

#TransitMatters

OUR 2 CENTS:

The Dedicated Public Transit Fund (DPTF) is considered a best-practice program across Canada to support public transit services, ease commutes, increase economic productivity, reduce greenhouse gas emissions and drive social mobility.



ABOUT

OPTA is the collective voice of the transit industry in Ontario. Our member-driven trade association represents public transit systems, health and social service agency transportation providers, suppliers to the industry, consultants and government representatives. OPTA's objective is to raise awareness of the importance of public transit to Ontarians and their communities, to social inclusion and environmental sustainability, and to the provincial economy.



DEDICATED PUBLIC TRANSIT FUND

The Dedicated Public Transit Fund (DPTF) distributes 2-cents of existing gas tax revenues each year to every municipality with a public transit system in Ontario. These funds are allocated based on a formula that is comprised of 70% ridership and 30% population. This gives a solid funding baseline for all systems based on how many people the system serves.

The advantage of 70% of the allocation based on ridership means that transit systems can remain demand responsive.

As ridership grows, service levels can expand so that our buses and trains do not become late or overcrowded. The current formula incentivizes investment in ridership growth strategies, which drives innovation in the transportation sector and results in better service delivery for riders.



DID YOU KNOW?

The Dedicated Public Transit Fund helps make life more affordable by keeping transit fares from becoming too expensive, and it also ensures that municipalities do not have to impose higher property taxes. All without increasing the price at the pump.

HOW IT WORKS

1992

14.7¢ Provincial
Gas Tax
Introduced



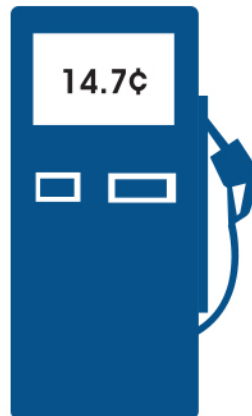
2004

2¢ of existing 14.7¢
Provincial Gas Tax revenues
transferred to municipalities
to fund public transit.



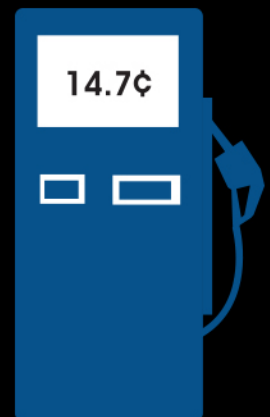
2013

Legislation passed
to make 2¢ of
existing gas tax for
transit permanent.



2019

Promised doubling of the
gas tax from 2¢ to 4¢
would not have
increased the price at
the pump. It would have
doubled the funding for
transit, without any effect
on consumers.



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COMPLEMENTARY SUITE OF MUNICIPAL PROGRAMS



A recent report on the Dedicated Public Transit Fund by the Association of Municipalities of Ontario (AMO) stated that the program was **integral** in serving the needs of municipalities as part of a suite of complementary infrastructure funding streams, including the Ontario Community Transportation Grant (CT Grant) Program and non-transit streams like the Ontario Community Infrastructure Fund (OCIF). OPTA supports AMO in the view that the DPTF, CT Grant Program and OCIF programs work effectively together. Changes to one impacts the effectiveness of the suite of programs.

CONNECTING RURAL COMMUNITIES

The CT Grant Program is a complementary program to the Dedicated Public Transit Fund that helps rural communities establish services that can then become eligible for dedicated public transit funding. After a successful pilot, the Ontario Government announced a 5-year expansion in January 2019, providing \$30 million to 39 municipal governments to provide innovative transportation solutions tailored to their community needs. Many of these rural communities, however, are facing barriers when it comes to establishing transit services due to an outdated regulatory framework.



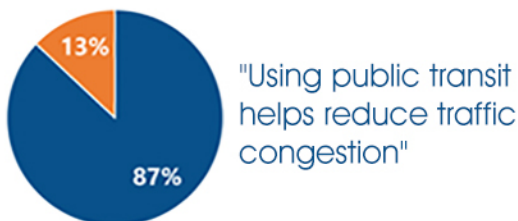
A REGULATORY FRAMEWORK FOR COMMUNITY TRANSPORTATION

Red tape creates hurdles for on-demand transit services and the establishment of new routes which cross jurisdictional boundaries. On-demand service works particularly well in rural areas with low transport demand but where seniors, people living with disabilities or those on low-incomes continue to need a mobility service. Some regulations such as route filing and schedule reporting requirements do not make sense for on-demand services. Another problem is how certain regulations within the Public Vehicles Act undermine the ability of rural municipalities to establish transit services that may cross jurisdictional boundaries. OPTA called on the government last year to cut red tape and reduce regulatory burdens in public transportation. We thank the government for making progress on this, including changes to drive clean regulations and the introduction of a permanent exemption for hand-held radios for transit operators. Further action, however, is needed to reduce the hurdles facing community transportation in Ontario so that the expansion of the CT Grant Program can reach its full potential.

OPINION SNAPSHOT

Urban and Suburban Toronto
(Léger, 2019)

■ Agree ■ Disagree/DK



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THE ASK

This is how Ontario can continue supporting public transit services and further its work towards easing commutes, reducing greenhouse gas emissions and driving social mobility:



Work with Infrastructure Canada to nominate willing transit projects to the progress billing pilot program to get federal dollars flowing to our communities quicker.

Develop an appropriate regulatory framework for community transportation that reduces the regulatory burden on the successful expansion of the CT Grant Program.

Maintain funding for the Dedicated Public Transit Fund by continuing to allocate 2-cents of existing gas tax revenues towards public transit. This includes maintaining the existing 70/30 ridership/population allocation formula.



ACCELERATING THE FEDERAL FLOW OF FUNDS

The Investing in Canada Infrastructure Plan (ICIP) is making historic investments our communities. The Ontario government has made strong progress at nominating projects for joint federal-provincial funding under the ICIP program, and the federal government has also moved to increase the pace of review and approval. However, none of these infrastructure dollars flow out of the federal treasury until projects are completed, leaving local governments to bear the increasing costs of servicing short-term capital debt. To help alleviate this problem, Infrastructure Canada has created a progress billing pilot program that sends federal dollars to project proponents at construction milestones rather than backloaded at the end, once ribbons are cut. However, no transit projects in Ontario have yet been able to participate in this pilot program.

EASING COMMUTES AND DRIVING ECONOMIC GROWTH

DID YOU KNOW?

Congestion in the GTHA alone is estimated to cost between \$6-\$11 Billion to the economy and to commuters each year in time wasted, lost wages, lost job opportunities and increased numbers of accidents. Investing in transit is the best way to reduce congestion.

SUPPORTING GOOD MIDDLE-CLASS JOBS IN ONTARIO

Investing in transit has the greatest economic impact of all infrastructure asset classes

