



TransLink

400 - 287 Nelson's Court
New Westminster, BC V5H 4N2
Canada
Tel 778.375.7500
translink.ca

South Coast British Columbia
Transportation Authority

2014 Pre-Budget Consultation Submission

**Presented to:
House of Commons
Standing Committee on Finance**

**Presented by:
The South Coast British Columbia
Transportation Authority
(TransLink)**

Executive Summary

British Columbia's Lower Mainland is a growing and vibrant region that has a significant impact on the nation's economy.

The South Coast British Columbia Transportation Authority (TransLink) provides 21 municipalities, one First Nation and one Electoral Area with an integrated transportation system to move people and goods in support of federal, provincial and regional economic, transportation and environmental objectives. Effective and efficient transportation systems are necessary for the economy to function; they provide access to services and jobs, facilitate economic growth, promote a healthier environment and improve the quality of life.

This is a challenging time for transportation in the Lower Mainland. To address immediate and anticipated future demands, a prioritized regional transportation Vision for investment has been established by the Mayors' Council, a group composed of elected representatives from each of the municipalities, Electoral Area 'A' and the Tsawwassen First Nation, that collectively represent the viewpoints, needs and interests of the citizens of the region.

The Vision identifies \$7.5 billion in new capital spending investments needed to address the impact of the one million new residents who are expected to join the region over the next 30 years, and to reduce existing traffic congestion that impedes economic activity and impacts air quality. The Federal Government can make an important contribution to these efforts as major infrastructure projects are introduced.

Across Canada, federal and provincial government partners together with transit authorities have invested billions of dollars in regional transportation networks with immediate effect. This investment created jobs through construction, improved commute times and productivity, reduced road congestion, and has reduced vehicle emissions across Canada.

TransLink believes there are budget measures that will improve the value of public expenditures that will serve our region for years to come. As a proud member of the Canadian Urban Transit Association (CUTA), TransLink thanks the Government of Canada for the opportunity to provide the following recommendations for consideration:

Recommendation 1: Public-private partnerships are crucial to the development of new infrastructure. TransLink recommends the Federal Government consider raising the cost share it provides from 25 percent to 33 percent.

Recommendation 2: TransLink encourages the Federal Government to put every effort into negotiating an agreement that will exempt Canadian bus manufacturers from *Buy America Act* rolling stock provisions.

Recommendation 3: TransLink encourages the Federal Government to actively partner and invest with industry, entrepreneurs and transportation authorities on R&D investment.

Background

The Lower Mainland of British Columbia is Canada's major trade hub in the Asia-Pacific Gateway. It has significant transportation challenges because it is in a region geographically constrained by mountains, rivers, the Pacific Ocean, and the United States border.

TransLink is unique in North America; no other agency operates such a diverse and fully integrated network that includes bus and rail transportation systems, passenger ferries, HandyDART custom transit, walking and cycling pathways, a 2,400 kilometer Major Road Network, five bridges, an Intelligent Transportation System, Transit Police, and programs such as AirCare vehicle emissions testing and the TravelSmart transportation demand management program.

This integrated transportation system moves people and goods in support of federal, provincial and regional transportation and environmental objectives, and support's Metro Vancouver's economic development and it's Regional Growth Strategy.

Currently, Greater Vancouver has a population of approximately 2.3 million people. By 2040 it is anticipated to increase to more than three million with about one-quarter of those residents aged 65 or older; these changes could greatly increase pressure on existing transportation infrastructure and systems. The area has significant infrastructure needs and high per-passenger transit costs.

Since 2002, TransLink and its federal and provincial government partners have invested billions of dollars in an unprecedented capital expansion of the regional transportation network. This investment created immediate jobs through construction, improved commute times and productivity, reduced road congestion, and has reduced vehicle emissions. TransLink appreciates that its partnership with the Federal Government enables it to deliver what it otherwise could not and welcomes the stability provided by government's New Building Canada Fund 10-year funding period.

TransLink also appreciates the support it receives through the federal Gas Tax Fund. The Fund represents the largest sustained federal funding program yet available to TransLink and has to date enabled the region to leverage \$466 million in investments to secure \$1 billion in assets, which in turn enabled it to expand service by 22.6 per cent and gave the region the most modern transit fleet in North America. The Fund has also been an effective mechanism for funding capital that maintains the TransLink network in a state of good repair.

As a proud member of the Canadian Urban Transit Association (CUTA), TransLink thanks the House of Commons Standing Committee on Finance for the opportunity to provide the following considerations for the Minister of Finance:

Economic stimulus through Public-Private Partnerships (P3)

Studies on the relationship between infrastructure and economic development show that efficient infrastructure is critical to creating employment, supporting investment and trade, enhancing business productivity and expansion, raising standards of living, and improving access to critical services.

The benefits of P3 include access to private sector finance, managerial expertise, access to new markets, new technology, better project design and implementation, and a more efficient use of taxpayer resources. P3 partnerships also stimulate the economy with activity that may not otherwise have occurred while ensuring that large infrastructure projects are delivered in the most cost-effective way.

Recommendation 1: *The Federal Government should consider raising the cost share it provides from 25 percent to 33 percent.*

Keeping Canadian jobs in Canada

TransLink is proud to purchase vehicles for its fleet from Canadian-based companies but is very concerned about the provisions of the *Buy America Act* applied to transit-related procurements in the U.S. The *Act's* provisions, such as requirements for 100 percent U.S. content for iron/steel and manufactured products, places Canadian transportation companies at a serious disadvantage when they form all or part of a bid by any supplier, whether U.S. or Canadian.

TransLink believes it is important to maintain Canadian jobs and is concerned that the *Buy America Act* will result in Canadian bus manufacturing facilities and expertise vacating Canada and relocating in the U.S.

Recommendation 2: *TransLink encourages the Federal Government to put every effort into negotiating an agreement that will exempt Canadian bus manufacturers from Buy America Act rolling stock provisions.*

Preparing for the future

Like transportation, Research and Development (R&D) is at the forefront of economic, social and environmental development. A robust R&D environment is essential to fostering the successful change and economic growth that transform economies.

For the transportation sector R&D plays a major role in its future success. Interaction between the transportation sector, university and industrial researchers and entrepreneurs will see the transfer of ideas and technology. This will result in new technology such as smaller, more accessible vehicles and road and demand processes that will keep Canada at the forefront of transportation excellence.

Recommendation 3: *TransLink encourages the Federal Government to actively partner and invest with industry, entrepreneurs and transportation authorities on R&D investment.*

Summary

TransLink appreciates the ongoing partnership it has with the Government of Canada through the New Building Canada Fund and the Gas Tax Fund and thanks the House of Commons Standing Committee on Finance for the opportunity to provide pre-budget considerations for the Minister of Finance.