

High Speed Rail (HSR) for Canada – It's Time is Now

The Issue

Canada is the only G8 country without High Speed Rail (HSR), and the only G20 country that has not committed to HSR in the past decade. Canada cannot afford to be left behind.

China, France, Germany, Russia, Turkey and the US are among the many countries that have recognized the numerous economic and socio-economic benefits of HSR. President Obama has called for a six-year, \$53 billion plan to create an extensive network of HSR through the mid-west, California, Florida and the northeast corridor.

The federal government's collaboration with the Ontario/Quebec governments to update the 1990s feasibility studies for HSR service along the Quebec City/Windsor corridor presents a renewed opportunity for Canadian communities to reap the benefits that HSR would bring. There is growing pressure for HSR track on the Montreal-Boston, Calgary-Edmonton and Vancouver-Seattle corridors.

HSR along the Quebec City-Windsor corridor would improve Canada's global competitiveness, enhance our quality of life, increase labour mobility, relieve traffic congestion, produce green jobs, increase tourism, reduce the pressure of mounting populations within major cities, improve air quality, and increase efficient flow of freight traffic.

Background

Global Competitiveness

High Speed Rail must be a key piece of Canada's strategy to remain competitive in the global economy. The mobility of a nation's people, particularly in Canada, can lead to increased productivity especially when drive times can be reduced. It can also alleviate pressure on the infrastructure requirements of the GTA while at the same time allowing other communities along the HSR route to flourish thus making these other communities more attractive to development and investments. Labour mobility between jurisdictions has long been thought to be an economic advantage especially with labour shortages predicted in the short to medium term. As Canada endlessly studies the feasibility of HSR, our G-8 and G-20 competitors have moved aggressively to integrate HSR into their regional transportation networks; we are the only G-8 nation without High Speed Rail, and are the only G-20 country that has not committed to developing HSR in the past ten years.¹ China has invested \$120 billion to build 13,000 kilometres of HSR track by 2012, which includes a 1,300 kilometre line between Shanghai and Beijing that is approximately the length of the Windsor-Quebec corridor.² Spain has invested \$100 billion to build 10,000 kilometres of HSR tracks, and have set an ambitious goal to have ninety per cent of its citizens located within 50 kilometres of an HSR connection. The United States is planning for a massive HSR expansion in California, Florida, the Northeast corridor, and the Midwest.³

Our G-8 and G-20 competitors are responding to the growing recognition of the rise of the mega-region, which Richard Florida defines as "an integrated set of cities and their surrounding suburban hinterlands across which labour and capital can be reallocated at a very low cost."⁴ Nations that implement

¹ Nesbit-Larking, Paul and Singh, Naresh. *High-Speed Rail for London, Ontario*. October 22, 2010.

² China Network Television. (CNTV) "China to spend 800 bnyuan to double high-speed rail network." July 29, 2010. <http://english.cntv.cn/20100729/105597.shtml>

³ United States Department of Transport. "President Obama, Vice President Biden To Announce \$8 Billion For High Speed Rail Projects Across The Country." Federal Railroad Administration, 2009a. <http://www.fra.dot.gov/Pages/press-releases/341.shtml>

⁴ Florida, Richard. *The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity*. Toronto, Random House, 2010.

transportation policies that ease the flow of labour, trade, and ideas within these regions will thrive, and those that are slow to respond will stagnate or decline. HSR lines within Canada will link regions within our borders, but could also link Canadian's to several significant North-American mega-regions as identified by Florida's research. The Windsor-Quebec corridor could link into the 'Chi-Pits', 'Tor-Buff-Chester' and 'Bos-Wash' mega-regions; a Pacific Vancouver-Seattle line could link into the 'Cascadia' mega-region; and, a Calgary-Edmonton line would link two major population centres in Western Canada. Integrating our planning with HSR projects planned for the United States is too big an opportunity for Canada to miss.

Although Canada's population density is not as great as in China or the U.S., there is sufficient concentration of that population along the Windsor/Quebec corridor to make it financially feasible and profitable when combined with the resultant savings in traditional infrastructure expenditures. Furthermore it is hoped that with the advent of HSR we would see the population of serviced communities grow at a faster pace as a result of this attractive option.

The development of a national railroad system in the 19th century forged Canada as a nation – as we come closer to our nation's 150th birthday, we must avoid the bitter irony of falling into economic decline due to our failure to move ambitiously towards a 21st century HSR network. HSR could in fact be the single most significant infrastructure project in Canada since the construction of the St. Lawrence Seaway.

Economic Development

The construction of HSR will result in significant direct and indirect employment opportunities to build and maintain the line, with one estimate suggesting it will create 127,000 person years of employment.⁵ The jobs created are likely to be stable, high-skilled jobs that could help revitalize the middle class after the loss of high-quality jobs in other industries.

According to the Railway Association of Canada, it also has the potential to “revitalize Canadian steel manufacturing to achieve greater economies of scale, thereby increasing production and employment while decreasing costs.” While steel prices are currently higher than when this study was completed, the sheer volume of a project like HSR is sure to drive those prices down to a point where the project would still be financially feasible.⁶ Opportunities for Canadian companies to export their expertise to assist with other global HSR projects will be created – Bombardier is already a world-class manufacturer of High-Speed trains, and Canadian expertise could expand into materials engineering, intermodal logistics services, communications systems, software and electronics.⁷

Many indirect economic benefits are also likely to result, as a commitment to HSR will increase confidence in Canada as a global destination for business. Global capital will begin flowing into Canada well before the first train leaves the station – investment is likely to begin the very day the network gets a green light

Socio-Economic Benefits

As Richard Florida argues in *“The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity”* HSR will allow for more balanced growth and development along the corridor, and will revitalize cities and towns by “greatly expanding the economic options and opportunities available to their residents” by connecting them to a wider network of communities. This would not only apply to

⁵ Ontario -Quebec Rapid Train Task Force – Final Report. May 31 1991: 17
<http://www.bv.transports.gouv.qc.ca/mono/0986299.pdf>

⁶ Canada. Standing Committee on Transport, Infrastructure and Communities. Parliament of Canada. Jun 9 2009. <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3973433&Language=E&Mode=1&Parl=40&Ses=2>

⁷ Nesbit-Larking and Singh: 11

the main cities where HSR stops would be planned but as well to all of the regional connector communities that would feed into HSR. This is a system approach designed to benefit not only the region that HSR would serve, but the entire country.

Land value along HSR corridors will increase, which will breathe new life into local tax bases.⁸ It will also connect millions of citizens to a wider range of jobs, with much less commuter stress. Canadians will also have access to more affordable living space, replace time spent in the car with more time spent with families, and improve their health through a reduction in smog, stress and other negative outcomes associated with the growing traffic on our roadways.

Environment

HSR will potentially have significant environmental benefits. Some estimates indicate that fuel consumption in Ontario alone could decrease by 262 million litres annually (if combined with a re-organization of freight traffic) with similar savings to be realized in Quebec.⁹ In other words, regular vehicular traffic could be substantially reduced if HSR were to be deployed, along with a significant shift away from truck based freight movement to more rail based freight as the current combined use tracks would be freed up to concentrate on freight-only usage.

This will go a long way to assisting with Provincial greenhouse gas (GHG) reduction targets. The benefits will go beyond the HSR region as neighbouring Provinces and States are positively impacted by smog reduction.

In addition to GHG reduction, HSR will provide an alternative to automobile commutes from bedroom communities along the 400 series highways into the GTA and as a result will limit urban/green-field sprawl.

Safety, Health & Lifestyle

According to the Transport Canada 2009 *Annual Report*, rail travel is a very safe commuter option as there is less congestion, less weather concerns and fewer driver distractions. In addition to improved safety, travel times will lower for both rail and highway as commuters are diverted. These shorter commute times, and resulting lower stress levels, will have a positive impact on health and family life. In the end, HSR will enable individuals to have both economic opportunity *and* high quality of life instead of having to trade one off against the other.

Public Opinion

Public opinion is strongly in favour of HSR. According to a Nanos Poll conducted in May 2008, 77% of Canadians have a positive or somewhat positive view of HSR. In addition, 78% of respondents were in support of Canada having HSR. This survey was followed up in November 2009 by the Ekos Survey "All Aboard - The Public Case for HSR". This survey concluded that Canadians have a very high level of awareness HSR and that there is an overwhelming top-of-mind support for it.

Cost

The creation of HSR will relieve pressure on infrastructure spending for alternate modes of transport. If we don't build HSR then continued population growth will require significant highway expansion while not realizing the many benefits of a HSR system. HSR will in the long run save infrastructure dollars.

Next steps

⁸ Nesbit-Larking and Singh: 5

⁹ Nesbit-Larking and Singh: 20

While the Canadian Chamber of Commerce respects the fact that the present Federal Study on this issue has yet to be released it is our collective view that unless the study calls for a specified timeline for the actual implementation of an HSR strategy, the time for feasibility studies is over and the government needs to proceed to the next stages of implementation. To be truly “high speed” there should be dedicated lines and the number of stops/Hubs should be limited to major centres along Highway 401 and Autoroute 40/540. Regional feeders and connectors will be determined during the planning and EA stages.

Recommendations:

That the federal government (in conjunction with the governments of Ontario and Quebec):

1. Announce a firm commitment to the project no later than fiscal 2013.
2. develop a plan for partial (incremental) implementation to be in place by 2014
3. Define the dedicated HSR corridor which will include the selection of Inter-City Hubs from Windsor to Quebec City.
4. Undertake all Environmental Assessments (EAs) with completion scheduled for 2016.
5. Commence first stage implementation in 2017 (first and most feasible link).
6. Consider funding models that include but are not limited to public-private partnerships.
7. Commit to complete the entire project by 2030

Submitted by the London Chamber of Commerce

The Transportation Committee does not support this resolution for the following reasons:

- **Has the potential to pit one sector against another**
- **The timeframes expressed in this resolution remain very ambitious and unrealistic.**