



For Immediate Release

**Dr. Dhalla joins Hon. Prime Minister to announce, New Deal for Ontario municipalities, cities and communities**

Prime Minister Paul Martin, Minister of State (Infrastructure and Communities) John Godfrey, Ontario Municipal Affairs and Housing Minister John Gerretsen, Mr. Roger Anderson, President of the Association of Ontario Municipalities (AMO), and Toronto Mayor David Miller have concluded two agreements under the New Deal for Cities and Communities that will benefit Ontario's communities and its residents.

One agreement will see \$1.87 billion in gas tax funds flow to Ontario cities and communities over the next five years. The second agreement provides the framework for Ontario's share of additional funding for public transit, committing up to \$310 million over the next two years.

Prime Minister Martin remarked: "The New Deal is a national project for our time. It is a cornerstone of our commitment to govern not only for the Canada of today, but for the Canadians of tomorrow. It is about making the lives of Canadians better by making the places they live better."

"This agreement recognized our municipalities for what they are: mature, accountable governments that can be trusted to use gas tax revenues to improve the quality of life in their communities," said Ontario Premier Dalton McGuinty. "The bottom line is strong communities that can do an even better job of serving people."

"On behalf of the Premier, I am very proud to sign this agreement in which Ontario has taken an historic approach by enabling municipalities and the federal government to work together directly to decide the best way to share federal gas tax revenues," said Minister Gerretsen. "This funding, together with \$680 million of the provincial gas tax that Ontario has already started to flow to municipalities, will give our communities with the tools they need to grow stronger and enjoy a higher quality of life."

The gas tax agreement between the Governments of Canada and Ontario, AMO and the City of Toronto outlines how the funds will be used in Ontario to support

environmentally sustainable municipal infrastructure. Ontario has had no role in the allocation of federal gas revenues to municipalities; municipalities have had direct negotiations with the federal government.

In signing the second agreement, on public transit, the Government of Canada is using the New Deal framework to recognize the important role public transit plays in the everyday lives of people living in Ontario's communities. This investment in public transit will support environmental objectives such as reducing air pollution and limiting emissions that contribute to climate change. People who travel by public transit create far fewer greenhouse gas emissions than if they were to travel by car. In addition, by reducing traffic congestion and supporting the mobility of people and businesses, public transit is a major factor in keeping Canada's cities liveable, attractive and more competitive. This agreement will see funds be allocated to eligible municipalities based on transit ridership. This will mean, for example, \$197 million for Toronto. The total amount of support available for transit will depend on the available surplus in the current fiscal year and in 2006-07.

"This new funding will allow Toronto to make long overdue investments in its transit system," said Mayor Miller. "This announcement also recognizes that Toronto's success helps all of Ontario - and all of Canada - to thrive." In order for both the gas tax and the public transit funds to flow, the Budget bills currently being considered by Parliament must pass.

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