



environmental
defence



Transit over Traffic

Hard Truths for Addressing Gridlock in the GTHA



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About Environmental Defence

Environmental Defence is a leading Canadian environmental advocacy organization that works with government, industry and individuals to defend clean water, a safe climate and healthy communities.

For over 35 years, Environmental Defence has worked at the municipal, provincial and federal levels of government to safeguard our freshwater, create livable communities, decrease Canadians' exposure to toxic chemicals, end plastic pollution, tackle climate change and build a clean economy.

About Transport Action Ontario

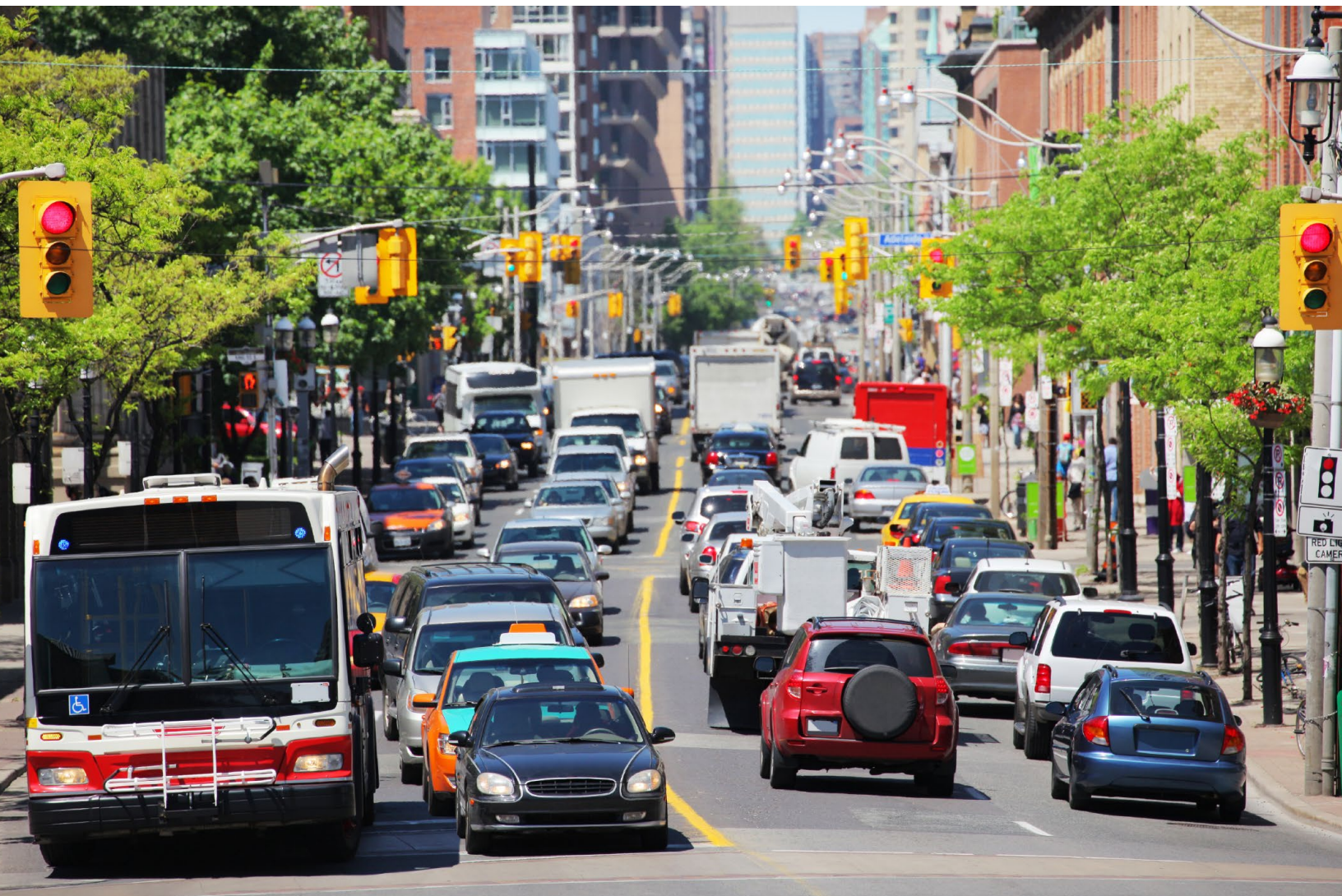
Transport Action Ontario is a non-partisan, non-profit, volunteer-based advocacy group focused on improving public transport across Ontario.

For 50 years Transport Action Ontario has worked with a broad cross section of stakeholders including public and private institutions, municipalities and the provincial government on building an integrated, barrier-free, public transportation system allowing car-free mobility. Transport Action Ontario advocates for cost-effective, low-risk solutions that promote environmental responsibility and wellness.



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Executive Summary

The Greater Toronto and Hamilton Area (GTHA) is at a crossroads. The GTHA's population continues to grow rapidly and along with it, traffic congestion. Various studies estimate the economic impact of congestion to be about \$10B/yr, and a recent report estimated the quality of life cost to be an additional \$35B/yr, for a total of \$45B/yr.

Residents, visitors to the GTHA, and governments' including Premier Ford's own government, agree that road congestion is a problem. Worldwide surveys routinely identify the GTHA as one of the worst regions for congestion. For example, a recent traffic index from TomTom shows Toronto has the 4th worst congestion in North America out of 106 cities.

Where experts disagree with the Ontario government's approach is in the current push to build more mega-highways and the under-the-401 highway tunnel. This report makes the case for cancelling three proposed highway projects (Highway 413, the

Bradford Bypass and the 401 Tunnel) and instead funding key public transportation projects that would actually reduce congestion. The report provides compelling evidence that the capital cost for these highway projects estimated at \$80 billion should be reallocated to rapid transit projects for maximizing public benefits.

Our research demonstrates that by focusing on investments that increase the frequency of transit while also constructing new transit lines, we can deliver real solutions to congestion. In Canadian urban centres, achieving 30% of trips by transit is readily achievable, easing pressure on roads and highways. In the case of the GTHA, an additional operating cost subsidy of \$3 billion/year would be needed - which could be largely funded by reversing recently-implemented driver subsidies in Ontario.

I. Ontario's response to the congestion crisis is making traffic problems worse

Regrettably, the Province of Ontario's approach to tackling traffic congestion is making the problem worse. The current approach includes:

A. Mismanagement and Cost Overruns of Higher-Order Transit Investments.

After decades of underinvestment, the current wave of large-scale capital spending (\$100 billion from three levels of government) on new higher-order transit projects, such as the Ontario Line subway, GO Train Expansion and new light rail transit (LRT) and bus rapid transit (BRT) systems in cities such as Toronto, Brampton and Hamilton - are welcome and very much needed to keep pace with population growth. And while there is truth in the government's claim that these are the largest capital investments in transit in North America - there are significant issues. First, dozens of badly-needed rapid transit projects remain unfunded, resulting in poor access to transit for the majority of GTHA residents whose car-dependency continues due to a lack of public transit alternatives. Second, delays, litigation and cost overruns have plagued many projects, including the GO Expansion, Toronto Lines 5 and 6 and Mississauga's McCallion Line. This means that new-in-place rapid transit capacity has not kept pace with the region's population growth nor does it provide value for money to Ontario's taxpayers.

B. Reduced Transit Operating Funding by Senior Levels of Government.

The Province has effectively cut permanent sources of public transit operating funding support such as the Dedicated Public Transit Fund (DPTF), and is only supporting new rapid transit operations through temporary, time-limited arrangements. The DPTF program remains at 2 cents/liter of gasoline sales, but since this funding source has not scaled with inflation, its purchasing power has eroded by roughly 30% since its inception. Since 2018, per-capita public transit service levels in municipalities across Ontario have declined, on average by 18%. This has had a disastrous effect on ridership as the most important factor to public transit's success is service frequency, in particular for bus networks. Simply put - governments are not prioritizing the operation of more frequent and convenient service to ensure that more people will use it.

Another concerning development is the recent cancellation of the Metrolinx contract with Deutsche Bahn (DB) under the GO Expansion project - allegedly because DB had aspirations to run higher train frequencies than Metrolinx wished.



C. Environmentally Damaging, Expensive and Ineffective Mega-Highway Projects.

Politically driven and very expensive urban highway projects will not address the congestion challenges facing the GTHA today due to the well-known induced demand effect. In 2022, the Auditor General of Ontario noted with concern that Highway 413 and the Bradford Bypass were prioritized at the request of the Minister of Transportation, despite advice from Ministry experts to the contrary. The Ontario government is also proposing a tunnel under Highway 401 at an estimated capital cost of \$50-100 billion with no publicly-released feasibility studies in place. Between Highway 413, the Bradford Bypass and the Highway 401 tunnel, the Ontario government will be committing approximately \$80 billion for projects that will exacerbate GTHA congestion in the next 25 years.

D. Significant Subsidies for Drivers.

The Ontario government has reduced general revenues by more than \$2.5 billion per year through gasoline tax reductions, the elimination of annual license plate fees, and the removal of tolls on Highways 407 East, 412 and 418 - all for the benefit of automobile drivers.

E. Changing Land-use Rules to Encourage Sprawl.

The Ontario government has reinforced land-use rules that promote sprawl, thereby locking Ontarians into increasingly car-dependent and less affordable neighbourhoods. These measures ignore the recommendations of Ontario's Housing Affordability Task Force to legalize as-of-right fourplexes and liberalize restrictive zoning to enable more secondary suites and laneway housing. Rather than encouraging density and affordability, the Ontario government has

facilitated growth outside established urban boundaries by weakening legal protections through changes to the Provincial Planning Statement and the Cutting Red Tape to Build More Homes Act (Bill 185).

What is Induced Demand?

There is a large body of evidence that new highways or additional lanes do not reduce "gridlock" in urban areas. This is due to the phenomenon known as induced demand whereby new road capacity always attracts more drivers. This phenomenon reflects a long-standing economic principle where making something more available and cheaper only increases its consumption. Indeed, the Ministry's own modeling shows crushing highway traffic congestion in the region by 2041 with or without the construction of the proposed Highway 413. A recent investigation by Global News, for example, revealed that, despite adding 134 kilometres of new lanes to Highway 401 across the province over the past decade, the Province of Ontario expects the congestion in Toronto to double (and speeds to decrease by half) on Highway 401 by 2051. Induced demand also exists for urban transit - as new services (e.g. higher frequencies) are introduced, ridership increases. This, however, is a positive and self-reinforcing outcome - and is the basis for our recommendation to increase transit operating funding.

"Adding car lanes to deal with traffic congestion is like loosening your belt to cure obesity." - Lewis Mumford, 1955.



II. Bold Action Required: Using Highway 413 as a Case Study

By using Highway 413 as a case study, we demonstrate that equivalent investments in three major transportation focus areas would provide better public transit options while also relieving congestion faced by commuters.

a. Focus Area One – Build Out Transit Capital Projects in the Western GTA Beyond Current Funded Projects (Total Cost: \$14 Billion)

The current planned capital improvements to the GO Transit rail network, called the “GO Expansion” project, stand as one of the GTHA’s most important funded transit initiatives. It proposes to bring all-day two-way 15-minute train service on core portions of five out of seven GO corridors. This capital program is anticipated to cost \$30 billion.

Beyond the “GO Expansion”, there are other important unfunded GO rail capital projects in the same geographic area as Highway 413.

- GO Kitchener Service Expansion - 85 km (Bramalea to Kitchener) at \$1.5 billion
- GO Bolton/Caledon - 30 km (Bolton to Weston) at \$1.0 billion
- Pearson Airport GO Connection - 5 km (spur line) at \$2.0 billion+

Municipalities are also still waiting for funding for public transit projects identified long ago - namely bus rapid transit and or light rail for Vaughan, Brampton and Mississauga. In addition to the higher order GO Rail projects identified above, the Province of Ontario could move forward with supporting one LRT project and two BRT projects:

- The recently-proposed “East-West Cross-Regional BRT Connector” running in the existing transitway right of way in the Highway 407 corridor from Yonge St to Milton - 43 km at \$6.4 billion
- The Brampton Main Street LRT - 4 km at \$2.8 billion
- The Brampton Queen St/York Hwy 7 BRT - 24 km at \$0.1 to \$0.5 billion

In total, these rapid transit projects would move 17,300 people per hour per direction, more than twice as many people per hour as Highway 413 at roughly the same capital cost.

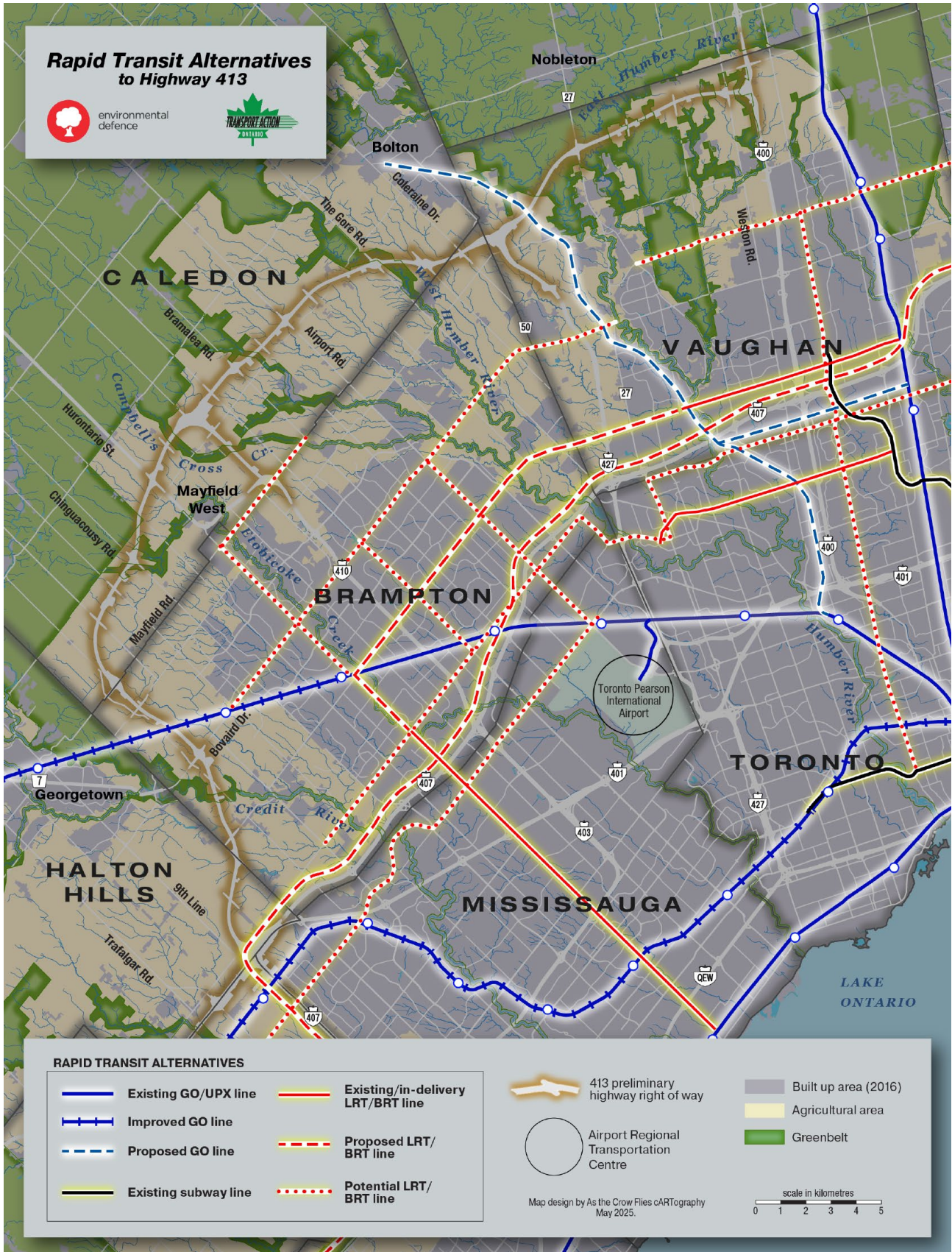


Table A: Comparison of GTA-West Rapid Transit Projects with Highway 413

Project	Estimated Capital Cost, \$ billion	Capacity Increase – people per hour peak direction
GO Kitchener Service Expansion - 85 km	\$1.50	1,300
GO Caledon - 30 km	\$1	2,000
Pearson Airport Kitchener Line Connector - 5 km	\$2.0+	4,000
East-West Cross-Regional Connector BRT (Yonge St. to Milton - 43 km)	\$6.40	3,000
Brampton Main LRT - 4 km	\$2.80	5,000
Brampton Queen St. – York Hwy 7 BRT - 24 km	\$0.1 - \$0.5	3,000
TOTAL TRANSIT	\$13.8 - \$14.2+	\$17,300
HIGHWAY 413	\$45,944	\$7,000 (a) ↴
(a) Three lanes per direction. Free flowing traffic (optimistic case) with 2 second spacing between vehicles. Average vehicle occupancy 1.25		

If some of the proposed funds of \$50 to 100 billion for the 401 tunnel are instead directed to transit, many more LRT/BRT projects could be funded, including those identified in this report for the western GTA, as shown in Map A.

Map A - Rapid Transit Alternatives to Highway 413



b. Focus Area Two - Expand Road Pricing or Tolling while Reducing Truck Tolls on Highway 407 (Total Truck Subsidy Cost: \$0.3 Billion/year)

Road pricing or tolling has long been recognized as having a positive impact on congestion. Success stories abound in many jurisdictions, including in the United States. There are many possible approaches. For the GTHA, the best road pricing structure would likely be a dynamic system with different costs-per kilometer ranging from 3 to 10 cents/km depending on the time, location and type of road.

A cost effective usage of tolls would be to facilitate Highway 407 as a goods-movement corridor by subsidizing truck tolls while maintaining tolls for automobiles. Efficient freight transport is important in the GTHA, yet only a small portion use the tolled Highway 407. A study by Eunomia found that subsidizing the toll on Highway 407 for truckers is a win-win solution, improving travel time for trucks and opening up capacity on Highway 401 for commuters. To avoid problems due to induced demand, tolls for automobiles on Highway 407 must be maintained, and should ideally be aligned with a broader road pricing scheme in the GTHA as discussed above.

Recent studies have shown that a truck toll rebate/discount on Highway 407 is substantially less costly than building Highway 413.

c. Focus Area Three - Support Western GTA Municipalities with Additional Operating Funds to Optimize their Public Transit Assets (Total Cost: \$0.75 Billion/year)

Historic experience has shown that the best way to grow transit system ridership is to create a high-frequency bus network that provides all day

‘everywhere-to-everywhere’ service where passengers can “show up and go” without having to worry about checking a schedule. A strong bus network can dramatically expand the catchment area of rapid transit stations by creating a feeder service into the rapid transit network - as not everyone can live in close proximity to a subway, light rail or BRT station. A strong bus network creates the necessary conditions for public transit to compete with the car.

There is a saying in transit circles that “rail service is capital-intensive, while bus service is labour-intensive”. This makes the transit operating budget as the primary constraint for supplying more bus service, while supplying more rail service comes from the capital budget. The federal government’s Canada Public Transit Fund that provides capital funding for public transit starting in 2026 has the potential to be transformative for rail, LRT and BRT in cities across the country. That funding, however, will do little to improve bus service.

Environmental Defence’s “Putting Wheels on the Bus” report estimates that about 1,700 buses across Canada are sitting idle because municipal transit systems can’t afford to run them. That’s 1,700 buses that could be moving people every day.

The current operating subsidies for all GTHA transit agencies total more than \$3 billion per year - if we were to double the subsidy for the region spanning Highway 413 (Halton, Peel and York Regions), those municipalities could double transit service, as well as participate in a reauthorized “One Fare” integration program and continue with installing bus-only lanes and transit signal priority. According to experts who have closely studied determinants, a doubling of transit service kilometres and transit service hours results in almost a doubling of ridership.



III. Conclusion

The GTHA is facing a congestion crisis. Modeling by Metrolinx indicates that even with an additional \$45 billion in transit investments beyond currently funded projects, the share of trips made by transit and active transportation would increase only modestly while road congestion would continue to worsen. The Ministry of Transportation's own modeling shows crushing highway congestion even if Highway 413 is built.

BOLD ACTIONS are needed.

Using the estimated \$80 billion from cancelling the three very costly highway projects and reversing the car-centric subsidies, we suggest the funds could be used to:

■ **Increase transit capital funding by reallocating funding from cancelling new highways.**

Public transit can move people more cost-effectively than highways. There is a long list of good higher-order transit capital projects that are currently unfunded. The projects cited in Table A would provide 120 km of new and expanded GO Train service and 71 km of LRT/BRT, at a total capital cost of \$14 billion. Assuming additional projects cited in this report are largely LRT/BRT at an average capital cost of \$300 million/km, an additional 220 km of rapid transit could be built. **(Total Cost: \$80 billion for 120 km GO and 290 km LRT/BRT)**

■ **Strengthen municipal public transit operating funding.**

The literature has shown that transit ridership is closely linked to transit service hours and bus frequency. To reduce congestion in the GTHA, 30% of trips need to be made by transit, double that of today. This requires an additional government subsidy of about \$3 billion/year across the GTHA, much of which can be found by reversing the recent car-enabling subsidies. **(Cost \$3 billion/yr, of which \$0.75 billion/yr for MiWay, Brampton Transit and York Region Transit)**

■ **Reverse car-enabling subsidies by reinstating higher gas taxes, fees and road tolls.**

Additionally, study region-wide congestion pricing or road pricing, as this is known to be effective in congestion management. **(Revenue generated: \$2.5 billion/yr - province wide)**

■ **Position Highway 407 as a useful corridor for efficient freight movement by truck.**

Studies have shown that subsidizing truck tolls on Highway 407 is more cost-effective than constructing Highway 413. However, to avoid induced demand, tolls for private vehicles should be retained, potentially aligned with a broader road-pricing scheme across the entire GTHA. **(Cost of truck subsidies: \$0.3 billion/yr)**

■ **Revise land use plans to stem urban sprawl.**

Current land use plans are still slanted too much in favour of sprawl in Ontario's countryside, and these areas are difficult to serve with transit. The Metrolinx Regional Transportation Plan flags the enormous challenge to transportation when much of the region's growth is in greenfield areas. There is no need for boundary expansion in the GTHA as all population growth to 2051 can be met by intensification. **(Cost: Marginal)**

For a total of \$80 billion capital expenditure and under \$1 billion/yr increased net operating annual subsidies, about 400 km of new transit can be built and operated frequently and reliably.

Together, these can set the GTHA on a new path to reduce gridlock for an improved economy and improved social well-being.