

BALANCED BUDGET 2007

*Ministry of
Transportation*

2007/08 – 2009/10 SERVICE PLAN

February 2007



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Message from the Minister and Accountability Statement

Jobs, opportunities and trade are increasing in British Columbia, and our government is investing in the province's transportation network to support our thriving economy.

This service plan lays out the Ministry of Transportation's goals for the next three years as we expand and strengthen the roads, rails, ferries, bridges, ports and airports that tie our communities together and link us to the world. During this period, we are investing over \$2 billion in the future of British Columbia.

One of our foremost goals is to secure B.C.'s place as Canada's Pacific Gateway to North America, a modern and world-class connection for trade and travellers from the growing economies in the Asia Pacific.

The Province is moving ahead with major transportation investments and improvements. We are leading the way in connecting communities and opening up our trade corridors.

In the Peace Country, annual road improvements are ensuring increased oil and gas revenues, and improving safety for communities. In the Kicking Horse Canyon, the most important east-west transportation link through the Rocky Mountains, our partnership with the federal government is improving the safety and efficiency of the highway that links communities and serves as a vital trade and tourism route. In the Okanagan, the new five-lane William R. Bennett Bridge will open in 2008, eliminating the largest traffic bottleneck in B.C.'s interior. We are upgrading roads in the Cariboo and the North as we deal with the Mountain Pine Beetle infestation. In the Lower Mainland, the Border Infrastructure Program is well underway and the Province is moving forward with the \$3 billion Gateway Program, relieving the congestion clogging our primary trade corridors. And our investments in B.C.'s regional airports are producing new economic benefits, enhancing both travel and tourism.

Along with these improvements to roads and bridges is an unprecedented investment in public transit, cycling and pedestrian infrastructure, the largest in B.C.'s history. This investment reflects our commitment to keeping B.C.'s air clean, our roads uncongested and our people healthy. The provincial government is also a major investor in new and planned rapid transit lines that will carry tens of thousands of commuters a day.

The backbone of B.C.'s economy will continue to be our resource and tourism industries. We are revitalizing routes across the province to make sure they have the safe and reliable access they need.

I am proud of what we have accomplished so far. And I am particularly proud of my Ministry's employees who are an exceptional team of dedicated individuals striving toward

the common goal of service excellence for all British Columbians. As this plan for the future shows, you can expect even more from B.C. in the years to come.

The Ministry of Transportation 2007/08 – 2009/10 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, 2007 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, 2007

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Ministry Overview

Purpose of 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.

To accomplish its mandate, the Ministry:

- Develops provincial transportation plans to integrate various modes of transportation in consultation with Regional Transportation Advisory Committees and local and regional authorities, and in cooperation with the transportation-related Crown corporations;
- Ensures British Columbia's ports and airports are gateways for economic growth and development;
- Builds highway infrastructure to fulfill the economic and social needs of British Columbians;
- Maintains existing highways to a high standard through contracts with private sector road maintenance providers;
- Undertakes vehicle safety inspections and sets commercial vehicle operating standards;
- Works with partners and other levels of government to provide cost-effective public transit, coastal ferry services, and cycling networks;
- Manages contracts for inland ferry operations; and
- Licenses and regulates commercial passenger transportation.

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

Vision, Mission and Values

Vision

The Ministry's vision is a fully integrated transportation system that advances environmental, economic and social objectives, and moves goods and people safely within British Columbia and to markets beyond.

Mission

The Ministry's mission is to:

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

Values

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

Ministry Values at Work

The Ministry's values are integral to guiding its everyday work. The Ministry's employees are its most valued asset and represent a team of dedicated individuals striving toward the common goal of service excellence.

The Ministry treats its employees and customers with respect, and an important means of achieving this is the regular solicitation of their opinions and ideas for improvement. The Ministry has established Regional Transportation Advisory Committees as a way to ensure that regional interests and views on transportation needs and priorities are heard. The Ministry has responded to the needs of business by cutting regulatory requirements. Excellence and innovation are actively rewarded under the contracts for maintaining British Columbia's roads and bridges. The Ministry is committed to building relationships with First Nations regarding activities and decisions that might impact Aboriginal interests and to resolving outstanding issues of mutual concern.

Whenever Ministry employees develop new policies, design new projects or review past accomplishments, these values are the benchmark for success.

Strategic Context

Planning and Strategic Issues

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. British Columbia and Canada are working to expand trade and investment ties with Asia's booming economies. 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.

Unprecedented growth in Chinese export volumes and increasing demands for coal and iron ore imports have made China an important growth engine for the world economy. At present, China is Canada's second largest trading partner and British Columbia's largest offshore trading partner. China currently accounts for 60 per cent of growth in world trade. By 2020, China is forecast to be the world's second largest economy and a key driver of Asia Pacific trade expansion, with plans to quadruple 2000 gross domestic product levels and expand Chinese ports throughput capacity above the current 2.6 billion tonnes of cargo handled annually.

India, with its newly thriving economy, also has potential to become a far more significant trading partner for both Canada as a whole and B.C. in particular. As economic reforms accelerate in India, continued optimism exists for its economic growth prospects. The forecast annual economic growth rate of 8.2 per cent over the next 20 years¹ is expected to place India as one of the most powerful economies in the world.

British Columbia's geographic location gives us a tremendous natural advantage as Canada's Pacific Gateway to North America. By 2020, Asia Pacific container traffic is projected to increase by 300 per cent and air passenger traffic is expected to double. Canada's west coast ports, airports and supporting road and rail networks — as key gateways to Asia — have enormous potential to capture significant opportunities being presented by growing markets.

The Ministry is working with all levels of government and industry to facilitate the development of Canada's Pacific Gateway to benefit the economy of British Columbia and Canada. Joint solutions for land use, short sea shipping, new facilities such as inland container terminals, as well as infrastructure and border efficiencies will optimize multi-modal capacity, efficiency and productivity.

British Columbia's transportation system is a catalyst for economic growth and prosperity, but the system's future depends on continuous improvement and careful planning.

¹ Department of Foreign Affairs and International Trade: <http://www.dfait-maeci.gc.ca/>.

The pressures and anticipated trends, opportunities and risks facing the Ministry as it helps to create jobs are outlined below.

The Ministry has an effective risk management process, through which risks that are likely to have a significant impact on costs or the Ministry's ability to meet its goals and objectives are identified and mitigated as appropriate.

Pressures and Anticipated Trends

Trade

- Expansion of British Columbia gateways for growing trade between Asia and North America will require major investments in transportation infrastructure.
- The provincial 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.
- Other Pacific gateways in the United States and Mexico will continue to upgrade their port and inland facilities to take advantage of the enormous trade potential with Asia.
- British Columbia's resource industries will continue to rely on cost-effective transportation to compete in world markets, requiring an integrated multimodal transportation system that links resources to processing facilities and products to markets.

Access

- Improved access to British Columbia's heartlands and the safe transportation of goods and people through challenging topography will continue to be required to support the province's economy.

Investment

- Partnerships with local governments, the federal government and the private sector will play an important role in the timely provision of transportation infrastructure to relieve congestion and address safety concerns.
- Aging transportation infrastructure will generate the need for continued investment to keep British Columbia competitive.
- Effective transportation policy and smart regulations will become increasingly important to encourage investment.

Growth

- Demand for transportation will continue to increase with economic development and population growth.
- Increased transportation will result in environmental impacts which will need to be managed.

- Urban growth will place further pressure on transportation infrastructure, which will necessitate:
 - improved provincial and municipal road networks;
 - protection of existing networks; and
 - development of alternative modes of transportation to manage travel demand.
- Road transport will remain the preferred alternative for personal and work trips over short and medium distances, although expanding transit options and cycling networks will provide urban commuters with viable alternatives.

Opportunities

Growth, Trade and Investment

- Upgrading transportation infrastructure will position British Columbia to take advantage of the enormous trade potential with Asia and other major trading partners.
- Transportation projects in the Lower Mainland will play a key role in improving Greater Vancouver as a livable region, while addressing challenges arising from expanding trade and increasing population. These projects include the Ministry's Gateway Program, new rapid transit lines, and work with the Greater Vancouver Transportation Authority (TransLink).
- Canada has recently entered into a number of new bilateral air service agreements with other countries and has a new international air policy designed to pursue the negotiation of "open skies" agreements when it is in Canada's overall interest. Such agreements enable carriers to make routing decisions based on their business needs and allow Canadian airports and communities to market themselves internationally to attain the full potential benefit of their geographic advantages.
- The federal Pacific Gateway Strategy and Corridor Initiative provides an opportunity for the Ministry to partner with the federal government on infrastructure, policy and non-infrastructure initiatives to build an efficient, secure and reliable transportation system.

Cooperation

- Continued cooperation with local governments, the federal government, First Nations, other western provinces and territories, and industry will provide a strategic synergy which supports industry growth, reinvestment and innovation.
- Continued pursuit of a policy framework that promotes investment from non-government partners will facilitate the province's timely delivery of a safe transportation system.

Risks

Costs

- Wide variations in fuel and oil prices due to world events affect the cost of oil-based products used by the Ministry, such as asphalt, and are increasing costs for the delivery and maintenance of transportation infrastructure and services.
- Increasing costs of construction materials such as steel and concrete will also place pressure on limited Ministry resources.
- Increasing worldwide demand for petroleum products and limited production capacity will continue to put upward pressure on motor fuel prices, but its positive effect of shifting consumer preferences to more fuel-efficient transportation will negatively impact the fuel tax revenue dedicated for funding highway improvements and rehabilitation.
- Potential labour shortages in key occupations may affect infrastructure improvements by raising costs or delaying completion.

Security

- Security concerns or trade protectionism may disrupt cross-border trade in spite of infrastructure improvements.
- Weather and natural occurrences such as slides, floods, avalanches, earthquakes and fires are highly unpredictable and could result in major disruptions to the transportation system.

Core Business Areas

The Ministry of Transportation is committed to opening up B.C. through innovative, forward-thinking transportation strategies that move people and goods safely throughout B.C., while helping revitalize our provincial economy. Ministry responsibilities fall into five core business areas.

1. Transportation Improvements

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

The Ministry's major activities in this core business area include gateway and trade corridor development and investment strategies; transportation, port and airport development; development of highway and corporate policy and legislation; highway planning; capital program development and monitoring; direction and management of projects; engineering, design, survey, construction, property acquisition and expropriation for provincial highways, roads, bridges and tunnels; and development and monitoring of public-private partnerships.

2. Public Transportation

The provincial government provides financial support to public transit and contracted coastal ferry services across the province. These services are vital to the economic and social health of many communities.

BC Transit is supported by annual transfers of capital and operating funding. This funding also supports transportation services for the disabled. Public transit in Greater Vancouver is funded through dedicated tax revenues provided to TransLink (Greater Vancouver Transportation Authority), which is responsible for public transit in the region. Provincial funding is also committed to new rapid transit lines in Greater Vancouver: the Canada Line connecting Richmond, the Airport and downtown Vancouver; and the proposed northeast rapid transit extension (Evergreen Line).

The Province pays performance-based service fees to British Columbia Ferry Services Inc. for the delivery of coastal ferry services. Many coastal communities rely on these connections to the rest of the province.

3. Highway Operations

Highway Operations keeps British Columbia's highway network safe, reliable and in good repair in some of Canada's most challenging terrain.

Highway Operations is the Ministry's front line. Regional and district staffs provide customer service by working directly with the public, local governments, First Nations and private partners.

The Ministry's work in this core business area includes Maintenance, Asset Preservation and Traffic Operations; Commercial Vehicle Safety and Enforcement; Inland Ferries; and Coquihalla Toll Administration.

The Ministry's highway operations are divided into three regions — South Coast, Southern Interior and Northern. Each region is subdivided into districts and maintenance areas for more efficient administration. Highway maintenance is carried out by maintenance contractors in 28 areas across the province. Ministry employees monitor and work closely with maintenance contractors to ensure they meet Ministry standards. Timely rehabilitation prevents more costly repairs. Highway Operations determines where investment would provide the most value, resurfaces roads and bridges, replaces bridges at the end of their service lives, and performs other work to extend the life of the transportation network.

The Ministry establishes and maintains effective and safe vehicle operating and equipment standards, and monitors application of these standards through the following programs: Vehicle Inspections, Dangerous Goods, National Safety Code, Commercial Transport, and Commercial Vehicle Safety Alliance.

Freshwater ferries are a crucial part of daily life for many communities. The Ministry provides access to inland ferries through private partners on 14 freshwater routes.

4. Commercial Passenger Transportation Regulation

The Ministry, through the Passenger Transportation Branch, and the Passenger Transportation Board (an independent tribunal) share the regulation of commercial passenger transportation. The governing legislation, the *Passenger Transportation Act*, is designed to facilitate adequate public access to commercial passenger transportation (excluding public transit), public safety and a healthy economy.

5. Executive and Support Services

This business area supports all Ministry programs through such core functions as corporate strategic planning; human resources; information systems; security; information and privacy management; and financial management.

Details linking the Ministry's Information Management and Information Technology strategy to its business objectives are available in the Information Resource Management Plan overview, which can be found on the Ministry website at:
<http://www.th.gov.bc.ca/publications/irmp/>.

Crown Corporations

The Minister of Transportation is responsible for the following four Crown corporations of which two, the BC Transportation Financing Authority and Rapid Transit Project 2000, are addressed in this Service Plan. The other two Crown corporations publish their own Service Plans.

BC Transportation Financing Authority

The BC Transportation Financing Authority is a provincial Crown corporation continued under the *Transportation Act*. It owns provincial highways and provides for their rehabilitation and expansion through dedicated fuel taxes and other revenues. The Authority can also acquire, hold, construct, or improve other transportation infrastructure throughout British Columbia.

Rapid Transit Project 2000

The Rapid Transit Project 2000 (RTP 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.

BC Transit:

<http://www.bctransit.com>

British Columbia Railway Company:

<http://www.bcrproperties.com/bcrco/index.html>

New Relationship

The Government of British Columbia is leading the nation in developing a New Relationship with First Nations and Aboriginal people. Guided by principles of trust, and by recognition and respect of First Nations' rights and title, we are building a stronger and healthier relationship between government and Aboriginal people. By working together, we will bring tangible social and economic benefits to Aboriginal people across the Province and narrow the gap between Aboriginal people and other British Columbians.

The Ministry of Transportation is working to support the New Relationship by:

- Assisting the Ministry of Aboriginal Relations and Reconciliation with its work to develop a New Relationship policy framework that supports government's strategic vision and Great Goal of creating more jobs per capita than anywhere else in Canada, including First Nations and Aboriginal people.
- Working with First Nations to identify partnership opportunities and to increase First Nations' involvement in economic development by:
 - creating improved access to reserve land for development;
 - resolving outstanding road tenure issues through reserves;
 - addressing issues of First Nations' access to the provincial transportation system;
 - participating in government to government forums that discuss new processes for structure and coordination as well as working together to make decisions about the use of land and resources; and
 - building better daily business relationships with First Nations.

Goals, Objectives, Strategies and Results

The provincial government has established the following Five Great Goals for a Golden Decade in British Columbia:

- Make British Columbia the best-educated, most literate jurisdiction on the continent;
- Lead the way in North America in healthy living and physical fitness;
- Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors;
- Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none; and
- Create more jobs per capita than anywhere else in Canada.

The Ministry's goals support these Five Great Goals, particularly the goal of creating more jobs per capita than anywhere else in Canada, as transportation is crucial to trade and growth.

This section describes the Ministry's overall goals, the supporting objectives that should be met along the way, the major strategies the Ministry will use, and targets against which performance will be measured. Ministry staff and the public will be able to gauge how well these strategies are working over the next three years by comparing the performance targets below with the actual measured results that will appear in future annual service plan reports.

Overview

Ministry Goals

In order to further the provincial government's Five Great Goals, the Ministry has the following goals:

1. Key transportation infrastructure is improved to drive economic growth and trade.
2. British Columbia is provided with a safe and reliable highway system.
3. British Columbia's transportation industries become more globally competitive.
4. Excellent customer service is achieved.

Linkage to the Great Goals

The Ministry supports the provincial government's Great Goals in the following ways.

Create more jobs per capita than anywhere else in Canada.

- A \$2 billion investment in transportation improvements over the next three years will capture greater opportunities in trade, tourism, and resources.
- Achieving the growth targets outlined in the Pacific Gateway Strategy Action Plan will enable the ports system to contribute an additional \$6.6 billion annually in economic output to the Canadian economy by 2020, with \$4.7 billion occurring in B.C., resulting in the creation of 45,000 new high-paying jobs in Canada, 32,000 of which will be in B.C.²
- Major infrastructure projects such as the Kicking Horse Canyon Project, the William R. Bennett Bridge, the Sea-to-Sky Highway Improvement Project, and the Canada Line will stimulate economic development and job creation by allowing more efficient movement of goods and people, and increasing tourism.
- Public-private partnerships will continue to provide economic benefits to British Columbia through private sector innovation and timely investment.

Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

- Ministry transportation strategies aim to encourage the use of public transit and cycling to reduce traffic congestion, and to find ways to move goods and people more efficiently.
- Through the Gateway Program in the lower mainland, the Ministry has committed an investment totalling \$60 million to provide appropriate cycling and pedestrian access along and across the Gateway corridors.
- Rigorous environmental reviews are undertaken on all transportation infrastructure projects; and environmental mitigation and compensation, when required, are integral to the way the Ministry conducts its business.
- Annual investments of an additional \$2 million are made to further protect and enhance wildlife and fish habitats linked to highway projects.
- Ministry vehicles use environmentally friendly fuels wherever possible and practical. Currently, over two thirds of the Ministry's fleet of approximately 372 light vehicles use alternate fuels, which are less damaging to the environment. This percentage is expected to increase as older vehicles are replaced.
- Significant investments in the Canada Line and other major transit projects throughout the province will provide commuters with viable alternatives.
- Support for the Hydrogen Highway project to demonstrate that zero-emission vehicles can be a reality. BC Transit has offered to purchase a fleet of hydrogen fuel cell hybrid buses for regular service.

² *Pacific Gateway Strategy Action Plan*, April 2006.

Lead the way in North America in healthy living and physical fitness.

- Transportation network improvements make it easier to access health care.
- Investments in highway safety reduce the number and severity of crashes, thereby reducing the demand on health care services.
- Investments in community cycling networks encourage physical fitness.
- Designers of all highway improvement projects explore opportunities for cycling and pedestrian access.

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.

- Transportation network improvements provide better access to support services for these British Columbians.
- Annual transfers to BC Transit help support transportation services for the disabled and seniors, such as HandyDART and Paratransit.
- Subsidized fares on BC Ferries for the disabled and seniors make it easier for them to access services which are not available in their own communities.

Cross Ministry Initiatives

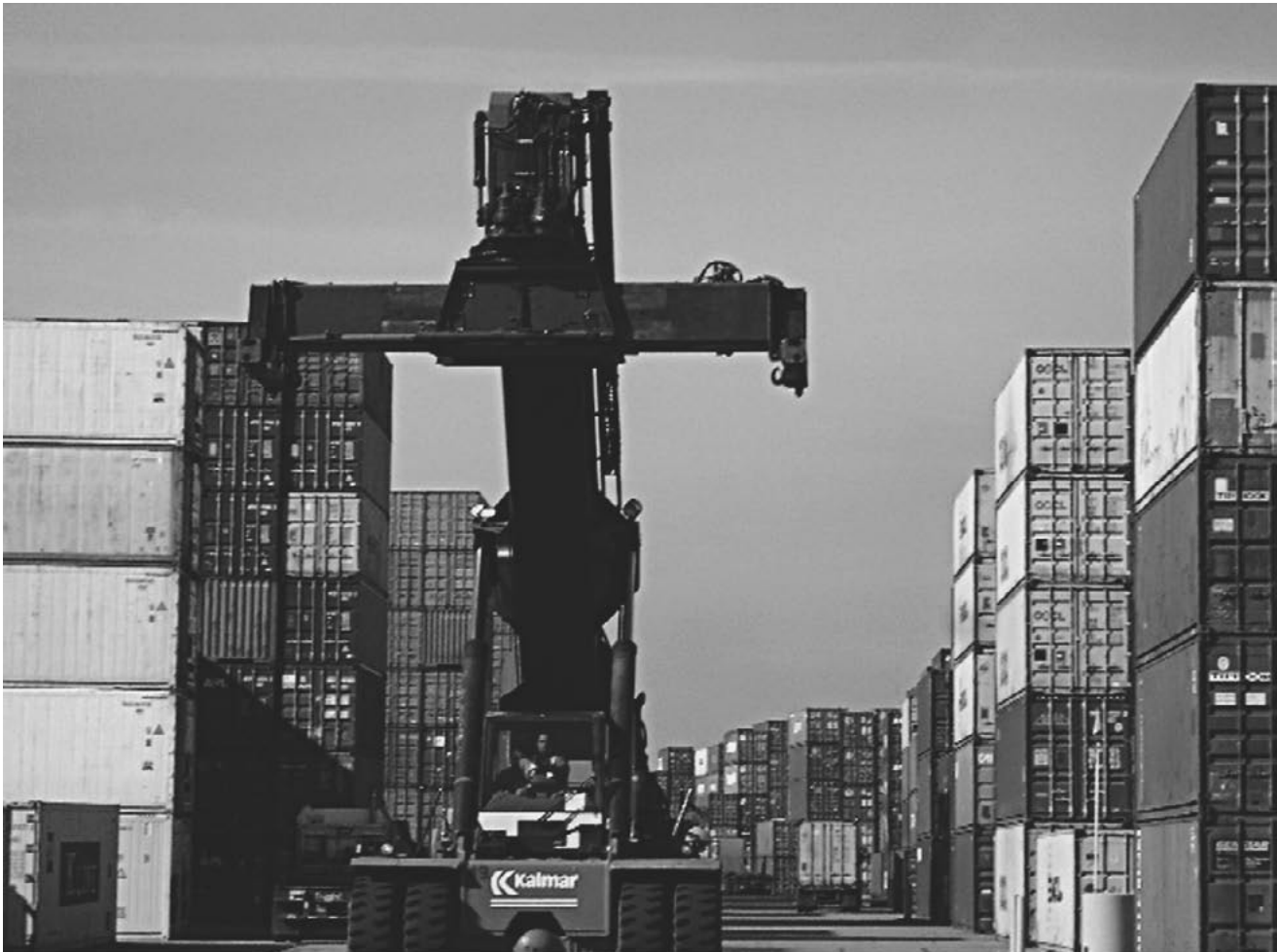
The provincial government has announced a number of important initiatives for which success will depend on the work of more than one ministry. Below are the Ministry of Transportation's plans for supporting these cross ministry initiatives.

Asia Pacific Initiative. The British Columbia Asia Pacific Initiative ensures the province has a coordinated and targeted strategic plan in place that takes full advantage of Canada's Pacific Gateway advantages and Asian cultural and language base. The Asia Pacific Initiative defines B.C.'s future role in the Asia Pacific economy and identifies the immediate priority actions that must be taken to further integrate the province into Asian markets.

Canada's Pacific Gateway Strategy, a key initiative within the Ministry of Transportation's mandate, is a critical component of the broader Asia Pacific Initiative. The following have been identified as key areas for action to establish a competitive full-service transportation corridor between Asia and North America:

- In cooperation with the federal government and industry stakeholders, advance implementation of the *Pacific Gateway Strategy Action Plan*;
- Secure federal cost-sharing arrangements for key infrastructure projects to accommodate growth and improve the efficiency of British Columbia's land-based and inter-modal links, such as the Pitt River Bridge, Lower Mainland railway grade separations, and South Fraser Perimeter Road;
- Construct provincial transportation infrastructure in support of Canada's Pacific Gateway Strategy;

- Participate with all relevant parties to pursue measures that attract new investment and expand trade volumes; and
- Improve the reliability and cost-effectiveness of ports and expanding air service through Greater Vancouver, and expand use of these facilities by international carriers.



Container yard at Coast 2000 Terminals distribution centre in Richmond, B.C.

2010 Olympic and Paralympic Winter Games. All provincial ministries, agencies and Crowns have been working together to ensure every available opportunity to develop sustainable economic legacies are explored and pursued so that businesses and communities in British Columbia receive benefit from the Games. The Ministry of Transportation's key projects are to:

- Upgrade the Sea-to-Sky Highway from Horseshoe Bay to Whistler. Improvements include four lanes from Horseshoe Bay to north of Lions Bay; four and three lanes from north of Lions Bay to Murrin Park; four lanes from Murrin Park to Depot Road north of Squamish; and three lanes from Depot Road to Function Junction, at the south end of Whistler.

Some 500 public meetings in Sea-to-Sky communities have confirmed the need for these highway safety, reliability and capacity improvements, which are on-schedule and also support the 2010 Olympic and Paralympic Winter Games.

- Develop plans to facilitate transportation needs during the 2010 Olympic and Paralympic Winter Games and to sustain the long-term development opportunities that will flow from the Games.

Mountain Pine Beetle. Projections indicate the mountain pine beetle infestation could kill 80 per cent of the pine forest in British Columbia by 2013. Pine forests dominate the interior of B.C., and their loss has significant implications to the forest environment, economy and the communities that depend on those forests for sustainability. The B.C. Government, through coordination by the Ministry of Forests and Range and the *Provincial Mountain Pine Beetle Action Plan*, is working across a number of ministries to minimize and mitigate negative environmental and socio-economic impacts of the infestation, while recovering the greatest value and protecting public health, safety and infrastructure.

The Ministry of Transportation ensures the provincial highway infrastructure supports the increased hauling of mountain pine beetle-attacked wood by:

- Developing a long-term highway rehabilitation strategy to adequately respond to the increased truck traffic;
- Minimizing the loss or destructive effects to the highway infrastructure through timely rehabilitation and upgrades; and
- Working with other ministries to plan and budget for the necessary upgrades.

ActNow BC. ActNow BC, led by the Ministry of Tourism, Sport and the Arts, combines cross government and community-based approaches to promote healthy living choices for British Columbians. The programs and initiatives champion healthy eating, physical activity, ending tobacco use, and healthy choices during pregnancy.

In support of this initiative, the Ministry of Transportation is:

- Promoting physical activity by facilitating cycling, trails and access to recreation. The Ministry has dedicated \$60 million to cycling infrastructure for the Gateway Program in the lower mainland, \$10 million of which will be matching funds used to engage local government in linking into the cycle network. In addition, the Ministry provides up to \$2 million annually through its Cycling Infrastructure Partnerships Program, which is a 50/50 cost share program aimed at assisting local governments to enhance the attractiveness of cycling as a commuting option through the construction of bike networks throughout the Province.
- Working with the Ministry of Community Services, the Ministry of Transportation administers the LocalMotion program, which provides \$40 million over four years for investment in capital projects including bike paths, walkways, greenways and improved accessibility for people with disabilities. This program gives local governments extra

resources to improve air quality and safety, reduce energy consumption, and encourage all British Columbians to get out and be more active in their communities.

- Facilitating access to nutritious foods, health care, recreational opportunities, and other social and economic activities through the provision of safe and supported transportation links.

Regulatory Reform. British Columbia continues to make regulatory reform a priority across government, making it easier for businesses to operate and succeed in British Columbia, while still preserving regulations that protect public health, safety and the environment. A citizen-centred approach to regulatory reform will reduce the number of steps it takes to comply with government requirements or access government programs and services.

Since 2001, the Ministry of Transportation has cut red tape dramatically, reducing its regulatory requirements by over one-third. The Ministry will continue to support government's Regulatory Reform initiatives by:

- Developing and implementing two citizen-centered regulatory reform initiatives that will reduce the number of steps and time required by citizens, businesses and industry to access government services. These projects are both online systems — one for commercial transportation permitting and the other for rural subdivision approvals;
- Identifying further regulatory reduction and regulatory reform opportunities that will contribute to more cost-effective, results-based regulatory requirements that are responsive to our fast changing world; and
- Implementing the Regulatory Reform Policy and targeting a zero net increase in regulatory requirements through 2008/09.

Citizen-Centred Service Delivery. Citizen-centred service delivery is a government-wide initiative to coordinate information, programs and services so that they can be presented to citizens in a way that takes their needs into account from beginning to end. The vision is to make it possible for citizens to access the government information and services they need in a simple and timely manner with a phone call, a mouse click or a visit to a service centre, no matter how many programs or ministries are involved in their request.

To ensure the Ministry is meeting the needs of British Columbians, the following measures are in place:

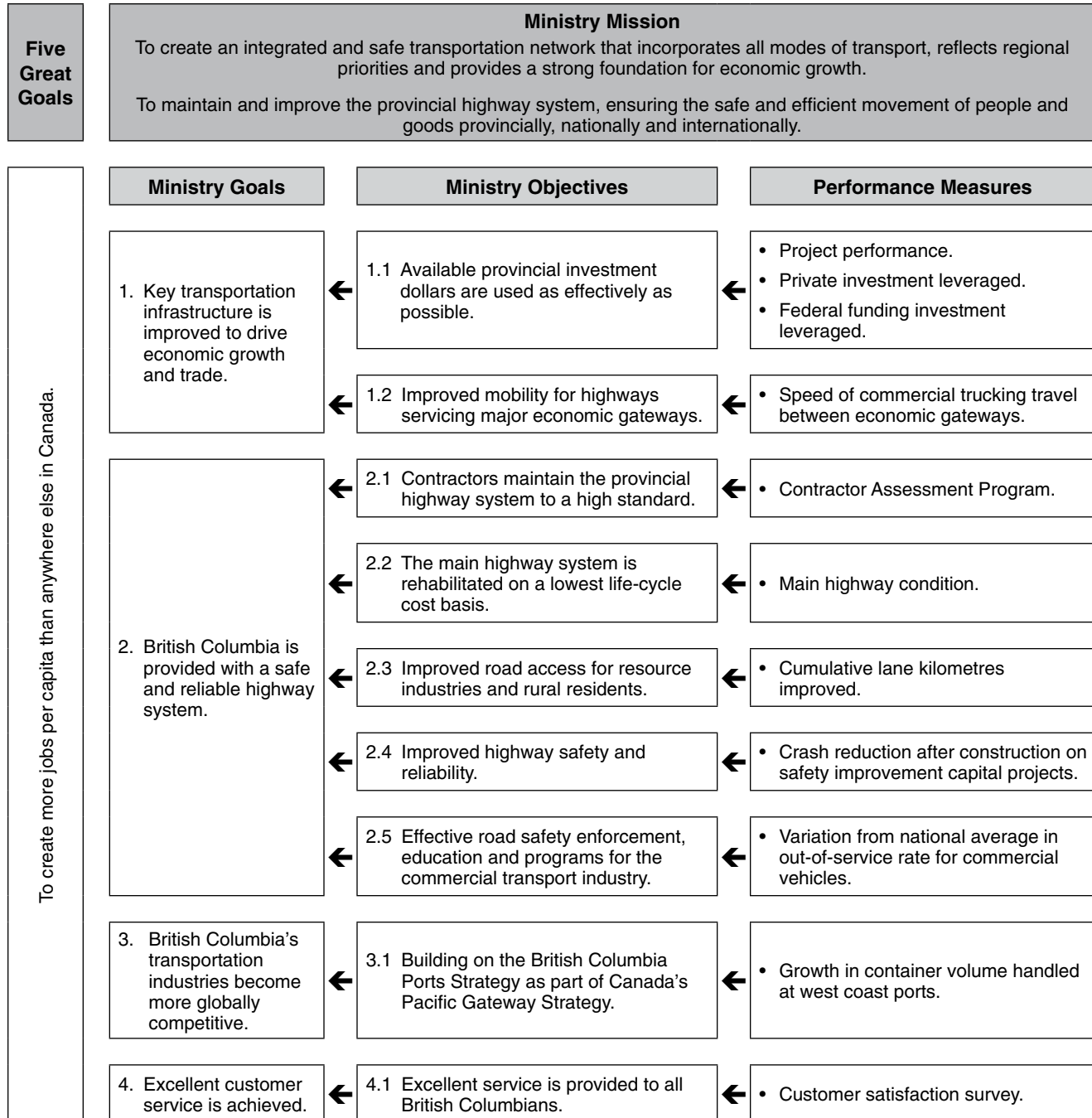
- **Drive BC.** The new Drive BC website provides users with accurate, timely information on provincial road conditions. Information is automatically posted directly to the website and changeable message signs on highways. Travellers are able to access information such as weather conditions, travel advisories, road closures, webcams, load restrictions and other important links.

- **FrontCounter BC.** This program, operated by the Integrated Land Management Bureau in an increasing number of regional centres, provides a single point of contact for natural resource businesses to get the information, permits and applications they need from all ministries at once. Services provided to Ministry clients include subdivision approvals, permits to construct works on highway rights-of-way and road closures.
- **Extensive community consultation.** Major Ministry projects include significant consultation processes; which feature open houses, community meetings, newsletters, public information displays and newspaper advertisements.
- **Contractor Assessment Program.** Key stakeholders such as the RCMP, emergency response providers, major trucking firms and bus lines rate their levels of satisfaction with road maintenance activities such as snow removal, mowing, patching and sign maintenance. The Ministry works to resolve any concerns and takes past performance into consideration when tendering new contracts.
- **Annual surveys of customer satisfaction.** The Ministry uses annual survey results and public feedback to ensure British Columbians are satisfied with services they receive and to improve business processes.

Performance Plan

Performance Plan Summary Table

The diagram below displays the primary linkages between the Five Great Goals and the Ministry's mission, goals, objectives and performance measures.



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

Core Business Area: *Transportation Improvements.*

Objective 1: *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.
- Secure federal funding for transportation projects in British Columbia.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
The percentage of projects that meet their budget and schedule.	90%	91%	91.5%	91.5%
Private investment capital leveraged through public-private partnerships, plus defrayed or reduced costs from efficient land use.	\$56.6 M	\$153.3 M	\$160 M	\$180 M
Federal funding investment leveraged (capital).*	\$74 M	\$99 M	\$77 M	\$77 M

* The federal funding investment totals above do not include the recently announced Highways and Border Infrastructure Fund. This program is a \$2.4 billion federal cost-sharing program for which B.C. anticipates a maximum allocation of \$312 million. The recoveries (estimates) are not known at this time, and thus targets for the latter years, 2008/09 and onwards may be significantly understated.

The percentage of projects completed on budget and the percentage completed on time are averaged. While most projects finish on budget and on schedule, project scope changes and other unforeseen problems could negatively impact results.

Private investment capital leveraged measures three items:

- contributions from non-provincial partners (municipalities, Crown corporations, First Nations and the private sector) towards the cost of infrastructure construction;
- proceeds from the sale of surplus land which is used to finance capital improvements; and
- the value of capital improvements financed by the private sector under design-build-finance-operate arrangements.

The increase in private investment capital leveraged primarily reflects increases in the value of capital improvements (e.g., Sea-to-Sky Highway Improvement Project and Kicking Horse Canyon Phase 2 Project).

Federal funding investment leveraged refers to the amount of federal funding secured through British Columbia/Canada contribution agreements for transportation improvements. The Ministry’s ability to leverage federal funding is dependent on the availability of matching provincial funding, and federal funding allocation and prioritization practices. Targets are based on expected available federal funding.

Objective: *Improved mobility for highways 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 (formerly known as weigh scales) by relocating and/or redesigning them, and by using intelligent transportation systems to process truck traffic more efficiently.
- Reduce congestion at Canada/USA border crossings through the use of intelligent transportation systems initiatives.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Speed of commercial trucking travel between economic gateways.	69 km/hr	70 km/hr	70 km/hr	70 km/hr

Major provincial economic gateways include key international and interprovincial border crossings, international airports, and major marine ports. The Ministry has identified a network of primary numbered highways that serve these gateways. Satellite tracking technology has been used to record the travel speed of a fleet of approximately 2,000 long-haul commercial trucks whenever they travel on this highway network.

Data has been collected for 2004 and 2005. The baseline above is based on 2005 data. The targets represent the average of the 2004 value (71 km/h) and the 2005 value (69 km/h). The targets represent a “hold-the-line” objective, recognizing that performance can be positively affected by capital/rehabilitation improvements and maintenance activities, but also negatively impacted by steadily growing traffic volumes, and in particular by urban congestion. There are many factors outside the Ministry’s control, such as weather, driver behaviour, and the level of travel demand. Unreasonably low speeds were screened out. It is important to measure the actual performance achieved on the highway system rather than just those factors under Ministry control, because the actual performance is what affects the economy. Even small changes in the overall average speed can have significant effects

on trucking productivity, and can affect routing and capital investment decisions made by shipping companies.

Goal 2: *British Columbia is provided with a safe and reliable highway system.*

Core Business Area: *Highway Operations.*

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

Strategies

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

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Rating of the maintenance contractors' performance using Contractor Assessment Program.	91%	92%	92.5%	92.5%

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.



Winter maintenance on Sutton Pass

Objective 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.
- 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.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Main Highway Condition: • Lane kilometres of main highway rehabilitated each year.	1,800	1,800	1,800	1,800

The above quantities apply to works on the main highway system only (all numbered highways).

This performance measure tracks the lane kilometres of highway rehabilitated during each fiscal year. Examples of such activities include first time hard surface paving or seal coating, and resurfacing of existing paved surfaces. The target number of kilometres is constant because it corresponds to the optimal rate of repair to maintain the overall condition of the main highway system.

The actual lane kilometres of roads that are rehabilitated will be measured in the field during program delivery.

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

Strategies

- Strategically invest in roadway rehabilitation and improvements on the provincial side road system as follows:
 - Interior and Rural Side Roads Program — Invest \$75 million in 2007/08; \$55 million in 2008/09; and \$50 million in 2009/10.
 - Heartlands Oil and Gas Road Rehabilitation Strategy — Invest \$42 million per annum for 2007/08 and 2008/09.
 - Support British Columbia’s Mountain Pine Beetle Action Plan, through the strategic investment of \$30 million per annum in 2007/08 and 2008/09.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Cumulative lane kilometres improved or to be improved under the above programs.	4,101	4,900	5,500	6,080

The above quantities apply to the side road system only (all non-numbered highways). The Mountain Pine Beetle funding will be invested on both the main highway system (numbered routes) and on the side road system.

This performance measure tracks the cumulative lane kilometres improved since the commencement of the program. The activities will include various treatments such as drainage improvements, base reconstruction and strengthening, gravelling, first time hard surfacing or resurfacing.

The lane kilometres of roads that are improved will be measured in the field during program delivery.

Objective 4: *Improved highway safety and reliability.*

Strategies

- Monitor highway safety and improve high-risk locations, in consultation with Regional Transportation Advisory Committees.
- Maximize highway safety and reliability through both safety-focused enhancements and low-cost improvements, such as signs, lighting, and lane markings.
- Work with safety partners such as the Insurance Corporation of British Columbia, the Royal Canadian Mounted Police, and the Ministry of Public Safety and Solicitor General to

develop a safety plan to achieve the targets established in the Canada-wide Road Safety Vision 2010.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Crash reduction after construction on safety improvement capital projects.	725 crashes	150 reduction from baseline	200 reduction from baseline	225 reduction from baseline

The crash data is gathered by the RCMP as part of its on-site accident investigation.

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 21 projects across the province is used. Data on the safety performance of these projects will be aggregated and reported on an annual basis.

Objective 5: *Effective road safety enforcement, education and programs for the commercial transport industry.*

Strategies

- Establish and enforce standards that govern British Columbia’s commercial transport industry.
- Improve commercial transport safety regulations.
- Work with other jurisdictions to coordinate 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.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Variation from national average in out-of-service rate for commercial vehicles.	+/- 2% of national average	+/- 2% of national average	+/- 2% of national average	+/- 2% of national average

The out-of-service rate is the percentage of commercial vehicles randomly inspected at “Roadcheck” stops that are taken out of service for having serious safety violations. The out-of-service criteria are interpreted consistently by all jurisdictions. The Ministry monitors the variations from the national average in the out-of-service rate to assess the impacts of road safety programs and the industry’s level of compliance with maintenance standards. For 2006, the national average for out-of-service trucks is 20.3 per cent and the British Columbia average is 19.3 per cent.

Goal 3: *British Columbia's transportation industries become more globally competitive.*

Core Business Area: *Transportation Improvements.*

Objective: *Building on the British Columbia Ports Strategy as part of Canada's Pacific Gateway Strategy.*

Strategies

- Ensure British Columbia's ports and airports are gateways for economic growth and development by providing a long-term plan.
- Work closely with other levels of government and stakeholders where responsibilities may overlap.

Performance Measure	Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Growth in container volume handled at west coast ports in TEUs (twenty-foot equivalent units).	2.41 million TEUs	2.64 million TEUs	2.88 million TEUs	3.14 million TEUs

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 4: Excellent customer service is achieved.

Core Business Areas: *All.*

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

Strategies

- Undertake annual surveys of customer satisfaction and compare survey results with baseline data to ensure customer needs are met.
- Use survey results and public feedback to better understand various elements of customer expectations and levels of customer service provided through existing processes and procedures.
- Conduct focus group sessions with individual stakeholder groups to identify potential gaps in service delivery, and determine how to refine ways of doing business in order to better meet customer needs.
- Evaluate results to determine how to adjust internal processes, procedures or communications to enable more rapid information exchange within and between ministry business units to deliver enhanced customer service.

Performance Measure	CMT* Baseline	2007/08 Target	2008/09 Target	2009/10 Target
Customer Satisfaction Survey: Stakeholder satisfaction with existing Ministry services and delivery processes, rated on a scale of 1 to 5.	3.89	4.00	4.05	4.10

* CMT: The Common Measurement Tool, designed by the Institute for Citizen-Centred Service, is a survey framework designed to be administered by public-sector organizations to facilitate the measurement of citizen satisfaction. In 2005, the Ministry moved from a 10 point scale, developed in-house and used to examine a combination of strategic and operational service aspects, to a 5 point scale to enable cross jurisdictional measurement for best practice analysis.

The Ministry conducted 2,076 surveys throughout the province in 2006. The key stakeholders surveyed include commercial highway operators, permit applicants, emergency services, resource industry, highway construction and maintenance companies, professional and technical consultants, real estate industry, business groups, First Nations, and general highway users. The results are compared across business units, districts and regions to identify best practices leading to service innovation. The targets noted above reflect a weighted average of stakeholder satisfaction with several types of Ministry services.

Recent survey results suggest the Ministry is succeeding in its ongoing objective to improve service quality while identifying areas and processes for review to improve future service delivery.

Resource Summary

Core Business Areas	2006/07 Restated Estimates ¹	2007/08 Estimates	2008/09 Plan	2009/10 Plan
Operating Expenses (\$000)				
Transportation Improvements	19,721	19,525	20,115	20,677
Public Transportation ²	364,657	382,371	378,598	402,363
Highway Operations	451,907	463,805	468,816	469,884
Passenger Transportation Regulation	2,489	2,578	2,607	2,635
Executive and Support Services	13,156	13,568	13,686	13,813
Total	851,930	881,847	883,822	909,372
Full-time Equivalents (Direct FTEs)				
Transportation Improvements	317	363	383	383
Highway Operations	960	962	962	962
Passenger Transportation Regulation	23	23	23	23
Executive and Support Services	85	101	113	113
Total	1,385	1,449	1,481	1,481
Ministry Capital Expenditures (Consolidated Revenue Fund)³ (\$000)				
Transportation Improvements	1,241	676	1,352	1,152
Highway Operations	8,045	8,136	7,277	7,493
Passenger Transportation Regulation	254	400	16	0
Executive and Support Services	39	20	10	10
Total	9,579	9,232	8,655	8,655
Other Financing Transactions⁴ (\$000)				
Receipts	0	0	0	0
Disbursements — Public Transportation	12,747	17,885	33,513	49,613
Net Cash Source (Requirements)	(12,747)	(17,885)	(33,513)	(49,613)

Ministry of Transportation

Core Business Areas	2006/07 Restated Estimates ¹	2007/08 Estimates	2008/09 Plan	2009/10 Plan
Revenue (\$000)				
Total Receipts ⁵	96,024	99,661	102,436	104,862

¹ These amounts have been restated for comparative purposes only, to be consistent with Schedule A of the 2007/08 *Estimates*.

² Public Transportation: Operating Expenses include government transfers to BC Transit and BC Ferry Services Inc., as well as amortization and debt servicing costs for prepaid capital advances to BC Transit and Rapid Transit Project 2000.

³ Ministry Consolidated Revenue Fund Capital costs are decreasing slightly, and levelling off in fiscal 2008/09 and 2009/10, due mainly to a strategic review of Commercial Vehicle Safety and Enforcement program vehicle replacements.

⁴ Other Financing Transactions: Disbursements — Public Transportation includes prepaid capital advances to BC Transit for buses.

⁵ The majority of the ministry's revenue comes from Coquihalla Tolls (approximately \$57 million annually) and the federal contribution to coastal ferry service (approximately \$27 million annually).

BC Transportation Financing Authority — Statement of Earnings

	2006/07 Forecast	2007/08 Budget	2008/09 Plan	2009/10 Plan
Revenue (\$000)				
Dedicated taxes ¹	423,000	431,200	439,600	448,200
Amortization of deferred contributions ²	159,261	151,474	145,474	141,403
Other revenue ³	55,731	61,657	68,740	77,037
Total	637,992	644,331	653,814	666,640
Expenditures (\$000)				
Amortization	318,156	328,274	337,710	348,619
Interest ⁴	183,589	230,098	272,873	336,180
Interior and rural side roads program ⁵	35,000	35,000	25,000	23,000
Grant programs ⁶	48,217	131,479	10,000	30,000
Operations and administration	34,331	29,422	35,639	38,560
Total	619,293	754,273	681,222	776,359
Net Earnings (Loss) (\$000)				
Net Earnings (Loss)	18,699	(109,942)	(27,408)	(109,719)
Capital Plan (\$000)⁷				
Transportation Improvements	815,707	823,372	733,616	551,135

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.

⁶ Grant programs include grants paid under the transportation partnerships program for 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 three phases, of which only the first two are funded and underway.

Costs

The estimated cost is \$195 million for the first two phases.

- **Phase 1 — Yoho (5-Mile) Bridge (current budget \$65 million):** The cost of this work is being shared with the Government of Canada under the Strategic Highway Infrastructure Program. The federal portion is \$22 million and the provincial portion is \$43 million. Expenditures to March 31, 2006, are \$56 million. Construction was completed on budget and on schedule in the fall of 2006.
- **Phase 2 — Park (10-Mile) Bridge (current budget \$130 million):** The cost of this work is being shared with the Government of Canada under the Canadian Strategic Infrastructure Fund. The federal portion is \$62.5 million and the provincial portion is \$67.5 million. The provincial government awarded a public-private partnership to deliver the improvements through a Design-Build-Finance-Operate contract in October 2005. Design and construction by the contractor commenced in November 2005. Expenditures to March 31, 2006, are approximately \$29 million.



Kicking Horse Canyon – Park Bridge pier

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

Benefits:

- Safer roads and increased capacity on a critical provincial and national gateway;
- Fewer road closures due to slides and accidents;
- Replacement of two major bridges that are nearing the end of their service lives; 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 48-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.



William R. Bennett Bridge construction site

Costs

The bridge and east approach capital improvements are estimated to cost \$144.5 million.

Benefits:

- Improved safety for all lake crossing traffic;
- Reduced congestion and travel time including the elimination of the conflict between marine and bridge traffic;
- Anticipated savings of up to \$25 million over the 30-year life of the partnership agreement;
- Reliable 75-year life for the new bridge; and
- Economic development through increased tourism and more efficient movement of goods and services.

Risks

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

Sea-to-Sky Highway Improvement Project

Objective

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.



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

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 \$600 million (\$2002). The project is on schedule for completion in Fall 2009. Further information including a Capital Project Plan is available at: <http://www.seatoskyimprovements.ca/>.

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.

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 \$194 million. The federal government has announced a contribution of \$90 million for the project.

Benefits:

- Elimination of traffic congestion, delays, and capacity limitations during peak travel periods;
- Accommodation of future traffic demands stemming from regional growth, development of Dominion Triangle and Burke Mountain, and TransLink's new Golden Ears Bridge;
- Increased road safety through greater traffic separation;
- Reduced interference with marine traffic; and
- Improved marine habitat through a reduction in the number of bridge piers in the river, allowing for restoration of riparian habitat.

Risks:

- Interruptions to construction due to the need to keep a large volume of traffic moving;
- Shortages of skilled labour and increasing world prices for construction materials, and the impact of these on the cost of construction; and
- Finalizing the contribution agreement with the federal government.

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, with connections 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 current phase of the project includes commencing pre-loading in areas with soft soils along the entire corridor, as well as property acquisition and initial construction activities.

Costs

This phase of the project is estimated to cost \$525 million over the next three years. A federal contribution of \$100 million for the corridor has recently been announced.

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:

- Potential for a delay in environmental assessment certification for the entire project (currently estimated for Spring 2007), which would affect the start date for the current phase of the project;
- Risk of contamination of some sites with soft soils, which may require mitigation prior to the start of the preload; and
- Property cost escalation in key areas due to rapidly expanding development.

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, transit and commercial vehicle priority access to highway on-ramps, improvements to the cycling network and a proposed 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, selecting an appropriate procurement method and initiating a Request for Proposal.

Costs

The bridge and highway project, projected to be completed in 2013, is estimated to cost \$1.5 billion. 2007/08 costs are estimated to be \$12.5 million.

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

Shortages of skilled labour and increasing world prices for construction materials, and the impact of these on the cost of construction.

Transportation Investment Plan

Provincial Investments (\$millions)	2007/08 Plan	2008/09 Plan	2009/10 Plan	Total
Rehabilitation	146	146	146	438
Interior and Rural Side Roads	75	55	50	180
Heartlands Oil and Gas Road Rehabilitation	42	42	0	84
Mountain Pine Beetle Strategy	30	30	30	90
Highway 1 – Kicking Horse Canyon	13	2	0	15
Sea-to-Sky Highway	151	76	39	266
William R. Bennett Bridge	45	14	2	61
Border Crossing Infrastructure	19	12	0	31
Gateway Program	187	196	108	491
Okanagan Valley Corridor	11	44	63	118
Cariboo Connector Program	31	20	18	69
Other Highway Corridors and Programs	121	134	132	387
Airports and Ports	13	10	10	33
Canada Line Rapid Transit Project	118	0	20	138
Environmental Enhancement Fund	2	2	2	6
Total Provincial Investment	1004	783	620	2407

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 (2007/08 through 2009/10) 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 \$180 million from 2007/08 through 2009/10 to renew the northern and rural road network.
- **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 through 2008/09 is \$84 million.
- **Mountain Pine Beetle Strategy** — Maintaining and rehabilitating the road and highway network to mitigate impacts that the catastrophic mountain pine beetle outbreak is having on the provincial road system. The Ministry is investing \$90 million over three years to ensure that mountain pine beetle-attacked wood can be economically transported in an efficient and safe manner and 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 British Columbia's busiest border crossings. Approximately \$252 million will be committed to infrastructure and technology developments. British Columbia and provincial partners will provide \$150 million, with \$102 million from the federal government's Strategic Highway Infrastructure Program and Border Infrastructure Fund.
- **Gateway Program** — Developing a proposed program of road and bridge improvements along and across the Fraser River to address congestion and improve the movements of goods, people and transit throughout Greater Vancouver. The program represents an investment of about \$3 billion over 10 years. Proposed projects include:
 - South Fraser Perimeter Road, a primarily new east-west route along the south side of the Fraser River;
 - North Fraser Perimeter Road, a set of improvements to existing roads from Coquitlam to Maple Ridge, including the Pitt River Bridge project; and
 - Port Mann Bridge/Highway 1, which involves twinning the Port Mann Bridge, upgrading interchanges, and improving access and safety along Highway 1 from Vancouver to Langley.
- **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 \$118 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.
- **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. Projected investment from 2007/08 to 2009/10 is approximately \$387 million.
- **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 \$33 million over the next three years for this program, \$6 million of which is directed to cost-sharing the development of community cycling networks.
- **Canada Line** — The Canada Line project is a jointly funded (British Columbia government, Vancouver International Airport, federal government and the Greater Vancouver Transportation Authority) rail-based rapid transit line that will link central Richmond, Vancouver International Airport and Vancouver's downtown business district. The project is being delivered by the Greater Vancouver Transportation Authority through its subsidiary Canada Line Rapid Transit Inc. The province has committed to make \$435 million in contributions.
- **Environmental Enhancement Fund** — Investments of \$2 million annually to directly restore, protect and enhance environmental resources linked to the provinces highway infrastructure. Projects include restoration of fish passages at highway stream crossings to help fish runs such as Pacific salmon return to their former levels, acquisition and protection in perpetuity of environmentally sensitive properties, big game translocations to reduce wildlife accidents, and fish and wildlife habitat enhancements such as construction of habitat ponds and channels.