Submission to

The *Canada Transportation Act* Review Panel

Better Environmentally Sound Transportation
Vancouver BC

April, 2001

Better Environmentally Sound Transportation (BEST) wishes to thank the Canada Transportation Review Panel for the opportunity to participate in its review of the transportation issues and structures across Canada.

BEST is a non-profit organisation dedicated to promoting sustainable transportation and land-use planning. BEST began 10 years ago as a cycling advocacy group, and has evolved into the largest sustainable transportation advocacy organisation in Canada.

BEST has over 800 supporting members and a diverse range of private and public funding. We manage a wide range of educational and advocacy projects aimed at encouraging more environmentally friendly transportation choices for British Columbians.

We will address three of the six issues identified in the Panel's Document published in January 2001 - entitled *Issues Under Consideration*. Our comments will focus on those issues and questions related to urban transportation, and in particular, the needs of urban public transit in Canadian cities.

Summary of Recommendations

Our primary recommendations are as follows:

a. **Urban transportation is not addressed in the Canada Transportation Act. The Act should be amended to address urban transportation, and specifically to encourage the development and protection of public transit.**

b. **The Government of Canada should develop and fund a dedicated, comprehensive infrastructure investment program for urban transit - in partnership with provincial and municipal governments. Such a program could support both national and local transportation needs, and is necessary to ensure consistent, sustainable and balanced investments for urban transit from all levels of governments in our major cities.**

c. **The Government of Canada should consider a range of tax and policy initiatives with regards to transportation usage and infrastructure, so as to more equitably reflect the true, full cost of transportation options. A number of incentives and disincentives - such as dedicated fuel taxes, tax shifts, road user charges and tax-exempt transit benefits - should be introduced by the Federal Government. Such carrots and sticks will reward more efficient and sustainable transportation choices, and encourage modal shifts from single occupancy motor vehicles to public transportation, cycling and walking.**

d. **The Canada Transportation Act be amended to ensure access to rail rights-of-way for urban transit infrastructure, where possible without undue interference with railway operations, and to provide a fair, regulated framework for negotiations between urban transit providers and railways.**

Sustainable Development and the Environment

How can all Canadian governments promote the development of sustainable transportation systems?

Transportation policies and investments have major environmental impacts. Most commentators point out automobile overuse and its impacts on fossil fuel consumption, air quality deterioration and resulting health impacts, and climate change gas emissions. However, there are additional significant issues. Suburban sprawl - that is, the continuing expansion of auto-oriented developments, with their road, highway and parking networks - threaten ecological habitat, valuable agricultural land, and contribute to serious stormwater runoff quality and quantity problems, and the associated health and economic costs. Sprawl also entrenches automobile dependency and overuse and its resulting environmental and health impacts.

Car-related health care costs have been estimated at over $1 billion a year in Ontario. As many as 5,000 premature deaths a year in Canada are attributed to air pollution problems in our cities. Rates of asthma amongst children have increased significantly in our major cities. Automobile tailpipes are the source of 70% of urban air pollutants, and are also the leading source of greenhouse gases - the primary factor in global climate change. These are some of the true, full costs of automobile usage. They are externalised costs - i.e. they are not paid by the users, but are paid by accident victims, asthmatic children, the elderly, and others - but they are very real.

Greater use of public transit would help reverse these trends and reduce these costs. Increased investments are needed to spur such usage, as transit service remains inadequate and inconvenient in many urban areas, particularly in our less compact suburban developments.

Sustainable development is a national priority. And transportation is key to air pollution, climate change, and a range of other environmental and human health effects. It is therefore essential that the main piece of federal transportation legislation address these issues. The Canada Transportation Act should be amended to address urban transportation, and specifically to encourage the development and protection of public transit.

Sustainability of Capital Investment - Roads and Public Transit

Is there a need for more extensive federal spending on roads and public transit?

Canadian cities are the engines of our national economy. Yet the vitality and attractiveness of our cities are under threat from urban sprawl, traffic congestion and air pollution. An unbalanced transportation system - highly dependent on automobile and road infrastructure - comes at significant cost. In Greater Vancouver, the costs of congestion delays to commercial traffic are estimated at over $500 million annually.

Individuals also experience these costs in different ways. Traffic volumes in Greater Vancouver increased at twice the rate of population growth between 1996 and 1999. Average commute times went up by one-third between 1984 and 1994. Nonetheless, the region is experiencing another 65 cars being added to the roads every day.

It is clear that greater investments in roads will *not* solve this problem. Wherever road capacity has been increased in an attempt to deal with traffic congestion, the added road capacity has been taken up with more traffic; "build a road and the cars will come" has become a commonplace in transportation planning.

Meanwhile, government investments in public transit infrastructure have fallen behind - by 25 per cent since 1996 according to the Canadian Urban Transit Association (CUTA). Many provinces and municipalities have cut transit service and raised fares. While the BC Government provides among the best provincial funding for municipal transit in Canada, core bus and trolley services remain inadequate to the needs of a growing and mobile population. Indeed, TransLink recently cut back bus service by $5 million, and has proposed much more severe cutbacks - up to 20 per cent of existing service - unless new funding is forthcoming.

The Federal Government has an important role to play in urban transportation. Canada is the only G-7 country without an urban transit investment program at the national level. Both European and US Governments provide substantial funding at national levels to urban transit infrastructure. The US federal government is committed to a $6 billion dollar transit investment program.

Canadians want and need a viable alternative to the car, particularly in urban settings. They want more and better public transit, as well as better cycling and pedestrian facilities. We need a federal commitment to address urban mobility, traffic congestion and air pollution. The federal government should develop a comprehensive infrastructure program for urban transit - in partnership with Provincial and Municipal governments.

The recently announced Canada Infrastructure Program includes public transit, but it is likely that other municipal priorities such as water and sewers will come take up most of the available funds. A similar infrastructure program *dedicated to public transit* would make major contribution to building a more balanced and equitable transportation system in Canadian cities - and would help create a viable alternative to urban sprawl and the continuing dependence on the automobile.

Is there a role for dedication of taxes to roads and public transit?
Do existing road user charges and fuel taxes distort choices among modes and are practical improvements available?
Are there more efficient alternatives to greater subsidisation of urban transit?

Increased transit investments alone are not sufficient to get people of their cars. Supply side investments are only part of the equation. Governments must also consider demand-side solutions - including increased fuel taxes and road charges[1] - which work to accurately reflect the true costs of our travel choices and transportation infrastructure.

[1] It is clear that existing road user charges and fuel taxes are too low; countless studies have demonstrated that in all developed countries excessive road use creates an uncompensated externalised social cost. Road user and fuel costs would have to be *higher* to reach an optimal level of road use.

Such solutions include transportation-demand management measures, such as road user charges. System-wide road and bridge tolls, congestion pricing and intelligent transport systems are among the most promising measures. Federal fuel taxes should be more directly dedicated to urban public transit infrastructures, again to re-balance transportation away from automobile dependence.

Other potential solutions include tax-shifting and tax-exempt employer-provided transit benefits. Tax-shifting is a simple concept: a revenue-neutral shifting of taxes away from 'goods' such as income and employment, and onto 'bads' such as pollution and the consumption of non-renewable resources. Through a tax shift, and with no net increase of tax revenue, the Federal government could rebalance the burden of road infrastructure costs onto road users, and away from general taxpayers - many of whom don't drive or drive infrequently.

The 'marginal cost' of an individual trip is a major decision factor in day-to-day travel. Currently the 'marginal costs' of car travel are perceived to be low by drivers, largely because the actual costs of road and parking infrastructure are hidden - subsidised by the general taxpayer. This is particularly true of parking. The availability and cost of parking has been shown to be key determinant of travel choice.

Currently the majority of Canadian employers provide free parking as an employee benefit. This benefit is taxable, but in reality this is rarely enforced. Eighty per cent of automobile commuters receive subsidised parking from their employers, yet few employees receive transit benefits. As well, where employers provide transit benefits, they *are* taxed. The provision of free parking to large numbers of employees distorts the cost of driving, making it less expensive than taking public transit

The federal government should rectify this situation. The Government of Canada should amend the Income Tax Act to permit employers to provide transit benefits to their employees on a tax-exempt basis. Such a step would encourage modal shifts from single-occupancy vehicles to public transportation.

Tax shifts, road pricing, tax-exempt transit benefits and, yes, higher fuel taxes would each begin to 'reflect' the true costs of road infrastructure, maintenance and externalities. They would have the added benefit of reducing unnecessary vehicle trips, particularly for short distances, and in turn make public transit more attractive, convenient and economical.

Preservation of Urban Rail Corridors

Is a new mechanism needed to ensure that municipalities and provincial governments have an adequate opportunity to preserve important urban corridors?

Urban rail corridors show great potential for future benefits to urban communities and citizens. The re-use of discontinued urban rail corridors provides new and rare

opportunities for the introduction of public transit or mixed-use greenways and urban trails.

The existing discontinuance procedure in the Canada Transportation Act does not reflect regional and municipal transportation needs. This was evident recently in Vancouver, where CP outlined a three-year plan to discontinue and redevelop the Arbutus Corridor, potentially converting the corridor to non-transportation uses.

Subsequent debate revealed significant public support for preservation of this urban rail corridor for transportation. The City of Vancouver then took action to designate the Arbutus right of way for transportation purposes only. CP has filed a court challenge to this designation.

The preservation of urban rail corridors for future transportation uses, including mixed uses such as light-rail, cycling paths and urban trails, must be a central component of a national transportation policy. The Canada Transportation Act be amended to ensure access to rail rights-of-way for urban transit infrastructure, where possible without undue interference with railway operations, and to provide a fair, regulated framework for negotiations between urban transit providers and railways.

Conclusion

The Canada Transportation Act needs to be updated and amended to reflect the realities and needs of transportation in the 21st century. Canada is now a thoroughly urbanised country, and our cities play a central role in the Canada's economic and social life.

In addition, issues of sustainable development and environment must be considered central factors in transportation decisions and policies. Indeed, long-term environmental considerations - such as air quality and climate change - should outweigh shorter-term financial decisions with regard to transportation.

An amended Canada Transportation Act should clearly include urban transportation - and specifically, public transit - within its scope and provisions. Further, the Canadian government needs to commit to a comprehensive infrastructure program for urban public transit.

Federal Transportation policy should reflect long-term goals of sustainability and environmental protection. In doing so, the Canadian Government should welcome measures that rebalance the cost and usage of transportation infrastructure and facilities, so as to reduce the impact of transportation on the environment and human health. These would include decisions on tax policy, fuel taxes, infrastructure investments and the introduction of user charges such as road tolls or congestion pricing.

Finally, the preservation of existing transportation infrastructure, such as urban rail corridors, for future potential public use, should be included as key elements of a national transportation policy.

BEST respectfully submits the above points and concerns to the Canada Transportation Act Review Panel for consideration.

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