



Residential & Civil Construction Alliance of Ontario

Constructing Ontario's Future

Public Transit Technology, Parking Taxes and Levies, Road Tolls and Fuel Tax Recommended in Transportation study – New Ontario Premier Wynne has already stated that some of these funding tools will have to be adopted

TORONTO, January 29, 2013 - How to increase investments in our road and public transit networks in the Greater Toronto and Hamilton Area must be urgently addressed.

Within the GTHA, an estimated \$50 billion worth of capital for planned projects has been identified by Metrolinx and more funds are required to operate and maintain the improved systems. New sources of revenue are needed.

These findings come from the report entitled, "Financing Roads and Public Transit in the Greater Toronto and Hamilton Area." It was prepared for the Residential and Civil Construction Alliance of Ontario, written by Harry Kitchen, Professor in the Department of Economics at Trent University and Robin Lindsey, Professor in the Sauder School of Business at University of British Columbia.

"The GTHA is Canada's economic powerhouse but this position will slip if traffic congestion is not properly managed through better pricing structures. Unless significant revenues are devoted to infrastructure improvements, it will negatively impact the potential of this region," says Kitchen.

Among Kitchen and Lindsey's recommendations:

- Introduce road tolls on the 400 series of highways in the GTHA and perhaps other major regional and municipal roads. Pricing can influence travel choices, such as frequency, destination, time of day or day or week and route that have proved successful in many U.S. states and European countries.
- Set correctly structured prices for public transit and roads in the GTHA. User fees need to be expanded. Road tolls, more efficient parking fees and other road-user charges should be implemented. Public transit fares should be restructured to take distance traveled into effect with the use of a system such as 'Presto,' being phased in by Metrolinx.
- Consideration should be given to implementing a regional fuel tax and/or a vehicle levy and/or a regional sales tax in the GTHA.

- Restructure on-street and off-street parking fees to support more efficient use of parking spaces. Currently, on-street parking in high-traffic areas is priced below its value and privately owned lots are sometimes-overpriced, hence, commercial parking sales taxes and levies should be introduced.

“Professors Kitchen and Lindsey have taken an objective look at various funding options. While there is no silver bullet, there are a number of scenarios to raise the funds necessary to properly expand transit throughout the region,” said Andy Manahan, Executive Director of the RCCAO.

“What is worthwhile to note,” adds Manahan, “Is that new Premier Kathleen Wynne has already stated that in order to expand transportation infrastructure we will have to adopt some of these new funding tools.”

The RCCAO is an alliance composed of management and labour groups that represent all facets of the construction industry. Its goal is to work in cooperation with governments and related stakeholders to offer realistic solutions to a variety of challenges facing the construction industry. This is the fourth report that RCCAO has commissioned on public transit in the GTHA since 2006 and is a follow-up to the January 2008 report by Harry Kitchen on “Financing Public Transit and Transportation in the Greater Toronto Area and Hamilton: Future Initiatives.”

For more information, a copy of the report and the Executive Summary and to arrange interviews with Kitchen, Lindsey or Manahan please contact:

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