



THE NEED FOR AN INNOVATIVE APPROACH TO TRANSPORTATION FOR AN INCREASINGLY URBAN PROVINCE

ISSUE

Urban productivity, livability, and local community investment depends on the efficient and smooth movement of people, goods, and services. As urban areas continue to grow, new infrastructure, demand management tools, and innovative solutions will be required to maintain an efficient flow of people, goods, and services.

BACKGROUND

Canada, and B.C., are becoming highly urbanized. Urban population (% of total) in Canada was last measured at 81.35% in 2017, according to the World Bank.²⁶⁴

B.C.'s largest urban areas are at tidewater where a considerable number of our transportation bottlenecks are located.²⁶⁵ This affects transportation movements originating from outside these regions (goods moving from the remainder of BC, Western Canada, and U.S. to the ports and border crossings); trade from other nations (such as imports from Asia to B.C., Canada, and the U.S.), and economic activity generated within the metro Vancouver region.

B.C. is Canada's gateway to the Asia Pacific and ideally situated to benefit from the huge increase in trade traffic from the fastest growing economic region in the world²⁶⁶. Increasing trade volumes and populations place a noteworthy strain on our entire transportation system.

Funding for several major projects that expand the primary transportation infrastructure across the province has been secured,²⁶⁷ such as the Pattullo Bridge Replacement²⁶⁸ and the Broadway Millennium Line Extension project.²⁶⁹ These projects are key drivers of growth for the Province. However, many areas of the province still experience significant congestion, which results in lost productivity, increased costs, and harmful effects on the environment. B.C. needs to address these issues in order to remain prosperous.²⁷⁰

Our economic success in BC and Canada depends on our competitiveness on the world stage. We can't attract shippers to the ports in Vancouver if the goods will then be stuck on trucks in congestion getting to markets. We can't sell our natural resources on the world markets if the congestion delays absorb all profits or negatively

impact the quality of agriculture products.

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The Chamber understands the challenge governments face to fund the existing and future transportation needs in the Province. However, stalling decisions and funds aimed at developing the transportation system in the Lower Mainland, and the Fraser Valley where a significant portion of the future provincial growth and development is predicted to occur,²⁷¹ present a critical threat on the local, provincial, and national economies.

As noted above, the Lower Mainland and Fraser Valley are critical components of BC's Asia Pacific gateway, which depends heavily on an efficient and effective transportation system. Bottlenecks that arise due to the lack of funding, infrastructure, or stalled decision-making directly impact businesses across BC and Canada.²⁷² Furthermore, as urbanization increases throughout the province, similar bottlenecks will grow within our other major centers.

The Chamber understands that there is significant public resistance to additional taxation. Metro Vancouver residents are paying property taxes, gas taxes, parking sales taxes, and transit fees to support the transportation system. It is important to highlight, that gas taxes are a key funding component of the current system. The gas tax is not an ideal funding source due to volatility in commodity prices. Additionally, as hybrid and electric vehicles become increasingly prevalent, the gas tax will become less effective at raising revenue.²⁷³ In other words, as we effectively reduce the use of single occupancy vehicles and move towards more fuel-efficient vehicles, the funding source for further investments in public transit declines.

Policy makers should look to viable and equitable strategies for managing demand and congestion and for ensuring a sustainable funding source for current and future transportation infrastructure in light of a diminishing gas tax, rapid regional expansion, and steady population growth. The Provincial Government should consider all relevant funding options to replace the gas tax and secure funding for the growth of the region. Determining a solution that works will require the Provincial Government to learn from other jurisdictions and global best practices while considering the unique elements of Metro Vancouver's geographical location and role as Canada's Asia Pacific gateway.

Transit investments become more effective at reducing congestion if they are a critical component of a comprehensive strategy that includes mechanisms such as: complementary mobility pricing, mobility management strategies, and smart growth land use policies.²⁷⁴

If implemented in tandem with public transit improvements, mobility pricing is one of the policy levers that has been implemented in other jurisdictions to effectively manage demand on the transportation system, curb congestion, and provide stable funding for current and future transportation infrastructure.²⁷⁵ The economic benefits of investing in transportation depend on good traffic speed, and to achieve this in the long term, is to ensure that appropriate price signals are placed on the use of the transportation network (roads and bridges) across the region. This is resulting in the



global trend towards accepting mobility pricing as the optimal way to fund transportation improvements. Jurisdictions around the world are recognizing that to be sustainable, funding mechanisms should combine sustainability with the principle of user pay while managing traffic demand; one option to achieve this is a well-designed mobility pricing system. In circumstances where mobility pricing is approved, a comprehensive traffic demand strategy should be created to ensure that transportation solutions are integrated.

Mobility pricing is a means to directly charge levies for the use of roads, including road tolls, distance or time-based fees, congestion charges. Such charges are designed to provide funding, but more importantly influence congestion by discouraging driving on certain routes, discouraging travel at peak times, and encouraging the use of transit options.²⁷⁶ A mobility pricing model provides incentives that can be effectively utilized to manage demand. In the absence of effective price signals and capacity there will be an increase in single-passenger vehicles and use, which then leads to increased congestion and bottlenecks.

There is an opportunity for the Provincial Government to strengthen BC's transportation system by investing in transportation infrastructure and providing efficient, accessible, and reliable public transit service covering the entire region. Innovative mechanisms to manage current and future demand, provide the necessary funding to support current and future investments in transportation system, and ensure the efficient movement of people, goods, and services.

Investing in new capacity will not solve the cycle of congestion, a coordinated approach involving elements such as mobility pricing, infrastructure investments, and transit investments should be implemented. The Chamber has been consistent in its support for projects such as the Lower Mainland Gateway Strategy and the need for transportation infrastructure investments in other regions of the province. Underpinning this is a firm belief these projects can only be successful if the associated transportation networks receive related improvements to improve the flow of goods both now and in the future.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. commit to funding transportation infrastructure investment and implementing policies that are equitable, efficient, and contain basic traffic demand management principles in order to ensure the efficient and smooth movement of people, goods, and services throughout BC, in particular in increasingly urban areas of the province;
 2. make as a prerequisite of these visions the need for investment in public transit to provide viable alternatives to single passenger vehicle travel; and



3. review the financial impacts of eliminating the current gas tax and determine the most economically efficient policy for replacing the gas tax, such as mobility pricing, that gains public support while securing sustainable transportation funding.