

The Honorable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
90 Elgin Street, Ottawa, Ontario K1A 0G5

Dear Deputy Prime Minister,

Cities across the country have budgeted hundreds of millions of dollars in expected public transit support which must come in the 2023 federal budget.

If it doesn't, public transit systems across the country are at risk of falling into a death spiral.

That is a vicious cycle of service cuts and fare hikes that push people away from public transit and into their cars, further decreasing revenue, leading to further service cuts.

If this is allowed to happen, it will make cities more congested, increase carbon emissions, and have the greatest impact on society's most vulnerable.

The federal government has saved public transit from disaster before, and it can do it again.

The federal government worked with provinces to deliver emergency operating support to public transit systems through the Safe Restart Agreement in 2020 (\$2.4 billion) and it renewed its support (\$750 million) in February 2022. This support prevented a complete collapse in transit service levels, which allowed transit systems to continue providing service to essential workers and slowly rebuild ridership.

This federal leadership meant that provinces who would not have otherwise supported public transit stepped up to support transit, and ensured that no region of the country was abandoned.

The pandemic highlighted how over-reliant Canadian transit systems are on fare revenues to fund day-to-day service. With ridership still slow to recover – and the financial assistance from higher orders of government drying up – transit systems are once again in a financial crisis.

Public transit has had a death spiral before – and we must learn the lessons of history.

When the TTC responded to operating deficits in the 1990s with service cuts and fare hikes, ridership dramatically declined and took 17 years to recover. If the job of saving public transit is abandoned before ridership can recover from the pandemic, this same story will be repeated in cities across Canada. And all the money spent to date preventing cuts will have been wasted.

In a climate emergency, we can't afford to put progress on hold for another generation.

Instead, we need to be investing in public transit to grow service and ridership to reduce emissions and meet our climate goals. We should be using transit investments as a key tool to create cities with more affordable housing supply and hold the line against carbon-intensive urban sprawl.

Public transit is at a crossroads – adaptation to the new normal, or consignment to the death spiral.

The most important factor to public transit's success is service supply. Put simply, the more frequent and convenient service is, and the faster it runs, the more people will use it. This reflects the phenomenon of 'induced demand'. Just as widening roads induces more traffic – making public transit a more attractive choice means more people use it.

As working from home becomes entrenched, transit systems need federal policy leadership to help them adapt to the new world of work. Just because someone is working from home for most of the week doesn't mean they don't need public transit for other kinds of trips like visiting loved ones, going shopping, or accessing social services. A brighter future for public transit means replacing lost commute trips by growing transit's ability to serve and draw-in the full spectrum of non-work related trips that are currently being made by car.

As transit systems must adapt, so too must the federal government's approach to funding transit.

The federal government has made historic progress by taking a long-term, and soon a permanent fiscal position, in supporting the expansion of public transit. But only for capital projects, not day-to-day service. This approach – funding capital projects, but not operations – is like having a health care strategy that only builds hospitals and buys ambulances without spending on doctors, nurses and paramedics.

This has so far meant expanding the capacity of public transit systems to deliver more service, while not actually delivering more service.

In fact, while bus fleets across Canada have grown significantly on paper since federal capital investments were introduced by your government, there are fewer buses actually in service now than there were in 2012.

Allowing public transit service to fall apart destroys the value of the capital investments the federal government has made to date and plans to make in the future.

We cannot allow a situation where we are building subways and buying buses while laying off the workers needed to put that infrastructure into service. We cannot allow a situation where new subway or LRT stations are only ever useful to the people within walking distance to them because the feeder bus network has been allowed to fall apart.

Allowing a public transit death spiral to occur is an unacceptable policy choice.

We, the undersigned call on the federal government to:

- **Stop the public transit death spiral in budget 2023** by working with provinces to deliver additional operating funding support to prevent cuts in transit service.
- **Signal that the permanent transit funding program is being accelerated by two fiscal years** to permanently resolve public transit operating shortfalls while setting transit systems on a growth path consistent with Canada's climate ambitions.
- **Tie this next generation program to land use standards and zero-emission bus procurement requirements** that will deliver service expansion with clean buses, more affordable housing supply and stop sprawl through equitable transit-oriented development.

Once again, the federal government must show leadership and work with provinces to save public transit. The federal government must do this simply because the alternative is a

disaster for Canada's climate goals, and for the millions of people who rely on transit every day who have no other option.

Sincerely,



environmental
defence



Canadian Association of
Nurses for the Environment
Association canadienne des
infirmières et infirmiers pour
l'environnement



Citizens Environment Alliance



Équiterre^o



GREENPEACE



Additional Signatories:

Green13

JustEarth Coalition

Music Declares Emergency Canada