Press Release 09/01/2008

FCM
Federation of Canadian Municipalities
Fédération canadienne des municipalités

CUTA ACTU
CANADIAN URBAN TRANSIT ASSOCIATION
ASSOCIATION CANADIENNE DU TRANSPORT URBAIN

SURVEY SHOWS GAS PRICES PUSHING CANADIANS TO TRANSIT BUT CAPACITY MISSING

:: Canadian Perceptions Toward the "New Realities of High Gas Prices"
:: Backgrounder - Key Results: FCM–CUTA–Strategic Counsel Survey
:: Backgrounder - Higher Gas Prices Driving Up Transit Demand
:: Backgrounder -Towards a National Plan for public Transit

Not enough buses, trains to meet new demand; Ottawa must put more money in transit now, says federation

Ottawa, September 1, 2008 -- Rising gas prices are cutting into Canadians' spending power and prompting them to consider taking public transit for some relief, according to a national survey released today.

But too few trains and buses may derail a once-in-a-generation opportunity to move people from cars to transit, say the Federation of Canadian Municipalities (FCM) and the Canadian Urban Transit Association (CUTA).

"Canadians are at a tipping point," said FCM President Jean Perrault. "They are feeling pain at the pump and willing to consider switching to transit. The problem is they'll find most transit systems are already operating at or beyond capacity."

The survey, conducted by the Strategic Counsel for FCM and CUTA, shows rising gas prices have more than one in five Canadians considering switching to public transit.

More than 40 per cent say they will consider transit if gas prices continue to rise. The survey also shows that 83 per cent of those surveyed believe high gas prices are here to stay and 30 per cent say that their personal financial situation has worsened in the last six months.

The survey responses suggest that transit ridership could triple as a result of higher gas prices.

"Transit providers welcome new riders, but without new funding this kind of increased demand would overwhelm urban systems, many of which are already at or beyond capacity during peak hours," said CUTA Chair Steve New.

"The ability to respond to a surge in ridership resulting from higher gas prices will require major investments in additional service" New added.

The survey suggests that high gas prices will be an issue in the next federal election.

"These are issues that must be debated during the next election," said Perrault. "We're looking at an unprecedented opportunity for government to help Canadians deal with high gas prices while jumpstarting a shift from cars to transit. Ultimately the country needs a properly funded, national transit strategy. But the federal government can get things rolling right now by adding a dedicated top-up to the existing federal gas tax fund for transit. The fund is in place, it works, and we all understand it."

"Either we take the opportunity now to support a shift to transit by getting more buses on the road and better rail service," said Perrault, "or we do nothing and Canadians will continue to be hurt by high gas prices with no alternatives."

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The Strategic Counsel

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Canadian Perceptions Toward the "New Realities of High Gas Prices"

Implications for Public Transit and Environment Policy

August, 2008

Research Design

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How the research was undertaken

- This report is based on 1,100 telephone surveys with those aged 18 or older living in communities across Canada with populations of 100,000 or greater. The final sample was broken out by community size as follows:
  - 500 surveys were administered in cities with populations between 100,000 and 499,999
  - 600 surveys were administered in cities with populations of 500,000 or more
- Within each of these community size groups, the cities included were proportionately represented in the sample frame, in accordance to Statistics Canada Census information (see the next slide for a full list of the cities included in the sample)
  - As a result, when analyzing the results of each group separately, no weighting is necessary
  - However, the combined sample of 1,100 was weighted slightly to ensure that the overall results are representative based on the proportions of population across the two community size groups
- Each interview was approximately 11minutes in length and all interviews were conducted between August 14 – 22, 2008
- The overall results for this survey are accurate within +/-2.95%, 19 times out of 20
  - The results for cities with 100,000 to 499,999 residents are accurate within +/-4 38%, 19 times out of 20
  - The results for cities with 500,000 or more residents are accurate within +/-4.00%, 19 times out of 20

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The cities that were included in the sample

100,000-199,999		200,000-499,999	500,000 +
Abbotsford	Regina	Québec	Toronto
Cambridge	Richmond	Brampton	Montréal
Kingston	Oakville	Surrey	Calgary
Guelph	Burlington	Halifax	Ottawa
Coquitlam	Richmond Hill	Laval	Edmonton
Whitby	Greater Sudbury	London	Mississauga
Thunder Bay	Sherbrooke	Markham	Winnipeg
Saanich	Saguenay	Gatineau	Vancouver
Chatham-Kent	Oshawa	Vaughan	Hamilton
Kelowna	St. Catharines	Longueuil	
Cape Breton	Lévis	Windsor	
St John's	Barrie	Kitchener	
	Trois-Rivières	Burnaby	
		Saskatoon	

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Highlights

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Highlights

Get Used to High Gas Prices: Consumers say it's "the new reality"

- Consistent with other public opinion polling, there is evidence that the softening economy and rising gas prices are causing stress and strain in Canadian households of those living in Canada's larger urban centres. Some 30% say their personal financial situation has worsened in the last six months
- Fully a third (32%) cite energy-related expenses (rising gas prices, utilities, energy costs) as the household budget issue about which they are most concerned. Moreover, one out of every five surveyed (21%) cites rising gas prices as the single household expenditure that concerns them most
- Canadians also see little relief in the future on gas prices. an overwhelming majority (83%) believes high gas prices as a the "new reality". About two-thirds say they are "feeling the pinch" from rising gas prices on their household budgets

High gas prices are prompting people to seriously rethink their transportation choices … and public transit is a clear option

- The "new reality" is having a significant effect – 60% of people say soaring gas prices are causing them to rethink their transportation choices. When asked what kinds of changes they have made in response to the price increases, almost a quarter (23%) told us they are driving less (23%) and another 20% say they have switched or are considering a switch to public transit. Purchasing a more fuel efficient vehicle is being considered by another 16%
- Another 20 % of respondents said they will consider switching to transit if gas prices continue to increase. In total, 40 per cent of respondents say that rising gas prices have already or will push them to consider using public transit
- Interest in becoming a regular public transit user is, to some extent, dependent on how high gas prices rise
  - About a quarter of those who have not already made the switch to public transit, as a result of gas price increases, say they would with gas prices fluctuating anywhere between $1.20 and $2.00 a litre. For another one-fifth of consumers it would take gas prices above $2.00 a litre to prompt them to make the use public transit on a regular basis and close to half would resist taking public transit under any pricing scenario
- The fact that almost a quarter of consumers in Canada's biggest cities are ready to make the switch to public transit with gas prices under $2.00 per litre suggest that there could be a substantial increase in public transit usage if gas prices continue to spiral. The obvious issue here is can public transit meet this increased demand?

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Highlights

Improving service levels and reducing waiting times would motivate more citizens to use public transit

- There are, however, some key barriers to increased use of public transit and this includes overcoming concerns about travel and wait times as well as hours of service.
  - Six-in-ten say they would be at least somewhat more likely, and a third much more likely, to think about taking public transit if point to point travel times were reduced, wait times were shortened and if public transit in their communities offered better hours of service
- Given the renewed interest in public transit as a result of the spike in gas prices, and the improvements the public feels are necessary in order to make public transit a truly viable option, it is not surprising that an overwhelming majority (81%) support (40% strongly support) directing more of the federal gas tax to investments in public transit.

The current national environmental strategies are not seen as enough to help average Canadians.

- Cars and trucks are viewed as the single largest source of greenhouse gases.
  - In all, four-in-ten (39%) identify vehicles on the road as the main source of greenhouse gas emissions.
  - Just under one-third (32%) point to manufacturing and another 13% single out the natural resources industry
- The public appears to have little faith that current plans will help the average Canadian to reduce his or her carbon footprint.

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Highlights

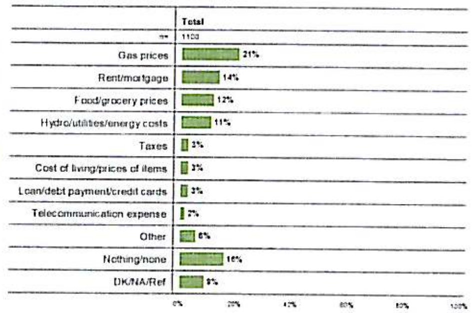
Overall Conclusions

- Overall, these findings suggest that the longer term impact of rising gas prices has the potential to put considerable pressure on the public transit systems in major Canadian communities, although this demand may well be moderated without significant improvements to the system.
- The case for a national public transit plan is clear:
  - Canadians are starting to think more about public transit
  - Many have already made the switch, prompted by rising gas prices
  - Many more would do so if travel and waiting times were reduced and the hours of service were better, and
  - Overwhelming, Canadians support more of the federal gas tax being spent on reducing the number of cars and trucks on the road by improving public transit.
- There is strong public support for increased funding for public transit AND for such funding to be made part of a national environmental strategy. In part, this support is linked to the belief that cars and trucks are a significant contributor of greenhouse gas emissions and that a combination of rising gas prices with increased investment in public transit would help to reduce vehicle use and have a positive impact on the environment

Detailed Findings

The price of gas is the top concern for most people. Together with energy costs, one-third are concerned about gas/hydro/energy costs

Top Household Expense Concerns



Q1 Thinking about your regular monthly household expenses, what is the one issue or item that you are currently most concerned about?
Base All respondents

Gas prices clearly dominates the list of concerns in all parts of the country, although not quite as prominent in Quebec

Top Household Expense Concerns TOTAL	Total	Region: Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	Community Size: 100-499k	500k+
n=	1100	[illegible]	231	530	288	500	600
	%	%	%	%	%	%	%
Gas prices	21	22	14	21	25	22	19
Rent/mortgage	14	10	12	13	18	14	14
Food/grocery prices	12	17	13	13	10	11	13
Hydro/utilities/energy costs	11	20	4	13	11	11	11
Taxes	3	2	<1	4	5	3	4
Cost of living/prices of items	3	2	3	4	2	3	3
Loan/debt payment/credit cards	3	2	4	3	2	3	3
Telecommunication expense	2	-	1	2	3	2	3
Other	6	2	9	5	5	5	6
Nothing/none	16	15	23	15	14	18	16
DK/NA/Ref	9	7	18	7	5	9	9

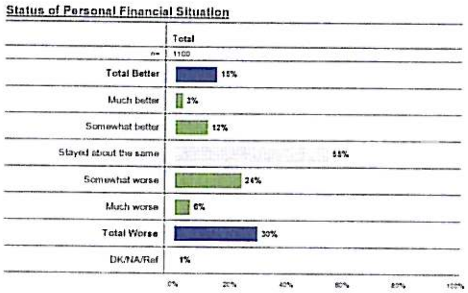
Q1 Thinking about your regular monthly household expenses, what is the one issue or item that you are currently most concerned about?
Base All respondents

The issue of gas prices is a greater concern among households with incomes over $40k and people over the age of 35

Household Expense Concerns TOTAL	Total	Age: 18-34	35-54	55+	Household income: Less than $40K	$40K-$79K	$80K+
n=	1100	232	443	407	278	333	331
	%	%	%	%	%	%	%
Gas prices	21	14	23	22	13	22	25
Rent/mortgage	14	18	16	9	19	13	12
Food/grocery prices	12	8	12	14	17	10	11
Hydro/utilities/energy costs	11	9	11	12	9	10	13
Taxes	3	<1	3	6	4	4	2
Cost of living/prices of items	3	<1	5	2	3	4	3
Loan/debt payment/credit cards	3	5	3	2	4	4	3
Telecommunication expense	2	3	3	<1	1	3	2
Other	6	6	5	6	4	6	6
Nothing/none	16	19	14	18	13	17	17
DK/NA/Ref	9	18	6	7	13	7	7

Q1 Thinking about your regular monthly household expenses, what is the one issue or item that you are currently most concerned about?
Base All respondents

Twice as many people say their personal financial situation is worsening than say it is improving



Q2 In the past six months, would you say that your personal financial situation has gotten much worse, somewhat worse, stayed about the same, gotten somewhat better, or gotten much better?
Base All respondents

Those who are feeling most vulnerable are urban residents in Atlantic Canada …

Status of Personal Financial Situation TOTAL	Total	Region				Community Size	
		Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499k	500k+
n=	1100	[illegible]	231	[illegible]	[illegible]	[illegible]	[illegible]
	%	%	%	%	%	%	%
Total Better	15	7	15	14	16	12	17
Much better	3	2	4	3	3	2	4
Somewhat better	11	5	11	10	14	9	13
Stayed about the same	55	48	59	55	53	55	54
Somewhat worse	24	41	21	23	27	27	22
Much worse	6	5	3	8	4	6	6
Total Worse	30	46	25	30	31	33	28
DK/NA/Ref	1	-	1	1	<1	<1	1

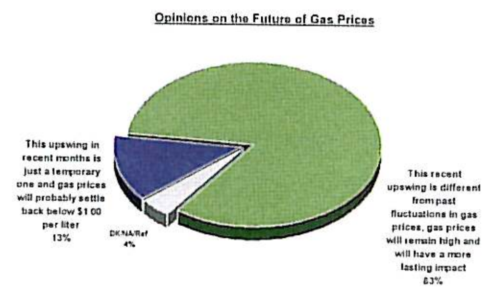
Q2 In the past six months, would you say that your personal financial situation has gotten much worse, somewhat worse, stayed about the same, gotten somewhat better, or gotten much better?
Base All respondents

… and people living in Canada's larger urban communities with an annual household income of less than $40k

Status of Personal Financial Situation TOTAL	Total	Age			Household Income		
		18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	1100	[illegible]	443	407	[illegible]	[illegible]	331
	%	%	%	%	%	%	%
Total Better	15	23	16	8	13	14	20
Much better	3	3	5	2	2	4	4
Somewhat better	12	20	11	6	11	10	16
Stayed about the same	55	52	51	59	46	55	58
Somewhat worse	24	20	24	26	28	26	20
Much worse	6	3	7	6	12	5	2
Total Worse	30	23	31	32	40	31	22
DK/NA/Ref	1	2	1	<1	1	1	-

Q2 In the past six months, would you say that your personal financial situation has gotten much worse, somewhat worse, stayed about the same, gotten somewhat better, or gotten much better?
Base All respondents

High gas prices are viewed as "new fact of life"



Q3 As you may know, the price of gasoline at the pump has been fluctuating in recent months, with a general trend toward rising prices over the last six months. Which of the following best describes your view of the current situation ... would you say that
Base All respondents (n=1100)

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This 'new fact of life' is real for people in all regions …

Opinions the Future of Gas Prices *TOTAL*	Total	Region				Community Size	
		Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499k	500k+
n=	1100	411	231	530	298	500	600
	%	%	%	%	%	%	%
This upswing in recent months is just a temporary one and gas prices will probably settle back below $1.00 per liter	13	15	13	13	13	15	12
This recent upswing is different from past fluctuations in gas prices, gas prices will remain high and will have a more lasting impact	83	78	84	83	84	82	84
DK/NA/Ref	4	7	2	4	3	3	4

Q3 As you may know, the price of gasoline at the pump has been fluctuating in recent months, with a general trend toward rising prices over the last six months. Which of the following best describes your view of the current situation … would you say that
Base: All respondents

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… and is now a "fact" across all age and income groups

Opinions On Gas Prices *TOTAL*	Total	Age			Household Income		
		18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	1100	232	443	407	278	333	331
	%	%	%	%	%	%	%
This upswing in recent months is just a temporary one and gas prices will probably settle back below $1.00 per liter	13	11	13	15	14	14	13
This recent upswing is different from past fluctuations in gas prices, gas prices will remain high and will have a more lasting impact	83	85	84	81	80	84	86
DK/NA/Ref	4	4	3	4	5	2	1

Q3 As you may know, the price of gasoline at the pump has been fluctuating in recent months, with a general trend toward rising prices over the last six months. Which of the following best describes your view of the current situation … would you say that
Base: All respondents

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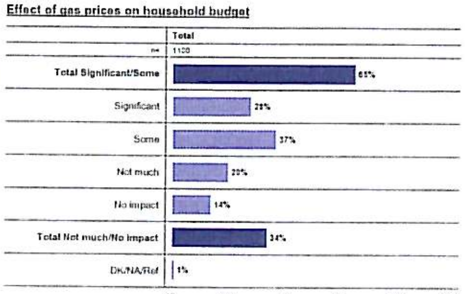
Further, the "new reality of high oil prices" is squeezing household budgets

Effect of gas prices on household budget



Q4 To what extent is your household budget feeling the pinch from rising gas prices? Would you say the price of gas has had a significant, some, not much or no impact on your household budget?
Base: All respondents

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Again, people are feeling the pinch of this "new reality" regardless of where they live …

Effect of gas prices on household budget *TOTAL*	Total	Region				Community Size	
		Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499k	500k+
n=	1100	411	231	530	298	500	600
	%	%	%	%	%	%	%
Total Significant/Some	65	61	58	68	67	69	62
Significant	28	22	18	32	31	30	27
Some	37	39	40	36	36	39	35
Not much	20	24	22	19	21	21	20
No impact	14	15	20	12	11	10	17
Total Not much/No impact	34	39	42	31	33	30	37
DK/NA/Ref	1	-	-	1	<1	<1	1

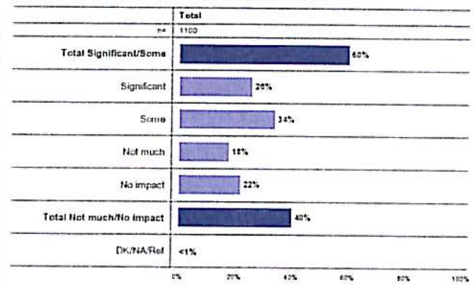
Q4 To what extent is your household budget feeling the pinch from rising gas prices? Would you say the price of gas has had a significant, some, not much or no impact on your household budget?
Base: All respondents

... and while higher gas prices are influencing all income groups, middle-aged people appear to be feeling the brunt of this "new reality" the most

Effect of gas prices on household budget TOTAL	Total	Age 18-34	Age 35-64	Age 65+	Household Income Less than $40K	Household Income $40K-$79K	Household Income $80K+
n=	1100	232	443	407	278	330	331
	%	%	%	%	%	%	%
Total Significant/Some	65	59	73	60	63	67	66
Significant	28	23	35	24	35	30	20
Some	37	36	38	36	28	37	46
Not much	20	23	19	22	14	23	23
No impact	14	18	7	18	22	10	10
Total Not much/No impact	34	41	26	40	36	33	33
DK/NA/Ref	1	1	1	<1	1	-	<1

The "new reality" is causing many households to re-consider their transportation options

Effect of Rising Gas prices on transportation choices



People living in communities of under 500,000 are among the most likely to be rethinking their transportation choices

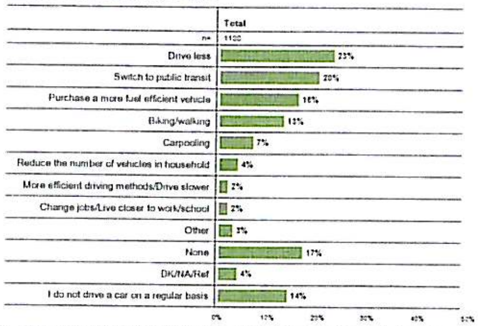
Effect of gas prices on transportation choices TOTAL	Total	Region Atlantic Cities	Region Quebec Cities	Region Ontario Cities	Region Western Cities	Community Size 100-499k	Community Size 500k+
n=	1100	41	231	530	298	500	600
	%	%	%	%	%	%	%
Total Significant/Some	60	59	55	61	62	65	56
Significant	26	22	22	28	27	28	24
Some	34	37	33	33	35	37	32
Not much	18	17	17	17	19	17	19
No impact	22	24	27	22	18	18	26
Total Not much/No impact	40	41	44	39	37	34	44
DK/NA/Ref	<1	-	<1	<1	1	<1	1

And, the "new reality" is also having a greater impact on middle-aged people – about two-thirds are reconsidering their transportation options

Effect of gas prices on transportation choices TOTAL	Total	Age 18-34	Age 35-64	Age 65+	Household Income Less than $40K	Household Income $40K-$79K	Household Income $80K+
n=	1100	232	443	407	278	330	331
	%	%	%	%	%	%	%
Total Significant/Some	60	59	65	55	58	63	62
Significant	26	25	30	22	33	27	22
Some	34	34	35	33	25	36	40
Not much	18	14	17	20	13	18	18
No impact	22	27	18	24	28	19	20
Total Not much/No impact	40	41	35	44	41	37	38
DK/NA/Ref	<1	-	<1	1	<1	-	<1

Many are ready to respond to the "new reality" by turning away from cars and toward public transit

Changes to transportation choices



Q6 Specifically what kinds of changes have you or members of your household made or thought about making regarding transportation choices?
Base All respondents

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The switch to public transit is more likely to be occurring in larger communities, while those living in communities of under 500k are more inclined to say they are driving less

Changes to transportation choices TOTAL	Total	Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499k	500k+
n=	1100	41	231	330	298	500	600
	%	%	%	%	%	%	%
Drive less	23	20	12	27	27	26	21
Switch to public transit	20	17	27	19	17	13	26
Purchase a more fuel efficient vehicle	16	10	14	18	18	20	13
Biking/walking	13	24	15	12	10	11	14
Carpooling	7	-	4	8	7	7	6
Reduce the number of vehicles in household	4	7	7	3	2	4	4
More efficient driving methods/Drive slower	2	2	7	1	1	2	3
Change jobs/Live closer to work/school	2	-	1	2	2	2	1
Other	3	2	3	3	2	3	3
None	17	17	10	18	18	14	19
DK/NA/Ref	4	2	9	3	2	4	3
I do not drive a car on a regular basis	14	12	18	13	15	12	17

Q6 Specifically what kinds of changes have you or members of your household made or thought about making regarding transportation choices?
Base All respondents

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Youth and the less affluent are more likely to be making the switch to public transit, while those with higher incomes are driving less

Changes to transportation choices TOTAL	Total	Age			Household Income		
		18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	1100	232	443	407	278	330	331
	%	%	%	%	%	%	%
Drive less	23	17	26	25	19	25	25
Switch to public transit	20	24	19	19	28	20	15
Purchase a more fuel efficient vehicle	16	17	19	14	11	16	24
Biking/walking	13	16	12	12	17	13	11
Carpooling	7	8	8	3	7	5	9
Reduce the number of vehicles in household	4	3	4	4	4	4	5
More efficient driving methods/Drive slower	2	3	3	1	2	2	3
Change jobs/Live closer to work/school	2	3	2	<1	1	1	3
Other	3	2	4	2	2	3	3
None	17	17	14	18	15	15	17
DK/NA/Ref	4	4	4	3	5	4	3
I do not drive a car on a regular basis	14	18	10	18	16	14	10

Q6 Specifically what kinds of changes have you or members of your household made or thought about making regarding transportation choices?
Base All respondents

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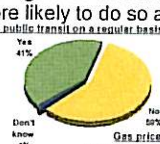
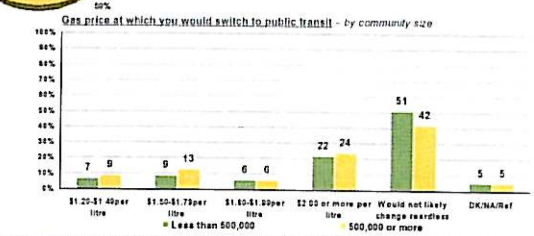
While many people have already made the switch to public transit, among those who haven't, residents of larger communities are a little more likely to do so at lower gas prices

Use public transit on a regular basis because of gas prices



Gas price at which you would switch to public transit - *by community size*



Q7 Now, I'm going to read you a list of some things that consumers have done in response to rising gas prices. I'd like you to tell me if this is something that you, or a member of your household, have already done or are considering doing. If not, I would like to know whether this is something you would be likely to do if the price of gasoline rose to a particular level.
Base Among those respondents who have at least one car in the household

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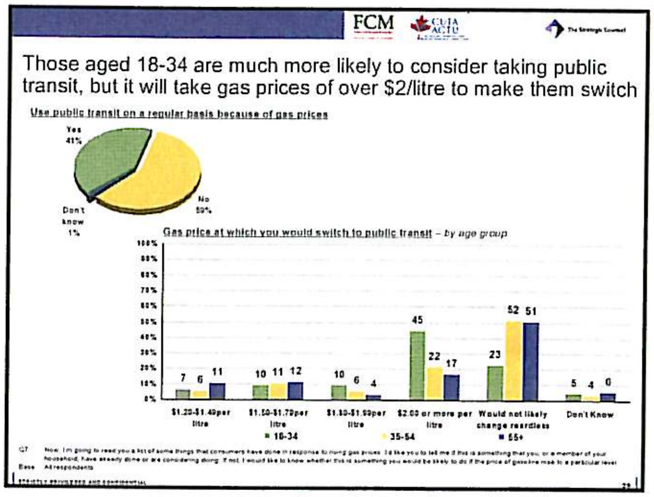
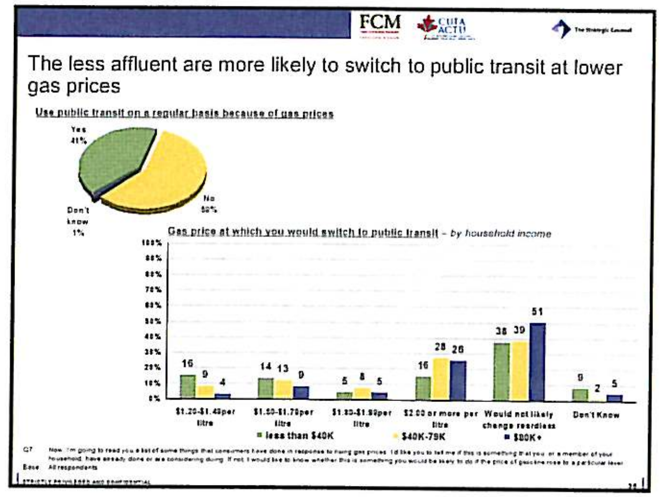
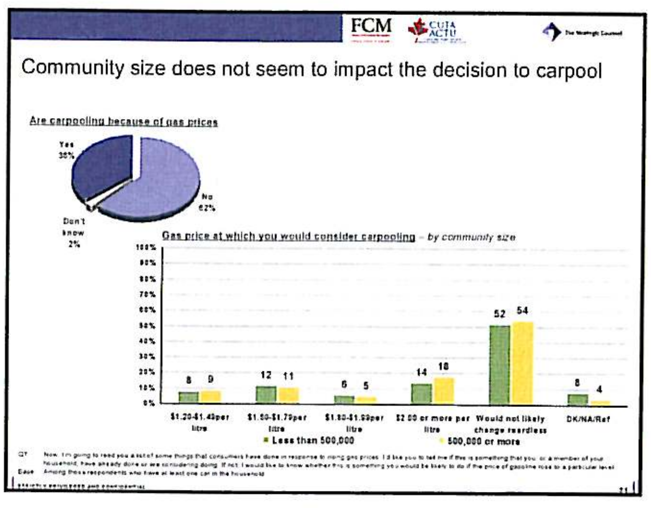
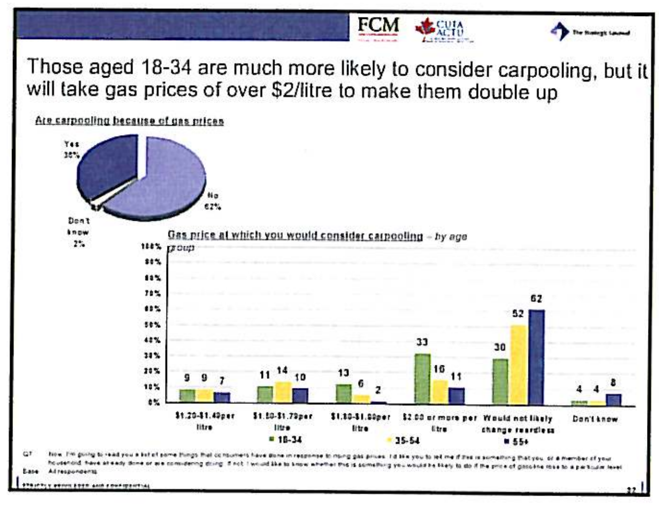
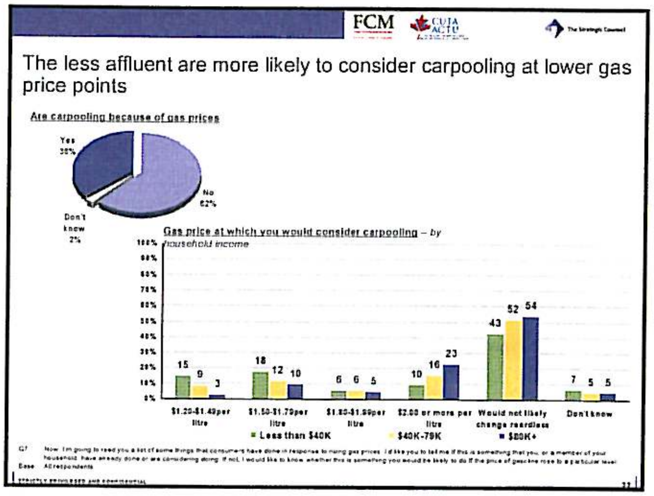
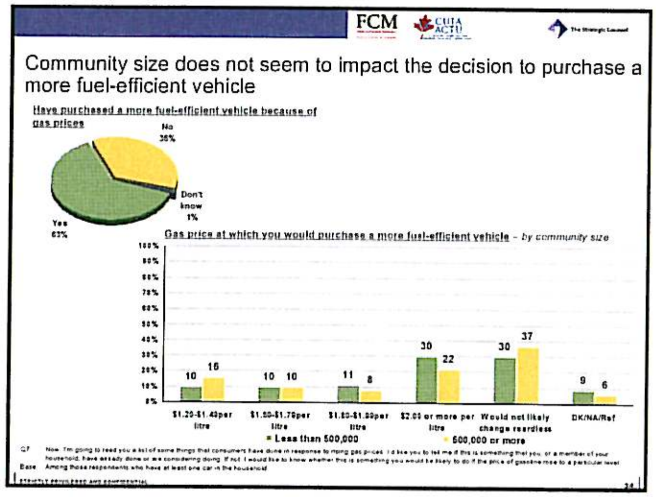

FCM
CUTA ACTU
Those aged 18-34 are much more likely to consider taking public transit, but it will take gas prices of over $2/litre to make them switch
Use public transit on a regular basis because of gas prices
Yes 41%
No 59%
Don't know 1%
Gas price at which you would switch to public transit - by age group
7 6 11
10 11 12
10 6 4
45 22 17
23 52 51
5 4 6
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't Know
18-34
35-54
55+

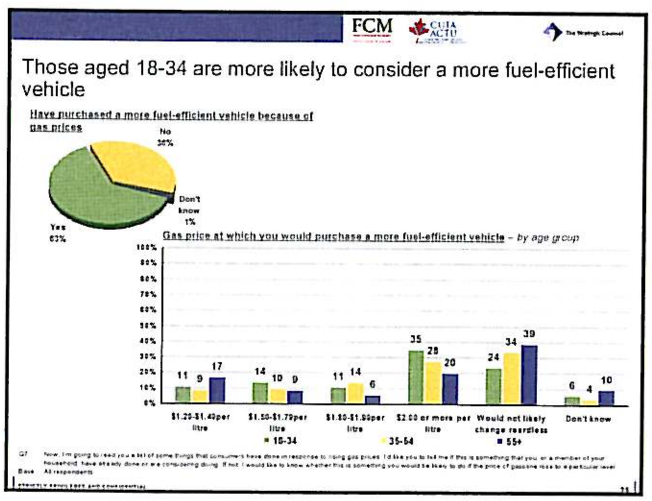

FCM
CUTA ACTU
The less affluent are more likely to switch to public transit at lower gas prices
Use public transit on a regular basis because of gas prices
Yes 41%
No 59%
Don't know 1%
Gas price at which you would switch to public transit - by household income
16 9 4
14 13 9
5 8 5
16 28 26
38 39 51
9 2 5
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't Know
less than $40K
$40K-79K
$80K+

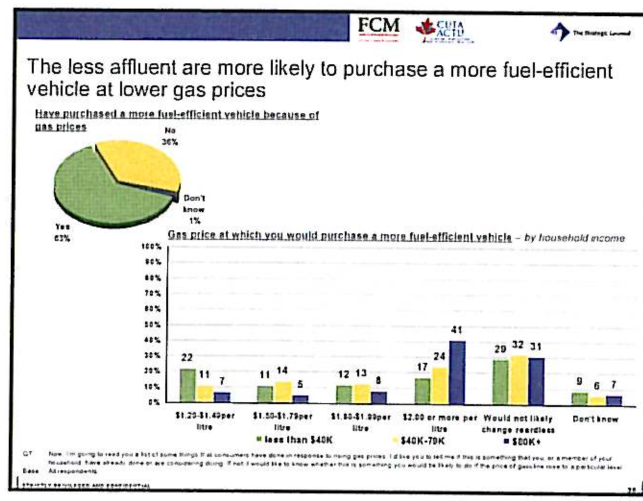

FCM
CUTA ACTU
Community size does not seem to impact the decision to carpool
Are carpooling because of gas prices
Yes 36%
No 62%
Don't know 2%
Gas price at which you would consider carpooling - by community size
8 9
12 11
6 5
14 18
52 54
8 4
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
DK/NA/Ref
Less than 500,000
500,000 or more

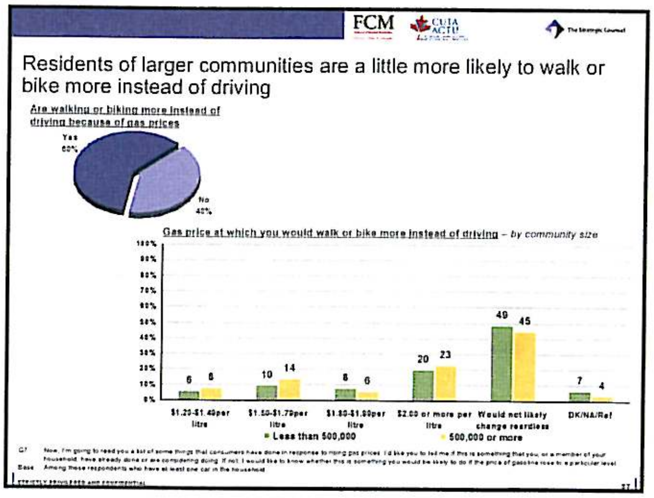

FCM
CUTA ACTU
Those aged 18-34 are much more likely to consider carpooling, but it will take gas prices of over $2/litre to make them double up
Are carpooling because of gas prices
Yes 36%
No 62%
Don't know 2%
Gas price at which you would consider carpooling - by age group
9 9 7
11 14 10
13 6 2
33 16 11
30 52 62
4 4 8
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't know
18-34
35-54
55+

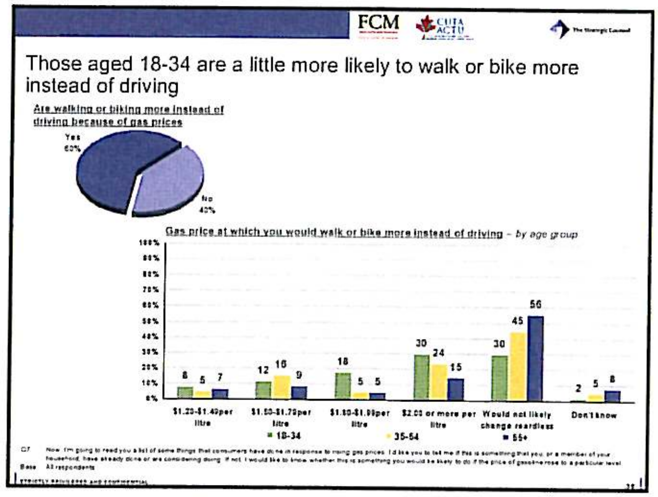

FCM
CUTA ACTU
The less affluent are more likely to consider carpooling at lower gas price points
Are carpooling because of gas prices
Yes 35%
No 62%
Don't know 2%
Gas price at which you would consider carpooling – by household income
15 9 3
18 12 10
6 6 5
10 16 23
43 52 54
7 5 5
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't know
Less than $40K
$40K-79K
$80K+

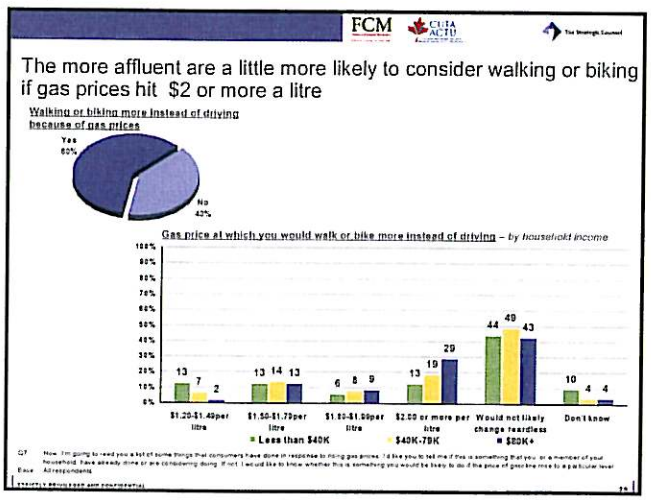

FCM
CUTA ACTU
Community size does not seem to impact the decision to purchase a more fuel-efficient vehicle
Have purchased a more fuel-efficient vehicle because of gas prices
No 36%
Don't know 1%
Yes 63%
Gas price at which you would purchase a more fuel-efficient vehicle – by community size
10 16
10 10
11 8
30 22
30 37
9 6
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
DK/NA/Ref
Less than 500,000
500,000 or more

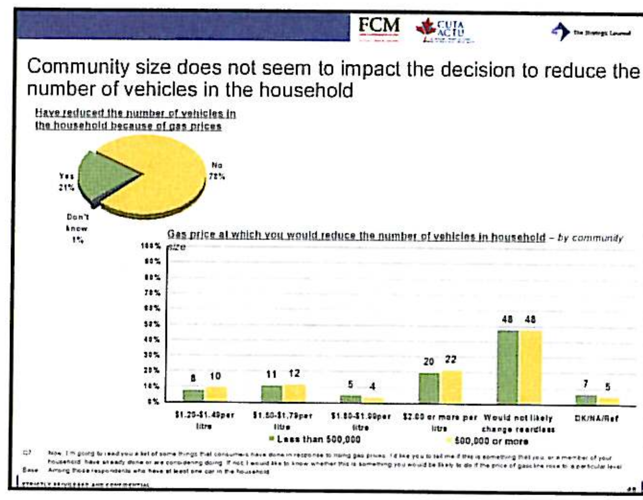

FCM
CUTA ACTU
Those aged 18-34 are more likely to consider a more fuel-efficient vehicle
Have purchased a more fuel-efficient vehicle because of gas prices
No 36%
Don't know 1%
Yes 63%
Gas price at which you would purchase a more fuel-efficient vehicle – by age group
11 9 17
14 10 9
11 14 6
35 28 20
24 34 39
6 4 10
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't know
18-34
35-54
55+


FCM
CUTA ACTU
The less affluent are more likely to purchase a more fuel-efficient vehicle at lower gas prices
Have purchased a more fuel-efficient vehicle because of gas prices
No 36%
Don't know 1%
Yes 63%
Gas price at which you would purchase a more fuel-efficient vehicle – by household income
22 11 7
11 14 5
12 13 8
17 24 41
29 32 31
9 6 7
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't know
less than $40K
$40K-79K
$80K+

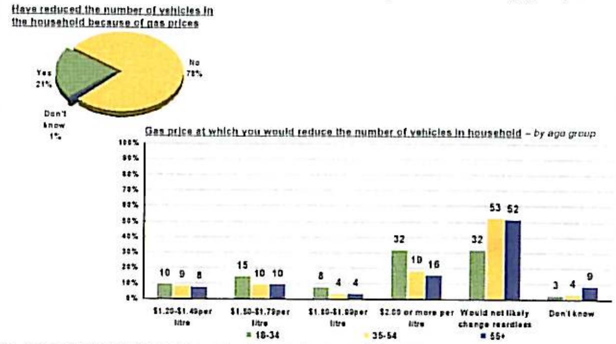

FCM
CUTA ACTU
Residents of larger communities are a little more likely to walk or bike more instead of driving
Are walking or biking more instead of driving because of gas prices
Yes 60%
No 40%
Gas price at which you would walk or bike more instead of driving – by community size
6 8
10 14
8 6
20 23
49 45
7 4
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
DK/NA/Ref
Less than 500,000
500,000 or more


FCM
CUTA ACTU
Those aged 18-34 are a little more likely to walk or bike more instead of driving
Are walking or biking more instead of driving because of gas prices
Yes 60%
No 40%
Gas price at which you would walk or bike more instead of driving – by age group
8 5 7
12 16 9
18 5 5
30 24 15
30 45 56
2 5 8
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't know
18-34
35-54
55+

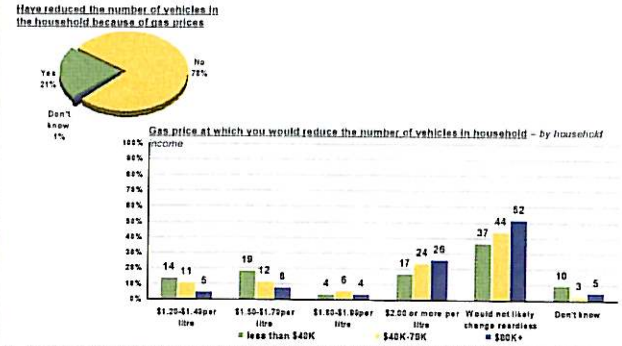

FCM
CUTA ACTU
The more affluent are a little more likely to consider walking or biking if gas prices hit $2 or more a litre
Walking or biking more instead of driving because of gas prices
Yes 60%
No 40%
Gas price at which you would walk or bike more instead of driving – by household income
13 7 2
13 14 13
6 8 9
13 19 29
44 49 43
10 4 4
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
Don't know
Less than $40K
$40K-79K
$80K+


FCM
CUTA ACTU
Community size does not seem to impact the decision to reduce the number of vehicles in the household
Have reduced the number of vehicles in the household because of gas prices
Yes 21%
No 78%
Don't know 1%
Gas price at which you would reduce the number of vehicles in household – by community size
8 10
11 12
5 4
20 22
48 48
7 5
$1.20-$1.49per litre
$1.50-$1.79per litre
$1.80-$1.99per litre
$2.00 or more per litre
Would not likely change regardless
DK/NA/Ref
Less than 500,000
500,000 or more

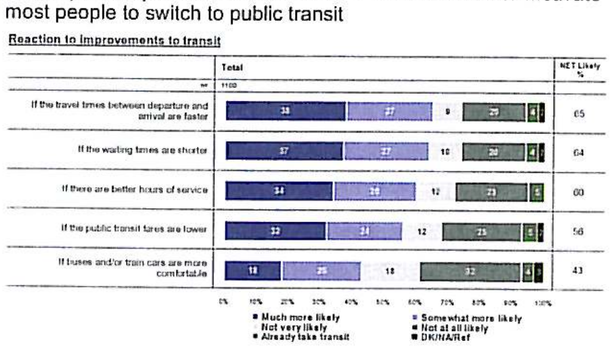
Those aged 18-34 are more likely to consider downsizing the number of vehicles in the household in response to rising gas prices



The less affluent are more likely reduce the number of vehicles in their household at lower gas prices



Faster point to point service and shorter wait times would motivate most people to switch to public transit



Travel and wait times are the main hurdles keeping people in all regions of the country from switching to public transit

% Likely

Reaction to improvements to transit *TOTAL*	Total	Region				Community Size	
		Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499K	500K+
n=	1100	[illegible]	231	530	298	500	600
	%	%	%	%	%	%	%
If the travel times between departure and arrival are faster	65	68	65	64	65	62	67
If the waiting times are shorter	64	68	65	63	65	59	68
If there are better hours of service	60	71	65	57	59	59	61
If the public transit fares are lower	56	66	58	56	55	53	59
If buses and/or train cars are more comfortable	43	46	46	43	39	39	46

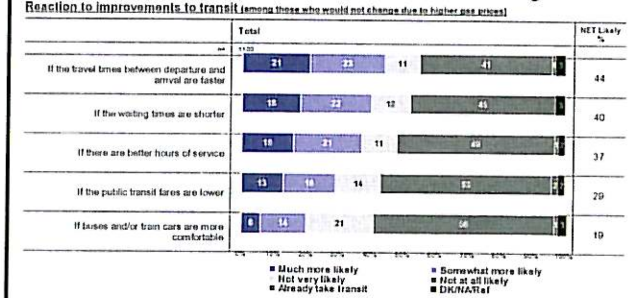
Those who are older and the more affluent are somewhat less likely to consider public transit as an option, irrespective of improvements

% Likely

Reaction to improvements to transit *TOTAL*	Total	Age			Household Income		
		18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	1100	232	443	407	278	330	331
	%	%	%	%	%	%	%
If the travel times between departure and arrival are faster	65	74	69	55	68	69	62
If the waiting times are shorter	64	77	68	53	64	70	59
If there are better hours of service	60	71	63	50	63	68	50
If the public transit fares are lower	56	67	57	49	70	60	44
If buses and/or train cars are more comfortable	43	51	44	36	55	45	35

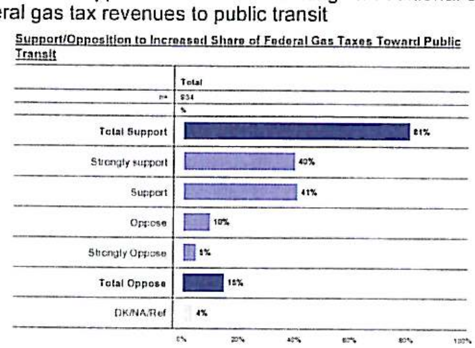
Base: All respondents

Among that group of people who said they would be unlikely to take public transit regardless of the price of gas, improvements to travel/wait times would be a motivator to consider making the switch



Base: All respondents

Eight-in-ten support the idea of dedicating an additional share of federal gas tax revenues to public transit



Q8 Next year the federal government will collect about 5 billion a year in taxes at the gas pump. The government will invest 40 percent of these revenues to build and repair municipal infrastructure. Some say the government should dedicate another 10 percent of federal gas taxes to a plan that reduces the number of cars and trucks on the road by improving public transit. Would you strongly support, support, oppose or strongly oppose this possible initiative?

Base: Total sample

This support is evident across all regions and community sizes

Support/Opposition to Increased Share of Federal Gas Taxes on Public Transit *TOTAL*	Total	Region				Community Size	
		Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499K	500K+
n=	934	31	231	440	232	500	600
	%	%	%	%	%	%	%
Total Support	81	94	87	80	75	78	84
Strongly support	40	55	44	39	34	38	42
Support	41	39	42	41	41	40	42
Oppose	10	3	7	10	14	11	10
Strongly Oppose	5	-	4	5	6	6	3
Total Oppose	15	3	12	15	19	17	13
DK/NA/Ref	4	3	2	5	5	5	3

Q8 Next year the federal government will collect about 5 billion a year in taxes at the gas pump. The government will invest 40 percent of these revenues to build and repair municipal infrastructure. Some say the government should dedicate another 10 percent of federal gas taxes to a plan that reduces the number of cars and trucks on the road by improving public transit. Would you strongly support, support, oppose or strongly oppose this possible initiative?

Base: Total sample

Those under the age of 54 and with higher incomes are the most supportive of directing a higher share of the federal gas taxes toward public transit improvements

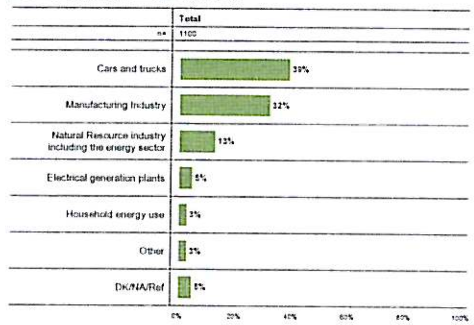
Support/Opposition to Increased Share of Federal Gas Taxes on Public Transit TOTAL	Total	Age			Household Income		
		18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	834	200	306	261	234	278	283
	%	%	%	%	%	%	%
Total Support	81	90	82	75	78	84	85
Strongly support	40	43	41	37	40	41	44
Support	41	47	41	38	38	43	41
Oppose	10	5	10	13	12	9	10
Strongly Oppose	5	3	5	6	4	4	4
Total Oppose	15	8	15	19	16	13	13
DK/NA/Ref	4	3	3	6	6	3	2

Q8 Next year the federal government will collect about 5 billion a year in taxes at the gas pump. The government will invest 40 percent of these revenues to build and repair municipal infrastructure. Some say the government should dedicate another 10 percent of federal gas taxes to a plan that reduces the number of cars and trucks on the road by improving public transit. Would you strongly support, support, oppose or strongly oppose this possible initiative?
Base Total sample

STRICTLY PRIVILEGED AND CONFIDENTIAL

Canadians believe cars and trucks are the largest source of greenhouse emissions

Sources of greenhouse gas emissions



Q10 In your opinion, which of the following is the single largest source of greenhouse gas emissions in Canada
Base All respondents

STRICTLY PRIVILEGED AND CONFIDENTIAL

This is true in all regions and communities

Sources of greenhouse gas emissions TOTAL	Total	Region				Community Size	
		Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499k	500k+
n=	1100	41	231	530	298	500	600
	%	%	%	%	%	%	%
Cars and trucks	39	37	43	39	37	39	40
Manufacturing Industry	32	44	33	34	26	36	28
Natural Resource industry including the energy sector	13	-	13	12	18	11	15
Electrical generation plants	5	5	3	5	5	4	5
Household energy use	3	2	1	4	4	3	4
Other	3	2	4	3	4	2	4
DK/NA/Ref	5	10	3	5	7	5	5

Q10 In your opinion, which of the following is the single largest source of greenhouse gas emissions in Canada
Base All respondents

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And, this view is shared across all ages and income groups

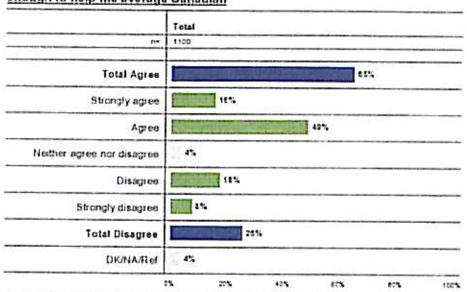
Sources of greenhouse gas emissions TOTAL	Total	Age			Household Income		
		18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	1100	232	443	407	278	330	331
	%	%	%	%	%	%	%
Cars and trucks	39	39	40	38	41	41	40
Manufacturing Industry	32	33	34	29	32	36	30
Household energy use	3	5	3	2	3	2	3
Electrical generation plants	5	4	3	7	3	5	5
Natural Resource industry including the energy sector	13	13	14	12	10	12	16
Other	3	2	2	6	5	1	2
DK/NA/Ref	5	3	4	7	6	3	4

Q10 In your opinion, which of the following is the single largest source of greenhouse gas emissions in Canada
Base All respondents

STRICTLY PRIVILEGED AND CONFIDENTIAL

Most agree that current strategies and proposals don't do enough to help average Canadians reduce greenhouse gas emissions

Neither the federal government strategy nor the opposition plan does enough to help the average Canadian



Q11 The federal government's current environmental strategy focuses on a variety of measures to reduce greenhouse gas emissions produced by industry. The official opposition has proposed a plan that would lower income taxes and impose new taxes on greenhouse gas emissions. Some people believe that neither strategy does enough to help the average Canadian reduce their greenhouse emissions in their own day to day lives. Do you strongly agree, agree, neither agree nor disagree (volunteer), disagree, or strongly disagree with this point of view?

Base: All respondents

STRICTLY PRIVILEGED AND CONFIDENTIAL

This view is held by across all regions and community sizes

Neither the federal government strategy nor the opposition plan does enough to help the average Canadian *TOTAL*		Region				Community Size	
	Total	Atlantic Cities	Quebec Cities	Ontario Cities	Western Cities	100-499k	500k+
n=	1100	41?	231	530	294	500	600
	%	%	%	%	%	%	%
Total Agree	65	71	67	67	61	63	68
Strongly agree	16	15	19	15	15	13	19
Agree	49	56	47	52	46	50	49
Neither agree nor disagree	4	5	4	4	5	5	4
Disagree	18	15	22	15	22	20	17
Strongly disagree	8	7	6	9	6	8	7
Total Disagree	26	22	28	25	28	29	24
DK/NA/Ref	4	2	1	5	5	4	4

Q11 The federal government's current environmental strategy focuses on a variety of measures to reduce greenhouse gas emissions produced by industry. The official opposition has proposed a plan that would lower income taxes and impose new taxes on greenhouse gas emissions. Some people believe that neither strategy does enough to help the average Canadian reduce their greenhouse emissions in their own day to day lives. Do you strongly agree, agree, neither agree nor disagree (volunteer), disagree, or strongly disagree with this point of view?

Base: All respondents

STRICTLY PRIVILEGED AND CONFIDENTIAL

Older residents are modestly less likely to hold this view

Neither the federal government strategy nor the opposition plan does enough to help the average Canadian *TOTAL*		Age			Household Income		
	Total	18-34	35-54	55+	Less than $40K	$40K-$79K	$80K+
n=	1100	232	443	407	276	330	331
	%	%	%	%	%	%	%
Total Agree	65	73	68	59	70	65	67
Strongly agree	16	9	20	16	17	13	19
Agree	49	64	48	43	53	52	48
Neither agree nor disagree	4	4	4	5	4	4	3
Disagree	18	16	15	24	16	20	18
Strongly disagree	8	5	8	9	6	7	8
Total Disagree	26	21	23	33	22	27	26
DK/NA/Ref	4	3	5	3	4	4	4

Q11 The federal government's current environmental strategy focuses on a variety of measures to reduce greenhouse gas emissions produced by industry. The official opposition has proposed a plan that would lower income taxes and impose new taxes on greenhouse gas emissions. Some people believe that neither strategy does enough to help the average Canadian reduce their greenhouse emissions in their own day to day lives. Do you strongly agree, agree, neither agree nor disagree (volunteer), disagree, or strongly disagree with this point of view?

Base: All respondents

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The Strategic Counsel

Canadian Perceptions Toward the "New Realities of High Gas Prices"

Implications for Public Transit and Environment Policy

August, 2008

Backgrounder

CUTA ACTU
CANADIAN URBAN TRANSIT ASSOCIATION
ASSOCIATION CANADIENNE DU TRANSPORT URBAIN

FCM
Federation of Canadian Municipalities

KEY RESULTS: FCM–CUTA–STRATEGIC COUNSEL SURVEY

High gas prices a worry

- 32 per cent of survey respondents identified high energy prices as a major household budget concern, ahead of all other concerns listed, including increases in rent and mortgage costs, food prices and taxes.
- More than 1 in 5 Canadians specifically cite high gasoline prices as the most significant pressure on household budgets.
- 65 per cent of Canadians say that high gas prices will have some or a significant effect on how they spend their household budget.
- 30 per cent of respondents say their personal financial situation grew worse in the past six months, double the percentage of those who say it has gotten better.
- 83 per cent of survey respondents think that high gas prices are here to stay.

Canadians need transportation alternatives

- 60 per cent of Canadians say that rising gas prices are forcing them to rethink their transportation choices.
- 20 per cent of survey respondents say that because of high gas prices, they are already considering a switch to public transit. This could result in a potential tripling in ridership demand.
- More than 40 per cent of Canadians say they will consider switching to transit if gas prices continue to rise.
- 81 per cent of respondents would support dedicating more of the taxes that the federal government currently collects at fuel pumps to public transit, in addition to those revenues already being used to build and repair municipal infrastructure.
- More than 6 in 10 Canadians say they would be more likely to take public transit if service was improved. 56 per cent say they would be more likely to take transit if fares were lower.

An environmental plan for real people

- 65 per cent of respondents agree that current national strategies and proposals don't do enough to help average Canadians reduce their greenhouse gas emissions.
- Canadians believe cars and trucks are a leading source of greenhouse gas emissions.

For more information:
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E-mail: *mgingues@fcm.ca*

HIGHER GAS PRICES DRIVING UP TRANSIT DEMAND

- In the Greater Toronto Area (GTA), GO Transit's monthly ridership in May 2008 was up about 7.7 per cent over the same month a year earlier. Rising gas prices are a contributing factor as people turn to transit and GO has estimated that, on average, almost 40 per cent of the increase in ridership since February 2008 can be attributed to the recent higher fuel prices. Normally in the summer months, GO experiences lower ridership levels compared with the rest of the year, but that has not been the case in 2008, as ridership continues to grow

- In Vancouver, B.C., trends suggest that people are making more long-term commitments to public transit. In April 2008, ridership on the West Coast Express jumped 25 per cent. Sales of monthly two- and three-zone FareCards have increased 14 to 16 per cent, suggesting that people making long commutes have decided to leave the car at home, not just for their commute but for other forms of travel.

- In Ottawa, Ont., transit ridership is 4.6 per cent higher in 2008 than it was in 2007. July is normally a relatively quiet month, but this year ridership was up by 9.3 per cent compared to the same month last year.

- In St. John's, N.L., ridership on the Metrobus system increased by 12 per cent compared to the same period a year earlier.

- In Gatineau, Que., ridership for July 2008 increased by 12.6 per cent over the same month in the previous year. This is double the rate of increase experienced a year earlier.

- The transit system in Windsor, Ont., is experiencing many of the same pressures as other Canadian communities. "It is time for the federal government to implement the National Transit Strategy to allow communities to address infrastructure needs and provide mobility to our citizens, while keeping Canada competitive and viable," says Windsor Mayor Eddie Francis. "It is clear from the results of this poll that Canadians agree with this direction."

[Continued from previous page]

KEY FACTS AND FIGURES

- Canadian transit ridership continues to set all-time records. In 2007, transit systems across Canada carried 1.76 billion passenger trips, a 3.1 per cent increase over the previous year and a 15 per cent increase in the five-year period since 2002.
- According to the 2006 Canadian Census, the proportion of workers who used public transit for their daily commute increased from 10.5 per cent to 11 per cent since the previous census. For Canada's 22 Census Metropolitan Areas, this represents an increase from 14.4 per cent to 15.1 per cent.
- Total transit capital costs in 2006 were $1.68 billion. Of that total, 37 per cent each came from federal and provincial contributions, with 23 per cent from municipal governments.
- Total direct transit operating costs in 2006 were $4.5 billion, of which 60 per cent was generated from fare revenue, and 29 per cent from municipal contributions. Only 6 per cent came from provincial contributions, and zero from federal contributions.
- In 2006, diesel fuel represented 7.4 per cent of total transit operating costs. This proportion is rising fast, however, as it increased by 11.4 per cent from 2005 to 2006.
- Transit authorities paid approximately $24 million in fuel excise taxes, or about 0.5 per cent of total direct operating costs.

For more information:
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E-mail: mgingues@fcm.ca

TOWARDS A NATIONAL PLAN FOR PUBLIC TRANSIT

Canadian transit riders pay a higher percentage of the total costs required to build, maintain and operate transit than do riders in almost all other Western countries. However, meeting public transit's needs remain difficult.

Canada is the only OECD country without a long-term, predictable federal transit-investment policy, even though moving people efficiently in urban areas requires a partnership among all orders of government. As transit's share of urban travel continues to grow, federal and provincial governments must provide long-term reliable funding, so that transit systems have the financial certainty required to meet the needs of Canadians now and in the future.

Almost every transit system in the world requires financial support to offset the shortfall between total costs of operation and revenue from fares, and Canada's systems are no exception. Likewise, almost all transit systems worldwide also require capital contributions to cover investments in capital projects — that is, to renew and expand our transit networks.

Federal Budget 2008

The federal Budget's two-year $500 million Public Transit Capital Trust will help meet urgent needs in the short-term, but does not provide the long-term, dedicated funding cities and communities need to repair and expand their transit systems.

Canada's transit systems need more than $40 billion in investments over the next five years alone, which covers rehabilitating and replacing existing systems, as well as expansion plans to accommodate increasing numbers of riders. These figures speak to the need both to maintain infrastructure and to respond to the growth potential for transit. We must both restore transit infrastructure and respond to the increasing mobility needs and environmental sustainability challenges of the growing urban population.

Funding Public Transit

Municipal shares of both operating and capital support for transit come generally from property taxes, supplemented in some cases by special levies on gasoline sales, parking, vehicle registration and hydro bills.

Clearly, the property tax alone is not sufficient to support public transit, given the estimated $123 billion municipal infrastructure deficit, the limited revenue sources, the growing responsibilities of municipal governments, and the already substantial municipal support for transit. Municipal governments need help to deliver the transit services that the nation's economy, quality of life and environmental sustainability rely on.

Finding the necessary funds is a major issue facing municipalities. CUTA estimates that the new investments required just to stay afloat — to say nothing of meeting unmet and future demands — are almost as large as the entire sum currently invested in all transit capital projects. Recent federal government initiatives for municipal infrastructure funding are an important and welcome start. But we

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need to replace short-term, ad hoc funding with longer term, more predictable commitments from all orders of government that come closer to addressing the outstanding needs.

Towards a National Transit Strategy

Local governments — which already make the majority of Canada's transit investments — do not have the revenues they require to meet the needs. To reduce traffic gridlock, lower greenhouse gas emissions, and make our cities competitive, Canada needs a long-term, federally funded national transit strategy.

The National Transit Strategy released by FCM and CUTA in February 2007 calls for new federal investments of **$2 billion a year** to support renewal and expansion of transit systems across the country. This will maintain the transit system in good repair and allow expansion to accommodate both population growth and a modal shift toward transit over private automobiles. The full report is available at www.fcm.ca.

As a first step, existing ad-hoc, short-term dedicated transit funding provided through the Public Transit Fund and the Public Transit Capital Trust must be put onto a long-term footing to give transit systems the immediate certainty they need to respond to higher energy costs now. However, an additional and accelerated investment in transit is required to meet the surge in demand resulting from rising gas prices. One direct and efficient way of doing this is through a top up of the federal gas tax fund.

Currently the federal government collects about $5 billion a year at the pumps in GST and excise taxes. By dedicating 10 percent of these funds to transit, on top of the 40 percent currently going to local infrastructure, the federal government would immediately inject $ 500 million in urgently needed funds to public transit.

KEY FACTS AND FIGURES

- A 2006 federal study found "the total annual cost of congestion (in 2002 dollars) ranges from **$2.3 billion to $3.7 billion** for the major urban areas in Canada."
- In Canada, the transportation sector as a whole is responsible for close to **30 per cent** of the country's total greenhouse gas emissions. Passenger vehicles are the biggest source of increases in greenhouse gas emissions within the transportation sector, now accounting for **70 per cent** of transportation emissions.
- In the FCM-CUTA-Strategic Counsel poll released on September 1st, **81 per cent** of respondents said they would support dedicating more of the taxes that the federal government currently collects at fuel pumps to public transit.

For more information:
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