MAY 01 2008

His Worship Fred Eisenberger
Mayor
The City of Hamilton
77 James Street N., Suite 400
Hamilton, Ontario
L8R 2K3

Dear Mayor Eisenberger:

I am pleased to advise you of the rollout for the 2008 Ontario Bus Replacement Program (OBRP). This multi-year capital funding program supports the replacement of municipal transit buses and provides long-term, sustainable transit funding that municipalities can count on.

Under the program, municipalities are allocated funding for 2008 based on their Request for an Allocation of Bus Replacement Program Funding, previously submitted to the Ministry of Transportation.

In order to ensure the long-term sustainability of the Ontario Bus Replacement Program, changes have been made to the way the program is implemented. These changes have been discussed with transit and finance staff in your municipality. We are pleased to inform you that this will enable us to increase our funding share to up to 33.3% for municipal replacement bus purchases in 2008. OBRP funding will now be provided over the economic life of the vehicle - 12 years. The Ministry will provide annual payments equal to 1/12th of the approved amount as annual program requirements are met. It is intended that buses funded through OBRP will be kept in municipal transit service for a minimum of 12 years and that the City of Hamilton will maintain ownership for the term of the agreement, unless otherwise approved in writing by the Ministry. As such, the City of Hamilton 2008 OBRP funding allocation is $5,681,313. An annual payment to your municipality will be made in 2008 and each of the following 11 years subject to annual program expectations being met. Future year payments will also include an amount for applicable interest.

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In the coming weeks, staff from the Ministry's Provincial Transit Policy Office will be in contact with staff from your municipality to provide further details, including program requirements and annual performance and accountability measures of this year's Ontario Bus Replacement Program. If you have any questions or concerns, please contact Rebecca Ramsarran, Manager of the Provincial Transit Policy Office, at 416-235-4060.

Through our transit programs, the Province is promoting long-term planning and management of transit assets to create more sustainable transit systems across Ontario. Thank you for your commitment to improving public transit services within your municipality.

Yours sincerely,

Jim Bradley
Minister

c. Andrea Horwath, MPP, Hamilton Centre
Sophia Aggelonis, MPP, Hamilton Mountain
The Honourable Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Westdale
Paul Miller, MPP, Hamilton East-Stoney Creek