House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Société de transport de Montréal (STM)

or

( ) **an individual** **Name:** _____

Topic: Please select from the pull-down menu

*Recommendation 1: Please provide a short summary of your recommendation.

Fully index transfers of Gas Tax Fund revenue.

In its 2013 Budget, the Government of Canada announced that the Gas Tax Fund would be indexed by 2% in $100-million increments. In practical terms, this would mean that the 2% increase would not kick in until the $100-million threshold has been reached, which normally takes between two to three years.

Canada's municipalities would be better served if the Fund were fully indexed, i.e., a simple increase of 2% per year.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$500 million-$999.9 million

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

This indexing could be funded from the federal excise tax on gasoline.

Over the 10-year period from 2014 to 2023, the cumulative cost difference of full indexing would be $537 million, or 1% of the total value of the Building Canada plan.

The current indexing formula provides for increases in 2016, 2018, 2021 and 2023 only. Conversely, full indexation of the Gas Tax Fund would involve modest increases each year: $40 million in 2014, $40.8 million in 2015, $41.16 million in 2016, and so on.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Canada's municipalities would benefit in terms of their infrastructure needs.

Canada's largest municipalities would benefit in terms of their infrastructure needs, e.g., public transportation.

Canadians who use public transportation would benefit.

All Canadians would benefit from better funding for municipal infrastructure.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Canada's municipalities would be assured that monies earmarked for building and revitalizing their public infrastructure would be indexed on a stable and recurrent basis.

Municipalities would also be able to invest more in their critical infrastructure.

Enhanced federal support for municipal public transportation infrastructure would result in lower road congestion costs.

Investment in public transportation is important to support the economy, both in terms of creating jobs and stimulating productivity.

Topic: Infrastructure

Recommendation 2: Please provide a short summary of your recommendation.

Transfer all revenue from the federal excise tax on gasoline into the Gas Tax Fund.

The portion of revenue from the federal excise tax not earmarked for the Gas Tax Fund currently goes into the government's Consolidated Revenue Fund. Redirecting all of the revenue from the excise tax into the Gas Tax Fund would make it easier for Canadians to follow the money trail and would put communities in a better position to develop and maintain infrastructure directly affecting Canadians' quality of life.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

This measure would involve increasing the transfer from the federal excise tax to the Gas Tax Fund by $200 million annually (which works out to 0.5 cents per litre), so that, ultimately, all of the revenue from the excise tax on gasoline (10 cents per litre) goes into the Fund.

The Government of Canada could use the Consolidated Revenue Fund to cover the entire transfer of current revenue from the federal excise tax on gasoline to the Gas Tax Fund.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Canada's municipalities.

Canadians who use public transportation.

All Canadians would also benefit from better funding for municipal infrastructure.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

This measure would allow Canada's municipalities to invest more in developing and maintaining strategic infrastructure that helps protect the environment, such as public transportation infrastructure.

This measure would also stimulate the economy and create jobs. In addition, infrastructure investment has a significant impact on productivity.

Topic: Transportation and communication

Recommendation 3: Please provide a short summary of your recommendation.

Provide financial support for public transportation research and development to create more efficient vehicles.

A flexible program for testing technologies would be one option worth considering in that regard.

Such a program could be based on the Urban Transportation Showcase Program, a Transport Canada initiative that ran from 2004 to 2008. The goal of this program was to support the development and implementation of urban transportation initiatives and planning tools, and best practices.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$10 million-$99.9 million

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The Urban Transportation Showcase Program was part of the Government of Canada's Action Plan 2000 on Climate Change. A new program could be framed within the government's current efforts to reduce greenhouse gas emissions.

The $40 million over 5 years (indexed) that had been allocated for the Urban Transportation Showcase could be rolled over into the new program.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Canada's transportation companies.

Canada's public transportation industry, which supports approximately 80,000 direct and indirect jobs across the country, according to the Canadian Urban Transit Association.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

This measure would enable transportation companies to develop projects to test and demonstrate new public transportation technologies.

Through the Urban Transportation Showcase Program, the STM was able to test hybrid fuel buses. In retrospect, it played a major role in the STM's decision to purchase hybrid buses exclusively beginning in 2013. In its tests, the STM found that the hybrid buses used 37% less fuel.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided