

TTC by the kilometre? Distance-based fares could help pay for expanded transit

A new report suggests restructuring fares, but also tolling highways and hiking parking costs to raise cash.



BERNARD WEIL / TORONTO STAR

Flat-fare transit encourages urban sprawl by allowing commuters to live farther from their jobs without paying more to commute, suggests a recent report.

By: Tess Kalinowski Transportation reporter, Published on Tue Jan 29 2013

Should you pay more to ride transit depending on how far you're travelling? Should you pay less if you ride outside the rush hour?

The answer to both questions is "yes," says an academic report being released Tuesday by the [Residential & Civil Construction Alliance of Ontario](#).

Asking transit users to pay more to expand service is an idea that has received scant attention in recent discussions of how Toronto raises \$40 billion to expand public transportation.

But the new report says it's one of several options premier-elect Kathleen Wynne should consider in concert with other road user fees.

[Metrolinx](#) says the region needs to find at least \$40 billion to save itself from economically choking on gridlock over the next 25 years, and residents should expect to pay since governments don't have the money for those investments.

A former transportation minister, [Wynne is already on the record](#) that the region has to come up with new money to pay for transit expansion, said RCCAO spokesman **Andy Manahan**.

Road tolls and transit taxes, traditionally a "politically toxic" subject, could help a new premier position herself as fiscally responsible, he said.

"Clearly there's a lot of political capital at stake here," said Manahan. "If fiscal responsibility means the province can't afford to pay for (transit expansion) and we're going to have to move to a more user-pay kind of a system, that's the nexus. I think that has to be looked at."

Except for GO Transit, Toronto area transit companies haven't typically set their prices by distance, say the report's authors, economics professor Harry Kitchen of Trent University and Robin Lindsey, of the Sauder School of Business at the University of British Columbia.

They suggest that flat-fare transit encourages urban sprawl by allowing commuters to live farther from their jobs without paying more to commute.

"Flat fares also discourage people from using transit for short trips, and this low demand makes it difficult to justify expanding service to nearby suburbs," says the report.

But it goes on to recommend that transit fares only be restructured in conjunction with other road pricing measures, such as tolling 400-series highways.

"Automobile usage in the GTA is even less efficiently priced than transit," notes the report.

It recommends restructured parking fees so they're based on occupancy rates, including escalating hourly rates rather than maximum charges. A commercial parking sales tax and a parking levy, whereby a special property tax is applied to non-residential, off-street spaces, could be money-makers.

The report also recommends the province look at commercial parking taxes, vehicle taxes and regional fuel or sales taxes.

Manahan acknowledged that the construction management groups and unions represented by RCCAO have a vested interest in seeing more transit built. However, he stressed, the report, *Financing Roads and Public Transit in the Greater Toronto and Hamilton Area*, is objective and independent.

The report isn't meant to push some taxes or tolls over others, but to encourage the city and province to continue talking about how to pay for transit expansion, he said.

"It has to be a mix of tools. We can't just rely on one," he said.

Some of the money-making options in the report would be more lucrative than others, and some are more effective in changing behaviour that can help reduce road congestion.

The report recommends the government first toll some high-occupancy lanes but then move ahead on the big money-making business of tolling 400 series highways and possibly other regional and municipal roads.