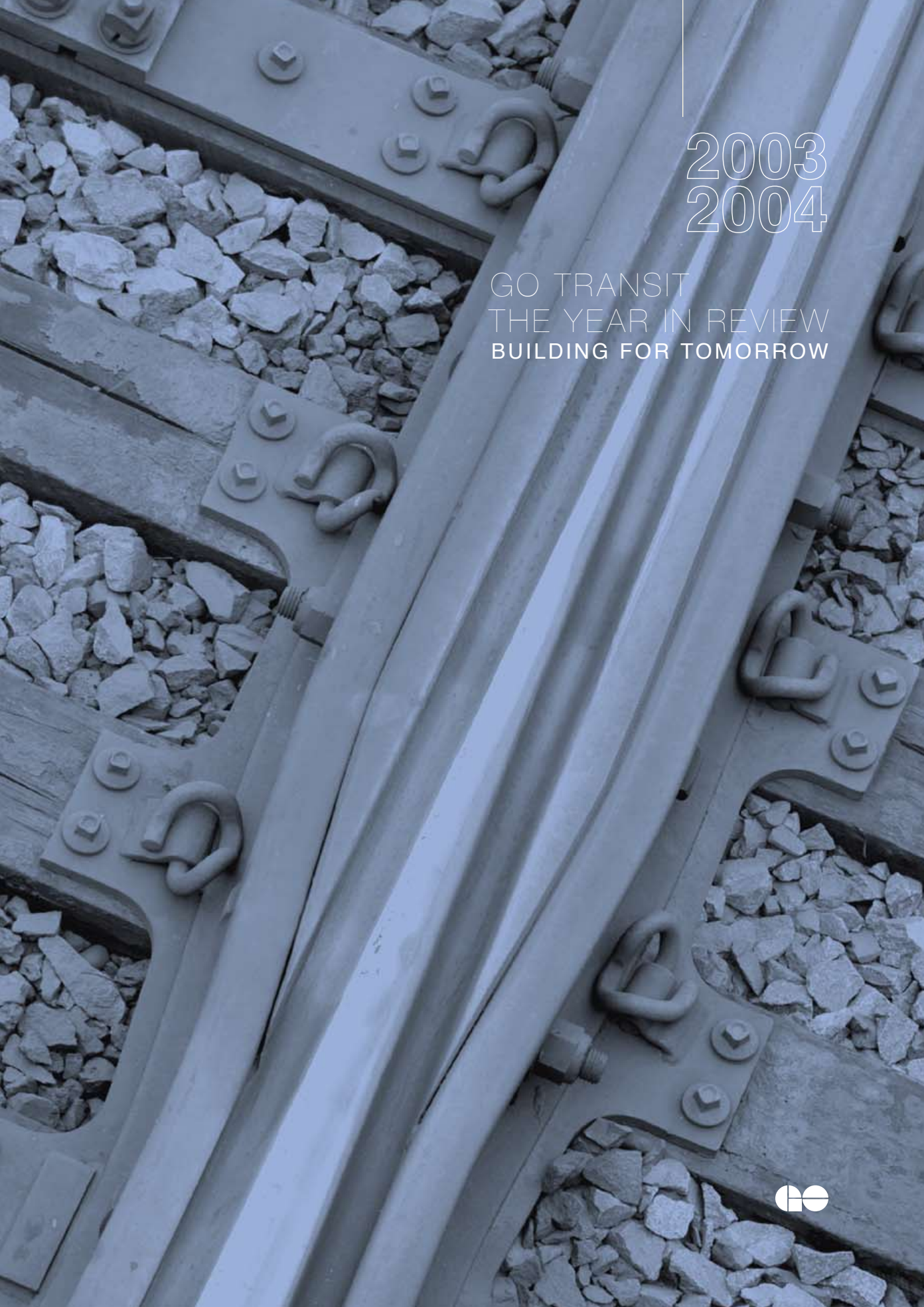




2003
2004

GO TRANSIT
THE YEAR IN REVIEW
BUILDING FOR TOMORROW







BUILDING FOR TOMORROW

APRIL 1 2003 TO MARCH 31 2004

Inside

- 2 Looking to the future
- 3 What is GO Transit?
- 4 Who governs and funds GO Transit?
- 6 Who operates GO's services?
- 7 Why is GO essential to the Greater Toronto Area and Hamilton?
- 8 What happened in fiscal year 2003-04?
- 18 Financial performance in fiscal year 2003-04
- 20 Info to GO and ridership statistics



GO Transit
20 Bay Street, Suite 600
Toronto, Ontario
Canada M5J 2W3

tel 416 869-3600
fax 416 869-3525
web www.gotransit.com



Copyright © 2004, Greater Toronto Transit Authority (GO Transit)
ISSN 1496-0710



LOOKING TO THE FUTURE



The 2003-04 fiscal year was marked by highs and lows.

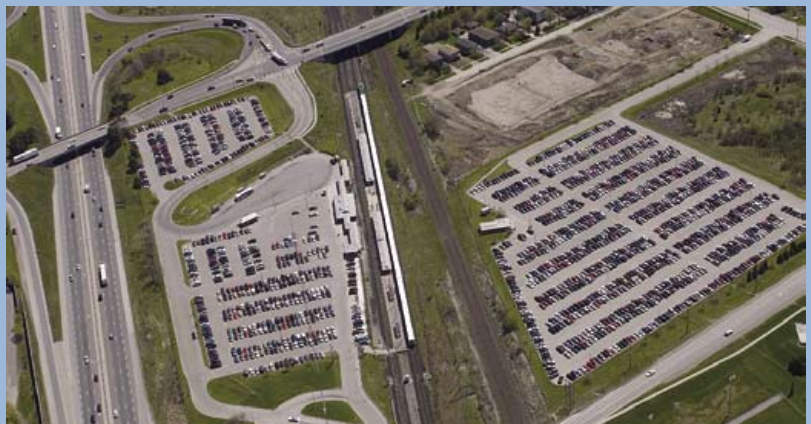
GO Transit rode out such unprecedented crises as the SARS outbreak, the massive power blackout of August 2003, and one of the worst winters for service reliability. GO learned from these experiences, though, and forged plans to cope better in future emergencies.

The high points made up for the lows. Staff were tested time and again, in crisis after crisis, but performed above expectation with each challenge. GO won prestigious transportation industry awards. Ridership grew to a record 44.3 million passengers in 2003. And GO continued to be one of the most cost-effective transit systems anywhere in the world.

As well, GO continued looking to the future by building a bigger, better transit network. With funding commitments from the senior levels of government, it moved ahead a step at a time with its 10-year plan to expand and renew infrastructure. This includes increasing service and adding stations, buses, and trains for its customers.

These improvements are urgently needed to meet the growing demand for public transit in the Greater Toronto Area. The problem for GO is not the lack of transit use. It is “not enough transit to use.” GO’s plans will help provide a lot more transit for the continually increasing population of the GTA and surrounding region.

The achievements from the year past are highlighted here. GO Transit looks forward to serving the public’s transportation needs in future years with even better service than today.



WHAT IS GO TRANSIT?

For nearly 40 years, GO has been providing safe, reliable, comfortable, and convenient transportation to the many communities it serves.

GO Transit started out in 1967 as a single rail line along Lake Ontario. Created by the Province of Ontario to relieve traffic congestion on the highways, GO has become a comprehensive network of seven train lines and numerous bus routes linking towns and cities across southern Ontario's Greater Toronto Area (GTA) and the adjacent City of Hamilton. (The GTA consists of the City of Toronto and the surrounding Regions of Halton, Peel, York, and Durham. GO also provides service to the bordering communities of Simcoe, Dufferin, and Wellington Counties.)

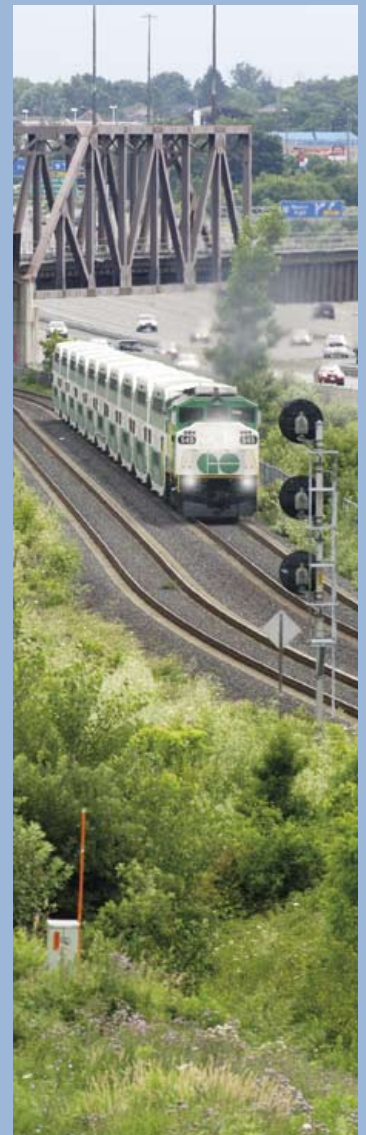
GO Trains and GO Buses serve more than five million people living in an area of more than 8,000 square kilometres (3,000 square miles). The GO Transit network stretches across 100 kilometres (60 miles), from downtown Toronto to communities as far as Hamilton, Milton, and Guelph in the west; Orangeville, Barrie, and Beaverton to the north; Stouffville and Uxbridge in the northeast; and Oshawa and Newcastle to the east.

On a typical weekday by the end of the 2003-04 fiscal year, GO operated 178 train trips and 1,226 bus trips carrying about 170,000 passengers—145,000 on the trains* and 25,000 by bus. Ridership for the whole of 2003 reached almost 44.3 million passengers, an annual record for the seventh year running.

Getting these commuters onto transit greatly reduces congestion on the roads—if all the people who take GO were to drive to work every day, they would collectively be driving about 1.4 billion kilometres a year. By making room on the roads for people who need to drive, especially those involved in the movement of goods, GO optimizes the area's transportation infrastructure. In fact, during the morning rush hour GO carries as many people into downtown Toronto as eight major freeways, such as four Don Valley Parkways *and* four Gardiner Expressways.

GO Transit connects with every municipal transit service in the GTA and Hamilton, and has fare integration arrangements to give passengers a discounted ride on local transit to or from their GO Train station.

** Train service consists of trains and their related bus services—buses that meet the trains at terminus stations, and buses that connect Union Station with other train stations*



WHO GOVERNS AND FUNDS GO TRANSIT?

GO Transit is legislatively known as the Greater Toronto Transit Authority (GTTA) and is a Crown Agency of the Province of Ontario.

The Provincial government is responsible for funding the portion of GO's operating costs that are not recovered through passenger fares and other revenue. It is also responsible for the base capital funding needed for rehabilitation and replacement, to keep the system in a state of good repair. For growth and expansion capital costs, the Province provides one-third of GO's capital funding needs, with the understanding that the Federal and municipal governments will contribute towards the remaining two-thirds.

GO Transit consistently recovers over 80% of its operating costs from the farebox—the best financial performance for any transit system in Canada, and one of the best in the world. In the 2003-04 fiscal year, operating cost recovery was 85%.



BOARD OF DIRECTORS

The Board of Directors of GO Transit is appointed by the Province of Ontario to provide leadership and direction for the organization. It has broad representation from the public and private sectors, including business, municipal government, and the Provincial government.

The Chairman is Dr. Gordon Chong, who resides in Toronto. The rest of the 14-member Board, effective April 16, 2004, consists of:

Public sector members: Vice-Chair Hazel McCallion, Mayor of the City of Mississauga; Roger Anderson, Chair of the Regional Municipality of Durham; Larry Di Ianni, Mayor of the City of Hamilton; Bill Fisch, Chair of the Regional Municipality of York; David Miller, Mayor of the City of Toronto; Saäd Rafi, Ontario's Deputy Minister of Transportation; and Joyce Savoline, Chair of the Regional Municipality of Halton.

From the private sector: Vice-Chair Peter Smith, from Mississauga; Dr. Baher Abdulhai, from Toronto; Douglas Armstrong, from Peterborough; Hugh Nicholson, from Whitby; Earl Rowe, from Fort Erie; and William Sears, from Stoney Creek.

Outgoing members in fiscal year 2003-04 were David Guscott, then Deputy Minister of Transportation; Doug Holyday, City of Toronto Councillor; Jack Garner, from Barrie; Eldred King, from Whitchurch-Stouffville; Allan Leach, from Toronto; and Bob Wade, former Mayor of the City of Hamilton.

Staff who are officers of the Board are GO's Managing Director and Chief Executive Officer, Gary W. McNeil; Director of Corporate Services, Jean M. Norman, who serves as Secretary to the Board; and Director of Financial Services, Frances Chung, who is the Board's Treasurer.



Chairman
Dr. Gordon Chong



Vice-Chair
Hazel McCallion



Vice-Chair
Peter Smith



Board Members

Baber Abdulhai

Roger Anderson

Douglas Armstrong

Larry Di Ianni

Bill Fisch

David Miller

Hugh Nicholson

Saäd Rafi

Earl Rowe

Joyce Savoline

William Sears



Officers

Gary W. McNeil

Managing Director &
Chief Executive Officer

Jean M. Norman

Director, Corporate Services
Secretary to the Board

Frances Chung

Director, Financial Services
Treasurer to the Board

WHO OPERATES GO'S SERVICES?

GO Transit is a prime example of a public-private partnership that works.

Much of GO's operation (about 70%) is outsourced to the private sector—services as diverse as train operation, train maintenance, station design, construction, and snow removal. By going to the marketplace, GO ensures the best competitive prices for quality work.

GO Trains are operated under contract by Canadian National Railway and Canadian Pacific Railway personnel; most of the rail corridors and tracks are owned by the railways. Because GO Trains use railway-owned track that is shared with freight and intercity passenger trains, the movement of trains is ultimately not in GO Transit's control. However, the railways have a long-standing relationship with GO and a good understanding of the need to provide quality customer service.

GO Transit operates GO Bus service and maintains its own bus fleet. Major work is contracted out, such as engine and transmission rebuilds, bus refurbishing, and major body repairs.

THE GO TRANSIT SYSTEM



A FAR-REACHING NETWORK
OF BUSES AND TRAINS



WHY IS GO ESSENTIAL TO THE GREATER TORONTO AREA AND HAMILTON?

Without GO Transit, the number of people commuting by car would surge, traffic gridlock would worsen, and air quality would decline.

In the rush hours, GO moves as many people into downtown Toronto as eight congested expressways (the equivalent of 48 highway lanes of traffic). More GO passengers use Union Station, the downtown heart of the network, than all the passengers at Toronto's Lester B. Pearson International Airport.

Less apparent is the vital supporting role GO plays in the regional economy of the entire Greater Toronto Area—often described as the economic engine of Ontario, and Canada.

Downtown Toronto, the heart of this great regional metropolis, has grown dramatically in the past few decades. This growth, so evident in the city's skyline of office towers, came about largely because GO Transit has made it possible for so many people to commute to Toronto without driving. In fact, the number of cars coming into the downtown core during the morning rush hour has changed very little since GO began nearly four decades ago. GO ridership has increased steadily from 2.5 million passengers in the first year (1967) to well over 44 million today.

The suburbs have grown substantially too over the years and have benefited from GO service. GO Transit meets some of the transportation needs of new commercial and residential growth in these suburban areas. Their residents depend on GO to take a large number of long-distance car trips off the roads, freeing up space for people who have no viable alternative to driving. The average GO commute is 32 kilometres, which means that GO passengers travel a combined total of 1.4 billion kilometres annually.



0304 HIGHLIGHTS

TWELVE MONTHS OF HIGHLIGHTS

WHAT HAPPENED IN FISCAL YEAR 2003-04?

APRIL 2003

The SARS outbreak struck, catapulting Toronto—and GO Transit—to worldwide attention. Public health authorities issued a precautionary advisory to GO commuters after a nurse who was a probable case of severe acute respiratory syndrome had travelled twice on a GO Train. The advisory was lifted after the prescribed 10 days, during which no GO passenger fell ill because of exposure to SARS. Ridership was affected only minimally; people continued to ride GO during the outbreak.

GO Transit exchanged platforms with VIA Rail in Union Station, consolidating GO's operations to seven adjacent tracks. VIA's intercity trains began using tracks 12 and 13, while GO relocated to tracks 6 and 7 as part of its ongoing program to improve the station's efficiency. Tracks 6 and 7 have the longest platforms, and trains move through fewer switches to get in and out of the station, an important advantage in severe winter weather.

Fares went up April 12 by 10 cents a ride to help pay for service improvements and higher operating costs.



0304
HIGHLIGHTS

MAY 2003

Building on the success of last year's inaugural campaign, GO held another Very Important Passenger (VIP) contest to show appreciation for customers. GO involved its local transit partners this year to strengthen relationships with them, as well as thank customers for taking local transit to connect with GO; winners won GO and local transit monthly passes. Campaign promotions began this month, and the contest ran at the beginning of June. GO's original VIP campaign, which several transit systems across Canada have adopted, won a marketing and communications award later this year from the American Public Transportation Association.



GO Transit won other prestigious transportation awards as well. For the second year in a row, it captured two Ontario awards for National Transportation Week, which recognizes the hundreds of thousands of men and women who keep Canada moving safely, efficiently, and reliably. Len Cook, a GO Bus driver, was honoured as Ontario's Passenger Transportation Employee of the Year. GO also won an excellence award for its innovative safety program targeting people who deliberately disobey railway crossing signals and signs.



Moving towards a common fare card for transit, the Province of Ontario announced on May 7 that it would invest up to \$40 million in the development and operation of a GTA-wide smart card system. GO Transit, with the Ontario Ministry of Transportation's support, took the lead in developing the GTA smart card, which would be an "e-purse" (the electronic equivalent of cash) enabling seamless transfers between different transit systems.

0304 HIGHLIGHTS

JUNE 2003

The Province of Ontario committed further funding for GO Transit to improve and expand services. The government announced the funds June 4 in a news conference at Port Credit GO Station: the Province will invest \$385 million in GO, matching a similar commitment by the Federal government. The GO improvements and expansions include:

- modernizing the track and signal infrastructure in the Union Station corridor;
- adding a third track to sections of both Lakeshore lines;
- increasing track capacity in the Georgetown and Milton corridors;
- extending GO Train service to Barrie;
- extending commuter bus service beyond GO's service area to other communities in the Golden Horseshoe area of southern Ontario;
- and developing the first phase of a bus rapid transit system across the Greater Toronto Area, to which the Province committed another \$67 million in funding.

Design work and environmental assessments for several components of this program were already underway as part of GO's multi-year growth program.

On June 16, GO wound down its one-year demonstration of an electronic fare card on the Richmond Hill line, reverting to the current paper ticket system. The pilot project helped GO evaluate its passengers' acceptance of a smart card. Using the feedback on the demo card, GO will now concentrate on redesigning its fare collection system to better meet its system-wide needs, and on developing the GTA smart card announced by the Province in May.



0304
HIGHLIGHTS

JULY 2003

The bi-level railcar fleet grew again with an order for four cab cars from Bombardier. More cab cars are needed so GO can operate more trains (cab cars are passenger coaches with a control cab at one end for driving the train). The new cars should be delivered in July 2004.

Union Station GO Bus Terminal, which opened in March 2003, improved this month with the opening of an overhead walkway connection to the adjacent Union Station's rail platform 1. The new walkway provides a safe option for crossing Bay St. between the two terminuses. (An elevator for easier access between the walkway and the terminal opened later, in December 2003.)

As usual every July, GO provided extra train service to Exhibition Place for the annual three-day Molson Indy auto races, making travel into the city more convenient for race fans.

On July 30, GO served some of the huge crowd of people—they were half a million strong—who went to a day-long rock concert in suburban Downsview. Featuring the Rolling Stones and other performers, the concert was staged to help Toronto's economy and tourism industry recover from the SARS crisis. GO added extra buses on the Yonge St. corridor and ran extra late-night Lakeshore trains, carrying around 46,000 passengers to and from the concert.



0304
HIGHLIGHTS

AUGUST 2003

The year's second big crisis hit on Thursday, August 14, when a massive power blackout shut down much of southern Ontario and the northeastern United States. GO managed to get many commuters home by train and bus with minimal delay that night, but could not run any trains the next day (train service resumed for the weekend). Weathering the crisis, GO took the opportunity to further review and improve its emergency preparedness. The blackout caused a sizeable drop in ridership as non-essential workers throughout the Toronto area stayed home at the urging of the Provincial government.

The blackout delayed the start of the Canadian National Exhibition summer fair (CNE) by four days. As usual, GO provided extra trains to Exhibition Place to help ease gridlock and parking problems. GO partnered again with the CNE to sell admission tickets at GO stations along the Lakeshore lines.

GO Transit developed its first annual Accessibility Plan, as required by the government's Ontarians with Disabilities Act. During the past decade, GO has made significant progress towards system-wide accessibility—accessible train service was introduced in 1995, and in recent years accessible bus service has been phased in route by route. GO will continue to make services accessible as it refurbishes and renews its facilities and equipment.

GO continued renewing its bus fleet with the purchase of buses to replace older ones. An order for 20 new 45-foot highway coaches, equipped with lifts for wheelchair-accessible service, will be delivered in early 2004.

An era ended on August 30, when the Yonge C and Bayview bus services, which GO had operated since 1976, were transferred to York Region Transit. The transfer will help York Region develop its Quick Start rapid transit system. GO sold the buses that had been serving these routes to York Region Transit to help it build its own fleet.



0304
HIGHLIGHTS

SEPTEMBER 2003

With summer over and people back to work and school, GO improved bus service in several corridors. The improvements included more trips on the Milton corridor; more weekday and Saturday service on the Newmarket B route; more weekday trips serving Hamilton's McMaster University; and more service, more express trips, and many more buses on the Hwy. 407 routes—GO's extensive east-west service anchored on York University in northwest Toronto.

The GO Bus fleet grew again with an order for 11 new 45-foot highway coaches, all equipped with wheelchair lifts. They will help meet increasing demand for service and are scheduled for delivery by the end of 2003, increasing the fleet to 262 buses.

OCTOBER 2003

Construction began on a new station to serve the rapid urbanization of northern York Region. East Gwillimbury GO Centre, on the Bradford line between Newmarket and Bradford stations, will help relieve some of the crowding at the Newmarket GO Station. It will have a 600-space parking lot (with room to expand to 1,500) and a bus loop for both GO and local transit. The station will be accessible and should be ready for passenger service in November 2004.

The Road World Cycling Championships were held in Hamilton in early October. To help race fans beat gridlock on the highways, GO offered special weekend Lakeshore trains to and from Hamilton. Bus schedules were also adjusted during the seven days of racing to allow for road detours and extra traffic.

Hwy. 407 bus service was enhanced again. With ridership continually growing, GO had already added some 67 bus trips in September, and added 15 more trips at the end of October to accommodate customers.



0304 HIGHLIGHTS

NOVEMBER 2003

Launching bus rapid transit services in Mississauga, the Province of Ontario introduced bus bypass shoulders on a section of Hwy. 403 in mid-November. The right shoulder of the highway was designated for use by transit buses, allowing GO Transit and Mississauga Transit's buses to freely bypass other traffic whenever the highway is congested.

Passenger access improved at Union Station with the opening of more stairs between the train platforms and street level. Two sets of stairs were built to connect platform 6/7 with the covered walkways, or "teamways," on either side of Bay St. A third set of stairs, linking this platform with the York St. teamway on the other side of the station, opened a few months later in February 2004. Two more sets of stairs were built to link the Air Canada Centre (ACC) walkway to platform 6/7 and to the VIA concourse. A new elevator was also being built to connect platform 7/8 with the indoor walkway that runs between the GO concourse and the ACC.

Preliminary design and environmental assessment began for the extension of Bradford line train service to Barrie.



0304
HIGHLIGHTS

DECEMBER 2003

Preliminary design and environmental assessment began this month on the Lakeshore West rail corridor's expansion. This project will include building a third mainline track to eliminate the bottlenecks that prevent GO from adding more trains.

GO bought the Don yard from CN to develop into a daytime train storage site on the east side of Union Station, similar to the existing Bathurst North yard on the west side. The new yard will improve the movement and storage of GO Trains for greater operational efficiency.



Despite the year's crises, GO Transit ridership managed to reach an all-time high, posting an annual record for the seventh straight year. More than 44.3 million passengers rode GO Trains and GO Buses in 2003, a 0.4% increase over 2002's total of 44.1 million. The year's performance was better than the modest increase suggests, for the growth came in spite of August's power blackout and transfer of the Yonge C and Bayview bus services, which together cost GO about 1.5 million rides.

JANUARY 2004

GO continued to enhance bus service to meet passenger demand, adding more new trips on the Hwy. 407 service and on the Milton corridor through Mississauga to Union Station.



0304 HIGHLIGHTS

FEBRUARY 2004



Winter got off to a bad start for GO. Train service reliability suffered tremendously at the end of December and beginning of January when CN's signal system computers repeatedly failed, and again in mid-January when severe winter weather caused many trains to be delayed or cancelled. GO immediately devised an action plan for the following winter and presented it to the Board in February. Many of the recommended actions are already in GO's long-range plans but will now be fast-tracked in response to customer reaction to the delays and the reliability of passenger communications. They include:

- installing more devices to melt or blow snow and ice from track switches, especially in the Union Station rail corridor;
- working with the railways to improve crew communications on board trains;
- improving on-line computer communications with GO stations;
- modernizing Union Station's passenger information signs;
- introducing global positioning system (GPS) tracking on GO Trains;
- and continuing to refurbish and renew the rail fleet, including the purchase of new locomotives to replace aging ones.



To make level crossings safer for motorists and pedestrians, the Board approved a multi-year, multi-million-dollar program to upgrade gates, lights, and bells at a number of road-and-rail level crossings that are owned by GO. All GO's crossings meet current safety standards, but in the interests of public safety, GO will go beyond the minimum standards.

The rail fleet will grow again. GO ordered another 10 bi-level coaches from Bombardier, increasing its fleet to 375 railcars when these new coaches are delivered in the fall of 2004. GO Transit began using bi-level trains in 1978 and has since made numerous technical improvements with each new order, as well as enhancements to passenger comfort, convenience, and safety.

MARCH 2004

To reduce traffic congestion, GO continued to steadily develop its Hwy. 407 bus service, the precursor to a full bus rapid transit (BRT) network across the GTA. During the year, GO enhanced the service with more buses and trips, carrying as many as 6,000 riders a day.

Station parking lot expansions continued where land was available. About 600 parking spaces were added during the fiscal year, increasing the total to more than 42,500 spaces across the network.

The fiscal year ended on a positive note. GO Transit again recovered 85% of its operating costs through revenue, cementing its reputation as one of the most efficient transit systems anywhere.



FINANCIAL PERFORMANCE IN FISCAL YEAR 2003-04

SOURCE OF FUNDS

Funding for GO Transit's operating and capital expenditures was obtained from six sources:

In 2003-04, the farebox accounted for \$181.7 million of GO's total revenue of \$417.9 million.

Another \$9.7 million came from sundry revenue, such as the proceeds from facility rentals, track fees, and sale of advertising space, while \$7.2 million came from the sale of assets.

The remaining \$219.3 million was contributed from the three levels of government. Contributions totalled \$202.7 million from the Province of Ontario, \$14.7 million from the municipalities, and \$1.9 million from the Federal government.

Commuter revenue	\$181,701,000
Sundry revenue	\$9,713,000
Sale of assets	\$7,202,000
Provincial contribution	\$202,714,000
Municipal contribution	\$14,682,000
Federal contribution	\$1,911,000
Total	\$417,923,000



APPLICATION OF FUNDS

Operating expenditures in 2003-04 totalled \$225.2 million. The major expenses were payments to Canadian National Railway and Canadian Pacific Railway for access to their tracks and the provision of train crews; payments to Bombardier for maintaining GO's trains; purchase of diesel fuel; maintenance of stations and facilities; maintenance of GO's bus fleet; and labour costs. With direct operating revenues of \$191.4 million, GO achieved an operating cost recovery of 85%* for the fiscal year. The balance of its operating costs (\$33.8 million) was provided by the Province of Ontario.

Capital expenditures for the year totalled \$192.7 million. The major expenses included starting construction of a new station in East Gwillimbury; parking lot expansions; additional railcars and buses; the replacement of buses; the refurbishment of trains and buses; the rehabilitation of facilities; and the purchase of the Don yard property for train storage.

The Province of Ontario contributed 100% of GO's rehabilitation and replacement capital. Capital projects associated with growth of the GO system were also funded by the Province, with contributions from reserve funds, the Federal government, and GO's municipal funding partners.

Operating expenses	\$225,220,000
Capital expenditures	\$192,703,000
Total	\$417,923,000

* The percentage of operating costs recovered through revenues. Note that depreciation is excluded. For a valid comparison with other municipal transit systems, expenses that are specific to GO, such as fare integration costs and railway access fees, should be excluded from the calculation—using this assumption, GO's revenue-to-cost ratio would be 91.4%.

FINANCIAL STATEMENTS

Audited financial statements are publicly available. Copies of the financial statements can be obtained from:

GO Transit
Public Relations
20 Bay Street, Suite 600
Toronto, Ontario
Canada M5J 2W3

tel 416 869-3600 press 0
fax 416 869-1662
email publicrelations@gotransit.com

INFO TO GO

MARCH 2004

GO TRAIN SERVICE	Lines	7	
	Stations	53	
	Route kilometres	361	
	Weekday train trips	178	
	Locomotives	45	
	Bi-level railcars	355	
	Fleet size (number of trainsets)	35	

GO BUS SERVICE	Terminals *	14	
	Route kilometres	2,345	
	Weekday Union Station bus trips	285	
	Weekday bus trips, total system	1,226	
	Buses	262	
	* <i>Plus numerous stops and ticket agencies</i>		

RIDERSHIP

DECEMBER 2003

PASSENGER TRIPS

GO Train service **	2003	2002	% CHANGE
Lakeshore West line	12,460,500	12,234,500	+ 1.8
Milton line	5,233,300	4,965,500	+ 5.4
Georgetown line	3,250,300	3,124,100	+ 4.0
Bradford line	1,559,200	1,442,500	+ 8.1
Richmond Hill line	1,690,900	1,740,300	- 2.8
Stouffville line	1,725,400	1,533,900	+12.5
Lakeshore East line	10,410,800	10,304,100	+ 1.0
<i>Train service total</i>	<i>36,330,400</i>	<i>35,344,900</i>	<i>+ 2.8</i>

GO Bus service

Greater Toronto Area

<i>and Hamilton network</i>	7,966,500	8,776,800	- 9.2***
-----------------------------	-----------	-----------	----------

GO system total	44,296,900	44,121,700	+ 0.4
------------------------	-------------------	-------------------	--------------

** *Train service consists of trains and their related bus services—buses that meet the trains at terminus stations, and buses that connect Union Station with other train stations*

*** *Operation of GO Transit's Yonge C and Bayview bus routes was transferred to York Region Transit in August 2003*

03
04