
THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
LA MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

TRANSPORTATION COMMITTEE
COMITÉ DES TRANSPORTS

REPORT NUMBER 51 TO COUNCIL
RAPPORT NUMÉRO 51 PRÉSENTÉ AU CONSEIL

The **TRANSPORTATION COMMITTEE** met on **30 NOVEMBER 1999** and submits the item(s) contained in this Report for the information and/or approval of Council at its next regular meeting.

Le **COMITÉ DES TRANSPORTS** s'est réuni le **30 NOVEMBRE 1999** et soumet l'article du présent rapport au Conseil pour information et/ou approbation lors de sa prochaine réunion ordinaire.

PRESENT/PRÉSENCES :

Chair/Présidente:	D. Holmes
Members/Membres :	M. Bellemare
	W. Byrne
	R. Cantin
	L. Davis
	C. Doucet
	H. Kreling
	J. Legendre
	M. McGoldrick-Larsen
	M. Meilleur

SUBJECT: FUEL TAX REVENUE INITIATIVE

OBJET: INITIATIVE DES RECETTES FISCALES SUR LE CARBURANT

<p>1. FUEL TAX REVENUE INITIATIVE</p>

COMMITTEE RECOMMENDATION

That Council recommend to the Premier of Ontario, to the Minister of Transportation and to the Federal Minister of Transportation the initiative of the Government of Alberta which links fuel tax revenue to the needs of major municipalities for transportation system infrastructure.

DOCUMENTATION

1. Extract of Draft Minute, Transportation Committee, 30 November 1999, is immediately attached and includes a record of the vote.
2. Government of Alberta News Release dated 7 September 1999 immediately follows the Extract of Draft Minute.

Extract of Draft Minute
Transportation Committee
30 November 1999

INQUIRIES

Fuel Tax Revenue Initiative

Councillor Legendre made reference to a Government of Alberta News Release of October 1999 which stated that grants based on \$0.05/litre of gasoline from fuel sold in Edmonton and Calgary, will be provided directly to those cities for transportation needs. He questioned whether staff had forwarded this piece of news to the responsible authorities in Ontario.

The Environment and Transportation Commissioner reminded committee of the ongoing campaign by both the public and private sectors for the use of fuel tax. It was confirmed that this new initiative in the western province will provide the City of Calgary with \$85M/year and the City of Edmonton with \$65M/year for transit and arterial road capital construction, rehabilitation and renewal. He believed that while the province continues to reject a similar proposal for Ottawa-Carleton, it is just a matter of time before changes come about.

Moved by J. Legendre

That Council recommend to the Premier of Ontario, to the Minister of Transportation and to the Federal Minister of Transportation the initiative of the Government of Alberta which links fuel tax revenue to the needs of major municipalities for transportation system infrastructure.

CARRIED

Government of Alberta News Release

For Immediate Release

September 7, 1999

Municipal roads get financial boost and new "management"

Edmonton... A new transportation plan for the province means more funding for municipalities and significant changes in responsibility for Alberta highways.

Details of the plan, outlined by Premier Ralph Klein and members of the Premier's Task Force on Infrastructure after a September 7 meeting, include the following initiatives:

- grants based on five cents per litre from fuel sold in Edmonton and Calgary will be provided directly to those cities for transportation infrastructure needs.
- the current level of funding, about \$60 per capita, will be maintained for other Alberta cities beyond the three years committed to by the task force last year, an increase from \$25 per capita base funding.
- other cities may apply for additional funding on a project-specific basis.
- the province assumes responsibility for construction and maintenance on key primary highways along major trade corridors through cities.
- the province assumes responsibility for construction and maintenance on all secondary highways by April 1, 2000; however, planning will be done in close consultation with municipalities.
- additional funding of \$30 per capita will be provided through the Streets Improvement Program, which will bring funding for towns, villages and summer villages in line with cities (other than Edmonton and Calgary). As well, hamlets will now be eligible for Streets Improvement Program funding.

The initiatives identified by the task force will cost approximately \$900 million over the next three years. Recognizing municipal pressures are immediate, the provincial government has agreed to allocate \$425 million to transportation from the \$600 million of the economic cushion earmarked for infrastructure. The government is committed to identifying further infrastructure funding in its upcoming business planning process.

"I am pleased we are able to address the growth pressures being faced by Calgary and Edmonton," said Premier Klein. "The increase in funding and switch in responsibility for key primary highways through the cities will allow them to concentrate on things like LRT expansion and upgrading of local road networks."

"The new transportation plan implements the disentanglement of roads throughout the entire province," said Infrastructure Minister Ed Stelmach. "Overall funding for Rural Transportation Grants will remain at current levels and will be distributed by a new formula that will be developed based on consultations with the Alberta Association of Municipal Districts and Counties."

"We appreciate the hard work and input from the mayors, the AAMD&C and the AUMA since the task force was struck a year and a half ago," said Premier Klein. "I'm confident the changes we're

making will go a long way toward alleviating the pressures all municipalities are facing and help us to continue to ensure the safe and efficient movement of people and goods on our roads."

Details of infrastructure allocations in other areas besides transportation will be determined later this fall, following consultation with school boards, post-secondary institutions, health authorities and other stakeholders.

Note to Editors: Backgrounder attached

For more information, please contact:

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For toll free connection outside Edmonton, call 310-0000

Backgrounder

TRANSPORTATION PLAN TO ADDRESS PREMIER'S TASK FORCE RECOMMENDATIONS

Calgary and Edmonton – More money; no new fuel tax

- Calgary and Edmonton each receive a grant equivalent to 5¢ per litre for all fuel sold within those cities. This amounts to approximately \$85 million per year for Calgary and \$65 million per year for Edmonton. All per capita transportation grant funding is eliminated. The amount of the grant will fluctuate with the actual amount of fuel sold in each city.
- The province assumes full jurisdiction, including construction and maintenance, of Deerfoot Trail and Stoney Trail in Calgary, and the North South Trade Corridor route in Edmonton (once the province completes construction of the South West Ring Road).

Other Cities – Existing grants continue; access to project specific funding

- All other cities will continue to receive their current level of Basic Capital Grant funding, approximately \$60 per capita per year, which will continue on an ongoing basis.

- These cities will also be eligible to apply for project specific funding.
- The province assumes jurisdiction and responsibility for the major trade corridors through cities, specifically Hwy 63 in Fort McMurray; Hwy 1 in Medicine Hat; the North/South Trade Corridor route in Lethbridge; and Hwy 43 in Grande Prairie.

Towns, Villages and Summer Villages – More money for Streets Improvement Program

- The province assumes jurisdiction and responsibility for all secondary highway construction and maintenance in towns, villages and summer villages.
- Additional funding of \$30 per capita, per year, under the Streets Improvement Program for towns, villages, and summer villages, which will bring funding to approximately the same level as the cities.
- Hamlets will be made eligible for Streets Improvement Program grant funding.

Rural Areas – Province takes over all secondaries

- The province assumes jurisdiction and responsibility for all secondary highway construction and maintenance.
- Paving of Park Access Roads will be eligible for special cost shared funding.
- Rural Transportation Grants will remain at current funding levels and will be distributed by a new formula. This new formula will be developed in consultation with the AAMD&C.
- Increased funding for primary highways will be targeted to relieve the greatest pressure points.

Budgetary Impacts

- Specific details on the level of transportation infrastructure funding will be determined later this fall, based on consultation with municipalities.

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