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Green Action Centre will present to Council its thinking on sustainable funding for sustainable transportation (Key Strategic Goal Five of the TMP), which is summarized in this op-ed submitted to the Winnipeg Free Press.

It's time to get cars and trucks off welfare.

City Council's recent 25 cent fare increase to fund rapid transit provides a dramatic perspective on priorities in the capital budget now before Council.

The decision was hasty – even reckless – with no analysis of consequences, no consideration of other funding options, and no professional, public or provincial input. It has the potential to reduce rather than augment revenues if discretionary riders go back to their cars thereby increasing congestion and wear and tear on city streets. And it is regressive socially, putting an extra burden on low-income and disabled non-discretionary riders.

Meanwhile the city plans to spend $150 million on streets and bridges in 2012 alone, a 34% increase over 2011, but there is no attempt to collect extra revenues from motor vehicles, nor has there been for years. Even when planning new rapid transit infrastructure, the priority of Council seems to be maintaining subsidies for private vehicles. It's time for cars and trucks to get off welfare.

Fees for city services, for recreation, for sewer and water, for transit, and for garbage collection rise to meet incremental spending or inflation. But motor vehicles, which demand an increasingly expensive network of roads and bridges, are sacrosanct – untouchable as a source of revenue to meet their growing costs. Instead we hear a despairing lament about an "infrastructure deficit" and calls for a bigger share of sales tax, but not on fuel.

It is true that a portion of capital expenditures for streets and bridges is supported by federal and provincial fuel taxes. But the provincial tax has remained a constant 11.5 cents/litre for almost two decades, with no adjustment for inflation and no provincial sales tax on fuel. The gasoline tax rate is now worth only two-thirds its value in 1993, when the last increase occurred. An inflationary adjustment to the present would raise the provincial fuel tax to 16.5 cents/litre. Because sales tax is not added on to gas, the discount is even steeper. The average Canadian driver now pays a full eleven cents more in taxes on a litre of gas than we pay in Manitoba. Bringing gas taxes in line with the rest of the country would add well over 100 million dollars per year to our infrastructure budget.

What can the city do about this unsustainable inequity, which shifts the tax burden away from motor vehicles to other sources, including transit users? In the first place, we need to complete the vision of a sustainable Winnipeg with a commitment to sustainable funding and a shift to more sustainable modes of transportation. Cars and trucks should at least pay for the streets and bridges that enable their mobility.

If there is a gap between fuel revenues and road infrastructure needs, this should be used as an opportunity to work with the province to explore new funding options including a tax on registered vehicles, an increase in the fuel tax, increasing the property tax on parking lots, automated road and bridge toll billing facilitated by transponder technology, and other measures. Consideration of some of these options would free up millions of dollars needed to complete the southwest rapid transit corridor without raising bus fares. A sustainable Winnipeg means we all must pay our share, including drivers.

Councillors may wish to review the fuel tax comparison between Winnipeg, Toronto and Canada found at http://www2.nrcan.gc.ca/eneene/sources/pripri/prices_bycity_e.cfm?PriceYear=2011&ProductID=1&LocationID=66,17,15#PriceGraph. Note the average Canadian pays 37.9 cents/litre vs. 26.9 cents/litre for Manitobans.

A great source for transportation funding options is the Victoria Transportation Policy Institute. The following excerpt is from http://www.vtpi.org/tdm/tdm119.htm.

Although there are many possible funding sources, some are particularly appropriate because they support other planning objectives such as traffic and parking congestion reduction, more accessible land use development, pollution reductions, and increased Equity. Below are common funding options:

- Parking Pricing. Some jurisdictions and campuses dedicate public parking revenues to transportation programs.
- *Special Parking Taxes.* Some jurisdictions impose special taxes on commercial parking transactions or on parking facilities (Litman, 2006).
- Road Pricing. Some communities use road tolls and congestion fees to fund transportation programs, including roadway facilities, transit improvements and TDM programs.
- Fuel Tax Increases and Surcharges. Some jurisdictions dedicate a portion of fuel tax revenues to special transportation programs (such as dedicating 1% of fuel tax revenues to nonmotorized facilities), or impose an optional, additional fuel tax for local transportation programs.
- Carbon Taxes. These are special taxes based on fossil fuel carbon content, and therefore a tax on carbon dioxide emissions.
- *Dedicated local or regional sales taxes.* This may require a public referendum.
- *Payroll taxes.* Some jurisdictions impose a special tax on employers to finance public transportation or other commuter services. For example, about half the costs of Portland, Oregon's TriMet transit system if financed by a 0.72% payroll tax (ODOR 2010).
- *Transportation Impact Fees.* These are fees paid by developers based on the transportation costs imposed by their projects. For example, a developer may be required to pay for roadway improvements, public parking facilities (called *in lieu* fees), funding for a Transportation Management Association, walking and cycling improvements, or other programs that mitigate local traffic impacts.
- *Special Property Taxes.* Some jurisdictions impose special property taxes in areas served by transportation programs and services, sometimes called a *Local Improvement District* or *Land Value Capture* (Smith and Gihring 2003; Wetzel 2006; CTOD 2008).
- *Vehicle impact mitigation fees.* This is a fee on each vehicle registered in the region to pay for programs and projects that serve motorists and mitigate the negative impacts caused by vehicle traffic.
- *Business or Employee Assessments.* Some Transportation Management Associations and Commute Trip Reduction programs are funded by a special assessment on businesses in an area, based on floor area, revenues or number of employees.
- *Grants*, such as foundation or government grants to help fund programs and facilities, such as school transportation safety education, and transit stations.
- Require certain types of improvements on private properties (sidewalk installation and repairs, street trees, etc.) when real estate is sold (Shoup, 1996)
- *Special Funding For Transportation Problem Solving.* Various federal, state, provincial and private funds may be available for transportation programs that address specific problems. For example, TDM programs may qualify for U.S. federal Congestion Mitigation and Air Quality (CMAQ) funding, and Canadian sustainable infrastructure grants. Other funding programs support energy conservation and emission reduction activities, nonmotorized facilities (public trails and streetscapes) and encouragement projects, school trip pedestrian safety, Smart Growth and urban redevelopment activities, mobility services for transportation disadvantaged people (low income, people with disabilities, children, elderly people, etc.), and various other planning objectives that TDM strategies often support.

Green Action Centre proposes the following formal amendments to the Preliminary Capital Budget and Forecast.

The Public Service is directed to explore and evaluate a variety of alternative funding mechanisms for the implementation of sustainable transportation in Winnipeg, including options to be pursued in cooperation with the province, and options which can be pursued independently by the City.

In the absence of new transportation funding, the Public Service is directed to cap spending on roads and bridges at the sum of the Federal Gas Tax and Provincial Funding for Road Improvements ($243 million + $150 million = $393 million) for the next six years and reallocate the $58 million excess of road expenditures over these revenue sources to the Rapid Transit Capital Budget.