

FINANCING URBAN TRANSPORTATION

In 1993 the TAC Urban Transportation Council published a Briefing titled **A NEW VISION FOR URBAN TRANSPORTATION**. That Briefing proposes a 30 year generic vision for Canadian urban areas that can be tailored to fit to local conditions (see box below, left). The vision is supported by 13 decision making principles which point the way to a more desirable future (see box on page 2). The vision calls for significant change from past practices in terms of land use and urban structure, the role of private autos relative to other modes, and transportation funding.

Since its publication, the vision has been endorsed by a variety of national/provincial organizations and local governments (see box below, right). It has been cited by the Organization for Economic Cooperation and Development as an example of "best thinking on environmentally sustainable transportation in Canada". In a review of sustainable transportation for the National Round Table on the Environment and the Economy, it was called "perhaps the most influential vision statement currently in Canada".

This Briefing proposes a model by which urban areas can finance their new visions for urban transportation. It further develops decision making principle #13 in the TAC vision, which calls for "better ways to pay for future urban transportation systems". It reviews the need for new transportation financing methods, specifies the goal and criteria of such methods, describes elements in a new financing model, and suggests future actions.

The need for a new approach to funding sustainable urban transportation systems is real, and immediate. This Briefing is presented to the Canadian urban transportation community to stimulate change to meet that need.

A GENERIC VISION FOR URBAN TRANSPORTATION IN 2023

- A long term urban development plan has been approved. It emphasizes multi use town centres and high density, mixed use along connecting corridors. Transit has funding and operating priority in those corridors.
- Short-medium term community/neighborhood plans have been approved. They emphasize compact, mixed use communities based on pedestrian, cycling and transit friendly design.
- Transit, highways, arterials, parking and truck routes are planned and coordinated across the urban area.
- The percentages of trips made by walking, cycling, transit and high occupancy automobiles are all increasing; the percentage of trips made by single occupant automobiles is decreasing.
- The average distance and time for peak hour commuter travel is decreasing.
- An area wide parking strategy is in place and enforced.
- There are very few places which still require on-street goods transfer.
- The physically challenged enjoy universal access to public transport facilities and services.
- Roads and bridges are in a good state of repair.
- Air pollution from motor vehicle sources is declining.
- Urban transportation infrastructure and services are adequately funded from stable and sustainable revenues.
- Political leaders have the support of a well informed public when making decisions on urban development and transportation systems to serve the area.

ENDORSEMENTS FOR THE VISION

(to February, 1997)

National

- Federation of Canadian Municipalities
- Transportation Association of Canada
- Canadian Institute of Planners
- Canadian Institute of Transportation Engineers
- Canadian Urban Transit Association

Provincial

- Association of Municipalities of Ontario
- Saskatchewan Urban Municipalities Association
- Ontario Transportation and Climate Change Collaborative

Local

- Halifax Regional Municipality
- Regional Municipality of Ottawa-Carleton
- Municipality of Metropolitan Toronto
- Regional Municipality of York
- Regional Municipality of Hamilton-Wentworth
- City of Regina
- Greater Vancouver Regional District
- District of Saanich

DECISION MAKING PRINCIPLES IN THE NEW VISION

1. Urban Structure and Land Use

Plan for increased densities and more mixed land use.

2. Walking

Promote walking as the preferred mode for person trips.

3. Cycling

Increase opportunities for cycling as an optional mode of travel.

4. Transit

Provide higher quality transit service to increase its attractiveness relative to the private auto.

5. Automobile

Create an environment in which automobiles can play a more balanced role.

6. Parking

Plan parking supply and price to be in balance with walking, cycling, transit and auto priorities.

7. Goods Movement

Improve the efficiency of the urban goods distribution system.

8. Inter-Modal Integration

Promote inter-modal and inter-line connections.

9. New Technology

Promote new technologies which improve urban mobility and help protect the environment.

10. System Optimization

Optimize the use of existing transportation systems to move people and goods.

11. Special User Needs

Design and operate transportation systems which can be used by the physically challenged.

12. Environment

Ensure that urban transportation decisions protect and enhance the environment.

13. Funding/Financing

Create better ways to pay for future urban transportation systems.

A NEW FINANCING MODEL IS NEEDED TO DELIVER TOMORROW'S URBAN TRANSPORTATION SYSTEMS...

Past Practices in Urban Transportation

Historically, finance and delivery of urban transportation infrastructure and services have been based on three underlying premises.

- a) Urban areas would be allowed to sprawl outward, to accommodate population growth and social desires through low density development on less expensive land on the urban fringe.
- b) Roads and parking would be provided to accommodate ever increasing vehicular demands resulting from that pattern of growth, and public transit would serve whatever markets it could.
- c) Transportation funding would be provided, through departmental and agency budgets, primarily from consolidated general revenue accounts and general tax revenues. For senior governments that includes transportation taxes (fuel taxes, licence fees, etc.) as well as personal and corporate income taxes, sales taxes, excise taxes, etc. For local governments, the principal source is property tax.

Belief in those past practices is rapidly declining for two reasons.

- The new reality of shrinking provincial and local **budgets** means that the old approaches to land use, transportation planning and funding are no longer affordable.
- There is growing recognition that continuation of the status quo will result in 21st century urban areas which are neither environmentally nor socially nor economically **sustainable**.

The Urban Transportation Budget Crunch

Federal and provincial deficit reduction programs, decreased transfer payments, the trend to downsizing government, declining tax bases in some areas, and citizen resistance to tax increases are combining to reduce public budgets. At the same time a growing, changing and aging population continues to exert strong demand for social and other services provided by government.

Urban transportation is caught up in this budget crunch. Local governments have less money available for transportation and (in some cases) more road and transit responsibilities assigned by the provinces. In various locations, roadway maintenance is being deferred, capital funds are being used for maintenance,

new construction is being delayed or cancelled, and transit budgets are being reduced.

Meanwhile, automobile demand continues to grow. Urban populations, the number of automobiles and the average annual kilometers driven per automobile are all increasing, while the average number of occupants per automobile is decreasing. It is becoming obvious that governments will not be able to finance transportation systems to serve increasing vehicle demands the same way they did in the past.

Unsustainable Urban Transportation

Past practices are leading to urban transportation systems which are not sustainable in the long run. Warning signs are all around.

In the environment: increased consumption of fossil fuels and other non-renewable resources; air pollution leading to more asthma and emphysema; greenhouse gas emissions (notably carbon dioxide) contributing to global warming and climate change; consumption of valuable land.

In society: communities in which auto use is more a necessity than a luxury; lack of "sense of place" in neighborhoods without lively and pedestrian friendly streetscapes; empty, alien landscapes with unsafe areas for many citizens, especially at night; family disruptions when one or both parents must spend long times in stressful commutes.

In the economy: traffic congestion; deteriorating infrastructure; systems which cannot operate at maximum efficiency; hidden subsidies and accounting systems that ignore environmental and social costs, thus sending the wrong market signals to public decision makers and travelers.

New Visions for Urban Transportation

Both the budgetary and the sustainability challenges can be addressed by adopting new visions at the local level. TAC's 1993 *NEW VISION FOR URBAN TRANSPORTATION* provides a model (Reference 1).

A new vision can replace the status quo practices of the past. It will help communities move toward sustainability **and** it will result in urban transportation systems which are less expensive to build and operate than they would otherwise be.

A new vision can achieve these dual goals because it will reshape urban development, reduce per capita travel requirements, lessen reliance on single occupant auto trips, shift demand to more efficient and environmentally friendly patterns and modes, encourage integrated approaches by all governments in the urban area, and make the best use of existing revenue.

But even with new visions, there will be cases where traditional budgeting practices do not provide adequate funding. In those cases, a new financing model will be required to bridge the gap between what is available and what is required.

A NEW FINANCING MODEL SHOULD MEET A BASIC GOAL AND NINE CRITERIA...

The **goal** of the new model is to provide adequate and secure funds to deliver urban transportation systems that support new visions and move toward a sustainable future.

The new model should meet the following **criteria**.

1. **Stable and Predictable.** Capital, operating and maintenance funding should be stable over time, predictable in magnitude, and provide long term financial commitment to the new vision.
2. **Transparent.** The sources and allocation of funds should be open, clearly presented, and easily understood by decision makers and the public to ensure accountability and fairness.
3. **Least Cost.** The model should foster an urban transportation system operating at the least possible total cost to the environment, society and economy.
4. **Simple.** The process should carry a low administrative overhead burden.

5. **Access to Funds.** When senior governments assign additional transportation responsibilities to local governments, access to sufficient additional revenues should be provided at the same time.
6. **User Pay.** Funds should be increasingly derived from users, with transportation treated as a government controlled utility where the user is charged based on consumption.
7. **Dedicated.** Revenues derived from user pay methods should be dedicated, by law, to urban transportation system improvements that support new visions.
8. **Public Involvement.** Public support for the model, resulting from information and consultation programs, should be an integral part of the process.
9. **Measurable Results.** Performance indicators should be used to measure progress and report to decision makers and the public. Reference 2 provides sample indicators.

FOUR ELEMENTS OF A NEW FINANCING MODEL...

There is no single, simple solution to the urban transportation financing challenge. While the goal and criteria in the previous section should be met, any new financing model must draw heavily on traditional budgetary sources in the early years, and be supplemented over time with a blend of new efficiencies and revenue sources, which may differ between provinces and even between urban areas within a province.

This section presents a variety of elements which may be part of a new model. They are not mutually exclusive. They start with obvious and direct actions which are under local control today, and move on through more complex and contentious issues that will require intergovernmental cooperation and, in some cases, legislative change.

Elements 1 and 2 address government cost savings and efficiencies within existing departmental budgets. Element 3 considers reallocating and dedicating portions of existing transportation derived revenues. Element 4 proposes a variety of additional and new dedicated revenue sources. All four elements may not be required in all situations.

1. Maximize Government Efficiency and Effectiveness.

Before contemplating any new fees, first maximize government effectiveness and efficiency, in all departments and service delivery areas.

- Increase value for expenditure through the application of performance indicators, best practices, benchmarking and performance management.
- Consider alternative and potentially more cost effective delivery mechanisms such as interdepartmental cooperation in purchase and delivery, contracting out and public-private partnerships.
- Restructure or merge organizations to reduce overheads and duplication, and improve public accountability.
- Streamline processes of purchasing, financial controls and decision making.

2. Make the Best Use of Existing Transportation Dollars.

Efficiencies should be pursued in all aspects of urban transportation planning, design, construction, operations and maintenance.

- Reallocate and give priority to transportation investments that support the vision.
- Coordinate multimodal transportation and land use planning and delivery functions throughout the urban area.
- Use lifecycle costing and value engineering approaches for infrastructure construction and maintenance.
- Review the benefits of large capital projects in relation to the benefits of the same funds spread over a variety of smaller projects, to maximize the overall rate of return.

- Encourage transportation operations and service delivery that are businesslike and cost effective.
- Explore alternate means of delivering transportation programs, including : public-private partnerships, rationalized equipment and facilities to reduce duplication, and revised design standards to lower costs.

PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships are cooperative ventures between governments and the private sector to develop or improve public infrastructure or services, while retaining public control.

Benefits to governments can include:

- investments in new, improved, or repaired facilities that government could not otherwise afford.
- more rapid or efficient development or operation of a facility.
- reduced risks for the public sector.
- new revenues for the facility (eg: from ancillary development) and for government (through taxes or franchise fees).

A wide range of partnership types is possible, from fully public to fully private. The range of options (*and sample projects*) are:

- Operations & Maintenance Service (*transit systems, garbage collection, sewage treatment*)
- User Fee Support (*Vancouver Airport*)
- Design/Build (*Trans Canada Highway interchange in BC*)
- Design/Build/Major Maintenance (*Charleswood Bridge in Winnipeg*)
- Design/Build/Operate (*Highway 407 in Ontario*)
- Build/Lease/Operate/Transfer (*sports complex*)
- Lease/Develop/Operate (*Gloucester, ON City Hall*)
- Finance / Design / Build / Transfer / Operate (*California Highway SR-91*)
- Finance / Design / Build / Operate / Transfer (*Confederation Bridge to PEI*)
- Finance / Design / Build / Own / Operate (*Mont St. Anne ski resort*)
- Buy Asset/Own/Operate (*CN Rail privatization*).

The tremendous increase in popularity of these partnerships led to creation of the **Canadian Council for Public-Private Partnerships**, whose 1996 Project Inventory (Reference 3) lists over 200 projects in Canada.

3. **Reallocate and Dedicate a Portion of Existing Transportation Derived Revenues.**

Elements 3 and 4 are based on the premise that urban transportation funding should move toward a system in which the user is charged based on consumption. This concept is reflected in many existing utilities, such as municipal water and wastewater services, electricity and natural gas supply, and long distance telephone. Transit riders also pay based on consumption, and the trend is to increase transit revenue/cost ratios. The advantages of such an approach, with dedicated fees, are that it will : increase transparency and accountability; maintain and protect the transportation network as a key economic asset; and start to send the correct market signals to consumers. These benefits can be achieved if revenues are applied to multimodal systems in support of local visions.

The principal sources of federal and provincial government revenues derived from roadway transportation are:

- **federal excise tax on fuel.**
- **provincial fuel taxes.**
- **provincial vehicle registration fees.**

About half the pump price of gasoline in Canada (26 cents/litre in 1993) is in federal and provincial taxes (Reference 4). This element proposes that the majority of money collected from fuel taxes and licence fees be identified as taxes and retained as general revenues, and an appropriate portion be identified as a transportation fee and dedicated to urban transportation in support of local visions. Any future increases to either the general revenue tax or the dedicated urban transportation fee would be identified as such at the time.

EXAMPLES:

- *Dedicated gasoline taxes and related road revenues charges have financed the US Federal Highway Trust Fund since 1956, and the work of Metropolitan Planning Authorities under the Intermodal Surface Transportation Efficiency Act since 1991. Every state except New Jersey dedicates fuel taxes to transportation.*
- *In Montreal, the Metropolitan Transportation Agency budget includes a \$30, per vehicle, provincial licence charge which is dedicated to transit in the Region.*
- *The Canadian Automobile Association, the Coalition to Renew Canada's Infrastructure, the Western Canada Road-builders Association, the Ontario Minister of Transport and others have been urging the federal government to dedicate 2 cents/litre of the 10 cents/litre federal excise tax on gasoline to fund road improvements.*
- *Ontario's "Who Does What" Panel recommended that municipalities have access to a portion of existing provincial gasoline taxes to help fund transit systems and provincial highways in urban areas.*
- *The Ontario Regional Engineers Association recommended to the Ontario Minister of Finance that a portion of existing fuel taxes be dedicated to transportation systems.*

- *The Regional Municipality of Ottawa-Carleton proposed that those portions of provincial gas taxes and licence fees that the province was spending on municipal roads be rebated annually to the municipalities in which they were collected, and dedicated to local transportation improvements.*

METROPOLITAN TRANSPORTATION AGENCY

The Province of Quebec has created a new model for urban transportation funding and delivery in the Greater Montreal Region. On January 1, 1996 the Metropolitan Transportation Agency came into being with a mandate to achieve the following provincial objectives:

- regional multimodal planning.
- definition of regional transit and road networks.
- coordination between road network management and public transit systems.
- provision of stable long-term financing of public transportation by establishing dedicated sources of funding within the region.
- allocation of shared cost of regional facilities and infrastructure among all municipalities in the region.
- participation of users, property owners and non-user beneficiaries in financing public transit operating expenses.
- fare integration and harmonization among transit systems in the region.
- regional management and financing of commuter trains.

A five member governing board is appointed by the province in consultation with local municipalities.

Revenues for the agency's first year budget of \$158 million will include:

- a new, dedicated 1.5 cent/liter gasoline tax in the Montreal Region, starting January 1, 1996 (\$43 million)
- vehicle licence surcharges of \$30/vehicle in the Region, dedicated to the agency (\$39 million).
- property levies on municipalities that receive commuter train service (\$17 million).
- property levies on municipalities for a capital asset fund (\$5.5 million in 1996, rising to \$17 million per year in 1999).

Remaining funds will come from regional transit passes, commuter rail revenue and a provincial commuter rail infrastructure subsidy.

4. Introduce and Dedicate New User Fees.

After dedicated fees (from Element 3) are added to departmental/agency budgets derived from general revenues, the total may still not be sufficient to bridge the gap between what is available and what is required to achieve new visions for urban transportation. Nor will those means be entirely adequate to : modify personal decision making in directions compatible with new visions; increase system wide efficiency, equity and choice; and help achieve community sustainability. New and dedicated user fees should be considered to achieve these goals.

The transportation industry nationally and internationally is undergoing revolutionary changes. With deregulation has come increased competition, reduction and elimination of subsidies, and private delivery of formerly public transportation services. The principle of user pay, or direct charge for consumption, has become firmly entrenched in competitive national and international transportation marketplaces. These developments have not yet been reflected in urban transportation but they may, as urban areas struggle to maintain services and competitive advantage in relation to other urban areas. The results may be intense pressure to reduce or eliminate subsidies, to institute the principle of user pay, and to create roles for the private sector where none have traditionally existed.

There is growing evidence in the transportation community that people are willing to pay for services received provided that the increased costs are dedicated to system improvements. A 1992 Angus Reid poll commissioned by the Better Roads Coalition of Ontario showed that 82% of respondents would favour more road user taxes if they were applied to the improvement and expansion of Ontario's roads. A national symposium sponsored by TAC in 1995 also supported the user pay approach in transportation (Reference 5). Public acceptance of additional transportation fees would be greatly enhanced if matched by decreased taxes or fees in other areas.

New user fee options include:

- **additional gasoline fees.**
- **additional vehicle licence fees.**
- **auto commuter levies.**
- **revenue based parking fees.**
- **toll roads and bridges.**
- **roadway congestion pricing.**
- **property development charges.**
- **right of way fees.**

Additional gasoline fees would be added to the pump price throughout the urban area. The increase need not be large to generate substantial funds. A fee on diesel fuel is not recommended; research in Ontario and Quebec concluded that costs to the economy outweigh benefits. Revenue potential can be high but impact on travel behaviour will be minimal unless the fee is substantial.

EXAMPLES

- *The Metropolitan Transportation Agency budget includes a new 1.5 cents/litre dedicated gasoline fee, collected throughout the Montreal Region.*
- *In British Columbia, additional gasoline fees of 4 cents/litre (in the Greater Vancouver Transit Area) and 1.5 cents/litre (in the Victoria Transit Area) are dedicated to BC Transit.*

Additional vehicle licence fees would be charged annually on vehicles registered in the urban area, and collected at the time of registration. Revenue potential can be high but impact on travel behaviour will be minimal.

A 1995 NATIONAL SYMPOSIUM FOUND SUPPORT FOR USER PAY PRINCIPLES

In April, 1995 TAC sponsored a national symposium to explore the concepts and issues of user pay in all modes of Canadian transportation, both urban and intercity. Some 120 delegates representing governments, carriers, shippers and others met for 1 1/2 days. **Key findings from the symposium** were:

- There was general acceptance of the user pay principle, the most important objectives being cost recovery and demand management to help reduce transportation costs.
- Revenues from user charges should be dedicated to transportation, not just the mode in question, particularly for urban transportation. It is generally appropriate to apply increased user charges on top of existing transportation taxes if this provides a better service. User charges should apply not only to new facilities but also to existing facilities.
- Government subsidies should be reduced or eliminated except where necessary to ensure safety and ongoing existence of essential public transportation services (eg: urban transit).
- Economic risks of becoming uncompetitive must be an important factor in setting increased user charges, which must be manageable and reasonable in terms of what demand will support. Differential pricing (eg: by geographic area, level of congestion) is appropriate.
- A trust fund/agency or other self-administered institutional arrangements would be appropriate to administer user charges and ongoing facility funding/management in order to achieve improved efficiency and accountability.

Source: Reference 5.

Auto commuter levies would be additional annual charges on all private vehicles registered in the urban area and used for commuting to and from work. The fee would be collected at the time of registration, when the owner would state whether or not the vehicle is used to commute. A similar system based on "pleasure" or "work", is used by some insurance companies in determining premiums.

A flat fee would simplify administration. However, incentives could be built in for shorter commutes and/or high occupancy vehicle use. Revenue potential and impact on travel behaviour will depend on fee levels and incentives.

Revenue based parking fees would be charged on parking spaces in designated areas. For commercial parking operators, fees could be based on gross receipts; for free parking at suburban malls and commercial strips, they could be based on the common area tax and maintenance charges levied against each tenant. The resulting increase in the price of goods in the suburbs should balance the effect of pay parking downtown.

Toll roads and bridges would have the user charged a direct fee at the time the facility is used. Road tolls are based on distance and may vary by time of day. This is not a new idea; toll roads and bridges have been in operation throughout the world for 2000 years. They are used in the United States and other countries, and are now returning to Canada. Toll facilities are especially well suited to public-private partnerships, and electronic technology makes toll collection relatively simple.

Public acceptance of new toll roads seems to be based on three factors : tolls are dedicated exclusively to the new road; an alternate, untolled road is available; and the tolled road offers faster travel time and a higher level of service. Recent public-private partnership agreements show that revenue potential can be sufficient to build and operate new toll roads, although usage is sometimes higher (California) and sometimes lower (Washington, DC) than predicted. Vehicle demand may increase; some users may choose alternate routes.

EXAMPLES

- *Coquihalla Highway, British Columbia (NOTE: Tolls are not dedicated, but go to general revenue.)*
- *Highway 407, Ontario - a 69km electronic toll urban highway across Metropolitan Toronto, being built as a public-private partnership, to be opened in 1998.*
- *Highway 104, Nova Scotia - an electronic toll highway being built as a public-private partnership, to open in 1997.*

- *Confederation Bridge between Prince Edward Island and New Brunswick - a toll bridge built as a public-private partnership to be opened in 1997.*
- *A Southwest Ring Road (Edmonton) and a refurbished Lions Gate Bridge (Vancouver) are also candidates for public-private partnership toll facilities.*

Roadway congestion pricing would have the user charged for driving on congested roads or in congested areas during peak periods, with a lower charge (or no charge) in off peak periods. This option, which incorporates demand management, has the potential to flatten demand peaks, encourage shifts to other available modes, make more efficient use of existing infrastructure, and secure dedicated funds. Electronic technology now makes this option feasible.

Revenue potential is medium to high, after collection costs. Road users can experience less congestion and enjoy well maintained infrastructure. However, the most significant feature of roadway congestion pricing is that it offers more potential than any other option to change travel behavior, support new visions and move toward sustainability. It sends the most direct signals that: urban transportation infrastructure is an increasingly scarce commodity that must be utilized efficiently; and use of transit, high occupancy vehicles, cycling or walking can reduce or eliminate the cost borne by the user. This in turn may initiate forces that eventually change land use and urban structure - the key to sustainable communities in the long run.

There are no Canadian examples, although Highway 407 tolls will vary by time of day. A fee to bring a vehicle into central Singapore has existed for many years, and Bergen, Oslo and Trondheim (Norway) have cordons around the core areas that require a fee to cross.

Property development charges (in places where development charges are used) would add premiums to reflect the added costs to the community from increased traffic and the added benefits to the developer from adequate access. Incentives could be provided for developers who conform to the vision and disincentives for those who do not (eg: higher charges for low density, auto dependent development).

Right of way fees would be space rentals on sewer, water and gas lines as well as communications and electrical cables using space within the road right of way.

Benefit assessment would be a surcharge on properties in designated areas served by transit, dedicated to the transit system. This is not a true user pay option since it is not based on consumption, but helps fund transit in Montreal and some cities in the Western U.S.

COORDINATION AND COOPERATION ARE REQUIRED TO MOVE AHEAD...

Canadian urban areas face significant financing challenges as they attempt to maintain and operate current urban transportation systems while moving toward a sustainable future. This Briefing proposes a new financing model which would be based on:

- traditional departmental/agency budgets derived from general revenues,
- supplemented over time by dedicated fees from a variety of new sources.

It is important to maximize the efficiency and effectiveness of all local government operations and services before contemplating new fees in the transport sector.

To achieve a new model will require coordination and cooperation between federal and provincial governments, between provinces and their municipalities, between municipalities in each region, and between governments and citizens. Five major steps are required.

1. Adopt a Local Vision for Urban Transportation.

Each urban area should first adopt its own local vision for urban transportation, using the TAC vision as a model. Some municipalities have already done this. The vision will result in relatively less expensive systems, provide a framework for future action and involve citizens in the process.

2. Determine Financial Requirements to Achieve the Local Vision.

Comparison of transportation budgets from traditional sources versus requirements to achieve local visions will help prioritize projects and identify any financing shortfalls.

3. Select a Package of New Revenue Sources to Fill the Gaps.

A key feature of any new vision, which is fundamental to the success of a new financing model, is that it offers choices in land use and travel options. User fees should be designed to

References:

- (1) *A New Vision for Urban Transportation*, Transportation Association of Canada, 1993.
- (2) *Urban Transportation Indicators in Eight Canadian Urban Areas*, Transportation Association of Canada, June 1996, ISBN: 1-55187-102-5.
- (3) *1996 Project Inventory*, Canadian Council for Public-Private Partnerships. Tel: (416) 601-8111
- (4) *Transportation Taxation and Competitiveness*, Transportation Association of Canada, September 1993, ISBN: 1-895102-43X
- (5) *Transportation User Pay Symposium - Summary of Proceedings*, Transportation Forum No.6, Transportation Association of Canada, 1995, ISSN: 0826-8193

provide and encourage choices that minimize future urban transportation costs to the total community. Care must be taken to avoid economic imbalances or competitive disadvantages between municipalities, regions, and provinces. New revenue sources must be acceptable to citizens and all levels of government. Consultation and consensus building will be required throughout. In some cases, legislative change, empowering municipalities, may be needed prior to implementation.

4. Create Mechanisms to Dedicate New Revenues.

Dedication will be critical for public acceptance. Details on how new revenues will be collected, and who will control them and how, must be decided in consultations between provinces and their municipalities. Clarification of provincial, regional and city mandates regarding urban transportation infrastructure and services may be required, to ensure that jurisdictional disputes do not compromise good planning and operations. Legislative change may again be required to empower municipalities, who in turn may require new by-laws to administer the funds.

5. Allocate Funds to Support the Local Vision.

Performance indicators, based on policies and priorities in local visions should be established, monitored over time, and reported to the public. This will help track progress in achieving the vision, justify revenue allocations, and demonstrate the benefits received.

None of this will be accomplished easily. But the benefits - in terms of environmentally, socially and economically sustainable communities for future generations - are well worth the effort.

TAC mission: to promote the provision of safe, efficient, effective and environmentally sustainable transportation services in support of Canada's social and economic goals.

This Briefing was prepared by the TAC sponsored **Urban Transportation Council** and assembled by John Hartman, Council Secretary and member of the TAC Secretariat staff. Permission to reproduce or quote is granted, provided the source is acknowledged.

For more information about TAC's urban transportation programs, contact:

John Hartman
Director, Transportation Forums

For additional copies of this or earlier TAC urban transportation products contact:

Jocelyne Blanchard
Library Technician

Transportation Association of Canada
2323 St. Laurent Blvd., Ottawa, ON K1G 4J8
Tel.: (613) 736-1350 Fax: (613) 736-1395
www.tac-atc.ca

