Canada's Internet-based transaction portal <http://www.tc.gc.ca/transact/> as steadily increased since it was implemented in June 2004. This portal provides external clients with secure, on-line access to Transport Canada products and services such as multi-media products and marine license applications for small commercial vessels. In addition, clients can review account and billing information and make payments on-line via credit card.

Values and Ethics

Values and Ethics initiatives at Transport Canada are based on three pillars to help employees in making decisions in an ethical manner: (1) communication (2) learning and (3) advice. On the communication pillar, TC has issued reminders of the code to all its employees as well as published other information designed to help employees in ethical decision-making. Employees are supported by a departmental values and ethics website that provides information to all employees as well as links to appropriate sites.

On the learning pillar, training modules have been developed and are being delivered. Transport Canada has also established a new process for informing external to government candidates for

positions within the department of the values and ethics code. The development of guidelines for the acceptance of gifts and hospitality for use by all employees is under development as well as guidelines for employees serving on board of directors. All these initiatives contribute to establishing a values-based culture at Transport Canada where employees are guided in their work by a balanced framework of public service values.

4.2 Our co-delivery partners

Transport Canada works in cooperation with hundreds of other organizations with an interest in transportation issues in the delivering of programs and services aiming to achieve its strategic outcomes (see Section 1.3.3) for the benefit of Canadians.

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, Infrastructure Canada, Justice Canada, Natural Resources Canada, pilotage authorities, Public Safety and Emergency Preparedness Canada, Royal Canadian Mounted Police, Solicitor General of Canada, and Transportation Safety Board.

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 Canada, 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, VIA Rail, and WestJet.

Agencies and associations — with a vested interest in the transportation infrastructure, regulatory regime and safety: Association of Canadian Port Authorities, Air Transport Association of Canada, Association québécoise de transport et des routes, Canada Safety Council, Canadian Association of Petroleum Producers, Canadian Chemical Producers' Association, Canadian Airports Council, Canadian Bus Association, Canadian Council of Motor Transport Administrators, Canadian Energy Pipeline Association, Canadian Ferry Operators Association, Canadian Marine Advisory Council, Canadian Ship Owners Association, Canadian Trucking Alliance, Canadian Urban Transit Association, Chamber of Maritime Commerce, Chamber of Shipping of British Columbia, Council of Marine Carriers, Federation of Canadian Municipalities, Motor Coach Canada, National Transportation Week, Operation Lifesaver, Railway Association of Canada, Shipping Federation of Canada, Transportation Association of Canada, Tourism Industries Association of Canada, Transportation of Dangerous Goods General

Policy Advisory Council, Intelligent Transportation Systems Society of Canada, Federal-Provincial/Territorial TDG Task Force, unions, and vehicle manufacturers associations.

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

4.3 Our Offices

TRANSPORT CANADA HEADQUARTERS

Website:

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

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Fax: (613) 954-4731

Library and Research Services Centre:

Telephone: (613) 998-5128

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Quebec Region

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Ontario Region

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Prairie and Northern Region

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Winnipeg, Manitoba
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