



Delivering Transit for Canadians

*Written Submission to the House of Commons Standing Committee on
Finance for the Pre-budget Consultations in Advance of Fall Budget 2026*

Canadian Urban Transit Association

May 22, 2026

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Summary of Recommendations

Recommendation 1: Reverse the cut to the Canada Public Transit Fund (CPTF) and restore the original \$30 billion dollar commitment of \$3 billion a year over 10 years.

Recommendation 2: CPTF Funding Must Begin Flowing Immediately Through Accelerated Approvals and Delivery.

Recommendation 3: Simplify the Metro-Region Agreements (MRA) Stream to Accelerate Funding Delivery and Access.

Recommendation 4: Building Canadian Transit Capacity and Economic Resilience.

Recommendation 1: Reverse the cut to the Canada Public Transit Fund and restore the original \$30 billion dollar commitment of \$3 billion a year over 10 years.

Restore the Full \$30 Billion Commitment

CUTA calls on the Government of Canada to restore the full \$30 billion Canada Public Transit Fund (CPTF) commitment of \$3 billion annually over ten years, reversing the \$5 billion cut announced in Budget 2025. The \$30 billion commitment provided the long-term certainty transit agencies require to plan and deliver major capital investments. The consequences of this reduction have been immediate and far-reaching, with direct impacts on transit agencies, riders, local economies, and an industry ready to build.

National polling by Nanos Research commissioned by CUTA in February 2026 demonstrates broad public support for federal transit investment¹. Eighty-two per cent of Canadians say it is important for the federal government to invest in public transit infrastructure, while 87 per cent say public transit is important to quality of life in their communities. Among Canadians aware of the CPTF funding reduction, 77 per cent expressed concern and roughly seven in ten support restoring the full dedicated transit funding stream.

The results indicate Canadians broadly understand that municipal taxation on homeowners and farebox revenue are insufficient in supporting the scale of investment required to maintain and expand public transit infrastructure. The previous Investing in Canada Infrastructure Program (ICIP) helped deliver a generation of transit expansion across the country, and Canadians recognize that continued federal leadership in public transit is essential for Canada to remain competitive with other G7 countries in delivering modern, reliable infrastructure.

Why the Full Commitment Matters

Transit agencies plan capital investments years in advance, with funding commitments underpinning procurement decisions, workforce planning, and construction schedules. The \$5 billion cut is creating significant uncertainty across the sector and is already jeopardizing projects that are ready to proceed.

In concrete terms, a \$5 billion cut means fewer buses will be purchased, system expansions will be deferred, and state-of-good-repair work will be delayed. Many transit systems are already operating fleets and infrastructure beyond their intended lifecycle, and deferred maintenance compounds future costs while reducing service reliability and safety.

The reduction to the CPTF envelope is already having immediate and material impacts on project delivery, workforce stability, and domestic supply chains, resulting in deferred or cancelled

¹ Nanos Research. (2026). *What Canadians expect from the Government of Canada on public transit*. <https://nanos.co/what-canadians-expect-from-the-government-of-canada-on-public-transit-canadian-urban-transit-association-nanos/>

projects, particularly in rolling stock replacement and major capital expansions, while negatively affecting service quality, reliability, and safety across transit systems of all sizes.

Reallocation to the Building Communities Strong Fund

Where CPTF funding is redirected into the Building Communities Strong Fund (BCSF), CUTA recommends that the Government of Canada ensure those funds remain dedicated to public transit investments and are not diluted across other infrastructure priorities.

CUTA recommends that any funding transferred from the CPTF to the BCSF be explicitly earmarked for transit projects or returned to the CPTF and delivered through an enhanced Baseline Funding stream.

In the lead-up to Budget 2026, restoring the full \$3 billion annual CPTF commitment would immediately unlock fleet orders, rehabilitation projects, procurements, and construction activity in communities across Canada while supporting economic growth and job creation. Few policy measures before the Finance Committee would deliver a comparable return on investment through combined economic, housing, productivity, and workforce benefits.

Recommendation 2: CPTF Funding Must Begin Flowing Immediately Through Accelerated Approvals and Delivery

The CPTF was expected to begin flowing on April 1, 2026 following federal-provincial negotiations, but that date has now passed. The sector is ready to deliver projects, yet the federal approval process has not kept pace with the government's commitment.

Transit agencies have done their part, with projects planned, staged, and prepared for delivery. The barrier now is the pace of federal implementation, not local readiness. Accelerated approvals and streamlined delivery requirements are essential to ensuring the CPTF can deliver its intended economic, housing, and transit outcomes.

Every month of delay carries direct and measurable consequences to transit riders across Canada. Fleet replacement procurements are being postponed, construction schedules are being disrupted, and state-of-good-repair investments are being deferred. Agencies are being forced to reassess capital plans in real time, creating uncertainty for procurement decisions, workforce planning, and long-term infrastructure delivery.

Mayors and city councils have a significant pipeline of shovel-ready transit investments awaiting only federal intake and contribution approvals. Municipal budget planning for 2027 is already underway, and many municipalities incorporated the anticipated April 1, 2026 CPTF launch into their financial and capital planning. Continued delays are creating uncertainty for municipal budget decisions and long-term infrastructure planning, and municipalities cannot afford to enter another budget cycle without further clarity.

CPTF funding must begin flowing immediately, with streamlined administrative requirements and accelerated approvals that allow municipalities and transit agencies to move projects into delivery without further delay.

Recommendation 3: Simplify the Metro-Region Agreements (MRA) Stream to Accelerate Funding Delivery and Access

The priority of the CPTF must now be rapid and predictable project delivery. While regional coordination remains important, the structure of the Metro-Region Agreements (MRA) stream risks slowing urgently needed transit investments through complex governance requirements, duplicated planning exercises, and unnecessary administrative burden.

Transit agencies and municipalities already possess the planning frameworks, capital plans, and housing strategies necessary to demonstrate alignment between transit investment, housing growth, affordability, and regional development objectives. The focus should now shift towards accelerating approvals and getting projects into delivery.

Streamline Regional Planning Requirements

CUTA recommends that the Department of Housing, Infrastructure, and Communities Canada (HICC) permit regions to rely on existing multi-year transit capital plans, Housing Needs Assessments, and other established regional planning frameworks to demonstrate eligibility under the MRA stream.

Following the federal government's June 2024 launch of the CPTF and MRA intake process, transit agencies and municipalities responded in good faith by preparing and submitting regional frameworks, capital plans, and project proposals aligned with federal housing, affordability, and growth objectives. In many cases, those submissions have yet to receive responses, funding decisions, or contribution agreements.

Regions that have already completed planning work and submitted projects should not be required to restart or duplicate those processes in order to access funding. HICC should prioritize clearing the existing backlog of MRA and CPTF applications and allow previously submitted regional plans and supporting materials to satisfy eligibility requirements wherever possible. Doing so would reduce duplication, lower administrative burden, and accelerate project delivery while preserving accountability and alignment with broader housing and growth objectives.

Create a State-of-Good-Repair Fast Track

CUTA also recommends establishing a dedicated State-of-Good-Repair (SOGR) fast-track within the MRA stream to accelerate approvals for critical asset renewal and fleet replacement projects.

Transit systems across Canada are facing mounting maintenance pressures as fleets and infrastructure age beyond their intended lifecycle. Delays in replacing buses, rehabilitating infrastructure, or renewing core assets increase maintenance costs, reduce service reliability, and create growing replacement backlogs at a time when transit demand is increasing.

Under a SOGR fast-track, HICC should provide expedited approvals for high-priority investments through standardized eligibility criteria, simplified reporting templates, and accelerated approval timelines.

Eligible categories should include fleet replacement, mid-life overhauls, track renewal, signals, power systems, stations, accessibility upgrades, and other essential rehabilitation projects.

Recommendation 4: Building Canadian Transit Capacity and Economic Resilience

The Canada Public Transit Fund should also advance broader national economic priorities by strengthening Canada's transit manufacturing sector and supporting the skilled workforce required to deliver major infrastructure projects.

Canada is a leader in public transit vehicle manufacturing, with domestic suppliers supporting thousands of high-skilled jobs across the country. CUTA recognizes the Government of Canada's April 17, 2026 [Buy Canadian Policy](#) for grant and contribution programs and its objective of strengthening domestic supply chains while ensuring transit agencies can continue delivering projects efficiently and cost-effectively.

Establish a Small Agency Compact

As the Government implements the Buy Canadian policy through the CPTF, flexibility will be essential to ensure smaller transit systems can focus resources on delivering projects and putting CPTF funding into action, rather than navigating disproportionate compliance requirements that may exceed administrative capacity or delay urgently needed procurements.

CUTA recommends that transit agencies under a certain size threshold (for example, fewer than 150 vehicles in fleet or annual operating budgets below \$50 million) be eligible for a simplified compliance pathway under the Buy Canadian framework.

Under this approach, smaller agencies would work with a simplified compliance framework centred on a good-faith domestic sourcing attestation and streamlined reporting. This would maintain accountability and preserve opportunities for Canadian suppliers while recognizing the operational realities and limited administrative capacity of smaller transit systems.

The federal policy itself recognizes the need to tailor implementation to the scale and nature of individual programs and recipients. A Small Agency Compact would fulfil that objective while ensuring smaller transit systems remain able to access funding quickly and efficiently without delaying urgently needed fleet replacement and state-of-good-repair investments.

Align the CPTF with Team Canada Strong

The Government of Canada should formally designate the CPTF as a priority infrastructure delivery stream within Team Canada Strong. Transit agencies across Canada have shovel-ready projects planned and prepared for delivery, making public transit one of the most deployment-ready infrastructure sectors in the federal portfolio.

Announced on April 29, 2026, Team Canada Strong is intended to recruit, train, and hire up to 100,000 new Red Seal trades workers over five years. Transit infrastructure projects are among the most labour-intensive and geographically distributed infrastructure investments in the country, making them well suited to support apprenticeship placement and skilled trades development.

CUTA would welcome the opportunity to work with HICC and Employment and Social Development Canada (ESDC) to align CPTF-funded projects with the Build Canada Apprenticeship Service and support transit-relevant Red Seal trades, including electricians, welders, heavy equipment operators, and civil construction trades.

Coordinating Team Canada Strong with the CPTF would help address labour shortages delaying project delivery while strengthening Canadian jobs, productivity, and long-term economic growth.

Delivering Transit for Canadians

The recommendations in this submission are guided by a single imperative: the CPTF must begin flowing without delay. Restoring the full \$30 billion federal commitment, accelerating project approvals, streamlining program delivery, and aligning the CPTF with Canada's industrial and workforce priorities will maximize the economic and public benefits of federal transit investment.

Transit agencies across Canada are ready to deliver projects that will improve mobility, support communities, and drive economic growth.

What is needed now is funding certainty, accelerated implementation, and a program that enables projects to move forward quickly and efficiently.



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