**To** (various City of Ottawa elected officials and staff): Mayor Jim Watson, Colin Simpson, Vivi Chi, Nancy Schepers, Marica Clarke, Bruce Finlay, Mark Taylor, David Chernushenko, Keith Egli, Mathieu Fleury, Marianne Wilkinson, Diane Holmes

**cc**: Trevor Haché, Graham Saul (both from Ecology Ottawa)

**Date**: November 12, 2013

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Dear Mayor, City Councillors and City Staff,

I represent Ecology Ottawa, as a member of their Transportation Committee. I am attaching a policy memorandum we have recently developed, on the subject of the role of “user fees” in the City’s Transportation Master Plan. This memo builds on points made by Trevor Hache of Ecology Ottawa in a recent verbal presentation to the Transit Commission.

We believe user fees can be a valuable and effective source of revenue for implementation of the Master Plan, and we welcome any further questions you may have concerning our views on this subject.

Yours sincerely

Geoff Stiles

On behalf of: Ecology Ottawa

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Ecology Ottawa made a presentation in person to the Transit Commission on Nov. 4, 2013, supporting the overall thrust of the draft Transportation Master Plan but identifying several areas in need of improvement. One of the issues mentioned was user fees for road transportation. We would now like to address that issue in more detail for submission to the Transportation Committee, relevant city staff, and elected officials.

Our main concern is that the City has apparently withdrawn its earlier commitment (in the January *Preliminary Policy Proposals*[[1]](#footnote-1)) to conducting research on the topic of user fees. This commitment would have included examination of efforts

“*to expand user fees for transportation beyond transit fares, parking charges, vehicle licensing fees and gas taxes… Candidate user pay approaches could include charges for the use of roads depending on the distance travelled, road tolls, parking space levies, commercial parking surcharges, fuel surcharges, and vehicle registration fees.”*

It is our feeling that removing this commitment to conduct preliminary research was a mistake. User fees are a potentially significant source of revenue for the City, which could be used to shift demand towards more sustainable transportation options and simultaneously help the City to meet its greenhouse gas reduction goals*.*

City staff and elected officials will already be aware of the list of ‘user pay’ options or ‘revenue tools’ that MetroLinx had considered for implementation in Toronto and other urban areas of the province. This list included a wide range of options which were then evaluated against a series of criteria such as revenue potential, sustainability, emissions savings and ease of implementation.[[2]](#footnote-2) The MetroLinx study was a direct response to expert opinion that new revenue sources are needed to meet the province’s urban transportation needs and that user fees for roads are the fairest and least regressive option.

Our own research over the past two years has considered a variety of possible tools which the City could apply without unfairly burdening residents, some of which were also examined by Metrolinx. The most promising of these include:

* A “cordon charge” imposing targeted fees for inner-city road use, using either a transponder or license-recognition system such as those employed by cities such as Stockholm and London.
* Stricter limitations on inner-city parking, both privately-owned and publicly-owned, either by raising parking fees or reducing available spaces.
* A vehicle licensing or registration fee, mandatory for (and payable only for) vehicles using inner-city roads and identifiable by a licensing disc, with fees linked to engine size and/or vehicle weight in order to penalize high emitters (and perhaps exclude low-emitting vehicles such as hybrids).
* Highway tolls for major roads, i.e. 400-series roads such as 417 and 416, and other major highways such as 174.[[3]](#footnote-3)
* A regional municipal gasoline tax in addition to the existing taxes, with revenue dedicated to building public transit and pedestrian/cycling improvements.
* A Vehicle Kilometres Travelled (VKT) Charge, which could be used in lieu of increased gasoline taxes using GPS tracking.

We ask that the Transportation Committee reinstate the original commitment made that to “identify several user pay approaches and assess their technical feasibility as well as their impact on other goals related to equity, efficiency, economic growth and public acceptance.” We recognize that Ottawa’s choices for implementing user-pay for roads may be different from those of other cities such as Toronto or Hamilton, but we are concerned that by eliminating this option entirely Ottawa is placing unfair burdens on those who choose more sustainable forms of transportation.

We were very interested to learn of research recently conducted by Sustainable Prosperity on the cost of urban sprawl (available here: <http://thecostofsprawl.com/>). A section of that larger piece of work is specifically dedicated to The Costs of Roads and Highways, and we would encourage you to read it: <http://thecostofsprawl.com/report/the-costs-of-roads-and-highways.pdf>. An excerpt relevant to our recommendation follows:

*“There is a widespread view that motorists pay fully for roads through fuel taxes. It is a mistaken view; road spending is not covered by fuel taxes. Even adding revenues from permit, licence and other fees collected by all levels of government, the total revenue from road users amounts to only $15.5 billion per year across Canada. More than $13 billion per year – nearly half – of the annual spending on roads is subsidized by other revenue sources.”*

*“In addition, fuel taxes and road-related user fees and charges cover none of the social costs of road use: air pollution, greenhouse gas emissions, noise, delay from traffic congestion, and vehicle collisions. These costs are high – estimated at more than $27 billion per year in one study. A more recent study puts the annual cost of collisions alone at $63 billion.”*

*“The benefits of using automobiles on roads are mainly private, in other words they are internal to motorists: convenience and faster access to destinations, depending on the situation. The costs are both private (internal) and social (externalized).”*

We trust that our recommendation will be viewed as a constructive attempt to help the City of Ottawa achieve its modal split targets, greenhouse gas reduction targets, and to help Ottawa raise more revenue to invest more quickly in more pedestrian, cycling and public transportation infrastructure.

1. City of Ottawa. Building a Liveable Ottawa 2031 Preliminary Policy Proposals. "User Pay." Pages 10, 11. January 29, 2013. <https://ottawa.ca/sites/ottawa.ca/files/preliminary_proposals.pdf>. Accessed 14 November 2013. [↑](#footnote-ref-1)
2. The summary of revenue tool options can be found at: <http://www.bigmove.ca/wp-content/uploads/2013/03/RPT-2013-03-12-Revenue-Tool-Profiles.pdf> [↑](#footnote-ref-2)
3. The Metrolinx study proposed for Toronto a toll on all 400-series highways plus “major municipal expressways.” Tolling would have to be electronic, like the 407 in Toronto, to minimise congestion problems. See <http://www.bigmove.ca/wp-content/uploads/2013/03/RPT-2013-03-12-Revenue-Tool-Profiles.pdf> [↑](#footnote-ref-3)