


# Transport Canada

## 2007-2008 Estimates Report on Plans and Priorities

Approved

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Minister of Transport, Infrastructure and  
Communities



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## **SECTION I – OVERVIEW**



## 1.1 Minister's Message

As Canada's Minister of Transport, Infrastructure and Communities, I am pleased to present Transport Canada's 2007-2008 *Report on Plans and Priorities*, which outlines the department's corporate direction for the next three fiscal years.

Today, in an era of swift moving global supply chains, transportation systems must connect us to a rapidly changing world. Safe, efficient, sustainable and secure transportation systems are essential for ensuring Canadians can benefit from globalization, as well as for strengthening our internal economic union.



On November 23, 2006, the Government of Canada presented *Advantage Canada*, a forward-looking plan. It recognizes that for Canada — a trade-dependent nation — to remain competitive, we must create world-class infrastructure that ensures the seamless flow of people, goods and services across our roads and bridges, through our ports and gateways, and via our public transit.

To this end, Budget 2006 committed more federal funding for infrastructure than ever before. A key objective of this funding will be to work with provinces and territories to improve the Core National Highway System. Yet money alone will not deliver maximum results in a fully integrated transportation system. The Government of Canada is also committing to provide leadership in long-term planning and policy development across all modes of transportation, between levels of government and among public and private sectors. This vision of policy and investment for nationally significant transportation *systems* will be advanced through the development of a National Framework for Gateways and Trade Corridors to guide future actions which, together with key initiatives such as Blue Skies, our new international air policy, will enhance Canada's economic prosperity and competitiveness.

The Government of Canada recognizes that now, more than ever before, a safe and secure transportation system is an essential element of a healthy and competitive economy. In collaboration with industry and other stakeholders, Transport Canada will continue developing new security policies and programs; as well as implementing the Government's Smart Regulation Initiative through innovative approaches like safety and security management systems.

Transportation issues are also at the heart of the environmental agenda that has emerged as one of the top priorities of the federal government. We cannot make a significant impact on Canada's greenhouse gases and pollution without taking serious steps to tackle the emissions and other environmental impacts from the transportation sector. Transport Canada's ongoing efforts to promote an environmentally responsible transportation system focus on three key program priorities: climate change and clean air, environmental assessment, and environmental protection and remediation.

These priorities impact on some of the most important issues facing Canada today - our prosperity, our security, our safety, our environment and our quality of life. The 2007-2008 *Report on Plans and Priorities* outlines Transport Canada's intended course of action to capitalize on the opportunities these priorities present.

A handwritten signature in black ink that reads "Lawrence Cannon". The signature is written in a cursive style with a large, prominent initial "L".

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



## 1.2 Management Representation Statement

I submit for tabling in Parliament, the *2007-2008 Report on Plans and Priorities* (RPP) for

### TRANSPORT CANADA

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2007-2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat.



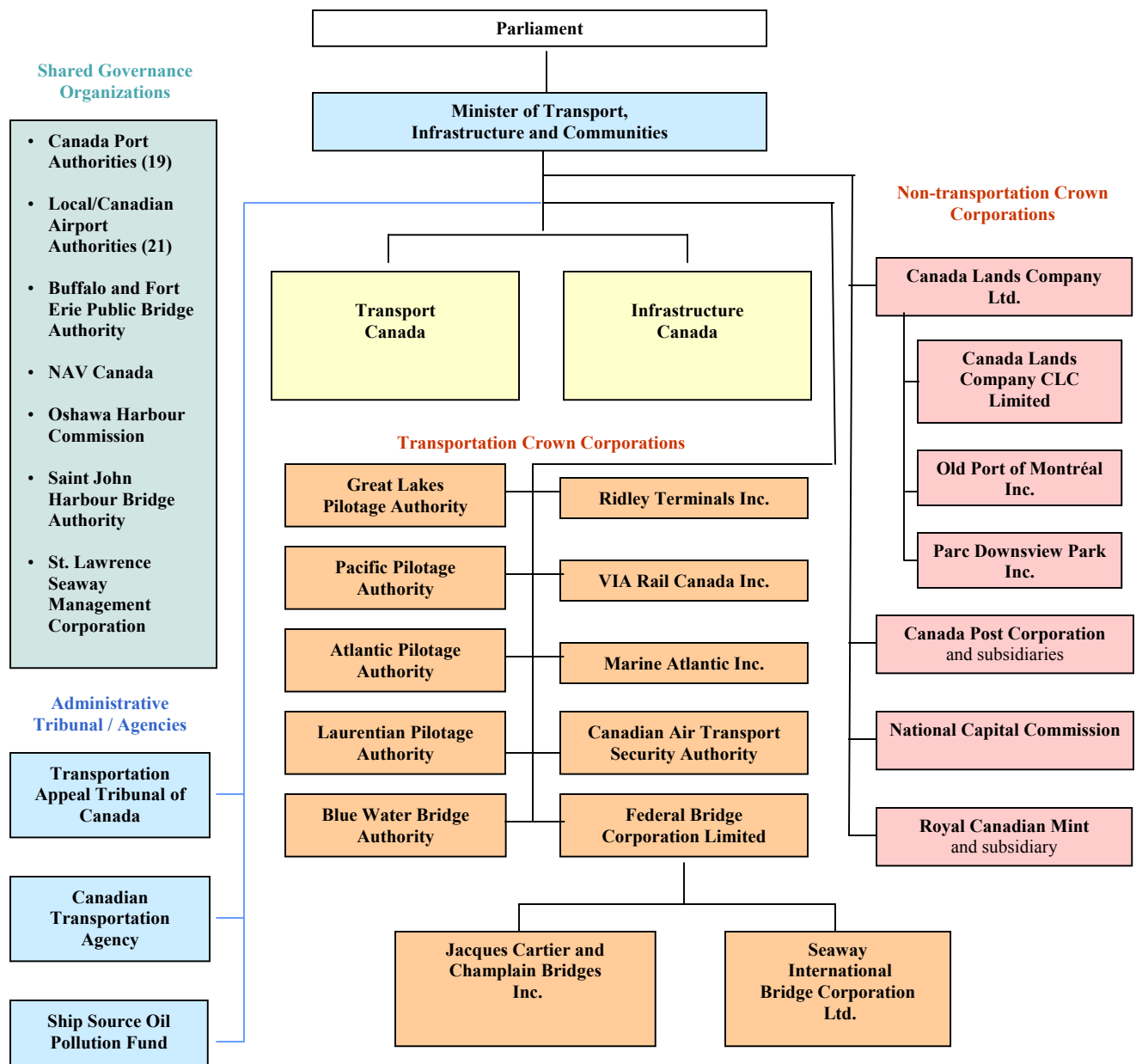
Name: Louis Ranger

Title: Deputy Minister of Transport, Infrastructure and Communities

### 1.3 Transport, Infrastructure and Communities Portfolio

Transport Canada is part of the Transport, Infrastructure and Communities (TIC) portfolio created in February 2006. The portfolio also includes Infrastructure Canada and 16 Crown Corporations. Its responsibilities are displayed in the diagram below. Infrastructure Canada, the Canadian Transportation Agency and the Transportation Appeal Tribunal of Canada produce their own Reports on Plans and Priorities. The Crown corporations prepare their own annual corporate plans.

#### TRANSPORT, INFRASTRUCTURE AND COMMUNITIES PORTFOLIO



Since the portfolio was established in February 2006, steps have been taken to maximize synergies and increase coordination of activities. Since August 2006, the portfolio has been managed by a single deputy minister. Following that decision, a joint committee of the two departments was established to make suggestions to the minister about how to structure the new infrastructure programs announced in Budget 2006. This committee is a key to integrating the portfolio's components, and it will continue its work by monitoring the programs over the coming year. Other measures will also be taken over the coming year to bring together expertise in support of efforts that are now more integrated.

The new portfolio is a response to many of the challenges facing Canada, notably the modernization of public infrastructure, environmental viability, and sustainable growth. These challenges are priorities for the Government of Canada and will continue to guide much of the portfolio's work.

As a nation whose exports are so critical to economic growth and prosperity, the infrastructure that provides gateways to foreign markets is especially important to Canada. Significant commitments for federal investments in transportation and other infrastructure were made in Budget 2006, and later reinforced in *Advantage Canada* with a commitment to establish a plan to make funding frameworks long-term and predictable.

The TIC portfolio is also moving forward on measures and actions in the areas of:

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

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

**Strong communities** – Developing an ecoTransport Strategy in support of a clean environment and an enhanced quality of life; and

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

The TIC portfolio will work with the provinces, territories, municipalities and others to increase the capacity and efficiency of our transportation system and to renew public infrastructure, these being key components of community development.

## 1.4 Departmental Overview

### 1.4.1 Raison d'être

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

#### OUR VISION

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

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

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

#### OUR MISSION

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

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

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

## LEGISLATIVE MANDATE

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

### Some of the legislation governing Transport Canada:

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

### 1.4.2 Planning for Results

Transport Canada is committed to delivering results to Canadians.

### STRATEGIC OUTCOMES

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

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

### MANAGEMENT PRIORITIES

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

Management priorities for 2007-08 will build on past achievements and will continue to strengthen management capacity in the areas of people, values and ethics, governance and stewardship, and accountability for Crown corporations.

## People

During the past year, Transport Canada has realized many successes from its initial implementation of the *Public Service Modernization Act*, including departmental wide educational endeavours leading to emphasis on more corporate and proactive staffing solutions (e.g. collective staffing decisions). The recruitment and retention challenges, especially within professional and technical occupations, will be the key area of people focus in Transport Canada in years ahead. Building human capacity through numerous recruitment and development programs will impact most Directorates and regions.

Considerable achievements were also realized through educational and learning strategies provided throughout the Department. Full implementation of the Policy on Learning, Training and Development led to the successful knowledge validation of delegated managers within Transport Canada. Departmental leaders are leveraging the results of the Public Service Employee survey to engage staff and build strategies to enhance the work environment, while taking in account the input from its union representatives.

The departmental human resource dimension has shifted from a reactive past to one built on planning. Significant progress has resulted from the preparation of consistent Human Resource (HR) plans within each directorate and region. A complete and integrated Transport Canada HR plan will be published in 2007-08; further emphasizing the importance of meeting recruitment, retention and learning challenges, as well as the achievement of business goals. Human resource management business processes will dictate the use of the HR plans to develop proactive staffing plans, learning plans and organizational change strategies; within directorates. From a governance perspective, analysts and an improved Human Resource Information System within the Corporate HR directorate, dedicated to reporting results from HR planning departmentally on a series of performance measures, will support these processes corporately.

The Department will ensure that linguistic duality is well respected in Transport Canada in order to continue to offer Canadians high quality services in the language of their choice and to strengthen leadership (among executives, managers and supervisors) to promote the use of both official languages in bilingual regions.

Diversity will remain a priority at Transport Canada for 2007-08. A new three-year action plan (2007-10) will be implemented in the coming year. The new plan will move towards the integration of other important themes (official languages, values and ethics, etc.) leading to corporate culture of true inclusion and integration. We will also continue our efforts to increase our representation of visible minority persons.

### **Indicators of progress**

- *A departmental wide HR Plan, complete with resultant staffing, learning and organizational strategies and performance measures, published in 2007-08.*
- *Enhanced departmental people focus with corporate measurement and reporting support.*
- *Progress made against initiatives in the new Diversity Action Plan.*

## Values and Ethics

Transport Canada will introduce a comprehensive and integrated Values and Ethics Framework. The Framework will include a tailored governance structure integrating values and ethics operations and activities across the department. It will include a Risk Assessment Strategy for the identification of high-risk functions or areas, and a Work Plan for the mitigation of all inherent risks. By providing assessment tools and performance indicators, the framework will also enable results-oriented progress reporting on organizational performance related to values and ethics.

Along with the introduction of values and ethics risk assessment to the department, work will begin on a collaborative process with Unions and senior departmental officials to develop a Code of Conduct for Transport Canada. This internal code of conduct will be inspired by the future Public Service Code of Conduct and will also address the inherent values and ethics issues that are unique to Transport Canada.

With the coming into force across the public sector of the *Public Servants Disclosure Protection Act* (PSDPA) as amended by the *Federal Accountability Act*, Transport Canada will ensure that employees become familiar with the new legislation and how it works, and become aware of its protections, by developing and implementing a comprehensive communication and learning strategy in coordination with the Public Service Human Resources Management Agency of Canada (PSHRMAC).

The ultimate objective is to strengthen Transport Canada's oversight capacity in values and ethics, and to establish the department's values and ethics priorities by the end of fiscal year 2007-08.

### Indicators of progress

- *A new governance structure within the department that contributes to a more comprehensive and integrated Values and Ethics Framework for the department.*
- *A work plan and initial consultations for the development of an internal Code of Conduct for Transport Canada.*
- *A communication plan and learning plan to raise awareness of the new disclosure legislation and how it works.*

## Governance and Stewardship

In 2006-07, Transport Canada worked on the first in a series of Comprehensive Reviews as part of the department's ongoing assessment of the effectiveness and efficiency of its programs and associated expenditures. The reviews are being conducted nationally and in two phases. Phase one is nearing completion, while phase two will commence in the spring of 2007-08. These reviews will serve to provide departmental senior executives with the information required to ensure that funds are allocated to the highest priorities and that Transport Canada is making the best possible investments in the areas that matter most to Canadians.

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

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

#### **Indicators of progress**

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

#### **Accountability for Crown Corporations**

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

Effective, competent and accountable Boards of Directors are essential to the prosperity of any corporation. It is expected that the pursuit of the following initiatives will add to the good governance of the Crown corporations in the Transport, Infrastructure and Communities portfolio:

- An annual letter of expectation from the Minister to Chairs of each Crown corporation within his portfolio that enunciates the broad policy objectives of the government and the expectation that the Crown corporations are to contribute to these objectives;
- An appointment process for Chairs, Chief Executive Officers (CEO) and Directors that is premised on the competency profiles required for each of the positions;
- A performance management program for CEOs that is aligned to performance objectives set out by the Minister in the letter of expectation for the Crown corporation;
- A review and adoption of codes of conduct of Crown corporations to ensure that they adequately reference stewardship accountabilities;
- The maintenance of an appropriate arms-length relationship between the Minister responsible for the Crown corporations and the members in charge of the day to day operations of the Crown corporations; and
- The voluntary reporting by the Crown corporations on their stewardship and performance results.



### **Indicators of progress**

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

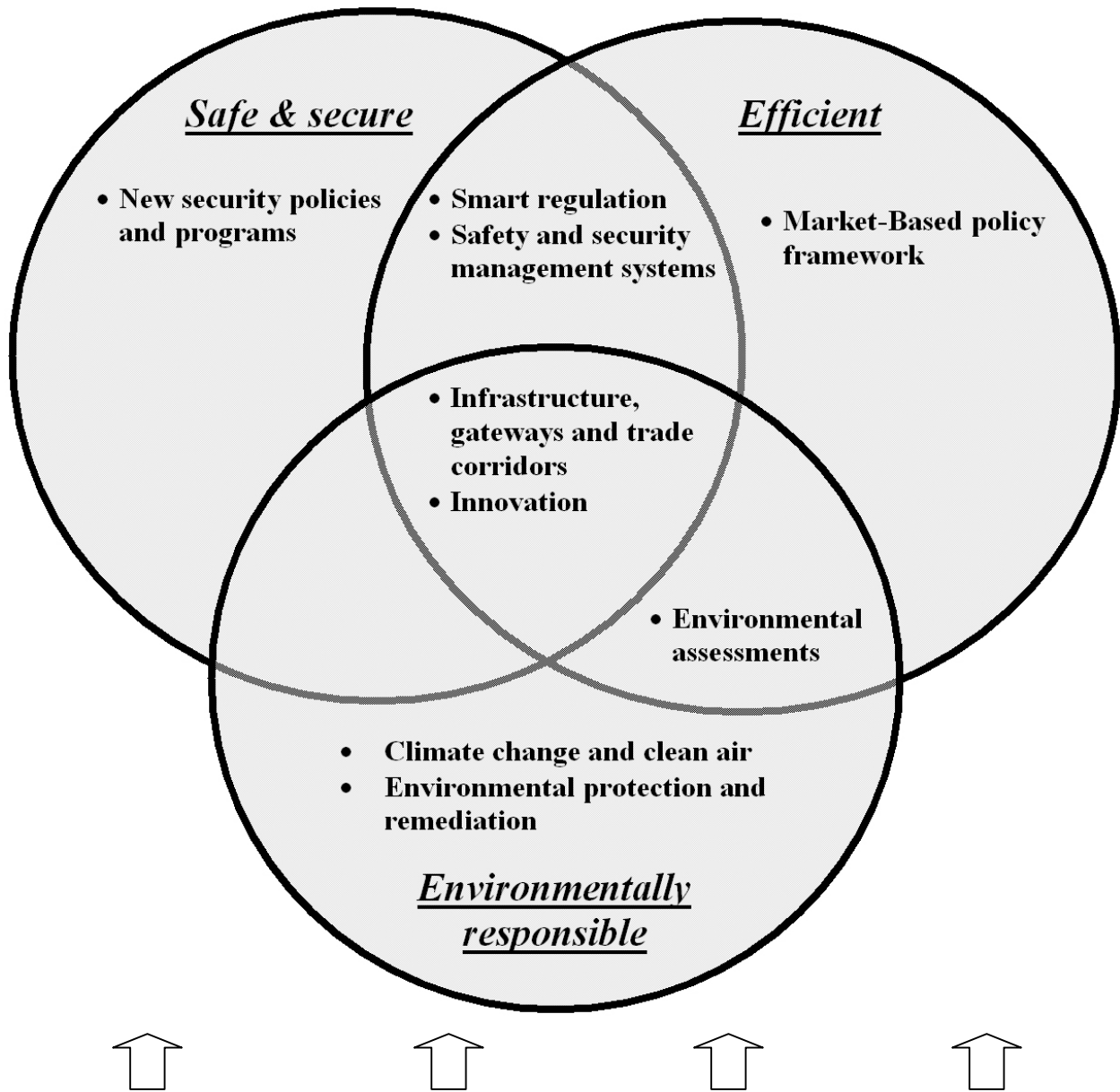
### **PROGRAM PRIORITIES**

Transport Canada's vision of a sustainable transportation system — one that integrates and seeks the correct balance among social, economic and environmental objectives — is based on three strategic outcomes: 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; An environmentally responsible transportation system that contributes to Canada's sustainable development objectives.

These strategic outcomes are articulated in the following nine program priorities:

- Market-based policy framework
- Infrastructure, gateways and trade corridors
- Innovation
- New security policies and programs
- Smart regulation
- Safety and security management systems
- Climate change and clean air
- Environmental assessments
- Environmental protection and remediation

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



<b>Program activities</b>		
<b>Policies, rule-making, monitoring and outreach in support of a safe and secure transportation system</b>	<b>Policies, programs and infrastructure in support of a market-based framework</b>	<b>Policies and programs in support of sustainable development</b>

### 1.4.3 Our Co-delivery Partners

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

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

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

**Academic Institutions** – Canadian universities, colleges and training institutions involved in policy research, research and development, training and education programs to build Canada’s research and development knowledge base and functional and operational capacity with respect to transportation.

**Transportation sector industries** — all of which count on the fair application of regulations and the development of policies to enhance the efficiency of the transportation system. For example: air carriers (e.g. Air Canada, WestJet), airports, trucking and bus companies, Algoma Central Marine, Canadian National Railway Company, Canada Steamship Lines, Canadian Pacific Rail Company, NAV CANADA and VIA Rail.

**Agencies and associations** — with a vested interest in the transportation infrastructure, regulatory regime and safety. For example: Air Transport Association of Canada, Association of Canadian Port Authorities, Association of International Automobile Manufacturers of Canada, Association of Regional Railways of Canada, Association québécoise de transport et des routes, Canada Safety Council, Canadian Association of Fire Chiefs Inc., Canadian Association of Petroleum Producers, Canadian Airports Council, Canadian Bus Association, Canadian Business Aviation Association, Canadian Chemical Producers’ Association, Canadian Council of Motor Transport Administrators, Canadian Ferry Operators Association, Canadian Manufacturers of Aviation Equipment, Canadian Marine Advisory Council, Canadian Maritime Law Association, Canadian Owners and Pilots Association, Canadian Ship Owners Association, Canadian State Air Operators Association, Canadian Transportation Accident Investigation and Safety Board of Canada, Canadian Trucking Alliance, Canadian Urban Transit Association, Canadian Vehicle Manufacturers Association, Chamber of Maritime Commerce, Council of Marine Carriers, CP Rail, Federation of Canadian Municipalities, General Policy Advisory Council, Intelligent Transportation Systems Society of Canada, Operation Lifesaver, Railway Association of Canada, Shipping Federation of Canada, St. Lawrence Economic Development Council, St. Lawrence

Ship-operators Association, Standards Council of Canada, Transportation Appeal Tribunal of Canada, Transportation Association of Canada, Transportation of Dangerous Goods, Vehicle Manufacturers Associations and Unions, and Western Transportation Advisory Council.

**International organizations** — to share information and harmonize transportation regulations. For example: Asia-Pacific Economic Co-operation, European Conference of Ministers of Transport, European Joint Airworthiness Authorities, International Atomic Energy Agency, International Civil Aviation Organization, International Labour Organization, International Maritime Organization, International Oil Pollution Compensation Fund, North Atlantic Treaty Organisation, National Highway Traffic Safety Administration, Organization for Economic Cooperation and Development, Organization of American States, United Nations (UN) Sub-committee of Experts on the Transport of Dangerous Goods, UN Economic Commission of Europe Global World Forum for Harmonization of Vehicle Regulations, UN Commission on International Trade Law, European Civil Aviation Conference, World Trade Organization, World Road Association, U.S. Federal Aviation Administration, U.S. Federal Emergency Management Agency, U.S. Federal Highway Administration, U.S. Federal Railway Administration and U.S. Transportation Security Administration.

#### 1.4.4 Summary Planned Spending

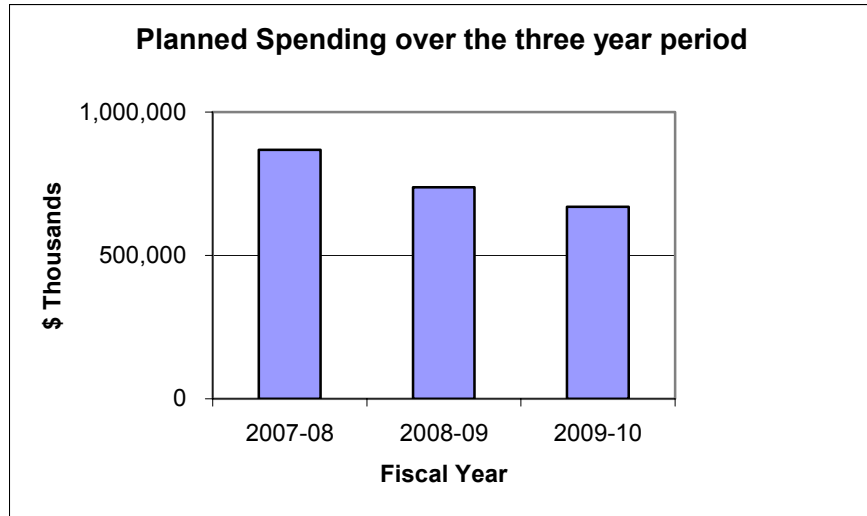
Transport Canada is largely funded from the operating vote, with authority to spend revenue received during the year. Some of the department's programs are managed through grants and contributions. Transport Canada is held to the terms and conditions set out in each individual grant or contribution. The department also manages capital investments in accordance with an approved Long Term Capital Plan.

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

2007-08	2008-09	2009-10
\$867,997	\$737,716	\$670,081

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

2007-08	2008-09	2009-10
5,090 FTEs	5,012 FTEs	4,902 FTEs



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

### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
				2007-08 Areas of Focus	Outputs	Expected Results	
Safe and secure	New security policies and programs	1: Ongoing	<ul style="list-style-type: none"> <li>• Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation Security Action Plan</li> <li>• Passenger rail and public transit systems security</li> <li>• The Security and Prosperity Partnership</li> <li>• Implementation of new security clearance feature on the Seafarer Identity Document</li> </ul>	<ul style="list-style-type: none"> <li>• New or enhanced transportation frameworks, security policies, legislation, regulations, guidelines and programs</li> <li>• Contribution agreements</li> <li>• Information shared with partners and stakeholders</li> <li>• Modernized Seafarer Identity Document</li> </ul>	<ul style="list-style-type: none"> <li>• Greater awareness, understanding and cooperation of and compliance with transportation security systems</li> <li>• Increased stakeholder ability to meet transportation security and emergency preparedness requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> </ul>
Efficient							
Environ. resp.							

### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	2007-08 Areas of Focus	Planning period		Government of Canada outcomes	
					Outputs	Expected Results		
Safe and secure	Smart regulation	1: Ongoing	<ul style="list-style-type: none"> <li>• Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system</li> <li>• Policies, programs and infrastructure in support of a market-based framework</li> </ul>	<ul style="list-style-type: none"> <li>• Automotive telematics</li> <li>• Aviation Safety Management Systems</li> <li>• Canadian Business Aviation Association's (CBAA) Program Review</li> <li>• Regulatory harmonization initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement with the automotive industry on telematic devices</li> <li>• Performance-based aviation regulations</li> <li>• Action plan to address CBAA's program review</li> <li>• Reforms to the <i>Transportation of Dangerous Goods Act, Canada Shipping Act, Motor Vehicle Safety Act</i></li> <li>• Development of Canadian standards to implement the requirements of the UN intermediate bulk containers (IBCs), UN portable tanks and other UN means of containment to be adopted by the <i>Transportation of Dangerous Goods Regulations</i></li> </ul>	<ul style="list-style-type: none"> <li>• Increased flexibility and innovation opportunities for industry</li> <li>• Regulations reflecting the needs and concerns of industry and the public</li> <li>• Enhanced international standards and regulations when transporting dangerous goods, enhancing safety without hindering trade</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> <li>• A fair and secure market-place</li> </ul>	
Efficient								✓
Environ. resp.								✓

### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	2007-08 Areas of Focus	Planning period		Government of Canada outcomes
					Outputs	Expected Results	
Safe and secure	Safety and security management systems	1: Ongoing	<ul style="list-style-type: none"> <li>Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system</li> <li>Policies, programs and infrastructure in support of a market-based framework</li> </ul>	<ul style="list-style-type: none"> <li>Implementing safety and security management systems (SMS and SeMS) in aviation, rail and marine organizations</li> </ul>	<ul style="list-style-type: none"> <li>New aviation SMS regulations</li> <li>Regional information sessions</li> <li>Review of rail SMS regulations and guidance material</li> <li>Opportunities to use SMS and SeMS in marine safety and security sectors identified</li> <li>SMS/SeMS framework</li> </ul>	<ul style="list-style-type: none"> <li>Improved commitment by industry to adopt SMS/SeMS</li> <li>Enhanced awareness and safety culture in industry</li> </ul>	<ul style="list-style-type: none"> <li>Safe and secure communities</li> <li>A fair and secure market-place</li> </ul>
Efficient							
Environ. resp.							



### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes	
				2007-08 Areas of Focus	Outputs	Expected Results		
Safe and secure	Market-based policy framework	1	<ul style="list-style-type: none"> <li>• Policies, programs and infrastructure in support of a market-based framework</li> </ul>	<ul style="list-style-type: none"> <li>• Amendments to the <i>Canada Transportation Act</i></li> <li>• Negotiations of operating and refurbishment agreements for the federal fleet of hopper cars with railways</li> <li>• Liberalization of economic regulation of air industry</li> <li>• <i>Canada Airports Act</i></li> <li>• Aviation War Risk Liability Program</li> <li>• <i>Marine Liability Act</i></li> <li>• Reform of the <i>Canada Pilotage Act</i></li> <li>• Implementation of the Marine Simulator Contribution Program</li> </ul>	<ul style="list-style-type: none"> <li>• New and amended acts and regulations</li> <li>• Agreements</li> <li>• Monitoring reports</li> <li>• Program adjustments</li> </ul>	<ul style="list-style-type: none"> <li>• Legislative framework that supports free market forces with government intervention targeted to situations where market forces are insufficient.</li> <li>• A competitive and viable Canadian transportation sector</li> <li>• To raise the degree to which Canadian seafarers meet a required standard at the time of certification</li> </ul>	<ul style="list-style-type: none"> <li>• A fair and secure market-place</li> </ul>	
Efficient								√
Environ. resp.								

### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	2007-08 Areas of Focus	Planning period		Government of Canada outcomes	
					Outputs	Expected Results		
Safe and secure	✓		<ul style="list-style-type: none"> <li>• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> <li>• Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Asia-Pacific Gateway and Corridor Initiative</li> <li>• National Policy Framework for Strategic Gateways and Trade Corridors</li> <li>• Airport performance monitoring</li> <li>• Infrastructure funding programs</li> <li>• Domestic and international bridges</li> <li>• <i>Canada Marine Act</i> amendments</li> <li>• St. Lawrence Seaway infrastructure needs study</li> <li>• Ridley Terminals</li> <li>• Marine Atlantic long-term strategy</li> <li>• International collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships with provinces and stakeholders</li> <li>• Agreements</li> <li>• Frameworks</li> <li>• Reports</li> <li>• Legislative amendments</li> <li>• Investment plans</li> <li>• New governance regimes</li> <li>• Regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term sustainable funding and accountability framework for transportation infrastructure</li> <li>• Increased investment in transportation infrastructure, including ITS</li> <li>• Strengthened governance, transparency and accountability</li> <li>• Strengthened Canadian competitiveness in international markets</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> <li>• A fair and secure market-place</li> <li>• Strong economic growth</li> </ul>	
Efficient	✓	1						
Environ. resp.	✓							

## Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	2007-08 Areas of Focus			Planning period		Government of Canada outcomes
				2007-08 Areas of Focus	Outputs	Expected Results			
Safe and secure	Innovation	1	<ul style="list-style-type: none"> <li>• Policies, Rulemaking, Monitoring and Outreach in support of a safe and secure transportation system</li> <li>• Policies, Programs and Infrastructure in support of a market-based framework</li> <li>• Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Full cost initiative</li> <li>• Strategic research and development (R&amp;D)</li> <li>• Intelligent Transportation System (ITS) Plan for Canada</li> <li>• Innovation and skills development</li> </ul>	<ul style="list-style-type: none"> <li>• Analytical tools</li> <li>• Strategy</li> <li>• Funding</li> <li>• Partnerships</li> <li>• Reports</li> <li>• Action plan</li> <li>• Contribution</li> <li>• Agreements</li> <li>• Renewed ITS Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Highly skilled labour force</li> <li>• Increased investment in transportation-related R&amp;D, including ITS</li> <li>• Deployment of ITS technologies to enhance Safety, security, efficiency and environmental sustainability of the Canadian transportation system of ITS</li> <li>• Use of R&amp;D results to enhance safety, security, efficiency and environmental sustainability of the Canadian transportation system</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure communities</li> <li>• A Fair and secure market-place</li> <li>• Strong economic growth</li> </ul>		
Efficient									
Environ. resp.									

### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	2007-08 Areas of Focus	Planning period		Government of Canada outcomes
					Outputs	Expected Results	
Safe and secure							
Efficient							
Environ. resp.	Climate change and clean air	1: Ongoing	<ul style="list-style-type: none"> <li>Policies and Programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Consultation with key stakeholders of regulations for the automobile industry under the <i>Motor Vehicle Fuel Consumption Standards Act</i>.</li> <li>Climate change and clear air programs</li> <li>Development of policy options in support of government environmental priorities.</li> <li>Joint MOU with TC, Environment Canada, Railway Association of Canada</li> </ul>	<ul style="list-style-type: none"> <li>Strategies Reports</li> <li>Showcases/demonstrations</li> <li>Studies</li> <li>Enter in a joint MOU on Locomotive Emissions and Greenhouse Gases</li> </ul>	<ul style="list-style-type: none"> <li>Increased awareness of sustainable transportation choices and climate change impacts</li> <li>Increased ability for the public to make more sustainable transportation choices</li> <li>Reduction of emissions in the transportation sector</li> </ul>	<ul style="list-style-type: none"> <li>Strong economic growth</li> </ul>

## Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes	
				2007-08 Areas of Focus	Outputs	Expected Results		
Safe and secure	Environmental assessments	1: Ongoing	<ul style="list-style-type: none"> <li>• Policies, programs and infrastructure in support of a market-based framework</li> <li>• Policies and programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental assessments for projects requiring approval under the <i>Navigable Waters Protection Act</i></li> <li>• Strategic Environmental assessment for departmental proposed policy, plans and programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency measures</li> <li>• Implement the Interim Approach to scoping</li> <li>• Implement the Interim Approach for Engaging with Aboriginal Peoples in the environmental assessment of project</li> <li>• A minimum of one Strategic Environmental Assessment training session will be completed during the year</li> </ul>	<ul style="list-style-type: none"> <li>• Improve use of departmental resource</li> <li>• Advance sustainable development goal</li> </ul>	<ul style="list-style-type: none"> <li>• A fair and secure market-place</li> <li>• Strong economic growth</li> </ul>	
Efficient								✓
Environ. resp.								✓

### Departmental Program Priorities by Strategic Outcome

Strategic Outcomes	Program Priorities	Type	Program Activities	Planning period			Government of Canada outcomes
				2007-08 Areas of Focus	Outputs	Expected Results	
Safe and secure Efficient Environ. resp.	Environmental protection and remediation	1: Ongoing	<ul style="list-style-type: none"> <li>Policies and programs in support of sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative research with international partners on environmental impacts of aviation</li> <li>Contaminated sites management</li> <li>Continue an aggressive program to increase effectiveness of National Aerial Surveillance Program</li> </ul>	<ul style="list-style-type: none"> <li>Peer-reviewed research papers and/or technological and operational improvements to reduce impacts</li> <li>Contaminated Sites Management Plan</li> <li>Second surveillance equipment installed and operational</li> </ul>	<ul style="list-style-type: none"> <li>Sustained growth of aviation while reducing environmental impacts</li> <li>Suspected contaminated sites are identified and high-risk sites are remediated/risk managed</li> <li>Reduced frequency of illegal pollution discharges from vessels</li> <li>Improved quality of the marine environment</li> </ul>	<ul style="list-style-type: none"> <li>Strong economic growth</li> </ul>

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

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

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

## 1.5 Overall Planning Context

### 1.5.1 Challenges and Opportunities

Transportation has always been synonymous with opportunity in Canada - connecting workers with jobs; products with markets; and travelers with destinations. With one in three Canadian jobs depending on export performance, Canada is the most trade dependent country in the G8. As global commerce is increasingly driven by the rapid, reliable and secure movement of goods and people around the world in global supply chains, a transportation system capable of serving cutting edge business models will make a direct contribution to Canada's competitiveness and success in the global marketplace.

To maximize the efficiency and productivity of the national transportation system, the Government of Canada needs to take a comprehensive, integrated systems approach that would combine innovative policies with new sources of targeted funding. One of the most significant and concrete examples of how the Government of Canada is implementing such an approach to transportation is the launch of the Asia-Pacific Gateway and Corridor Initiative (APGCI). This initiative is comprised of integrated investment and policy measures to advance the capacity and efficiency of the Asia-Pacific Gateway and Corridor, and Canada's ability to benefit from 21<sup>st</sup> century realities such as the rise of China.

The necessary "systems" approach requires federal leadership. A new generation of framework policies can bring a coherent approach to interconnected investment, policy, regulatory and legislative issues, and ensure that these various instruments are deployed in ways that are mutually reinforcing. The National Framework for Gateways and Trade Corridors is a crucial national policy instrument that guides future identification and development of strategic gateways and trade corridors supporting significant trade volumes.

A key challenge for the Government of Canada is to ensure that federal spending on infrastructure has maximum impact. The *Advantage Canada* plan, released on November 23, 2006, recognizes research and development (R&D) as a key enabler of successful global economies. Together with advanced policy research, strategically targeted R&D is critical to the planning and delivery of a safe, secure and efficient transportation infrastructure system that responds to current needs while strategically positioning Canada for successful participation in the global marketplace.

Across the world, governments are seeking new ways of meeting transportation infrastructure financing needs. In order to achieve better value for money and to more quickly address Canada's critical infrastructure needs, alternative financing mechanisms such as Public-Private Partnerships (P3s) have been identified as a priority area for innovation and development.

Transportation is the backbone of the Canadian economy — our transportation system keeps people and goods moving across the country and around the world. Our transportation system is experiencing significant growth and other pressures in response to changing economic conditions and demographic changes. To maintain and expand our safe, secure, efficient and



environmentally responsible transportation system, we are adopting an approach to safety and security management.

It is now recognized among regulators that an entity can be compliant with regulations and yet not necessarily be managing risks effectively at acceptable levels. A more comprehensive approach, which includes systematically and proactively managing risks and threats in the system, will enable progress on our safety and security objectives. Safety and security management systems are formal frameworks designed to integrate safety and security into the daily operations of a transportation entity. These systems combine a variety of processes whose overall goal is the management of risks and threats. Safety and security management systems are being introduced in many parts of our transportation system.

In some parts of the world, transportation infrastructure has become a primary target — and even a tool — for terrorist organizations. The March 2004 bombings in Madrid, Spain, and the July 2005 bombings in London, England, have led Canada to focus on transportation security in high-volume passenger transportation sectors. The passenger rail and urban transit sector presents unique security challenges because it consists of extensive open systems that move high volumes of passengers daily.

Although Transport Canada has the lead responsibility for national transportation security, other partners play key roles with respect to emergency management, including preparedness and response. The Government of Canada must work together with other levels of government, as well as industry, to create an effective and efficient security system. Security priorities have been identified by the Government of Canada, in collaboration with its partners, to enhance security for areas such as passenger rail, public transit and ferry operations through various measures and programs.

Improving economic competitiveness and enhanced livability of Canadian cities and communities requires action on the environmental impacts of transportation. The transportation sector recognizes that increased transport activity and the modernization of our transportation infrastructure calls for an environmentally sustainable approach. Sustainable transportation policies should systematically integrate environmental considerations, recognizing that Canadians' health and their social and economic well-being are fundamentally linked to the quality of the environment.

Globalization of trade and transportation is an important context for Canada's attention to improved competitiveness. This is why Transport Canada continues to develop new policies and programs to support a high-quality, modern transportation infrastructure that allows goods and people to move safely, efficiently and in a manner that is environmentally responsible. This is essential to Canada's long-term economic prosperity and quality of life.

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

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

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

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

In an era of swift-moving global supply chains, transportation systems must connect us with a rapidly changing world. Indeed, transportation is at the heart of an efficient and competitive economy. Real or perceived impediments to a reliable supply chain, such as congestion and border delays, can negatively influence private sector investment decisions and impact entire industry sectors. As a country whose reliance on international trade is so critical to our economic growth, transportation networks that serve as gateways and corridors to foreign markets are especially important to our competitiveness.

The pressures facing our transportation system are both new and long-standing, which necessitates Transport Canada's continued effort to develop policies, legislative frameworks and programs, that are based on central principles of competition and market forces. Transport Canada's expertise in policy and program development related to transportation infrastructure and its consideration of the public interest is recognized throughout the federal government. A high-quality, modern transportation infrastructure that allows goods and people to move seamlessly and efficiently, is essential to support the competitive advantage that Canadian industry strives for. In this respect, the department must be strategic in developing appropriate policies and funding programs on its own and in partnerships with public and private sector partners to achieve the maximum benefit for the nation as a whole.

The department:

- Supports federally-dependent facilities (ports, airports and ferries) as well as rail and ferry services to remote communities, including the constitutionally mandated Nova Scotia to Newfoundland and Labrador ferry services operated by Marine Atlantic Inc.;
- Administers the annual operating and capital subsidies to VIA Rail Canada;
- Supports and provides oversight to numerous federal bridges (Jacques Cartier, Champlain, etc.);
- Provides an annual grant to British Columbia and operating contributions to ferry operators for coastal, passenger and freight services; and
- Manages the Airports Capital Assistance Program (ACAP) that provides funds to airports in need of safety, asset protection and operating cost reduction assistance.

Keeping with its mandate of promoting market-based policies and programs, Transport Canada continues to implement its divestiture program for airports and ports. To date, this program has been very successful with some 94% of airports and 85% of ports being divested.

The department must work in partnership with public and private stakeholders across all modes of transportation, as well as international governments and coordinating bodies. This is the case, for example, in:

- Negotiating bilateral air transport agreements or arrangements for international air services and representing the Government of Canada as a member of the International Civil Aviation Organization (ICAO);
- Co-leading the Canada-U.S. Transportation Border Working Group with the U.S. Federal Highways Administration;
- Coordinating its involvement in:
  - International activities (including with multilateral bodies such as the Asia Pacific Economic Cooperation and the International Transportation Forum),
  - Key bilateral relationships (for example with the United States and China) and
  - Ministerial and senior management involvement in international activities.

An extensive program of monitoring and analysis of Canada's transportation system provides feedback regarding the effectiveness of the Government's policies, as well as essential information to support future actions. While every effort is made to achieve the department's stated objectives, results are ultimately influenced by factors, such as global economic conditions, international crisis or the actions of other governments – that are beyond its control. Subject to the *Canada Transportation Act*, the department develops an Annual Report on the state of Canada's transportation system, and the indicators below are used where possible to track its progress in promoting an efficient transportation system.

#### **Indicators of progress**

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

#### **Efficiency: Challenges and Opportunities**

The rise of trading blocs such as the North American Free Trade Agreement (NAFTA) and the European Union (EU) has underpinned a new integrated global marketplace. Coupled with powerful forces generated by the emergence of new economic powers such as China and India; the drive toward global marketplace integration is changing the pattern of business, the distribution of economic activity and the volume of world trade. Intensifying competition within this global marketplace among global supply chains, major cities and major integrated regional

trading blocs has increased the pressure to achieve scale and efficiency in the infrastructure that support major trade flows. Other countries are recognizing the high stakes involved. Australia, the Netherlands, the U.S., China and Korea are among the key global trading nations refocusing their efforts on developing the transportation systems that support trade. Canada must respond decisively to this new global dynamic. In short, a more competitive and connected world means Canada must view its policy, planning and investment tools through new lenses.

In this context, the logistics of moving people and material – quickly, reliably and securely – are crucial determinants of competitiveness. The human and physical capital to support these movements is increasingly concentrated in a few geographic zones – “gateways” – connected to major markets by “corridors”. Efficient intermodal transportation gateways and corridors are essential to Canada’s continued success in international commerce and its future prosperity. An integrative policy approach that recognizes the interplay of trade, safety, security and other transportation issues is essential for Canada to remain competitive in this evolving global environment.

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

Rail transportation contributes to national competitiveness through its role in the development of strategic North American gateways and trade corridors. The department is increasingly focusing attention, with others in the public and private sectors, in examining challenges associated with transportation capacity to meet ever-increasing trade growth. Particular areas of attention include the west coast — our Asia-Pacific Gateway — where the boom in trade with China is creating significant congestion, and in south western Ontario where work is underway to address short and longer-term challenges concerning congestion and capacity at the Windsor-Detroit gateway. Providing passenger rail services, including to those in remote areas of the country, is also a continuing area of interest for the department.

Trucking is the common mode for most forms of freight integration. Most freight is moved by truck at some point, and a significant amount of freight moves only by truck. Trucking shares the highways, urban streets and border crossings with all other traffic where volumes are highest. Consequently, trucking is a major beneficiary of policies and investments that support strategic gateways, efficient trade corridors and the modal transfer points that are essential to make them work.

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

As mentioned under the priority "New Security Policies and Programs", Transport Canada is actively participating in the Security and Prosperity Partnership (SPP) of North America. In the area of security, the department is engaged in SPP work in the critical areas of surface, air and marine security issues, emergency preparedness and response, and border security and infrastructure (including bridge security). On the prosperity side, Transport Canada is working to improve aviation safety, to ensure safer, faster and more efficient border crossings through the use of new or enhanced mechanisms to support border planning, information sharing, and communications (working with such projects as the Border Information Flow Architecture), to facilitate business aviation activity, and to enhance shortsea shipping through implementation of a Memorandum of Cooperation. Work under the SPP thus provides the opportunity to achieve key departmental objectives within the context of North American growth, competitiveness and quality of life.

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

### **Efficiency: Program Priorities**

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

#### **2.1.1.1 Market-based Policy Framework**

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

competitive marketplace and to better focus government actions, there still remains room for improvements.

The *Canada Transportation Act* (CTA) provides the basic rules that govern the economic behaviour of railways and airlines. Two earlier proposals to amend the CTA were introduced in the House of Commons on February 25, 2003, and March 24, 2005. Former Bills C-26 and C-44 died on the order paper. The intention of these Bills was to ensure that transportation services and capacity remain responsive within a stable policy framework and encourage a climate supportive of strategic private investment. The government is committed to proceeding, on a priority basis, with most of the proposed amendments to the CTA that were contained in former Bill C-44. The government has developed a legislative strategy to ensure the expeditious passage of these important amendments by separating the package into three Bills. To this end, Bill C-3, the *International Bridges and Tunnels Act* and Bill C-11 amendments pertaining to general provisions, air transportation, passenger rail, mergers and railway noise were introduced in the House in Spring 2006. A third Bill, dealing with rail freight provisions, will be introduced early in 2007.

In May 2006, the Government of Canada announced that it had decided to retain ownership of its fleet of hopper cars. Transport Canada is negotiating new operating and refurbishment agreements with the railways to ensure the cars will continue to remain available for the movement of western grain for the long-term.

On November 4, 2004, the government requested the assistance of the Standing Committee on Transport (SCOT) to conduct a review to determine if Canada should further liberalize its approach to the economic regulation of the air industry. On May 19, 2005, the SCOT delivered an interim report with recommendations. The government tabled its response to the recommendations in the SCOT interim report in August 2005. In November 2006, the government announced a new international air policy (Blue Sky), which calls for a liberalized approach to Canada's bilateral air transportation negotiations where it is in Canada's overall interest.

Canada had more than 70 bilateral air transport agreements or arrangements for international air services in place at the end of 2005. Having successfully concluded negotiations in 2006 to liberalize several important agreements (United Kingdom and Portugal), priority in the coming year will be given to agreements with which Canada can secure additional economic opportunities. The expansion of Canada's air agreements is intended to secure new operating rights for Canadian carriers as well as to provide Canadian travellers and shippers with better and more economic travel options. The department continues work with its partners to identify and remove impediments to ensure that Canadian industry and consumers can take advantage of new flexibilities.

Canada's Permanent Representative to the Council of the International Civil Aviation Organization (ICAO) is accountable for all aspects of relations between Canada and the 189 member states and the ICAO Secretariat. Key priorities for the coming year will be to continuously advance the agendas for safety, security and the environment; and to assist in the

transition related to a new president of the council and a re-elected secretary general. Coordination will remain a critical element of developing Canadian positions.

A significantly revised *Canada Airports Act* was introduced in the new Parliament as C-20 in June 2006. The objectives of the new act include provisions to strengthen governance, transparency and accountability at the major Canadian airports - especially those operated by Airport Authorities. Work is also underway to better understand the competitiveness of Canada's National Airport System airports.

The *Pilotage Act*, enacted in 1972, is in need of modernization in order to improve the governance to the Pilotage Authorities and to give them a clear framework to become and to remain self-sufficient. In 2007-08, Transport Canada will review options regarding the governance of Pilotage Authorities.

The Aviation War Risk Liability Program was introduced in the aftermath of September 11, 2001, to provide an indemnity for third party aviation war risk liability that is no longer commercially available to air transport companies. The program has been extended several times, most recently to the end of 2007. The objective of the program is to ensure the continued operation, viability and competitiveness of the Canadian aviation industry. Over the course of 2007, the department will continue to monitor the aviation insurance market, and make adjustments to the program as appropriate.

Transport Canada has engaged in considerable consultation with stakeholders on Maritime Law Reform following the release of a discussion paper in May 2005. Stakeholders have expressed support for proposals to update the *Marine Liability Act* to reflect new and evolving international conventions on liability and compensation for marine pollution; and to update other aspects of Canadian maritime law to keep pace with modern commercial practice. Work is underway to develop proposed legislative amendments to give effect to these stakeholder supported proposals.

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

Creating the conditions that encourage investments in transportation and directly investing in transportation infrastructure that serves the national interest, supporting Canada's economic competitiveness and enhancing the quality of life in our communities are key departmental priorities.

Budget 2006 committed \$591 million for the Asia-Pacific Gateway and Corridor Initiative (APGCI) to further develop Canada's Asia-Pacific Gateway and Corridor. The primary objective of this initiative is to strengthen Canada's competitive position in global commerce through further development and exploitation of a strategic transportation network facilitating global supply chains between North America and Asia. Specifically, the initiative seeks to: boost Canada's commerce with the Asia-Pacific region; increase the Gateway's share of North America bound container imports from Asia; and improve the efficiency and reliability of the Gateway for Canadian and North American exports.



The Minister for the Pacific Gateway (the Honourable David Emerson) and the Minister of Transport, Infrastructure and Communities (the Honourable Lawrence Cannon) are leading this initiative and are supported in this effort by Transport Canada.

On October 11, 2006, Prime Minister Stephen Harper launched the APGCI and announced that \$321 million (of the \$591 million), will be allocated to immediate measures, which include major transportation projects such as Pitt River/Mary Hill Interchange project, a Transportation Management Centre for Intelligent Transportation Systems and the twinning of the Trans Canada Highway in Banff National Park, Roberts Bank Railway Corridor Overpasses and Underpasses and South Fraser Perimeter Road – Deltaport Connector.

While transportation infrastructure is at the core of this initiative, the APGCI goes further to address other interconnected issues that impact how well the Gateway works and how well Canada can compete in the world. The initiative's competitiveness component focuses on security and border efficiency, innovation, governance, trade promotion and policy renewal. The APGCI is being implemented in partnership with several federal departments and agencies, namely: Foreign Affairs and International Trade, Western Economic Diversification Canada, Canada Border Services Agency and Parks Canada Agency.

In Budget 2006, the government made a strong commitment to providing stable and predictable funding to the provinces, territories and municipalities to help them meet their infrastructure needs. Budget 2006 announced \$6.6 billion for provincial and municipal infrastructure over the next five years. A key objective will be to cost-share improvements to the core National Highway System (NHS) – including rehabilitation, bridges, connectors to border crossings and intermodal facilities. Transport Canada and Infrastructure Canada are jointly developing the policy and program parameters for these funds. As per the Economic and Fiscal Update of November 2006, it is envisioned that the \$6.6 billion will include a fair and transparent provincial/territorial allocation envelope to fund improvements to the core NHS; large and small-scale provincial/territorial and municipal projects such as transit and water. National infrastructure funds accessible on a merit basis would also be created for Public Private Partnerships and gateways and border crossings.

The Budget also commits to maintain the estimated \$3.9 billion in current funding over the next four years under existing infrastructure agreements and maintaining the gas tax funding agreement under the New Deal for Cities and Communities. Over the next four years, federal support for infrastructure will reach \$16.5 billion.

Transport Canada also works closely with Infrastructure Canada on highways, transit and border projects being considered for funding under the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF). Transport Canada provides technical input, analysis and advice on the selection of transportation projects and joins with Infrastructure Canada to negotiate and seek Treasury Board approval of the contribution agreements with Transport Canada implementing the projects. Transport Canada will be providing federal oversight to ensure that the Canadian public receives value for money.

In 2007-08, the department will continue to manage and ensure the compliance of transportation infrastructure projects being constructed by our partners under the current funding programs. Transport Canada will continue to work with other federal departments and our provincial, territorial, municipal and private sector partners to develop and deliver these programs effectively and efficiently in order to meet federal objectives of cost-efficiency and ensure an acceptable level of return in the economic, social and environmental benefits in relation to the investment that is required (benefit-cost analysis).

Examples include:

- Studies and other preliminary work (phase 1) on Highway 30 to explore the potential for a public-private partnership to complete this section of highway, spanning 42 kilometres southwest of Montreal, in Quebec (\$10.5 million federal);
- Improvements to GO Transit's rail network in the extended Greater Toronto Area (\$385 million federal);
- Expansion and rehabilitation of Toronto's transit system (\$350 million federal) in Ontario;
- Completion of the twinning of Trans-Canada Highway 1 between Regina and Winnipeg (over \$50 million federal between Saskatchewan and Manitoba),
- Twinning of Highway 63 to Fort McMurray in Alberta (\$150 million federal);
- Construction of the new Kicking Horse Canyon Bridge on Trans-Canada Highway 1 in the British Columbia Rockies (\$63 million federal);
- Construction of a new international bridge and truck route (Route 1) between New Brunswick and Maine (\$30 million federal);
- Construction of the Canada Line light rail transit system, linking central Richmond, Vancouver International Airport and downtown Vancouver in British Columbia (\$450 million federal); and
- National corridors for Canada in the Northwest Territories (\$65 million federal).

Transport Canada will continue discussions for a number of announced transportation projects, such as:

- Let's Get Windsor Essex Moving Strategy (\$150 million federal);
- Highway rehabilitation projects on Route 1 of the Trans-Canada highway in Newfoundland (\$24 million federal);
- Construction of a four-lane divided highway (Route 175) between Quebec City and Saguenay (\$262.5 million federal);
- Rehabilitation of the Dorval interchange (\$55 million federal); and
- Rebuilding of highway 185 (\$85 million federal).

The November 2006 Economic and Fiscal Update stated that a core challenge regarding the funding of modern infrastructure is to ensure that federal spending has maximum impact. Taking advantage of innovative financing sources through public-private partnerships (P3s) is one way to achieve this. To that effect, Transport Canada will work with other federal departments to establish a federal P3 Office that will facilitate a broader use of and promote best practices for P3s in Canadian infrastructure projects. Transport Canada will also encourage the development and use of P3 by requiring that they be given consideration in larger transportation infrastructure investments that receive federal funding.

Transport Canada is currently reviewing the governance and operation of the international bridges within its portfolio to address the challenges associated with their ability to be self-sufficient over the long-term. Transport Canada will continue to develop key protocols and/or appropriate internal mechanisms to foster sound governance and good financial management practices by bridge operators and the federal Crown corporations that manage bridges. In April 2006, Transport Canada introduced legislation that would provide the federal government with the authority to approve the construction of new international bridges and tunnels, alterations to existing bridges and tunnels, the sale or transfer of existing bridges and tunnels, international bridges and tunnels over the St. Lawrence River; and to implement regulations to ensure the safety, security, and efficient operation of these critical components of the international transportation system. Bill C-3 received Royal Assent on February 1, 2007.

In 2007, Transport Canada will focus on the development of regulations related to safety and security, guidelines for approving the construction of new international bridges and tunnels and altering existing structures, as well as sales and transfers of these structures. As a result, our research indicates that Canada will be the first country to adopt bridge and tunnel security regulations. Stakeholders and the public will be consulted in the course of the regulation-making process. The department is currently examining options related to managing its portfolio of international bridges with a view to developing a long-term strategy.

Improving international traffic flows at the Windsor-Detroit gateway is a key government priority. In addition to the Let's Get Windsor-Essex Moving Strategy, which is funding improvements to existing infrastructure in the Windsor area, the department continues to participate in the Canada-U.S.-Ontario-Michigan Border Transportation Partnership with the purpose of developing a long-term strategy to improve the movement of people, goods and services across the Windsor-Detroit gateway. Through a coordinated environmental assessment Environmental Assessment (EA) study process, the partnership is identifying the location for a new international bridge crossing, inspection plazas and connecting roads leading from Highway 401 in Canada to the Interstate Highway System in Michigan. The partnership is also looking at various governance structures of the crossing and possible models for private sector involvement on both sides. The challenges of building such new infrastructure are significant:

- It requires a partnership between governments in two different countries.
- It entails the construction of a crossing with customs plazas and access roads on both sides of the border.

- It requires that the interests of various stakeholders be balanced.

This study is expected to be complete by the end of 2007, at which time the partnership will have concluded consultations and developed a preliminary design for the new border crossing. The Minister of Transport, Infrastructure and Communities announced in November 2006 that the Government of Canada intends to explore the opportunity to partner with the private sector to design, build, finance, operate and maintain the new crossing that is expected to be in operation in 2013.

In terms of passenger travel, VIA Rail is responsible for the safe and efficient provision of inter-city passenger rail services in Canada. VIA receives an annual operating subsidy of \$169 million and also relies on Government funding for its capital needs. In 2007, Transport Canada will continue to work with VIA Rail to develop a strategy for ensuring the sustainability of its operations, as well as to articulate a long-term vision and strategy for intercity passenger rail services in Canada.

Transport Canada is planning legislative and regulatory amendments that would provide the marine sector and Canada Port Authorities (CPAs) with enhanced financial and competitive flexibility so that they can better respond to economic opportunities and realize their potential as economic generators.

The *Canada Marine Act* (CMA) established the first single, comprehensive piece of legislation to govern many aspects of Canada's marine sector. Following a review of the Act and extensive consultations, amendments to the CMA were introduced in Parliament in June 2005. The Bill died, however, on the order paper in November 2005. The department has continued its open dialogue with stakeholders and has developed a new two-track strategy to stimulate investment in key infrastructure and national trade. In the short-term (2007), Transport Canada proposes to modify CPAs Letters Patent, followed by a complementing set of amendments to the CMA by 2008. Amendments to the Port Authorities Management Regulations, which would set out the mechanics for two or more CPAs to amalgamate and continue as one integrated CPA, are also planned for 2007.

Amalgamation of CPAs is seen as a way for them to handle changing economic conditions and concomitant impacts on the transportation system; especially in the British Columbia Lower Mainland. The department and port authorities of Vancouver, Fraser River and North Fraser will be collaboratively exploring the amalgamation of these three CPAs in an open and transparent manner while meeting the Government of Canada's due diligence requirements.

Transport Canada is working with the U.S. Department of Transportation, the U.S. Army Corps of Engineers and the Canadian St. Lawrence Seaway Management Corporation on a comprehensive study of the future infrastructure needs of the St. Lawrence Seaway, including the engineering, economic and environmental implications of those needs. The principal focus of the study is to assess the long-term maintenance and capital needs to sustain and optimize the existing Seaway infrastructure. A study report is expected to be released in the Spring of 2007.

Ridley Terminals Inc. (RTI) is a parent Crown corporation, which operates a bulk terminal on lands leased from the Prince Rupert Port Authority. This terminal was created to provide a direct route for the shipment of northeast British Columbia coal to Asian markets. RTI has experienced financial difficulties relating largely to the fortunes of northeast British Columbia coalmines and low volume of throughput at the terminal. In 2004, 2005 and 2006, the department provided financial support to RTI through contribution agreements. RTI would have become insolvent and forced to discontinue operations without continued Transport Canada funding. The operating and capital contributions from Transport Canada have resulted in RTI remaining operational and preserved as a going concern, giving access to the natural resource suppliers located in Northeast BC to a cost-effective and reliable bulk marine terminal service to ship their products. In addition, the contributions have resulted in allowing RTI management the ability to pursue opportunities for increased and diversified operations in an effort to protect and safeguard the Crown's investment and allowing the Corporation to continue its service to existing customers and effectively market the terminal to new customers.

Based on increased demand in world coal markets and new developments in the Canadian coal industry, Transport Canada expects that RTI will reach its break-even throughput level and will likely become self-sufficient and have financially viable operations in 2007, thus eliminating the requirement for any future contributions.

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

### **2.1.1.3 Innovation**

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

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

Transport Canada continues to improve the department's ability to understand and respond to current and emerging challenges. Research and development (R&D) positions the department to optimize the safety, security, efficiency and environmental responsibility of Canada's transportation system. A new lens for R&D activity includes the design, building and maintenance of a smarter transportation system. This new focus will work to inform and protect

the Government's infrastructure investments over the long term. R&D undertaken to support our safety and security mandate will be complemented by and/or integrated into other research work to improve transportation in gateways and corridors and the North, and to increase accessibility as well as energy efficiency.

Collaborative work with R&D experts in industry, academia and government will continue to be an important component of Transport Canada's R&D agenda as the department seeks to encourage the development, demonstration and commercialization of innovative technological solutions to Canada's transportation challenges.

Transport Canada will continue to accelerate research, development, deployment and integration of Intelligent Transportation Systems (ITS) in support of national objectives (e.g., the Innovation Agenda, Asia Pacific Gateway and Corridor Initiative, Let's Get Windsor-Essex Moving Strategy), as well as departmental priorities such as safety, security and efficiency of the transportation system. Priority activities include a review of the current Intelligent Transportation Systems Plan for Canada, *En route to Intelligent Mobility*. This will set the stage for future investments in ITS, including increased integration of intelligent transportation systems to generate greater efficiencies in the transportation network and an update of the ITS Architecture for Canada, ensuring the Architecture is modernized and strengthened to guide future investments. Work will continue on other elements of the existing plan, including the completion of several R&D and deployment projects.

A highly skilled workforce is necessary to optimize the performance of Canada's transportation system and to ensure its continued competitiveness. In 2007, Transport Canada will continue to work with federal-provincial-territorial colleagues and other stakeholders to identify ways to promote transportation-related skills development in both the industry sector and in academia. Wherever possible, activities will be aligned with the department's overall approach to innovation and policy development, articulating a coordinated response to the skills development challenges inherent in departmental initiatives such as the Asia-Pacific Gateway and Corridor Initiative.

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

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

Policy development, rule-making, monitoring and enforcement and outreach activities support the safety and security objective. Through its policy development and rulemaking efforts for all the modes of transportation, the department establishes and implements legislation, regulations, standards and policies.

Monitoring and enforcement activities include issuing licences, certificates, registrations and permits, monitoring compliance through audits, inspections and surveillance, and taking appropriate enforcement action in instances of non-compliance. In particular, the department's inspectors monitor the system to make sure the rules are being followed, and, if required, enforce the policies and rules.

Through its Intelligence and Assessments programs, the department works in cooperation with Canadian intelligence gathering bodies to collect and analyze information about current security threats. These reports and assessments are shared with the various transportation-related industry stakeholders and various air, marine, rail and urban transit operators and authorities; as well as other government partners, as appropriate. The department also develops and delivers security programs such as the Air Cargo Security Pilot Program, the Passenger Protect Program, and the Transportation Security Clearance Program.

Outreach activities involve efforts to promote, educate and increase awareness of security issues and make users and industry aware of security requirements. Transport Canada is the designated national civil aviation security authority under the annex 17 of the *Convention on International Civil Aviation* (also known as *Chicago Convention*) and represents Canada in the development of International Civil Aviation Organization (ICAO) standards. The department also represents the Government of Canada abroad in international transportation security matters, seeking to ensure international cooperation by coordinating, liaising and supporting the Government of Canada's foreign policy objectives of promoting prosperity and employment both at home and abroad, the protection of Canada's security and the projection of Canadian values and culture.

Transport Canada is responsible for the security of the Canadian transportation system and plays a lead role in the security of the travelling public. The department discharges that responsibility through activities such as establishing security rules and standards for transportation facilities; screening air travellers and their baggage, responding to security incidents and threats, restricting access to certain parts of airports to authorized personnel only, training and qualifying security screeners and securing air cargo and mail. Transport Canada also regulates the Canadian Air Transport Security Authority (CATSA), a Crown corporation responsible for the screening of passengers and their belongings and certain other specific initiatives to improve air passenger and airport security.

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

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

The Federal Railroad Administration, U.S. Department of Transportation, and various chemical, railroad and tank car companies are developing a Memorandum of Cooperation to increase all aspects of safety and security in the transportation of certain dangerous goods by rail. Transport Canada, to promote public safety in the transportation of dangerous goods (TDG), will be entering into discussions with the participants in view of joining this group to develop the next generation of railway tank cars.

Under the Security and Prosperity Partnership of North America (SPP) initiative, Transport Canada has offered full acceptance of all containers for dangerous goods built to U.S. specifications when they are equivalent to a Canadian specification if reciprocally is granted. With a few exceptions for some gas cylinders, Transport Canada currently permits unrestricted use of containers for dangerous goods built to U.S. specifications and registered with U.S. DOT, although U.S. DOT does not grant this reciprocally. Mutual recognition of standards and certification processes for the transportation of dangerous goods would reduce costs for manufacturers and for cargo that relies on containers for dangerous goods.

Transport Canada works to ensure the safety of people in the movement of dangerous goods. The Canadian Transport Emergency Centre (CANUTEC) is the department's 24-hour response centre that assists fire departments and other emergency responders in handling dangerous goods emergencies. CANUTEC is currently involved in the production of the Emergency Response Guide 2008, an international emergency response guide published jointly by Canada, the United States and Mexico for distribution to the first responder community. The Emergency Response Guide 2008 is expected to be printed in Fall 2007 and distributed in January 2008. Previous versions have appeared in 18 languages.

An Audit concerning Transport Dangerous Goods Inspection practices was conducted and a report containing various recommendations was released. Documentation of follow-up and enforcement action will be examined in 2007-08 within the context of the Inspector Manual redevelopment, the re-design of the Inspection Information System and the development of a Quality Management System for inspection activities. The Inspector Manual reflects Transport Canada's policies, procedures and guidelines for the Inspector community.

Transport Canada TDG inspectors have various enforcement tools they use to ensure compliance. An important factor in determining enforcement response is the effectiveness of the response in securing future compliance. Currently, an available enforcement tool, prosecution in court, is seen as too severe for minor infractions. The provisions of the *Contraventions Act* will allow Transport Canada TDG inspectors to implement an adequate and fair ticketing scheme. It also allows offenders the opportunity of avoiding a court appearance when cases are not contested. Finally, this procedure reduces costs for the government, the courts and Canadians. It is expected to be implemented during 2007-08.

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

In partnership with the Department of National Defence (DND) and the National Search and Rescue Secretariat (NSS), Transport Canada also supports and facilitates search and rescue



activities by providing regulations for the carriage of emergency equipment to protect the survivors of accidents and alerting devices to find them. Transport Canada receives funding from the Search and Rescue New Initiatives Fund administered by the NSS to manage programs that contribute to search and rescue in Canada. In addition, Transport Canada annually contributes to support the Civil Air Search and Rescue Association (CASARA) and the Canadian Beacon Registry Database.

In the event of investigations after an accident, Transport Canada provides the required assistance to the Canadian Transportation Accident Investigation and Safety Board of Canada. These investigations help the department to better identify the causes of the accidents, further improve the rules and policies and increase protection of the public as required.

A safe and secure transportation system contributes to the quality of life for all Canadians and supports safe and secure communities, as outlined in *Canada's Performance 2006*.

#### **Indicators of progress**

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

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

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

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

Every year, Canada Port Authorities generate more than \$20 billion worth of economic activity. They are responsible — directly or indirectly — for more than a quarter of a million jobs and they handle \$100 billion worth of goods annually. Marine security has been a particular focus of attention. Global movements of vessels, their cargo and their passengers, as well as potential threats to marine infrastructure, have resulted in major international security initiatives and associated security enhancement projects at Canadian ports and marine facilities.

The tragic events in Madrid and London in 2004 demonstrate that rail and urban transit systems are not immune from terrorist attacks. The Government of Canada is committed to protecting citizens and their communities. Transport Canada has focused on establishing partnerships and building a common understanding within the rail and urban transit community of requirements as well as current and future priorities since 2004. As a result of these discussions, Transport Canada is currently implementing a two-year contribution program to address immediate high-risk security priorities in Canada's major urban transit systems. At the same time, work is ongoing with partners to identify future policy priorities.

The transportation sector is intricately linked across modes and regulated by multiple levels of government. Transport Canada has taken on an increasingly complex leadership role over recent years to support integrated and coordinated security regimes. Transportation safety and security is an essential requirement for a healthy population, a high quality of life and a prosperous economy. The department's challenge is to find innovative and cost-effective ways to identify and mitigate safety and security risks in the transportation system without harming the environment or hindering economic growth.

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

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

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

In 2007-08, Transport Canada will continue working with other government departments and key interested parties on ongoing initiatives, such as continuing to implement aspects of *Securing an Open Society: Canada's National Security Policy*, including a comprehensive Transportation Security Action Plan.

The Transportation Security Action Plan identifies transportation security priorities across all modes of transportation, which include formal threat and risk assessments that will be integrated with departmental policies, regulations and enforcement activities. This broad, multi-modal strategy is being implemented to guide long range planning and priority setting. This initiative will take stock of our progress in improving the security of transportation in Canada, look ahead to future challenges and set priorities for investing our security resources throughout the entire transportation system.

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

Transport Canada will continue to implement transportation-related aspects of the Canada-U.S. bilateral Smart Border Declaration and its companion 30-point action plan. This includes participating on the working group for the protection of critical infrastructure such as airports, ports, bridges and tunnels. This working group serves as a forum for identifying critical infrastructure of shared interest that crosses the border and for sharing of information.

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

Transport Canada will also continue to coordinate the international transportation security initiatives and programs to establish a common approach to security initiatives, including the coordination of Counter-Terrorism Capacity Building (CTCB) initiatives and the Group of Experts on Aviation Safety, Security and Assistance (GEASA), among others.

Transport Canada will also continue to enhance Canada's influence and reputation on the international stage by working with organizations such as the International Civil Aviation Organization (ICAO), the European Civil Aviation Conference, the International Maritime Organization (IMO), the North Atlantic Treaty Organization (NATO) and other governments (e.g. the United States' Department of Homeland Security). An example of Transport Canada's significant international security achievements is the collaborative effort being made under the Security and Prosperity Partnership (SPP) of North America.

Transport Canada will also continue to focus on advancing security technologies within the Canadian transportation system. To support the harmonization of security standards, Transport Canada will continue to collaborate with technical experts within Canada and internationally, to identify gaps in security technology and to harmonize technical direction.

Transport Canada will support the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182. In May 2006, the government set up a Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 for the specific purpose of evaluating any deficiencies in the investigation and response to the incident and to make recommendations to improve the Government of Canada's response to an act of terrorism and issues of national security. In preparation for the hearings and to meet the Commission's requests for information, Transport Canada and other affected departments and agencies are identifying and reviewing relevant documents and information in the context of national security. The complexities and sensitivities of the subject matter require extensive legal and interdepartmental consultation.

Transport Canada will continue to develop an integrated, multi-modal transportation security regime to support the Vancouver-Whistler 2010 Olympic Games. This work will include developing a transportation concept of operations to ensure that the aviation, marine, rail and urban transit systems in the Games area of interest operate in a safe, secure and efficient manner for the Games period. Transport Canada's planning for this significant world event is being coordinated at both the headquarters and regional levels.

To further advance air security, Transport Canada will continue working with other government departments and key interested parties to expand the Canadian air passenger assessment program. This Passenger Protect Program provides an additional layer of aviation security by preventing individuals who pose an immediate threat to air security from boarding aircrafts. As well, the department will continue to implement a comprehensive program for enhancing air cargo and airmail security.

Emergency Preparedness and counterterrorism capabilities continue to be a focal point for the department in 2007-08. The department will lead, or collaborate on, a number of high profile training exercises to assess Canada's ability to act quickly, decisively and effectively in concert with other partners in the event of a terrorist attack, a security-related threat such as radiological contamination or other emergencies.

Transport Canada will also continue to collaborate with its stakeholders to implement the Transportation Security Clearance Program. The objective of this program is to prevent the uncontrolled entry into a restricted area of a listed port or airport. The Seafarer's Identity Documents issued by Transport Canada will be modernized to include a transportation security clearance. This will strengthen marine security and will reduce the risk of security threats to the transportation system.

Internationally, Transport Canada will enhance transportation security and implement new security policies and programs to establish a common approach to security. Efforts include initiatives to: improve aviation security (including air cargo); establish comparable standards for screening (e.g. of passengers and their luggage) and background checks; and improve container security.

Transport Canada has developed a two-year contribution program targeted towards the high volume passenger areas of commuter rail and urban transit, with a focus on major urban transit systems and equipment. This program will provide financial assistance to commuter rail and

public transit operators in designated major metropolitan areas to accelerate the implementation of new and enhanced security measures. Over the coming year, Transport Canada will work with partners on a Rail and Urban Transit Security Review, established to engage other federal departments and agencies, provincial and territorial governments, industry and key stakeholders in a review of rail security issues, and to develop options for a more robust, risk-based security regime in Canada. The review was expanded to consider high volume urban transit security and its results of the review will be incorporated into the Transportation Security Action Plan.

Marine security continues to be a high priority for Canada as a secure marine transportation system supports vital trade corridors that connect Canada to the world. Since 2001, the Government of Canada has invested almost \$930 million in marine security initiatives involving several different departments and agencies. As part of this investment, the Interdepartmental Marine Security Working Group (IMSWG) was formed under the leadership of Transport Canada to coordinate Government of Canada marine security efforts.

Over the next three years, the IMSWG will continue to facilitate and expand cooperation and coordination among its 17 member departments and agencies to enhance information exchange and to improve interoperability among members. It will also continue to identify federal government actions in support of national and international marine security obligations, enhance effectiveness in delivering marine security initiatives and facilitate communication with other levels of government, the private sector, and regional-based committees with interests in, or responsibilities for, marine security. Through its facilitation efforts, the IMSWG seeks to ensure that Canada's marine security initiatives are effective and efficient; leveraging the resources and expertise of numerous departments and agencies, without duplication of effort, towards one common goal: the security of the marine transportation system. To support this goal, the IMSWG will develop in 2007-08 a Horizontal Performance Framework for Marine Security with associated performance measures.

The security at Canada's ports and marine facilities will be enhanced under the Marine Security Contribution Program that began in 2004-05 as a three-year, \$115-million commitment to assist ports and other marine facilities with security enhancements. In June 2006, the Government announced that the program would be expanded to include domestic ferry operators and would also be extended by two years for all facilities, other than Canada Port Authorities. In 2007-08, the program will continue to fund projects to strengthen security at Canada's ports and marine facilities.

The Department's contribution program for marine simulators (\$7.2 million federal) will assist the provinces to modernize marine training simulators. The program directly supports and advances the departmental mandate and strategic objective by financially contributing to the provision of state-of-the-art marine simulator training equipment that will in turn ensure the level of regulatory training and certification of seafarers, thus contributing to the safety of the marine transportation system in Canadian and international waters.

Effective marine security relies upon a compilation of sensor data and information gathered from Departmental and open sources to create a marine centric picture. The function of the Marine Security Operations Centres (MSOC) is to enable departments and agencies to work

collaboratively to collect and analyze information in an effort to develop a solid awareness in their area of responsibility with regard to transportation security in general but marine security specifically. By bringing together civilian and military interagency staff, the MSOC will provide a much clearer marine picture of the identification, intent and movement of vessels, personnel and cargo destined for, or already in, the maritime approaches to Canada. Achieving an integrated environment where consistent and timely information on vessels of interest to the Government of Canada can be quickly and efficiently compiled in the MSOC, will be in place to inform the appropriate decision makers. At present the core Departments, Canada Border Services Agency, Canadian Coast Guard, Royal Canadian Mounted Police, Transport Canada and the Department of National Defence are working collectively to implement a concept of operations in order to develop an integrated marine picture.

Transport Canada will work closely with stakeholders to implement the Marine Transportation Security Clearance Program (MTSCP). The Marine Transportation Security Regulations were amended on November 30, 2006, to establish a risk-based program to ensure the security of persons at ports as well as the prevention of unlawful acts of interference with marine transportation, by ensuring that persons who have an ability to affect the security of the marine transportation obtain a security clearance. Over the coming year, operational guidelines and systems will be put in place to implement the MTSCP at major ports as per Phase I of the above regulations. A new Administrative and Monetary Penalties regime will also come into force in December 2007 to expand the tools required to provide an effective oversight and enforcement regime.

In 2007, TC proposes to initiate the regulatory process to develop amendments to the *Marine Transportation Security Regulations* (MTSR) for both Ships' Security Officers certification, and domestic ferry services. Development will begin on the following important initiatives, as identified by the International Maritime Organization (IMO) as coming to the fore of international marine security. Internationally, Transport Canada will enhance transportation security and implement new security policies and programs to establish a common approach to security. Efforts include initiatives to: improve aviation security (including air cargo); establish comparable standards for screening (e.g. of passengers and their luggage) and background checks; improve container security; and consider security requirements of non-SOLAS vessels. In addition, over the next three years, in collaboration with other government departments as well as international partners, Transport Canada will create a compatible maritime regulatory environment with a consistent approach to vessels and cargo destined to and within North American waters.

#### **2.1.2.2 Smart Regulation**

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

A key initiative in Transport Canada will be to sign an agreement with the automotive industry concerning the manufacturing and use of in-vehicle telematics devices such as navigation,

Internet access and cell phones. This agreement will include a safety standard and the general principles and process elements that will guide product design and evaluation. Producing safer telematics devices will help reduce incidents of driver distraction and collisions. The agreement will give industry more flexibility and opportunities for innovation in product design and will not require the department to issue new or adapt old regulations to respond to new technological advances. Consultations on the terms of the agreement are progressing well and should be completed in 2007.

In 2007, The State Operators Program, a new performance-based regulatory framework, will be introduced. This program will apply to any State Operator providing air services on behalf of Her Majesty in Right of Canada or of a province or territory, and is designed to address the unique and diverse operational realities of state operators. The day-to-day management of the State Operators Program will be jointly undertaken by the newly created Canadian State Air Operators Association (CSAOA) and Transport Canada; and will be dependent upon a robust Safety Management Systems structure. The CSAOA and Transport Canada Civil Aviation have jointly developed the draft regulations, which are currently undergoing technical review.

In 2007, Transport Canada will adapt and coordinate communications to enhance the transparency of the Civil Aviation program by educating travelers and industry on shared safety responsibilities. This will be achieved by conducting a national awareness campaign for cabin safety issues such as unruly passengers, flight attendant ratio and child restraint systems.

As Transport Canada moves into fully implementing the *Government Directive on Regulating*, the Civil Aviation Regulations Advisory Council process will be of key importance as a means to keep stakeholders informed of issues that could affect them. Inter and intra-departmental and inter-branch sharing of information is essential to keep stakeholders abreast of various issues. As a result of the new *Government Directive on Regulating*, the Civil Aviation directorate will explore how its current regulatory process can partner more effectively on issues such as aviation occupational health and safety and the transportation of dangerous goods.

Transport Canada will continue to develop responsive marine security regulations, which will keep Canada in step with a continuously evolving marine security regulatory environment. This approval has fostered rapid implementation of new security measures while maintaining marine security regimes by industry.

Transport Canada is working with the Canadian Standards Association (CSA) to develop a new CSA Standard for the design, manufacture and use in Canada of Portable Tanks based on the latest United Nations (UN) Recommendations on the Transport of Dangerous Goods. CSA expects to publish the standard late in 2007 for subsequent adoption in the TDG Regulations.

This standard will harmonize Canadian requirements for the Transport of Dangerous Goods in portable tanks with international requirements. Such requirements include rules for the design and manufacture of UN portable tanks in Canada and their approval by Canada, as well as the selection and use, inspection, test and repair, in Canada, of UN portable tanks regardless of where they were approved and manufactured. This will help promote safe and efficient domestic and international movement of dangerous goods in portable tanks.

Canadian proposals concerning performance requirements of intermediate bulk containers (IBCs) have been adopted in the UN Recommendations on the Transport of Dangerous Goods. Development of the appropriate Canadian Standards is underway to implement the requirements of the UN Recommendations related to UN IBCs, standardized packaging, and cylinders. This will help promote safe and efficient domestic and international movement of dangerous goods in these various means of containment, regardless of where they are designed, approved or manufactured.

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

- The *Aeronautics Act, 1985*, will be amended to address fatigue management, liability insurance, aviation companies management systems, analysis and reporting of safety data, protection for voluntary non-punitive reporting and new compliance, and enforcement tools;
- The review of the *Transportation of Dangerous Goods Act, 1992*, continues. Amendments are expected to be proposed in 2007;
- The review of the *Railway Safety Act, 1985*, will be undertaken in 2007 and will provide an opportunity for the federal government to identify and address all of the major deficiencies with this act including limited enforcement powers, lack of baseline safety requirements, problems with delegated powers, inconsistent rule application, unclear engineering requirements and jurisdictional limitations;
- The *Canada Shipping Act, 2001*, will encompass up-to-date requirements of the International Maritime Organization and International Labour Organization Maritime Labour Conventions and bring clarity and consistency, more rapid adaptability and general applicability of maritime instruments; and,
- The *Motor Vehicle Safety Act, 1993*, will include modernized provisions regarding regulatory efficiency and harmonization, certification and enforcement, and importation.

### 2.1.2.3 Safety and Security Management Systems

Safety management systems (SMS) and security management systems (SeMS) are formalized frameworks for integrating safety and security into the daily operations of a transportation entity. They involve establishing clear responsibilities and authorities, setting clear goals and performance targets, managing risks and threats and regularly conducting internal inspections and evaluations. In the larger sense, this leads to a more thorough identification and resolution of potential systematic safety or security problems. Transport Canada believes that safety and security management systems will further improve the safety and security of the transportation system.



Working closely with industry, labour and other stakeholders, the department will develop plans to implement SMS/SeMS where appropriate. The implementation of safety management systems in aviation, rail and marine organizations is the cornerstone for improving the safety, security and economic performance of industry. In 2007-08, the department will continue to actively implement this approach.

In September 2006, a Safety and Security Management Systems Working Group was created with the mandate to foster a common understanding of SMS and SeMS and develop a consistent approach within all program activities of the Safety and Security Group in Transport Canada. The working group will continue working on the development of a strategic plan: *Moving Forward: Changing the safety and security culture*, in conjunction with Civil Aviation, Rail Safety, Marine Safety, Marine Security, Road Safety, Transportation of Dangerous Goods, Security and Emergency Preparedness, Rail and Urban Transit Security, Aircraft Services and Strategies and Integration directorates. This strategic plan will outline Transport Canada's vision and strategic direction with respect to the regulatory oversight program for safety and security over the next five years. The benefits of this working group are enhanced communication and strengthened linkages between modes on the application of SMS/SeMS and improved decision-making and collaboration on related projects and applications.

As safety management systems offer the most promising means of preventing civil aviation accidents, Transport Canada will continue to enhance the Canadian Aviation Regulations (CARs); particularly relating to airports, water aerodromes, and approved maintenance organizations. Transport Canada will also put in place the infrastructure necessary to fully implement SMS, such as the application of Fatigue Risk Management Systems on a trial basis in selected organizations. Transport Canada Civil Aviation will continue steps undertaken in 2006 to restructure itself and its services to adapt to both a changing workforce and a changing regulatory environment. Externally, implementing SMS in aviation organizations will require specialists in all disciplines of the civil aviation directorate to interact with safety partners in the aviation community through multi-disciplinary work teams. As a result, a phased-in approach to organizational changes is underway. The focus of the National Organization Transition Implementation Project for 2007 will be the detailed organizational structure design.

The railway safety management system regulations, which came into effect on March 31, 2001, require railway companies subject to the *Railway Safety Act* to implement and maintain safety management systems. A stakeholder forum on the experiences to date on implementing SMS in the rail industry will be held, and a review of the department's rail SMS regulations and guidance material will be conducted in 2007-08.

Canada was one of the member countries of the International Maritime Organization that was instrumental in implementing requirements for safety management systems on all ships trading internationally. The systems were mandated for Canadian international shipping through the Safety Management Regulations, which introduced the International Safety Management (ISM) Code in 1998 and expanded the scope of its application in 2002. Transport Canada has had some success in promoting voluntary adoption of the ISM Code by domestic shipping companies. The department has also developed guidance material for small passenger vessels operating internationally for which a full-blown ISM would not be feasible.

Transport Canada is examining ways to increase the implementation of such systems and is assessing various shipping sectors for opportunities for increased participation. Transport Canada will continue to work with the marine industry over the coming years to identify opportunities to utilize an SMS philosophy in the continued enhancement of the marine safety and security regime in Canada.

The implementation of security management systems is a coordinated effort amongst the aviation, marine and rail security groups. In 2007, the department will continue conducting research, as well as consultations with stakeholders to assess the state of industry's security readiness to implement SeMS. In addition, in 2007, the department will concentrate its activities on policy development and program design in order to have program implementation well underway in 2009.

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

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

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

For 2007-08, an important area of focus will be on clean air and the reduction greenhouse gas emissions. The Clean Air Regulatory Agenda will enable the federal government to implement measures to reduce the emissions of both air pollutants and greenhouse gases from the transportation sector. To this end, the Government will take immediate action to address air emissions from transportation sources. More specifically, Transport Canada will develop new regulations that will limit emissions from new motor vehicles and railways and ensure that international emissions standards for marine transportation and aviation are applied domestically. In addition, the Government has introduced new programs as part of its ecoTransport Strategy, announced by the Government in February 2007.

Transport Canada tabled its fourth successive three-year Sustainable Development Strategy on December 13, 2006. For this strategy, Transport Canada chose to focus on three themes at the

heart of sustainable transportation: urban transportation; commercial freight transportation and marine transportation. These themes allowed the department to focus its efforts and to make a smaller number of meaningful and results-oriented commitments. The 2007-2009 SDS action plan is structured around seven strategic challenges, which were retained from the 2004-2006 strategy. Over the 2007-08 fiscal year, the department will implement the commitments and targets that it set out for the 2007-09 strategy (see SDS Table 11 for details on 2007-08 commitments). A new element of the 2007-2009 SDS is a commitment to establish an internal SDS Fund of up to \$1 million per year for the three years of the SDS. The Fund will support innovative projects that make significant contributions to sustainable transportation and approved projects will be considered SDS commitments. Projects for the 2007-08 fiscal year will be selected in early 2007.

Transport Canada, in its *Sustainable Development Strategy 2004-2006*, has included a key challenge involving the improvement of environmental management on Transport Canada lands and in their operations. The department has met this continuing challenge through its Environmental Management System (EMS). The EMS helps the department better understand the nature of the environmental impacts of transportation. It has led to the development of programs in the areas of environmental assessment, site remediation, environmental protection and real property management. In 2007-08, EMS will continue to aid the department in facilitating an understanding and management of the environmental impacts of transportation.

In 2007-08 Transport Canada will implement new programs under the ecoTransport Strategy to reduce greenhouse gas and air pollutant emissions. These programs will foster the implementation of clean technologies for personal vehicles and freight carriers across all modes and expand the range of sustainable transportation options for individual Canadians. The programs will work with businesses, governments, industry associations and with Canadian consumers to reduce the environment impact of the transportation sector through demonstrations, pilot projects, showcasing of alternatives and capacity building. More details on these programs are described below.

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

#### **Indicators of progress**

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

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

Multiple factors from passenger and freight transportation affect the interplay with the environment, specifically in urban areas, where about 80 per cent of Canadians reside. Poor air quality is a growing dilemma as there are numerous social, economic and environmental impacts that accompany it. Greenhouse gas emissions reduction also remains a challenge for Canada and the transportation sector in particular. In 2004, about 25 per cent of greenhouse gas emissions in Canada came from the transportation sector; about two-thirds of which are generated in urban areas. In 2002, transportation accounted for about 53 per cent of all NO<sub>x</sub> emissions, 59 per cent of carbon monoxide, 24 per cent of VOCs, 3 per cent of sulphur oxides, and 5 per cent of particulate matter (PM<sub>2.5</sub>) – the major constituents of urban smog.

Given the concentration in urban areas, a transportation system that is efficient, safe, secure and environmentally responsible remains an integral component of sustainable communities. Although the rapid rate of urban growth has provided considerable economic and development opportunities with respect to an increase in employment, neighbourhoods and physical structures, the effects remain quite significant.

Freight transportation makes a significant contribution to the Canadian economy both in terms of its actual share of economic activity and through the enabling role that it plays in moving products to market. Growth in trade and changes in patterns of freight activity, such as just-in-time delivery models, are leading to significant increases in activity in all modes. Overall, freight movement is expected to increase by 60 per cent between 1990 and 2020 with the greatest growth in the air and trucking sectors.

There is a continuing need to address systemic challenges and opportunities to make certain that there is greater integration where possible. Efforts to influence both transportation supply and demand will be critical in terms of forging a more sustainable transportation system. Future efforts will continue to focus on ensuring the efficiency of the urban transportation system, relieving congestion and improving air quality.

Influencing the transportation choices Canadians make through initiatives that support greater awareness and knowledge transfer is a key way in which the government can make significant reductions in transportation emissions, demands on infrastructure, and improvements to the health of Canadians through alternative and active modal choices. Other important elements include advancing new technologies in support of sustainable transportation and investigating opportunities related to research and development for sustainable transportation. The federal government will continue to promote vehicle fuel economy and will work with the auto industry in the realization of emissions reduction targets set forth in the voluntary government/industry Memorandum of Understanding to reduce greenhouse gas emissions.

Transport Canada will also continue to lead a centralized effort to organize and improve the collection, dissemination and analysis of sustainable transportation information in all modes. This includes the development of new data and analytical tools to improve decision-making. The current proposal will build upon Transport Canada's capacity to deliver policy analysis and develop advice on environment and sustainable development issues related to transportation.

Specific objectives of this proposal will include developing analytical frameworks and/or conduct studies useful to develop these frameworks on critical environmental issues to improve decision-making. The development of analytical tools will improve assessment of climate change and clean air mitigation options, cost and impact, including co-benefits such as congestion reduction benefits, when suitable.

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

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

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

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

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

The first part of this environmental agenda will be regulatory, policy and program measures to address air pollution and greenhouse gas emissions. The government's intent with respect to regulatory actions was announced in October 2006 with the tabling of *Canada's Clean Air Act*.

Transport Canada plays a lead role on climate change and clean air policy as it relates to transportation. It works with other government departments and stakeholders to develop and analyze new policies and measures for reducing emissions from the transportation sector.

The department has examined new opportunities for reducing air pollutants and greenhouse gas emissions, in support of the government's Environmental Agenda. In 2007-08, the department will introduce new initiatives and expand existing programs as part of the ecoTransport Strategy. The Advanced Technology Vehicle Program will end March 31, 2007. As part of the ecoTransport strategy, the Minister announced on February 14, 2007 the new [ecoTechnology for Vehicles Program](#) that will build on the lessons learned from the ATVP. The ecoTechnology for Vehicles Program will expand its work to evaluate and test a range of emerging environmentally friendly technologies for use in light-duty vehicles. Showcasing the cleanest and most efficient personal vehicles from around the world will raise awareness and help provide Canadians with

the facts they need on vehicle purchases in the future. The program will work closely with the auto industry and will look to addressing the reducing the barriers for introduction of a broader range of technologies for possible introduction into the Canadian market. The Freight Technology Demonstration Fund and the Freight Technology Incentives programs will end March 31, 2007. On February 15, 2007, the Minister announced six new [ecoFreight](#) initiatives to reduce the environmental and health effects of freight transportation through accelerated adoption of emissions-reducing technology. The Marine Shore Power initiative will help reduce emissions from ships in port. The [ecoMobility](#), announced on February 13, 2007, will help to increase the availability of convenient sustainable transportation options for Canadians interested in reducing personal car use.

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

A joint government-industry monitoring committee has been established to track the Canadian automotive industry's performance under this Memorandum of Understanding (MOU). Transport Canada, Environment Canada and Natural Resources Canada are represented on this committee. Emissions reductions will be monitored year by year, with interim goals in the years leading up to 2010. The annual reports from the committee will be available to the public as well as the MOU.

The Government of Canada intends to regulate the fuel consumption of road motor vehicles after the expiry of the Memorandum of Understanding between the auto industry and the Government of Canada. The Minister of Transport, Infrastructure and Communities, with the Minister of Natural Resources, will develop regulations that will build on the voluntary commitment the auto industry made collectively in 2005. These new regulations will be developed and implemented under the *Motor Vehicle Fuel Consumption Standards Act*, as amended by the proposed *Canada's Clean Air Act*, to take effect for the 2011 model year.

Transport Canada and Environment Canada will support a Memorandum of Understanding that has been negotiated with the Railway Association of Canada that ensures that the rail industry reduces its emissions of air pollutants consistent with the United States Environmental Protection Agency air pollutant standards; and continues to improve its greenhouse gas emissions performance between 2006 and 2010. Transport Canada will develop and implement new regulations under the *Railway Safety Act* to take effect in 2011.

The Arctic is extremely vulnerable to climate change and its impacts. Historically, the harsh environment has made resources difficult to access. However, in the past half-century changing climate conditions, coupled with technological advances and increased demand for resources, have increased accessibility and the rate of development in the North. Needless to say, climate change has become a major force shaping the future of the North. While an increase in accessibility and marine activity will require greater support and pose increased environmental

risks, it will also lead to social and economic development through increased investment, infrastructure and improved access to goods, services, and supplies. Under the PAME (Protection of the Arctic Marine Environment) working group, Canada (Transport Canada), Finland and the United States will lead a three-year study called the "Arctic Marine Shipping Assessment" to study current and future marine activities in the Arctic and the related social, economic and environmental impacts increased marine activities may have on Arctic residents. The final report is to be presented to the 6<sup>th</sup> Arctic Council Ministerial in Autumn 2008.

Transport Canada has partnered with municipal and regional governments to demonstrate innovative and integrated approaches to reducing greenhouse gas emissions from the urban passenger sector through the Urban Transportation Showcase Program. These showcase demonstrations are encouraging modal shifts away from single occupancy vehicles by offering residents a wider variety of sustainable transportation options. The lessons from these demonstrations and from other successful Canadian case studies are being disseminated to encourage broader uptake of successful approaches. In 2007-08, the program will continue to support existing demonstration projects and share the lessons-learned and results through the programs Information Network.

Since 1999, Transport Canada's Moving on Sustainable Transportation (MOST) program has funded innovative, smaller-scale projects to expand the range of sustainable transportation options for Canadians. The program aims to improve air quality and health, and realize other benefits by supporting the work of non-profit organizations across Canada. In 2007-08 the department will work to renew the program.

In January 2007, a joint MOU was signed by Transport Canada, Environment Canada and Railway Association of Canada (RAC) to reduce Locomotive Emissions and Greenhouse Gases. This MOU is to remain in effect until 2010 and regulations are to be introduced in 2011 under the provisions of the *Railway Safety Act*. Transport Canada, in conjunction with Environment Canada and RAC, plans to organize a government/industry workshop on locomotive emissions during the currency of the MOU.

### **2.1.3.2 Environmental Assessment**

During 2006-07, the conduct of environmental assessments pursuant to the *Canadian Environmental Assessment Act* for projects requiring a *Navigable Waters Protection Act* approval continued to represent a significant workload for both headquarters and regional personnel. Environmental assessments are underway or completed for many projects; including bridges, dams, liquefied natural gas facilities, mines, aquaculture and pipelines.

In light of this workload, a Strategic Review of environmental assessment resource requirements was undertaken in 2006 that included identification of measures for increasing efficiency. In 2007-08, the department will continue to review procedures, implement measures to improve efficiency and develop guidance documents to deliver the environmental assessment program in the most efficient manner without compromising the high quality of the environmental assessments completed.

During 2007-08, the Director General level Environmental Assessment Project Committee will implement an interim approach to scoping (which may be in place until the *Canadian Environmental Assessment Act* can be amended) and an interim approach for engaging with aboriginal peoples in the environmental assessment of project (which will be in place until a time when a federal government policy is implemented).

In addition, Strategic Environmental Assessment (SEA) allows decision makers to contribute to the department's sustainable development objectives by integrating environmental considerations in the development and analysis of policy, plans and program initiatives. Environmental Affairs intends to work closely with the Offices of Primary Interest in order to improve the SEA process and compliance, through tools such as SEA training sessions and a computer tracking system that also includes an earlier integration of SEA in the decision-making process.

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

In 2007-08, Transport Canada will renew its commitment to the Partnership for Air Transportation Noise and Emissions Reduction (PARTNER) Center of Excellence, which is led by the U.S. Federal Aviation Administration (FAA) and the National Aeronautics and Space Administration (NASA). PARTNER is a long-term partnership of academia, industry and government established to create a world-class consortium, closely aligned with national and international needs to foster breakthrough technological, operational, policy and workforce advances for the betterment of mobility, the economy and the environment. The group conducts basic research and engineering development to reduce uncertainties associated with aviation's environmental impact and prototype solutions to mitigate these impacts. The knowledge and capability gained from this research will provide critical information to government, industry and community decision-makers to tackle environmental impacts; which may represent the single greatest challenge to the continued growth and prosperity of civil aerospace.

In 2007-08, Transport Canada will also continue to undertake work detailed in its departmental Contaminated Sites Management Plan. The plan is a Treasury Board requirement that outlines the department's five-year strategy for managing its contaminated sites and identifying suspected contaminated sites. In addition to funding from within the department, the Federal Contaminated Sites Accelerated Action Plan Fund will be utilized to initiate or accelerate assessment work and remediate high-risk sites.

Transport Canada keeps a watchful eye over ships transiting Canadian waters through its National Aerial Surveillance Program (NASP). The NASP is the primary tool for detecting ship-source pollution in waters under Canadian jurisdiction. Evidence gathered by NASP crews is used by Transport Canada and Environment Canada to enforce the provisions of all Canadian legislation (including the *Canada Shipping Act* and the *Migratory Birds Convention Act*) applicable to illegal discharges from ships. Aerial surveillance is widely adopted internationally, and is considered to be the most effective method for the detection of oil spills.

Transport Canada has undertaken a number of initiatives to further enhance its NASP. Transport Canada has secured additional funding to improve the frequency of pollution patrols, which has resulted in the expansion of pollution surveillance to areas not normally patrolled such as the



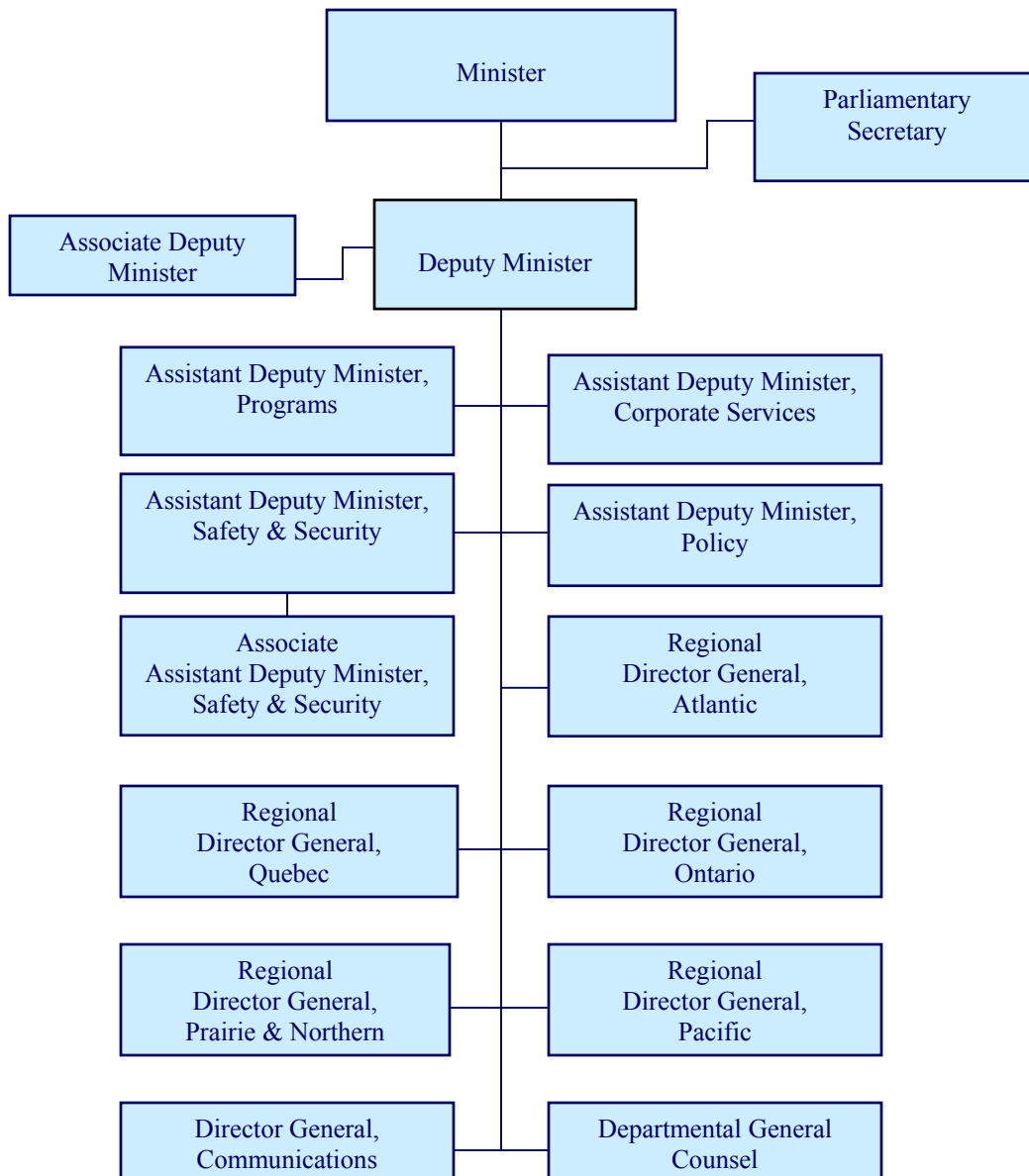
Arctic. Other initiatives include multitasking with other government departments to ensure each surveillance hour is as productive as possible and upgrading its mission specific surveillance equipment. In 2004-05, Transport Canada contracted the first of two integrated suites of marine pollution surveillance equipment to aid in protecting Canada's ocean resources. The pollution surveillance aircraft flew its inaugural mission on November 29, 2006, with its newly equipped surveillance equipment. Transport Canada will strive to continuously improve the effectiveness of the NASP. In the fall of 2007-08, the second system is scheduled to be operational with trained crews. Transport Canada's goal is for Canada to be recognized as one of the most capable nations in aerial marine reconnaissance.

## **SECTION III – SUPPLEMENTARY INFORMATION**

### 3.1 Organizational Information

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

#### DEPARTMENTAL ORGANIZATION CHART



### 3.2 Departmental links to the Government of Canada Outcome areas

Program Activity (\$ thousands)	2007-08 Budgetary <sup>1</sup>							Adjustments (planned spending not in Main Estimates)	Total Planned Spending
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net = Total Main Estimates		
1 - Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system	519,399	28,830	430	126,901	675,560	(42,704)	632,856	8,669	641,525
2 - Policies, programs and infrastructure in support of a market-based framework	151,377	38,970	25,909	205,369	421,625	(320,433)	101,192	267	101,459
3 - Policies and programs in support of sustainable development	106,519	5,460	-	13,112	125,091	(112)	124,979	34	125,013
<b>Total</b>	<b>777,295</b>	<b>73,260</b>	<b>26,339</b>	<b>345,382</b>	<b>1,222,276</b>	<b>(363,249)</b>	<b>859,027</b>	<b>8,970</b>	<b>867,997</b>

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

Program Activity #1 contributes to the achievement of the Government of Canada's "Safe and Secure Communities" outcome area.  
 Program Activity #2 contributes to the achievement of the Government of Canada's "A Fair and Secure Market-Place" outcome area.  
 Program Activity #3 contributes to the achievement of the Government of Canada's "A Strong Economic Growth" outcome area.

1. Further to TB decision # 832871 dated June 22, 2006, Crown Corporations were moved outside of Transport Canada's Program Activity Architecture to stand as separate entities within the Ministry.

### 3.3 Financial Tables

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

(\$ thousands)	Forecast Spending 2006-07 <sup>1</sup>	<b>Planned Spending 2007-08<sup>2</sup></b>	Planned Spending 2008-09	Planned Spending 2009-10
<ul style="list-style-type: none"> <li>• Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system</li> </ul>	547,857	<b>675,560</b>	556,392	534,929
<ul style="list-style-type: none"> <li>• Canadian Air Transport Security Authority<sup>3</sup></li> </ul>	446,962	-	-	-
<ul style="list-style-type: none"> <li>• Policies, programs and infrastructure in support of a market-based framework</li> </ul>	392,363	<b>421,625</b>	465,047	414,341
<ul style="list-style-type: none"> <li>• Jacques Cartier and Champlain Bridges Inc.<sup>3</sup></li> </ul>	30,293	-	-	-
<ul style="list-style-type: none"> <li>• Marine Atlantic Inc.<sup>3</sup></li> </ul>	84,980	-	-	-
<ul style="list-style-type: none"> <li>• VIA Rail Canada Inc.<sup>3</sup></li> </ul>	169,001	-	-	-
<ul style="list-style-type: none"> <li>• Policies and programs in support of sustainable development</li> </ul>	65,710	<b>125,091</b>	60,869	54,056
<b>Budgetary Main Estimates (gross)</b>	<b>1,737,166</b>	<b>1,222,276</b>	1,082,308	1,003,326
Less: Respendable revenue <sup>4</sup>	381,443	<b>363,249</b>	351,824	337,660
<b>Total Main Estimates</b>	<b>1,355,723</b>	<b>859,027</b>	730,484	665,666
<i>Adjustments:</i>				
<ul style="list-style-type: none"> <li>• Economic Policy Framework for Airports in Canada – Appeal costs for CTA</li> </ul>	-	-	(275)	(275)
<ul style="list-style-type: none"> <li>• Economic Policy Framework for Airports in Canada – Appeal costs for CAT</li> </ul>	-	<b>(100)</b>	(100)	(100)
<ul style="list-style-type: none"> <li>• Gander International Airport (GIAA)</li> </ul>	-	<b>2,300</b>	2,500	-
<ul style="list-style-type: none"> <li>• Communities – Strategic Infrastructure – Toronto Transit Commission</li> </ul>	-	<b>660</b>	686	707
<ul style="list-style-type: none"> <li>• Communities – Strategic Infrastructure – Quebec highways 50, 185, 35 and 20</li> </ul>	-	<b>382</b>	393	535
<ul style="list-style-type: none"> <li>• CSIF – Highway 175</li> </ul>	-	<b>529</b>	545	566
<ul style="list-style-type: none"> <li>• BIF – Highway 35, 55, 73/173</li> </ul>	-	<b>130</b>	135	140
<ul style="list-style-type: none"> <li>• Internal Audit – Operations</li> </ul>	-	<b>342</b>	-	-
<ul style="list-style-type: none"> <li>• Disposal of Lands at Mirabel Airport – Administration costs</li> </ul>	-	<b>4,727</b>	3,348	2,842

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

(\$ thousands)	Forecast Spending 2006-07 <sup>1</sup>	<b>Planned Spending 2007-08<sup>2</sup></b>	Planned Spending 2008-09	Planned Spending 2009-10
Total Adjustments	-	<b>8,970</b>	7,232	4,415
<b>Total Planned Spending</b>	1,355,723	<b>867,997</b>	737,716	670,081
Total Planned Spending				
Less: Non-Respendable revenue <sup>4</sup>	32,734	<b>33,186</b>	33,960	33,960
Plus: Cost of services received without charge <sup>5</sup>	25,493	<b>59,668</b>	59,330	58,652
<b>Total Departmental Spending</b>	1,348,482	<b>894,479</b>	763,086	694,773
<b>Full Time Equivalents</b>	4,936	<b>5,090</b>	5,012	4,902

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

The planned spending difference from 2007-08 to 2006-07 is mainly due to the Crown corporations not being part of the Transport Canada Program Activity Architecture. For the planned spending over the three-year period, the factors that contributed to the decrease spending are mainly because of: the continued divestiture of ports and airports; the winding down of transfer payment programs such as the Strategic Highway Infrastructure Program, the Marine Security Contribution Program and Action plan 2000 for Climate Change; and increasing annual reductions for efficiency and procurement imposed by the Expenditure Review Committee of Cabinet.

1. Reflects best forecast of planned spending to the end of the fiscal year based on actual information at December 31, 2006.
2. The Planned Spending amounts represent the sum of the Main Estimates and the adjustments planned for each fiscal year.
3. Further to TB decision # 832871 dated June 22, 2006, Crown Corporations were moved outside of Transport Canada's Program Activity Architecture to stand as separate entities within the Ministry.
4. For more details, see Table 5 Sources of Respendable and Non-Respendable Revenue.
5. For more details, see Table 3 Services Received Without Charge

**Table 2: Voted and Statutory Items listed in Main Estimates**

2007-08			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates 2007-08 (\$ thousands)	Main Estimates 2006-07 (\$ thousands)
1	Operating expenditures	318,413	234,692
5	Capital expenditures	73,260	76,455
10	Grants and contributions	313,145	296,228
(S)	Minister of Transport, Infrastructure and Communities — salary and motor car allowance	75	73
(S)	Payments to Canadian National Railway Company in respect of the termination of the collection of tolls on the Victoria Bridge, Montreal and for the rehabilitation work on the roadway portion of the Bridge	3,300	3,300
(S)	Contributions to employee benefit plans	68,658	66,781
(S)	Payments in respect of St. Lawrence Seaway agreements	26,900	23,900
(S)	Northumberland Strait Crossing subsidy payment	55,276	53,928
	Appropriations not required		
-	Payments to VIA Rail Canada Inc. <sup>1</sup>	-	169,001
-	Payments to the Canadian Air Transport Security Authority <sup>1</sup>	-	381,366
-	Payments to Jacques Cartier and Champlain Bridges Inc. <sup>1</sup>	-	30,488
-	Payments to Marine Atlantic Inc. <sup>1</sup>	-	80,980
	<b>Total Department</b>	<b>859,027</b>	<b>1,417,192</b>

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

(S): Statutory

1. Further to TB decision # 832871 dated June 22, 2006, Crown Corporations were moved outside of Transport Canada's Program Activity Architecture to stand as separate entities within the Ministry.

**Table 3: Services Received Without Charge**

(\$ thousands)	2007-08
• Accommodation provided by Public Works and Government Services Canada (PWGSC)	25,957
• Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and expenditures paid by TBS	25,979
• Worker's compensation coverage provided by Human Resources and Skills Development Canada	4,247
• Salary and associated expenditures of legal services provided by the Department of Justice Canada	3,485
<b>Total 2007-08 Services received without charge</b>	<b>59,668</b>

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



**Table 4: Summary of Capital Spending by Program Activity**

(\$ thousands)	Forecast Spending 2006-07 <sup>1</sup>	<b>Planned Spending 2007-08</b>	Planned Spending 2008-09	Planned Spending 2009-10
• Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system	37,486	<b>28,830</b>	12,112	18,440
• Canadian Air Transport Security Authority <sup>2</sup>	96,091	-	-	-
• Policies, programs and infrastructure in support of a market-based framework	37,478	<b>38,970</b>	58,550	52,890
• Jacques Cartier and Champlain Bridges Inc. <sup>2</sup>	2,836	-	-	-
• Marine Atlantic Inc. <sup>2</sup>	8,907	-	-	-
• Via Rail Canada Inc. <sup>2</sup>	16,000	-	-	-
• Policies and programs in support of sustainable development	3,496	<b>5,460</b>	4,338	3,670
<b>Total</b>	202,294	<b>73,260</b>	75,000	75,000

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

1. Reflects best forecast of planned spending to the end of the fiscal year based on actual information at December 31, 2006.
2. Further to TB decision # 832871 dated June 22, 2006, Crown Corporations were moved outside of Transport Canada's Program Activity Architecture to stand as separate entities within the Ministry.

**Table 5: Sources of Respendable and Non-Respendable Revenue**

**Respendable Revenue**

(\$ thousands)	Forecast Spending 2006-07 <sup>1</sup>	<b>Planned Spending 2007-08</b>	Planned Spending 2008-09	Planned Spending 2009-10
<b>Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system</b>				
• Canadian Aviation Regulation User Fees	8,018	<b>8,375</b>	8,328	8,332
• Aircraft Maintenance and Flying Services	31,651	<b>23,770</b>	23,770	23,770
• Marine Safety Regulation User Fees	7,884	<b>7,621</b>	7,591	7,591
• Revenues from the Registrar of Imported Vehicles Program	4,000	<b>755</b>	755	755
• Inspections and certifications	1,279	<b>379</b>	379	379
• Lease payments from the Motor Vehicle Test Center	280	<b>280</b>	280	280
• Rentals and concessions	1,022	<b>808</b>	649	598
• Sales and training	719	<b>812</b>	812	812
• Research and development	844	-	-	-
• Miscellaneous	815	<b>75</b>	75	75
	56,511	<b>42,875</b>	42,639	42,592
<b>Policies, programs and infrastructure in support of a market-based framework</b>				
• Air Services Forecasts revenues	240	<b>160</b>	160	160
• Public port revenues from user fees and wharf permits	7,830	<b>8,415</b>	8,431	8,431
• Airport revenues from user fees and service contracts	5,220	<b>5,150</b>	5,165	5,165
• Airports Authorities - lease and chattel payments	302,175	<b>298,048</b>	287,317	273,267
• Research and development	1,230	<b>1,154</b>	1,154	1,154
• Rentals and concessions	7,792	<b>7,105</b>	6,637	6,576
• Sales and training	103	<b>110</b>	110	110
• Miscellaneous	172	<b>120</b>	120	120
	324,761	<b>320,262</b>	309,094	294,983

**Table 5: Sources of Respendable and Non-Respendable Revenue**  
(continued)

**Respendable Revenue** (continued)

(\$ thousands)	Forecast Spending 2006-07 <sup>1</sup>	<b>Planned Spending 2007-08</b>	Planned Spending 2008-09	Planned Spending 2009-10
<b>Policies and programs in support of sustainable development</b>				
• Rentals and concessions	100	<b>103</b>	82	76
• Sales and training	3	-	-	-
• Miscellaneous	68	<b>10</b>	10	10
	171	<b>112</b>	91	85
<b>Total Respendable Revenue</b>	381,443	<b>363,249</b>	351,824	337,660

**Non-Respendable Revenue**

(\$ thousands)	Forecast Spending 2006-07 <sup>1</sup>	<b>Planned Spending 2007-08</b>	Planned Spending 2008-09	Planned Spending 2009-10
<b>Policies, programs and infrastructure in support of a market-based framework</b>				
• Non-navigational assets - St. Lawrence Seaway	5,200	<b>5,200</b>	5,200	5,200
• Canada Port Authority stipends	12,534	<b>12,986</b>	13,760	13,760
• Research and development - Royalty revenue		-	-	-
• Hopper cars (lease, damage settlements and demurrage charges)	15,000	<b>15,000</b>	15,000	15,000
<b>Total Non-respendable Revenue</b>	32,734	<b>33,186</b>	33,960	33,960

<b>Total Respendable and Non-Respendable Revenue</b>	414,177	<b>396,435</b>	385,784	371,620
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Due to rounding, columns may not add to total shown.

1. Reflects best forecast of planned spending to the end of the fiscal year based on actual information at December 31, 2006.

**Table 6: Resource Requirements by Branch or Sector**

2007-08 <sup>1</sup>				
(\$ thousands)	Policies, rulemaking, monitoring and outreach in support of a safe and secure transportation system	Policies, programs and infrastructure in support of a market-based framework	Policies and Programs in support of sustainable development	Total Planned Spending
Assistant Deputy Minister – Safety and Security	407,231	-	2,584	<b>409,815</b>
Assistant Deputy Minister – Policy	-	135,404	-	<b>135,404</b>
Assistant Deputy Minister – Programs <sup>2</sup>	-	(98,898)	102,382	<b>3,484</b>
Regional Director General Atlantic	40,787	7,925	3,009	<b>51,721</b>
Regional Director General Quebec	46,763	31,049	3,246	<b>81,058</b>
Regional Director General Ontario	50,518	10,506	2,906	<b>63,929</b>
Regional Director General Prairie and Northern Region	51,083	8,844	5,209	<b>65,136</b>
Regional Director General Pacific	45,144	6,629	5,677	<b>57,450</b>
<b>Total</b>	<b>641,525</b>	<b>101,459</b>	<b>125,013</b>	<b>867,997</b>

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

Note:

1. Further to TB decision # 832871 dated June 22, 2006, Crown Corporations were moved outside of Transport Canada's Program Activity Architecture to stand as separate entities within the Ministry.
2. The sector "Assistant Deputy Minister – Programs" includes all the Vote-Netted Revenue recorded under the Program Activity "Policies, Programs and Infrastructure in support of a market-based framework". The planned Vote-Netted Revenue is higher than expenses for that sector therefore the amount is presented in brackets.

**Table 7: Department’s Regulatory Plan**

<b>Regulations</b>	<b>Expected Results</b>
<p>Amendments to the <i>Aeronautics Act</i> are underway to address fatigue management, liability insurance, aviation companies’ management systems, analysis and reporting of safety data, protection for voluntary non-punitive reporting, and new compliance and enforcement tools (medium impact).</p>	<p>Modernized legislative requirements to respond to industry needs. <i>This will be achieved by providing an up-to-date legislative framework that is responsive to the economic needs of its business sector while maintaining the safety of the travelling public.</i></p>
<p>Amendments to the Canadian Aviation Regulations to introduce a requirement for airports, flight training units, air traffic services providers and smaller commercial operations to have a safety management system in place that integrates operations and technical systems with financial and human resource management (medium impact).</p>	<p>Safe operations and compliance with the Canadian Aviation Regulations. <i>This will be achieved by the establishment of a systematic, explicit and comprehensive process for the management of safety risks, which integrates operations and technical systems (with financial and human resources management), for all activities related to an enterprise. The process – referred to as a safety management system (SMS) - aims at improving the safety of an enterprise as a whole, by identifying and correcting any problems that could contribute to a reduction of safety margins.</i></p>
<p>Amendments to the Canadian Aviation Regulations will replace current requirements for Ground Proximity Warning Systems (GPWS) with requirements for the installation of Terrain Avoidance Warning Systems (TAWS) in commercial aeroplanes and in non-commercial turbine-powered aeroplanes with seats for six or more passengers. TAWS is based on more sophisticated technology than GPWS (medium impact).</p>	<p>Improved protection of passengers and crew by reducing the risk of accidents. Canadian requirements will be brought into greater conformity with those of other jurisdictions in which TAWS is already required.</p> <p><i>This will be achieved by the installation of TAWS which will provide earlier alerts to flight crew to enable action to be taken to prevent flight into terrain or water.</i></p>

<b>Regulations</b>	<b>Expected Results</b>
<p>Amendments to the Canadian Aviation Regulations to ensure a consistent approach to winter runway maintenance and surface condition reporting at major airports (medium impact).</p>	<p>Safer winter aviation operations at Canadian Airports.</p> <p><i>This will be achieved by requiring the reporting of runway friction measurements at Canadian airports and by standardizing technical aspects of winter maintenance requirements with those mandated by the United States.</i></p>
<p>Amendments to the Canadian Aviation Regulations will consolidate existing regulations and standards governing the certification process for aeronautical products (medium impact).</p>	<p>A globally harmonized process for the certification of aeronautical products.</p> <p><i>This will be achieved with more user-friendly, less cumbersome processes which are harmonized with equivalent foreign certification processes to obtain maximum benefit for Canadian industry.</i></p>
<p>Amendments to the Canadian Aviation Regulations will introduce certification standards specific to water aerodromes that will be equivalent to similar standards in place for land aerodromes (medium impact).</p>	<p>New regime to certify water aerodromes which will lead to safer operations at water aerodromes.</p> <p><i>This will be achieved by a new certification regime for water aerodromes.</i></p>
<p>Canada Motor Vehicle Safety Standard 208 — Occupant Restraint Systems in Frontal Impact: Further research and a cost-benefit study are underway to ensure that seat belts and air bags are designed to provide optimal protection to belted occupants and that any injuries due to occupant protection system are minimized (high impact).</p>	<p>Improved occupant protection in frontal collisions.</p>
<p>The Motor Vehicle Tire Safety Regulations (MVTSR) will be amended by introducing three Technical Standards Documents (TSD), which will include a new and more stringent standard covering all new tires for use on vehicles up to 4536 kg (medium impact).</p>	<p>Improvement in road safety will result from fewer tire failures, which could cause crashes. Canadian and U.S. tire safety performance requirements will also be harmonized.</p>
<p>Amend Canada Motor Vehicle Safety Standards (CMVSS) 110 and 120, governing tire and rim selections for all motor vehicles (medium impact).</p>	<p>Help vehicle owners and operators to determine more easily vehicle carrying capacity</p>

Regulations	Expected Results
	and tire inflation pressure, and to identify defective tires in the event of a recall. Canadian and U.S. tire and rim selection requirements will also be harmonized.
Amend the Canada Motor Vehicle Safety Standard 216 relating to vehicle roof crush to improve the safety of vehicle occupants in the event of a vehicle rollover. This amendment will update the roof crush safety standards that currently apply to both passenger vehicles and school buses (medium impact).	Harmonization with safety standards recently proposed by the United States government through amendment to the corresponding Canadian safety standard.
Amend Canadian Motor Vehicle Safety Standard 206 “Door Locks and Door Retention Components” (medium impact).	Allows options in Canada to either harmonize Canadian safety requirements with those of the U.S., or adopt a Global Technical Regulation promulgated by the World Forum for Harmonization of Vehicle Regulations.
New Canada Motor Vehicle Safety Standard 126 — Electronic Stability Control Systems: The proposed amendment to the Motor Vehicle Safety Regulations would harmonize Canada's equipment and performance requirements for Electronic Stability Control (ESC) systems with those proposed in the U.S. by introducing a new Technical Standards Document (TSD) (high impact).	Reduction of deaths and injuries that result from single vehicle crashes caused by loss of vehicle control.
Section 4(2) of Motor Vehicle Safety Regulations - Extending from 15 to 25 years the admission age of vehicles not respecting Canadian Motor Vehicle Safety Standards (medium impact).	In response to demand from provincial and territorial governments, limit importation of potentially unsafe, old technology vehicles not build or certified to Canadian safety or emission standards.
Canadian Motor Vehicle Safety Standard 500 “Low Speed Vehicles” - Adding requirement for the slow moving vehicle emblem (medium impact).	Clearly identify low speed vehicles as vulnerable partners if provinces or territories allow them to mix with other classes of vehicles. Help consumers to conform to provincial and territorial requirements of identifying slow moving vehicle.

<b>Regulations</b>	<b>Expected Results</b>
Interim Order for child restraint systems (medium impact).	By publishing an Interim Order, the department expects to allow child restraint systems that can accommodate children up to 65 lbs, rather than up to 48 lbs. This will align with the U.S. recent amendments to their regulations.
Final submission for Part II publication in <i>Canada Gazette</i> for introduction of child seat tether anchors in convertibles. Also aligning with many U.S. requirements for child seat anchors in different classes of vehicles. This publication will also address many of the proposals made by the Standing Joint Committee for the Scrutiny of Regulations (SJC) (medium impact).	This will align with many of the U.S. requirements for child seat anchors in vehicles, and will address many of the concerns raised by the Standing Joint Committee for the Scrutiny of Regulations. This submission will also provide the public with a means to properly restrain their child while traveling in a convertible vehicle.
Proposal for Part I publication in <i>Canada Gazette</i> to align with U.S. requirements for child restraint systems (medium impact).	With a publication in the Part I of the <i>Canada Gazette</i> , the department will invite stakeholders to comment on the department's initiative to align with the U.S. child restraint system requirements and testing procedures. This will enable to Canadian consumers to purchase products similar to those sold in the U.S.
Amend Canada Motor Vehicle Safety Standard 114—Locking and Immobilization Systems (medium impact).	Harmonization with the new requirements in the U.S. regulation that has been recently revised.
Transport Canada's pollution prevention program will undergo a major update through the Regulations for the Prevention of Pollution from Ships and for Dangerous Chemicals (new) under the existing <i>Canada Shipping Act</i> (CSA). These new Regulations will put Canada in a position to accede to the optional Annexes IV, V and VI of the International Convention for the Prevention of Pollution from Shipping (MARPOL) and the Anti-fouling Systems Convention (medium impact).	Reduction in incidents related to the pollution of the environment from ship sources.  This will be accomplished through the introduction and implementation of the new Regulations.
Boating Restriction Regulations (revised) to provide for the establishment of restrictions to boating activities and	Enhanced marine safety.



<b>Regulations</b>	<b>Expected Results</b>
navigation in Canadian waters (CSA and CSA 2001) (medium impact).	<i>This will be accomplished through the introduction and implementation of the new Regulations.</i>
Competency of Operators of Pleasure Craft Regulations (revised), impose competency requirements on operators of pleasure craft with amendments underway, under the current act, to improve the administration of the testing process to be followed by a reformed regulation, under the new act, to deal with the issue of course provider accreditation (CSA and CSA 2001) (medium impact).	Enhanced marine safety for pleasure craft operators and boating community.  <i>This will be accomplished through the introduction and implementation of the new Regulations.</i>
Administrative Monetary Penalties Regulations (new), to provide a graduated enforcement scheme and effective deterrents for violations on vessels operating in Canadian waters (CSA 2001) (medium impact).	Enhanced marine safety and compliance.  <i>This will be accomplished through the introduction and implementation of the new Regulations.</i>
Cargo, Fumigation and Tackle Regulations (new), to rationalize existing rules for loading and stowing cargo (CSA) (medium impact).	Enhanced marine safety.  <i>This will be accomplished through the introduction and implementation of the new Regulations.</i>
Collision Regulations (revised), to promote uniform measures and safe conduct of vessels (CSA 2001) (medium impact).	Improved consistency of regulations and enhanced safety related to the conduct of vessels.  <i>This will be accomplished through the introduction and implementation of the new Regulations.</i>
Marine Personnel Regulations (new): To streamline the existing crewing and certification requirements into one regulation and add a labour component (CSA 2001) (medium impact).	More streamlined and harmonized regulations and enhanced safety for passengers and crew.  <i>This will be accomplished through the introduction and implementation of the new Regulations.</i>
Pursuant to the <i>Pilotage Act</i> , the four pilotage authorities have to provide safe and efficient pilotage services. The proposed amendments to their Pilotage Regulations result	Safe and efficient pilotage service to commercial vessels in Canadian compulsory pilotage

<b>Regulations</b>	<b>Expected Results</b>
<p>from distinct pilotage risk studies carried out by these authorities since 2001, on a series of recommendations contained in the 1999 report of the Ministerial review of pilotage issues. The various regulatory initiatives aim at improving pilotage practices and procedures in the four pilotage regions to the benefit of service users (medium impact).</p>	<p>waters.</p> <p><i>This will be accomplished through the introduction and implementation of the new Regulations.</i></p>
<p>Proposed amendments to the Marine Transportation Security Regulations to enhance domestic ferry security will be developed as a result of further risk analysis and industry consultations in 2007 (medium impact).</p>	<p>Enhanced domestic ferry security.</p> <p><i>This will be accomplished through the introduction and implementation of the new Regulations.</i></p>
<p>Amendments to the Marine Transportation Security Regulations to establish certification requirements for Ships' Security Officers, as required by the International Maritime Organization (high impact).</p>	<p>Consistency in Ships' Security Officer certification.</p> <p><i>This will be accomplished through the introduction and implementation of the new Regulations.</i></p>
<p>As adopted by the International Maritime Organization, Safety of Life at Sea (SOLAS) ships will be required to transmit information including ship's identity, location, and date and time of position in support of international security requirements. The purpose of the Long Range Identification Tracking will be to increase security of international shipping by tracking vessels via satellite (high impact).</p>	<p>Increased security of international shipping and domain awareness.</p> <p><i>This will be accomplished through the introduction and implementation of the new Regulations.</i></p>
<p>Bring into force of regulations and/or security measures to support the screening of all checked baggage, as per the Minister's commitment to achieve 100% screening of checked baggage at all designated airports which began January 1, 2006 (high impact).</p>	<p>Enhanced aviation security; alignment with international standards.</p> <p><i>This will be accomplished through the implementation of the new Regulations.</i></p>
<p>The Transportation of Dangerous Goods Regulations will be amended to harmonize with international agreements, improve reciprocity between Canada and the U.S., to adopt changes to means of containment standards to reflect new engineering developments and construction designs, and to address emerging issues (medium impact).</p>	<p>Improved level of safety in the transportation of dangerous goods.</p>
<p>New regulations will be developed and implemented under the <i>Motor Vehicle Fuel Consumption Standards Act</i>, as amended by the proposed <i>Canada's Clean Air Act</i>, to take</p>	<p>Transport Canada will distribute a discussion paper on regulatory options in advance of national</p>

<b>Regulations</b>	<b>Expected Results</b>
<p>effect for the 2011 model year. The Minister of Transport, Infrastructure and Communities and the Minister of Natural Resources, will develop regulations building on the voluntary commitment made by the auto industry in 2005 that calls for a reduction of 5.3MT of GHGs by 2010, through ongoing improvements in fuel consumption performance.</p> <p>High impact, particularly with respect to industry and consumers. Impacts on fuel consumption and emission reductions will be dependent on the standards, once set following national stakeholder consultations and in-depth analytical work to be done within 2007-2008.</p>	<p>stakeholder consultations. Incorporating the comments received during stakeholder consultations and resulting from studies and other analytical work, Transport Canada will draft regulations for publication in Canada Gazette.</p>

### **Strategic Environmental Assessment**

Consistent with the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals and the Transport Canada Strategic Environmental Assessment Policy Statement; every proposed policy, plan and program that requires approval by the Minister or Cabinet, including regulatory initiatives, must go through the Strategic Environmental Assessment process.

More information can be found at the following website address:

<http://www.tc.gc.ca/programs/environment/EnvironmentalAssessment/seapolicy/SEAprcess.htm>

## **Table 8: Details on Transfer Payment Programs**

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

### **2007-08**

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

### **2008-09**

1. Grant to Province of British Columbia in respect of the provision of ferry and coastal freight and passenger services.
2. Payments in support of crossing improvements approved under the *Railway Safety Act*

**Table 8: Details on Transfer Payments Programs** (*continued*)

3. Marine Security Contribution Program
4. Contribution for ferry and coastal passenger and freight services
5. Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund
6. Contribution program for operating, capital and start-up funding requirement for Regional and Remote Passenger Rail Services
7. Outaouais Road Development Agreement
8. Airports Capital Assistance Program
9. Northumberland Strait Crossing subsidy payment under the *Northumberland Strait Crossing Act* (Statutory)
10. Action Plan 2000 for Climate Change – Urban Transportation Showcase Program

**2009-10**

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

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

## **Table 9: Alternative Service Delivery**

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

1. Motor Vehicle Test Centre (renewing)

For further information on services and their use of alternative service delivery see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

## **Table 10: Horizontal Initiatives**

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

1. Asia-Pacific Gateway and Corridor Initiative (lead)
2. Marine Security Horizontal Initiative (lead)
3. Canada Strategic Infrastructure Fund (partner)
4. Border Infrastructure Fund (partner)
5. Mackenzie Gas Project and induced oil and gas exploration and development activities in the Northwest Territories (partner)
6. North America Security and Prosperity Partnership (SPP) (partner)

For further information on the above-mentioned horizontal initiatives, please see [http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/dep-min/dep-min\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/dep-min/dep-min_e.asp)

## Table 11: Sustainable Development Strategy

Transport Canada's *Sustainable Development Strategy 2007-2009* responds to key issues and focuses on areas where the department can make a real difference towards achieving sustainable transportation. The department has chosen to focus its efforts on three themes at the heart of sustainable transportation : urban transportation; commercial freight transportation; and marine transportation. Issues and a response plan have been developed for each theme.

The strategy includes an action plan, which is structured around seven strategic challenges:

- 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; and
- 7) Improve management of Transport Canada operations and lands.

For each strategic challenge, Transport Canada has outlined the sustainable development commitments, targets and performance measures the department will use to measure the success.

For further information on Transport Canada's updated sustainable development strategy, visit <http://www.tc.gc.ca/programs/Environment/SD/menu.htm> .

Federal SD Goal including GGO goals (if applicable)	Department's Expected Results 2007-08*	Performance Measure from current SDS
<b>Challenge 1:</b> Encourage Canadians to make more sustainable transportation choices <a href="http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge1.htm">http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge1.htm</a>		
<b>1.1 Active Transportation</b>		
Goal 2 - Clean Air – Clean air for people to breathe and ecosystems to function well.  Goal 3 - Reduce greenhouse gas emissions.	<ul style="list-style-type: none"> <li>• Achieve a consensus among federal departments, provinces/territories and municipalities on the value of a national active transportation strategy in 2007-08.</li> </ul>	<ul style="list-style-type: none"> <li>• Consensus among federal departments, provinces/territories and municipalities on the value of a national active transportation strategy as shown by a decision to pursue such a strategy or not.</li> </ul>

<b>1.2 Green Commute</b>		
<p>Goal 3 - Reduce greenhouse gas emissions.</p> <p>Goal 4 - Sustainable Communities – Communities enjoy a prosperous economy, a vibrant and equitable society, and a healthy environment for current and future generations.</p>	<p>Provide support to enable commuter options within other federal departments and agencies across Canada by:</p> <ul style="list-style-type: none"> <li>• Delivering three commuter options workshops per year to interested public and private employers, beginning in 2007-08.</li> </ul>	<ul style="list-style-type: none"> <li>• The number of workshops delivered and their outcomes.</li> </ul>
<b>1.3 Explore Use of Economic Measures</b>		
<p>Goal 2 - Clean Air – Clean air for people to breathe and ecosystems to function well.</p> <p>Goal 3 - Reduce greenhouse gas emissions.</p> <p>Goal 6 - Strengthen federal governance and decision making to support sustainable development.</p>	<ul style="list-style-type: none"> <li>• Improve Transport Canada’s economic instrument modeling framework and enhance Canadian data as it relates to the reaction of consumers and manufacturers to economic instruments, subject to funding, in 2007-08.</li> <li>• Conduct further analysis of a range of economic instruments in 2007-08. Transport Canada will, subject to funding, expand its analytical capacities to cover, for example, light-duty vehicles fleet wide and new medium- and heavy-duty trucks initiatives.</li> <li>• Consult with stakeholders, including motor vehicle industry NGOs, alternate energy producers and the academic community about design options and</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, usefulness and timeliness of analysis and data.</li> <li>• Number of analysis and studies completed.</li> <li>• Number of consultations conducted.</li> </ul>



	administration / implementation issues ongoing between 2007-08 and 2009-10.	
<b>Challenge 2:</b> Enhance innovation and skills development <a href="http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge2.htm">http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge2.htm</a>		
<b>2.1 Climate Change Impacts and Adaptation</b>		
Goal 3 - Reduce greenhouse gas emissions.	<ul style="list-style-type: none"> <li>• Preliminary assessment and recommendations aiming to increase the understanding and knowledge of the occurrence of permafrost and of the Kuujuaq landing strip thermal regime in 2007-08.</li> </ul>	<ul style="list-style-type: none"> <li>• Results of the analysis, including number of recommendations identified.</li> </ul>
<b>Challenge 3:</b> Increase system efficiency and optimize modal choices. <a href="http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge3.htm">http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge3.htm</a>		
<b>3.1 Intelligent Transportation Systems (ITS)</b>		
Goal 3 - Reduce greenhouse gas emissions.	<ul style="list-style-type: none"> <li>• Funding to be provided for research, development and deployment projects in each of fiscal years 2007-08, 2008-09 and 2009-10.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of deployment projects funded.</li> <li>• Number of research and development projects funded.</li> <li>• Number of agreements signed with partners.</li> </ul>
<b>Challenge 4:</b> Enhance efficiency of vehicles, fuels and fuelling infrastructure. <a href="http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge4.htm">http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge4.htm</a>		
<b>4.1 Promote Advanced Technology Vehicles</b>		
<p>Goal 2 - Clean Air – Clean air for people to breathe and ecosystems to function well.</p> <p>Goal 3 - Reduce greenhouse gas emissions.</p>	<ul style="list-style-type: none"> <li>• Evaluate the performance of advanced technology vehicles on an annual basis.</li> <li>• Conduct activities to raise public awareness on an annual basis that also allows program information to be disseminated.</li> </ul>	<ul style="list-style-type: none"> <li>• Number and type of vehicles and technologies tested with results presented in various report formats.</li> <li>• Number and type of activities attended throughout the year.</li> </ul>

<b>4.2 Motor Vehicle Fuel Consumption</b>		
<p>Goal 2 - Clean Air – Clean air for people to breathe and ecosystems to function well.</p> <p>Goal 3 - Reduce greenhouse gas emissions.</p>	<ul style="list-style-type: none"> <li>• Collect, verify and report on fuel consumption of new vehicles, on an annual basis.</li> <li>• Maintenance of the Vehicles Fuel Economy Information System (VFEIS) database, on an ongoing basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Timely data collection from all manufacturers.</li> <li>• Audit and verification of data.</li> <li>• Annual reporting of results.</li> </ul>
<b>4.3 Reduction of Emissions from the Rail Industry</b>		
<p>Goal 2 - Clean Air – Clean air for people to breathe and ecosystems to function well.</p> <p>Goal 3 - Reduce greenhouse gas emissions.</p>	<ul style="list-style-type: none"> <li>• Work with the Railway Association of Canada and Environment Canada to fully implement the commitments negotiated under the Memorandum of Understanding, between 2006-07 and 2009-10.</li> </ul>	<ul style="list-style-type: none"> <li>• Reductions in emissions achieved due to the Memorandum of Understanding.</li> </ul>
<p><b>Challenge 5:</b> Improve performance of carriers and operators.  <a href="http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge5.htm">http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge5.htm</a></p>		
<b>5.1 Promote Best Practices for Environmental Management in the Transport Sector</b>		
<p>Goal 1 - Water – Clean and secure water for people, marine and freshwater ecosystems.</p> <p>Goal 2 - Clean Air – Clean air for people to breathe and ecosystems to function well.</p> <p>Goal 3 - Reduce greenhouse gas emissions.</p>	<ul style="list-style-type: none"> <li>• Complete business case by March 2008.</li> <li>• With the Transportation Association of Canada (TAC), compile a synthesis of practices on Environmental Management Systems (EMS) and include EMS how-to guidance material in 2007-08.</li> <li>• With International Civil Aviation Organization (ICAO) Committee on Aviation Environmental Protection (CAEP) Working Group 2, develop an Airport Air</li> </ul>	<ul style="list-style-type: none"> <li>• Usefulness of business case, including identified incentive opportunities, to advance the prospects of an environmental incentive program.</li> <li>• Number of TAC members that have developed and implemented EMSs for their respective organizations.</li> <li>• Publication of the Guidance Document.</li> </ul>

	Quality Guidance document by September 2007.	
<b>5.2 Marine Sector Pollution Control</b>		
<p>Goal 1 - Water – Clean and secure water for people, marine and freshwater ecosystems.</p>	<p><i>HNS spill response regime</i></p> <ul style="list-style-type: none"> <li>• Develop the legislative structure required to put a HNS regime in place together with the necessary regulations and standards starting in 2007-08.</li> <li>• Create the required HNS response mechanism to provide a nationally consistent method of responding to, and managing the response to marine HNS incidents and spills from ships and during the loading and unloading of ships at chemical handling facilities starting in 2007-08.</li> </ul> <p><i>National Aerial Surveillance Program</i></p> <ul style="list-style-type: none"> <li>• Continue to increase the effectiveness of the National Aerial Surveillance Program (NASP) by increasing the frequency of patrols and expanding surveillance to areas not normally patrolled, such as the Arctic.</li> <li>• Improve capability for observing, detecting and reporting illegal discharges and identifying the vessels that are responsible for polluting Canada’s marine environment. By 2007-08,</li> </ul>	<ul style="list-style-type: none"> <li>• Number of regulations and standards developed.</li> <li>• Effectiveness of national HNS incident response framework.</li> <li>• Number of pollution patrol hours flown in each Region - per month, per year.</li> <li>• Number of ship source pollution incidents and number of mystery spills detected - per mission, per month, per year.</li> <li>• Number of vessels visually observed and number identified by the aircraft’s Automatic Identification System – per hour, per mission, per month, per year.</li> </ul>

	<p>Transport Canada’s modernized Moncton-based Dash 8 aircraft will be fully operational with trained crews and by the end of 2008-09, an identical capability will be implemented on the West Coast.</p>	<ul style="list-style-type: none"> <li>• Number of prosecutions resulting from NASP pollution patrols – per year.</li> </ul>
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**Challenge 6:** Improve decision-making by governments and the transportation sector.  
<http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge6.htm>

**6.1 Transportation Data and Information**

<p>Goal 6 - Strengthen federal governance and decision making to support sustainable development.</p>	<ul style="list-style-type: none"> <li>• Conduct, on a regular basis, assessments to identify the most important data gaps with regards to transportation activity and energy use for all modes, between 2006-07 and 2009-10.</li> <li>• The department will work with partners, including Statistics Canada, to improve data collection on road vehicle use (including truck freight), in 2007-08.</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of the major data gaps and development of a strategy to address them.</li> <li>• Number of data collection initiatives related to road vehicle use.</li> </ul>
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**Challenge 7:** Improve management of Transport Canada operations and lands.  
<http://www.tc.gc.ca/programs/Environment/SD/sds0709/challenge7.htm>

**7.1 Transport Canada Environmental Management System**

<p>Goal 1 - Water – Clean and secure water for people, marine and freshwater ecosystems.</p> <p>Goal 3 - Reduce greenhouse gas emissions.</p> <p>Goal 4 - Sustainable Communities – Communities enjoy a prosperous economy, a vibrant and equitable society, and a healthy environment for</p>	<ul style="list-style-type: none"> <li>• Conformance with the environmental management system framework (see Appendix B of the sustainable development strategy) by 2009-10.</li> </ul>	<ul style="list-style-type: none"> <li>• Level of conformance with the environmental management system framework.</li> </ul>
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<p>current and future generations.</p> <p>Goal 5 - Sustainable development and use of natural resources.</p> <p>Goal 6 - Strengthen federal governance and decision making to support sustainable development.</p> <p><b>Building Energy</b>  <i>Goal:</i> To be a leader in the reduction of greenhouse gas and other air emissions through the optimization of energy efficiency and conservation, and the implementation of renewable energy technologies.</p> <p><b>Vehicle Fleet</b>  <i>Goal:</i> To be a leader in fleet management, so that planning, acquiring, managing and disposing of vehicles minimize negative effects on the environment.</p> <p><b>Green Procurement</b>  <i>Goal:</i> To be a leader by integrating environmental performance considerations into procurement including planning, acquisition, use and disposal.</p>		
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\* Note that this includes targets for the 2007-08 period. For more information, please refer to the sustainable development strategy.

## Table 12: Internal Audits and Evaluations

The Audit and Advisory Services is currently developing the audit plan for 2007-08 to 2009-10. Potential internal audits are identified based on a detailed assessment of risks and controls, and take into account external audits conducted by e.g., the Office of the Auditor General and the Public Service Commission. Internal audits may examine issues related to the department's strategic objectives, programs, activities and management processes. As per Government policy, audit reports are posted on Transport Canada's web site, subject to the provisions of the *Access to Information Act* and the *Privacy Act*.

Departmental Evaluation Services will conduct the following evaluations in 2007-08<sup>1</sup>:

1. Name of Evaluation	2. Evaluation Type	3. Status	4. Expected Completion Date	5. Electronic Link to Report
Aviation and Other, Non-Marine, Security Initiatives Under the Public Security and Anti-Terrorism Strategy	Operating Program and Transfer Payments	In-progress	December 2007	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Marine Safety	Operating Program and Transfer Payments	In-progress	August 2007	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
National Safety Code	Transfer Payments	In-progress	June 2007	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Advanced Technology Vehicle Program*	Operating Program	Planned	December 2007	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Canadian Business Aviation Association*	Transfer Payments	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>

<sup>1</sup> Please note that consultations on the Evaluation Plan have not yet been undertaken. The Annual Evaluation Plan will not be completed nor approved by Transport Canada's Management Executive Committee until April 2007 and as such, the above list is subject to change.

1. Name of Evaluation	2. Evaluation Type	3. Status	4. Expected Completion Date	5. Electronic Link to Report
Sustainable Development Strategy	Operating Program	Planned	September 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Federal Contaminated Sites Action Plan (Environment Canada Lead)	Operating Program	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Air Cargo Security Program	Operating Program	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Non-National Airport System (Non-NAS) Airport Divestiture Program	Transfer Payments	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Rideseure Contribution Program	Transfer Payments	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Grant to Close grade Crossings Program	Transfer Payments	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Transport of Dangerous Goods (TDG) and Road Safety	Operating Program and Transfer Payments	Planned	December 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Labrador Airstrip Program	Transfer Payments	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Contribution to PEI for Policing Services to the Confederation Bridge	Transfer Payments	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Competency- based Management	Other	Planned	March 2008	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>

1. Name of Evaluation	2. Evaluation Type	3. Status	4. Expected Completion Date	5. Electronic Link to Report
Transport Canada's Innovation and Skills Development	Operating Program	Planned	March 2009	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Urban Transportation Showcase Program	Transfer Payments	Planned	March 2009	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Airports Capital Assistance Program	Transfer Payments	Planned	March 2009	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Airports Operation and Maintenance Subsidy Program	Transfer Payments	Planned	March 2009	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Civil Aviation	Operating Program and Transfer Payments	Planned	March 2009	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Strategic Highway and Infrastructure Program – Border Crossing and ITS	Transfer Payments	Planned	March 2009	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Subsidized Ferry Services in Atlantic Canada	Transfer Payments	Planned	March 2010	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Funding for Regional and Remote Passenger Rail Services	Transfer Payments	Planned	March 2010	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
National Airports System	Policy	Planned	March 2010	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>
Outaouais Road Agreement Contribution	Transfer Payments	Planned	March 2010	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>



<b>1. Name of Evaluation</b>	<b>2. Evaluation Type</b>	<b>3. Status</b>	<b>4. Expected Completion Date</b>	<b>5. Electronic Link to Report</b>
Denmark Iceland Contribution	Transfer Payments	Planned	March 2010	<a href="http://www.tc.gc.ca/programevaluation/reports/menu.htm">http://www.tc.gc.ca/programevaluation/reports/menu.htm</a>

\* These evaluations were originally scheduled to begin in 2006-07 but were rescheduled to allow time for further collection of performance data.

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

## 4.1 Our Offices

### TRANSPORT CANADA HEADQUARTERS

**Web site:**

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

**Mailing Address:**

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

**General Enquiries:**

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

**Library and Research Services Centre:**

Telephone: 613 998-5128

### TRANSPORT CANADA OFFICES

**Web site:**

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

### TRANSPORT CANADA REGIONAL OFFICES

**Atlantic Region**

95 Foundry Street  
Moncton, New Brunswick  
E1C 8K6  
Telephone: 1-800-387-4999

**Quebec Region**

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

**Ontario Region**

4900 Yonge Street  
Toronto, Ontario  
M2N 6A5  
Telephone: 416 952-0154

**Prairies and Northern Region**

344 Edmonton Street  
Winnipeg, Manitoba  
R3C 0P6  
Telephone: 204 983-3152

**Pacific Region**

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

## 4.2 Key Links for More Information

Advanced Technology Vehicles program at

<http://www.tc.gc.ca/programs/environment/atvpgm/menu.htm>

Airports Capital Assistance Program at <http://www.tc.gc.ca/programs/airports/acap/menu.htm>

Bridge Governance at <http://www.tc.gc.ca/programs/Surface/bridges/menu.htm>

Canada's Performance 2006 at [http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc\\_e.asp](http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc_e.asp)

*Canada Shipping Act: Canada Shipping Act 2001* and other safety regime initiatives at

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

Canada Strategic Infrastructure Fund (CSIF) and Border Infrastructure Fund (BIF) at

[http://www.infrastructure.gc.ca/ip-pi/index\\_e.shtml](http://www.infrastructure.gc.ca/ip-pi/index_e.shtml)

Canadian Air Transport Security Authority at <http://www.catsa-acsta.gc.ca/english/index.shtml>

Civil Aviation - Safety Management System at

<http://www.tc.gc.ca/CivilAviation/SMS/implementation.htm> .

ecoFreight at <http://www.tc.gc.ca/programs/environment/ecotransport/ecofreight.htm>

ecoMobility at <http://www.tc.gc.ca/programs/environment/ecotransport/ecomobility.htm>

ecoTechnology for Vehicles Program at

<http://www.tc.gc.ca/programs/environment/ecotransport/ecotechnologyvehicles.htm>

Fuel Consumption Program at <http://www.tc.gc.ca/programs/environment/fuelpgm/menu.htm>

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

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

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

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

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

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

Transport Canada's Sustainable Development Strategy 2007-2009 at <http://www.tc.gc.ca/programs/environment/sd/sds0709.htm> and climate change policy analysis and development at <http://www.tc.gc.ca/programs/environment/climatechange/menu.htm>

TC Environmental Assessments at <http://www.tc.gc.ca/programs/environment/environmentalassessment/menu.htm>

Transport Canada Environmental Affairs at <http://www.tc.gc.ca/programs/environment/menu.htm>.

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