



# 2

## STIMULUS INVESTMENTS TO BOOST CLEAN TRANSPORTATION



Photo: Shutterstock

Reducing emissions from the highly polluting transportation sector is one of Canada's biggest challenges given our vast distances, cities planned around cars, and a penchant for large, inefficient vehicles. At the same time, addressing emissions from transportation offers a cost-effective opportunity to improve the livability of our cities, reduce expenditures on fuel, and clean up the air. This is an opportunity to create jobs that support the ramping up of zero emission vehicle deployment, building clean transportation infrastructure and transitioning to clean fuels. The following recommendations provide a suite of proven, effective measures to advance these objectives.

### **Supporting Public Transit and Advancing Electrification**

Transportation remains one of the highest-polluting sectors of the economy. Investments in public transit create jobs, reduce congestion, and improve affordability and livability while helping Canada reduce its emissions.

Public transit was quickly recognized as an essential service for essential workers and others during the COVID-19 pandemic. With physical distancing measures in place,



declining ridership, lost farebox revenue and decreasing gas tax revenues, transit authorities across the country are reporting staggering financial losses. For instance, during the early months of the pandemic, TransLink in Metro Vancouver reported a shortfall of \$75 million a month.

The Green Budget Coalition supported the Canadian Urban Transit Association (CUTA)'s recommendation, that the federal government take the necessary measures to stabilize transit systems to compensate for revenue losses and extra expenses incurred during the pandemic. The Green Budget Coalition was pleased that the federal government recognized the impact of the pandemic on public transit by announcing \$1.8 billion nationally to address costs faced by public transit systems in the 2020-2021 fiscal year as part of the Safe Restart program. This infusion will allow continued transit service for essential workers, support economic recovery and ensure planned capital expenditures on system expansion and electrification do not need to be deferred.

We further recommend that Infrastructure Canada work with provincial and municipal partners to accelerate the timelines for approved and pending transit projects, where possible, and flow funds faster. This will help create employment in communities across Canada while better positioning them for a net zero carbon transportation system.

As Canadians transition to EVs, the local revenue stream collected from fuel taxes to fund public transportation (such as the \$0.185/L TransLink fuel tax in Metro Vancouver and \$0.03/L fuel tax flowing to the Montreal's Autorité Régionale de Transport Métropolitain) will decline. This puts pressure on the budgets of transit authorities.

Photo: Shutterstock





Likewise, revenues from provincial fuel taxes will decline with fewer fossil fuel powered cars on the road, further affecting local transit reliant on those funds. Yet, at the same time, transit authorities require greater funding to expand transit and encourage the shift out of private vehicles to climate friendly alternatives.

Declining municipal and transit authority revenues will slow the pace of transit investments, active transportation growth and bus fleet electrification.

The federal government must work with provincial and municipal counterparts to identify new funding mechanisms. We laud the government's commitment to predictable funding for transit, and endorse the Federation of Canadian Municipalities' call for a permanent transit fund of \$3.4 billion annually. We recommend the start date for this fund be moved to 2021.

The integration of public transit and active transportation networks offers important synergies: transit operates most effectively and ridership increases when it is planned in conjunction with walking and cycling infrastructure. Most trips are multimodal and integrating active transportation options with transit systems can help solve the "last kilometre" problem. Furthermore, investing in active transportation infrastructure, prioritizing small and medium-sized cities, is an important response to safety and physical distancing requirements during the pandemic. We appreciate that active transportation infrastructure will be eligible for the special COVID-19 response fund to be made available through the Investing in Canada plan. Additional, dedicated funds may be needed to support new or better walking paths, bike lanes and other active transportation infrastructure.

Photo: Shutterstock





Photo: Shutterstock



Along with immediate emergency funding for transit, the Green Budget Coalition recommends that the federal government scale up investments in public transit infrastructure, especially electric buses, across Canada. Finally, to enable transit systems to procure exclusively zero emission buses per the federal government's commitment to the deployment of 5,000 zero emission buses, reducing up to 100 tonnes of GHGs annually per bus, we support CUTA's recommendation that the government cover 80% of the incremental capital costs of zero emission buses over their diesel counterparts (estimated at \$345,000), and provide a per-bus subsidy of \$115,000 for electric charging infrastructure, over the next five years.



## RECOMMENDED INVESTMENT:

In accordance with the CUTA and FCM recommendations: work with the provinces and territories to [INFC]:

- Proceed with the permanent transit fund of \$3.4 billion, **bringing up the start date to 2021.**
- Zero-emission bus procurement incentive program funded at **\$472 million annually for five years.**

## CONTACT:

Tom Green – [tgreen@davidsuzuki.org](mailto:tgreen@davidsuzuki.org)