



CUTA  
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CANADIAN URBAN TRANSIT ASSOCIATION  
ASSOCIATION CANADIENNE DU TRANSPORT URBAIN



## Transit Infrastructure:

### *Building Communities that Move*

*By: the Canadian Urban Transit Association*

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## **About the Canadian Urban Transit Association**

*CUTA is the collective and influential voice of public transportation in Canada, dedicated to being at the centre of urban mobility issues with all orders of government, and delivering the highest value to its members and the communities they serve. CUTA is the national association representing public transit systems, manufacturers and suppliers to the industry, government agencies, individuals and related organizations in Canada.*

## **Executive Summary**

Across Canada the effects of transit investment are already being felt. Transit systems have taken funding from the Public Transit Infrastructure Fund, as well as other federal and provincial programs, and invested it back into Canadian communities, making them more sustainable, more inclusive, more economically competitive and, ultimately, more livable.

Communities have seen old or inefficient buses taken off the road and replaced with newer, greener buses. Small and large communities alike have made their fleets and their transit stops more accessible. Municipalities have invested in building better walking and cycling networks connecting to transit hubs. Major city-building transit projects have broken ground, creating jobs today and changing our urban landscapes of tomorrow. Combined, these investments will help Canadians make more sustainable transportation choices more regularly—ultimately leading to a modal shift from single occupancy vehicles to sustainable mobility options.

All this has been made possible by flexible, long-term and dedicated funding for transit infrastructure in Canadian communities.

As the federal government transitions into Phase II of the long-term transit infrastructure program, communities are seeking assurances their current investments in public transit will continue to be supported by the government as we move from the first phase of funding to the next. Also, crucial to the success of these transit investments will be the creation of a data collection and monitoring framework to report progress and outcomes to the government in a timely and reliable fashion. More robust data collection will ultimately assist the government as it works to optimize the synergies between its transit investment and its commitments to reduce Green House Gas (GHG) emissions.

Finally, as the federal government begins negotiations with the United States and Mexico on the North American Free Trade Agreement, it should consider the Canadian urban transit industry as a strategic sector and look to secure fairer access to the U.S market for Canadian transit companies.

## **CUTA's 2017/2018 Federal Pre-Budget Recommendations**

1. The federal government should ensure the predictability and reliability of funding from the first Phase of the Public Transit Infrastructure Fund (PTIF I, April 2016 to March 31, 2019) by transferring all unspent funds from PTIF I on March 31, 2019 to the second phase of the program. All funds should remain earmarked to transit.
2. The government should partner with CUTA to create a data program that can track, analyze and report on the progress and outcomes of the government's transit investments. The monitoring and reporting of transit infrastructure investments will be key to the success and accountability of these investments.



3. CUTA will work with the federal government and other partners to set realistic but ambitious GHG reduction targets from the urban mobility sector. The Pan-Canadian Framework on Climate Change should clearly identify sustainable urban mobility, specifically a modal shift away from single-occupancy vehicles towards sustainable mobility options, as a key objective of Canada's strategy to reduce GHG emissions from the transportation sector.
4. In renegotiating NAFTA, the Government of Canada should consider its unprecedented investment in public transit, and the Canadian transit manufacturing industry, as a strategic sector and ensure it adopts policies and positions that will grant Canadian companies fairer access to the U.S. market. Canada should pursue the goal of obtaining national treatment for Canadian-based companies in the determination of Buy America requirements for U.S. public transit procurement.



## Federal Transit Infrastructure Funding

The federal government has greatly increased its role in urban transit infrastructure investment in recent years, and the newest, \$20.1 billion fund will be the government's largest and most enduring transit program to date. The flexible approach to funding in the Public Transit Infrastructure Fund (PTIF) has allowed transit systems to invest in everything from improving accessibility and greening their operations, to planning and building major infrastructure projects.

These investments, combined with provincial and municipal contributions, will build the next generation of transit systems in Canada and will have a transformative effect on the urban mobility landscape across the country. CUTA looks forward to continuing to work with the government and Infrastructure Canada on PTIF by providing industry expertise, data and research.

While the new phase of transit infrastructure funding is about to begin, many commitments have already been made to transit infrastructure in communities across Canada. Due to the complexity of transit infrastructure projects, procurement processes and construction seasons, some transit projects may not be completed by the required deadline of March 31, 2019. To ensure successful completion of all projects approved under PTIF I, unspent funds from the first Phase should remain available and earmarked to transit under the same conditions as prescribed in PTIF I (cost share, eligibility, etc.), after March 31, 2019.

**Recommendation: The federal government should ensure the predictability and reliability of funding from the first Phase of the Public Transit Infrastructure Fund (PTIF I, April 2016 to March 31, 2019) by transferring all unspent funds from PTIF I on March 31, 2019 to the second phase of the program. All funds should remain earmarked to transit under the same conditions as prescribed in PTIF I.**

## National Transit Data Programme

Vital to the success of the government's transit investments, will be a robust and professional data collection program. The government and the transit industry have a shared responsibility to ensure this unprecedented investment is both accountable and effective. By forging a formal partnership, focused on data, social outcomes and a harmonized, pan-Canadian approach to transit data collection and reporting, the Canadian public stands to greatly benefit from their investment.

CUTA is internationally recognized for being a leader in the reporting of Canadian transit statistics and currently provides important transit data to the Province of Ontario. CUTA's comprehensive Industry Data Programme has been operating for over 30 years, gathering over 1,300 fields of data from each member transit system across Canada. Collectively, CUTA's Industry Data programme represents Canadian transit systems delivering over 98% of ridership in Canada. Today, consultants, government agencies and private business across Canada and internationally rely on CUTA data to support their projects and operational decisions.

In order to ensure responsible and effective investment in public transit, CUTA proposes to implement a national program, in partnership with the Government of Canada, to deliver results in three strategic areas: (1) On behalf of the Government of Canada, CUTA would monitor and report on the government's stated outcomes and conduct in-depth analysis to explain results; (2) CUTA would track and report the human outcomes and stories of infrastructure investment and demonstrate how investments contribute to improving economic opportunities for Canadians, favouring social inclusion, greening our urban centres and improving the life of Canadians in communities of all sizes; (3) CUTA would work with industry players to



harmonize data collection and increase transparency and accountability based on the parameters and desired outcomes of the government's investment program.

With a robust data program in place, the government will be able to gauge the success of its investments in several areas, including economic growth, social inclusion and environmental sustainability. How much transit investments move the needle on these indicators will largely be determined by the program parameters and administration of the government's new investments.

**Recommendation: The government should partner with CUTA to create a data program that can track, analyze and report on the progress and outcomes of the government's transit investments. The monitoring and reporting of transit infrastructure investments will be key to the success and accountability of these investments.**

### Transit and National GHG Emissions

As part of the 2015 Paris Agreement, the Government of Canada committed to reducing its GHG emissions to 30% below 2005 levels by 2030. In 2015, the transportation sector was the second largest source of GHG emissions, accounting for 24% of total national emissions.

The transit industry and its sustainable mobility partners, are ready and willing to take the lead in reducing transportation sector GHG emissions, but are seeking a clear mandate from the federal government to implement transformative change within the sector. This can be best accomplished by outlining sustainable mobility as a key tool in the fight against climate change within the Pan-Canadian Framework on Clean Growth and Climate Change.

Transit and sustainable mobility have a direct impact on the emissions of the transportation sector, facilitating a modal shift away from single-occupancy vehicles, which contribute 10-12% of national GHG emissions every year. Transit also reduces congestion, and encourages urban densification. A STM report found for every tonne of GHG's emitted by the STM's transit operations, it saves the city of Montreal 20 tonnes of GHG emissions.

Going green also presents a tremendous opportunity for the transit industry and the Canadian economy. By being early adopters in sustainable urban mobility, Canada stands to benefit economically from the research, development and manufacturing of these new technologies in Canada.

**Recommendation: CUTA will work with the federal government and other partners to set realistic but ambitious GHG reduction targets from the urban mobility sector. The Pan-Canadian Framework on Climate Change should clearly identify sustainable urban mobility, specifically a modal shift away from single-occupancy vehicles towards sustainable mobility options, as a key objective of Canada's strategy to reduce GHG emissions from the transportation sector.**

### Trade and the Urban Transit Industry

Canadian transit manufacturers and suppliers are amongst the most innovative transit businesses in North America and have created good paying, local jobs across Canada that support the development of a strong middle class. Despite difficult economic times, CUTA's members have increased their North American market share and sustained high levels of R&D and innovation investments.



Companies with Canadian roots satisfy nearly 70% of the North American urban transit bus market, and the Canadian transit industry employs nearly 75,000 people—and that number continues to grow. Furthermore, Canadian transit suppliers exported \$751 million worth of goods in 2012.

Unfortunately, the industry is facing increasingly protectionist procurement policies from the United States due to domestic content requirements such as Buy America, which is set to increase the domestic content requirement for any transit procurement using federal money to 70% and require final assembly to occur in the U.S. Some of the rhetoric surrounding NAFTA renegotiations are cause for even greater concern as fears that highly integrated, cross-border supply chains, such as the transit industry, could be severely disrupted by protectionist measures.

The government has a role to play in ensuring Canada's transit manufacturing industry has fair access to the U.S market. While renegotiating NAFTA the government should pursue policies and positions that will grant fairer access for Canadian-based transit companies to the U.S market. Given North America's integrated transit manufacturing supply chain, Canada should pursue the goal of national treatment for Canadian-based products in U.S public transit procurement during the determination of Buy America requirements.

**Recommendation: In renegotiating NAFTA, the Government of Canada should consider its unprecedented investment in public transit, and the Canadian transit manufacturing industry, as a strategic sector and ensure it adopts policies and positions that will grant Canadian companies fairer access to the U.S. market. Canada should pursue the goal of obtaining national treatment for Canadian-based companies in the determination of Buy America requirements for U.S. public transit procurement.**

