MAR 29 2006

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His Worship Larry Di Ianni
Mayor
The City of Hamilton
City Hall, 71 Main Street West
Hamilton, Ontario
L8P 4Y5

Dear Mayor Di Ianni:

I am pleased to advise you that the Ontario government is delivering on our commitment to support public transit in Ontario. The 2006 Ontario Budget focused on transportation infrastructure, with a significant investment in public transit and municipal roads and bridges throughout the province.

Move Ontario is a new $1.2 billion investment in public transit and municipal roads and bridges to help move people and goods faster, create jobs and build a stronger economy. I understand the importance of the renewal of municipal transit fleets in achieving our common goal of increasing transit ridership. That is why I am pleased that the Provincial Budget included a new, multi-year program for funding conventional and specialized transit vehicles.

With the completion and closeout of the 2005 program year, the province has formally ended the existing Ontario Transit Vehicle Program (OTVP) and will replace it with a new multi-year program. To ensure a smooth transition to the new program, a one-time grant will be paid to municipalities that have placed orders for new buses or bus refurbishments.

The payment to the City of Hamilton will be $2,636,361.
The new multi-year transit vehicle funding program, to be launched on January 1, 2007, will provide a sustainable, predictable source of funding for your municipality to replace transit vehicles. The program will include:

- A multi-year commitment to municipal transit vehicles for the next five years
- Funding for replacement buses only to focus on the renewal of municipal transit fleets

An important objective of the new program is to support management and renewal of the transit fleet by municipalities in a consistent and sustainable manner. To this end, participation in the province's joint transit procurement initiative will be an important part of the program in future years.

I have asked Ministry of Transportation staff to immediately arrange stakeholder meetings to discuss details of the new program. MTO staff will be contacting your municipality shortly.

With the introduction of this new multi-year vehicle funding program we are providing a long-term, sustainable source of transit funding that municipalities can count on. This is in addition to our commitment to make two cents per litre of the existing provincial gas tax available for public transit that will provide more than $1.4 billion in funding over the next five years.

Sincerely,

Harinder S. Takhar
Minister