



Ministry of
Transportation

2008/09 – 2010/11
Service Plan

February 2008



National Library of Canada Cataloguing in Publication Data

British Columbia. Ministry of Transportation
Service Plan. — 2002/2003/2004/2005 —

Annual.

Continues: British Columbia. Ministry of Transportation Service Plan.
ISSN 1499-8025 = Service plan - British Columbia

1. British Columbia. Ministry of Transportation —
Periodicals. 2. Transportation and state — British Columbia —
Periodicals. 3. Roads — British Columbia —
Periodicals. I. Title. II. Title: Ministry of Transportation
annual service plan.

HE215.Z7B74 354.77'09711'05 C2002-960010-3

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Published by the Ministry of Transportation



Message from the Minister and Accountability Statement

This service plan lays out the Ministry of Transportation's goals for the next three years as we continue to expand, improve and strengthen our transportation system. As transportation accounts for approximately 40 per cent of greenhouse gas emissions, the Ministry of Transportation is also seeking to find alternatives to the way we move people.

Our new \$14-billion Provincial Transit Plan signals a major improvement in transit for British Columbia. With investments in new rapid transit lines, RapidBus networks and expanded bus service the Plan aims to double ridership across B.C. The Plan will produce 200 million new transit trips and eliminate 160 million car trips annually by 2020 — equivalent to parking all the cars and light trucks in the Lower Mainland for one year.

The ability to cycle or walk to one's destination will be another way to move beyond cars as the only transportation option. We will make cycling an easier choice through the implementation of new intersections, bike lanes and trails, expanded shoulders, and by leveraging our investment with partnering communities. This will include cycling infrastructure to allow bikes to cross the future new Port Mann Bridge.

Safe, efficient, and effective movement of people and goods on our highways will also remain part of the transportation solution, and cars will continue to be one of a widening range of choices to the public. A rapidly growing population, combined with our efforts to ensure B.C.'s role as the Pacific Gateway to the booming economies of Asia will mean more people and goods travelling on our highways. The \$3 billion Gateway program in the Lower Mainland is designed to support this by reducing congestion and eliminating the Port Mann bottleneck. A new Port Mann Bridge and significant Highway 1 improvements will ensure rapid buses, cyclists and pedestrians can all move more easily through the corridor. In addition, the South Fraser Perimeter Road is well along in the development process, while construction continues on the new seven-lane Pitt River Bridge, part of the North Fraser Perimeter Road. Improvements to the Sea-to-Sky Highway remain on schedule.

Throughout B.C. we are improving our highway system. Major upgrades in the Kicking Horse Canyon, including the newly completed Park Bridge, will address long-standing reliability issues for truckers and travellers. The William R. Bennett Bridge in the Okanagan will open this summer, relieving one of the province's worst congestion sites. The expanded facilities at Roberts Bank, the new world-class container terminal at the Port of Prince Rupert and other

upgrades connecting road and rail facilities are helping to secure B.C. as the Pacific Gateway. The use of innovative Public-Private Partnership agreements has resulted in on-schedule delivery and cost savings for all the major projects delivered through the P3 structure. We also continue to work effectively with our federal partners on projects of national consequence.

Our successes and our ambitious plans would not be possible without the exceptional team of dedicated individuals within the Ministry.

The Ministry of Transportation *2008/09–2010/11 Service Plan* was prepared under my direction, in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of February 13, 2008, have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

A handwritten signature in black ink, appearing to read 'Kevin Falcon', with a long horizontal flourish extending to the right.

Honourable Kevin Falcon
Minister of Transportation

February 13, 2008

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Purpose of the Ministry

The Ministry of Transportation plans transportation networks, provides transportation services and infrastructure, develops and implements transportation policies, and administers many transportation-related acts and regulations.

The Ministry is committed to opening up B.C. through innovative, forward-thinking transportation strategies that move people and goods safely throughout B.C., while helping maintain our provincial economy.

To accomplish its mandate, the Ministry:

- Develops provincial transportation plans to expand and integrate various modes of transportation in consultation with local and regional authorities and stakeholder groups, and in cooperation with the transportation-related Crown corporations;
- Pursues policies and other initiatives to enhance the competitiveness of British Columbia's ports and airports which are gateways for economic growth and development;
- Works with partners and other levels of government, and provides funding, for the development and delivery of cost-effective public transit, ferry services, and cycling networks;
- Builds highway infrastructure to fulfill the economic and social needs of British Columbians;
- Maintains highways to a high standard through contracts with private sector road maintenance providers;
- Undertakes vehicle safety inspections and sets commercial vehicle operating standards;
- Licenses and regulates commercial passenger transportation; and
- Operates in cooperation with the BC Transportation Financing Authority (BCTFA) which is a Crown corporation that supports the financing of the capital program.

Information regarding the Ministry's Core Business Areas can be found on the Ministry website at: www.th.gov.bc.ca/publications/ministry_reporting/documents.htm.

Legislation governing the Ministry's activities can be found on the Ministry website at: www.th.gov.bc.ca/key_initiatives/legislation/statutes.htm.

The Minister of Transportation is also responsible for British Columbia Railway Company (BCRC), BC Transit and Rapid Transit Project 2000 (RTP 2000). The Rapid Transit Project 2000 completed its mandate to build the Millennium Line and closed its project office as of June 30, 2006. The Ministry is responsible for any continuing RTP 2000 administration and financial reporting.

Information on BCRC and BC Transit can be found at:

www.bctransit.com/.

www.bcrproperties.com/bcrco/.

Strategic Context

Several factors have been and will be shaping the development and execution of the Ministry's programs. Chief among these are:

1. The need to reduce greenhouse gas emissions from the transportation sector and contribute to achievement of the government's overall reduction goal;
2. The need to put in place policies and infrastructure to realize the economic development opportunities afforded British Columbia by the rapid growth in Asia Pacific trade;
3. The need to renew aging infrastructure;
4. The need to accommodate a growing and increasingly urbanized population; and
5. The need to put in place infrastructure to accommodate the evolving economies of many areas of the province, occurring in response to the pine beetle infestation and other factors.

Climate Change and Population Growth Transportation accounts for about 40 per cent of the greenhouse gas emissions in the province. Automobiles alone account for 16 per cent of greenhouse gas emissions and therefore, the strategy for reducing these emissions must entail significant investment in transit infrastructure and services, and cycling facilities. This is required to provide alternatives to single-occupant vehicle use, and to support the development of denser communities to accommodate the growing population. The development of denser communities will, in turn, not only encourage further transit use but also walking as an alternate mode to gain access to nearby services. Volatile but generally rising prices for petroleum-based products will also change travel behaviour and shift mode preferences away from single-occupant vehicles.

Getting people out of cars cannot by itself achieve the desired result. Initiatives are also required to reduce emissions from the automobiles that will continue to be used, and from buses, trucks, trains, planes and ships. To a large extent, the focus here will need to be on reducing fuel consumption through the development and adoption of new emission standards and through incentives to encourage the deployment of new technologies.

New Relationship The Government of British Columbia is leading the nation in developing a New Relationship with First Nations and Aboriginal people. By working together, we will bring tangible social and economic benefits to Aboriginal people across the province. Ministry of Transportation is proactively seeking partnership opportunities with First Nations to stimulate First Nations' economic development by improving commercial access from Indian reserve land to the transportation system, involving First Nations in the delivery of regional and major projects, and resolving highway tenure issues through Indian reserves. Ministry of Transportation

assists Ministry of Aboriginal Relations and Reconciliation in developing a policy framework to support government's strategic vision and great goal of creating more jobs per capita than anywhere else in Canada, including First Nations and Aboriginal people.

Growth in Asia Pacific Trade Canada's continued economic prosperity depends upon its success in world trade. A fundamental shift is taking place in the global economy with Asia occupying an increasingly central role. Economic growth in places like China, India, South Korea, and Japan offers businesses in British Columbia and the rest of Canada enormous opportunities to expand trade and tap into existing markets as well as establish new ones.

China is Canada's second largest trading partner and British Columbia's largest offshore trading partner. By 2020, China is forecast to be the world's second largest economy and trade between China and North America is expected to increase by 300 per cent (from 2006 level).

India and other Asian nations, with their newly thriving economies, also have the potential to become far more significant trading partners for both Canada as a whole and B.C. in particular. India's forecast annual economic growth rate of 8.2 per cent over the next 20 years is expected to place the country amongst the most powerful economies in the world.

British Columbia's geographic location gives us a tremendous natural advantage as a gateway between Asia and North America. Canada's west coast ports, airports and supporting road and rail networks have enormous potential to capture significant opportunities being presented by the growth in trade. The Ministry is working with all levels of government and industry to facilitate the development of Canada's Pacific Gateway to benefit the economies of British Columbia and Canada. The government's Ports Strategy has set a goal of expanding British Columbia's share of west coast Asia Pacific container traffic from 9 to 17 per cent by the year 2020, thereby creating 32,000 jobs in the province and increasing the provincial gross domestic product by \$2.2 billion.

Changing Regional Economies Additional log and forest product hauls from accelerated harvests triggered by the mountain pine beetle epidemic, projected to peak in 2013 and continue for some years after, will require additional investment in affected road networks, including more maintenance and rehabilitation due to additional wear and tear. This is required not only to facilitate the increase in industrial traffic, but also to ensure roads remain usable by other users.

Oil and gas development is continuing to expand to areas of B.C. other than the North-East Region. This requires the continued provision of side road networks for all season access by heavy vehicles, and will also require increased maintenance and rehabilitation due to additional wear and tear.

Aging Infrastructure Aging infrastructure will generate the need for continued investment to keep British Columbia competitive.

Security Concerns about the safety of the transportation network requires more enhanced security measures. Trade protectionism may disrupt cross-border trade in spite of infrastructure improvements.

Weather Natural weather occurrences such as slides, floods, avalanches, earthquakes and fires are highly unpredictable and could result in major disruptions to the transportation system.

Inflation Increasing costs of fuel, construction materials and services will also place pressure on limited Ministry resources.

The significance of the above factors is reflected in the goals, objectives and strategies the Ministry is pursuing. Reducing greenhouse gas emissions from the transportation sector is a primary goal of the Ministry. It is being pursued through measures to increase the use of transit, cycling and other alternatives to the single-occupant vehicle; and through measures to reduce fuel consumption by cars, trucks trains, planes and ships. Transit investment is also vital to meeting the needs of an increasing and urbanizing population. In response to growing Asia Pacific trade, the Ministry is pursuing measures to improve road and rail access to the major economic gateways; and is leveraging provincial resources with funding from, and coordination with partners, including the federal government. Maintaining our transportation infrastructure and meeting the needs of changing regional economies will entail, among other measures significant investment in maintaining or improving interior and rural side road networks.

Goals, Objectives, Strategies and Performance Measures

The Ministry of Transportation has the following goals:

- Reduction of greenhouse gas for the transportation sector;
- Key transportation infrastructure is improved to drive economic growth and trade;
- British Columbia is provided with a safe and reliable highway system;
- British Columbia's transportation industries become more globally competitive; and
- Excellent customer service.

Goal 1: Reduction of greenhouse gas for the transportation sector

Objective 1.1: Increase use of transit, cycling and other alternative modes of personal transportation

Strategies

- Build rapid transit backbone and supportive rapid and frequent bus service to create rider options;
- Invest in public transit infrastructure;
- Improve HOV and transit priority measures;
- Encourage increased land use density around transit stations and along transit corridors through policy and funding agreements; and
- Invest in an integrated cycling and walking network.

Performance Measure 1: Transit ridership

Performance Measure	2007/08 Forecast	2008/09 Target	2009/10 Target	2010/11 Target
Annual public transit ridership in B.C.	219 million	225 million	235 million	248 million

Data Source: Estimates of future public transit ridership provided by BC Transit and TransLink.

Discussion

Transit ridership, the number of rides taken by people using public transit over a set period of time, is a measure that allows the Province to monitor the success of transit investments over time. The targets above are combined forecasts from BC Transit and TransLink. In Metro Vancouver the Canada Line is scheduled for completion late in 2009, making the first full year of operation 2010. Overall, more than 75 per cent of the provincial ridership occurs in Metro Vancouver.

Objective 1.2: Improve supply chain efficiency for the movement of goods

Strategies

- Reduce ship wait times in harbour;
- Reduce ship idling through port electrification;
- Reduce truck idling minimizing wait times and empty kilometres travelled;
- Build rail grade separations; and
- Freeing up road capacity for goods movement through reducing the use of single occupant vehicles.

Objective 1.3: Reduce greenhouse gases through the adoption of new technologies

Strategies

- Support the development of the hydrogen highway;
- Put into operation the world's first fleet of hydrogen-powered buses;
- Electrify truck stops to reduce idling;
- Increase the use of weigh-in-motion technology to reduce the need for trucks to stop and idle at inspection stations (formerly known as weigh scales); and
- Implement intelligent traffic control systems to reduce idling and create time advantages for transit.

Goal 2: Key transportation infrastructure is improved to drive economic growth and trade

Objective 2.1: Improved mobility servicing major economic gateways

Strategies

- Improve mobility and reliability and reduce bottlenecks on major urban and rural trade corridors using partnership cost-sharing where feasible;
- Reduce congestion at inspection stations by relocating and/or redesigning them, and by using intelligent transportation systems to process truck traffic more efficiently; and
- Reduce congestion at Canada/USA border crossings through the use of intelligent transportation systems initiatives.

Objective 2.2: Identify and select priority improvement projects

Strategies

- Identify key safety and mobility improvements to enhance the movement of goods;
- Develop options for improvements;
- Evaluate and prioritize options;
- Develop business cases for individual projects; and
- Amalgamate into integrated investment strategy.

Objective 2.3: Available provincial investment dollars are used as effectively as possible

Strategies

- Complete projects on budget and on time;
- Develop public-private partnerships in consultation with Partnerships BC, where appropriate;
- Capture value from surplus lands to fund transportation improvements; and
- Secure federal funding for transportation projects in British Columbia.

Performance Measure 2: Project performance

Performance Measure	2007/08 Forecast	2008/09 Target	2009/10 Target	2010/11 Target
The percentage of projects that meet their budget and schedule.	91%	91.5%	91.5%	91.5%

Data Source: Ministry of Transportation.

Discussion

The constant targets represent the Ministry's ability to maintain a high level of achievement even with the challenges of fluctuating costs of materials and escalating labour costs.

Goal 3: British Columbia is provided with a safe and reliable highway system

Objective 3.1: Contractors maintain the provincial highway system to a high standard

Strategy

Administer the highway maintenance contracts and assess, through the Contractor Assessment Program, how well the contractors are delivering their services.

Performance Measure 3: Contractor assessment

Performance Measure	2007/08 Forecast	2008/09 Target	2009/10 Target	2010/11 Target
Rating of the maintenance contractors' performance using Contractor Assessment Program.	92%	92.5%	92.5%	92.5%

Data Source: Ministry of Transportation, Construction and Maintenance Branch. The data are based on the results of local and regional audits, and road user satisfaction ratings obtained through stakeholder assessments. Key stakeholders such as the RCMP, emergency response providers, trucking firms and bus lines in each service area are asked to rate their level of satisfaction with road maintenance activities such as snow removal, mowing, patching and sign maintenance. Results are included, for the assessment period of October 1st to September 30th of each year.

Discussion

Ratings measure whether the contractors exceed contract requirements based on the results of local and regional assessments and road user satisfaction ratings. Contractors that exceed basic requirements are entitled to a bonus. A rating between 85 and 90 per cent warrants a 1 per cent bonus, between 90 and 95 per cent warrants a 1.5 per cent bonus, and above 95 per cent warrants a 2 per cent bonus. The performance measure is a provincial average of the combined summer and winter ratings for all 28 contractors in the province. Effective in the winter of 2006/07, all contractors are assessed using the Contractor Assessment Program.

The targets remain at a constant level of 92.5 per cent which reflects a level of effort significantly above the required basic maintenance contract service levels and amongst the highest levels across Canada. The ability to achieve a rating at this level is influenced by many factors including the extent and severity of winter as well as how a contractor plans and executes their work in a proactive manner.

Objective 3.2: The main highway system is rehabilitated on a lowest life-cycle cost basis

Strategies

- Maintain the current condition of the main highway system (roads and structures) and mitigate the onset of deterioration in ways that provide the “least cost over the life-cycle” of the infrastructure; and
- Systematically assess the condition of the main highways to determine which needs should take priority in the annual resurfacing and structure rehabilitation and replacement programs.

Objective 3.3: Improved road access for resource industries and rural residents

Strategies

- Strategically invest in roadway rehabilitation and improvements on the roads serving industry and rural residents as follows:
 - Interior and Rural Side Roads Program – Invest \$55 million in 2008/09, and \$50 million per annum for 2009/10 and 2010/11;
 - Heartlands Oil and Gas Road Rehabilitation Strategy – Invest \$42 million in 2008/09; and
 - Support British Columbia’s Mountain Pine Beetle Action Plan, through the strategic investment of \$30 million per annum in 2008/09, 2009/10 and 2010/11.

Objective 3.4: Improved highway safety and reliability

Strategies

- Monitor highway safety and improve high-risk locations in consultation with local and regional authorities and stakeholders;
- Maximize highway safety and reliability through both safety-focused enhancements and low-cost improvements, such as signs, lighting, and lane markings; and
- Work with safety partners such as the Insurance Corporation of British Columbia, the RCMP, and the Ministry of Public Safety and Solicitor General to identify areas for safety improvements.

Performance Measure 4: Highway safety

Performance Measure	2007/08 Forecast	2008/09 Target	2009/10 Target	2010/11 Target
Crash reduction after construction on safety improvement capital projects.	152 crashes	8% reduction from baseline	15% reduction from baseline	21% reduction from baseline

Data Source: The crash data is gathered by the RCMP as part of its on-site crash investigation. The RCMP then passes the data to ICBC. The data (provincial roads only) are then passed on to the Ministry and input into the Highway Accident System. Data reliability are dependent on RCMP attendance at crashes and the accuracy of the form completion. Safety data reliability are proportional to the length of the reporting period.

Discussion

The table displays the new baseline and targets compiled from 19 new projects as most original projects have been completed with crash reductions well exceeding the targets. This substantial crash reduction was reported in the 2006/07 Annual Service Plan Report.

A comparison is made between baseline measures prior to safety improvements and the measured results after these safety improvements. A minimum of three years (preferably five years) of crash data is required after the completion of a project in order to determine a trend as to how well the project has improved safety. For adequacy of statistical analysis, a sampling of 19 projects across the province is used. Data on the safety performance of these projects will be aggregated and reported on an annual basis.

The estimations for the projected annual reduction targets are based on project specific improvements and anticipated project completion dates.

Objective 3.5: Effective road safety enforcement, education and programs for the commercial transport industry

Strategies

- Establish and enforce regulations to enhance vehicle safety in British Columbia;
- Work with other jurisdictions to co-ordinate and harmonize commercial transport and vehicle safety standards;
- Introduce systems improvements to enhance the quality and timeliness of commercial vehicle safety data for law enforcement; and
- Implement technologies to enhance safety and improve efficiency for the commercial transport industry.

Goal 4: British Columbia's transportation industries become more globally competitive

Objective 4.1: Developing Canada's Pacific Gateway

Strategies

- Implement the Pacific Gateway Action Plan;
- Work closely with other levels of government and stakeholders to achieve the objectives of the British Columbia Ports Strategy; and
- Provide leadership through the Pacific Gateway Executive Committee.

Performance Measure 5: Container traffic growth

Performance Measure	2007/08 Forecast	2008/09 Target	2009/10 Target	2010/11 Target
Growth in container volume handled at west coast ports in TEUs (twenty-foot equivalent units).	2.64 million TEUs	2.88 million TEUs	3.14 million TEUs	3.52 million TEUs

Data Source: Growth in container volumes is based on traffic statistics reported annually by British Columbia's key trading ports. This includes the ports of Vancouver and Fraser River. Volumes handled at the new container terminal at the Port of Prince Rupert, which began operations in the Fall of 2007, will be included in future statistics. TEUs are twenty foot equivalent units, a standard measure for containers where one TEU = one 20 foot container.

Discussion

The growth targets reflected are consistent with Canada's Pacific Gateway Strategy forecast demand in container traffic for the noted years.

Growth in container volumes is based on traffic statistics reported annually by British Columbia's key trading ports. This growth is driven by market demand but influenced by a multitude of factors such as provision of appropriate infrastructure, creation of sufficient capacity to accommodate demand, a supportive policy environment for trade and investment, and sound security measures. The Ministry has a role to play in creating a competitive industry environment with the federal government through policy and legislation which supports industry investment and decisions.

Through Canada's Pacific Gateway Strategy, the Ministry also facilitates communication, coordination and information-sharing across the transportation supply chain. The Ministry has direct responsibility for implementing road and bridge improvements such as the Gateway Program, the Border Infrastructure Program, and the Kicking Horse Canyon Project, which are integral components of the transportation supply chain.

Goal 5: Excellent customer service

Objective 5.1: Continue to improve service levels to the British Columbia business community

Strategies

- Participate in cross government integration of permitting;
- Streamlined application and review processes for rural sub-divisions; and
- Implement online application and tracking tools to support reduced turn-around times.

Objective 5.2: Excellent customer service is provided to all British Columbians

Strategies *Continuous improvement of Ministry services*

- Undertake annual surveys and focus group sessions to measure general highway users and stakeholder groups' satisfaction with Ministry services;
- Analyze feedback to develop and implement action plans based on public priorities;
- Develop and utilize leading technology to communicate current highway information to the public through systems such as Drive BC, Ministry web cams, and changeable message signs — toll-free services; and
- The Ministry, in partnership with its maintenance and construction contractors, will engage highway users at public information sessions, regarding highway maintenance and improvement projects.

Continuous Service Improvement Example:

Ministry Development Approvals staff across the province guide development and special events activities to balance the diverse public interests in highways and rural lands. Through collaboration with all levels of government, orderly growth is facilitated while sustaining safe and timely highway travel.

Complete information is available online to help everyone from developers to marathon organizers expedite their plans. Full electronic processing will be available soon.

Performance Measure 6: Customer service

Performance Measure	2007/08 Forecast	2008/09 Target	2009/10 Target	2010/11 Target
Customer Satisfaction Survey: Stakeholder satisfaction with existing Ministry services and delivery processes, rated on a scale of 1 to 5.	3.89	4.05	4.10	4.10

Data Source: BC Stats conducted 2,500 surveys to internal and external clients on behalf of the Ministry to ensure validity of the results. The 2007 survey results allowed the Ministry to benchmark service delivery changes with all business unit, district and regional stakeholders while measuring customer satisfaction against previous year performance and projected targets. The margin of error was calculated for five key questions. Therefore, based on the five common questions used in the Customer Service Index, the margin of error was + 0.04 at the 95% confidence level. In other words, results presented in this report for the key customer service questions are accurate to within 0.04 on the 5 point scale 19 times out of 20.

Discussion

The Ministry annually surveys key stakeholders such as: commercial highway operators, developers, emergency services, resource industry, highway construction and maintenance companies, business groups, First Nations, and general highway users.

The Ministry uses the survey results to identify areas and processes to improve service delivery. The constant targets for 2009/10 onwards represent the Ministry's ability to consistently deliver good customer service. Currently, Ministry results and targets exceed the ratings of other provincial governments, specific to transportation-related services.

Resource Summary

Resource Summary Table

Core Business Areas	2007/08 Restated Estimates ¹	2008/09 Estimates	2009/10 Plan	2010/11 Plan
Operating Expenses (\$000)²				
Transportation Improvements	19,557	30,405	30,976	30,726
Public Transportation ³	382,371	429,366	457,946	494,566
Highway Operations	464,131	494,450	482,929	479,430
Commercial Passenger Transportation Regulation	2,581	2,610	2,639	2,639
Executive and Support Services	13,386	13,722	13,851	13,853
Total	882,026	970,553	988,341	1,021,214
Full-time Equivalents (Direct FTEs)				
Transportation Improvements	364	383	383	383
Public Transportation	2	20	20	20
Highway Operations	948	943	943	943
Commercial Passenger Transportation Regulation	25	25	25	25
Executive and Support Services	110	110	110	110
Total	1,449	1,481	1,481	1,481
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Transportation Improvements	676	637	519	679
Highway Operations	8,136	7,623	7,926	7,876
Commercial Passenger Transportation Regulation	400	325	160	50
Executive and Support Services	20	70	50	50
Total	9,232	8,655	8,655	8,655

Ministry of Transportation

Core Business Areas	2007/08 Restated Estimates ¹	2008/09 Estimates	2009/10 Plan	2010/11 Plan
Other Financing Transactions (\$000)				
Receipts	0	0	0	0
Disbursements – Public Transportation ⁴	17,885	39,233	99,393	20,500
Net Cash Source (Requirements)	(17,885)	(39,233)	(99,393)	(20,500)
Revenue (\$000)				
Total Receipts ⁵	99,661	102,181	104,607	107,107

¹ These amounts have been restated for comparative purposes only, to be consistent with Schedule A of the 2008/09 *Estimates*.

² Operating expenses are reported net of funding from external sources, primarily the BC Transportation Financing Authority (see next page).

³ Public Transportation: Operating Expenses include government contributions towards public transit and coastal ferry services, as well as amortization and debt servicing costs on funds advanced for capital projects.

⁴ Other Financing Transactions: Disbursements — Public Transportation includes funds advanced for capital projects.

⁵ The majority of the Ministry's revenue comes from Coquihalla Tolls (approximately \$56 million annually) and the federal contribution to coastal ferry service (approximately \$27 million annually).

BC Transportation Financing Authority — Statement of Earnings

	2007/08 Forecast	2008/09 Budget	2009/10 Plan	2010/11 Plan
Revenue (\$000)				
Dedicated taxes ¹	442,000	453,000	461,000	470,000
Amortization of deferred contributions ²	151,107	146,032	142,477	139,368
Other revenue ³	56,943	64,567	66,481	92,711
Total	650,050	663,599	669,958	702,079
Expenditures (\$000)				
Amortization	322,213	335,494	353,756	368,822
Interest ⁴	197,040	251,477	306,957	372,166
Interior and rural side roads ⁵	35,000	25,000	23,000	23,000
Grant programs ⁶	132,745	25,528	35,000	48,500
Operations and administration	43,502	42,015	48,823	44,981
Total	730,500	679,514	767,536	857,469
Net Earnings (Loss) (\$000)				
Net Earnings (Loss)	(80,450)	(15,915)	(97,578)	(155,390)
Capital Plan (\$000)⁷				
Transportation Improvements	943,495	781,337	525,540	548,993

¹ Dedicated taxes include 6.75 cents per litre motor fuel tax and a provincial sales tax on short-term car rentals of \$1.50 per day.

² Contributions towards capital assets are deferred and amortized to income at the same rate as the related highway infrastructure is amortized to expense.

³ Other revenue includes property and economic development revenues.

⁴ Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.

⁵ Improvements to interior and rural side roads are included in capital expenditures; repairs are expensed. Total interior and rural side roads program is \$75 million per year to the end of 2007/08, then \$55 million for 2008/09 and \$50 million for 2009/10 and 2010/11.

⁶ Grant programs include grants paid under the transportation partnerships program for cycling, ports and airports, the provincial contribution to the Canada Line rapid transit project, and other projects.

⁷ Capital Plan numbers are net of federal funding.

Major Capital Projects

Kicking Horse Canyon

Objective Upgrade the 26-kilometre section of the Trans-Canada Highway to a modern, four-lane standard from the junction of Highway 95 at Golden to the western boundary of Yoho National Park. This highway corridor was originally constructed throughout the 1950s and is mostly two lanes wide. It is an important route for tourism and inter-provincial trade, serving as a gateway between British Columbia and the rest of North America. Additionally, by connecting remote resource extraction sites with processing, manufacturing and distribution centres, this portion of the Trans-Canada Highway is a key part of our province's resource economies, particularly forestry and mining.

The Kicking Horse Canyon Project has four phases, of which the first two, the \$64 million Yoho Bridge and the \$143 million Park Bridge are complete and in use.

Costs The total cost was \$207 million for the first two phases. The estimate for Phase 3 is \$134.5 million.



Phase 2, 10 Mile (Park) Bridge opened to traffic August 31, 2007

Phase 3: Phase 3 has been separated into 2 segments: Golden Hill to West Portal and Brake Check to Yoho National Park. Federal funding partnership has been secured under the Building Canada Fund. The final Phase (4), includes the challenging and costly tunnel segment where future federal funding programs will be pursued.

Benefits:

- Safer roads and increased capacity on a critical provincial and national gateway;
- Fewer road closures due to slides and accidents; and
- Economic development through increased tourism and more efficient movement of goods and services.

Risks:

- Challenging climatic and geographic conditions; and
- Managing traffic during construction.

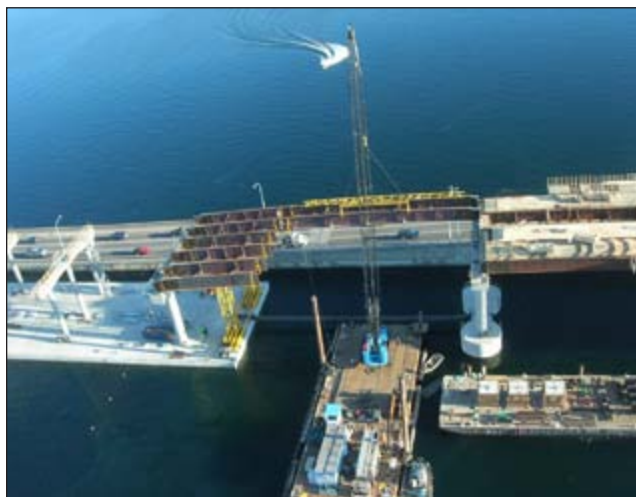
William R. Bennett Bridge

Objective Construct a new five-lane bridge to replace the existing 49-year-old Okanagan Lake Bridge which is now at the end of its economic and useful life, and reduce the increasing traffic congestion in Kelowna. A competitive procurement process resulted in the selection of SNC-Lavalin as the private partner to design, build, finance and operate the new bridge and related improvements to the highway approaches.

Costs The bridge and east approach capital improvements (design and construction) are estimated to cost \$185 million.

Benefits:

- Improved safety for all lake crossing traffic;
- Substantial time and cost savings for the 50,000 daily bridge users;
- Reduced congestion and travel time through the elimination of the conflict between marine and bridge traffic;
- Major reduction in carbon generation through reduced congestion;
- Anticipated savings of up to \$25 million over the 30-year life of the partnership agreement compared to conventional project delivery;
- Reliable 75-year life for the new bridge; and
- Economic development through increased tourism and more efficient movement of goods and services.



Installation of the Transition Span Girders

Risk:

Engineering and construction challenges, which are substantially transferred to the private sector through the public-private partnership.

Sea-to-Sky Highway Improvement Project

Objectives Implement extensive improvements to the existing highway between Horseshoe Bay and Whistler to improve safety, reliability and mobility. The improvements will make travel along the corridor safer for residents, commuters, tourists and businesses moving goods.

Costs The Ministry chose a combination of procurement methods to deliver the highway improvements on the Sea-to-Sky corridor. Approximately two-thirds of the capital expenditures for the overall project are being undertaken through a 25-year performance-based public-private partnership between the Ministry and the S2S Transportation Group. The total authorized capital budget for the project is \$796 million. The project is on schedule for completion in Fall 2009.

Learn more about the project at www.seatoskyimprovements.ca.

Further information about the Concession Agreement and the Province's capital investment, visit: www.partnershipsbc.ca/files/project-seatosky.html.

Benefits:

- A safer road;
- Increased capacity;
- Reduced vehicle operating costs;
- Fewer road closures due to slides and traffic incidents; and
- First Nations' participation and opportunities.

Risks:

- Difficult terrain and unstable areas that the highway crosses;
- The need to keep a large volume of traffic flowing while carrying out the improvements; and
- The need to address municipal, First Nations, community and environmental issues.



*Sea-to-Sky Highway Improvement Project:
Newly completed section through Furry Creek*

Pitt River Bridge and Mary Hill Bypass/Lougheed Highway Interchange

Objective Construct a new high level six-lane bridge with an auxiliary eastbound truck lane to replace the existing Pitt River swing bridges connecting Pitt Meadows to Port Coquitlam. Construct a new interchange at the west end of the new bridge and provide intersection improvements to Lougheed Highway and Kennedy Road.

Costs The bridge and interchange project is estimated to cost \$198 million. The federal government has announced a contribution of \$90 million for the project.

Benefits:

- Increased safety as a result of the elimination of a major intersection and counter-flow system, as well as a new dedicated pedestrian and cyclist pathway. The new bridge also enhances safety for marine navigation;
- Replacement of the two existing swing bridges will increase the reliability of the Pitt River crossing as well as ensure the free-flow of marine traffic in the Pitt River. The new bridge will also create more reliable transit times;
- The new bridge will improve traffic movement and reduce congestion by maintaining seven general travel lanes, 24 hours per day, eliminating backups caused by the current counter-flow system;
- The environmental benefits of the project include reducing impacts on the river with significantly fewer piers than the existing swing bridges. The removal of the existing swing bridges eliminates the 18 piers that support them as well as allowing for the rehabilitation of land underneath and alongside the new bridge; and
- The project has the flexibility to meet changing traffic demand. The bridge will be built to accommodate eight lanes in the future, four in each direction, which can be dedicated for HOV as the rest of the HOV network expands. The bridge will be designed to accommodate future rapid transit.

Risk Interruptions to construction due to the need to keep a large volume of traffic moving.

South Fraser Perimeter Road

Objective The South Fraser Perimeter Road Project, approximately 40 km long, is a new four-lane, 80 kilometres per hour route along the south side of the Fraser River extending from Deltaport Way in Southwest Delta to 176th Street, connecting to Highway 1, and to

approximately 184th Street in Surrey where it will link with TransLink's future Golden Ears Bridge. With connections to Highways 1, 15, 91, 99 and 17, and the Golden Ears Bridge, the route will take a significant step toward completing the network of major roads in the region.

Subject to the environmental assessment review currently underway, the initial phase of the project includes commencing pre-loading in areas with soft soils along the entire corridor, relocating utilities and completing property acquisition.

Costs The total cost of the project is estimated at approximately \$1 billion dollars. A federal contribution of \$365 million for the corridor has been confirmed.

Benefits:

- Improved movement of people and goods through the region via enhanced connections to the Provincial highway network;
- Reduced east-west travel times, particularly for heavy truck movements by providing a continuous highway along the south side of the Fraser River;
- Improved access to major trade gateways and industrial areas, and enhanced development in designated industrial areas along the south side of the Fraser River;
- Improved safety and reliability; and
- Restored municipal roads as community connectors by reducing truck traffic on municipal road networks.

Risks:

- Property cost escalation in key industrial areas due to rapidly expanding development; and
- Construction on soft soils.

Port Mann Bridge/Trans-Canada Highway

Objective The Port Mann/Highway 1 project includes widening the highway, twinning the Port Mann Bridge, upgrading interchanges and improving access and safety on Highway 1 from the McGill interchange in Vancouver to 216th Street in Langley, a distance of approximately 37 kilometres. The pre-design concept includes congestion-reduction measures such as high occupancy vehicle lanes, new transit and commercial vehicle priority access to highway on-ramps, improvements to the cycling network and a toll on the Port Mann Bridge. As well, the new Port Mann Bridge will be built to accommodate future light rail transit.

Current work includes advancing the project through an environmental assessment review and selecting a proponent through the Request for Proposal process.

Costs The bridge and highway project, projected to be completed in 2013, is estimated to cost \$1.728 billion.

Benefits:

- Reduced congestion;
- Improved safety and reliability;
- Improved local connections across the highway;
- Improved access to and exit from the corridor; and
- Implementation of congestion reduction measures to maintain corridor efficiency and increase transportation choice.

Risks:

- Interruption to construction due to the need to keep a large volume of traffic moving; and
- Property cost escalation in key industrial areas.

Transportation Investments

(\$millions)	2008/09	2009/10	2010/11	Total
Provincial Investments:				
Transportation Investment Plan				
Rehabilitation	146	146	146	438
Interior and Rural Side Roads.....	55	50	50	155
Heartlands Oil and Gas Road Rehabilitation.....	42	0	0	42
Mountain Pine Beetle Strategy.....	30	30	30	90
Highway 1 – Kicking Horse Canyon.....	8	15	16	39
Sea-to-Sky Highway.....	110	43	0	153
William R. Bennett Bridge	26	1	0	27
Border Crossing Infrastructure	23	0	0	23
Gateway Program.....	233	90	115	438
Okanagan Valley Corridor.....	32	35	24	91
Cariboo Connector Program.....	31	33	25	89
Other Highway Corridors and Programs.....	79	102	68	249
Airports and Ports.....	11	8	8	27
Cycling Infrastructure	7	7	7	21
Provincial Transit Plan				
Canada Line Rapid Transit Project.....	0	20	20	40
Rail Rapid Transit Projects.....	2	29	111	142
Rapid Bus Projects.....	23	16	16	55
Buses and Other Transit Priorities.....	31	89	30	150
Total Provincial Investment	889	714	666	2,269
Self-supported and Investments Funded Through Contributions From Other Partners:				
Port Mann / Highway #1.....	55	118	375	548
Canada Line (Federal Govt, TransLink, YVR, Private)....	202	131	0	333
Border Crossing Infrastructure (Federal Govt)	6	0	0	6
Other Federal Contributions to Projects	96	114	116	326
Total Self-supported and Investments Funded Through Contributions From Other Partners.....	359	363	491	1,213
Total Investments in Infrastructure	1,248	1,077	1,157	3,482

The multi-year Transportation Investment Plan for British Columbia was announced in February 2003. Excluding the major capital projects already discussed in the previous section, other key components of the plan include:

- Highway Rehabilitation – Investing \$438 million over three years (2008/09 through 2010/11) in road and bridge surfacing, bridge rehabilitation, seismic retrofits and highway safety improvements;
- Interior and Rural Side Roads – Making these roads safer and more reliable, and improving connections between communities. The Ministry is investing \$155 million from 2008/09 through 2010/11 to renew the interior and rural road networks;
- Heartlands Oil and Gas Road Rehabilitation Strategy – Rehabilitating the existing public road infrastructure in the Northeast region of the province to help eliminate seasonal road restrictions and extend the winter drilling season for oil and gas exploration, thereby attracting new investment and creating jobs. This rehabilitation is being done in partnership with the Ministry of Energy, Mines and Petroleum Resources. Projected investment in 2008/09 is \$42 million;
- Mountain Pine Beetle Strategy – The Ministry is investing \$30 million per year to facilitate the safe and efficient transportation of harvested Mountain Pine Beetle killed timber; to repair damage done to the highways system by the extraordinary increase in heavy truck traffic; and to help ensure that the goals and objectives of British Columbia's Mountain Pine Beetle Action Plan are met;
- Border Crossing Program – Enhancing the free flow of goods approaching and through B.C.'s busiest border crossings. Approximately \$326 million will have been invested in border infrastructure since the start of the program, with \$224 million from B.C., and \$102 million from the federal government's Strategic Highway Infrastructure Program and Border Infrastructure Fund;
- Gateway Program – Under provincial/federal cost sharing, the Asia Pacific Gateway and Corridors initiative is providing funding for South Fraser Perimeter Road, Pitt River Bridge and for rail grade separations;
- Okanagan Corridor Improvements – In addition to replacing the Okanagan Lake Bridge with the new William R. Bennett Bridge, supporting trade and tourism through approved expenditures of \$91 million over the next three years for projects that will reduce congestion. These projects include four-laning Highway 97 between Summerland and Peachland, upgrading highways 97 and 33 within Kelowna, and four-laning Highway 97A north of Vernon to Armstrong;
- Cariboo Connector – Widening the 460-kilometre portion of Highway 97 from Cache Creek to Prince George to increase safety and decrease travelling times, while providing northern communities with a first-class trade corridor that meets the needs of

a rapidly expanding economy. Phase 1 of the program, begun in 2005/06, will include approximately \$200 million in projects initiated over a five-year timeframe. Federal cost sharing is being pursued under the federal Building Canada Plan and Mountain Pine Beetle Fund;

- Other Highway Corridors and Programs – Improving the performance of highway corridors through projects such as passing lanes, four-laning, left turn slots, realignments and safety upgrades. Expenditures also include partnership projects, environmental enhancement programs, land settlements and interest during construction;
- Transportation Partnerships Program – Helping communities and regions realize economic growth through contributions to strategic British Columbia port and airport developments, and helping to make cycling a safe and attractive alternative transportation option for commuters. To boost tourism and create new jobs and economic development opportunities, the program is partnering with others to expand airports and build a new container handling facility at the Port of Prince Rupert, the closest port in the Americas to the rapidly growing Asia Pacific market. The Ministry is reserving \$27 million over the next three years for this program;
- Expanded Cycling Program – A comprehensive Provincial Cycling Plan is being developed to compliment the Provincial Transit Plan in reducing traffic congestion and greenhouse gas emissions by providing convenient and attractive alternatives to car travel. The Cycling Plan will also improve public health and fitness by promoting physical activity. Over the next three years, \$21 million will be invested to help to make cycling a safe and attractive alternative transportation option for commuters. Additionally, the Gateway program includes a \$60 million investment to construct cycling facilities on the Gateway corridors and cost sharing on enhancements to adjacent community cycling facilities; and
- Transit Plan – The Provincial Transit Plan calls for a cumulative investment in new infrastructure from all partners (B.C., TransLink, federal and local governments) of \$782 million from 2008/09 to 2010/11. The plan will help to achieve greenhouse gas reduction goals by significantly increasing transit ridership, reducing automobile use, and providing a foundation of transportation infrastructure to support the development of healthier communities in the future. Investments will be made to increase the number of buses and SkyTrain cars, introduce rapid bus service on heavily travelled urban corridors, and expand the rail rapid transit network. Construction on the Canada Line will be complete by November 2009 and it will enter operation. Construction on the Evergreen Line is expected to be initiated in 2010/11. More information on the Provincial Transit Plan can be obtained at: www.th.gov.bc.ca/Transit_Plan.

Ministry Contact Information

The Ministry of Transportation regional offices and points of contact for services to the public including Ministry telephone numbers, fax numbers and e-mail and website addresses can be found in detail on the B.C. Government Directory website: www.dir.gov.bc.ca/ by typing in “Ministry of Transportation”.

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