

Introduction

“To a large degree, the economic competitiveness of Canada’s cities depends on our ability to expand public transit’s role in improving mobility, air quality and alleviating traffic congestion. All levels of government have a responsibility to ensure a high quality of life in our cities, and public transit access is an integral part of that quality.”

*—Michael Roschlau,
President, Canadian
Urban Transit Association*

Public Transit: The Importance of Investment and Commitment

Economic growth has increased traffic on our roads and as more Londoners have discovered the benefits of public transit, the LTC has been stretched to the limit.

Our goal is to provide information that will allow Londoners to understand that London Transit is a key component of an effective and efficient transportation system for the City of London.

London has an opportunity to build for the future and create a healthier, more accessible city. Investment and commitment today will bring benefits for all Londoners.

16.4 million times a year, someone in London boards an LTC bus. With demand for over 55,000 rides each day, a strong public transit system is essential to keeping London on the move.

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Introduction

Every day, Londoners ride LTC buses to get to work, school, downtown, to our retail establishments, medical services and recreation activities. Reliable, economical and energy-efficient, the LTC gets Londoners where they need to go, when they need to get there.

With long-term planning and sound investment, London Transit can create a cleaner, healthier city with less traffic congestion.

But London Transit brings much more to its community and offers tangible benefits that improve the London quality of life. Public transit has a direct and powerful impact on so many of the things we consider important:

A Vital Downtown - London's busiest transit destination - 36,000 passengers a day in the heart of our city.

A Stronger Economy - Public transit maximizes infrastructure investment, creates jobs, and spurs development and revitalization.

Less Congestion - Fewer cars on the road means reduced traffic and delivery delays.

A Cleaner Environment - Effective public transit reduces greenhouse gas emissions, which in turn lowers the incidence of respiratory illnesses.



Transit Makes Economic Cents

Transit Saves Everybody Money

- The average cost of traveling one person kilometer in a car is 46¢. By public transit, it is just 12¢.
- Transit consumes three times less energy per passenger kilometer than an automobile.

“It’s simple. Public transit brings many people downtown. It is people that create economic activity and make downtown an exciting place to live, work and play.”

— John Nash, Downtown
London Merchant

Cities thrive when people can get around easily

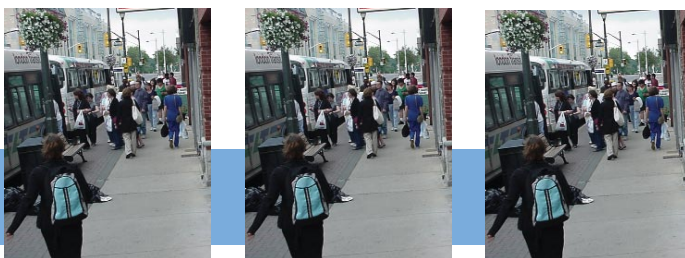
Public transit boosts our London economy. Increased labour mobility, a more vital downtown, improved business sales, spin-off jobs and increased development investment are just some of the benefits of a strong, viable transit system.

Labour Mobility - 32% of LTC riders are heading to or from work. More buses means fewer cars, leaving road space for transporting people and products that have to get where they’re going quickly. Public transit boosts productivity.

A More Vital Downtown - Almost 36,000 people get on and off the bus in downtown London every day, helping to keep our core strong. London Transit buses bring workers, shoppers and tourists to the heart of our city, to their offices, the library, the Covent Garden Market and the John Labatt Centre.

Public transit users avoid the hassle and cost of parking, create less noise and pollution, and lower parking demands.

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Transit Makes Economic Cents

“Returns on investment in public transit are clear - mobility of workers and shoppers, and a reduction in the traffic congestion that slows productivity and increases costs to our businesses.”

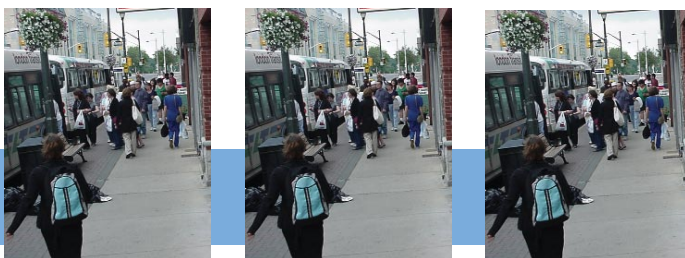
—Gerry Macartney
General Manager,
London Chamber of
Commerce

Cities thrive when people can get around easily

Jobs - The job creation power and economic payback of public transit have been proven:

- An average investment of \$220 million in public transit projects brought returns of almost \$500 million. (Transport Canada)
- Traditionally, each 35¢ in public investment generates \$1.00 in investment in the community through direct employment and/or support to local businesses.
- Access to transit service enhances the value of residential and commercial real estate.
- Transit brings opportunity to Londoners from all walks of life.

Personal Productivity - Public transit users value their time. Many read or catch up on work while riding the bus.



Investment and Commitment

Financial investment in public transit is essential, but money is not enough. Equally important are traffic and planning initiatives that support community goals of traffic reduction and cleaner air.

A System Under Strain

- 25-year-old buses now called into service
- Average fleet age of 12.3 years, approximately 30% higher than cities of a comparable size
- Buses filled to capacity
- Inability to meet customer expectations

Public transit is an essential business service and major economic driver in our city. To thrive, it requires strong, sustained investment and a commitment by civic leaders to support and promote transit as a critical component of London's transportation future.

The LTC has charted long-term strategies to meet increasing demands for service in London. The City of London and the LTC must continue to work together to develop, commit and implement policies and programs to deliver on the environmental, economic and social benefits offered by a strong transit system.

Vision - A strong, dynamic public transit system that is able to increase capacity as demand rises.

Investment - London Transit will require significant investment (operating and capital) in the upcoming years, in both dollars and supporting programs and policies.

More Than Money - Strategic long-term planning is as important as financial investment. It will be crucial for the City of London, in concert with the LTC, to continue to develop and deliver on appropriate land use policies and transportation demand initiatives. The latter including such items as HOV (high occupancy vehicle) lanes and improved traffic signalization

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Investment and Commitment

London at the Crossroads - Continuing the status quo simply means the system will gradually become more costly to operate with ridership levels at best improving marginally, and in the worst case declining. Further, it means that transportation modes such as cars, public transit and walking will continue to compete.

Who Pays for the LTC?

Riders/Other	65%
City subsidy	35%

Without increased investment and commitment the LTC must look to higher fares or reduced service levels. Either of these is counter productive in terms of the City of London's transportation goals.

The Cost of Wrong Choices - For public transit to be effective fares must be attractive and service must be convenient, reliable, predictable and accessible. The table below shows the results when a short-term, cost cutting approach is used in decision making. A \$1.1 million cut in public investment in the mid 90s caused customer frustration with higher fares, reduced service and longer waits, and resulted in the loss of 2.6 million rides.

	1992	1996	Amount Change	Percent Change
Ridership (millions)	14.9	12.3	(2.6)	(17.6%)
Average fare	\$1.09	\$1.32	\$0.23	21.1%
Service hours	528,600	482,000	(46,600)	(8.8%)
Rides per capita	48.0	36.5	(11.5)	(23.9)%
Net public investment (millions)	\$11.9	\$10.8	(\$1.1)	(9.2%)



Supporting a Healthy Environment

“You can’t see the pollution from cars and other vehicles, so people don’t always realize the danger that it poses. The more people we have using public transit, the better. When there are fewer vehicles on the road air pollution is reduced and that makes London a healthier community to live in.”

*—Dr. Graham Pollett,
Medical Officer of Health,
Middlesex-London
Health Unit*

Public Transit Keeps London Cleaner & Healthier

Across North America, communities with vision are investing in public transit to improve air quality and the health of their citizens and to realize financial benefits. London can do its share to help Canada battle climate change and meet emissions reductions outlined in the Kyoto Protocol, which calls for a 10% reduction in automobile travel.

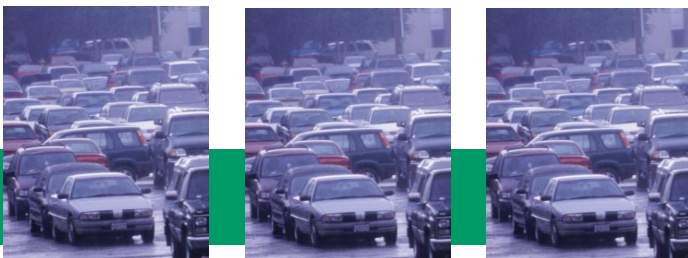
Londoners who want to help keep our city’s air clean will increasingly turn to transit as an alternative to driving. Opting for public transit just two days out of five cuts personal green house gas emissions by 25%.

Air Pollution Costs Lives and Money

Air pollution in London threatens our health, our quality of life, and creates enormous costs.

- Air pollution is responsible for 1,900 Ontario deaths each year.
- Health costs of pollution in Ontario top \$1 billion annually. (Ontario Medical Association)
- Air pollution fatalities exceed traffic fatalities by 3 to 1. (World Health Organization)

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Supporting a Healthy Environment

A full public transit bus can take 40 single occupant vehicles off the road, save as much as 70,000 litres of fuel and keep 9 tonnes of air pollutants out of the air each year.

Smart Growth and Public Transit Go Together

Ontario Smart Growth encourages all levels of government to look into the future 15 to 30 years and make long-term decisions that support a healthy future. Smart Growth identifies public transit as a top priority investment.

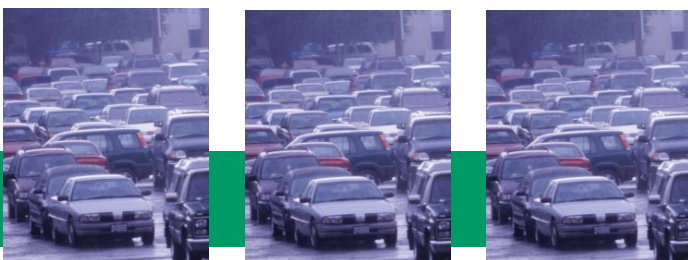
In addition to reducing pollution, public transit supports effective land use planning through:

- retention of green spaces that would otherwise be used to build new roads or parking lots
- maximizing existing road structure by making roads last longer
- supporting mixed use, high density development

Automobiles - the Greatest Source of Air Pollution

- 50% of pollution in London is generated by Londoners.
- 47% of urban greenhouse gas emissions come from personal automobiles, vans and trucks.

- Less than 1% of urban greenhouse gas emissions come from transit buses.



Mobility & Access for All

Reduced Traffic

- Increases profitability
- Increases productivity
- Maximizes infrastructure
- Reduces pollution
- Improves livability

Who's Riding the LTC?

Adults	52%
Elementary/ high school	10%
UWO/Fanshawe	34%
Seniors	4%

Rider Destination

Work	32%
School	21%
Shopping	10%
Medical	8%
Other	29%

Keeping Our City Moving

Gridlock costs the Ontario economy billions of dollars a year and London is no longer immune. Increasingly busy roadways and heavy traffic slow our lives, and our economy.

Public transit is an effective way to reduce congestion on London roads. Further, increasing use of transit means fewer road repairs, less spending on new road infrastructure and fewer accidents.

Londoners Value Public Transit

Do Londoners and most Canadians recognize the value of strong, sustainable transit systems?

- 98% of users agree London Transit provides a valuable community service.
- 92% of urban Canadians say public transit makes their community a better place to live.
- 73% of Canadians say public transit benefits them personally.

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Mobility & Access for All

“As Fanshawe continues to grow and build, we want to preserve green space, rather than pave for new parking spots. We strongly encourage transit use as a way to avoid parking problems and to help keep the air clean.”

*—Dr. Howard Rundle,
President,
Fanshawe College*

“For students, it’s the perfect way to go. Get on, flash your pass and go where you want, when you want.”

*—Paul Yeoman,
President, UWO
Students’ Council*

Accessibility for Londoners

London Transit provides accessibility to all Londoners, ensuring that our citizens are able to get where they are going and take advantage of all that our community offers.

London Transit also provides accessible service to individuals with special needs.

Supporting Fanshawe & UWO Growth

Over 35,000 Fanshawe College and University of Western Ontario students now take advantage of London Transit’s tuition-based pass program. As a result there is:

- Less traffic in school neighbourhoods
- Less pollution near schools
- Parking spots per full time student are down 29%
- A new generation is introduced to the benefits of public transit



Understanding the Business

Service and Fares - Making Them Work

- LTC customers, like in any other business, respond to:
 - service that is convenient, reliable, predictable and accessible
 - fares that are attractive
- Service cuts/reductions have a negative impact on ridership levels
- Experience has shown that for every 10% increase in fares, there is a corresponding 3.5% reduction in ridership
- Ridership and revenue performance are sensitive to change:
 - a 1% decrease in ridership results in 170,000 fewer trips per year or \$250,000 less revenue
 - a 1¢ decrease in the average fare results in \$170,000 less revenue

The Importance of City of London Investment

- The City of London investment represents the net difference between total expenditures and total revenue from fares, interest and advertising.
- For conventional services, City investment covers 35¢ of each dollar spent.
- For specialized services, City investment covers 88¢ of each dollar spent.

Given the investment relationship, any substantial reduction in City investment will negatively impact service levels and/or fares, which in turn impacts ridership and revenue levels. Historically, a \$1 cut in City funding translates into a loss of approximately \$2 in revenue as a result of reduced service. That means the LTC would have to cut almost \$3 in operating expenditures.



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Understanding the Business

Where We Invest

Expenditures

Direct On-road	85%
Facility	5%
Administrative Services	8%
Reserves	2%

Revenues

Passengers	59%
Interest, advertising and reserves	6%
City of London	35%

How We Compare

2002 Canadian Urban Transit Association Peer Group Comparison

	London	Peers
Lower cost per passenger	\$2.18	\$2.25
Higher trips per capita	45.5	44.5
Lower municipal investment per passenger	\$0.73	\$1.19
Lower administrative service cost	8%	12%
Higher revenue recovery	65%	52%

