



# IDEAS IN MOTION: 2019 POLICY BRIEFING

## REBUILDING A NATIONAL NETWORK

Canada's once-comprehensive network of motor coach and passenger rail services has been cut and allowed to atrophy for decades. When Greyhound abandoned western Canada in 2018, other motor coach operators across Canada lost substantial interline ticket and package revenue, putting services at risk as far away as Nova Scotia. Many small communities, towns, and even larger cities are now without public transportation. This impedes access to healthcare, education, jobs, and participation in society. Furthermore, lack of safe transportation has been identified as a factor in the disappearances and deaths of indigenous women and girls. Our governments must recognise this as a crisis, and act swiftly to restore access to safe public transportation for all Canadians.

### A PUBLIC TRANSPORTATION STRATEGY FOR ALL CANADIANS

Successful public transportation is a network that citizens can navigate from A to B with smooth connections between public and private sector operators; between rail, bus and other modes; and at reasonable cost. Trains, motor coaches, ferries, and transit have been treated as separate silos for too long, leading to poor connectivity, glaring gaps in service, and thus limited ridership.

National and provincial governments should take a leadership role in applying a **systems and network approach**, in partnership with VIA Rail Canada and the motor coach industry, to fulfill their responsibility to provide a comprehensive and cost-effective service:

- Establishing a **Canada-wide clearing house** for interline agreements and connecting fares between all operators.
- Focusing on closing gaps in the system, using **passenger rail for trunk routes** following the Amtrak Throughway model, and ensuring connections between motor coach operators.
- Covering the vital last-few-miles of rural services efficiently by leveraging software-dispatched **dynamically routed buses** and partnering with Canada Post to introduce **Swiss-style PostBus** services that also support rural mail service.
- **Zero-rating federal and provincial sales taxes** for public transportation fares, eliminating a disincentive for passengers.

### ENSURING THE ECONOMIC VIABILITY OF ACCESSIBLE SERVICE

The cost of purchasing and operating a barrier-free bus or accessible motor coach is significantly higher than a shuttle van, so some new entrant private operators are only offering shuttle vans, contrary to the intent of the *Accessible Canada Act* and provincial initiatives. Governments must act to ensure the economic viability of accessible services that all Canadians and visitors can use.

Providing **low-interest loan and lease financing** and **fuel tax relief** for vehicles that are **fully accessible and used to provide a public service** for at least 80% of their service hours would mitigate the cost premium of providing an inclusive and equitable service.

### CONSISTENT FUNDING FOR SMALL URBAN AND RURAL SERVICES

The Investing in Canada Infrastructure Program (ICIP) transit stream, appears to be a generous program and it is creating good outcomes in large municipalities. However, it is not delivering for the many **smaller urban and rural municipalities** with the greatest need because the allocation formula is weighted heavily toward existing transit ridership. Places where transit has been chronically underfunded or is nonexistent are therefore **not allocated adequate funding** to close those gaps and fulfill their responsibility to provide safe transportation options for their citizens.

Many communities choose to contract transit from a private sector partner. While a significant portion of the contract fee represents amortization of the capital cost of the vehicles deployed, **ICIP funds cannot be applied to this cost**. Such contracts also have a multi-year term that does not align with the short application windows for ICIP and other capital funding programs.

Establishing an **ongoing capital funding** pool for both urban transit and rural intercommunity service expansion, weighted toward closing service gaps, and **agnostic with respect to in-house versus contracted operation** would maximize return on investment.