

**Ministry of
Transportation and Infrastructure**

**2009/10 – 2011/12
SERVICE PLAN UPDATE**

September 2009



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Message from the Minister and Accountability Statement

I am pleased to present this *2009/10 – 2011/12 Service Plan* update.

The Province is taking immediate steps to improve B.C.'s economic competitiveness, in light of the global economic downturn. Our ministry is leading the way with accelerated investments in capital infrastructure projects to help keep British Columbians working and help our province remain strong while the global economy stabilizes.

Our plan will continue to keep pace with our growing population and economic development. We will continue to improve access to our province's resources and provide support for tourism and other development opportunities.

In rural B.C., we are improving a road network that is taking unprecedented traffic, whether it's transports carrying equipment for oil and gas exploration or logging trucks hauling mountain pine beetle wood to market. The Province is investing \$30 million to rehabilitate rural provincial roads hard-hit by this increase in truck traffic.

Highway 97 is the primary route between the southern interior and northern B.C., and the Cariboo Connector Project will make Highway 97 wider and safer between Cache Creek and Prince George. The twinned Simon Fraser Bridge in Prince George is B.C.'s most recent major bridge to open, in August of 2009.

In the Okanagan, projects to improve traffic flow and safety include widening Highway 97 from Bentley Road, north of Summerland, to Okanagan Lake Park, and between Winfield and Oyama, which will remove the last two-lane section of the highway between the Okanagan Connector and the Swan Lake Interchange at Vernon.

The Kicking Horse Canyon section of the Trans-Canada Highway is a top improvement priority. Construction in the third phase of this project continues. The Kamloops-to-Revelstoke section of the Trans-Canada will also be improved through recently-announced accelerated infrastructure investments.

On the coast, the Sea-to-Sky Highway Improvement Project, which is making Highway 99 safer for residents, commuters and tourists, is due to be completed in the fall of 2009. We are also providing for the smooth, expedient movement of goods and people through our air and sea ports and the Canada-U.S. border crossings, to capture the opportunities available as a gateway for the growing trade and between Asia and North America.

The Gateway Program is continuing in earnest; construction on the Port Mann/Highway 1 project, to improve traffic flow in and out of the province's most populous region, is well underway. Construction has also started on the South Fraser Perimeter Road Project to improve east-west travel times and reduce the volume of truck traffic on community streets. Another major bridge project reaches completion later this year, the seven-lane Pitt River Bridge.

As we continue to expand, improve and strengthen our transportation system, there is now an enhanced focus on new green transportation choices like cycling and transit. Our \$14 billion *Provincial Transit Plan* will double ridership over the coming years by increasing choice for people around the province. Through BikeBC, we are providing world-class cycling infrastructure in communities throughout the province, encouraging more British Columbians to cycle to work, to school and for pleasure.

This Service Plan is the ministry's blueprint for the next three years with goals that are bold and ambitious. I am proud to join this team of dedicated professionals in this ministry. Together we will continue to move British Columbia forward.

The Ministry of Transportation and Infrastructure *2009/10 - 2011/12 Service Plan Update* was prepared in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.



Honourable Shirley Bond
Minister of Transportation and Infrastructure
September 1, 2009

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Purpose of the Ministry

The Ministry of Transportation and Infrastructure plans transportation networks, provides transportation services and infrastructure, develops and implements transportation policies, and administers many transportation-related acts and regulations. The Ministry also administers federal-provincial funding programs to build sustainable communities.

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 Regional Transportation Advisory Committees, 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;
- Manages funding for high-quality, modern public infrastructure that supports the development of strong communities by contributing to long-term economic growth and a clean environment; and
- Operates in cooperation with the BC Transportation Financing Authority, 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.

Crown Corporations

The Minister of Transportation and Infrastructure is responsible for the following Crown Corporations:

- **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.
- **British Columbia Railway Company** – The primary mandate of the British Columbia Railway Company is the effective management of the Revitalization Agreement between British Columbia Railway Company and the Canadian National Railway Company while ensuring the efficient wind down and/or disposition of British Columbia Railway Company’s remaining businesses, assets, and non-railway related real estate. In addition, British Columbia Railway Company is to provide advice and support for the Pacific Gateway Strategy and to implement alternative operating options for Vancouver Wharves. More information can be found at, www.bcrproperties.com/bcr1/.
- **BC Transit** – BC Transit is the provincial Crown agency charged with coordinating the delivery of public transportation throughout British Columbia (outside the Greater Vancouver Regional District). More information can be found at, www.bctransit.com/;
- **Transportation Investment Corporation** - The Transportation Investment Corporation is established under the *Transportation Investment Act*. Its primary purpose is to implement the Port Mann / Highway 1 Project. More information about the project can be found at, www.th.gov.bc.ca/gateway/index.htm; and
- **Rapid Transit Project 2000** – Rapid Transit Project 2000 completed its mandate to build the Millennium Line and concluded direct project activities in 2006. The Ministry is responsible for any continuing Rapid Transit Project 2000 administration and financial reporting.

Strategic Context

British Columbia's economy contracted modestly by 0.3 per cent in the 2008 calendar year, according to preliminary data from Statistics Canada. The recession marked the first annual decline in the province's real GDP since 1982. The main contributor to the contraction in B.C.'s real GDP in 2008 was a 6.8 per cent decline in real exports of goods and services.

Economic decline in BC is expected to continue through 2009 with a return to modest growth in 2010. Risks to BC's economic outlook include a severe and prolonged US recession, continued turmoil in global financial markets, slower global demand for BC products, further appreciation of the Canadian dollar, volatility in financial and commodity markets as well as ongoing moderation of domestic demand in BC.

In addition to the economic outlook, other themes and drivers continue to shape the development and execution of the Ministry's programs. Chief among these:

Climate Change: Transportation accounts for about 40 per cent of the greenhouse gas emissions in the province; automobiles alone account for 16 per cent and strategies for reducing emissions must entail significant investment in transit infrastructure and services, and cycling facilities. Initiatives are also required to reduce emissions from buses, trucks, trains, planes and ships. The main focus will be on reducing fuel consumption through the development and adoption of new emission standards and through incentives to encourage the deployment of new technologies.

Growth in Asia-Pacific Trade: Canada's continued economic prosperity depends upon its success in world trade. Economic growth in Asia offers businesses in B.C. 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 B.C.'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. India's forecast annual economic growth rate exceeds eight per cent over the next 20 years and is expected to place the country amongst the most powerful economies in the world. British Columbia's geographic location is a tremendous natural advantage as a gateway between Asia and North America. The government's Ports Strategy has set a goal of expanding British Columbia's share of west coast Asia-Pacific container traffic from nine 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. Canada's west coast ports, airports and supporting road and rail networks are central to achieving this objective.

Urban Population Growth: Alternatives to single-occupant vehicle use are required to support the development of denser communities to accommodate urban population growth. The *Provincial Transit Plan* targets market share for public transit of 17 per cent for metro Vancouver by 2020 and 22 per cent by 2030, up from 12 per cent in 2008, through the provision of a world class transit network. Denser communities will encourage further transit and will facilitate walking and cycling as alternate travel modes. Volatile, but generally rising fuel prices will also change travel behaviour and shift mode preferences away from single-occupant vehicles.

Changing Regional Economies: Rural economies continue to diversify and will rely on a range of infrastructure improvements to facilitate this evolution. Additional log and forest product hauls from accelerated harvests triggered by the mountain pine beetle epidemic are projected to peak in 2013 and continue for some years after. Oil and gas development is continuing to expand to areas of B.C. outside the North-East Region. Additional investment in affected road networks, including maintenance and rehabilitation due to incremental wear and tear, is required to facilitate the increase in industrial traffic and ensure roads remain suitable for all users. The Ministry is also pursuing partnership opportunities with First Nations to stimulate economic development through improved commercial access, involving First Nations in the delivery of transportation projects, and resolving highway tenure issues.

Trade Barriers: Efficient and secure border flows between Canada and the U.S. are crucial for trade and tourism. Despite on-going infrastructure and operational improvements, lengthy border wait times continue. Increasing security demands, insufficient border facility capacity and staffing levels, limited hours of operation at inspection booths and sub-optimal level of participation in “trusted traveller” programs are impacting border flows. The impact of congestion is significant in direct users’ delay costs. Border delays disturb the supply chain reliability, efficiency and productivity, affect trade and business opportunities, and reduce overall economic and gateway competitiveness.

Aging Infrastructure: Much of the existing highway infrastructure was constructed in the 1950’s and 60’s and continued re-investment is required to keep British Columbia competitive.

Unplanned Events and Conditions: Natural weather occurrences such as slides, floods, avalanches, earthquakes and fires are highly unpredictable and could result in major disruptions to the transportation system and service providers.

Leveraging: The scope and magnitude of transportation investment and renewal requirements are extensive and participation by the federal government and other partners is required to deliver essential infrastructure within the required timeframes.

Competitive Marketplace: Competition for engineering and construction services, from the oil and gas and other sectors within and outside B.C., continue to constrain the marketplace. Escalation in the cost of labour, equipment and construction materials increases the costs for new infrastructure and preservation of existing infrastructure.

Managing Staffing Costs: Managing staffing costs has always been one of the prime considerations in maintaining overall government affordability, and since 2001 this government has been diligent in reviewing staff spending each year. This is particularly true in these current economic times. All governments are in the similar position of having to balance spending and service levels against revenues that have declined over the past year in this extraordinary fiscal climate.

Staffing costs can be managed through removal of unfilled positions, retirements, staff efficiencies gained through coordination and collaboration across government, administrative program changes and, if necessary, a reduction in the staffing budget. In the 2010/11 budget, we will be managing staffing costs in the context of the current economic climate, examining all opportunities to continue to reduce these costs where possible. In the 2009/10 budget every effort has been made to preserve high staffing levels for frontline services.

In future years, government will continue to review its staffing budget to ensure those resources are allocated prudently, efficiently and towards government's key priorities.

Goals, Objectives, Strategies and Performance Measures

The Ministry of Transportation and Infrastructure has the following goals:

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

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

Objective 1.1: Improved mobility servicing major economic gateways

Strategies

- Identify infrastructure projects for both short-term and long-term economic benefits;
- 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 facilities, and by using intelligent transportation systems to process truck traffic more efficiently; and
- Reduce congestion at Canada/U.S. border crossings through the use of intelligent transportation systems such as improving the Advanced Traveller Information System to manage border capacity more efficiently.

Objective 1.2: 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 an integrated investment strategy.

Objective 1.3: 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 1: Project performance

Performance Measure	2008/09 Actual	2009/10 Target	2010/11 Target	2011/12 Target
The percentage of projects that meet their budget and schedule.	91.1%	91.5%	91.5%	91.5%

Data Source: Ministry of Transportation and Infrastructure.

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.

Objective 1.4: 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 \$50 million per annum for 2009/10, 2010/11, and 2011/12;
- Oil and Gas Rural Road Improvement Program – Invest \$47 million per annum for 2009/10 and 2010/11; and
- Support British Columbia's *Mountain Pine Beetle Action Plan* through the strategic investment of \$30 million per annum in 2009/10, 2010/11 and 2011/12.

Objective 1.5: Manage to build and improve infrastructure that contributes to their sustainable development.

Strategies

- Strategically invest up to \$900 million from joint federal/provincial funding programs to support local government infrastructure priority projects over the next six years.

Goal 2: British Columbia's transportation industries become more globally competitive

Objective 2.1: 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 2: Container traffic growth

Performance Measure	2008/09 Actual	2009/10 Target	2010/11 Target	2011/12 Target
Growth in container volume handled at west coast ports in TEUs (twenty-foot equivalent units)	2.67 million TEUs	2.34 million TEUs	2.69 million TEUs	2.96 million TEUs

Data Source: Growth in container volumes is based on traffic forecasts produced by British Columbia's key trading ports. This includes Port Metro Vancouver and the Port of Prince Rupert. TEUs are twenty foot equivalent units, a standard measure for containers where one TEU = one 20-foot container.

Discussion

Container growth targets for 2009/10 to 2011/12 have been revised downward to reflect the continued slowdown in international trade. The global economic and financial crisis has halted the strong growth in consumer spending that led to the steep increase in container import traffic to North American ports over the last ten years. Container volumes to the Port of Vancouver remained flat in 2008 (compared to 2007) but have dropped 15 per cent through the first half of 2009 and are expected to remain down for the remainder of the year. Volumes at other West Coast ports are down as well through the first half of the year (Seattle -8 per cent, Tacoma -14 per cent, Los Angeles -16 per cent, Long Beach -27 per cent). Container volumes to the Port of Prince Rupert, however, are expected to increase in 2009 and beyond as the new container terminal there attracts new customers. Forecasts for future container traffic are difficult to make at this time, but when the economic recovery does occur it is expected that economic growth may be at a slower pace than in the past.

Growth in container volumes is based on traffic forecasts produced by British Columbia's key trading ports. This growth is driven by market demand but is also 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 that supports industry investment decisions. In addition, the Ministry actively participates in or leads marketing missions to promote Canada's Pacific Gateway in both North America and Asia.

Through Canada's Pacific Gateway Strategy, the Ministry also facilitates communication, coordination and information-sharing across the transportation supply chain. In addition to participating in infrastructure projects with other private and public agencies, 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 3: Reduction of greenhouse gas for the transportation sector

Objective 3.1: 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 high occupancy vehicle (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 3: Transit ridership

Performance Measure	2008/09 Actual	2009/10 Target	2010/11 Target	2011/12 Target
Annual public transit ridership in B.C.	229 million	235 million	248 million	264 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. Increasing the number of travel trips using transit relates to a reduction in auto use which reduces congestion and reduces the emission of greenhouse gases attributed to the transportation system. The targets above are combined forecasts from BC Transit and TransLink. As a result of more current information, BC Transit and TransLink have re-forecast 2011/12 ridership to continue to grow but at a more modest annual increment of 6.5 per cent.

In Metro Vancouver the Canada Line is scheduled for completion in late 2009, making the first full year of operation 2010. Overall, more than 75 per cent of the provincial transit ridership occurs in Metro Vancouver; however, the rest of the province is expecting significant increases in ridership with an average annual increase of 4.7 per cent over the next three years for a total increase of 14.1 per cent.

Objective 3.2: Improve supply chain efficiency for the movement of goods

Strategies

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

Objective 3.3: 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;
- Invest in new buses that will ensure the use of the latest technology;
- 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; and
- Implement intelligent traffic control systems to reduce idling and create time advantages for transit.

Goal 4: British Columbia is provided with a safe and reliable highway system

Objective 4.1: Contractors maintain the provincial highway system to a high standard

Strategy

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

Performance Measure 4: Contractor assessment

Performance Measure	2008/09 Actual	2009/10 Target	2010/11 Target	2011/12 Target
Rating of the maintenance contractors' performance using Contractor Assessment Program.	92.4%	92.5%	92.5%	92.5%

Data Source: Ministry of Transportation and Infrastructure, 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, bus lines and local agencies in each service area are asked to rate their level of satisfaction with road maintenance activities. Results reflect 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 performance incentive. A rating between 85 and 90 per cent warrants a one per cent performance incentive, between 90 and 95 per cent warrants a 1.5 per cent performance incentive, and above 95 per cent warrants a two per cent performance incentive. The performance measure is a provincial average of the combined summer and winter ratings for all 28 contractors in the province. 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.

Objective 4.2: 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 priority in the annual resurfacing and structure rehabilitation and replacement programs.



Bridge inspections with a Snoop truck.

Objective 4.3: 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 Royal Canadian Mounted Police, and the Ministry of Public Safety and Solicitor General to identify areas for safety improvements.

Performance Measure 5: Highway safety

Performance Measure	2007/08 Baseline	2008/09 Actual	2009/10 Target	2010/11 Target	2011/12 Target
Crash reduction after construction on safety improvement capital projects.	152	18% reduction from baseline	20% reduction from baseline	25% reduction from baseline	30% 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 minus personal information) are then passed on to the Ministry and input into the Collision Information System. Data reliability is dependent on RCMP attendance at crashes and the accuracy of the form completion.

Discussion

The performance measure compares the before and after crash reduction on 19 new safety improvement capital projects on completion of construction. These projects will be delivered throughout the reporting period. The baseline is established at 152 crashes per year measured over five years. The performance measure targets for 2009/10 to 2011/12 have been revised based on the actual collision reduction observed in 2008/09. This measure directly assesses Ministry progress towards providing a safe highway system.

Objective 4.4: 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 coordinate and harmonize commercial transport and vehicle safety standards;
- Introduce system 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 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;
- Streamline 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 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 stakeholder groups and Ministry staff to identify potential gaps in service delivery, and determine how to refine ways of doing business in order to better meet customer needs; and
- Evaluate results to determine how to adjust internal processes, procedures and communications to enable more rapid information exchange within and between Ministry business units to deliver enhanced customer service.

Performance Measure 6: Customer service

Performance Measure	2006/07 Baseline	2008/09 Actual	2009/10 Target	2010/11 Target	2011/12 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	4.10

Data Source: The Ministry's 2008 Customer Satisfaction Survey is based on the Common Measurement Tool, a survey framework designed by the Institute for Citizen Centered Service to be administered by public-sector organizations to facilitate the measurement of citizen satisfaction. BC Stats' 2005 -2007 methodology for distribution and analysis has been duplicated to ensure this year's survey results allow the Ministry to continue benchmarking service delivery changes with all business unit, district, and regional stakeholders while measuring customer satisfaction against previous years' performance and projected targets.

Discussion

The Ministry annually surveys key stakeholders such as: local governments, commercial highway operators, permit applicants, emergency services, resource industry, highway construction and maintenance companies, professional and technical consultants, real estate industry, business groups, and general highway users.

As part of our continuous improvement efforts, 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.

Report on Resources

Resource Summary Table

Full Time Equivalents (FTE) numbers for each Ministry are currently being reviewed across government and therefore are not reported in this Service Plan Update. FTE's are routinely reported in the Public Accounts and more detailed information will now be publicly reported in a new Annual Report on the Corporate HR Plan, released each fall. For more information, see the Budget and Fiscal Plan documentation.

Core Business Area	2008/09 Restated Estimates ¹	2009/10 Estimates	2010/11 Plan	2011/12 Plan
Operating Expenses (\$000)²				
Transportation and Infrastructure Improvements	23,769	14,020	14,017	14,017
Public Transportation ³	226,880	250,735	279,002	338,000
Highway Operations	502,245	475,684	471,481	467,579
Commercial Passenger Transportation Regulation	2,574	2,094	2,094	2,094
Executive and Support Services	13,086	13,250	13,072	12,905
Total	768,554	755,783	779,666	834,595
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Transportation and Infrastructure Improvements	637	0	0	0
Highway Operations	7,623	2,981	2,031	2,232
Commercial Passenger Transportation Regulation	325	0	0	0
Executive and Support Services	70	0	0	0
Total	8,655	2,981	2,031	2,232
Other Financing Transactions (\$000)				
Receipts	0	0	0	0
Disbursements – Transportation Investment Corp.	0	0	0	0
Net Cash Source (Requirements)	0	0	0	0

Core Business Area	2008/09 Restated Estimates ¹	2009/10 Estimates	2010/11 Plan	2011/12 Plan
Revenue (\$000)				
Total Receipts ⁴	102,181	46,127	46,697	47,305

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the September Update 2009 *Estimates* 2009/10. Schedule A of the Estimates, presents a detailed reconciliation.

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.

⁴ The majority of the Ministry's revenue comes from the federal contribution to coastal ferry service (approximately \$27 million annually). 2008/09 included revenues for the Coquihalla Toll Plaza.

BC Transportation Financing Authority – Statement of Earnings

	2008/09 Actual	2009/10 Plan	2010/11 Plan	2011/12 Plan
Revenue (\$000)				
Dedicated Taxes ¹	421,100	419,900	407,100	401,400
Amortization of deferred contributions ²	144,443	142,690	142,775	145,458
Other revenue ³	36,257	44,422	117,426	84,779
Total	601,800	607,012	667,301	631,637
Expenditures (\$000)				
Amortization	340,360	364,905	366,092	387,102
Interest ⁴	211,813	256,233	316,107	382,438
Interior and rural side roads ⁵	27,676	30,741	25,000	25,000
Grant programs ⁶	31,367	137,699	112,225	84,701
Operations and administration ⁷	52,146	59,517	47,242	49,902
Total	663,362	849,095	866,666	929,143
Net Earnings (Loss) (\$000)				
Net operating loss	(61,562)	(242,083)	(199,365)	(297,506)
Unrealized gain (loss) ⁸	124,859	(150,348)	(64,759)	(30,000)
Net earnings (loss)	63,297	(392,431)	(264,124)	(327,506)
Capital Plan (\$000)				
Transportation Improvements ⁹	763,069	812,283	759,877	623,037

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. Due to the implementation of Harmonized Sales Tax (HST), the authority will no longer receive car rental tax starting July 1, 2010.

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 interest income, grants from the Province, 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 expenditures are \$57 million for 2008/09, \$61 million for 2009/10 and \$50 million for 2010/11 and 2011/12.

⁶ Grant programs include grants paid under the transportation partnerships program for cycling and ports and airports, provincial contributions to Canada Line, grants to TransLink and BC Transit for transit purposes, and other projects.

⁷ Operations and administration expenditures include public-private-partnership project performance payments, inland ferries operations and maintenance, write-down and transfer of assets.

⁸ Unrealized gain/loss is a non-cash accounting booking of gain/loss arising from the change in fair value of outstanding financial derivative instruments.

⁹ Transportation improvements are capital expenditures, 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 (Public-Private-Partnership), are complete and in use.

Costs: The total cost was \$207 million for the first two phases. The estimate for Phase 3 is \$134 million and for Phase 4, \$630 million.

Phase 3, Golden Hill to West Portal and 10-Mile Brake Check to Yoho National Park – Federal funding partnership has been secured for Phase 3 under the Building Canada Fund. Construction of the Brake Check to Yoho National Park segment was awarded to Leducor CMI in September 2008 and completion is scheduled for March 2011. Construction of the Golden Hill to West Portal segment using local hired equipment commenced in May 2009 and is expected to be complete in September 2009 providing a fourth lane on Golden Hill. Procurement of the Golden Hill to West Portal design-build segment commenced in spring 2009 and construction is expected to start in fall 2009. Completion of construction is targeted for 2012.

Phase 4, Hwy 1/95 Intersection and West Portal to Yoho Bridge - Phase 4 of the project is also underway with further preliminary engineering work on the challenging section from West Portal to Yoho Bridge planned for fiscal 2011.

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.



Construction of the fourth lane of Phase 3 West utilizing local hired equipment

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.

The project is on schedule for completion by fall 2009.

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.

More information about the project can be found at www.seatoskyimprovements.ca.



Opened in April 2009, this new 4.6 kilometre section of highway in West Vancouver safely separates traffic to BC Ferries at Horseshoe Bay from through traffic to Squamish and Whistler.

Benefits:

- 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 seven-lane bridge with future capacity for eight lanes 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 on the east side of the bridge.

Construction is underway and on target for substantial completion in late 2009 when traffic will be on the new bridge. Demolition of the existing bridges will occur in 2010.

Costs: The bridge and interchange project is estimated to cost \$198 million. The federal government is contributing \$90 million through the Canada-British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund.

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 commuter and bus travel times;
- Improved traffic movement and reduced congestion by maintaining seven general travel lanes, 24 hours per day, eliminating backups caused by the current counter-flow system;
- Reduced environmental impacts on the river by using 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
- Flexibility to meet changing traffic demand. The bridge will be built to accommodate eight lanes in the future, four in each direction, some of 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 kilometres long, is a proposed new four-lane, 80 kilometres per hour route along the south side of the Fraser River. The project will extend from Deltaport Way in Southwest Delta to 176th Street (Highway 15) in Surrey, with connections to Highway 1, 91, 99 and to TransLink's new Golden Ears Bridge.

It is one component of the Province's Gateway Program of road and bridge improvements along and across the Fraser River. The project will provide a much-needed continuous and efficient route to serve the important freight and service industry along this key economic corridor and will benefit commuters as well as tourists accessing borders, ferries and the B.C. Interior.

Costs: The overall cost of the project is estimated at \$1 billion. A federal contribution agreement for \$365 million under the Canada-British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund was signed in September 2008.



Pitt River Bridge westbound, May 2009, shows placement of deck panels is almost complete.

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 traffic 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:

- Construction in soft soils (preloading in some areas may take more than a year to settle); and
- Construction across wood-waste landfill sites (requiring remediation of contaminated soils).

Port Mann Bridge / Highway 1

Objective: The Port Mann / Highway 1 project includes construction of a new 10-lane Port Mann Bridge, widening the highway, upgrading interchanges and improving access and safety on Highway 1. The project spans a distance of approximately 37 kilometres from the McGill Street Interchange in Vancouver to 216th Street in Langley.

In keeping with the *Provincial Transit Plan* and commitment to alternative transportation, the project includes congestion-reduction measures such as high occupancy vehicle lanes, transit and commercial vehicle priority measures, improvements to the cycling network and an electronic toll on the Port Mann Bridge. As well, the new bridge will be built to accommodate future light rail transit. The project will also provide for a Highway 1 RapidBus service, a joint initiative of the Province and TransLink, with service between Langley and Burnaby in less than 25 minutes.

The project will be delivered by the newly established Transportation Investment Corporation. Initial construction activities began in August 2008. The new Port Mann Bridge will be operational in December 2012, with completion of some other components in 2013. A design-build agreement was reached in March 2009 with Kiewit-Flatiron General Partnership.

Costs: The construction cost of the project is approximately \$2.46 billion. For presentation in financial statements, generally accepted accounting principles require the inclusion of interest charges and project management costs which could increase the total capital cost to about \$3.3 billion.

Benefits:

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

Risks:

- Property cost escalation in key areas due to rapidly expanding development and a significant number of industrial properties along the corridor;
- Traffic management during construction on B.C.'s busiest highway;
- Construction noise and other temporary disruptions in local residential and commercial areas; and
- Utility relocation could cause schedule delays.

Evergreen Line Rapid Transit Project

Objective: The Evergreen Line Rapid Transit Project is an essential element of the *Provincial Transit Plan* and the *Federal Building Canada Plan*. The Evergreen Line will connect Coquitlam to Vancouver via Port Moody. The primary objectives of the new line are to increase transportation choice, support regional and municipal growth management plans, preserve green space and support environmental sustainability initiatives.

Costs: The Ministry is the lead agency responsible for the delivery of the \$1.4 billion project which is to be jointly funded by the Province, TransLink and the federal government. At the present time, the project team is preparing a business case including an assessment of procurement options for consideration of the funding partners. Separate funding agreements will be negotiated with both TransLink and the federal government. The project team is also undertaking a preliminary design exercise to confirm the alignment and station locations. Project construction is expected to commence in late 2010 with an anticipated opening in late 2014.

Benefits:

- Extends Greater Vancouver's rapid transit network to the northeast sector communities offering a fast, frequent, and reliable transit alternative to the single occupant vehicle;
- Provides travel time savings for both transit and automobile users;
- Supports regional and municipal growth management plans; and
- Operates in an exclusive right-of-way thus avoiding potential conflicts with road traffic and pedestrians.

Risks:

- The alignment travels through a developed urban area with property constraints along the entire length including a significant section that parallels the existing CP Rail right-of-way; and
- A two-kilometre tunnel is required to overcome grade constraints on Clarke Road in Coquitlam.

More information about the project can be found at:

- The Evergreen Line at www.th.gov.bc.ca/evergreen_line; and
- The *Provincial Transit Plan* at www.th.gov.bc.ca/Transit_Plan.

Transportation Investments

(\$ millions)	2009/10	2010/11	2011/12	Total
Provincial Investments:				
Transportation Investment Plan				
Rehabilitation	149	146	146	441
Interior and Rural Side Roads	61	50	50	161
Oil and Gas Rural Road Improvement Program	51	47	0	98
Mountain Pine Beetle Strategy	32	30	30	92
Highway 1 – Kicking Horse Canyon	49	50	18	117
Sea-to-Sky Highway	71	0	0	71
William R Bennett Bridge	9	0	0	9
Border Infrastructure Crossing	4	0	0	4
Gateway Program	148	124	113	385
Okanagan Valley Corridor	64	74	39	177
Cariboo Connector Program	55	31	0	86
Other Highway Corridors and Programs	134	175	102	411
Airports and Ports	5	5	5	15
Cycling Infrastructure	5	5	5	15
Provincial Transit Plan				
Canada Line Rapid Transit Project	20	20	20	60
Evergreen Line	20	57	172	249
Rapid Transit Projects	37	32	41	110
Buses and Other Transit Priorities	100	79	24	203
Total Provincial Investment¹	1,014	925	765	2,704
Investments Funded Through Contributions From Other Partners:				
Canada Line (Federal Govt, TransLink, YVR, Private)	173	0	0	173
Evergreen Line (Federal Govt, TransLink).....	39	106	309	454
Federal Contributions to other Projects	224	207	165	596
Total Investments Funded Through Contributions From Other Partners.....	436	313	474	1,223
Total Investments in Infrastructure	1,450	1,238	1,239	3,927

¹ Total provincial investment includes operating and capital spending.

Major Programs

Highway Rehabilitation – Investing \$438 million over three years (2009/10 through 2011/12) 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 \$150 million from 2009/10 through 2011/12 to renew the interior and rural road networks.

Oil and Gas Rural Road Improvement Program – 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. Annual investment of \$47 million will be made in both 2009/10 and 2010/11.

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.

Okanagan Corridor Improvements – Corridor improvements to support trade and tourism by reducing congestion have approved expenditures of \$177 million over the next three years. Additional funding will be secured through partnerships with federal and municipal governments. These projects include four-laning Highway 97 between Summerland and Peachland, upgrading Highways 33 and 97 within Kelowna, four-laning Highway 97 on a new alignment west of Wood Lake in the District of Lake Country and four-laning Highway 97A north of Vernon to Armstrong.



Okanagan Corridor - Excavator pulling material from a blast in the Larkin to Crozier segment. In the background, the existing Highway 97A remains open to the travelling public while the new four lane section of the highway is being constructed.

Cariboo Connector Program – 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 \$240 million in projects initiated over a five-year timeframe. Federal cost sharing up to \$87 million has been secured under the federal *Building Canada Plan* and mountain pine beetle component of the Asia Pacific Gateway Initiative 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.

Airports and Ports – Helping communities and regions realize economic growth through contributions to strategic British Columbia port and airport developments. To boost tourism and create new jobs and economic development opportunities, the program has partnered 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 program focus on economic development and safety related projects is being expanded to help meet the Province's climate action targets. The Ministry is reserving \$15 million over the next three years for this program.

Bike BC – Signals a new level of provincial commitment to identify and build cycling facilities of regional and provincial significance while continuing to assist local governments to develop their networks. Bike BC is a comprehensive provincial cycling plan, which will complement the *Provincial Transit Plan* in reducing traffic congestion and greenhouse gas emissions by providing convenient and attractive alternatives to car travel. Bike BC will also improve public health and fitness by promoting physical activity. The Ministry will be investing \$25 million over three years to help make cycling a safe and attractive alternative transportation option for commuters. This investment will be further leveraged through cost sharing agreements with local governments. Additionally, the Gateway Program includes a \$50 million investment to construct cycling facilities on the Gateway corridors, and the *Provincial Transit Plan* will establish up to 1,000 bike lockers at key locations by 2020.

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 \$1.3 billion from 2009/10 to 2011/12. The plan will help 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. 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 was ahead of schedule with completion on August 17, 2009. Construction on the Evergreen Line is expected to be initiated in 2010/11. The Province has taken the lead on a number of transit planning initiatives that will be used to identify the infrastructure expansion requirements, including: developing a transit vision for the Fraser Valley; evaluating the potential of the E&N Rail Corridor on Vancouver Island for transit purposes; completing Regional Transit Studies for both Greater Victoria and the Central Okanagan Valley. In addition, the Province and TransLink are co-sponsoring detailed planning work to evaluate alignment and technology options for the UBC Line and the Surrey Expansion. More information on the *Provincial Transit Plan* can be obtained at, [www.th.gov.bc.ca/Transit Plan](http://www.th.gov.bc.ca/Transit_Plan).

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