



*To inspire and influence the evolution of integrated urban mobility*

## **Federal Government Doubles Gas Tax Transfer in 2019**

*Budget announces a one-time increased transfer to municipalities for infrastructure investments, including transit*

**March 20, 2019 (Ottawa, ON)** – Today, the federal government announced it will double its commitment to municipal infrastructure through the federal Gas Tax Fund (GTF). Budget 2019, titled [Investing in the Middle Class](#), laid out the government’s financial plans for the coming year and sets the stage for the upcoming federal election anticipated on or before October 21, 2019.

The measures announced in yesterday’s budget will increase the flow of funds to municipalities through the GTF from \$2.2 billion to \$4.4 billion. This one-time increase will flow in the 2018-2019 year, after which funding will remain indexed to inflation at 2%.

The GTF is an invaluable tool for municipalities. It provides funds for flexible investments in infrastructure, including transit. This funding will be critical to ensuring that the priorities of Canadian communities are met, including improved sustainability and enhanced urban mobility.

The Canadian Urban Transit Association (CUTA) reacted positively to yesterday’s budget announcement.

“This funding is seriously needed in the transit sector. Recent CUTA research shows that transit systems need more than \$133.3 billion in capital investments over the next ten years to realize planned infrastructure projects. \$58.8 billion of these needs remain unfunded by governments,” said Marco D’Angelo, President and CEO of CUTA. “We know that municipalities have historically put a large portion of their GTF allocation into transit, and this trend must continue for Canadian communities to support an increase in transit ridership that will help tackle traffic congestion and meet our international obligations for greenhouse gas emission reductions.”

CUTA continues to call on the federal government to streamline its existing transit investments. The government needs to optimize its infrastructure investment model, which distributes funding only after receipts have been filed for completed work. This forces federal infrastructure funds to be repurposed year over year, even as work on a project is occurring on the ground.

“We hope that these measures deliver results for our communities. The faster we invest in increasing transit services, the better we will grow ridership and tackle societal challenges like traffic build-up, rising greenhouse gas emissions and the threat of social exclusion for vulnerable groups,” said Doug Morgan, Chair of CUTA’s Board of Directors and Director of Calgary Transit.

## **About CUTA**

The [Canadian Urban Transit Association](#) is the collective and influential voice of public transportation in Canada. CUTA's membership includes Canadian transit systems, manufacturers and suppliers, private operators and transit thought leaders from across the country. CUTA is uniquely positioned to work with all levels of government to provide industry insights on key transit policy issues affecting Canadians and their communities.

### **For further information**

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