

CUTA Speech to the House of Commons Standing Committee on Transport, Infrastructure and Communities

Delivered by Wendy Reuter, Acting President and CEO, April 18, 2018

Bonjour, hello. Madame Chair, distinguished members of this Committee, thank you for inviting me here today. My name is Wendy Reuter, I'm the Acting President and CEO of the Canadian Urban Transit Association, or CUTA.

CUTA is the collective voice of urban mobility in Canada. Our members include both small and large transit systems, as well as transit manufacturers and many other stakeholders within the urban mobility industry. In total we have 500 members, representing 98% of total Canada-wide transit operations.

Over the last 12-years, CUTA has seen the federal role in transit investment greatly mature. The federal government first came to the table for transit investment through the establishment of a dedicated transit fund in 2005, the trend to invest federally in transit continued through the 'New Building Canada Plan' and today we have the current Government's comprehensive 'Investing in Canada Plan.'

Consecutive governments have decided to invest in transit because as the population has grown and urbanized, Canadians have urged their leaders to address congestion, both in terms of commute times and contribution to the broader economy. These unprecedented investments in urban mobility are prudent as they will help spur environmental, economic and public health benefits in Canadian communities.

The current commitment to transit in the Investing in Canada Plan equals nearly \$28 billion in long-term, dedicated funding from 2016 to 2028. CUTA and its member transit systems strongly support this program, and we firmly believe that these historic investments should be conducted in a timely, responsible manner.

That's why I'm very pleased to be able to speak before you today to discuss some challenges and opportunities that exist in the transit sector when it comes to deploying the government's infrastructure investments.

According to Infrastructure Canada's website there are already over 1,100 transit projects funded through the Public Transit Infrastructure Fund. While I don't have enough time to list them all, I will highlight a few projects that are typical of the program.

Federal investments have ranged from rehabilitating Montreal's iconic subway, to upgrading the Ferry service in Halifax, and developing a bus rapid transit network in Saskatoon. They have also helped plan new rail projects in cities like Ottawa, Calgary, Toronto and Edmonton, to name a few.

This funding has also delivered significant benefit for transit in smaller communities. The fund invested in everything from new bike racks in Airdrie, and new accessible buses in Whitehorse to new transit shelters in Trois-Rivières.

When it comes to the slower than expected federal spending of infrastructure funds, CUTA has identified three factors related to the Public Transit Infrastructure Fund that contributed to this issue.

The first contributing factor that CUTA has identified involves an issue of perception, mainly a disconnect between what people in Ottawa believe is happening when they look at budgeting tables and what is actually happening on the ground.

The announcement of dedicated, long-term transit funding in the 2016 federal budget was the impetus for thousands of new transit projects across the country. But it takes time to properly plan, procure, construct and operationalize transit

projects—this is the nature of our industry. Environmental assessments, community consultations, urban planning and other forms of due diligence are all vitally important to the success of a transit investment but take time to accomplish. Though money is leaving federal coffers at a pace slower than expected, work is still taking place on the ground.

The second factor, has to do with how the federal government funds its transit projects. Project proponents receive federal funding only after work has been completed, the federal government then refunds invoices at the rate of the federal project cost share, usually 40-50%. This slows federal funding considerably and stretches the commitment over a longer period.

The final factor that CUTA has identified has to do with the timelines included in the Public Transit Infrastructure Fund. The program was created to span three-years and it funded nearly every transit system in the country. CUTA has heard from our members that the need to complete projects before the program expired in 2019 created a procurement bottleneck for goods within the industry like buses, transit shelters, and services like transit planning. CUTA brought our

concerns about this deadline to Infrastructure Canada and a one-year extension to the program was ultimately granted, which alleviated much of this pressure.

We appreciate the focus the government has placed on transit infrastructure and look forward to the results of this strategy. Thank you, merci beaucoup, for this opportunity, I look forward to answering your questions.