

**Canadian Automobile Association**  
**Brief to the Canada Transportation Act Review Panel**

**January 2001**

## Executive Summary

CAA's purpose in providing input to the review of the Canada Transportation Act is to ensure that due consideration is given to the safety issues which must be at the core of any amendments suggested to the Act. We also want to ensure fair and equitable treatment of Canadian roads in plans to improve measures implemented under the Act.

CAA recognizes that the first half of the Panel's review has focused on rail issues and that due consideration will be given to other modes of transportation. We also realize that the Review Panel has not been mandated to review safety regulation, however, discussions of regulatory reform, economic considerations, competitive advantages, and sustainable transportation must be made with the safety of the travelling public in mind.

As a result, our submission will not focus on specific aspects of the Canada Transportation Act. Rather it will reflect the objectives of Section 5 of the Act, promoting safety, competition, economic viability, and environmental sustainability.

**Transportation Infrastructure:** Our primary concern is the need to develop a safe and effective master transportation plan for Canada that includes a national highway policy, adequate funding for our road infrastructure, fair treatment of the motoring public and equal consideration for roads in respect to other infrastructure components.

Our road infrastructure has not received adequate attention in the past. Canada's National Highway System (NHS), for example, has been allowed to fall into a state of disrepair. Federal government reports estimate that 38% of the NHS is substandard and 1146 bridges need urgent repair. The cost to bring our highways up to standard has risen to 17.2 billion from the 1988-estimated cost of \$12 billion.

Our road infrastructure continues to be ignored as governments heighten attention to public transit and light rail modes of transportation. CAA believes that governments should devise and implement improvements to public transit systems that promote accessibility, reliability and convenience, thereby increasing usage. However, governments must also devote increased funding for road improvements and expansion of roads to reduce congestion and ensure safe road condition.

The 2000 federal budget contained a provision of \$600 million over 4 years for upgrades to the NHS (\$150 million per year) starting in fiscal year 2002-2003 through the Strategic Highway Infrastructure Program. This paltry sum falls far short of the \$17.2 billion need to upgrade the NHS.

Highways are critical for Canada's competitiveness, its economic performance, productivity and trade. Inferior roadways directly affect Canadian businesses. Canadian roadways haven't kept up with the growth of population, urbanization and vehicle travel.

Poor roads also affect the safety of the travelling public. It has been estimated that bringing the NHS up to standard could save as many as 247 lives each year and prevent up to 16,000 injuries. A report by federal and provincial transport ministers (NHS Update) estimates that \$15.3 billion could be saved in safety-related causes by fixing our roads.

Canada is the only industrialized nation that does not have a National Highway Policy. Our largest trading partner, the United States, has recognized that a national highway infrastructure is a necessity for a healthy, productive economy. The U.S. federal government has put a master plan in place that is anchored by the Transportation Equity Act for the 21<sup>st</sup> Century. The Act, or TEA-21 as it's known, authorizes \$171.1 billion of highway related federal spending.

In terms of funding, Canada lags far behind other countries in federal spending on roads. If our government follows the same spending pattern that it has over the past decade, it will spend less than 1% of what the Americans are spending.

Investment in the NHS stimulates economic development and productivity. The study by federal and provincial transport ministers showed that bringing the NHS up to standard would likely generate as much as \$2 billion in the form of accelerated productivity growth in Canada.

**Sustainable Transportation:** Pollution, climate change, traffic congestion and urban sprawl all have an impact on the sustainability of our transportation systems. As an overall policy, CAA believes in comprehensive strategies that target all users to reduce the impact on the environment and global climate. Automotive and related industries have a role to play in protecting our environment through such methods as the provision of alternative fuel sources, reduced emissions and improved fuel efficiency. Drivers, too, have a responsibility to drive in an environmentally responsible manner and to ensure their vehicles are well maintained.

CAA has served on the Transportation Table on Climate Change and the Advisory Council of the Energy Council of Canada (ABC's of Climate Change – public education). In addition, we serve on Transport Canada's National Advisory Group on Sustainable Transportation.

In June 2000, CAA released its smog report "An Updated Look at VOC and NOx Emission Trends in Selected Metropolitan Areas. This study, conducted by Energy and Environmental Analysis, Inc., was commissioned to provide an assessment of the contribution of automobiles and light trucks to overall manmade VOC and NOx emissions in selected Canadian Metropolitan areas.

## **Introduction**

The Canadian Automobile Association (CAA) appreciates the opportunity to provide input as the Canada Transportation Act Review Panel examines the operation of the Canada Transportation Act and other legislation related to the economic regulation of modes of transportation.

Our submission is made as a leading advocate for Canada's motoring and travelling public. Formed in 1913, CAA helped ease Canadians out of the horse and buggy era and prepare them for the modern motoring world with security, value and peace of mind. Over the years, CAA has grown with its members responding to their changing needs.

As a federation of automobile clubs in Canada, CAA represents the rights and interests of Canadian motorists and travellers. Through public awareness campaigns and government lobbying, CAA works to ensure safe and enjoyable travel for all Canadians. Affiliated with the American Automobile Association and other international organizations, CAA brings to its 4 million members a world of unique products and quality services both at home and abroad.

CAA has grown up in the unique Canadian transportation environment. In the 19th century, Canadians were just a few steps away from their workplace. Multitudes of people worked on farms and city dwellers worked in nearby offices. But the turn of the century transported Canada and CAA into an industrialized and urbanized world.

This transformation brought with it new challenges that are now part of the every day, fast-paced, daily lives of millions of Canadians. CAA is no longer just on the road to tomorrow. It is now in the air and on the sea, a concerned stakeholder in Canada's transportation future.

## **Road Transportation**

Starting out on the roads, CAA has seen the continuing need for the automobile, the growing need for public transit and the revolutionizing of a society that has become sensitized to the affects of the automobile on the environment and the role motorists can play in sustaining the automobile in the green lane.

When the automobile appeared on the Canadian scene it was considered an exotic new plaything available to only a very few rich people. There were only 10,000 cars in 1900 in the world and only a handful of them were puttering around Canada.

As we drive into the 21st century, there are more than 900,000 kilometres of road, mostly paved, and the Canadian motor vehicle fleet has reached over 18 million vehicles, or more than one vehicle for every two people.

Roads are important to Canada's economy. They continue to play a significant role in developing our settlement patterns, moving goods and trade, providing jobs for our workforce, and accessing our places of work, education, health services, social life and commerce. And yet they lie wasting, largely ignored by the nation they have served so well.

***Recommendation #1 – Mobility is the cornerstone of modern society, and the private automobile is the principal means of mobility for most Canadians. The Canada Transportation Act should acknowledge the individual's need to realize personal, social and economic goals through use of their automobiles. Transportation planning should balance mobility with accessibility.***

The most recent report commissioned by the Council of Ministers Responsible for Transportation and Highway Safety shows that the cost to bring the National Highway System up to standard has increased from \$12 million in 1988 to \$17.2 billion in 1997. Canada's National Highway System is approximately 25,000 km of highways, including the Trans-Canada Highway, which connect all capital cities, all major population/commercial centres, important ferry terminals and major access points to the U.S.

*In assessing, Canada's transportation needs, the CAA urges the Transportation Review Panel to consider the importance of Canadian roads to our nation's ability to compete in global trade and tourism markets.*

Ninety percent of all trips are made by automobiles, roads carry 65% of goods shipped to the U.S., 70% of manufactured goods, and 70% of goods shipped to retail and wholesale. The impact of our roads on tourism is equally significant. Statistics Canada data shows that in 1998, 72.5 million trips to the U.S. were made by car. International tourists numbered 16 million, with U.S. visitors accounting for 78% and the remainder of tourists from overseas. Sixty percent of Americans visiting Canada used their automobiles for travel.

*We also urge the Panel to consider the price our nation is paying each year that funding is withheld from our National Highway System. Each year, hundreds of lives are lost and thousands of injuries occur as a result of our substandard road system. Millions of hours are lost due to traffic congestion and millions of dollars are lost in extra fuel and repairs made necessary by the poor condition of our national roadways.*

Canada is the only OECD country without a National Highway Policy and our federal government contributes the smallest percentage of funding (5%) to highways. By comparison, other OECD government contributions range from 31% to 100% of total highway expenditures.

***Recommendation #2: Governments should establish a National Highways Policy that provides for establishment of a national primary highways network and strategically planned improvements and expansion of the network to meet national and regional needs. This policy must address the following key elements:***

- ***Objectives and priorities must be clearly stated.***
- ***The federal government must provide the leadership in the development of the plan and stable long-term funding.***
- ***Public private partnerships should be considered as a viable option for the construction and maintenance of national roadways.***
- ***The use of innovative new technologies that can increase the life cycle of roadways and enhance their durability.***
- ***Balancing of the competing needs of transportation infrastructure with the demands of social programs.***

***Funding provisions should be established as part of the policy that recognize: the economic importance to the entire country of an efficient road system; the need to ease the burden of taxes currently applied to road users; and the need to refrain from applying tolls.***

***Road users must be protected from unfair taxation policies that do not recognize the value of highways to the general public. Existing road-user revenues such as fuel taxes, vehicle registration fees and driver licence fees should fund road construction and maintenance.***

***The Trans-Canada Highway should be upgraded to provide at least one divided highway coast-to-coast as part of a National Highway Policy.***

There is strong support for the development of a national highways program:

- CAA members have indicated in various polls, their strong support for federal funding and coordination of a National Highway System. They consistently call for governments to address the problem of a national transportation infrastructure.
- The Premiers and Transportation Ministers of the provinces and territories recognized that highways are a top priority. In 1994, 1995, 1996 and 1997, the Premiers called on the federal government to make the necessary funds available for Canadian highways.
- The Special Senate Committee on Transportation Safety and Security supported the creation of a National Highway Program. In its interim report Recommendation 7 stated that the federal government and provinces should establish a fund for highway building, repair and maintenance by setting aside a portion of the excise tax imposed on gasoline and that the federal government and the provinces should establish a new infrastructure program dedicated solely to building new highways and to upgrading and repairing existing highways.

- In April 2000 the Coalition to Renew Canada's Infrastructure chaired a meeting of stakeholders from across Canada to discuss how to achieve a program for investment in Canada's National Highway System. The 80 meeting participants included Members of Parliament of the Liberal Caucus, federal Cabinet Ministers, provincial and territorial Transport Ministers and senior officials, and representatives of municipal governments, road users, the trucking industry, the tourism industry, road builders, engineering consultants, the business community, organized labour and private financiers. The consensus was that "now is the time for the federal and provincial governments to make a long-term, sustainable funding commitment to a cost-shared National Highway Program, to commence in the fiscal year 2000-2001".
- The Canadian Chamber of Commerce recommends that governments apportion some of the existing road user taxes to the enhancement of the National Highway System.
- The Federation of Canadian Municipalities and the Van Horne Institute support a National Highway Program.
- Last year, the Premiers and Territorial Leaders agreed that the development and maintenance of a strong infrastructure base is a key component supporting a competitive economy. Agreeing that funding for highway systems should be a major component of a strategy.
- At their conference in May 2000, the ministers responsible for tourism asserted their support for the allocation of additional resources for Canada's highway system.

The safety and congestion problem of our roadways is so severe that it directly affects Canada's productivity. The reduction in congestion and general improvement of travel conditions on our National Highway System would save motorists up to 97 million hours in travel time. That represents 4 million days or 11,073 years Canadians could collectively save.

As a nation, we can save up to 236 million litres of fuel and the property damage resulting from thousands of collisions. In monetary terms, this translates to \$26 billion in travel time savings and as much as \$4.4 billion saved in reduced vehicle operating costs. These include fuel and oil, labour, maintenance and depreciation. The costs associated with improved highway safety are estimated to range from half a billion to \$15.3 billion.

Current funding levels for our nations highways are inadequate. This is incomprehensible given the near \$5 billion the federal government annually collects from road users. A more equitable share of the moneys collected from motorists must be an integral part of infrastructure spending.

***Recommendation #3 – The provision of an efficient and safe system of roads and streets is an essential responsibility of all levels of government. Highway planning, construction, maintenance and administration should be based on sound uniform economic, social and engineering criteria. Financial arrangements between all levels of government should be clearly enunciated to ensure the continuing and proper maintenance of road systems.***

Effective transportation systems can only be achieved through a variety of modes including automobiles, bus transit, bicycles, airplanes, trucks, rail and boats. The Canada Transportation Act should acknowledge the importance of roads as part of our nation's infrastructure and provide a proper balance of all transportation modes.

***Recommendation #4 - As we focus our attention on transportation efficiency and effectiveness, we must develop a balance of transportation options to ensure our nation's livability, productivity and competitiveness on the world stage. To have this balance, all transportation options must be considered and given fair and equal treatment. Our roads cannot be sacrificed as government attention turns to public transit (light rail and bus). We cannot ignore the continuing importance of our roads to our nation's future prosperity.***

In June this year, the federal government launched a new six-year program to renew and enhance Canada's transportation infrastructure. The program is intended to mobilize provincial, territorial, municipal, and private sector partners to address 21<sup>st</sup> century infrastructure challenges in rural and urban municipalities across Canada. Effective transportation planning is essential at the municipal level as well as at the federal level.

***Recommendation #5 - Coordinated administration of all levels of government based on sound planning principles to cope with the growth of urbanization is required. Urban transportation planning should be based on continuing factual analysis of current transportation requirements and projections of future transportation needs, recognizing the individuals desire and sometimes need to use private vehicles.***

***Recommendation #6 - Urban transportation planning should include a system of high quality controlled access highways, main arteries and local streets providing for maximum utilization of the street system through the application of modern principles of traffic engineering, and provision of properly located and adequate terminal facilities for motor vehicles.***

***Recommendation #7 - Full consideration must be given to the utilization of transit systems when they are included as an integral part of a total urban transportation plan adequately interfaced with motor vehicles.***

## **Rail Transportation**

CAA acknowledges the importance of fostering an efficient, competitive and financially viable rail transportation system. Chapter 10, Section 5(b) states that, "Competition and market forces, are whenever possible, the prime agents in providing viable and effective transportation services." Once again, safety must be made a prime consideration.

Railway crossings continue to represent an area of significant risk to public safety. When cars and trains collide, vehicle occupants suffer the consequences. CAA wants to ensure that regulatory instruments enacted and enforced under the Canada Transportation Act are developed with safety in mind.

***Recommendation #8 – Where practicable, highway-railway level crossings should be eliminated. Where highway-railway level crossings must be retained, maximum possible security for motor transportation has to be provided and in new construction no future level crossings should be created on primary highways or where there is a high volume of vehicular traffic.***

***The federal government should continue its support and funding to eliminate highway-railway level crossings where practical and for improved protection at remaining level crossings. The federal government should require grade separations, lighting and automated barriers at individual highway/railway intersections to provide the maximum possible security for motorists.***

### **Freight Transportation**

Road and rail haul Canada's trade with over half of our nation's world-wide trade reliant on truck transport and therefore our roads at some point. Canada's transportation tax policy has contributed to a major shift in freight volumes from rail to road, adding to congestion, safety problems and wear and tear on road infrastructure.

***Recommendation #9 – Canada's transportation plan should ensure that transportation taxes are restructured to:***

- ***Eliminate biases in the tax treatment of different modes of transportation.***
- ***Harmonize tax policies between all levels of government and between Canada's major trading partner to optimize our competitive position.***
- ***Ensure taxes are equitable based on user-pay concepts.***
- ***Ensure that revenues are ear-marked for transportation purposes.***

### **Travellers with Disabilities and Limited Abilities**

For many persons with disabilities, driving means independence. Measures designed to make travel and transportation more accessible for people with disabilities are required to improve mobility for all Canadians.

***Recommendation #10 – Governments and commercial interests are urged to take all reasonable steps towards providing fully accessible services and amenities, both public and private, to facilitate the travel and transportation of persons with disabilities and to accelerate the development of specialized transit services.***

## **Intelligent Transportation Systems**

Drivers are human and humans are fallible. Today's drivers are tired, angry, distracted, new to the road, and senior. They have varying skill sets and often add eating, drinking, reading the paper and talking on the phone to their regular multi-tasking driving requirements. Our roadways are full, volumes are high, traffic is congested and the condition of our roads has deteriorated.

All of this should serve as impetus for the development and introduction of Intelligent Transportation Systems. Vehicle systems that can take total or even partial control of the vehicle in an emergency (e.g. adaptive cruise control, obstacle/collision avoidance, lane keeping and blind spot warning systems), or while travelling on high-speed highways could help avoid some of these consequences.

Automating cars is only one part of the total ITS umbrella. ITS also includes traffic control and demand management, driver information systems, and smart highway systems. CAA believes that transportation plans must integrate the introduction of new technologies into their strategies.

***Recommendation #11 – Research, and development of Intelligent Transportation Systems should be pursued to make roads safer, more efficient, and environmentally friendly.***

## **Air Transportation**

Inadequate aviation infrastructure costs the world economy billions of dollars in inefficiency. Economic growth may be jeopardized unless governments and other authorities invest substantially in the infrastructure necessary to support the air transportation industry. Air transport is an essential service and measures must be taken to ensure its healthy growth.

Canada's Transportation Act must recognize that airports are key assets for attracting new industries. Their presence offers a strong inducement for companies wishing to set up in a particular location. A region cannot be marketed as a centre for establishing major new businesses without an efficient air transportation infrastructure, nor will it attract major investment.

Air transport is essential to economic progress. In an increasingly global community and marketplace, air transport makes possible the rapid movement of millions of people and billions of dollars worth of goods to markets around the world. To ensure Canada's continued prosperity in the skies and to ensure the safety of travellers, CAA recommends the following:

***Recommendation #12 - Regulations that govern the operation of airline services must be continually reviewed and improved with a view of providing the industry with flexibility to offer innovative, competitive services consistent with the needs of all Canadians. Safety regulations must be maintained at the highest possible level.***

***Recommendation #13 – Border crossing regulations should be designed to facilitate the clearance of travellers. Such facilities should not compromise necessary security precautions.***

***Recommendation #14 – Sufficient customs and immigration officials must be available to meet the demands of inbound international traffic.***

***Recommendation #15 – The federal government should set the air transportation-related revenue it collects at a level commensurate with the expenditures arising from its limited role in supporting the air transportation system.***

***Recommendation #16 – Guidelines must be developed for passenger facility charges and other user fees that require these funds to be used only for airport-related and/or operations for which airport authorities would be held accountable, including a provision to limit the number of charges per flight.***

In past years, Canada's airline industry has undergone significant changes and restructuring. Consumers are particularly vulnerable to these changes. As the traveller's advocate, serving the air travel needs of millions of leisure travellers, CAA wants to ensure that consumers are protected and that their concerns are addressed.

CAA underscores the importance of sustaining the de-regulated airline industry -- which offers Canadians convenience, service and the best price and believes that the interest of consumers may be best served by fostering a competitive Canadian marketplace. Consumers must have access to affordable, economical travel, flexibility and choice and the availability of service to remote markets.

## **Sustainable Transportation**

CAA believes that a sustainable transportation system is sensitive to economic, social and environmental constraints. Sustainability requires more efficient, equitable, and environmentally sensitive transport. Simply driving more fuel-efficient vehicles or smoothing traffic flow cannot achieve this. It requires changes in the way we think about transportation and how we identify solutions. A sustainable transportation system must provide mobility and accessibility to all residents in a safe and environment friendly way.

All forms of transportation have environmental impacts at every stage in their production, use and disposal. Priorities must be set to address these problems and will require considerable long-term commitment. Often in addressing these problems, the automobile is seen as an easy target.

Motorists are willing to be part of the solution but are not willing to bare an unfair share of the blame for transportation impacts on the environment. CAA takes environmental issues very seriously and currently has a number of policies and recommendations respecting the issue.

These are a few highlights for the information and consideration of the Panel:

**Air Pollution** – Systems and procedures which will reduce or eliminate harmful materials from motor vehicle exhaust fumes at costs commensurate with the benefits should continue to be developed.

**Light Duty Vehicle Emissions** – The federal government should adopt an emission standard for new light duty vehicles that would limit emissions of carbon monoxide, hydrocarbons, nitrogen oxides and other chemicals that negatively affect air quality. Those standards should progressively lead to zero emissions.

**Emissions Standards for Heavy Duty Vehicles** –The federal government should adopt emissions standards for heavy duty vehicles comparable in stringency to the standards proposed for light duty vehicles. Mandated standards for diesel emissions should encourage the adoption of the latest advances in diesel engine technology and harmonize these standards on a timely basis with U.S. federal standards.

**Motor Vehicle Emissions Inspection** – All provincial governments should institute motor vehicle inspections with uniform acceptable emission levels and effective testing procedures. Certificates of compliance should be accepted interprovincially, and be transferable to the new owner upon sale of the vehicle.

**Greenhouse Gases and Energy Conservation** – CAA supports a comprehensive energy conservation strategy that includes all users, mobile and stationary, to conserve Canada's energy resources and reduce impacts on the environment and the global climate. Efforts and costs to reduce greenhouse gas emissions from various sources should be in proportion to their share of Canada's total emissions.

**Energy Conservation** – Federal and provincial governments, in concert with motor clubs, other organizations and industry should encourage users of petroleum products to adopt a conservation philosophy. Financial penalties such as carbon taxes are opposed because gasoline is already over-taxed and more positive and less punitive measures can be employed. Motor vehicle manufacturers should continue to conduct research into the design of more energy efficient motor vehicles and into the economic use of alternative power sources.

**Motor Vehicle Fuel Efficiency Standards** – The federal government should proclaim the Motor Vehicle Fuel Consumption Standards Act.