



Thursday, May 7, 2015

Canadian Urban Transit Association (CUTA) Appearance at Standing Committee on Transport, Infrastructure and Communities

Mister Chair, Chers membres du comité,

Je tiens tout d'abord à vous remercier de l'invitation à comparaître aujourd'hui devant le comité permanent des transports, de l'infrastructure et des collectivités. Nous sommes reconnaissants d'avoir l'occasion de nous prononcer dans le cadre de l'étude de la *Mise à jour des infrastructures au Canada*.

The Canadian Urban Transit Association is the collective and influential voice of public transportation in Canada, dedicated to being at the center of urban mobility issues with all orders of government. We represent the vast majority of Canada's urban transit systems from coast to coast. From small town bus services to 21st century commuter rail and intermodal metropolitan transit networks.



CUTA also represents some of North America's most innovative transit manufacturers and suppliers of high-tech buses and trains, as well as world-class engineering and information technology companies.

I'd like to begin today by recognizing the government's commitment to provide dedicated, long-term funding for public transit in the 2015 Federal Budget. By committing an additional \$1 billion per year of federal money, the Government is setting the wheel in motion to unlock funding for major transit infrastructure projects across the country. Investments will be made through the new Public Transit Fund and will be on top of current funding programs already included in the New Building Canada Plan (BCP).

Public transit ridership continues to show strong growth in Canada. Year after year, we have observed an upward trend, with ridership growing significantly faster than Canada's urban population.

This higher demand for public transit, mixed with a growing need to tackle traffic congestion in our densely populated cities, has led to a surge in government investment over the past decade.

In 2013, the amount of transit infrastructure capital funding from all orders of government reached over \$4 billion.



Over the last decade, the federal government has invested or committed more than \$8 billion in funding for transit infrastructure across Canada, nearly \$1 billion annually.

A closer review of recent federal contributions shows funding coming from a variety of programs. For example, \$2.5 billion from the Federal Gas Tax Fund has been accessed by Canadian municipalities for transit projects over the last 10 years.

In fact, five of Canada's largest cities—Toronto, Vancouver, Ottawa, Calgary and Edmonton—have directed most of their federal Gas Tax Fund allocations to public transit.

In addition to the Gas Tax Fund, there have been three funds dedicated specifically to public transit, totaling \$1.8 billion between 2004 and 2010.

Furthermore, the federal government has established Canada's first long term infrastructure investment plan, which will have injected over \$80 billion in provincial, territorial and municipal infrastructure through two Building Canada Plan funding programs over a 17-year period.



These federal investments in public transit are collaborative in nature and incremental to local, provincial and territorial funding. In fact, on average every federal dollar invested in transit generates at least two additional dollars in co-funding.

For example, Ottawa's Confederation Line, a new 12.5 kilometer electric light rail system, will provide fast, frequent and convenient transit service to Ottawa residents. This project was made possible through a partnership between the Government of Canada, the Province of Ontario, the City of Ottawa and the private sector.

Les investissements requis et effectués en transport en commun ne sont pas tous des investissements se chiffrant dans les milliards de dollars. Par exemple, les investissements fédéraux ont également rendu possible l'achat d'autobus à Cornwall, à l'Île du Prince Édouard ainsi qu'à doter Whitehorse, au Yukon d'une flotte d'autobus complètement accessible aux personnes à mobilité réduite.



Ces investissements ont un impact réel et ils nous mettent sur la bonne voie. Toutefois, nous pouvons tous énumérer des projets de transport en commun dans les petites, moyennes et grandes villes qui nécessitent des investissements supplémentaires afin d’aller de l’avant. D’ailleurs, l’ACTU réalise régulièrement des enquêtes auprès de ses membres afin de déterminer les besoins en matière d’infrastructure, tant pour l’entretien des systèmes que pour la réalisation de nouveaux projets contribuant à augmenter l’achalandage.

Our data shows that the total 5-year needs for transit infrastructure is estimated at about \$56 billion. Two-third of this amount is already covered through current funding programs, which leaves about \$18 billion worth of projects for which the industry needs additional funding – which in turn represents \$1.2 billion per year for each order of government over the next five years.



The case for governments to invest in urban transportation is straightforward: Job creation, economic growth and productivity, support to the transit manufacturing sector, environmental and health benefits, quality of life. All these aspects contribute to the well-being of Canada and people living in all communities across the country.

While the greatest share of transit infrastructure needs is in large urban areas, mobility needs of Canada's small and medium cities remain critical in keeping our communities vibrant and ensuring that no one is left behind. Transit investments required in these communities are relatively small but their impact is huge, which makes for a real return on investment on quality of life and building vibrant communities.

To give you an example, Transit Windsor has buses from the 1980's still in operation. These buses are not accessible to people with disabilities, they pollute more and they are becoming very costly to maintain.



Unfortunately, Windsor is not alone. In fact 28% of Canada’s transit infrastructure needs are for rehabilitation or replacement. While the needs related to maintaining our infrastructure in a state of good repair may not be as attracting as building new Light Rail Transit projects, they are nonetheless critical to ensuring the efficiency of our systems and offer high quality service to customers.

Nous comprenons très bien que le gouvernement ne peut à lui seul combler tous les besoins en matière d’infrastructure à travers le pays. Une approche basée sur les partenariats et la collaboration avec tous les niveaux de gouvernement et le secteur privé est essentielle pour mener à bien les grands projets d’infrastructure.

Cette approche est d’ailleurs de plus en plus présente dans le financement et la réalisation des grands projets en transport collectif, où des outils de financement alternatifs, tels les partenariats publics–privés, apportent une toute nouvelle dimension dans la conception et la réalisation de projets.



The urban transportation industry is open to alternative funding and financing sources, such as P3's. In fact we're seeing more projects being implemented through P3s in our sector. However, it is critical that the P3 projects and models remain flexible in their implementation and in sync with the project needs and the context in which the project takes place. One component of the current P3 model that we believe could be improved is the 25% limit to the federal contribution to the total cost of the project. While participation from the private sector is important, P3s are a financing and not a funding tool. Capping the federal contribution to 25% instead of 33% leaves municipalities, provinces and customers with a more substantial share of the project cost in the long term.

As the federal government works on the program parameters of its newly announced Public Transit Fund, it can count on our full support and collaboration in making this fund a great success.



In conclusion, Canadians strongly support transit investments, they understand and experience the benefits of efficient public transit and integrated urban mobility and, based on several polls and the increasing transit demand, they want more of it. Optimizing the economic, environmental and social benefits of public transit will require continued investment in these systems through long-term and sustainable investment streams from all orders of government. With secure funding in place, our members can go about their business of effectively planning and building transportation systems that will serve, not only our generation, but future ones, as well.

Thank you.