Attachment 1

CANADIAN URBAN TRANSIT ASSOCIATION
ASSOCIATION CANADIENNE DU TRANSPORT URBAIN

FEDERAL, PROVINCIAL & TERRITORIAL FUNDING OF PUBLIC TRANSIT IN CANADA: A COMPENDIUM

February 2009

MISSION STATEMENT

CUTA is the voice for enhancing the public transit industry in Canada.

Its mission is to establish public transit as the primary solution to urban mobility in the achievement of sustainable transportation, and to assist its members in the fulfillment of their mandates.

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Federal, Provincial & Territorial Funding of Urban Transit in Canada: A Compendium

Introduction

Funding of urban transit in Canada has been a critical issue for many years. Infrastructure investment and operating contributions are key to the eventual and continued success of public transit. A recent survey of Canadian transit system on transit infrastructure needs revealed there is an estimated renewal and expansion need of $40.1 billion for the 2008-2012 period. The survey highlights the message that if transit is expected to increase mobility in urban areas, federal and provincial levels of government must continue to invest in transit. Parts of these needs are adressed by existing funding programs, including a transfer of a portion of the federal gas tax to municipalities.[1] Figure 1 displays the capital contributions made by all levels of government towards transit from 2001 to 2007. In 2007, combined transit capital investments exceeded $2 billion. In terms of transit operations, Figure 2 illustrates transit operating revenues in 2007, of which the majority continues to come from passenger fares.[2]

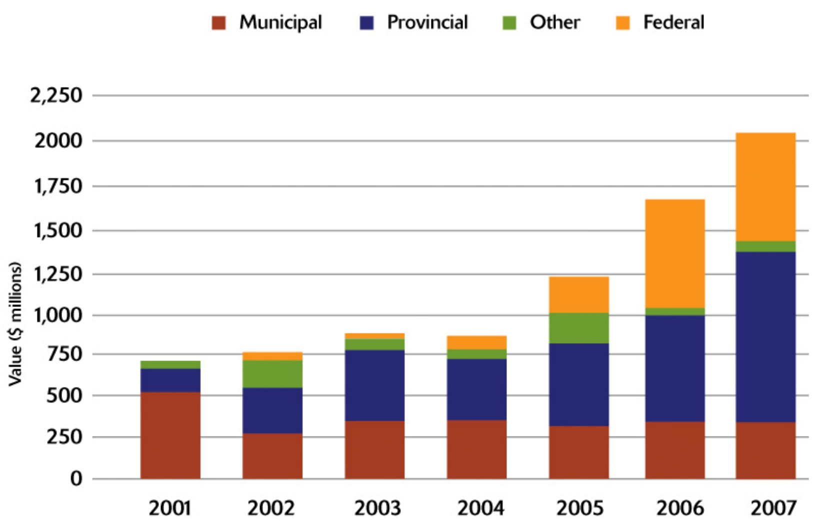

Figure 1. Sources of transit capital investment (2001-2007)

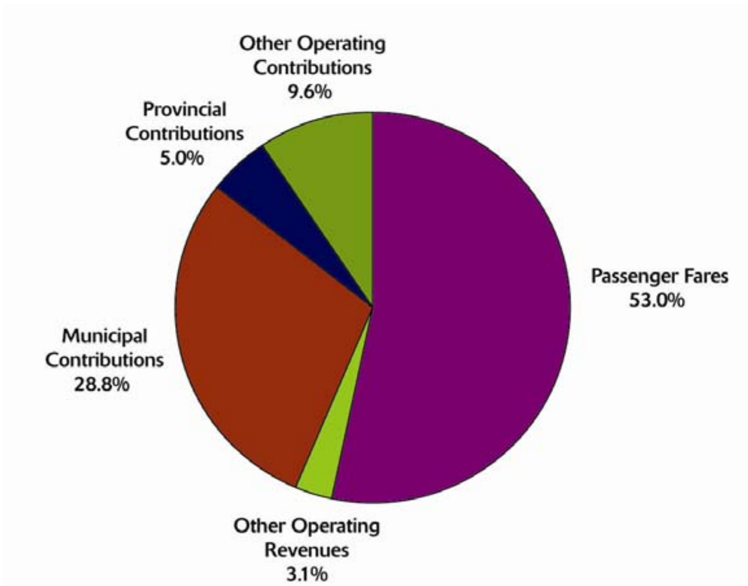

Figure 2. Sources of transit operating revenues (2007)[3]

[1] CUTA, Report on a Survey of Transit Infrastructure Needs for the Period 2008-2012, February 2008
[2] CUTA, Canadian Transit Fact Book 2007 Operating Data, September 2008
[3] Figure 2 presents all Operating Revenues and Contributions, of which 53% are *Regular Service Passenger Revenues*. This figure should not be interpreted as the *Revenue to Cost Ratio (R/C ratio),* which is calculated using *Total Operating Revenues/Total Direct Operating Expenses*. In 2007, CUTA reported an R/C ratio of 58%.

Synopsis of Common Findings

Funding contributions come in various forms, dependent on the jurisdiction. First, a distinction should be made between direct and indirect funding. As indicated by Table 1, 9 of 13 provinces and territories, as well as the Federal government, invest directly in transit. Of those 9 provinces and territories, 3 provinces directly provide operating and capital investments for both conventional and specialized transit. The Northwest Territories and Newfoundland & Labrador provide no direct grants and in Nunavut there is no urban transit service.

Table 1 - Direct Provincial Investment in Transit

	Conventional		Specialized	
	Operating	**Capital**	**Operating**	**Capital**
Government of Canada		√		√
Alberta		√		√
British Columbia – Metro Vancouver		√		√
British Columbia – other municipalities	√	√	√	√
Manitoba	√	√	√	√
New Brunswick				√
Newfoundland & Labrador				
Northwest Territories				
Nova Scotia				
Nunavut				
Ontario[4]	√	√	√	√
Prince Edward Island – Charlottetown only		√[5]		
Québec - 9 largest systems	√	√	√	√
Québec - smaller systems	√		√	√
Saskatchewan		√	√	√
Yukon			√	

[4] Ontario's gas tax funding can be utilized for either conventional or specialized transit, and for capital or operating costs at the municipality's discretion.
[5] Charlottetown is provided a capital grant based on a provincial sales tax rebate.

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In addition to provincial funding, the federal government recently offered several funding initiatives targeting the transit sector including:

- Public Transit Fund – a one-time investment of $400 million introduced in the 2005 Federal Budget (Table 2)
- Public Transit Capital Trust (2006) – $900 million was announced in the 2006 Federal Budget (Table 2)
- Public Transit Capital Trust (2008) - an investment of $500 million announced in the 2008 Federal Budget. (Table 2)
- Gas Tax Fund – An ongoing transfer of funds from the federal government to municipalities. The Fund has been extended to 2014 as part of the Building Canada Plan, and Budget 2008 includes a commitment to make it permanent. Gas tax funds are allocated on a per capita basis and are to be used for "environmentally sustainable municipal infrastructures", which includes public transit, but may also include water, wastewater, solid waste and community energy systems, and active transportation infrastructure.
- Building Canada Fund – Announced in the Budget 2007, the Building Canada Fund allocates $8.8 billion for infrastructure for the period 2007-2014. Spending will be allocated among provinces and territories on a per capita basis, supporting investments in the core national highway system, large-scale projects such as public transit and sewage treatment infrastructure, and small-scale municipal projects such as cultural and recreational facilities.
- Municipal Rural Infrastructure Fund (MRIF) - The government of Canada has provided $1.2 billion to help support smaller scale municipal infrastructure such as water and wastewater treatment, or cultural and recreation projects, to provide better quality of life for both smaller and First Nations communities.
- Infrastructure Stimulus Fund - Announced in the 2009 budget, the Infrastructure Stimulus Fund is to provide $4 billion to provincial, municipal and territorial infrastructure rehabilitation projects. Funding will be available for two years for projects that will begin construction during the 2009 and 2010 construction seasons, with the fund covering up to 50% of project costs.
- Green Infrastructure Fund – The 2009 budget announced a five-year $1 billion Green Infrastructure Fund.

Table 2 below outlines the Public Transit Fund as well as the two Public Transit Capital Trust, and is categorized by province or territory. The provincial/territorial grant programs range in monetary value but are related mainly to population size and the need for public transit services. In addition to the direct grant funding programs, there are several indirect funding contributions allocated to the provinces. There are two forms of provincial and federal support:

- Unconditional (or "unallocated") grants. These are transferred from province to municipality. Determinations of the grant amounts are usually based on population size or ridership levels. Unconditional or unallocated grants from provinces to municipalities become part of the general revenue of the recipient municipality, which then decides how much to allocate to public transit;

- Dedicated local taxes or user fees. Through provincial legislation, these were created for the municipality or region as an alternative method of revenue to fund public transit. Most common forms are taken from a portion of property taxes as in Victoria and the Greater Vancouver Regional District (GVRD). Other forms that are prevalent are user fees, which are utilized from a proportion of various sources such as gas, hydro, or parking.

Table 2 - Government of Canada Public Transit Funding Allocation 2005-2009 ($millions)

	Public Transit Fund	**Public Transit Capital Trust (PTCT)**		**Total**
	2005	2006	2008	
Newfoundland and Labrador	6.5	14.1	7.6	28.2
Prince Edward Island	1.7	3.8	2.1	7.6
Nova Scotia	11.7	25.8	14.0	51.5
New Brunswick	9.4	20.7	11.3	41.4
Québec	94.4	210.8	116.3	421.5
Ontario	155.2	351.5	194.9	701.6
Manitoba	14.7	32.6	17.9	65.2
Saskatchewan	12.5	27.2	14.9	54.6
Alberta	40.1	91.3	52.9	184.3
British Columbia	52.5	119.3	66.7	238.5
Yukon	0.4	0.9	0.5	1.8
Northwest Territories	0.5	1.2	0.6	2.3
Nunavut	0.4	0.8	0.5	1.7
Total	400.0	900.0	500.0	1,800.0

Funding by Jurisdiction

The following section outlines operating & capital program funding for public transit – conventional and specialized - by jurisdiction.

CANADA

	CONVENTIONAL AND SPECIALIZED	
	Operating	**Capital**
Municipalities with transit systems	• No direct operating grants.	• The Public Transit Fund has provided $400 million in fiscal year 2005-2006. • Public Transit Capital Trust 2006 provided $900 million. • Public Transit Capital Trust 2008 provided $500 million. - Trust funding was allocated to provinces and territories on a per-capita basis, and they decided on the distribution to projects, municipalities and/or transit agencies.
All municipalities		• Annual Gas Tax Fund (GTF) allocation to municipalities, for sustainable infrastructure, including transit. Beginning in 2009-2010, a total of $2 billion will be made available annually to municipalities across Canada, consistent with GTF agreements signed by each province and territory. • Municipal allocation varies by jurisdiction and is established by provinces/territories • For the first two years of the GTF (2005/6 and 2006/7), 26% of the Fund, or approximately $1.3 billion, was used for transit investments. • Funding can be used for up to 100% of project costs.

Specific municipalities or transit agencies		• Sunsetting infrastructure programs, such as the Canada Strategy Infrastructure Fund include: - $450 million for the Canada Line in Vancouver - $350 million for the Toronto Transit Commission Modernization Project - $385 million for the GO Transit Rail Improvement Program - $95 million for Brampton Acceleride - $83 million for Mississauga bus rapid transit - $135 million for York VIVA • Building Canada Fund supports public transit as an eligible funding category if provinces and territories choose to make that sector a priority. Funding can be used for up to 50% of project costs for a provincial project, 1/3 if municipal and 25 % if private. • Municipal Rural Infrastructure Fund (MRIF) – The government of Canada has provided $1.2 billion to help support smaller scale municipal infrastructure such as water and wastewater treatment, or cultural and recreation projects, to provide better quality of life for both smaller and First Nations communities. • Non-infrastructure programs, such as Transit-Secure, the Urban Transportation Showcase Program and ecoMobility are available sources of funding for transit. • Infrastructure Stimulus Fund - Announced in the 2009 budget, the Infrastructure Stimulus Fund is to provide $4 billion to provincial, municipal and territorial infrastructure rehabilitation projects. Funding will be available for two years for projects that will begin construction during the 2009 and 2010 construction seasons, with the fund covering up to 50% of project costs. • Green Infrastructure Fund – The 2009 budget announced a five-year $1 billion Green Infrastructure Fund.

ALBERTA

	CONVENTIONAL AND SPECIALIZED	
	Operating	**Capital**
Calgary & Edmonton	• No direct operating grants. • Annual Unconditional Municipal Grant Program[6] funding all, part or none of which may be spent on transit, according to the wishes of the recipient municipality. - Value of grant determined by per capita rate. - Amount unchanged since 1994.	• Annual Transportation Capital Grant determined by amount of road-use gasoline and diesel sold in each city, at rate of 5¢ per litre. - Projected to raise $100 million for Calgary and $90 million for Edmonton in F/Y 2008-09 – roughly $100 per capita in each city. - Can be spent on roads and/or transit. Proportion spent on transit is allocated by each city council depending on the city's current transportation priorities. • Alberta Municipal Infrastructure Program - Provides approximately $905 million to Calgary and $648 million to Edmonton in total over five years, 2005-06 to 2009-10. - Can be spent on municipal infrastructure, including transit. Proportion spent on transit is allocated by each city council depending on the city's current transportation priorities.

[6] The Public Transit Operating Assistance Grant is calculated separately, and then combined with two other grants to form the Unconditional Municipal Grant, which is provided by Alberta Municipal Affairs. For F/Y 2008/2009, the Public Transit Operating Assistance Grant component was calculated at $10.8 million -- including $2,323,282 for the City of Calgary and $2,001,728 for the City of Edmonton.

Other cities, including any Calgary- or Edmonton-area municipalities	• No direct operating grants. • Annual Unconditional Municipal Grant Program funding all, part or none of which may be spent on transit, according to the wishes of the recipient municipality. - Value of grant determined by per capita rate. - Amount unchanged since 1994.	• Annual Transportation Capital Grant of $60 per capita for 2008/09. - In F/Y 2008/09, about $37 million is being provided to the 16 eligible cities. - Can be spent on roads and/or transit. Proportion spent on transit specifically determined by each city council. - Covers up to 75% of project cost, to the maximum of the grant funds available. • Alberta Municipal Infrastructure Program - Provides approximately $583 million to other cities in total over five years (2005-06 to 2009-10), based on population. - Can be spent on roads, transit, or other municipal infrastructure. Proportion spent on transit is allocated by each city council depending on the municipality's current transportation priorities. • Green Transit Incentives (Green Trip) - $2 billion in public transit investments, supporting new transit alternatives throughout the province that will significantly reduce the number of vehicles on Alberta roads and reduce GHG emissions. - Funds will come from budget surplus. Green TRIP is open to all municipalities, regional entities, non-profit organizations, and private sector groups.

BRITISH COLUMBIA

<table>
<tr><th rowspan="2"></th><th colspan="2">CONVENTIONAL & SPECIALIZED</th></tr>
<tr><th>Operating</th><th>Capital</th></tr>
<tr><td>Metro Vancouver</td><td>• No direct operating grants.
• Province has made tax transfers and tax room available to TransLink, the regional transportation authority.
• Under legislation, TransLink is permitted to levy new transportation-related charges, such as a charge on motor vehicles, benefiting area charges (for new facilities) and tolls on new facilities (for the purposes of paying for the improvements), etc.

- Available from the 2007 TransLink Annual Report
- Property tax (residential and non-residential) $246,891,000
- Fuel tax ($0.12 per litre) $267,637,000
- Transit Fares $327,609,000
- Hydro Levy ($1.60 per month per household) $17,566,000
- Parking Site Tax $21,789,000
- Other sources - $14,901,00
- Total revenues - $896,393,000</td><td>• The province provided $51.8 million in March 2008. Funds are to be spent on trolley buses the SeaBus, diesel buses and SkyTrain cars. Future capital funds are expected, but the amount is to be determined.</td></tr>
<tr><td rowspan="2">Greater Victoria</td><td>• 27.8% of conventional operating costs $16.6 million in 2007-2008
• 63.0% of specialized operating costs; $3.9 million in 2007-2008</td><td>• 31.7% of conventional capital costs. Grant received from the Province for their share of debt servicing.
• 63.0% of specialized capital costs. Grant received from the Province for their share of debt servicing.</td></tr>
<tr><td colspan="2">The province has also granted the Victoria Regional Transit Commission the right to collect a 2.5 ¢ per litre gasoline tax, the revenues from which covered 11% of conventional and specialized operating costs in 2007-2008</td></tr>
<tr><td rowspan="2">Municipal Systems</td><td>• 43.5% of conventional operating costs (average of 24 systems).
• 53.8% of specialized operating costs (average of 55 systems).</td><td>• 46.7% of conventional capital costs.
• 62.0% of specialized capital costs.</td></tr>
<tr><td colspan="2">Alternative funding arrangements for expanded transit services exist on a case by case basis with community funding partners and local governments.</td></tr>
</table>

MANITOBA

	CONVENTIONAL & SPECIALIZED		
	Operating		**Capital**
Winnipeg	• Unconditional operating grant of $25,036,300 (2008 Budget) provided annually for transit services, including Handi-Transit. The city determines the allocation of this funding between its conventional and specialized transit services. - Funding is provided through the 50/50 transit operating funding partnership, enshrined in provincial legislation, which is intended to offset 50% of the net operating costs of Winnipeg's transit services, including future Rapid Transit costs.	• General Support Grant (unconditional financial support to municipalities with payrolls of $1.0 million or more) provided to offset to Payroll Tax paid by these municipalities, including tax paid on transit payrolls. • Winnipeg, Brandon, Flin Flon and Thompson all received General Support Grants.	• Winnipeg receives $3.84 million (2008 Budget) in capital funding for the purchase of low floor transit buses. Amount determined annually by the Province. • The Province has signed a Rapid Transit Agreement with Winnipeg, partnering to fund the first stage of the Southwest Rapid Transit Corridor – an estimated $138M project.

Brandon	• $1,245,000 (2008 Budget) annual operating grant funding • Amount allocated to conventional and specialized transit determined each year by the City. • Funding is provided through the 50/50 transit operating funding partnership, enshrined in provincial legislation, which is intended to offset 50% of the net operating costs of transit services.		• $128,000 annual grant (2008 Budget) – amount determined annually by the Province.
Thompson	• $186,700 (2008 Budget) annual operating grant funding - Amount allocated to conventional and specialized transit determined each year by the City. - Funding is provided through the 50/50 transit operating funding partnership, enshrined in provincial legislation, which is intended to offset 50% of the net operating costs of transit services.		Thompson and Flin Flon lease, rather than purchase, transit buses. Therefore these towns do not receive capital grants.
Flin Flon	• $133,200 (2008 Budget) annual operating grant funding - Amount allocated to conventional and specialized transit determined each year by the City. - Funding is provided through the 50/50 transit operating funding partnership, enshrined in provincial legislation, which is intended to offset 50% of the net operating costs of transit services.		

Other (specialized transit only)		• $983,800 (2008 Budget) provided to 66 municipalities. • Grants include: – One-time start-up grant of $6,000. – Annual grant of 37.5% of gross operating expenses to maximum of $20,000 per year ($30,000 for those municipalities operating more than one vehicle.)	• Province budgeted $30,000 in 2008 to provide one-time capital grants to municipalities. • Funding is based on applications from municipalities and is equal to 50% of the net cost to purchase a handivan, to a maximum of $10,000.

NEW BRUNSWICK

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
	• No direct operating grants. • Province provides municipalities open-ended block grants for municipal services, part of which may be spent on transit at the municipalities' discretion.	• No direct capital grants.	• No direct operating grants. • Province provides municipalities open-ended block grants for municipal services, part of which may be spent on transit, at the municipalities' discretion.	• A vehicle retrofit program provides a maximum grant of $8,000 to qualifying individuals and organizations. The grant is renewable every 10 years for individuals and every 5 years for organizations.

NEWFOUNDLAND AND LABRADOR

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
	• No direct operating grants. • Province makes Municipal Operating Grants to municipalities -- all, part or none of which may be spent on transit, according to the wishes of the recipient.	• No direct capital grants.	• No direct grants.	

NORTHWEST TERRITORIES

	CONVENTIONAL		SPECIALIZED	
	Operating	Capital	Operating	Capital
	• No direct grants.		• No direct grants.	

NOVA SCOTIA

	CONVENTIONAL & SPECIALIZED	
	Operating	**Capital**
Regions with low population density	• The Community Transportation Assistance Program (CTAP) will provide $485,000 in F/Y 2008/2009 for existing community transportation services. • Grants are capped at $1.60 per capita for population in service area. • CTAP also provides a one-time grant (per annum) of $5,000 to organizations interested in developing new transportation services to undertake start-up work such as needs assessment and business planning. • Community Accessible Transportation services in Nova Scotia are eligible for complete reimbursement of vehicle plate and registration fees for accessible vehicles in the Province.	• Accessible Transportation Assistance Program (ATAP) with total budget of $120,000 for F/Y 2008/2009. May be used to purchase new accessible vehicles or convert existing non-accessible vehicles. • In Dec 2008, the Province is finalizing the terms and conditions for a new Nova Scotia Transit Rural Incentive Program (NS-TRIP). The $3M (per annum) program will be administered by Service Nova Scotia and Municipal Relations and eligible projects categories are: operating, capital and capacity building.

NUNAVUT

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
	• Not applicable.	• Not applicable.	• Not applicable.	• Not applicable.

ONTARIO

	CONVENTIONAL & SPECIALIZED	
	Operating	**Capital**
All municipalities	Dedicated Gas Tax for public transit: • Provided for transit capital and operating that supports ridership growth (municipalities are required to prepare ridership growth plans that set out specific targets). 89 transit systems serving 111 Municipalities received funding in 2007/2008. • \$0.010 per litre = \$156 million October 2004 to September 2005. • \$0.015 per litre = \$232 million October 2005 to September 2006. • \$0.020 per litre = \$312 million October 2006 to September 2007. • \$0.020 per litre = \$314 million October 2007 to September 2008.	
		Ontario Bus Replacement Program is a \$50 million annual program that was introduced in 2007 to assist municipalities with the replacement of their ageing conventional and specialized transit fleets. For 2008 municipalities will receive up to 33.3% of their eligible bus replacement expenditures.
GO Transit[7]	As of January 2001, the province assumed responsibility for 100% of GO Transit's net operating costs. In fiscal year 2007-08, this amounted to \$35.9 million.	• Province has assumed responsibility for funding GO Transit base capital costs. • The Province has also committed to covering one-third of the capital costs of expansion. • See "Metrolinx's Quick Win projects" in the "Greater Toronto Area (GTA)" section

[7] Net operating and base capital costs assumed to be about \$1 billion over 10 years. Taking back GO Transit also frees up over \$100 million per year for municipalities within the current GO service area to reinvest in transit including GO Transit growth. Note: GO Transit does not provide specialized service.

Greater Toronto Area (GTA)	• See "Dedicated Gas Tax for public transit" in the "All municipalities" section.	• The province committed the investment of $11.5 billion through MoveOntario 2020 to Metrolinx's priority projects, as an investment toward implementing the Regional Transportation Plan for the Greater Toronto and Hamilton areas. • As part of the 2008 provincial budget, a $744.2 million investment toward Metrolinx's Quick Win projects to reduce traffic congestion, cut smog, help reduce greenhouse gas emissions, and support sustainable urban development, leading to stronger communities and a higher quality of life. The Quick Win commitment includes: - $32.8 million for Hamilton's A-line and B-line improvements; and James Street north GO/VIA Station Gateway to Niagara - $66.1 million for Peel Region's Dundas and Hurontario higher-order transit corridor development; Mississauga Transitway Hub, Airport-Renforth Gateway; and Bolton GO Transit Improvements - $57.6 million to Halton Region's Dundas Street BRT - $105.6 million for York Region's Yonge Street and Highway 7 corridors; and Cornell Terminal - $82.3 million for Durham Region's Highway 2 BRT Spine - $305.8 million for Toronto's Transit City LRT Head Start; Yonge subway capacity improvements; and Yonge Finch to Steeles BRT - $94 million toward GO Transit's bicycle expansion; Rail Fleet expansion; Double-decker Bus Fleet; Track Expansion for GO Bradford and GO Stouffville corridors.

PRINCE EDWARD ISLAND

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
Charlottetown ONLY	▪ No direct grants.	▪ Provincial sales tax rebate on capital purchases made by the City of Charlottetown to develop a public transit system. This rebate will help defray the cost of items such as buses and other equipment purchased in 2005-2006. The PST incentive will be up to a maximum amount of $120,000.	▪ No direct grants.	

QUÉBEC

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
Greater Montréal Region • *Agence métropolitaine de transport (AMT)*	• No direct subsidy. • Revenue sources: - $30 per year from each vehicle licensed in its region. - 1.5¢ per litre of gas sold in its region.	• A subsidy covering 100% of eligible expenses for the development of the Metro system, the train and other rapid transit systems, including buildings, equipment and devices required for operational purposes. • A subsidy equal to 75% of eligible expenses to maintain and improve the services of such networks or systems. • The AMT also has a source of revenue dedicated to public transit capital asset projects corresponding to 1 cent per $100 of the municipal assessment based on the property values of the municipalities on its territory.	• The AMT is eligible to receive subsidies to cover inter-network expenditures pertaining to the three public transit companies in the Montreal area and several organizations on the north and south shores of Montreal. These subsidies cannot exceed 75% of the costs incurred.	• No direct subsidy.

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
The Sociétés de transport en commun ***Montréal :*** • *Société de transport de Montréal (STM)* • *Réseau de transport de Longueuil (RTL)* • *Société de transport de Laval (STL)* ***Québec :*** • *Réseau de transport de la Capitale (RTC)* • *Société de transport de Lévis (STL)* ***Other régions :*** • *Société de transport de l'Outaouais (STO)* • *Société de transport de Sherbrooke (STS)* • *Société de transport de Trois-Rivières (STTR)* • *Société de transport du Saguenay (STS)*	• A subsidy equal to 50% of the additional operating costs to boost the number of public transit services available. • A subsidy equal to 50% of eligible expenses to promote public transit. • A subsidy equal to 50% of the reduction received by users using both public transit systems. • $30 per year for each vehicle licensed in each of the regions and 1.5 cents per litre of gas (sold) in the Montreal area. Notes: - The AMT redistributes to the three public transit corporations in the Montreal area a portion of the licence revenue ($30) and revenue from the 1.5 cents per litre of gasoline from the gas tax. - In the Quebec City region, revenue from the $30 is shared between the RTC and the STL based on the users' revenue (80%) and the drivers' contribution (20%).	• There are two subsidy programs, i.e., the *Programme d'aide gouvernementale au transport collectif des personnes (PAGTCP)* and the *Programme d'aide aux immobilisations en transport en commun* of the *Société de financement des infrastructures locales du Québec (SOFIL).* The subsidy rate is 84.5% for SOFIL and the subsidies are payable by immediate transfer. Meanwhile, as for the PAGTCP, the subsidy rate is 50% for buses, minibuses and service vehicles; and 75% in other cases. The subsidies are generally transferred through debt service. • The following assets are eligible: - buses, minibuses and service vehicles; - land (except for the SOFIL); - garage, terminals, admin. centre, including equipment and devices required for operations and customer information along with the replacement of the 20-year-old roof. - reserved lane and park-and-ride parking - technological innovations: vehicle tracking, customer information, source of energy for vehicles, operational software, issuance of passenger tickets and collection of receipts. - bus shelters; - bicycle racks; - maintenance, improvement and development of rapid transit system services.	• Government financial assistance covers between 65% and 75% of the operating expenses and some eligible capital asset expenditures. • The financial assistance program is currently being reviewed for 2008 to 2010.	

<table>
<tr><th rowspan="2"></th><th colspan="2">CONVENTIONAL</th><th colspan="2">SPECIALIZED</th></tr>
<tr><th>Operating</th><th>Capital</th><th>Operating</th><th>Capital</th></tr>
<tr><td>The smaller public transit systems in suburban Montreal (municipality, Conseil intermunicipal et régional de transport) and in other regions in Quebec (municipality and groups of municipalities)</td><td>• An operating subsidy equivalent to 40% of income generated by public transit services.
• A subsidy specific to monthly passes equal to the amount of the reduction given to passengers.
• A subsidy equal to 50% of the reduction received by users using both public transit systems.
• A subsidy equal to 50% of the additional operating costs to boost the number of public transit services available.
• A subsidy equal to 50% of eligible expenses to promote public transit.
• The AMT redistributes to the municipal organizations in the Montreal area a portion of the licence revenue ($30) and revenue from the 1.5 cents per litre of gasoline from the gas tax.</td><td>• There are two subsidy programs, i.e., the Programme d'aide gouvernementale au transport collectif des personnes (PAGTCP) and the Programme d'aide aux immobilisations en transport en commun of the Société de financement des infrastructures locales du Québec (SOFIL). The subsidy rate is 84.5% for SOFIL and the subsidies are paid by immediate transfer. Meanwhile, as for the PAGTCP, the subsidy rate is 75% and the subsidies are generally paid through debt service.
• The following assets are eligible:
- land (except for the SOFIL);
- park-and-ride parking outside AMT territory
- technological innovations: vehicle tracking, customer information, vehicle priorization, source of energy for vehicles, operational software, issuance of passenger tickets and collection of receipts.
- bus shelters;
- bicycle racks;
• An 84.5% subsidy paid through SOFIL to cover the cost of capital assets included in the cost of operating contracts with a private carrier.</td><td colspan="2">• Government financial assistance covers between 65% and 75% of the operating expenses and some eligible capital asset expenditures.
• The financial assistance program is currently being reviewed for 2008 to 2010.</td></tr>
</table>

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
Rural Régions: • *82 regional county municipalities (RCMs)* • *15 municipalities outside an RCM territory* • *Kativik regional administration and the Cree regional administration* • *18 Conférences régionales des élus (CRÉ)* • *Inter-city carriers*	• A new *Programme d'aide gouvernementale au transport collectif régional* with an annual envelope of $11M over a five-year period (2007-2011): - $8M for mass transit development in rural areas; - $1M for regional mass transit planning on the territory of CRÉs; - $2M to maintain or develop intercity coach transit lines		• Government financial assistance covers between 65% and 75% of the operating expenses and some eligible capital asset expenditures. • The financial assistance program is currently being reviewed for 2008 to 2010.	

SASKATCHEWAN

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
Cities and towns	• Province makes unconditional Urban Revenue Sharing Grants to municipalities each year, part of which may be spent on transit, at the recipients' discretion. • Budget for 2007 – 2008 - $67,447,000.		• The Municipal Transit Assistance for People with Disabilities Program operating budget is currently calculated using population and is also performance based. • Annual budget: $2,375,000.	• The Municipal Transit Assistance for People with Disabilities Program capital budget is 75% of the eligible vehicle cost to a maximum of $55,000 per vehicle. • Annual budget: $275,000. • The criteria for vehicle requests are based on the age of the vehicle, the mileage, overall condition of the vehicle and the critical need of that vehicle to the community.
	• No other direct or indirect grants.	• Through the Municipal Rural Infrastructure Program funding was available for rapid transit, Intelligent Transport Systems (ITS), the purchase of transit vehicles and the construction of transit bus stations.		

YUKON

	CONVENTIONAL		SPECIALIZED	
	Operating	**Capital**	**Operating**	**Capital**
Whitehorse	• No direct operating grants.	• No direct capital grants.	• $186,000 per year	• No direct capital grants.

REFERENCES

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- Cassie Bevis, Financial Planning Assistant, BC Transit

MANITOBA
- Mike Sosiak, Municipal Finance and Advisory Services, Department Intergovernmental Affairs

NEW BRUNSWICK
- Susi Derrah, Assitant Director, New Brunswick Department of Transportation

NEWFOUNDLAND AND LABRADOR
- Rick Healey, Director, Policy and Strategic Planning, Municipal Affairs

NORTHWEST TERRITORIES
- Wendy Alexander, Municipal Works Engineer, City of Yellowknife

NOVA SCOTIA
- Marvin MacDonald, Director, Grants and Programs, Service Nova Scotia And Municipal Relations

NUNAVUT
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ONTARIO
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PRINCE EDWARD ISLAND
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QUÉBEC
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SASKATCHEWAN
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YUKON
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