

Passenger
transportation
in Québec:

BETTER CHOICES FOR CITIZENS

QUÉBEC PUBLIC TRANSIT POLICY




BRILLER
PARMI LES MEILLEURS

Québec 

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MESSAGE FROM THE PREMIER



As promised, our government is now making public its policy on public transit, entitled *Better Choices for Citizens*. It reflects Québec's aim to be a leader in sustainable development. Our *Sustainable Development Act*, the new strategy on energy and the Climate Change Action Plan are all a clear indication of our intention in this regard. The Québec Public Transit Policy is an extension of our government's consistent efforts along these lines.

It also brings us one step closer to the Québec we want by improving the quality of lives for today's Québécois, while building the future for our children.

Though our accomplishments are encouraging, we can still do better.

Québec is a North American leader in the realm of public transit. We have every right to take pride in the accessibility of our public transit systems and the use we make of them compared to other modes of transportation.

Yet we can do that much better by increasing the use of public transit.

And this is the overriding issue addressed by Québec's public transit policy. Our government is convinced that we can substantially increase ridership, which can only have a positive economic, environmental and social impact.

Getting everyone involved

We will achieve this by improving the services available to the public, investing in infrastructures and equipment, and offering new alternatives to motorists.

All this will be achieved by asking everyone to do their fair share: the government, municipalities, public transit authorities, users, motorists and employers. The federal government will also be involved because of the resources at its disposal.

Hence, the implementation of our public transit policy will depend on everyone's contribution. I am confident that those efforts will be forthcoming because it is in everyone's best interest.

Premier of Québec

A handwritten signature in blue ink, reading "Jean Charest".

Jean Charest

MESSAGE FROM THE

Minister of Transport



Public transit is a crucial issue for our society.

Urban development and prosperity as well as the quality of life of citydwellers depend on the accessibility and smooth operation of public transit. Public transit that provides people with outstanding service is a real alternative to the automobile, thus contributing directly to sustainable development, less dependence on oil and the battle against greenhouse gas emissions.

Investing in public transit is also a lever for economic development because of the transportation industry's role in our production chain.

Clear goals, realistic funding

The new policy on public transit published by our government embarks on the initiatives required to tackle this social challenge.

It is the result of an extensive consultation process. In it, our government sets clear goals, all of which aim to increase the use of public transit over other modes of passenger transport throughout Québec, in both urban and rural areas. Implementation of this policy depends on realistic financing consistent with everyone doing their fair share.

I therefore take great pride in unveiling Québec's first policy devoted exclusively to public transit – a policy that will contribute to improving the quality of our lives and, above all, to giving people better options.

Minister of Transport

A handwritten signature in blue ink that reads "Michel Després". The signature is fluid and cursive, with the first name "Michel" and last name "Després" clearly distinguishable.

Michel Després

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ACRONYMS

ACIT	Association des Conseils intermunicipaux de transport
AEE	Agence de l'efficacité énergétique
AMT	Agence métropolitaine de transport
ATCQ	Association Transports collectifs Québec
ATUQ	Association du transport urbain du Québec
CMQ	Communauté métropolitaine de Québec
CMTC	Conseil métropolitain de transport en commun
COTREM	Conseil des transports de la région de Montréal
CPI	Consumer price index
CUTA	Canadian Urban Transit Association
FQM	Fédération québécoise des municipalités
GHG	Greenhouse gas
IBT	Intermunicipal Board of Transport
LRT	Light rail transit system
MITA	Municipal and intermunicipal transit agency
MMC	Montréal Metropolitan Community
MTQ	Ministère des Transports du Québec
OPHQ	Office des personnes handicapées du Québec
PTA	Public transit authority
PTC	Public transit corporation
RCM	Regional County Municipality
REC	Regional Elective Council
RPTB	Regional Public Transport Board
SOFIL	Société de financement des infrastructures locales du Québec
SPTB	Standardized property tax base
UMQ	Union des municipalités du Québec



NOTE TO THE READER

This Québec policy focuses essentially on ground passenger transportation, including that for people with reduced mobility. Hence it applies to the following modes: urban and rural public transit, and interurban and intraregional transportation by bus. It also covers alternatives to the use of private automobiles, such as walking and cycling.

SUMMARY

The government is now making public Québec's new policy on public transit – *Better Choices for Citizens* – a policy directly in line with the implementation of sustainable development because of the economic, environmental and social dimensions of access to and use of public transit.

THE GOAL

The overall goal of the government's new policy is to increase the use of public transit throughout Québec, in both urban and rural areas.

- The government's goal is an 8% increase in public transit ridership by 2012.
- This increase will enable public transit to gain a greater share of all modes of passenger transportation.

To attain that goal, the government can count on modern, efficient public transit services, a higher rate of public transit use in Québec than elsewhere in Canada, and urban traffic levels that compare favourably to those in the rest of North America.

Despite this encouraging profile, the situation remains fragile, and the government, together with its partners, must take a number of initiatives to increase the use of public transit throughout Québec.

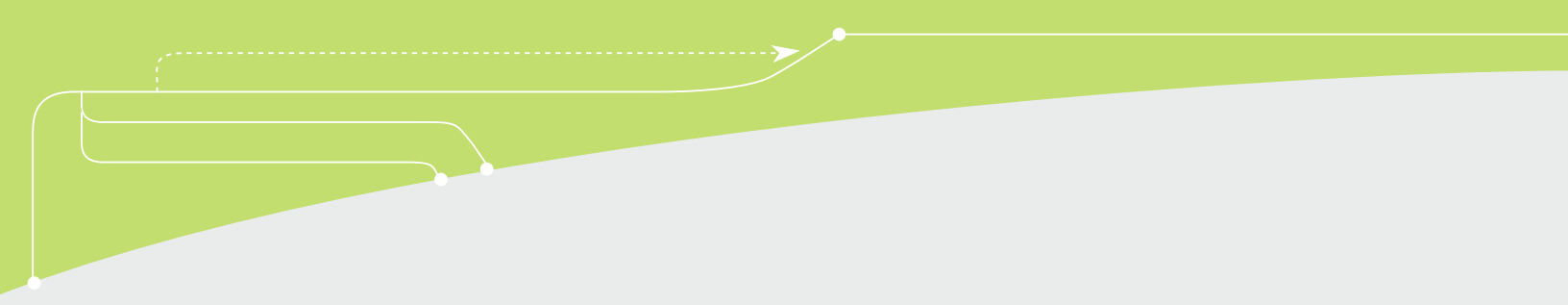
THE MEANS SELECTED

The government is adopting four sets of means to achieve its goal:

- The government wants everyone to do their fair share. Municipalities will retain primary responsibility for public transit. The government will serve as coordinator and coach while mainly assuming the bulk of the costs attached to upgrading and maintaining infrastructures and equipment, a sum that could amount to \$8 billion over the next ten years based on the estimates provided by public transit authorities.

In its new policy, the government spells out each partner's responsibilities as well as what it expects of Ottawa. The new policy also includes initiatives aimed at rectifying the imbalance in the Montréal area.

- The use of public transit depends on providing better services for the public. To achieve this, public transit authorities will receive direct incentives for improving the amount and quality of services they offer and encouraging people to make greater use of public transit, through direct aid for service improvements. The government will provide \$130 million a year for this purpose from the component of the Green Fund set up under the Climate Change Action Plan. There will be tax incentives to induce employers and workers to make greater use of public transit. Also, the government will pay special attention to public transit safety and security.

- 
- Initiatives are being taken to modernize and develop infrastructures and equipment. The effort aimed at upgrading infrastructures and equipment is already under way, with over \$2 billion invested in the past ten years, while the minimum amount needed for the next ten years is estimated at \$4.6 billion. More must be done, which is why public transit authorities will benefit from two funding programs for public transit: the creation of SOFIL's assistance program for public transit capital expenditures, and enhancements to the government's assistance program for public transit.
 - The government's new policy is not limited to supporting public transit. It is also backing other alternatives to the automobile. This aspect of the policy specifically targets sparsely populated municipalities, regional county municipalities, and regional elective councils, i.e. areas where there are few alternatives to driving, intraregional transportation by bus, access to buses and taxis by people with reduced mobility, public institutions, private enterprise and industrial parks where promising initiatives have to be encouraged, as well as walking and cycling. The government is also emphasizing initiatives aimed at improving the energy efficiency of passenger transportation by road.

The measures encompassed by this fourfold set of means are summarized in the table below.

EXPECTED RESULTS

Québec's public transit policy also sets out the main results the government expects to see in terms of ridership, the supply of services, energy consumption, pollutant and greenhouse gas emissions, and traffic congestion.

Québec's public transit policy

The goal Increase the use of public transit throughout Québec				
The target set An 8% increase in public transit ridership by 2012 (40 million more trips by public transit a year), thereby increasing public transit's share of all modes of passenger transportation				
The means selected				
1 Have everyone do their fair share	2 Improve the services available to the public	3 Modernize and develop infrastructures and equipment	4 Support further alternatives to the automobile	
Municipalities: Primary responsibility <ul style="list-style-type: none"> • Municipalities bear financial responsibility for operating costs • Extra assistance for capital expenditures on top of government funding Public transit authorities: Provide quality services efficiently The government: Serve as coordinator and coach Users: The main beneficiaries, who have to bear their fair share of the costs Motorists: Beneficiaries who must also do their share Employers: Facilitating beneficiaries The federal government: A new partner The Montréal area: An imbalance to rectify Appointment of an agent and financial proposal expected from the MMC by September 30, 2006 Governance of public transit authorities <ul style="list-style-type: none"> • Government openness • Important to avoid wall-to-wall solutions 	Direct funding for service improvements <ul style="list-style-type: none"> • \$130 million a year to improve the services available to the public • Public transit envelope from the Green Fund set up as part of the Climate Change Action Plan • Matching funding from municipalities • Signature of performance agreements between the government, municipalities and public transit authorities concerned Tax incentives for public transit <ul style="list-style-type: none"> • Public transit passes • Reimbursement of the diesel fuel tax New initiatives to bolster public transit safety and security	Improved government assistance for capital expenditures <ul style="list-style-type: none"> • SOFIL's assistance program for public transit capital expenditures • The government's assistance program for public transit Improvements to the government assistance program for public transit <ul style="list-style-type: none"> • An innovation dimension • New eligible expenses • A three-year financial framework • Eligibility of municipalities with a population under 20,000 • Access to transportation for people with reduced mobility 	Sparsely populated municipalities <ul style="list-style-type: none"> • Enhancements to the assistance program for rural public transit • Incentive for making the regional elective council responsible for coordinating public transit in rural areas Intraregional transportation by bus and access to buses and taxis <ul style="list-style-type: none"> • Funding for regional connections • Specific support for transportation for people with reduced mobility Initiatives by public institutions, private enterprise and industrial parks Incentives for walking and cycling More energy-efficient passenger transportation by road	

INTRODUCTION

The government is now making public its policy on public transit, entitled *Better Choices for Citizens*.

- More than ever before, the development and optimal use of public transit poses a social challenge: Chapter 1 discusses this fact by reviewing the close ties between public passenger transportation, urban prosperity, economic growth and sustainable development.
- Chapter 2 states the new policy's goal and the four means selected to attain it. Above all, the government wants to increase the use of public transit and will achieve this by relying on major assets that must be put to the best possible use.
- Chapters 3, 4, 5 and 6 detail each of the four means being implemented in order to describe the initiatives under way to attain the goal.

Thus Québec's public transit policy covers in turn:

- the respective roles of the various parties involved in public transit, namely, municipalities (who bear primary responsibility in this area), the government, public transit authorities, users, motorists, employers and the federal government;
- the steps taken to improve services;
- the efforts made to modernize and develop **infrastructures and equipment**;
- the initiatives selected to provide new alternatives to the **automobile**.
- Chapter 7 presents the main results expected from the implemented policy.
- In **conclusion**, with its public transit policy, the government is reiterating its underlying conviction: even though its track record is highly encouraging, public transit can assume a greater role and people can be given choices that will benefit society as a whole.

A SOCIAL CHALLENGE





PUBLIC TRANSIT: A SOCIAL CHALLENGE

The development, good condition and increased use of public transit pose an undeniable social challenge due to the economic, environmental and social factors related to its existence and accessibility.

1.1 A PREREQUISITE FOR URBAN DEVELOPMENT AND PROSPERITY, AND QUALITY OF LIFE FOR CITYDWELLERS

In urban areas, public transit is essential for agglomerations to function properly. It is a priority means of combatting traffic congestion and reducing greenhouse gas emissions. It is worth recalling that in 2003, transportation alone accounted for nearly 37.5% of greenhouse gas emissions in Québec. Public transit is an essential infrastructure, just like the road network and water and sewer systems. Could we imagine Montréal today without its metro or other public transit services, or Québec's large cities without bus lines?

In sparsely populated areas, public transit also has a social function. Just like in urban areas, for many people who live there it is the only means of getting to work, health establishments and schools, or of taking part in recreational activities.

Providing Québecers with reduced mobility and who are wheelchair users with access to means of transportation is an economic and social concern.

1.2 A CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Every time there is a shift from travelling by automobile to using public transit, it helps to:

- decongest road traffic;
- reduce emissions of pollutants and greenhouse gases;
- meet the transportation needs of workers, seniors, students, people with reduced mobility and people with modest incomes;
- reduce traffic accidents, health costs, and insurance premiums for drivers and the population as a whole;
- encourage walking and counter the sedentary lifestyle associated with always driving;
- make visitor stays more enjoyable by providing means of transportation.

On April 13, 2006 the Québec government passed the Sustainable Development Act. It “[*Unofficial translation*] establishes new rules of governance in the entire public administration by ensuring the coordination, coherence and harmonization necessary in its work so that the environment, society and the economy are factored into every decision. With this statute, the government can exercise leadership, set an example, fulfil its role of stewardship over resources with greater efficiency and quality, and guarantee the success of Québec's sustainable development plan.”

The government's desire to support and further the development of public transit is one of the preferred means of achieving sustainable development in Québec. The priority assigned to public transit aims to meet today's needs without compromising the ability of future generations to deal with theirs. It reflects a commitment to take into consideration the indivisible nature of the environmental, social and economic dimensions of transportation activities.

1.3 A LEVER FOR ECONOMIC DEVELOPMENT

Public transit is a lever for economic development. Today's economy depends on skilled labour and just-in-time production strategies. Within the context of globalization and the integration of the North American market, economic growth and the ongoing competitiveness of Québec businesses and regional economic centres demand efficient, competitive and safe transportation networks and systems. This makes it important to have an integrated vision that encompasses public transit and its positive impact on traffic conditions.

For employers, access to public transit is very often a factor in locating their business. Efficient public transit systems help improve the quality of life of their employees and broaden the pool of labour their enterprise can draw on.

Moreover, investments in public transit produce substantial economic benefits for Québec. Over 11,600 people work for transit corporations and private firms that provide public transit services, not to mention over 3,500 indirect jobs with suppliers.

In the Montréal area alone, purchases of goods and services for public transit authorities amounted to \$284 million in 2003.¹ The production of public transit equipment is a very well-established industry in Québec. Companies such as Bombardier, Prévost, Novabus and Alstom are leading producers of top-quality equipment. In addition to their employees, there are over 5,000 jobs at their suppliers, most of whom are also based in Québec.

1.4 A MEANS OF SAVING ENERGY AND REDUCING THE USE OF PETROLEUM PRODUCTS

Increasing use of public transit is an effective means of reducing the use of petroleum products through a shift from the automobile to public transit modes. Québec depends entirely on imports for its supply of oil. Gasoline and diesel fuel prices jumped by 44% from 2002 to 2005.² In addition to environmental, social and economic reasons, it is entirely in Québec's interests to rationalize its use of petroleum products, reduce transportation costs and foster improvements to public transit availability.

On May 4, 2006 the government published the *Quebec Energy Strategy 2006-2015 – Using Energy to Build the Québec of Tomorrow*. The strategy aims to [achieve leadership in sustainable development] “by developing our own potential for renewable energy, by investing in energy efficiency, by increasing the pace of development and implementation of new energy technologies.” The government's objective is to reduce our dependency on petroleum products for transportation and heating buildings. The energy-saving objective it has set is a 10% reduction in present-day consumption by 2015.

To achieve this, the government will propose an energy-efficiency plan that covers every market and all forms of energy. The Agence de l'efficacité énergétique has a mandate to identify the cost-effective energy-savings that can be achieved.

Québec's new public transit policy will make a direct contribution to the implementation of those means.

1. BOARD OF TRADE OF METROPOLITAN MONTREAL. Public Transit: A powerful economic-development engine for the metropolitan Montreal region. Montréal: La Chambre, December 2004. 35 f. http://www.cmm.qc.ca/documents/memoires/2004_2005/BTTM_PublicTransit_study.pdf

2. *Bulletin d'information sur les prix des produits pétroliers au Québec*. Montréal: Régie de l'énergie, 1997. http://www.regie-energie.qc.ca/energie/petrole_tarifs.html.

1.5 A MEANS OF COMBATTING GREENHOUSE GAS EMISSIONS

Public transit is also a good means of reducing greenhouse gas emissions and thereby combatting climate change.

Climate change represents a serious threat to ecosystems and the entire planet. In Québec, it is already affecting public health and safety, as well as the integrity of infrastructures and various building structures, not only in northern and coastal areas, but virtually everywhere. For example, climate change is taking the form of more frequent and intense occurrences of extreme weather such as ice storms, torrential rain, heat waves and coastal storms, with all the ensuing consequences. These changes are also modifying the abundance and quality of natural resources, and making the environment fragile. In urban areas, they lead to more smog alerts and intense heat in summer.

Climate change is forcing countries to make their economies more carbon-clean while coping with growing global competition. More than ever before, Québec is determined to meet the challenge of global warming by developing its economy in a sustainable manner and preparing to adapt to the anticipated impacts.

In 2003 Québec definitely had the best record in Canada in terms of per-capita greenhouse gas emissions. They averaged 12.1 CO₂-equivalent tonnes per capita, compared to 16.8 in Ontario and 71 in Alberta, while the Canadian average stood at 23.4. This fine performance is mainly the result of Québec's past investments in a clean, renewable energy source: hydroelectricity. Close to 97% of the power generated in Québec comes from this source.

Québec is also in the forefront in transportation. The automobiles on its roads are among the most energy-efficient in Canada, and Montréal ranks among the top cities in North America for public transit ridership. Yet this outstanding performance must not compromise the need to sustain the effort to reduce greenhouse gas emissions, especially in the transportation sector.



Source: Ministère des Transports du Québec

Despite this good record, recent trends are worrisome. From 1990 to 2003³ Québec's greenhouse gas emissions increased by 6.6%. This rise is mainly due to the transportation (19.9% increase in emissions) as well as residential, commercial and institutional sectors (19% increase), while industrial emissions dropped by 6.8% during the same period. In 2003 road transportation alone accounted for 32.1% of Québec's greenhouse gas emissions and had climbed by 21.6%.

Based on the growth scenarios currently available, there is every likelihood this trend will continue unless something is done. Québec's 2006-2011 Climate Change Action Plan, which the government recently made public, aims precisely to curb that trend and reduce greenhouse gas emissions in order to fulfil its commitment to contributing to the attainment of Canada's objectives under the Kyoto Protocol.

3. MINISTÈRE DU DÉVELOPPEMENT DURABLE, DE L'ENVIRONNEMENT ET DES PARCS. *Inventaire québécois des gaz à effet de serre en 2003 et évolution depuis 1990*. Québec: MDDEP, 2006. <http://www.mddep.gouv.qc.ca/changements/ges/2003/index.htm>.

1.6 A MEANS OF IMPROVING PUBLIC HEALTH AND QUALITY OF LIFE

Public transit as well as walking and cycling have a direct impact on quality of life and public health.

- By reducing the use of automobiles, public transit makes it possible to cut down on the air pollutants associated with fuel combustion. There is a direct relationship between the amount of automobile use and occurrences of smog in big cities. The reduction in smog through the use of public transit curbs the effect of air pollution on public health.
- Replacing automobiles with public transit also has a positive impact on the frequency of traffic accidents.
- In addition, walking and cycling contribute directly to the health of their practitioners. As we all know, these ways of getting around are one of the solutions for improving the physical fitness of Québécois and countering obesity.

Whether viewed from an economic, social or environmental standpoint, the development of public transit is therefore truly a social challenge.

All studies agree in emphasizing the priority nature of supporting public transit and the positive impact such support would have on society as a whole.

THE GOAL SET AND THE MEANS TO ATTAIN IT



Source: Agence métropolitaine de transport.

THE GOAL SET AND THE MEANS TO ATTAIN IT

2.1 THE NEW POLICY'S GOAL: GREATER USE OF PUBLIC TRANSIT

With its policy on public transit, the government is pursuing an overall objective of increasing the use of this mode of transportation by people throughout **Québec**. From 2003 to 2004, public transit ridership dropped by 1% in Québec while increasing in the other Canadian provinces.

This trend has to be curbed.

- The government is targeting an 8% increase in ridership by 2012.
- This growth will enable public transit to increase its share of all modes of passenger transportation in Québec's main agglomerations.

The target means 40 million more trips, which would bring the total number of public transit trips in Québec to approximately 550 million. That increase is equivalent to the number of trips handled every year by Québec City's transit system.

Graph 1 - Change in the modal share of public transit in Québec, 1991-2016
(working days in autumn)



Source: Origin-destination survey in the Montréal, Québec City, Outaouais, Trois-Rivières and Sherbrooke areas.

2.1.1 Assets

The government can count on a number of assets to attain its goal.

2.1.1.1 Modern and efficient public transit services

First of all, Québec has modern, efficient, quality public transit services that already benefit over 70% of the population. The replacement cost value of public transit infrastructures and equipment amounts to over \$16.6 billion: \$12.8 billion for the Montréal metro alone, \$1.3 billion for commuter trains, and \$2.5 billion for the bus system (garages, buses etc.).

There are nine⁴ public transit corporations operating systems in Québec's six largest agglomerations. Also, in the Montréal area, the suburbs are covered by nine intermunicipal boards of transport, three municipal and intermunicipal transit agencies and a regional public transport board. In the Montréal area, the Agence métropolitaine de transport coordinates and supports the funding of transit services that have a regional scope. Elsewhere in Québec, nine municipalities with a population over 20,000 benefit from the government assistance program for public transit. Appendix II describes the roles of the various public transit players in Québec.

The pooling of public transit services is progressing rapidly in rural areas. Here we mean school buses, paratransit, medical transport, taxis and car-pooling. It involves creating a single window for providing transportation throughout a regional county municipality. This approach seeks to improve use of the resources available within a territory, and involves modes of transportation mainly subsidized by the Québec government.

The plan to pool services was bolstered in 2003 by creation of the government assistance program for public transit in rural areas. To date, 61 regional county municipalities out of a potential 81 have benefited from a total of nearly \$2.5 million in government funding under a financial arrangement in which the municipalities are the government's partners.

Moreover, within the context of the work being done to modernize government and the government's project to foster regional and municipal autonomy, it is encouraging agreements to be signed with regional elective councils to experiment with projects for optimizing and integrating public transit services at the regional level.



Source: Ministère des Transports du Québec.

2.1.1.2 Substantial use compared to elsewhere in Canada

Another asset is that Québecers already make substantial use of public transit.

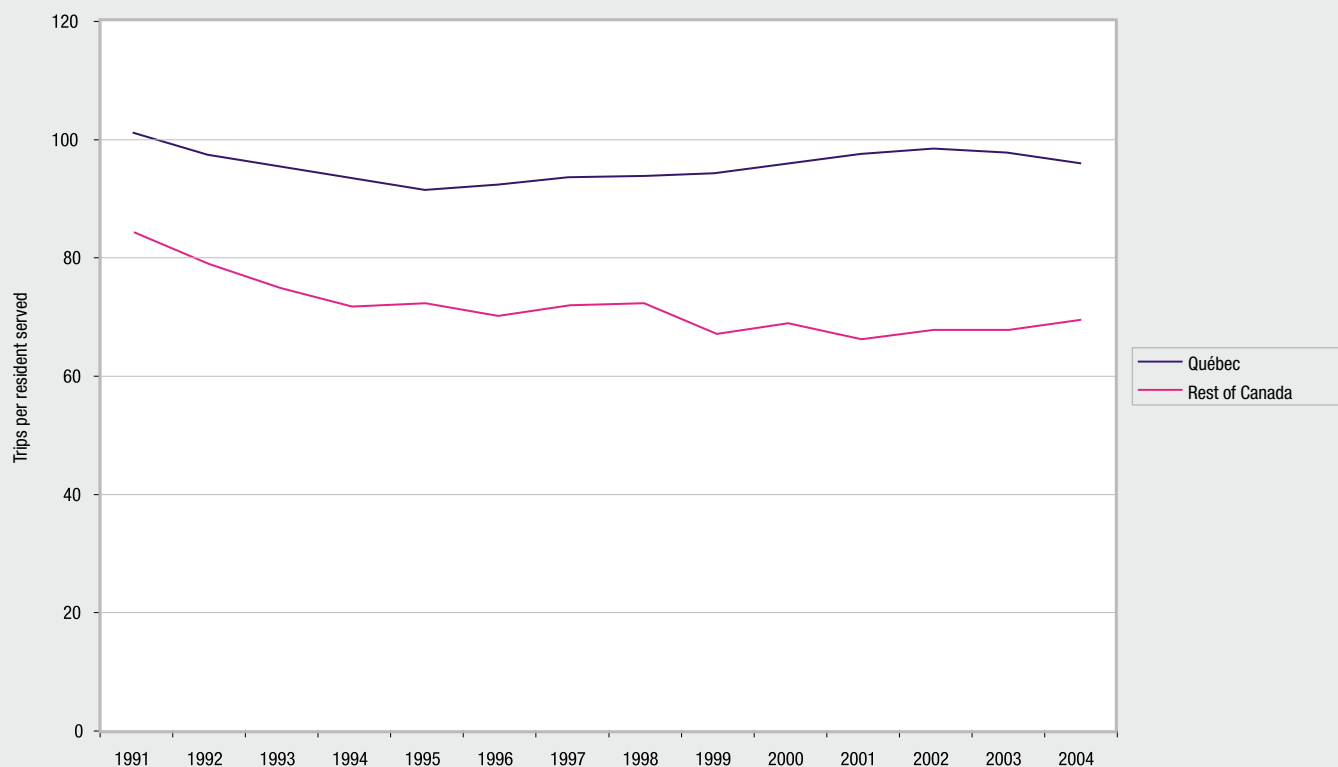
In 2004, some 510 million trips were made by public transit in Québec, accounting for nearly one third of the Canadian total. Québec is also noteworthy for having a far higher usage rate of public transit services than is found in the rest of Canada.

Yet as Graph 2 on the following page shows, this lead has narrowed in recent years.

Table 1 compares the number of public transit trips per capita in Québec with rates elsewhere in Canada. Québec comes in first with the highest rate of public transit usage (95 trips per capita, compared to 80 in Ontario and 59 in British Columbia).

4. See Appendix I.

Graph 2 - Change in the number of public transit trips per resident served in Québec and the rest of Canada, 1991-2004



Source: Internal data from the Ministère des Transports du Québec and statistics for the rest of Canada from the Canadian Urban Transit Association, *Operating Statistics of Canadian Urban Transit Systems, 1991 to 2004*.

Table 1 - Use of public transit in Québec and elsewhere in Canada, 2004

Province	Population served	Annual ridership	Trips per capita, 2004
Québec	5,385,790	509,246,486	94.6
Ontario	8,769,106	700,159,258	79.8
Alberta	2,065,225	137,872,534	66.8
Manitoba	639,396	39,424,636	61.7
British Columbia	3,290,872	192,578,502	58.5
Nova Scotia	404,000	17,188,976	42.5
Saskatchewan	445,175	15,820,392	35.5
Newfoundland & Labrador	145,000	3,147,332	21.7
New Brunswick	240,599	5,056,620	21.0
Northwest Territories	41,205	449,417	10.9

Source: Internal data from the Ministère des Transports du Québec and statistics for the rest of Canada from the Canadian Urban Transit Association, *Operating Statistics of Canadian Urban Transit Systems, 1991 to 2004*.

2.1.1.3 Urban traffic levels that compare favourably to those in the rest of North America

Regarding traffic, Montréal ranks high among North America's agglomerations in terms of time spent travelling. The level of traffic congestion in Montréal is less than that found in similar-sized American cities, mainly because of the high population density and more widespread use of public transit.

Traffic congestion, however, remains a worrisome phenomenon. It basically affects big cities, especially Montréal, but also Québec City and Gatineau. In the Montréal urban area, the annual cost of recurrent congestion was an estimated \$779 million⁵ in 1998, most (73%) attributable to the extra time it takes drivers to commute between home and work.

The cost of congestion to business amounts to \$97 million, including \$70 million for trucking and \$27 million for employees travelling to and from work by road.

2.1.1.4 Converging indicators

These different findings can be summed up in one general observation: over the years, Québec has acquired efficient, safe, quality public transit services. If we compare the current situation in certain cities in Québec with that in comparably sized cities in Canada or the United States, many indicators point to Québec being in a good position.

- In terms of fares, the average price of regular and discount passes is lower in Québec than in other Canadian cities.
- The performance of Québec's public transit authorities compares favourably with that of their counterparts across Canada.
- On the outskirts of the large centres, the intermunicipal boards of transport and municipal and intermunicipal transit agencies that for 20 years have been using private enterprise serve as a model whose effectiveness is proven by a sharp increase in service availability. With the creation of the Agence métropolitaine de transport, the addition of several commuter train lines has substantially increased the services available in the Montréal area.

- Finally, in less urbanized areas, over half of the regional county municipalities have set up a public transit window, and more and more regional elective councils hope to propose various formulas for region-wide integration.

2.1.2 A still-fragile situation

Despite this encouraging record, the situation remains fragile and recent trends are cause for concern.

In fact, the use of public transit has grown more slowly than the use of automobiles, and today public transit is still seeing its share of urban trips shrink, as shown in Graph 3 on the next page.

- In the Montréal area, for example, public transit's share of all motorized trips dropped from 22.5% in 1991 to 19.5% in 2003 according to origin-destination surveys.
- Overall, in Québec's main urban centres, public transit's share of all motorized trips shrank from 20.3% in 1991 to 16.5% in 2003.
- The situation is similar in most agglomerations in North America and the rest of the world.

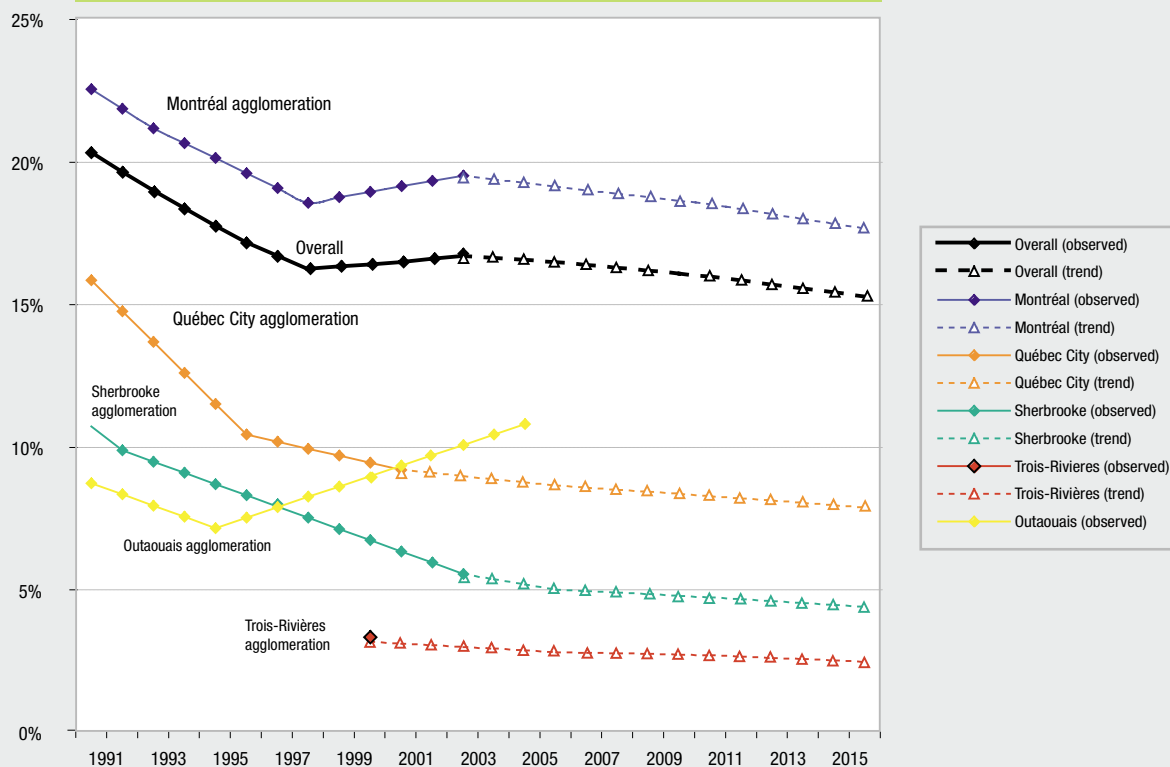
The rise in the number of automobiles on the road is mainly due to higher household net income and the fragmentation of activities.

Based on 2001 census data (the most recent figures available), Table 2 compares the shares of the different modes of transportation for home-work trips in select Québec cities to those in a few other Canadian agglomerations of similar size.

Public transit's share of all motorized modes is declining in Québec's largest cities. The Ministère des Transports du Québec forecasts, shown in Graph 3 below, point to this trend continuing in the years ahead unless something is done. It is necessary therefore to reverse the trend.

5. Louis GOURVIL, *Évaluation de la congestion routière dans la région de Montréal*. Montréal: Transports Québec, 2004. XXI, 88 p.

**Grat 3⁶ - Change in the modal share of public transit
in certain Québec agglomerations,
1991-2016 (working days in autumn)**



Source: Origin-destination survey in the Montréal, Québec City, Outaouais, Trois-Rivières and Sherbrooke areas.

6. The territories indicated here are those covered by the regional origin-destination surveys for each agglomeration. In each case, they cover the census metropolitan area (CMA) as defined by Statistics Canada. For more details about the origin-destination surveys and their coverage, as well as the overall findings, see <http://www1.mtq.gouv.qc.ca/fr/services/documentation/statistiques/enquetes/>.

**Table 2 – Modal share of public transit
in select Canadian agglomerations, 2001**

Population		Modal share Home – work trips			
System	Province	Automobile	Public transit	Walking	Other
Population over 1 million					
Toronto	Ont.	71.4%	22.4%	4.6%	1.6%
Vancouver	B.C.	79.2%	11.5%	6.5%	2.8%
Montréal	Qué.	70.4%	21.7%	5.9%	2.0%
Population of 150,000 to 1 million					
Winnipeg	Man.	78.4%	13.2%	6.1%	2.3%
Québec City	Qué.	81.2%	9.8%	7.0%	2.0%
Hamilton	Ont.	85.3%	8.0%	5.1%	1.6%
Population under 150,000					
Sudbury	Ont.	87.0%	4.9%	6.6%	1.5%
Sherbrooke	Qué.	85.7%	5.6%	7.2%	1.5%
Saint-John	N.B.	87.0%	4.3%	6.9%	1.8%

Source: Statistics Canada, 2001 Census.

2.2 THE GOAL: AN 8% INCREASE IN RIDERSHIP BY 2012

With this policy, the government is pursuing the general objective of increasing the use of public transit in **Québec**.

It has set a specific target: we should be able to achieve an 8% increase in public transit ridership by 2012.

- This target means an additional 40 million trips on top of the approximately 510 million trips now taken annually by public transit users in Québec.
- This will make it possible to reverse the trend and increase public transit's share of all trips by people in Québec's main agglomerations.

Before 2012, the results achieved will have to be evaluated to determine if any adjustments are needed. A new target will be set for another five-year term.

2.3 THE MEANS SELECTED

To attain this goal, the government has chosen four sets of means:

- getting everyone to do their fair share;
- improving the services available to the public;
- modernizing and developing infrastructures and equipment;
- at the same time, supporting other alternatives to the automobile.

TO DO THEIR FAIR SHARE



Source: Société de transport de l'Outaouais.

GETTING EVERYONE TO DO THEIR FAIR SHARE

Greater use of public transit is based on the assumption that all parties involved must do their fair share. In specifying this first means of attaining its objective, the government is therefore calling on municipalities (who bear primary responsibility for public transit), as well as on public transit authorities, users, motorists, employers and the federal government to help.

They all have a role to play in the governance or funding of public transit. The government intends to spell out these various responsibilities while taking into consideration the situation of each region, and especially the Montréal area, where the demands of public transit greatly exceed the bounds of a single municipality.

The government also wants to reiterate the role it intends to play in public transit: the role of coordinator and coach, with, in the latter case, a focus on funding capital expenditures and offering specific assistance for the improvement and development of services.

3.1 THE PRESENT SITUATION: WHO PAYS WHAT FOR PUBLIC TRANSIT?

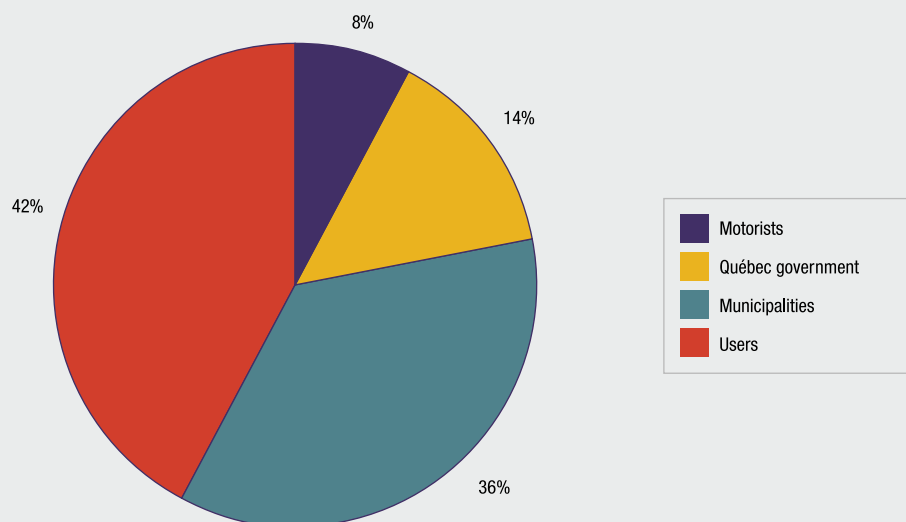
First, a brief description of current public transit funding is in order.

From 1991 to 2004, the annual expenditures of public transit authorities, including the Agence métropolitaine de transport, rose by 34% from \$1.1 to \$1.5 billion. During that period, the consumer price index climbed by 21%.

Expenditures are funded by contributions from a set of partners, namely, users, motorists, municipalities and the Québec government. Graph 4 shows their relative contributions in 2004.

The Québec government became involved in funding public transit in the early 1970s at the request of municipalities in order to back a mode of transportation that sustains the economy while improving the quality of urban life and mobility of low-income earners. Hence the government provided the funding for major investments that municipalities lacked.

Graph 4 - Financial contributions of public transit partners in Québec, 2004



Sources: Public transit authority annual and operating reports.

Today, funding takes the following form:

- The Québec government subsidizes capital expenditures, thereby covering most of the capital spending of the Agence métropolitaine de transport and transit corporations. It provides intermunicipal boards of transport as well as municipal and intermunicipal transit agencies with operating grants that cover a portion of the capital expenditures included in the contract fulfilled by private firms. It also provides funding for the operating expenses of the Agence métropolitaine de transport and transit corporations by transferring the proceeds of the fees and tax levied on motorists through provincial taxation.⁷
- The municipal share of public transit funding climbed from 26% in 1991 to 40% from 1992 to 1995, then dropped to 35% by 2000. It subsequently rose to 36% in 2004.
- Meanwhile, users' share of funding public transit has climbed more or less steadily from 34% in 1991 to 42% in 2004. The improvement in the self-funding ratio is due mainly to a sharp rise in fares, particularly in recent years. Fares are generally equivalent to those in other Canadian agglomerations of the same size, with the exception of regular or discount passes, which cost less in Québec. Table 3 compares the fare schedules of select Québec cities with those of comparably sized municipalities elsewhere in Canada.

Table 3 - Public transit fares in select Canadian agglomerations, 2006

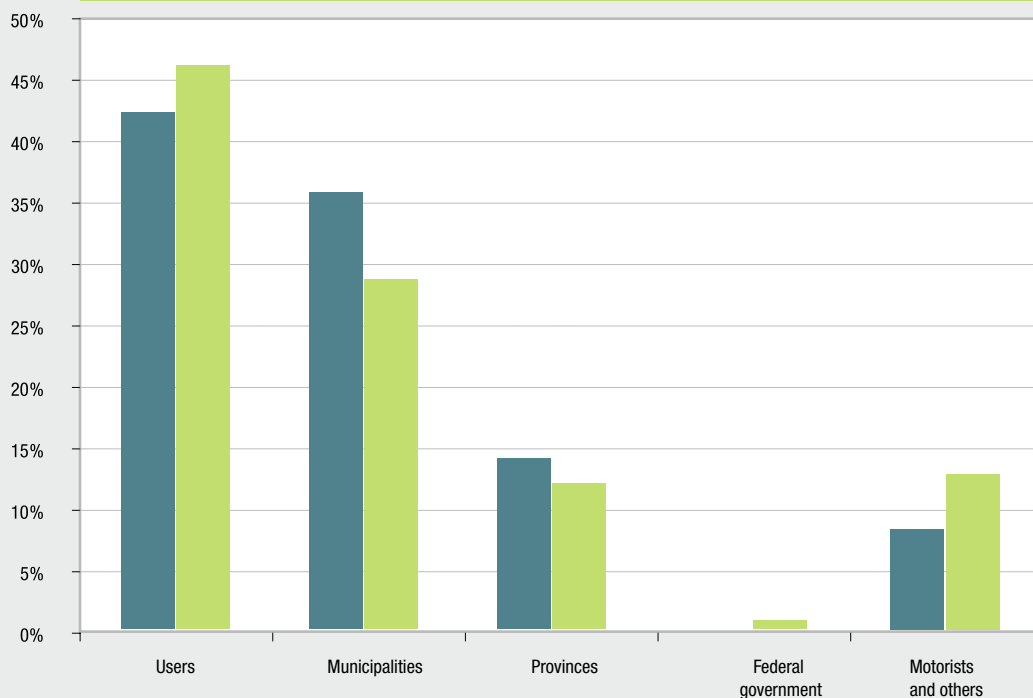
Population SystemProvince		2006 Fares					
		Regular fares			Student discount fares		
		Pass	Ticket	Cash	Pass	Ticket	Cash
Population over 1 million							
Toronto	Ont.	\$99.75	\$2.10	\$2.75	\$83.75	\$1.40	\$1.85
Vancouver	B.C.	\$69.00	\$1.80	\$2.25	\$40.00	\$1.50	\$1.50
Montréal	Qué.	\$63.00	\$1.92	\$2.50	\$33.75	\$1.00	\$1.50
Population of 150,000 to 1 million							
Winnipeg	Man.	\$71.25	\$1.85	\$2.00	\$48.15	\$1.25	\$1.65
Québec City	Qué.	\$65.00	\$2.30	\$2.50	\$43.65	\$1.55	\$2.50
Hamilton	Ont.	\$65.00	\$1.70	\$2.10	\$50.00	\$1.35	\$2.10
Population under 150,000							
Sudbury	Ont.	\$66.00	\$1.80	\$2.30	\$60.00	\$1.30	\$1.80
Sherbrooke	Qué.	\$56.00	\$2.85	\$2.85	\$44.00	\$2.85	\$2.85
Saint-John	N.B.	\$59.00	\$1.80	\$2.25	\$49.00	\$1.55	\$2.00

Note: Moreover, Université de Sherbrooke students ride free under an agreement between the university and the Société de transport de Sherbrooke.

Source: Websites of the transit authorities concerned.

7. A \$30 registration surcharge on pleasure vehicles in territories served by a public transit corporation during the 1990s, and a gasoline tax of 1.5¢ per litre in the Montréal metropolitan area since 1996.

Graph 5 - Contribution by partners to public transit funding in Québec and the rest of Canada, 2004



Note: The federal contribution to Québec in 2004 does not appear because it was insignificant.

Sources: Québec data from 2004 annual and operating reports.

Data for the rest of Canada from CUTA, *Summary of Canadian Transit Statistics (2004 data)*.

The breakdown of public transit funding in Québec differs from that found elsewhere. Graph 5 compares the contributions of the various partners in Québec in 2004 with the funding formulas in the rest of Canada. It shows that the share of the funding borne by the Québec government and municipalities is higher than elsewhere across the country. Conversely, the share covered by users and motorists is lower.

These figures do not, however, reflect the present situation in Ontario, and therefore Canada. Since October 2004, the Ontario government has transferred a portion of the provincial gasoline tax to public transit authorities, in fact, a rising percentage until October 2006.

Because of this decision made by the Ontario government, motorists' contribution to funding public transit in the rest of Canada will climb substantially in the years ahead.

3.2 PRIMARILY A MUNICIPAL RESPONSIBILITY

A fundamental point must be emphasized at the outset: municipalities bear the primary responsibility for public transit and must continue to do so. They are directly accountable to residents for the services whose governance and funding they control directly.

- It is up to municipalities, as those primarily responsible for organizing services, to ensure that public transit authorities have the financial resources required to provide a sufficient quantity and quality of services.
- Municipalities approve transit authority budgets and borrowing, and are responsible for covering operating deficits as well as their share of capital expenditures.

- Municipal elected officers appoint the board of directors of their transit authority.⁸
- Regional county municipalities are responsible for coordinating the use of existing public transit resources in the region and assist in funding them.

This principle explains municipal responsibility for funding operating costs. As for capital expenditures, municipal funding complements the government's contribution. These fundamental responsibilities remain the same under Québec's new policy on public transit.

3.2.1 Operating costs – A municipal responsibility

It is only normal that municipalities cover public transit operating costs: these costs stem from local decisions and a very large portion covers employee salaries, which are based on collective agreements negotiated by the municipalities.

However, the government intends to provide specific aid to municipalities to cover additional operating expenses directly related to improving available services. These new arrangements will be discussed in Chapter 4, "Improving services."

There is also a problem with intraregional bus services, which often run a deficit and are the only form of public transit between rural areas and an urban centre. At present these services receive no public funding.



Source: Agence métropolitaine de Montréal (park-and-ride lots).

3.2.2 Capital expenditures: Arranging sources of complementary funding outside the government

With the new Québec policy on public transit, the government is reasserting its intention of covering the bulk of capital expenditures. This point is all the more critical considering the magnitude of the required investments: public transit systems and infrastructures are aging and major investments will soon be required. In addition to these substantial sums, an effort must be made to provide infrastructures and equipment plans that make the services even more attractive.

The government is announcing a number of new initiatives aimed at providing municipalities with greater assistance for capital expenditures. These initiatives will be spelled out with the implementation of the means of modernizing and developing infrastructures and equipment. The recent assistance provided by the Québec government and Ottawa through the Société de financement des infrastructures locales du Québec indicates what direction the government's efforts will take.

8. The boards of directors also include two user representatives, one specifically for paratransit for people with disabilities.

3.2.3 Municipal road network management and urban development bylaws

It is also worth recalling that metropolitan communities and municipalities are responsible for land development, manage the road networks under their jurisdiction, and enact urban development bylaws – three instruments for controlling urban sprawl and mobility, and stimulating the use of public transit.

3.3 PUBLIC TRANSIT AUTHORITIES: DELIVERING QUALITY SERVICES EFFICIENTLY

Public transit authorities include transit corporations, intermunicipal boards of transport, municipal and intermunicipal transit agencies, and all authorities responsible for providing public transit services.

Public transit authorities fall under municipal jurisdiction. They have an obligation to deliver quality services efficiently. As a general rule, transit corporations provide the services directly, while the other authorities outsource them to private enterprise.

- Each transit authority determines the level of service and fares in its territory.
- The quality of services depends largely on these decisions and the financial resources available to public transit authorities.
- Public transit authorities are also responsible for labour relations and contracts.

It should be noted that in 2004, public transit authority revenues from operations covered 53% of direct operating costs, compared to 70% in Ontario and 58% in British Columbia. The lower self-funding ratio of Québec transit authorities is mainly due to less revenue from fares.

In terms of efficiency, Québec transit authorities compare favourably with their counterparts in Ontario and British Columbia. In 2004 they had the lowest operating costs per passenger: \$2.25 compared to \$2.57 in Ontario and \$2.74 in British Columbia.

3.4 THE GOVERNMENT: SERVING AS COORDINATOR AND COACH

In public transit, the government primarily coordinates Québec-wide policies.

- As such, the government establishes general orientations, sets objectives and coordinates the initiatives called for from each public transit player.
- Hence it is up to the government to set up the legal and regulatory framework surrounding implementation of the orientations.

The government also serves as a coach by providing targeted and defined support for the various parties responsible for providing public transit services.

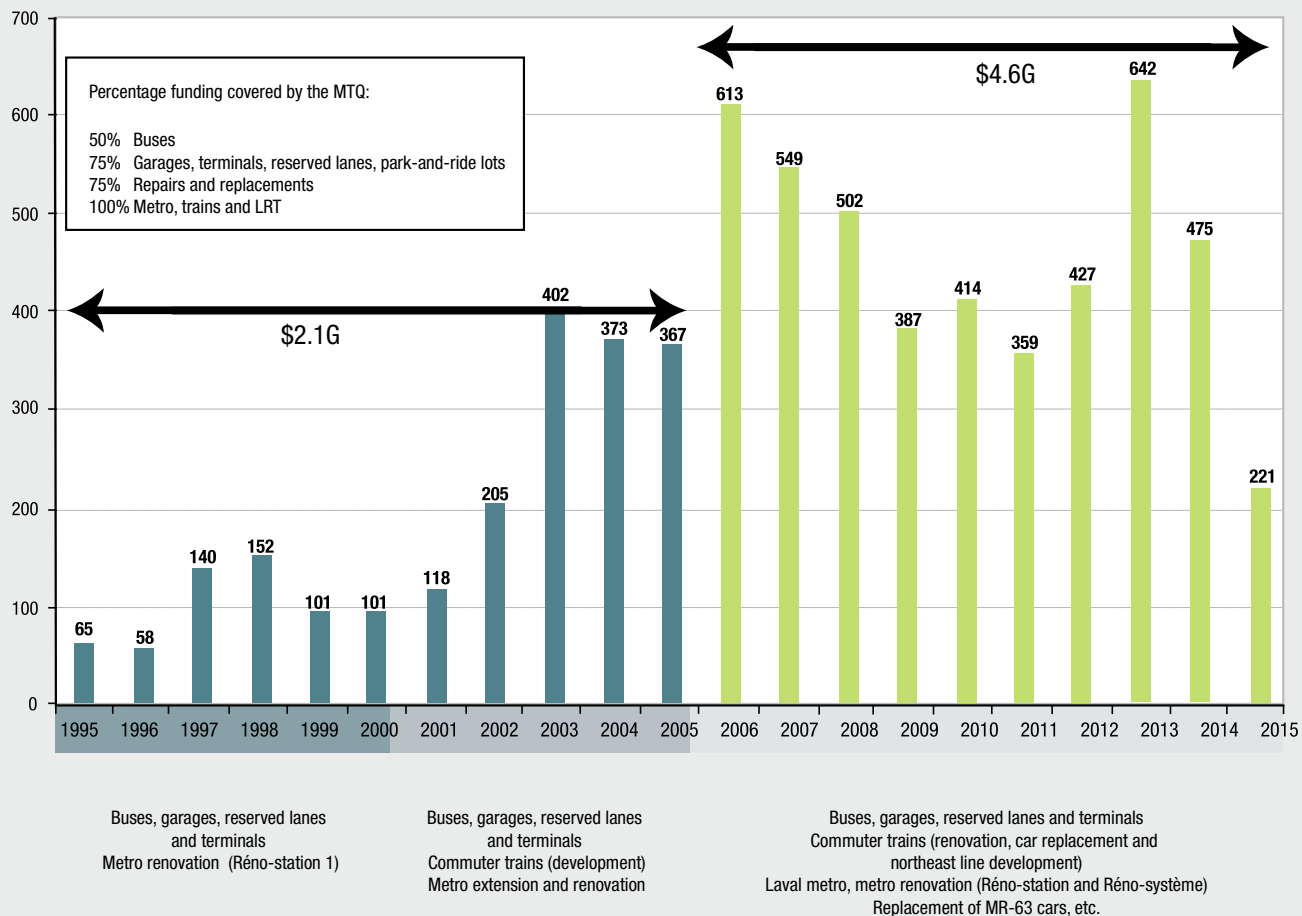
Thus, as mentioned earlier, the government covers the bulk of the costs involved in developing and refurbishing infrastructures and equipment, costs that municipalities alone cannot cover.

These costs are substantial, as shown in Graph 6. Over the past ten years, investments have risen to some \$2 billion. Over the next ten years, an estimated \$4.6 billion will be needed for equipment maintenance and upgrades. Moreover, based on public transit corporation estimates, the required investments could amount to \$8 billion if all the proposed development projects are undertaken.

Within the framework of its new policy on public transit, the government has also decided to play this role of coach with regard to certain specifically defined operating expenses, namely, those directly related to developing and improving customer services.

It should be noted that the government deals directly with demand for urban transportation by means of the highway and expressway network under its immediate jurisdiction. Hence the Québec policy on public transit implies that the government gives preference to public transit vehicles and encourages alternatives to private automobiles.

Graph 6 - Actual and planned investments in public transit in Québec, 1995-2015



Source: Internal data from the Ministère des Transports du Québec.

3.5 USERS: THE MAIN BENEFICIARIES, WHO HAVE TO PAY THEIR FAIR SHARE OF THE COSTS

Users are the main beneficiaries of public transit services. It is therefore normal that they cover at least part of the cost of these services.

The government considers it important for users to continue paying their fair share of public transit costs. Fares, however, must not inhibit use or restrict access to the service.

3.6 MOTORISTS: BENEFICIARIES WHO MUST ALSO CONTRIBUTE

The development and use of public transit directly benefits motorists by reducing traffic congestion. This is why, in the past, the government decided that motorists living in one of the six census metropolitan areas (which correspond to the territories of Québec's nine public transit corporations) would contribute directly to funding public transportation through an annual \$30 fee collected with their vehicle registration. For the same reason, a tax of 1.5¢ per litre of gasoline has been collected and allocated for public transit in the Montréal area since 1996.

3.7 EMPLOYERS: FACILITATING BENEFICIARIES

Employers are also directly involved in the development of public transit, which benefits both their employees and customers.

Providing a transit pass instead of a parking space could be a financially attractive strategic choice for employers. Moreover, employers promoting public transit and organizing car pools could help reduce the use of private automobiles.

In its new policy on public transit, the Québec government is introducing a number of incentives for employers to cover part of the costs of public transit use by their employees, as well as to facilitate the development of alternatives to private automobiles.

3.8 THE FEDERAL GOVERNMENT: A NEW PARTNER

With the financial resources at its disposal, the federal government can help Québec implement a policy to support public transit. Naturally, such assistance must be fully consistent with provincial jurisdiction.

In the past, aside from a few exceptions, the federal government has not been involved in funding public transit. Most recently, under an agreement between Ottawa and Québec, the federal government transferred part of the gasoline excise tax to the Société de financement des infrastructures locales du Québec. This federal contribution, as well as one from Québec, is now available for public transit, and represents a significant step in the right direction.

3.9 THE MONTRÉAL AREA: RECTIFYING THE REGIONAL IMBALANCE

In public transit, the Montréal area is a special case in that local services (generally bus routes) exist alongside metropolitan ones (commuter trains, regional bus lines, reserved lanes, etc.). The metro is dealt with separately. Responsibility for these various public transit services is shared by the Agence métropolitaine de transport, three public transit corporations, nine intermunicipal boards of transport, one regional transport board and three municipal transit agencies. Montréal faces a set of problems unique in Québec. In fact, the large number of bodies involved in public transit stems from historical reasons as well as stepwise suburban development. It is also attributable to the large size of the agglomeration, with its 82 municipalities and over 3.5 million residents in a territory spanning 3,830 square kilometres.

While riders can travel throughout the metropolitan area, responsibility for the transit systems that makes this possible is split among a multitude of parties. The 1996 creation of the Agence métropolitaine de transport is the outcome of over 20 years of government efforts to achieve regional coordination in the planning, organization and funding of public transit services in the Montréal area.

- In 1969 the government established the Montréal Urban Community and made it responsible for public transit on Montréal Island. With rapid population growth around the Island, this transit authority's territory fell increasingly out of step with transit patterns within the region.
- In 1978 the government created the Conseil des transports de la région de Montréal, whose mandate was to plan, coordinate and integrate the components of the various public transit systems. The CTRM was successor to the Comité des transports de la région de Montréal formed two years earlier.

- In 1982 the government tabled a proposal regarding the organization and funding of public transit in the Montréal area. It called for returning responsibility for public transit to municipal elected officers in the Montréal area, with two decisionmaking levels: a regional one for the metro and commuter trains, and a local one for buses. This proposal was rejected by the mayors.
- In 1990 the government formed the Conseil métropolitain de transport en commun, giving it a \$144-million grant over five years to, among other things, offset the costs of integrating fares among the three transit corporation's systems, as well as those associated with use of their systems by non-residents.
- The failure of the various attempts, particularly that of the Conseil métropolitain de transport en commun, led the government to create the Agence métropolitaine de transport (AMT) under its aegis.

Since 1996 the AMT has assumed a number of strategic responsibilities.

- It is responsible for planning and developing metropolitan public transit, intersystem coordination, regional fares, and commuter train services, as well as metropolitan facilities such as terminals, park-and-ride lots and reserved lanes.
- Through metropolitan assistance, the AMT provides funding to the Société de transport de Montréal in the amount of \$0.20 per metro trip (approximately \$43 million in 2006), while all transit authorities receive \$0.50 per trip for bus passengers carried on metropolitan network routes (approximately \$13 million in 2006).
- The AMT earns revenue from commuter train passengers as well as from the \$30 surcharge on vehicle registration fees and the 1.5¢ tax per litre of gasoline sold in the Montréal area.
- The AMT also manages a capital expenditure fund fed by a contribution of \$0.01 per \$100 of standardized property value from the municipalities in its territory.

The AMT has proven essential in developing a metropolitan outlook and has led to substantial gains.

- The Montréal area is now served by five commuter train lines compared to two in 1996. The number of park-and-ride spaces climbed from 9,612 in 1996 to 24,481 in 2004. Reserved lanes grew from 35 to 84 kilometres.
- With the introduction of an integrated fare system, people can use a single ticket to ride the various lines in AMT territory. The swift development of the metropolitan network as well as other measures introduced by the AMT have had a decisive impact on stabilizing public transit's market share, which had been declining for at least 20 years.

The AMT is responsible for organizing and funding commuter trains. It also funds the operating deficit and non-subsidized portion of capital expenditures. The municipal contribution is capped at 40% of operating costs, and is shared by the municipalities concerned based on the services provided.

The Montréal Metropolitan Community, created in spring 2000, has certain responsibilities for planning public transit as well as coordinating and funding metropolitan-wide aspects. More specifically, they include:

- approving the strategic plans of the AMT and the three transit corporations in the Montréal area;
- approving the AMT budget, with veto power over metropolitan fares;
- appointing three of the seven members of the AMT's board of directors;
- advising on the AMT's three-year capital expenditure plan and metropolitan bus service, as well as the metropolitan network and facilities. For information purposes, it also receives the three-year capital expenditure plan for the metro, from the Société de transport de Montréal.



Yet the fact remains that in 2006, a number of difficulties and conflicts persist:

- Some municipalities are disputing the use of supply criteria for determining their contribution on the grounds that supply alone does not reflect the benefits received.
- Financing the metro is a problem in its own right. The metropolitan nature of the metro and the need to fund it were recognized when the AMT was created. Rather than transfer responsibility for this mode to the AMT, the government opted for financial support. The AMT pays the Société de transport de Montréal \$0.20 for each trip by metro, which will amount to nearly \$43 million in 2006.

This formula made it possible to fund some of the operating costs from region-wide sources. This option seemed preferable to the government given the concentration of services on Montréal Island, the metro's close integration with that transit corporation's bus lines, and the ensuing difficulty of distinguishing each of the two systems' expenses and revenues. In fact, many costs span both networks, and half of Société de transport de Montréal customers have to use both systems to make a trip with one ticket.

Section 50 of the *Act respecting the Agence métropolitaine de transport* obliges the Société de transport de Montréal to reach a metro cost-sharing agreement with transit authorities that have a station in their territory. This section is difficult to enforce, especially because some metro riders live outside the territories served.

In light of the experience gained in the 10 years since the AMT was formed, it is evident that adjustments must now be made. In 2005 the Montréal Metropolitan Community presented the Québec government with a plan for decentralizing public transit in the Montréal area. This MMC proposal was a response to the government project aimed at local and regional autonomy.

The government's aim is to help the municipalities and transit authorities concerned make public transit more attractive and competitive for both local and metropolitan trips. The metropolitan services consisting of the metro, commuter trains and metropolitan bus lines are structural components in the organization of metropolitan public transit and in the improvement effort called for. The government hopes to bolster a metropolitan outlook in the planning, development and organization of services by the various transit authorities.

The government also realizes the necessity of quickly finding fairer cost-sharing formulas at the metropolitan level. These adjustments, however, must be built around the financial resources available to the AMT, with the redistribution effects this can entail. The additional funding the government will provide for public transit will be earmarked for modernizing and developing infrastructures and equipment, as well as for improving the services available to users.

At the instigation of the Montréal Metropolitan Community, the transit authorities concerned have begun deliberations on public transit operating and capital costs in the region. A comprehensive financial analysis of metro revenues and expenses is currently under way.

From the standpoint of local autonomy, the government wants these deliberations to continue and lead to concrete proposals within a fixed timeframe.

- The government is therefore announcing the appointment of an agent responsible for guiding the various transit authorities involved in this effort.
- The government is setting a deadline of September 30, 2006 for an agreement and consensus to be reached on a new funding formula for the metropolitan area.
- By that date, the Montréal Metropolitan Community must come up with a solution for adequately funding services so that those who benefit from them pay their fair share. The allotment between central and peripheral cities has to be fair. If no agreement is forthcoming, the Québec agent will make recommendations to the government.

3.10 THE GOVERNANCE OF QUÉBEC TRANSIT AUTHORITIES

- Within the context of decentralization, the government is prepared to receive proposals from municipalities who so desire on transit authority governance. The government could provide guidance in these deliberations.
- Based on regional characteristics, various arrangements can be made between municipalities and their transit authority. The important thing for the government is to avoid a wall-to-wall solution, and instead, to meet local demand as precisely as possible.



Source: Agence métropolitaine de transport.



IMPROVING SERVICES

With everyone doing their fare share, greater use of public transit depends on improving the services available. The government is aiming for a 16% increase in the supply of public transit services. This expansion is necessary to attain the targeted 8% growth in ridership. Thus improving services is the second means being used to implement Québec's public transit policy.

To improve the public transit services available, the government is undertaking three sets of initiatives:

- Public transit authorities will be directly encouraged to improve the supply and quality of services they provide, as well as to deploy strategies designed to encourage people to make greater use of public transit. In concrete terms, the government will cover part of the cost of expanding the distances covered by the services offered, particularly service frequency and the number of routes under performance agreements.
- Steps are being taken to encourage employers as well as employees to make more use of public transit through tax incentives intended specifically for them.
- The government will pay special attention to public transit safety and security, in the latter case in association with municipal partners and the federal government.

4.1 DIRECT FUNDING FOR IMPROVING SERVICES: A PUBLIC TRANSIT ENVELOPE FROM THE GREEN FUND

The government is announcing that a portion of the Green Fund created pursuant to the *Sustainable Development Act* will be earmarked for developing public transit. The government intends to allocate some \$130 million a year from the fund to improve public transit services and thereby contribute to the battle against climate change. The funds will come from the envelope dedicated to public transit that was created under the Climate Change Action Plan.

The conditions governing use of the envelope will be determined in association with the main parties concerned. The following rules will apply to the conditions:

- The envelope for public transit from the Green Fund will be managed by the Ministère des Transports du Québec.
- The funds must be used to improve and develop services.
- The money will go to municipalities or public transit authorities under the agreement reached with the government. For public transit services in rural areas, regional county municipalities and regional elective councils will receive the funding.
- Municipalities must match the funding from the envelope earmarked for public transit. The matching funds will come from local sources and may not reduce the municipal share.
- Performance agreements will be signed by the government, municipalities and transit authorities concerned.

4.2 TAX INCENTIVES FOR PUBLIC TRANSIT



Source: Data from the Ministère des Transports du Québec.

4.2.1 Public transit passes

In its last budget the government introduced two tax incentives for public transit aimed at employers and workers. Their purpose is to encourage people to make greater use of public transit by reducing the cost to users.

These measures involve:

- the employer being allowed to deduct 200% of the cost of public transit passes purchased for employees from revenue;
- non-taxation of the monetary benefit gained by the employee.

The two measures announced last March 23 in the 2006-2007 Budget Speech represent concrete incentives for employees to use public transit for commuting between home and work. Combined with the federal government announcement on making the cost of passes deductible, these measures are expected to attract new public transit riders.

4.2.2 Reimbursement of the diesel fuel tax

Last March 23 the Minister of Finance announced another tax incentive for public transit, namely, full reimbursement of the diesel fuel tax for urban public transit authorities. This measure has been in place since the date of the Budget Speech. It enables public transit authorities to directly reduce their operating costs. The government is also reimbursing the biodiesel fuel tax.

4.3 PUBLIC TRANSIT SAFETY AND SECURITY

Public transit safety means steps taken to avoid accidents in transit, while security specifically refers to protection against possible terrorist attacks.

In both cases, Québec government departments and agencies along with municipalities and various municipal entities are already taking appropriate action within the bounds of their respective responsibilities. Regarding security, additional steps will be taken to provide greater protection for major infrastructures.

These initiatives will specifically include:

- developing security plans for each infrastructure concerned;
- organizing security drills where appropriate;
- installing new technology, particularly to improve monitoring of facilities.

All municipal partners as well as the federal government will be involved in this effort.

INFRASTRUCTURES AND EQUIPMENT



MODERNIZING AND DEVELOPING INFRASTRUCTURES AND EQUIPMENT

The third means implemented under Québec's public transit policy is that of ensuring infrastructure and equipment modernization and development.

- Ensuring the upgrading of aging equipment is crucial, and the government has already clearly embarked on that path.
- The government is also improving its assistance for capital expenditures in order to encourage initiatives designed to increase the use of public transit.

5.1 THE NEED TO UPGRADE AGING INFRASTRUCTURES AND EQUIPMENT

Our public transit systems and infrastructures are aging and will require major investments to refurbish or quite simply replace them.

- The Montréal metro went into service in the 1960s. Its equipment urgently needs to be upgraded in the coming years. Renovating the metro represents a major undertaking because smooth operation of the Montréal agglomeration depends on this infrastructure.
- Accordingly, the Québec government recently announced that the Société de transport de Montréal and Bombardier Transport could mutually negotiate upgrading the Montréal metro's MR-63 cars. This decision makes it possible to embark on a swift process of replacing them. Metro access by wheelchair users and people with reduced mobility is among the government's priorities. The government and the Société de transport de Montréal will take advantage of the metro renovation work to gradually make the stations and cars accessible, especially since the Laval stations will be fitted with elevators.
- The commuter trains in the Montréal metropolitan area were revived with used equipment, some of which has to be upgraded.

- Upgrading transit corporation bus fleets as well as repairing and renovating bus system infrastructures and facilities such as garages are also important for the various agglomerations in Québec.

The investments considered include completing projects already under way, carrying out projects that involve replacing or upgrading existing infrastructures and equipment, as well as undertaking priority improvement and development projects.

5.2 MAJOR INVESTMENTS ALREADY ANNOUNCED

The effort to upgrade infrastructures and equipment has already begun.

- As already noted (see Graph 6 above), the government assistance program for public transit enabled over \$2 billion to be invested in public transit infrastructures and equipment from 1995 to 2005 inclusive.
- In the Montréal area, these investments led to substantial improvements in public transit services. Development of the commuter train network increased the number of lines from two to five. Originally composed of the Montréal/Deux-Montagnes and Montréal/Dorion-Rigaud lines, it now has three new lines that were phased in over the years: Montréal/Mont-Saint-Hilaire, Montréal/Delson-Candiac, Montréal/Blainville and soon, Saint-Jérôme.
- Montréal area residents can also take advantage of a metropolitan transit system that includes 38 park-and-ride lots along the commuter train lines, as well as 20 such lots along bus and metro lines.
- Substantial efforts have been made to refurbish public transit facilities. The Réno-système and Réno-station programs made it possible to renovate the metro's stationery plant and stations. The 425 MR-73 metro cars are currently being refurbished, primarily to increase capacity prior to being assigned to the metro extension to Laval.

- Signature of an agreement between the transit corporations and Novabus led to the acquisition of 825 buses so that the approximately 3,000 vehicles in the fleet of Québec's nine transit corporations can gradually be replaced.

5.3 MORE GOVERNMENT AID FOR CAPITAL EXPENDITURES

Nonetheless, more has to be done, and this is precisely the purpose of the initiatives announced by the government.

Hence in the coming years, public transit authorities will benefit from two financial assistance programs:

- SOFIL's assistance program for public transit capital expenditures;
- the government's assistance program for public transit.

5.3.1 SOFIL's assistance program for public transit capital expenditures

The magnitude of the investments in municipal infrastructure, especially public transit, required over the next ten years has led the federal and Québec governments to become involved and allocate more funding than in the past.

Not long ago, Ottawa agreed to transfer part of the federal excise tax on gasoline to Québec so that municipalities and municipal bodies could undertake projects related to drinking water, wastewater treatment, local roads and public transit.

For its part, the Québec government will use the federal contribution as leverage to speed up the renovation and improvement of local infrastructures by investing additional funds that match the extra funding from municipalities.

The federal and Québec government contributions totalling \$504 million for 2005-2010 will go to the Société de financement des infrastructures locales and be earmarked for public transit. As Table 4 indicates, the funding will be shared by public transit authorities in proportion to ridership pursuant to the agreement signed by Ottawa and Québec on June 21, 2005.

As announced by the federal government in its last budget, a total of \$117 million has to be added to that figure. Over the next three years, this money will be deposited in a trust for public transit infrastructure. Payment is contingent upon confirmation of a federal budget surplus in fiscal 2005. The formula for distributing the funding remains to be determined.



Source: Bombardier transport.

5.3.2 The government assistance program for public transit

The Québec government will continue providing a large part of the funding for public transit capital expenditures in the coming years. The investments required are huge. Among other things, they will allow for the renovation of the metro and public transit authority bus fleets, as well as the construction of new infrastructures such as an east-end commuter train in the Montréal area.

Table 4: Breakdown of public transit funding provided by SOFIL and contributions required of municipalities, 2006-2010

Public transit authority	New sources of funds (\$M) 2006-2010 (\$597.0 million)		
	Government contribution SOFIL	Municipal contribution SOFIL	Total (\$M)
Société de transport de Montréal	365.7	67.5	433.2
Société de transport de Laval	18.9	3.5	22.4
Réseau de transport de Longueuil	30.6	5.6	36.2
Réseau de transport de la Capitale	38.5	7.1	45.6
Société de transport de Lévis	3.0	0.6	3.6
Société de transport de l'Outaouais	16.2	3.0	19.2
Société de transport de Sherbrooke	6.3	1.2	7.5
Société de transport de Saguenay	4.7	0.8	5.5
Société de transport de Trois-Rivières	2.8	0.5	3.3
All transit corporations:	486.7	89.8	576.5
CIT and OMIT	17.3	3.2	20.5
Grand total:	504.0	93.0	597.0

Future projects (2006 to 2015)

The investments in public transit required over the next ten years are estimated at a minimum of \$4.6 billion.

- The main investments involve replacing the metro's MR-63 cars at an estimated cost of \$1.2 billion, extending the commuter train system to the east end of Montréal, renovating existing lines and increasing capacity by acquiring new double-decker cars, etc.
- Québec City residents will see the Réseau de transport de la Capitale's strategic development plan implemented through extension of the metrobus network, construction of a new garage and the acquisition of articulated buses.
- The 2008-2012 agreement with Novabus calls for the acquisition of 731 new low-floor buses by Québec's nine transit corporations. The acquisition of 268 articulated buses is also expected to occur during the same period.
- A number of terminals will be built, particularly by the Trois-Rivières and Lévis transit corporations.
- The introduction of express bus lines and reserved bus lanes, such as the Rapibus project in the Outaouais region, will be the focus of special attention.

Applications for other projects might be submitted under the government's three-year investment plan in the coming years. Based on the estimates provided by public transit corporations, these investments could run as high as \$8 billion. Incidentally, in collaboration with Ottawa, the Québec government favours a modern, rapid and efficient connection between Montréal and the South Shore along the lines of a light rail transit (LRT) system.

5.4 ENHANCING THE GOVERNMENT ASSISTANCE PROGRAM FOR PUBLIC TRANSIT

In its present form, the government assistance program for public transit is poorly adapted to today's world. Equipment requiring new technology such as sensors, communication and passenger information devices, as well as assisted operation systems, is not eligible for government aid. Today such equipment is essential for public transit services to function properly and, in some cases, can improve service quality and lead to productivity gains.

A number of improvements will be made to the government assistance program for public transit so that it can meet the challenges of the years ahead.

5.4.1 An innovation dimension

The introduction of an innovation dimension will encourage transit authorities to adopt new technology such as information systems, real-time operating systems and hybrid vehicles. These initiatives aim to improve service quality and performance, particularly in terms of information for passengers, productivity and quality of the environment.

5.4.2 New eligible expenses

The government assistance program for public transit will be expanded to encompass various facilities such as bus shelters and service vehicles. In addition, work on bringing equipment up to code as well as major infrastructure components will qualify for government aid. This refers to specialized garage equipment, along with heating and ventilation systems.

5.4.3 A three-year financial framework

Approval of a three-year financial framework for regular public transit projects funded by the government assistance program for public transit will help make funding more predictable and stable. Naturally, major investment projects will continue to be subject to government approval every year.

5.4.4 Municipalities with a population under 20,000

Municipalities with a population under 20,000 will become eligible for the government assistance program for public transit. This measure will help small municipalities interested in providing public transit services.

5.4.5 Access to transportation for people with reduced mobility

Within the framework of its assistance program for public transit, the government is helping fund alterations to facilities, infrastructures, rolling stock and equipment in order to improve access to normal transit services for people with reduced mobility. The target clientele includes seniors and people who are physically, sensorily or mentally disabled (ambulatory or in wheelchairs).

The government intends to renew the phase of its assistance program for public transit devoted to improvements for people with reduced mobility.

- Numerous grant applications are expected in the coming years in light of the new provisions of the *Act to secure handicapped persons in the exercise of their rights with a view to achieving social, school and workplace integration*.
- The government assistance program for public transit will also make it possible to cover, in an initial phase, most of the costs of retrofitting three to five of the busiest metro stations with elevators for people with reduced mobility, and more specifically, wheelchair users.

OTHER ALTERNATIVES TO DRIVING



OTHER ALTERNATIVES TO DRIVING

The Québec policy on public transport involves more than providing additional funding for public transit. One of the means selected by the government is that of supporting other alternatives to driving.

This fourth dimension of the new government policy specifically addresses five situations:

- sparsely populated municipalities where there are few alternatives to driving;
- intraregional transportation by bus and access to buses and taxis;
- promising initiatives by public institutions, private enterprise and industrial parks that warrant encouragement;
- walking and cycling;
- improving the energy efficiency of passenger transportation by road.

The government has decided to allocate a total of \$30 million annually for this dimension of its policy, directly from the Green Fund's public transit envelope.

6.1 SPARSELY POPULATED MUNICIPALITIES

In small towns and rural areas, alternatives must be provided so that people without automobiles can travel to health establishments and educational institutions, as well as go about their main activities.

- In sparsely populated areas, public transit has primarily a social function. For many people living there, it is the only way to get to work, health establishments or schools, or to take part in recreational activities. As mentioned, municipalities with a population under 20,000 will also be eligible for the government assistance program for public transit.

- Despite the government effort, many transit organizations are underfunded so that many regional county municipalities can no longer guarantee their users viable transportation services.
- In addition, rural municipalities face various problems threatening their territorial integrity, including aging of the population. The existence of an efficient public transit system under local control is one way to help revitalize rural communities while ensuring their development in line with their needs.

These problems extend beyond the boundaries of regional county municipalities and call for action at the regional level. This makes it necessary to provide regions with tools that will allow them to identify their public transit needs more clearly and focus efforts in the context of a broader vision.

Within the context of decentralization, the government already favours pooling public transit services and setting up a single window for providing the service at the regional municipal county level.

- This pooling is based on the use of empty seats in paratransit vehicles, school buses, the specialized transportation provided by health and social service establishments, as well as the rational use of taxis and suburban and interurban transportation. This approach also relies on potential carpooling and volunteer drivers.
- The pooling makes use of transportation services heavily subsidized by the Québec government, making it all the more appropriate to exploit its full potential.

To date, 61 regional county municipalities have benefited from this assistance program, and 48 already provide public services; the remainder are still at the study stage.

The Québec government intends to go further within the framework of its new public transit policy.

- In the realm of public transit in rural areas, regional county municipalities must have sufficient long-term revenues and the leeway required to fully carry out their responsibilities regarding the organization and funding of public transit. Hence, to solve the problem of underfunding, the government intends to enhance its assistance program for public transit in rural areas.
- Moreover, consistent with a more regional view of public transit, the government plans to add a new dimension to its assistance program to encourage the signing of agreements with regional elective councils to induce them to carry out, within their territory, experimental projects aimed at optimizing and integrating public transit services.

This measure could make regional elective councils the regional body responsible for coordinating public transit in rural areas. An annual envelope will be set aside for this purpose. It could mean government assistance for each regional elective council that is interested in signing a regional service integration agreement and willing to invest a matching sum the same year.

6.2 INTRAREGIONAL TRANSPORTATION BY BUS AND ACCESS TO BUSES AND TAXIS

Demand is declining for some regional bus services connecting small towns to larger agglomerations that offer health and professional services as well as jobs.

- Thus, some 50 of these services have vanished in the past 20 years because they were not profitable enough. In other cases, there is now only minimal service that is scarcely satisfactory for people without a car or with no other access to public transit.
- Half the cases involve short distances of under 50 kilometres. Yet these bus services take their passengers to long-distance interurban routes leading to big agglomerations. Their disappearance contributes to reducing the mobility of those people.

Since 2003, pooling public transit services has improved matters, but it does not replace the abandoned interurban connections.



Source: Association des propriétaires d'autobus du Québec.

Hence the government wants to introduce assistance for regional links wherever there is both demand for that form of transportation and a willingness by regional public authorities to take on organizing it and bearing some of the costs.

Even though controlled by government regulation, transportation by bus involves private enterprise, which needs to earn a profit to stay in business. In a context where bus services are declining or disappearing, which is detrimental for rural residents, local governments have the power to support and restore certain bus services. The problems experienced in some regions, such as Thetford Mines and Portneuf, indicate the importance of taking swift action to maintain connections with more central regions.

- Under the circumstances, regional elective councils or, in some cases, regional county municipalities, are invited to take advantage of a future assistance program for regional transportation by bus.
- The Green Fund envelope for public transit will make it possible to provide funding for regional bus connections in order to ensure that an adequate supply of public transit is available for residents of sparsely populated areas.
- The government is also planning to provide funding to install wheelchair lifts in buses that serve interurban routes.
- Similarly, the subsidy program for adapting taxis to transport wheelchair users, which covers all of Québec, will be funded from the envelope for public transit.

6.3 INITIATIVES BY PUBLIC INSTITUTIONS, PRIVATE ENTERPRISE AND INDUSTRIAL PARKS

The government intends to provide technical and financial support for enterprises and institutions interested in providing forms of transportation other than individually driven cars. Initiatives aimed at remedying certain workforce mobility problems (access to the workplace, shortage of parking spaces, plant expansion, etc.) or undertaken to improve environmental performance will be encouraged by the employer program.

- At present, the government is providing support in the form of a pilot project for some 20 businesses faced with employee mobility problems.
- The government has funded the creation of four travel management centres in the Montréal area. Elsewhere in Québec, requests for guidance have been received at the Ministère des Transports from the Centre hospitalier universitaire de Sherbrooke and other institutions in an effort to find innovative solutions to their employees' transportation problem.

Such initiatives will multiply.

- To help employers and employer groups manage employee travel more effectively, the government intends to use an employer program to encourage the creation of travel management centres.
- The centres will be responsible for organizing and fostering the mobility of all workers employed within the industrial park's boundaries.

One particular problem associated with Québec's industrial parks also warrants government attention.

- Industrial parks generally have substantial advantages (reduced property taxes, services, security, etc.) that appeal to investors. Regarding transportation, industrial parks are nearly always located near expressways, railways or port facilities. These factors can be decisive in a decision as to whether or not to invest there.

- On the other hand, industrial parks are often far from large centres and therefore have little or no municipal or local public transit service. This situation creates serious problems in terms of workforce recruitment and retention. For many workers, the situation becomes a problem and taking a job means acquiring a car. This requirement weighs heavily in a worker's decision as to whether or not to accept a job, given the high costs of using a car.
- In both urban and rural areas, funding from the Green Fund envelope for public transit will be available to improve the supply of transportation so as to increase ridership. Enterprises interested in organizing forms of transportation other than private automobiles for their employees can also receive financial assistance. To date such initiatives have been funded on an ad-hoc basis by the Ministère des Transports.
- This dimension can accommodate local initiatives that fall outside the bounds of regular programs, such as integration of a public transit service with a ferry service, or a special agreement between a regional elective council and public transit corporation.

6.4 WALKING AND CYCLING

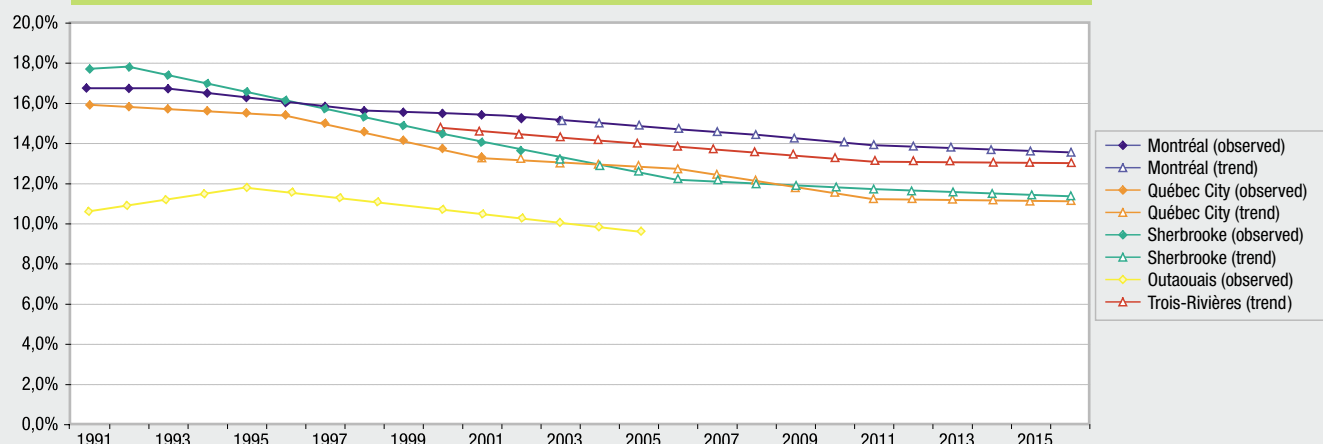
According to the available data, there is a steady decline in the proportion of trips made by walking and cycling in Québec's main agglomerations.

Yet projections of the main sociodemographic trends point to this phenomenon stabilizing at around 12% of transportation demand.

Walking and cycling must be treated as a component of a Québec policy on public transit.

- Walking and cycling are the only clean modes of transportation that do not harm the environment. In this regard, the government intends to favour these forms of travel and encourage as many people as possible to adopt them.

Graph 7 - Change in the percentage of trips made by walking and cycling in Québec, 1991-2016 (working days in autumn)



Source: Origin-destination surveys in the Montréal, Québec City, Outaouais, Trois-Rivières and Sherbrooke areas.

- Public health authorities have long been saying that a sedentary lifestyle is a major risk factor for health and can lead to obesity. The aging of the population, proliferation of automation and appeal of passive activities are major trends that increasingly lead to a sedentary lifestyle. Transportation is no exception to this rule, whence the importance of encouraging more people to cycle or walk to their destination.

For years now the Québec government has been investing in setting up cycling networks under the MTQ policy on cycling, in collaboration with various municipal and regional partners. Thus a province-wide network of bicycle paths interconnecting every region of Québec – the Route verte – has been built. These efforts have made it possible to sustain a higher rate of bicycle use among the general public than exists elsewhere in Canada, and a rate double that in the United States.

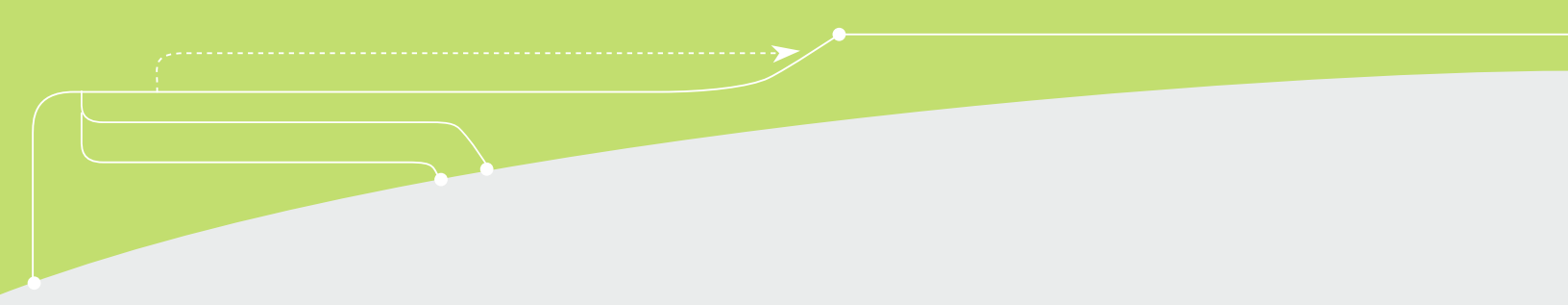
Yet the efforts made have only had a limited effect on the use of bicycles for non-recreational travel in urban areas, particularly when the Route verte cuts through the downtown core. There are few incentives for developing bicycle paths to address urban transportation needs. And the fact is that urban areas do not always provide the safe routes that cyclists and pedestrians want.

The efforts to make cycling more compatible with another mode of transportation will be intensified by:

- adopting cyclist and pedestrian mobility plans in urban agglomerations;
- developing urban networks that are safe and efficient from a transportation standpoint;
- supporting incentives such as bicycle racks;
- improving the fit between cycling and another mode of transportation (bicycle-bus, bicycle-taxi, bicycles aboard commuter trains, ferries, bicycle racks in stations, etc.).



Source: Ville de Montréal.



As for walking, it represents a good alternative, primarily in urban areas. This mode is less costly.

The government therefore plans to provide additional funding to foster or promote walking and cycling. The government recognizes their importance and complementary relationship to public transit. Hence it intends to encourage these intermodal practices.

6.5 IMPROVING THE ENERGY EFFICIENCY OF PASSENGER TRANSPORTATION BY ROAD

This measure basically aims to foster the adoption of new energy-efficient technologies and the reduction of greenhouse gas emissions by bus companies as well as urban and suburban public transit authorities. It will be undertaken by the Ministère des Transports du Québec and the Agence de l'efficacité énergétique. The funding will facilitate access to the most efficient operational assistance systems, backup power supply systems, onboard computers and new more energy-efficient engines. An amount of \$5 million from the Green Fund envelope for public transit will be allocated for this dimension of the policy.

EXPECTED RESULTS



EXPECTED RESULTS

Québec's public transit policy is geared towards improving the quality of services available to the public. The means adopted are expected to produce a 16% increase in the supply of transportation services, which should make it possible to attain the goal of 8% growth in ridership. Thus users will benefit from more frequent service, more extensive schedules and more routes.

In implementing its new policy on public transit, the Québec government expects to produce results which, in some cases, can be quantified.

- As stated in the government's objective, the policy aims at a specific increase in public transit ridership: 40 million trips in addition to the approximately 510 million now taken annually in Québec. This is a large number, equivalent to the amount handled every year in the Québec City area by the Réseau de transport de la Capitale.

It is realistic to believe that this increase will materialize before the end of the fifth year, i.e. by 2012. This will make it possible to increase public transit's modal share over use of the automobile in Québec's main agglomerations. Of course, the trend may be affected by a number of variables, such as more or less steep hikes in fuel costs or transit fares.

Graph 8 - Change in the modal share of public transit in Québec, 1991-2016 (working days in autumn)



Source: Origin-destination surveys in the Montréal, Québec City, Outaouais and Sherbrooke areas.

At the end of this period, the results will be analyzed to determine what adjustments, if any, are necessary. A new target will then be set for the next five years.

- This policy will have a significant impact on energy consumption, air pollution and greenhouse gas emissions. In fact, the modal shift to public transit would represent an approximate net reduction of 28 million litres of fuel in Québec, or the equivalent of 14,000 cars a year. The net energy result is an 80,000-tonne reduction in greenhouse gas emissions from the previously projected figure.
- Québec's new policy on public transit will have a positive impact on traffic congestion. Forty million additional trips by public transit should mean 34 million fewer trips by automobile in urban areas, according to Ministère des Transports calculations. It is estimated that this number represents about 1.8% of the total number of trips by automobile in the urban areas concerned. Moreover, based on the latest study¹⁰ of congestion costs in the Montréal area, this reduction should result in an estimated \$44 million savings annually simply in terms of the costs associated with traffic problems.

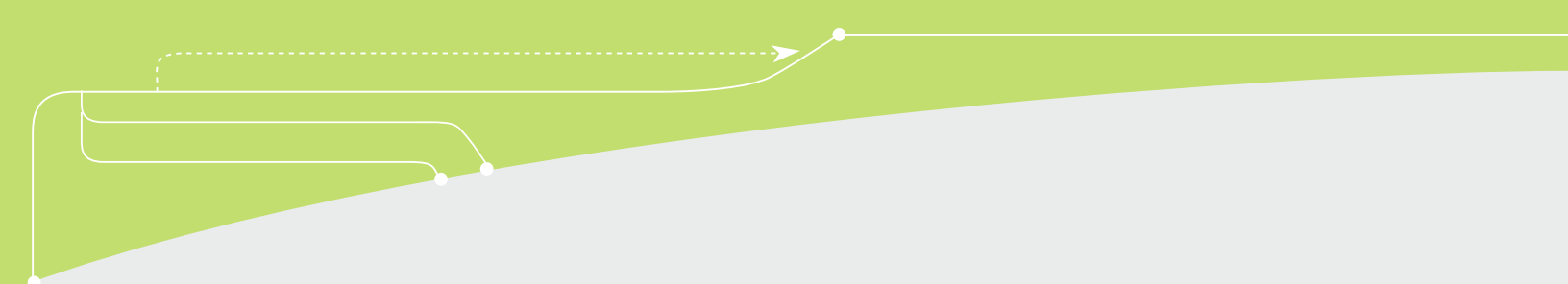
10. Louis GOURVIL, *op. cit.*

A POLICY FOR ALL QUÉBECERS

Conclusion



Source: Ministère des Transports du Québec.



A POLICY FOR ALL QUÉBECERS

Québec's public transit policy is ambitious. It will benefit all Québecers. It will help improve the quality of life for residents of both urban and rural areas, while laying the groundwork for future generations.

- By 2012, public transit ridership should increase significantly with immediate effects on greenhouse gas emissions, traffic congestion, and urban air pollution, while reducing our dependency on imported oil.
- The government is clearly defining the responsibilities of each party involved in public transit, with special attention given to spelling out roles and responsibilities in large urban areas consistent with its orientation towards local and regional autonomy.
- Québec's policy on public transit identifies the financial resources required to attain its objectives. The government is embarking on initiatives that all Québecers have been expecting, both to ensure the necessary replacement of equipment and infrastructures, and to facilitate improvements to customer services.
- Québec's public transit policy encompasses all of Québec. The government is putting into place the support required for developing alternatives to the use of private automobiles in sparsely populated municipalities and every region of Québec.
- The government is reasserting its intention of making public transit systems accessible by people with reduced mobility and wheelchair users.

Over the years Québec has developed efficient, effective and widely accessible transit services. In many respects, the results to date put Québec at the forefront of the rest of Canada.

These advantages have to be built upon in order to make further progress, namely by giving public transit an even greater share.

With its new public transit policy, the government is giving Québecers choices that will benefit society as a whole by improving quality of life and making a substantial contribution to the sustainable development of Québec.

APPENDICES



AUTHORITIES

PUBLIC TRANSIT CORPORATIONS

Réseau de transport de la Capitale
 Réseau de transport de Longueuil
 Société de transport de Laval
 Société de transport de Lévis
 Société de transport de Montréal
 Société de transport de l'Outaouais
 Société de transport du Saguenay
 Société de transport de Sherbrooke
 Société de transport de Trois-Rivières

AGENCY

Agence métropolitaine de transport

MUNICIPAL AND INTERMUNICIPAL TRANSPORTATION AGENCIES

[municipality, municipal board and group of municipalities,
 including intermunicipal boards of transport and regional
 transport boards]

MONTREAL AREA

Conseil régional de transport Lanaudière
 Conseil intermunicipal de transport
 Chambly-Richelieu-Carignan
 Conseil intermunicipal de transport du Haut-Saint-Laurent
 Conseil intermunicipal de transport Laurentides
 Conseil intermunicipal de transport La Presqu'île
 Conseil intermunicipal de transport Le Richelain
 Conseil intermunicipal de transport Roussillon
 Conseil intermunicipal de transport de Sorel-Varennes
 Conseil intermunicipal de transport du Sud-Ouest
 Conseil intermunicipal de transport de la Vallée-du-Richelieu
 Municipalité de Saint-Jean-sur-Richelieu
 Municipalité de Sainte-Julie
 Municipalité de Salaberry-de-Valleyfield

OUTSIDE OF MONTREAL

Municipalité de Baie-Comeau
 Municipalité de Drummondville
 Municipalité de Granby
 Municipalité de Rimouski
 Municipalité de Rouyn-Noranda
 Municipalité de Val-d'Or
 Municipalité de Victoriaville
 Régie municipale de transport en commun
 du Centre-de-la-Mauricie
 Municipalité de Sept-Îles

PUBLIC TRANSIT IN RURAL AREAS

48 regional county municipalities provide services
 (out of a potential 81)

PUBLIC TRANSIT AUTHORITIES

Transit corporations

In the central portions of Québec's six large census metropolitan areas, public transit services are organized, planned and provided by nine transit corporations. Their boards of directors consist of municipal elected officers and two user representatives (one for regular users and one for paratransit services). The transit corporations are public enterprises with all the powers required to plan, organize and operate transit services.

Municipal and intermunicipal transit agencies

On the outskirts of the census metropolitan areas and in some mid-sized regions, public transit services are planned and organized by 22 municipal and intermunicipal transit agencies, namely, nine intermunicipal boards of transport, one regional transport board, eleven municipalities and one municipal board. The Conseil intermunicipal de transport des Laurentides, created in September 2004, and the Conseil régional de transport de Lanaudière cover the Montréal area's northern belt. On the outskirts of this agglomeration, there are eight more intermunicipal boards of transport and three municipalities. Elsewhere in Québec, there are eight municipalities that organize transportation. Unlike transit corporations, municipal and intermunicipal transit agencies cannot operate the transportation service themselves. They are obliged to deal with a private or public carrier to provide the service.

Specific structure in the Montréal area

In the Greater Montréal area, in addition to the three public transit corporations, there are nine intermunicipal boards of transport, one regional transport board and three municipalities that organize transportation. The travel problem led the government to create a regional transit agency in 1996.

The Agence métropolitaine de transport's mission is to support, develop, coordinate and promote public transit, including special transportation services for people with disabilities, to operate commuter train lines and ensure their development, to foster service integration among the various modes of transportation and to increase the efficiency of road corridors.

The Montréal Metropolitan Community, formed in the spring of 2000, was entrusted with some responsibility for planning, coordinating and funding aspects of public transit with a metropolitan dimension. More specifically, this includes:

- approving the strategic plans of the AMT and the three transit corporations in the Montréal area;
- approving the AMT budget, with veto power over metropolitan fares;
- appointing three of the seven members of the AMT's board of directors;
- advising on the AMT's three-year capital expenditure plan and metropolitan bus service, as well as the metropolitan network and facilities. For information purposes, it also receives the three-year capital expenditure plan for the metro from the Société de transport de Montréal.



Municipalities

Aside from the case of the Agence métropolitaine de transport, which falls directly under the government, the municipalities comprising an agency's territory are responsible for funding. They approve the budgets and borrowing of transit authorities, and are responsible for operating deficits as well as the financing of capital expenditures. Municipal elected officers also appoint the members of their transit authority's board of directors.

Regional county municipalities

Regional county municipalities or a group of regional county municipalities is responsible for developing and managing public transit projects based on a pooling of the existing resources within their territory.

Ministère des Transports du Québec

The Ministère des Transports is responsible for general planning as well as for developing transportation policies and programs. It is also in charge of administering the government assistance program for public transit and the one for public transit in rural areas. As such, it provides funding for the various public transit authorities. In addition, the MTQ is responsible for the legislation governing the various public transit authorities and oversees the Agence métropolitaine de transport.

GOVERNMENT ASSISTANCE PROGRAM FOR PUBLIC TRANSIT

The government assistance program for public transit is generally intended to create conditions conducive to the use and development of public transit, primarily in the core of large urban agglomerations. More specifically, it aims to help municipalities and public transit authorities by contributing to:

- the maintenance, improvement and development of infrastructures and equipment;
- the improvement of services, particularly in terms of frequency and coverage;
- diversification of the activities engaged in by private carriers contracted to provide services for intermunicipal boards of transport and some municipalities.

This assistance program has undergone a number of changes over the years in line with changes in services and government realities. Today it has two components: one for public transit corporations and the Agence métropolitaine de transport, and the second for municipal and intermunicipal transit agencies.

Assistance for transit corporations

The government assistance available for transit corporations and the Agence métropolitaine de transport covers capital expenditures only. Thus the Québec government funds the entire cost of developing modes of rapid transit (metro, commuter trains and light rail transit system), and 75% of the costs of their repair and replacement. It also contributes up to 75% of the cost of building and repairing garages, terminals and park-and-ride lots, as well as for installing reserved lanes for public transit. In addition, it covers 50% of the cost of purchasing buses.

The priorities of this component involve mainly investments in asset maintenance and repair. Since 1991 it has been mandatory to submit business-case studies, including a cost-benefit analysis, to obtain a grant under the government assistance program for public transit.

The table below summarizes the nature of the grants available under this program.

**Table 5: Public transit assistance program
Subsidy rate by category**

Category	Description	Subsidy rate
Bus line	• Bus acquisition and replacement	50%
	• Acquisition, construction, enlargement, replacement or repair of the following items: terminals, garages, administrative centres, reserved lanes and park-and-drive lots	75%
	• Development of reserved lanes	75%
Guided land transport system (e.g. the metro)	• Construction or extension costs	100%
	• Replacement or repair costs	75%

Assistance for municipal and intermunicipal boards of transport

The government assistance available for municipal and intermunicipal transit agencies is tied to revenues from the service. The subsidy amounts to 40% of user receipts based on regular fares, up to a maximum of 75% of the operating deficit or a ceiling equivalent to the subsidy granted in 1996.

The new institutional and financial structure established in the Montreal area in 1996 with the creation of the Agence métropolitaine de transport was accompanied by the introduction of a 1.5¢-per-litre surtax on gasoline to fund the public transit services provided in the region, thereby enabling the AMT to fulfil its role.

MOTORISTS' CONTRIBUTION TO FUNDING PUBLIC TRANSIT

From the time when public transit first became available, it was always funded by traditional partners such as users, municipalities and the Québec government. However, based on the principle that beneficiaries should contribute, the Québec government innovated by involving a fourth partner.

Thus motorists are required to help fund public transit through the Fonds des contributions des automobilistes au financement du transport en commun, which is financed by a \$30 surcharge on vehicular registration fees in each of Québec's six census metropolitan areas.



THE GOVERNMENT ASSISTANCE PROGRAM FOR PUBLIC TRANSIT IN RURAL AREAS

The government assistance program for public transit in rural areas was launched in 2003, with 81 regional county municipalities qualifying for aid. The government grants fall into two categories:

- \$10,000 for needs and feasibility studies;
- an annual operating grant capped at between \$20,000 and \$28,000, depending on criteria tied to the regional county municipality's property tax base.

