

Minister of Transport,
Infrastructure and Communities



Ministre des Transports,
de l'Infrastructure et des Collectivités

Ottawa, Canada K1A 0N5

General Ltee

FEB 25 2008

Ms. Sheila Birrell
Town Clerk
The Corporation of the Town of Markham
101 Town Centre Boulevard
Markham ON L3R 9W3

Dear Ms. Birrell:

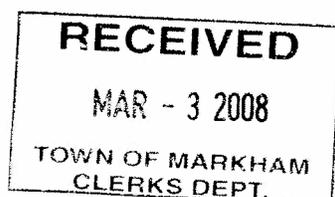
Thank you for your letter of January 23, 2008, regarding your Council's support for the City of Waterloo's proposal to the Government of Ontario regarding provincial sales tax (PST) exemptions for Ontario's municipalities.

Through Building Canada, the Government of Canada is taking action – making strategic investments in infrastructure that contribute to a growing economy, a cleaner environment, and strong and prosperous communities. The \$33-billion Building Canada plan represents the largest federal commitment to public infrastructure in 50 years.

Over 50 percent of the plan will flow directly to municipalities, including the \$11.8-billion Gas Tax Fund (extended to 2013-14) and an estimated \$5.8 billion through the GST Rebate. As well, the \$2.275-billion Provincial/Territorial Base Funding Initiative provides each jurisdiction \$25 million per year to support core infrastructure priorities.

There are also three national targeted funds: the \$2.1-billion Gateways and Border Crossings Fund, the \$1.25-billion Public-Private Partnerships Fund, and the \$1-billion Asia-Pacific Gateway and Corridor Initiative.

The \$8.8-billion Building Canada Fund will invest in clean water and sewage treatment infrastructure, the core National Highway System, public transit, and green energy, among other categories. The Building Canada Fund also has dedicated funding for projects in communities with populations of fewer than 100,000 – helping these smaller communities face their unique challenges.



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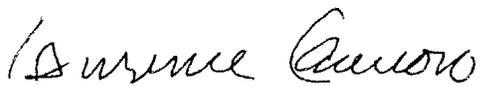
Canada

Our government is committed to signing a Framework Agreement with the Government of Ontario. However, to date, the Province has not come to the table to conclude an agreement with the Government of Canada. Until such time as an agreement is signed, money cannot flow to Ontario's municipalities under the Building Canada plan. I would invite you to encourage the Province to conclude negotiations on a Framework Agreement so that we may begin to flow this much needed infrastructure funding to our communities.

I am enclosing, for your information, a copy of our *Building Canada* booklet summarizing the Government of Canada's new long-term infrastructure plan.

Please accept my best wishes.

Yours truly,

A handwritten signature in cursive script, appearing to read "Lawrence Cannon".

The Honourable Lawrence Cannon, P.C., M.P.

Enclosure