

Société de transport de Montréal (STM)

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Strategic investments in infrastructure help support economic growth, particularly during periods of economic slowdown. The Building Canada Fund, for example, contributed to Canada's good economic performance during the last recession. Public transit is a priority area and should remain an eligible category in the next federal infrastructure plan. Investment in public transit generates significant and sustainable economic impact through the creation of high-quality jobs and by making the economy more competitive. The economic impact of public transit investments in Canada is estimated at \$11.5 billion a year, according to information from the Canadian Urban Transit Association (CUTA). Investment in public transit also increases productivity and reduces major economic losses resulting from traffic congestion in Canada's large urban centres. In Montreal, economic losses resulting from traffic congestion are considerable and, according to the MTQ's most recent estimates, amount to at least \$3 billion a year.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Support for the high-value-added manufacturing and processing sectors is essential to supporting job creation and, especially, exports. Natural resources and services are not enough; it is important to have an industrial base that can develop expertise and stimulate trade. Public transit is part of that industrial base here in Canada. Canada manufactures and exports public transit equipment, and investment in that sector helps consolidate this industrial base. Canada's public transit industry creates approximately 80,000 direct and indirect jobs across the country. Canadian bus and train manufacturers are innovative export businesses that help increase our prosperity, and Québec is a central player in the industry. It is a healthy manufacturer and exporter of public transit equipment. The some 100 manufacturers in this industrial sector in Quebec (buses, coaches and railway cars) generate total sales of more than \$2 billion.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Demographic change is a major challenge that must be addressed on many fronts: by adapting public infrastructure in accordance with demographic changes; investing in training to enable the labour force to adjust to economic changes; affording greater flexibility in the labour market, particularly by making it more appealing for workers to postpone retirement; and ensuring that we have sophisticated immigration policies that give priority to occupational integration.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

An effective public transit system reduces all transit times, including those of trucks and cars. This has the effect of expanding labour recruitment pools for businesses. Greater mobility and transit accessibility enable more workers to be available to hold more jobs, and greater worker mobility increases productivity. In the transportation of goods, smooth, continuous delivery is also an essential component of economic attractiveness. Business productivity increasingly relies on the rigorous management of companies' goods and on "just-in-time" supply and distribution processes, which must be flexible and reliable. Exporting industries are particularly sensitive to these factors. Public transit plays a major role in improving the free flow of goods by removing cars from the roads.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Unskilled and low-income workers are among the most vulnerable to economic cycles and changes. To support them, it is important to invest in training to enable the labour force to become more skilled and adapted to new labour market realities. It is also important to provide work incentives. Mobility is an essential part of those incentives. Investing in individual mobility means investing in worker availability and labour market flexibility.