February 11, 2008

His Worship Mayor Fred Eisenberger
City of Hamilton
77 James Street North, Suite 230
Hamilton ON L8R 2K3

Dear Mayor Eisenberger:

I am writing to offer CUPE's support to you in your campaign for long-term and sustainable funding for municipal infrastructure.

The Federation of Canadian Municipalities and the Big City Mayors Caucus has done excellent work bringing national attention to the problem of the municipal infrastructure deficit and to the inadequacy of municipal revenue sources.

Our analysis shows that total federal and provincial transfers to local governments are still 40% below what they were in 1995 in terms of real dollars per person. The federal government's Building Canada plan will do little to solve the problem: federal government total funding for infrastructure will increase by an average of only 1.1% from 2009/10 to 2013/14 – less than the expected rate of inflation.

Shortfalls in transfers and an explicit federal push to promote and subsidize public-private partnerships (P3s) will create more problems for local governments, including delays in proceeding with projects, higher costs, ongoing public risks, with less public control, transparency and accountability.

Our union has conducted considerable research on the often-complicated economics and finances of P3s over the years. I was very happy to see the excellent study on P3s by Professor Pierre Hamel commissioned and published by the FCM last year. We would very much welcome sharing our expertise and perspectives on this issue with you and your officials.
CUPE has provided strong support to municipal governments and the FCM in support of common aims through advocacy and through the work that our more than 150,000 municipal members do every day. We would like to build on that tradition of working together.

We have also played an active and constructive role at the FCM annual conference for many years as a sponsor and will continue to do so this year. I look forward to meeting you again at the upcoming conference in Quebec City, either at our booth in the Municipal Expo trade show or at our reception on Sunday June 1st.

Yours truly,

[Signature]

PAUL MOIST
National President

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