INTRODUCTION

The Amalgamated Transit Union (ATU), the largest labor organization representing public transportation, paratransit, over-the-road, and school bus workers in North America, with more than 31,000 members in more than 30 locals throughout nine provinces, is pleased to provide guidance to the Parliament of Canada regarding a national transit strategy.

ATU’s first Canadian local (then Division 30) was formed in 1893, a year after the International Union was founded. For more than a century, ATU has been proud to serve the mobility needs of Canadians, playing an important role in most provincial legislative efforts affecting the public transportation industry. While the sleek-looking light rail cars of today may look nothing like the horse drawn vehicles our members operated in the early days of transit, ATU’s dedication to the future of the public transportation industry has remained unchanged for the past 118 years.

A new ranking of international cities by the Toronto Board of Trade saw major Canadian municipalities fall dramatically behind in the realm of transportation and transit. The total annual cost of traffic congestion ranges from $2.3 billion to $3.7 billion for the major urban areas in Canada.\(^1\) Today, whether you live in one of the nation’s largest cities, a fast growing suburb, or a once-rural area, you will unquestionably be aggravated, inconvenienced, or more severely affected by the unparalleled level of congestion on Canadian roads.

People are finally starting to change their travel habits, however, realizing that there is a more convenient, economical way to travel to work, health care, entertainment, and other destinations. People are now choosing to ride quality public transportation in record numbers. Canadian transit ridership continues to set all-time records, carrying over 1.82 billion passenger trips per year, and it is increasing at a rate two or three times the rate of population growth.\(^2\)

The pages that follow contain the ATU’s recommendations on a national transit strategy. ATU’s plan calls for a strong federal role in connection with providing the resources necessary to maintain and improve the quality of Canada’s public transportation systems. A strong federal capital program is needed to keep up with ever-growing infrastructure needs. Funding should be robust and predictable. In addition, operating assistance is needed to help keep essential service on the street.

These and other ideas are discussed below.

FEDERAL FUNDING STRUCTURE

Build Firewalls Around Public Transportation Funding

The national transit plan recently put forth by Olivia Chow calls for a permanent, predictable source of funding for public transit in Canada. Without question, the new programs, planning rules, and increased levels of funding for transit initiated twenty years ago in the United States have changed the nature of America’s

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public transportation policies. However, the change in U.S. surface transportation law that has had the greatest impact on improving the quality and delivery of transit services has been the **guaranteed funding** levels for transit; between fiscal years 1998-2009, nearly $90 billion was set aside for public transportation purposes by a unique budgetary **firewall** erected between transit funds and other programs funded from the U.S. domestic discretionary budget.

Under the program’s unique budget structure, funds taken from the transit program were not eligible for any other federal discretionary program. This unique **transit firewall**, designed to ensure the funding of Federal Transit Administration (FTA) programs at specific annual guaranteed levels, worked exactly as designed. Since 1998, the U.S. Congress and three separate administrations have honored the transit firewalls by recommending annual funding of the federal transit program at “guaranteed” levels.

As a result of this predictable, increased funding, U.S. transit agencies during that period were able to engage in long-term planning, enabling them to expand service through the more than 360,000 highly skilled transit professionals who provide safe, top quality public transportation. The guaranteed funding levels provided a unique sense of stability in the public transportation industry, which is reflected in the ridership surge during that period.

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**ATU SUPPORTS**: Building budgetary firewalls to ensure guaranteed annual funding for a Canadian transit program.

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**CREATE A NEEDS-BASED FORMULA**

The transit vehicle fleet in Canada averages 11 years old, well above the Canadian Urban Transit Association’s (CUTA) recommended average fleet age of 6 to 9 years. In some cases, buses are pressed into service at 25 years of age and subway cars in Montréal and Toronto have been in service since the 1960s.³ This raises significant safety issues.

Under the U.S. FTA’s Formula Programs, distribution of public transportation funds to regions is done on a needs basis. In general, with regard to urbanized areas, the amount of service provided, population and population density are taken into account. Similarly, the Capital Program, which includes funding for fixed-guideway modernization, recognizes that transit’s “old areas” have “new” issues brought on by years of neglect and unprecedented ridership. These and other distribution formulas built into the program are equitable, and they provide the best return on the federal investment because they recognize that resources are being distributed where they are needed most.

At the same time, U.S. transit policy also recognizes recent population shifts to southern and western regions, where new transit systems are now facing some of the same capacity issues as more traditional transit areas. This type of formula would work well in Canada’s suburban areas.

**ATU SUPPORTS**: Funding Canadian transit systems on a needs-based formula.

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**SPECIAL PROGRAMS**

The FTA’s **Job Access and Reverse Commute Program** has been a huge success in providing transit services to dislocated workers, welfare recipients, and other low-income individuals seeking affordable access to jobs in suburban areas. Originally created in 1998, the program has grown substantially. Some 94% of U.S. welfare recipients attempting to move into the workforce do not own cars and must rely on public transportation to get to work. And while 60% of welfare recipients live in central cities, the majority of new jobs are in the suburbs.

In 2005, the U.S. established a new program to develop public transportation in **National Parks**. Eligible projects include rolling stock that incorporates clean fuel technology; the deployment of alternative transportation vehicles that introduce innovative technologies or

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methods; and capital costs of coordinating the federal land management agency public transportation systems with other public transportation systems. The program, intended to improve mobility and reduce congestion and pollution in the national parks, has worked well, and could be easily replicated in Canada.

**ATU SUPPORTS:** Creation of Canadian Job Access Reverse Commute and Transit in National Parks Programs.

**INCREASING RIDERSHIP**

Even with the recent surge in ridership, only about 11% of Canadian commuters use transit as their main mode of travel to work, and the percentage grew by just 1% between 1996-2006.

The best way to encourage more people to ride transit is through a financial incentive program, and legislation introduced in 2009 which amends the Income Tax Act to provide for a tax exemption for employee transportation benefits would be a giant step in the right direction.

This legislation would give employers a strong incentive to offer employees transit subsidies, usually as a substitute for subsidized employee parking. In the U.S., employer-provided tax free transit passes were a major reason for that nation’s ridership surge during the past decade.

This bill would provide direct financial savings to hundreds of thousands of Canadian workers and give employers a strong incentive to support efficient commute modes. By increasing ridership, the bill would reduce energy consumption and pollution emissions, helping Canada meet international emission reduction commitments. Also, it would reduce traffic congestion, road and parking facility costs, and traffic accidents, increasing economic productivity. Finally, the bill would complement Budget 2006’s public transit tax credit and demonstrate Canada’s commitment to urban transportation policy innovation.

**FEDERAL OPERATING ASSISTANCE**

One area where U.S. transit policy has clearly gone wrong is in the area of transit operating assistance. For more than 30 years, FTA had an Urbanized Area Operating Assistance Program which allowed local transit systems to use their federal funds to keep service on the street. Today, however, under U.S. Law, transit systems located in most urbanized areas may only use their federal funds for capital projects, i.e. buying equipment, vehicles, and facilities. While the U.S. Congress did remove restrictions on the use of capital assistance by allowing transit agencies to use funds for “preventive maintenance,” this policy has proven to be too rigid, especially since the onset of the current recession.

Today, due to shortages in state and local revenues, U.S. public transit systems are carrying out some of the steepest fare increases and deepest service cuts in recent history. Since the beginning of 2009, approximately

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5 Bill C- 466
6 CUTA
85% of U.S. public transit systems have raised fares or cut service, and thousands of workers in the transit industry – a significant percentage of a “green” workforce – have been laid off. Fifty-six percent of transit systems have cut rush hour service, 62% have slashed off-peak service, and 40% report reductions in geographic coverage. Some systems which have recently purchased new buses have been forced to keep the vehicles in storage because they do not have the resources to put them on the street.

The cuts and fare increases are now a reality here in Canada. In December, Saint John Transit announced service cuts and layoffs. Toronto Transit Commission fares are increasing by ten cents in 2012. Saskatoon’s Transit’s “rightsizing” of the bus system proposes saving $1.2 million by reducing the length of some low-ridership routes and scaling back service in summer and during non-peak periods. Ottawa officials in September approved a $20 million cut to OC Transpo’s 2011 budget, including $13 million in service cuts, resulting in massive overcrowding.

Generally, when routes get cut, transit systems tend to look toward those with low ridership — early morning, late night, and weekend service. People who work non-traditional hours, typically minorities who have no other means of transportation, are disproportionately affected. The single mom who now gets her kids up at 4:30 a.m. to catch two buses in time to get her children to daycare and then herself to work cannot be expected to wait an additional hour for that transfer bus to arrive, standing in the freezing cold with two kids. The person who cleans offices downtown in the wee hours of the morning should not have to sleep on the cold hard floor in the lobby of the building after finishing her work until the buses start running the next day. But that is exactly what is happening out there. ATU members have seen it firsthand. Some U.S. cities have totally shut down their transit system, leaving elderly and disabled people scrambling for a way to buy food and get to the doctor. This is a mobility crisis which could have been avoided if federal transit funds were available for operating assistance.

As Parliament considers a national strategy for public transportation for the coming decades, it should learn from the U.S. experience. Any Canadian national transit program should provide transit systems with local control of at least a portion of their federal transit funds, allowing them to preserve critical service and hold down fares during tough economic times so that working people may be offered quality, affordable public transportation.

**Conclusion**

Before Parliament makes decisions on new policies and revenue streams for a public transportation program, it must first set its priorities.

Most importantly, what is the overall goal of the Canadian surface transportation program?

Do we want to remain stuck in endless traffic jams, polluting our air, and wasting billions of dollars on fuel that we purchase from Middle Eastern Nations that raise the price of oil at their pleasure?

Or, are we ready to provide Canadians with new public transportation options that can help us to save our planet, reduce our dependence on foreign oil, and spend more time with our families?

The federal government has a role to play in ensuring that all individuals have access to safe, affordable, convenient and accessible public transportation. Based on recent trends, ATU and its allies believe that Canadians are ready to modify their travel habits and embrace transit like never before. Parliament can help facilitate these overdue changes through the creation of bold, well funded, and innovative programs.

Without question, hard choices are going to have to be made along the way, and the cost will be significant. However, the potential to improve our quality of life and preserve this world for the next generation should guide us through the substantial challenges that lie ahead.