

Investing in Canada's Transportation Infrastructure

The federal government is to be complemented for its efforts in funding of municipal infrastructure upgrades across the country. Last year it transferred \$1.8 billion (36 per cent of gas tax revenues) to municipal governments for them to use in funding infrastructure maintenance, upgrades and new projects. Although the source of this funding is from gas tax revenues, only a portion is dedicated by the various municipalities to upgrade transportation infrastructure. This year 37 per cent will be transferred, and by 2009, \$2.6 billion (over 50 per cent of annual gas tax revenues) will be dedicated to this activity. What this does not cover is the national transportation infrastructure for which the federal government is responsible and which is integral to the continued movement of goods and services across Canada.

The Canadian economy is dependent, in part on the national transportation infrastructure – a part of which falls under the responsibility of the federal government. The lack of maintenance and improvement to these essential highways, bridges and other segments slows down goods movement and causes additional costs to be incurred by road users to fix damage done to vehicles. It increases the time it takes for goods to make trips thus lowering productivity and increasing transportation costs. It also increases vehicle maintenance costs as a result of the aging transportation infrastructure and can be indirectly responsible for damage to cargo. This in turn harms the economic well being of the country.

Recommendation

THAT THE FEDERAL GOVERNMENT SPECIFICALLY ALLOCATE FUNDING FOR THE PROPER MAINTENANCE AND UPGRADING OF CANADA'S AGING NATIONAL TRANSPORTATION INFRASTRUCTURE.