



Submission to the Review of the Canada Transportation Act

CANADIAN URBAN TRANSIT ASSOCIATION

December 2014

About the Canadian Urban Transit Association (CUTA)

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.

Introduction

Canada's economic growth relies on a multimodal transportation system that is integrated and coordinated from coast to coast to coast—public and private, urban and rural, passenger and freight. Only a comprehensive national approach can deliver such a system and fully leverage Canada's transportation investments. This is the challenge—and the opportunity—faced by the review of the *Canada Transportation Act*.

The Canadian Urban Transit Association (CUTA) has expanded its scope beyond public transit to a broader vision of integrated mobility in cities. Seamless connectivity is now a key to urban competitiveness in a global economy. Countries around the world are modernizing their transportation frameworks to cross jurisdictions and address strategic economic objectives. Every jurisdictional boundary—whether physical, legislative, regulatory or operational—can be a barrier to productivity. Cities are Canada's economic engines and mobility hubs, and the *Canada Transportation Act* needs to recognize their major role, rapidly changing circumstances and unique mobility needs.

CUTA's government and industry members have the vital responsibility of keeping Canadian families and businesses moving. Our recommendations for a more effective *Canada Transportation Act* are summarized below, and discussed in the remaining sections of this submission.

Strategic Approach to Urban Mobility

- 1. That the Government of Canada consider integrated urban mobility as a key element of both the country's transportation system and the *Canada Transportation Act*.**
- 2. That federal departments review and align policies related to urban transportation, and that Transport Canada reinstate its Urban Transportation Policy unit whose role would be to ensure sound policy development and connection with other federal departments that have interest in urban transportation such as Infrastructure Canada, Industry Canada, Environment Canada and Health Canada.**

Protection of Railway Corridors

- 3. That the Canada Transportation Act recognize the strategic value of urban rail corridor investments to support growth, and require the sale of railway corridors to be established on their fair market value as transportation corridors. The appropriate prices for acquiring the lines should either be calculated on the property tax level that was paid in previous years by the freight rail operators, or calculated on the property value assessed by the transportation usage level. In any case, the lesser value of these two options should determine the fair market value of the railway corridor.**

Efficient Trade Corridors and Gateways

- 4. That the Government of Canada consider the overall journey of goods from origin to destination and make investments to optimize that journey, particularly in areas where traffic congestion reduces the efficiency of Canada's Gateways and Trade Corridors.**

Fair Trade Practices and Harmonized Regulations

- 5. That international trade agreements be protected from arbitrary modifications imposed by foreign governments, and that they be supported by harmonization and streamlining of transportation policies and regulations.**

Innovation, Environment and Technology

- 6. That the *Canada Transportation Act* identify policies and programs to promote innovation in the transportation sector (e.g. Transport Canada's former Transport Demonstrator Project), and support work by the Canadian Urban Transit Research and Innovation Consortium to foster innovation in Canada's transit industry as a complement to existing initiatives including Sustainable Development Technology Canada and NRC's Fleet 2020 program.**
- 7. That the Government of Canada support the commercialization of new technologies and the procurement of innovative, energy-efficient products, such as through a fund to compensate transit systems and municipalities for some portion of the incremental costs for retrofitting or procuring energy-efficient transit vehicles.**
- 8. That consultation with the transit industry and other key transportation stakeholders be undertaken when developing federal regulations for new technologies that impact urban mobility, such as intelligent transportation systems (ITS) and automated vehicles.**

Accessibility

- 9. That the *Canada Transportation Act* support the improved accessibility of public transit facilities and services through:**
 - a. the alignment of federal and provincial regulations and standards for transit facilities and services based on consideration of the needs of transit service users and providers, and**
 - b. the provision of adequate program funding to enable transit providers to implement accessibility enhancements in conformance with applicable regulations and standards.**

Security

- 10. That the *Canada Transportation Act* encourage program funding to enhance transit system security, similar to the previous *Transit-Secure program* created by the Federal government in 2006.**
- 11. That the *Canada Transportation Act* establish new or revised communications protocols to share time-sensitive information with transit operators across the country, and between transit operators and relevant government authorities, during emergencies and crises.**
- 12. That the *Canada Transportation Act* establish clear guidelines and requirements for transportation authorities' senior managers to receive secret or top secret clearance to facilitate the exchange of classified information during emergencies and crises.**
- 13. That the *Canada Transportation Act* support investments in secure communication channels for sharing sensitive information during emergencies and crises.**

Section 1: Strategic Approach to Urban Mobility

Canada would benefit from a more strategic and comprehensive approach to transportation across the country, in which public transit's role, objectives and investment priorities are consistent with other federal programs that fund transit infrastructure such as the Building Canada Plan. A comprehensive approach to transportation and urban mobility would improve coordination among departments that are involved in public transit, such as Infrastructure Canada, Industry Canada, Environment Canada and Health Canada.

FACTS AND FIGURES

- Efficient urban transportation attracts businesses and workers from around the world. In a C-Suite survey on infrastructure funding, 90% of CEOs named transit as their top priority.¹
- Three dollars are returned back into the economy for every dollar spent on public transit, and Canada's existing transit network has a total economic benefit of \$12 billion annually.²
- Investments in public transit can help reduce traffic congestion, which costs the Toronto region \$6 billion annually in lost productivity and is projected to grow to \$15 billion by 2031.³ Toronto's Union Pearson Express, opening in 2015, is just one example of how transit can build competitiveness by integrating local, regional, national and international transportation systems.
- Transit links Canadians to their jobs, schools, health care, shopping and other services. National transit ridership grew by 21% from 2006 to 2012.⁴

CUTA recommends:

- 1. That the Government of Canada consider integrated urban mobility as a key element of both the country's transportation system and the *Canada Transportation Act*.**
- 2. That federal departments review and align policies related to urban transportation, and that Transport Canada reinstate its Urban Transportation Policy unit whose role would be to ensure sound policy development and connection with other federal departments that have interest in urban transportation such as Infrastructure Canada, Industry Canada, Environment Canada and Health Canada.**

¹ Gandalf Group, *C-Suite Survey*, <http://www.gandalfgroup.ca/downloads/2013/C-Suite%20Q1%202013%20Final%20Data%20TC.pdf>.

² Canadian Urban Transit Association (CUTA), *Measuring Success: The Economic Impact of Transit Investment in Canada*, http://cutaactu.ca/en/public-transit/publicationsandresearch/resources/Issue_Paper_35E.pdf

³ Toronto Region Board of Trade, *Let's Break The Gridlock*, <http://www.bot.com/advocacy/campaigns/Pages/break-the-gridlock.aspx>.

⁴ Canadian Urban Transit Association (CUTA), *Let's Move*, http://www.cutaactu.ca/en/public-transit/eventsandawards/resources/Transit_Awareness_Day_Booklet_Key_messages_-_EN.pdf.

Section 2: Protection of Railway Corridors

The *Canada Transportation Act* gives transportation authorities the right of first refusal to acquire abandoned railway corridors. They frequently exercise this right in the course of protecting strategic transportation networks for future development, as a means of supporting both population and economic growth. However, the Act should also require the sale of railway corridors to be established on their fair market value as transportation corridors, not as property for residential, commercial or other uses. The appropriate prices for acquiring the lines should either be calculated on the property tax level that was paid in previous years by the freight rail operators, or calculated on the property value assessed by the transportation usage level.

In Metro Vancouver, for example, the Canadian Pacific Railway (CPR) values its Arbutus Corridor at \$100 million while the City of Vancouver values it at \$20 million.⁵ Clearly, there is a lack of fairness and consistency in the valuation of railway corridor lands that contravenes the public interest in efficient, integrated mobility systems. The *Canada Transportation Act* could provide direction on this issue for the benefit of Canadians.

CUTA recommends:

- 3. That the Canada Transportation Act recognize the strategic value of urban rail corridor investments to support growth, and require the sale of railway corridors to be established on their fair market value as transportation corridors. The appropriate prices for acquiring the lines should either be calculated on the property tax level that was paid in previous years by the freight rail operators, or calculated on the property value assessed by the transportation usage level. In any case, the lesser value of these two options should determine the fair market value of the railway corridor.**

Section 3: Efficient Trade Corridors and Gateways

Canada's trade with the United States—this country's most vital trading partner—plays an important role in our economy, and the Government of Canada has invested more than \$5.5 billion in gateways and trade corridors since 2007.⁶ Transit has an important role to play in maximizing Canada's return on these investments, because U.S. imports and exports often travel to, from and through our metropolitan areas on congested transportation corridors. Strategic infrastructure investment decisions should take a system perspective and consider the most efficient ways to move people and goods throughout their journey. In urban areas, this can be achieved through an effective combination of roads and non-road options such as rapid transit corridors.

⁵ CBC, *Arbutus Corridor: City of Vancouver seeks injunction to stop CP Rail*, <http://www.cbc.ca/news/canada/british-columbia/arbutus-corridor-city-of-vancouver-seeks-injunction-to-stop-cp-rail-1.2787049>

⁶ Government of Canada, *Investing in Gateways*, <http://actionplan.gc.ca/en/initiative/investing-gateways>

As an example, goods worth \$20 billion are shipped by truck across Montréal's Champlain Bridge every year, experiencing significant bottleneck delays and costing the transportation industry millions of dollars in lost productivity. It is estimated that 40-60 million vehicles cross the bridge annually,⁷ therefore investments that shift travel demand from cars to public transit can free up road space and have a tangible impact on the efficiency of Canada's international trade.

FACTS AND FIGURES

- Every day, goods worth more than \$1.7 billion cross the Canada-U.S. border. The Government of Canada has made international trade a top priority of Canada's economic strategy.⁸
- According to Marc Cadieux of the *Association du camionnage du Québec*, "Investing in transit is the only way to get trucking goods out of traffic."⁹

CUTA recommends:

- 4. That the Government of Canada consider the overall journey of goods from origin to destination and make investments to optimize that journey, particularly in areas where traffic congestion reduces the efficiency of Canada's Gateways and Trade Corridors.**

Section 4: Fair Trade Practices and Harmonized Regulations

Canada's negotiation and implementation of international trade agreements presents great opportunities for the public transit industry. In addition to opening new markets to Canadian transit suppliers, these agreements present an opportunity to harmonize regulations between markets and eliminate red tape.

On that front, Canada should take advantage of the new agreement signed with the European Union (CETA, the Comprehensive Economic and Trade Agreement) to harmonize regulations in the transportation sector. For instance, the lack of harmonization of greenhouse gas (GHG) emission standards between Canada, the United States and Europe impedes transit agencies and bus original equipment manufacturers (OEMs) in accessing certain engines and technologies that have similar or even better GHG emissions performance.

The Canadian government should also work to preserve and promote the transit industry's commercial interest in current and future trade agreements by working closely with Transport Canada, Industry Canada and key transportation stakeholders and businesses. Canadian transit companies are North American and global leaders, and create thousands of high-quality jobs across the country. Despite

⁷ Government of Canada, *New Bridge for the St. Lawrence - Frequently Asked Questions*, <http://www.infrastructure.gc.ca/nbsl-npsl/faq-eng.html>

⁸ Government of Canada, *Canada's Gateways - Your Connections to Opportunities*, <http://www.canadagateways.gc.ca/Advantages.html>

⁹ L'industrie du camionnage réclame plus de transport en commun, *La Presse*, http://plus.lapresse.ca/screens/4fae-3f28-5226005b-befc-37edac1c606a%7C_0

facing commercial barriers they export over \$750 million of manufactured goods globally every year, and they invest over \$90 million in research and development in Canada.¹⁰

Canadian transit manufacturers and suppliers are currently at a disadvantage in North America as they face stringent trade barriers in the form of “Buy America” requirements. Over the last decade, Canadian suppliers have dealt with continual market uncertainty as the United States has contemplated increasing the U.S. domestic content for transit rolling stock components from 60% to 100% plus final assembly on American soil. This change would have a dramatic impact on the Canadian supply chain as most companies would need to move their operations to the United States to comply with the new requirements. Transport Canada should engage with other departments such as Industry Canada and the Department of Foreign Affairs, Trade and Development to protect the strength of the Canadian transit supply chain and promote its interests in a permanent and sustainable way through trade agreements.

CUTA recommends:

- 5. That international trade agreements be protected from arbitrary modifications imposed by foreign governments, and that they be supported by harmonization and streamlining of transportation policies and regulations.**

Section 5: Innovation, Environment and Technology

Innovation is key to achieving the transit industry’s goals for greater efficiency and effectiveness. In the face of constant change, transit systems are using innovation and modernization to meet rising demand and deal with economic realities, while transit suppliers are developing new technologies, bringing new products to market, and building Canada’s economy through domestic sales and exports. The transit industry has created the Canadian Urban Transit Research and Innovation Consortium (CUTRIC), which will work to develop and harness transit technology, create jobs, stimulate domestic manufacturing, and strengthen our competitive advantage in foreign markets. However, there is little government support for innovation available to the transit industry, which is not targeted by federal or provincial programs and faces eligibility and awareness barriers from more general programs.

From an environmental perspective, Canada’s transit industry is reducing its GHG emissions by investing in a growing fleet of alternative-fuel vehicles. However, emerging technologies often prove to be more expensive than their conventional alternatives, and their refinement and wider adoption can be delayed due to the substantial financial pressures faced by transit systems.

¹⁰ Canadian Urban Transit Association (CUTA), *10 Things to Know About Canada’s Public Transit Industry*, http://www.cutaactu.ca/en/public-transit/eventsandawards/resources/Top10_Did_you_now_EN.pdf

FACTS AND FIGURES

- Canada's transit industry spends an estimated \$92 million annually on innovation, research and development; this includes expenditures by more than 80% of transit suppliers and 90% of transit systems. Transit suppliers in Canada exported \$751 million worth of goods in 2012.¹¹
- Using public transit instead of driving generates about 65% less greenhouse gas (GHG) emissions. About 54% of Canada's greenhouse gas emissions come from personal vehicles, while only 1% comes from transit vehicles.¹²

CUTA recommends:

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7. That the Government of Canada support the commercialization of new technologies and the procurement of innovative, energy-efficient products, such as through a fund to compensate transit systems and municipalities for some portion of the incremental costs for retrofitting or procuring energy-efficient transit vehicles.
8. That consultation with the transit industry and other key transportation stakeholders be undertaken when developing federal regulations for new technologies that impact urban mobility, such as intelligent transportation systems (ITS) and automated vehicles.

Section 6: Accessibility

Tremendous progress has been made over recent decades to make transit as accessible as possible, but there is still room to benefit from further efforts. For example, many seniors rely on accessible, secure and affordable transit services that allow them to be independent and contribute to their communities and economy by working, volunteering, studying and supporting family members. Over the next 25 years, the number of seniors in Canada will double—and serving those with disabilities exclusively with specialized transit services would be unaffordable.¹³ Conventional transit must be practical for most seniors living with disabilities, and we must act today if we are to meet their mobility requirements tomorrow.

¹¹ Canadian Urban Transit Association (CUTA), *10 Things to Know About Canada's Public Transit Industry*, http://www.cutaactu.ca/en/public-transit/eventsandawards/resources/Top10_Did_you_now_EN.pdf

¹² Canadian Urban Transit Association (CUTA), *Promoting Better Health Through Public Transit Use*, http://www.cutaactu.ca/en/public-transit/publicationsandresearch/resources/IssuePaperNo.2_PromotingBetterHealthThroughPublicTransitUse.pdf

¹³ Canadian Urban Transit Association (CUTA), *Value Case for Accessible Transit in Canada*, http://cutaactu.ca/en/public-transit/publicaffairs/resources/cutareport_valuecaseforaccessibletransitincanada.pdf

Many other Canadians would also benefit from more accessible transit services. In 2006, the unemployment rate for adults with disabilities was 8.7%, compared to 5.1% for other adults. A study commissioned by CUTA estimated that about 315,000 Canadian adults with a mobility-related disability could work, but are not participating in the labour force; the existence of travel barriers is one of the things that limit their access to job opportunities. The lost economic output arising from their non-participation is estimated to be \$3.6 billion per year in individual earnings.¹⁴

Government guidance on transit accessibility is becoming more commonplace, although a fragmented approach to governance leaves openings for inconsistent or conflicting requirements. Ontario's *Accessibility for Ontarians with Disabilities Act* makes it the only Canadian jurisdiction to have introduced comprehensive accessibility regulations and standards. Quebec has progressive standards for accessible transit, there are federal accessibility requirements for intercity rail services, and a voluntary code of conduct exists for intercity bus and coach services.

FACTS AND FIGURES

- The number of seniors in Canada will grow from 4 million in 2006 to almost 10 million in 2036.¹⁵
- About 45% of Canadians 75 years of age or older reported a mobility disability in 2011.¹⁶
- Conventional and specialized transit customers pay the same fares, but specialized services have much greater operational costs (averaging \$25.75 per passenger trip in 2011). For this reason, accessibility improvements to conventional transit services (which operate with an average net cost of \$1.50 per trip) that attract more customers with disabilities can lead to substantial cost savings, while also being more inclusive and fostering independence.¹⁷

CUTA recommends:

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 - a. the alignment of federal and provincial regulations and standards for transit facilities and services based on consideration of the needs of transit service users and providers, and**
 - b. the provision of adequate program funding to enable transit providers to implement accessibility enhancements in conformance with applicable regulations and standards.**

¹⁴ Canadian Urban Transit Association (CUTA), *Value Case for Accessible Transit in Canada*, http://cutaactu.ca/en/public-transit/publicaffairs/resources/cutareport_valuecaseforaccessibletransitincanada.pdf

¹⁵ Government of Canada, *Population estimates, 2006 and 2036 (millions) in Federal Disability Report by Human Resources and Skills Development Canada*, (2011) p.13., http://www.esdc.gc.ca/eng/disability/arc/federal_report2011/pdf/fdr_2011.pdf

¹⁶ Government of Canada, *The Human Resources and Skills Development Canada (HRSDC) Federal Disability Report*, (2011), http://www.esdc.gc.ca/eng/disability/arc/federal_report2011/pdf/fdr_2011.pdf

¹⁷ Canadian Urban Transit Association (CUTA), *Value Case for Accessible Transit in Canada*, http://cutaactu.ca/en/public-transit/publicaffairs/resources/cutareport_valuecaseforaccessibletransitincanada.pdf

Section 7: Security

Canada's transit systems take safety and security very seriously, not solely because they are considered a "soft" terrorism target due to high passenger volumes and open access. At stake are the health and welfare of their 60,000 employees, 22 million service area residents and 2 billion annual riders. Bearing in mind that complex transit operations can involve thousands of fully loaded vehicles in peak periods, the stellar safety and security record of Canadian transit systems is even more remarkable.

Transit systems' local knowledge, operational understanding and on-the-ground resources make them natural leaders on security issues. In 2006 this was recognized by Transport Canada's launch of Transit-Secure program, an \$80-million contribution program that supported security measures by urban transit and passenger rail operators. The program was instrumental in helping transit authorities conduct risk assessments, develop security plans, create employee training, and upgrade security equipment such as access control technology and lighting. The funding also supported risk assessments and comprehensive security planning for several transit systems.

Maximizing the safety and security of public transit in Canada needs to involve many stakeholders in a process of ongoing improvement. The federal government should look at initiatives that promote partnership with transit authorities and stakeholders, capacity building, and financial investment that will reap rewards for years to come.

CUTA recommends:

- 10. That the *Canada Transportation Act* encourage program funding to enhance transit system security, similar to the previous *Transit-Secure* program created by the Federal government in 2006.**
- 11. That the *Canada Transportation Act* establish new or revised communications protocols to share time-sensitive information with transit operators across the country, and between transit operators and relevant government authorities, during emergencies and crises.**
- 12. That the *Canada Transportation Act* establish clear guidelines and requirements for transportation authorities' senior managers to receive secret or top secret clearance to facilitate the exchange of classified information during emergencies and crises.**
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