



## *Solutions in High Gear*

Paving the Way for Success in Canada's Transportation Sector

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2003





## *Neglect of transportation threatens our way of life*

The dynamic transportation sector is the unsung hero of Canada's economy, a pillar of our quality of life. Without our trains, planes, ships and semi-trailers traveling the continent – to the tune of hundreds of billions of dollars in business transactions each year – our enviable quality of life would literally be stuck in park.

Health care, culture, trade, international peacekeeping, tourism, education, and our clean environment, among other features of Canadian life that we take for granted, rely on our ability to move.

Yet, we forget. The average Canadian doesn't see how the green peppers get to the grocer, the fuel to the pump, or prairie grain to Africa, nor how clothing from Asia arrives in our stores, or tourists reach the Rocky Mountains.

Transportation, despite its enormity, is largely unnoticed. And inattention has allowed transportation issues to slip down the priority list so that we are reaching a crisis situation.

Canadians need to be aware of the crucial role transportation plays in our lives. And we need to know that without capital and creative investment, transportation's ongoing success is limited. If we don't act now and resume our role as a world leader in transportation, our way of life is in peril.

WESTAC, the Western Transportation Advisory Council, is committed to the needs of Western Canada's transportation sector and driving positive change to sustain and enhance this vital industry for the benefit of Canadians.





*“Economic growth fundamentally follows transportation infrastructure. The bottom line, whether it’s water, air or land, is that access to transportation has and will continue to play an important role in economic development.”*

CANADIAN COUNCIL OF CHIEF EXECUTIVES, 1997

## *Success in transportation is not guaranteed*

Without investment now, Canada’s transportation infrastructure will crumble.

- ▶ Roads are heavily used by the public to get to work, school and leisure activities, with traffic congestion a growing problem. Trucking companies deliver our everyday goods and much of our trade with the US. The TransCanada Highway, an important part of our daily lives, is inadequate and even unsafe in some areas.
- ▶ Airports must facilitate smooth transitions for tourists and other travelers as well as cargo. The smaller regional airports – important for regional mobility, access to health care and to attract people and jobs – often struggle to generate sufficient

revenues to operate.

- ▶ Railways need better connections to highways and ports, especially in congested urban areas. The 100-year-old New Westminster rail bridge on Canada’s west coast, for instance, must open for marine traffic, creating potential delays in moving goods.
- ▶ Ports are the trade life-lines that sustain our economic growth and prosperity. Failure to provide adequate facilities at larger ports might make Canadian exports more expensive or force exporters to use US routes and ports. Smaller ports, which link coastal communities, face reinvestment challenges.



## *Finding transportation investment dollars is critical*

The price tag required to fix Canada's highways and roads is in the billions of dollars. Addressing the most pressing infrastructure challenges at Canada's largest west coast gateway in Vancouver is estimated at \$7 billion.

Yes, it costs billions to ensure a strong transportation system that supports our quality of life. But, with creativity, entrepreneurship and political will, the money can and must be found.

Transportation infrastructure can be paid for by:

- ▶ Direct investment by one or more levels of government
- ▶ Public-private partnerships, in which the risks and costs are shared between

government and private investors.

- ▶ Private-sector investments
- ▶ Tolls paid by users

Creative funding can include:

- ▶ General purpose revenue bonds and tax-exempt bonds (through which government allows an investor to finance infrastructure with special bonds that offer tax shelters)
- ▶ A special transportation agency set up to receive and allocate revenue collected from sources such as fuel taxes and vehicle levies.



*If we neglect transportation, what's at risk?*

- *Will the ambulance be stuck in traffic?*
- *Will our exports reach customers?*
- *Will frustrations and costs of commuting grow?*
- *Will travel be affordable?*
- *Will our jobs be lost?*



## **Greater investment in transportation ensures:**

- ▶ **Enviably quality of life:** Canada's enviable standard of living and the benefits of social programs are not a source, but rather the result, of economic prosperity.
  - ▶ **Regional reach:** Six million Canadians live in rural and remote regions, where many of our mineral, forest and agricultural resources are located. An efficient transportation system brings Canada's resource-rich regions closer to major centers and export points.
  - ▶ **Jobs:** Hundreds of thousands of jobs depend on transportation.
  - ▶ **Tourism revenues:** Tourists spend over \$50 billion each year traveling in Canada.
- ▶ **Increased trade:** Exports account for 43 cents of every dollar earned by Canadians. If we don't ensure that our exporters get their products to market quickly, reliably and at the lowest possible cost, other countries will eagerly take away our customers, our markets and our jobs.

*"The most pressing reason for efficient transportation... is the one that makes economic and social prosperity possible. Namely, that Canada is a trading nation and successful trade requires a world-class transportation system."*

THE CANADIAN CHAMBER OF COMMERCE, 2002



## *Expensive problems need creative solutions*

We don't have enough money to do everything we want in transportation, but we do have abundant talent and expertise. We can find the creative solutions to complete critical projects. How?

Make priorities:

- ▶ We must invest wisely and creatively in the biggest bottlenecks where two modes of transportation meet and at key border crossings. Making wise personal transportation choices is part of the answer.

Exploit technology:

- ▶ Advancements in technology can cut costs, reduce pollution, create new markets and improve efficiencies.

Maximize Strengths:

- ▶ Each form of transportation offers

unique strengths that can contribute to greater efficiencies and productivity. For example, we can use air transport for time-critical deliveries, trucks for local distribution and rail for massive products shipped long distances.

Quantify the returns:

- ▶ A business case to both government and users must demonstrate that the return is greater with more investment in transportation today.

### *What you can do:*

- ▶ Speak up on behalf of transportation.
- ▶ Tell friends, family, colleagues and elected officials about transportation's benefits.

*The payoff? Greater prosperity!*



## Need more information?

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