

***Gateway cash better spent on alternative transportation**

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By Kevin Potvin

The provincial government is prepared to spend over \$3 billion to improve the movement of goods and people around the Lower Mainland through a plan it calls The Gateway Project. According to the Ministry of Transportation website, the price is justified by the cost of congestion to the economy, estimated by the ministry at \$1.5 billion annually.

Anyone who travels by truck or car is a daily witness to the serious bottlenecks in the road infrastructure. But is limited road capacity the biggest hindrance to the movement of goods and people now or in the near future?

Statistics Canada data shows the Lower Mainland consumed over three billion litres of gasoline last year. That gasoline would have cost consumers and businesses \$2 billion at the pumps as late as two years ago. But due to dramatically rising prices, the Lower Mainland has spent instead over \$3.5 billion on gasoline at the pumps in the last 12 months. **That is, our commitment to oil products for our transportation infrastructure has drained an additional \$1.5 billion from the economy, the same figure the ministry says has been drained by congestion.**

The ministry says the cost to the economy of trucks in particular caught in congestion has increased from \$110 million annually to \$500 million annually over the last 10 years, a growth of \$390 million. But in that same period, the extra costs to the trucking industry due to the higher price of fuel has increased by about \$1.2 billion. That is, our commitment to oil products for the movement of goods has had three times the draining effect on the economy that congestion has had.

Virtually all analysts agree that oil is only going to get more scarce and more expensive. Some predict oil will soon rise above \$100 US a barrel for good. The conditions that brought the price of oil back down from previous peaks in 1981 and 1973 do not exist today. This time, it is not momentary political crises that are temporarily cutting the supply of oil, it is the technological limits of discovery and production that are limiting the growth of supply.

The price of oil has tripled the last 10 years and it would not be rash to suggest it will triple again over the next 10 years. If it does, the price of gasoline at the pump will double to \$2.40 per litre. Ten years

from now, our commitment to gasoline to move people could be draining as much as \$5 billion from the local economy annually-more than three times what the government says congestion is costing us.

But with gasoline at \$2.40 a litre, how much congestion will be left? Drivers will leave their cars at home and companies won't afford trucking services. It is conceivable the rising price of gasoline will reduce congestion to what it was 10 years ago-even if the government builds no new infrastructure at all. Nonetheless, the movement of goods and people around the Lower Mainland will be severely restricted-not by congestion, but by our commitment to increasingly scarce oil products.

The restriction of the movement of goods and people has the same withering effect on the local economy no matter what the cause. The easy flow of goods and people is without a doubt a subject for the provincial government to take a large interest in. And it has-\$3 billion is a lot of money to put into expediting the flow of goods and people. But where the government plans to spend that money will have no effect on the bigger hindrance to that flow (our commitment to gasoline), and the hindrance it is hoping to relieve with all that money (congestion) will likely go away on its own.

It would be a terrible shame to spend \$3 billion on a problem that goes away on its own, and nothing on an equally big problem that will only get worse. That \$3 billion would go a long way to encouraging electric trains and trucks for goods movement, and electric buses and passenger trains for people movement. In 10 years, when all other urban centres in North America come to a near halt because of expensive gasoline, we could be ticking along as rapidly as ever, because our infrastructure will have been switched over from oil to electricity.

But that can only happen if our political leadership can pause long enough to consider the new reality lying before us.

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