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“The New Metrolinx:

Building for the Future Now”

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There is now a virtually unanimous consensus that the Greater Toronto and Hamilton Area (GTHA) requires major improvements in rapid transit to advance our economic growth, ease congestion, improve our environment and ensure the GTHA remains one of the finest and most promising urban areas in the world – a wonderful place to live, work, raise a family, get an education and grow a business.

Forging this consensus has been the work of many but the Toronto Board of Trade has played a central role. It has been a leading advocate for a regional transit solution to address the congestion that costs our region an estimated \$6 billion annually. More recently, the Board of Trade has supported governance reform as we move from planning to implementation. Most recently the Board has focused on establishing a viable long-term financial strategy to complete and sustain the regional transit solution.

In all of this, the Toronto Board of Trade has done important work. I salute the President, Carol Wilding, and all of her volunteer and staff colleagues who have been so persistent and persuasive on this file. Absent their efforts, we may well not have seen the dramatic progress I can speak about today.

Less than a year ago, our Chairman spoke here about the work of the old Metrolinx and sought support for its plan -- The Big Move. Today, I come to speak on behalf of the new Metrolinx about the implementation of that plan. That’s major progress. Thank you to the Board of Trade for helping to make it happen.

The mission of the new Metrolinx is to act on this consensus and deliver those needed major improvements in rapid transit, to make up for a lost generation of investment in rapid transit, and to lay the foundation for a sustainable strategy of investment in rapid transit that will contribute to the long-term vitality and success of the GTHA.

This is important work and I am honoured to have been invited by Premier McGuinty to lead it with a very fine team of colleagues at Metrolinx. One of the joys of returning to public service is to be reminded of how good our public servants are, how hard they work and the difference they make. We are all well served by their work.

We have many advantages at the new Metrolinx as we embark on our task. They include:

1. A strong legislative and policy mandate.
2. A provincial government and Premier strongly committed to this mandate.
3. A plan, known as *The Big Move*, unanimously approved by the regional Mayors and Chairs, which calls for an investment of about \$50 Billion over the next 25 years.
4. Municipal partners as committed as the Premier to growing rapid transit as a central element in building our region.
5. An initial Provincial investment of more than \$10 billion to kick-start our work and build the first five major new transit projects.
6. A new corporate entity – the new Metrolinx – that combines GO Transit's operating prowess with the old Metrolinx's policy and planning expertise in a single agency.
7. A Board of Directors for the new Metrolinx made up of outstanding individuals from the GTHA with the experience and wisdom to get the job done.
8. And perhaps most importantly, broad public support for our work – an intuitive understanding that this work needs to be done and done now.

In asking me to serve as the new Metrolinx's first CEO, the Premier stressed the following three priorities:

1. First, get the first five transit projects built – on time and on budget. Residents of the GTHA are tired of announcements. They want to see results. Get it done and get it done well, the Premier says.
2. Second, improve the quality, reliability and availability of GO Transit services. GO is the most visible manifestation of the Province's commitment to and investment in rapid transit, delivering an indispensable

service and over 200,000 rides every day – 55 million a year. Good as it is, it needs to be even better. Make citizens an offer so good, they can't refuse, and more and more of them will choose transit. Make sure the service is that good, the Premier says.

3. Third, develop an investment strategy that will sustain these transit investments beyond the initial \$10 billion so that we never have to play catch up like this again. Great public transit depends on regular sustained capital and operating funding. It is a pre-eminent public good and we need to pay for it together. Our legislative mandate requires us to table an investment plan by 2013, but we can't wait until then to engage the citizens of the GTHA. Get the best ideas on the table, get the debate going and get the citizens engaged with it, Premier says.

We have begun our work on all of this and it is going well. I am encouraged and optimistic in these early days. There is good cause for optimism.

The new Metrolinx is new – indeed the legislation creating us passed only five weeks ago – and we have a rookie at the helm but we are not starting from scratch.

GO Transit was created by the Province over 40 years ago. It has grown from the first few trains and buses into one of the best known brands and reliable services in the GTHA. It is an essential part of our urban fabric, making an indispensable contribution to the economic growth of the region.

It is a central part of the daily lives of over 100,000 people working and studying in the GTHA, a service delivered efficiently and effectively by over 2300 employees. The new Metrolinx inherits all this and we can draw on this talent and operating experience as we expand GO's infrastructure and work with our municipal partners to build theirs.

We also have *The Big Move*. It is an excellent plan and provides a clear and broadly endorsed map for our work. *The Big Move* attracted the unanimous support of the Mayors and Chairs who were on the old Metrolinx Board.

The Big Move is a singular achievement – a major step forward. It provides a strategic and integrated long-term vision for coordinated transportation across the entire GTHA. As the plan states: "It's big. It's bold. It's a commitment to a higher quality of life, a thriving and sustainable environment and a strong, prosperous economy." It is all of that and more.

The Big Move anticipates and responds to the expected growth of the GTHA which is one of the fastest growing regions in North America, adding 100,000 people and 50,000 cars every year. Today, more than six million people live and work in the GTHA. By 2031, just over 20 years out, the population will jump to 8.6 million – a greater than 40 per cent increase. Absent a strong transportation plan and sustained investment in it, the GTHA simply won't work. It will grind to a halt. We already rank among North America's most congested regions. We need to fix it and fix it now before it gets worse.

The scale of *The Big Move's* ambition is high. Under *The Big Move*,

- Regional transit service will double
- Transit lines will triple in length
- And despite growth, commuting times will not increase.

Delivering *The Big Move* will take a lot of work. And a major investment.

We know what happens when we don't invest. We are living with it right now.

Between 1950 and the late-1980s, we regularly built new transit infrastructure and Toronto gained a reputation as one of the best run cities in the world. People came from around the world to study how we did it so well. Then, for 20 years, we virtually stopped. As a result, we lost a generation of investment and our growing congestion and expanding commuter times are the direct result. It is simple cause and effect, with the effect magnified by the growth and popularity of the GTHA. Now, we are playing from behind and need to catch up. The gap we need to close is big.

Fortunately, the Premier and his colleagues have given us a great start. They have embraced a plan known as MoveOntario 2020 which contemplates \$17.5 billion in transit investments, two-thirds from the Province and a third from Ottawa. It is a major down payment on *The Big Move's*, \$50 billion requirement over the next 25 years.

Better still the Province has already announced over \$10 billion in specific investments to allow us to build the five highest priority new projects now. This is an enormous step forward, ranking with among the largest single transit investments in any region in the world and abruptly reversing 20 years of neglect.

With these funds in hand, Metrolinx is charged with building five major projects:

1. York Viva Bus Rapid Transit, expanding transit in York Region with buses in dedicated lanes across Highway 7 and up Yonge Street to Newmarket. York

Region has the highest concentration of four car families in North America. Chairman Fisch and his colleagues in York are determined to provide a good alternative. The expanded York Viva system will do just that.

2. Finch LRT, a new light rail rapid transit line across Finch West from Yonge Street west to Highway 27 and Humber College and east from Yonge to Don Mills and then down Don Mills to connect with the Sheppard Line at Don Mills and Sheppard.
3. Sheppard East LRT, a major transit expansion along Sheppard, running from the end of the Sheppard subway at Don Mills all the way to Meadowvale in Scarborough.
4. Scarborough Rapid Transit, upgrading and extending the current Scarborough Rapid Transit line and taking it north across Highway 401 to Malvern.
5. Eglinton Crosstown LRT, building a new rapid transit line right across Toronto from Kennedy in the east to Pearson Airport in the west, with the middle section of 13 km built underground.

These last four projects are components of the City of Toronto's Transit City plan. Completing them will represent an impressive advance in the City's vision for better rapid transit, as well as a major advance for the region as a whole. This is a clear example of the benefits of integrated planning.

We plan to move ahead quickly with these projects, breaking ground on Sheppard and Viva this year and completing all of them between 2011 and 2015.

Complementing these five new projects are three other major projects previously announced:

1. The Spadina Subway Extension from Downsview to York University and then north to the Vaughan Corporate Centre at Highway 7 where it will intersect with the expanded Viva system. This is being built by the TTC, with federal and provincial financial support.
2. The Airport Rail Link (ARL) with frequent trains running between Union Station and Pearson Airport. This long awaited project, first announced in 2002 will be built and operated by SNC Lavalin pursuant to a joint federal-provincial initiative and will run along GO Transit's Georgetown corridor. It must and will be ready for the 2015 Pan Am Games.

3. Expansion of GO Transit services along numerous corridors, and most prominently at present, the Georgetown South Service Expansion, an expansion that also makes possible the Air Rail Link. We are doing the environmental assessment for this project now.

These eight projects are a terrific start. But we're not stopping there. The Province has already committed funds for a study of transit expansion in Hamilton and there remain numerous, important additional projects across the region undergoing detailed Benefits Case Analysis at present. We will need to deliver more transit infrastructure to make up for the lost 20 years and prepare for the next 25.

We have also announced a comprehensive review of the benefits and costs of electrifying the GO Transit trains throughout the GTHA. Electrification is proposed by many as a way to improve and expand service, including introducing faster and more frequent express rail service, while at the same time embracing a cleaner energy source and avoiding the environmental impact of a growing number of diesel trains in urban corridors.

The Big Move anticipated electrification but we judge it essential to develop a more precise understanding now of the technological, engineering, design, sequencing, cost and other dimensions of what electrification would entail. Electrification would require a very significant new capital commitment and would compete for dollars with other possible transit investments. As a result, we think it right to do a thorough study before making commitments. We expect to report by the end of next year.

To succeed with all of these initiatives, we need partnerships: partnerships with the municipalities and their transit systems, partnerships with Infrastructure Ontario, and partnerships with the private sector. The scale of our plans is just too great to do it alone and we want to build on the expertise and capacity of these partners. And there is a lot there to build on.

We are not building an empire. We are building transit infrastructure and better transit services. Our goal is an integrated network of transit and transportation systems. That will be best delivered by working together, not alone.

The Province has mandated that the five major new transit systems will be owned and controlled by the Province through Metrolinx. However, we expect to see them fully integrated with the municipal transit systems and to be operated and maintained by the TTC and York VIVA respectively. This will require the closest possible collaboration with Toronto and York Region. While it is early days in defining these partnerships, I am optimistic that with good will and cooperation on both sides,

fuelled by a common commitment to making urgent progress, we will do very well together.

Not all future projects need to be built and operated by the public sector. The Airport Rail Link is a good example of a private sector builder and operator supplementing the public resources and delivering an important new service.

Our new legislative mandate explicitly links transportation policy and planning to land use policy and planning, bringing together the two essential components that dictate our urban form. The central idea is integration: to make better decisions about land use planning and transportation and to more fully realize the promise of the Province's Growth Plan.

Furthermore with the first major projects now going ahead, we are moving from promise to action – a move that will allow all of us to reap the benefits of a better and more integrated approach.

Metrolinx can make a direct contribution to the integration of land use and transportation through its own assets. We have GO Transit's lands to work with and we are committed to working in partnership with others to create vital mobility hubs at the intersections of the major rapid transit infrastructure we are building.

Finally, in surveying grounds for optimism, we have a very strong new Board of Directors to guide us at Metrolinx moves from policy and planning to implementation and operations. This was a key recommendation from the Board of Trade and the Province delivered. The Board's membership represents both new and old.

The Chair, Rob Maclsaac, and Vice-Chair, Peter Smith, give us experience, continuity, and unbroken records of success and leadership. They were Chair of the old Metrolinx and GO Transit respectively. Together they give us very strong leadership at the top.

Also drawn from the old boards are: Paul Bedford, one of Canada's pre-eminent urban planners; Stephen Smith, Co-Founder, Chairman and President of First National Financial and the Chair of GO Transit's Audit Committee; Jennifer Babe, an accomplished corporate lawyer with Miller Thomson who chaired GO Transit's Governance Committee; and Lee Parsons, the well-known engineer, planner and consultant and who chaired GO Transit's Risk Committee.

These six returning Directors are joined by eight new directors, and myself. The eight include:

- Elyse Allan, the acclaimed President and CEO of GE Canada and past president of the Toronto Board of Trade;
- Rahul Bhardwaj, a lawyer and the sensationally effective President and CEO of the Toronto Community Foundation;
- Tony Gagliano, the Executive Chairman and CEO of St. Joseph's Communications, the inspirational co-founder of Luminato, Toronto's Festival of the Arts, and one of Toronto's most active citizens;
- Joe Halstead, former City of Toronto Commissioner for Economic Development, Culture and Tourism, the current Acting Chair of Ontario Place, and one of the GTHA's best known and respected citizens;
- Nick Mutton, EVP of Four Seasons Hotels who ranks with the most knowledgeable executives anywhere on the planet on how to create a culture of outstanding customer service and to make an irresistible offer to customers;
- Richard Koroscil, the President and CEO of Hamilton International Airport with a distinguished record of over 30 years of leadership in transportation across Canada and internationally;
- Rose Patten, Senior EVP at the Bank of Montreal, one of Canada's most accomplished human resources strategists with a track record of exemplary leadership in both the private and public sector;
- And last, but far from least, Doug Turnbull, Deputy Chairman of TD Securities, an expert on financing infrastructure and public and private finance.

This is a great line-up. We have not just expertise in all the relevant disciplines but also fourteen individuals with impressive records of commitment to public service and the GTHA.

Despite all these grounds for optimism, we are not without our challenges.

To deliver all of these projects, we need a lot of talent and this talent has dispersed. The world class concentration of transit construction expertise we had in the GTHA a generation ago has followed a virtual diaspora as we stopped investing in transit infrastructure while the rest of the world moved ahead. We need to repatriate some of the best of this talent and build a new generation of expertise here.

We also need to get very good at managing major infrastructure projects in the heart of our vital and active urban region. These projects are and will be disruptive. Their scale and location make disruption unavoidable. And the disruption is not spread equally. It affects those nearest the projects along the rail and transit lines disproportionately while all of us benefit from the improved infrastructure and reduced congestion. The controversy the TTC has experienced with the St. Clair LRT and we have experienced with the Georgetown South Expansion underlines how important it is for us to get this work right.

We need to engage openly and thoroughly with the affected communities and stakeholders. We need to find the best possible solutions to mitigate the disruption while still moving ahead briskly. We can neither ignore the concerns of affected communities nor be paralyzed by them. We need to take them seriously, work with them, develop innovative solutions and compromises and move ahead. We are committed to doing just that.

Perhaps our greatest challenge on the mid-term is that we must:

- Develop a strategy to sustain our transit investments beyond these initial projects;
- To provide regular incremental capital investments to expand our transit infrastructure to ensure it grows to become a competitive advantage instead of a competitive disadvantage for the GTHA; and,
- To ensure sustainable operating and maintenance support for the transit infrastructure once it is built.

Our legislation requires us to table a plan by 2013 but we can't wait for that. We need to start the discussion now.

All jurisdictions wrestle with this issue. In the short-term, we have been given a pass as a result of the unprecedented provincial capital support, supplemented in the case of Sheppard East, the Spadina Subway extension and the Air Rail Link by federal support. But it would be unwise to assume that this will meet our needs for the longer term and, in any event, this support does not include operating funds.

Our needs go well beyond this initial support as *The Big Move* contemplates as much as \$50 billion of capital expenditures over the next 25 years, far exceeding the initial \$10 billion we have received and the \$17.5 billion contemplated by MoveOntario 2020.

Furthermore, transit requires sustained, not periodic, investments, a steady and predictable source of support that permits long-range planning, continuous improvement and growth. How, not whether, to deliver this sustained funding is the question we must address.

In the months ahead, we will begin to convene the best minds available, to draw on the experience of other jurisdictions, to compare and contrast alternative instruments and to engage our many publics in the debate. We approach this assignment with open minds, committed to finding the best possible policy solutions to recommend to the various levels of government for their consideration.

These are difficult issues. We live in a political climate which makes talk of tolls, taxes, congestion charges, development charges and all other possible revenue tools radioactive for some commentators. Too often these ideas are ruled off the table regardless of their merits and before a serious discussion takes place. Quite simply, this short-changes the public interest in the interest of short-term partisanship and “gotcha” journalism. We need to do better.

Each of these possible revenue instruments has different attributes. Each would affect behaviour and shape our region as well as generate revenue. Each offers different policy choices. And different combinations of the instruments offer even more possibilities that need to be thoroughly explored before the choices are made.

Metrolinx is well-positioned to lead this debate. We have a statutory obligation to address the issue. We have the necessary research capacity and access to expertise. We have no interest but the public interest. No one of us in management or on the Board is seeking election or re-election. We are just doing our jobs.

The Toronto Board of Trade has a large and welcome role to play here. The Board has championed the issue and demanded an investment strategy. We need the active involvement of the Board and its membership on defining the right strategy. Given the \$6 billion a year cost of congestion at present, it should not be beyond our collective imagination to devise a strategy that delivers both a better transportation system and a high rate of return. As we do so, we need to remember it is our collective responsibility to deliver a result that can command broad support.

We know in advance that each of the possible strategies will have its detractors. Our challenge is to make sure the public’s shared understanding of the need and possible choices is sufficiently robust that we avoid the only unacceptable outcome: to fail to fund and support the necessary infrastructure, to repeat the mistake of the past 20 years and to fail to grasp the full potential of improved transit to contribute to a

stronger and more prosperous GTHA. We will need your help, and that of many others to avoid this fate and to choose the best path forward.

We are fortunate that our initial funding gives us time to deliver our early projects and demonstrate their benefits while the debate about the longer term matures. If we deliver, and deliver well, in the short term, our chances for longer term success will improve as well.

In summary, we have a vital and exciting mandate, an ambitious plan, exceptional provincial financial support, good reasons for optimism and an absolute determination to succeed. We also have challenges to meet but confidence we can.

Our success is vital to the future growth and prosperity of the GTHA. All of us share a stake in this success and all of us need to be part of making it happen.

To close, I want to put Metrolinx's mandate in a broader context. While our work is about transportation and the GTHA, it is about more than that. In the end, it is about what we as a people can accomplish together.

Rapid transit is one of the quintessential public goods – something that benefits all of us, users and non-users alike, and which can come about only through collective action. We know it is an absolutely essential element of prosperity and quality of life in the GTHA. We know we can build it only by coming together in common cause.

We do this not just for ourselves but for those who will follow us. The cost and burden of action is borne today but the benefits will accrue for generations. Better rapid transit is critical to a thriving and growing GTHA, a GTHA that ever more fully realizes its full potential and takes its proper place among the great urban centres of the world. We have human resources in the GTHA of unequalled promise and diversity. We need to match them with a transit infrastructure worthy of their promise and ambition.

Success will depend less on the fine women and men of Metrolinx and GO Transit and more on the breadth and depth of support we can earn and maintain from the people of the GTHA – the people who believe in an even better GTHA and are prepared to work in common cause to achieve it. The Toronto Board of Trade represents many of these people. You have been great supporters of our work and I very much hope we can count on your continuing vigorous support as we embark on this next stage of our work. I thank you in advance for your help.

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