

**MANAGEMENT REPORT TO THE
GREATER TORONTO TRANSPORTATION AUTHORITY**

Report Title:	National Transit Strategy				
Report Number:	07-B68	Date to Board:	October 26, 2007	Date to Committee:	N/A
Report To:	BOARD				
Report Referred From:	N/A				
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Item Class:	In Camera	<input type="checkbox"/>	Decision	<input checked="" type="checkbox"/>	Information <input type="checkbox"/>

1.0 RECOMMENDATION:

RESOLVED:

THAT staff be directed to:

- (i) Establish foundation policy principles (based on the notions of sustainable long-term funding) to support the implementation of a National Transit Strategy (NTS), for consideration by the federal department of Transport, Infrastructure and Communities
- (ii) Develop a framework for collaboration between Canada's three regional transportation authorities -- Agence Metropolitain des Transports (AMT), the Greater Vancouver Transportation Authority (TransLink) and the Greater Toronto Transportation Authority (GTTA) – to advance the NTS, long-term sustainable transit funding, and other matters of shared strategic interest
- (iii) Confer and collaborate regularly with municipalities and major transit operators in the GTTA mandate area, in preparation for future consultations with the Government of Canada and the Province of Ontario in the development and implementation of the NTS

- (iv) In pursuit of Board directions, to develop and execute a “letter of agreement” between the GTTA and the two other regional transportation authorities on such terms and conditions as the CEO determines are necessary or desirable
- (v) Consult and work collaboratively with other key transit stakeholder organizations, including the Canadian Urban Transit Association (CUTA) and Federation of Canadian Municipalities (FCM); and
- (vi) Report back with regular status updates on implementation progress towards the NTS, long-term sustainable federal transit funding, and a collaborative framework between Canada’s three regional transportation authorities.

2.0 PURPOSE & EXECUTIVE SUMMARY:

The federal government is expected to take additional steps in fall 2007 towards the further development and implementation of a National Transit Strategy, including the creation of a new framework and forum for cooperation between the three orders of government and key stakeholder groups to shape the content details of the NTS.

At the same time, the GTTA is mobilizing to secure federal investment participation in the MoveOntario 2020 Plan for transit expansion in the Greater Toronto and Hamilton Area (GTHA). Federal transit investment will be sourced from new infrastructure initiatives such as the Building Canada Fund, guided by objectives and parameters to be established in the NTS.

GTТА staff are seeking the Board’s direction on a proposed GTТА-federal government engagement strategy, including:

- What are the priority objectives and principles that should shape the NTS?
- How should the NTS contribute to sustainable, long-term federal funding for the MoveOntario 2020 plan and other major GTТА initiatives?
- How should the GTТА collaborate with AMT and TransLink, and leverage our shared critical mass and perspective as Canada’s three regional transportation authorities, to help shape positive outcomes for the NTS and sustainable, long-term federal funding for transit and transportation priorities?
- How should the GTТА complement the leadership and analytical work provided to date by CUTA, the FCM Big City Mayors’ Caucus and other stakeholders in the development of the NTS and the case for sustainable long-term federal transit and transportation funding?

The development of the GTТА-federal consultation strategy for the NTS and collaboration framework with the other regional transportation authorities should be coordinated with the Ministry of Transportation, to ensure overall consistency with Ontario’s broader federal-provincial and inter-provincial strategic priorities in the fields of transit, transportation and environment. The province maintains ultimate responsibility for negotiating any future transit funding agreements with the federal government.

3.0 BACKGROUND:

GTТА Board Resolution

On September 24, 2007 the GTТА Board of Directors passed a resolution calling for the federal government to commit to its requested \$6 billion share of the \$17.5 billion MoveOntario 2020 plan.

Resolution on Federal Commitment to share of MoveOntario 2020

The following resolution was proposed:

- Whereas the MoveOntario 2020 proposal by the Province of Ontario plans for \$17.5B in funding over 12 years
- Whereas the Federal Government share of the \$17.5B plan is \$6B
- Whereas the Federal Government has announced a \$13.8B surplus
- Whereas the Federation of Canadian Municipalities Big City Mayors Caucus and others have called for a National Transit Strategy and the Federal Minister of Transportation has indicated the Federal Government is developing such a Strategy

Be it resolved:

THAT the Federal Government be requested to immediately commit to its requested share of the MoveOntario 2020 transit plan, and

THAT copies of this Resolution be forwarded to the Prime Minister, Federal Ministers of Finance and Transport and GTТА counterparts in Vancouver (TransLink) and Montreal (AMT)

The resolution also cited the instrumental role of the Federation of Canadian Municipalities (FCM) Big City Mayors' Caucus, and other stakeholders, in calling for federal action to develop a National Transit Strategy.

The resolution was forwarded to the federal government, covered by an October 2, 2007 letter to the Prime Minister of Canada signed by the GTТА Chair. The letter cited:

- The federal government's participation in the MoveOntario 2020 plan as a potential "hallmark" of the NTS;
- An "immense opportunity" for the federal government to improve quality of life, economic competitiveness and environmental protection in the GTHA; and
- The role of the GTТА to review, prioritize and schedule the projects identified in the MoveOntario 2020 plan.

NTS and New Federal Infrastructure Initiatives

In June 2007 the federal Minister of Transport, Infrastructure and Communities formally announced the development of a National Transit Strategy, a framework that will capture the federal vision, objectives and priorities for public transit. Future federal investment in transit will be linked to the principles set out in the NTS, and in support of broader areas of federal interest and significance such as economy, trade, environment and social well-being.

Recognizing that transit is primarily a provincial and municipal responsibility, the federal government is positioning the NTS as a cooperative effort between the three orders of government, to strengthen the role of transit in achieving a combination of national and local priorities.

The \$8.8 billion Building Canada Fund, announced in the 2007 federal budget, is expected to be the primary source of federal funding for transit projects. The new \$1.25 billion Public-Private Partnership (P3) Fund could provide additional federal contributions for transit projects that feature an innovative financing or delivery component.

Regardless of funding source, all transit projects that require a \$50 million or greater federal funding share must comply with a federal P3 and value-for-money evaluation filter (released August 2007) which will be implemented jointly with Infrastructure Ontario's Alternative Financing and Procurement (AFP) framework.

Potential Roles for GTTA and Regional Transportation Authorities

The GTTA, with the mandate to develop an integrated transportation plan and investment priorities across Canada's largest and fastest-growing urban region, should be well positioned to identify federal investment participation opportunities that are linked to national level interests and outcomes. Many of the cross-boundary, larger-scale projects and initiatives identified in the MoveOntario 2020 Plan and the future GTTA Integrated Regional Transportation Plan process, for example, will generate measurable impacts on the federal government interest in the Quebec-Ontario-USA strategic trade corridor, international gateways and national climate change strategy.

The combined shared interests of Canada's three regional transportation authorities, which encompass the three largest urban regions in the country, also provide a powerful rationale for a significant and sustained federal investment presence in the country's three largest urban regions. Together, the geographic mandate areas of AMT, TransLink and the GTTA account for approximately 68% of total transit ridership in this country. (Source: Statistics Canada and MTO)

This fall, senior staff of TransLink proposed to explore, with AMT and GTTA staff, the possibility of a collaborative framework between the three regional transportation authorities. The collaboration could include creating a regular forum for knowledge exchange and defining common objectives and priorities for the federal NTS initiative.

The federal government could have a potential interest in expanding the proposed regional transportation authority collaboration to include other large cities such as Calgary, Edmonton, Halifax, Ottawa-Gatineau, Quebec City and Winnipeg. An expanded cross-Canada urban transit collaboration could be a good strategic move, provided it does not:

- Delay or dilute implementation of the NTS initiative and associated long-term, sustainable federal funding mechanism; and
- Conflict with the established roles of other transit stakeholder organizations such as FCM and CUTA.

Other Stakeholders

The FCM Big City Mayors’ Caucus report to the federal government (March 2007) on the development and implementation of the NTS could be considered as a starting basis to build the proposed GTTA and collaborative regional transportation authority approaches. The FCM report proposed the following key recommendations:

- An annual \$2 billion per year in federal capital investment to fund transit expansion and state-of-good repair costs;
- Integrated transit-supportive land use and planning at the municipal level, as a condition of federal funding;
- New federal tax incentives to support transit use;
- Cooperative research initiatives to promote innovative practices and policies that enhance transit use; and
- Appropriate, cooperative accountability mechanisms by all governments.

4.0 DISCUSSION:

A GTTA Board discussion on proposed principles and priorities for the NTS, and on a potential regional transportation authority collaboration to support a future implementation strategy, is framed below around the key issues of federal funding and federal policy roles:

<i>Issue</i>	<i>Proposed GTTA Board Discussion Points</i>
Federal funding	<ul style="list-style-type: none"> • Well-defined national-interest economic, environmental and social objectives to support <i>long-term, sustained</i> federal investment in transit • A “tiered” federal funding strategy, including a dedicated funding stream to address the unique, large-scale transit investment challenges and opportunities in Canada’s largest urban regions and largest cities – segregated from federal allocations targeted at mid-size and small-urban infrastructure needs

<i>Issue</i>	<i>Proposed GTTA Board Discussion Points</i>
	<ul style="list-style-type: none"> • The appropriate balance between minimum federal “base-level” transit funding and competitive “merit-based” project funding • Alignment between the federal P3 and Ontario’s Alternative Financing and Procurement (AFP) evaluation frameworks and processes • Eligible federal funding categories: <ul style="list-style-type: none"> ○ Primary focus on hard infrastructure assets including structures and fleet; ○ Potential expanded eligibility to include soft infrastructure including soft infrastructure costs such as land acquisition, business relocation, preliminary design and engineering, Intelligent Transportation Systems and other transit technologies, and Transportation Demand Management (TDM) initiatives; ○ Potential future federal role to support transit operating costs • Federal “pay for say” principles: <ul style="list-style-type: none"> ○ Continued provincial-GTTA-municipal responsibility for transit policies and programs • Level of federally-imposed audit, accountability and performance standards should correspond with the size and permanency of federal funding support for transit
<p>Coordination among decision-makers</p>	<ul style="list-style-type: none"> • A federal proposal to create a new NTS forum to engage municipal, regional transportation authority, provincial and other stakeholders in developing federal policy and legislative initiatives to support transit – should be closely tied to a federal commitment to implement long-term, sustainable transit funding
<p>Federal policy roles and responsibilities</p>	<ul style="list-style-type: none"> • Streamlined federal Environmental Assessment (EA) process for transit projects, harmonized with a streamlined provincial EA process • Commuter and passenger rail access to mainline freight corridors • Appropriate transit-supportive redevelopment of federal-owned lands adjacent to existing and future higher-order transit corridors • Integrated regional-national transportation safety and security plans • Long-term transportation corridor protection strategy for economically-vulnerable rail branch lines

<i>Issue</i>	<i>Proposed GTTA Board Discussion Points</i>
	<ul style="list-style-type: none"> • Coordinated and strengthened federal investments in VIA Rail to upgrade the Southern Ontario regional passenger rail network and Ontario-Quebec corridor services
Collaboration in research and capacity building	<ul style="list-style-type: none"> • The federal government’s interest in establishing collaborative capacity building and R&D programs with regional transportation authorities and other transit stakeholders should be conditional on the implementation of long-term, sustainable federal funding for transit • Potential collaboration areas could include the application of improved best practices in: <ul style="list-style-type: none"> ○ Active transportation infrastructure ○ Transit-supportive land use planning and urban design ○ Customer service excellence in transit ○ Financial, operating and environmental efficiency of transit operations ○ Transportation pricing and other transportation demand management initiatives ○ Consumer behavioural change and social marketing research ○ Performance measurement ○ National Transit Database on performance indicators and outcomes – to inform and improve future transit investment decisions

5.0 FINANCIAL MATTERS:

Development of the proposed NTS and regional transportation authority collaboration workplans, if approved, will be accommodated within the approved 2007-08 GTTA operating budget.

6.0 HUMAN RESOURCES MATTERS:

Staffing resources required to carry out this proposed workplan will be accommodated within the approved full-time equivalent (FTE) allocation for the GTTA’s Strategic Initiatives and Investments unit.

7.0 ENVIRONMENTAL MATTERS:

This workplan will identify federal EA streamlining and harmonization issues that could inform the parallel GTTA initiative to develop options and recommendations for the proposed six-month EA process for transit projects.

8.0 COMMUNICATION MATTERS:

No communications roll-out is envisaged to proceed with the next steps in developing GTTA input to the NTS initiative and a collaborative framework with the other regional transportation authorities.

Any proposed consultations between the GTTA and federal government will be subject to coordination with the Ministry of Transportation and the Province of Ontario's overall federal-provincial engagement strategy.

9.0 LEGAL MATTERS:

The NTS policy and implementation development work could potentially identify requirements for *federal* legislative reforms to enact future new federal commitments to sustainable transit policy and funding.

The proposed framework for collaboration between the three regional transportation authorities will be formalized in a future letter of agreement.

10.0 CONCLUSION:

A long-term, sustainable federal funding commitment to transit, framed by an effective, action-oriented National Transit Strategy, is a key prerequisite for implementing the MoveOntario 2020 Plan, and other priorities to be determined by the GTTA Integrated Regional Transportation and GTTA Capital Investment Strategy.

Respectfully submitted



John Howe, Executive Lead

Approved for Submission to the Board



W. Michael Fenn, CEO

Appendices:

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*Staff & Others
Consulted:*

Name	Telephone
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N/A	N/A
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Notifications:

Name	Mailing or E-mail Address
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N/A	N/A
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Special Instructions:

N/A
