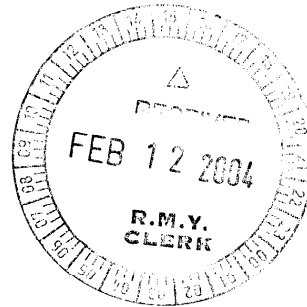


February 9, 2004

Denis Kelly  
Regional Clerk  
Region of York  
17250 Yonge Street  
Newmarket, ON L3Y 6Z1



REGION OF YORK  
CLERK'S OFFICE  
FILE No. - **P34**

Dear Mr. Kelly,

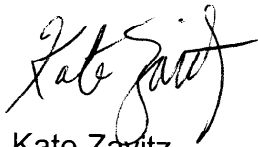
**Re: Tax Exempt Transit Benefits**

Further to our letter to you on October 27, 2003 regarding the tax exempt transit benefits, we have received a response from the Federal Minister of Environment, the Hon. David Anderson.

Attached is a copy of the letter for your information.

Thank you for your continued interest and support.

Yours truly,



Kate Zavitz  
Policy Advisor

Attachment

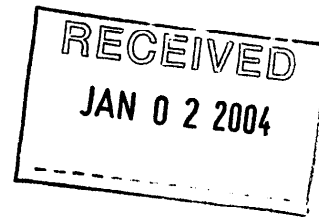
Minister of the Environment



Ministre de l'Environnement

Ottawa, Canada K1A 0H3

DEC 23 2003



Mr. Ken Boshcoff  
President  
Association of Municipalities of Ontario  
393 University Avenue, Suite 1701  
Toronto ON M5G 1E6

Dear Mr. Boshcoff:

Thank you for your letter of October 27, regarding amendments to the federal *Income Tax Act* to promote the use of public transit and help meet air pollution goals.

For my part, I would like to assure you that the *Climate Change Plan for Canada* recognizes the important role that public transit can play in helping to meet our climate change and clean air objectives.

One specific initiative of interest is the Transit Pass Pilot Project currently under way in the National Capital Region (NCR). Federal Government Transit Pass Pilot is not an employer provided transit pass, but instead allows the use of payroll deduction for yearly transit pass purchases. Employees in four pilot departments (i.e., Transport Canada, Treasury Board Secretariat, Environment Canada, and Natural Resources Canada) are able to purchase an annual discounted transit pass through monthly payroll deductions. The discounted transit passes are not a taxable benefit. The discount is offered by the local transit authorities as a result of employees making a year-long commitment to purchase a transit pass, and not subsidization by the Government of Canada. If this pilot project is deemed successful, the program could be expanded to other government departments within the NCR and across Canada.

.../2

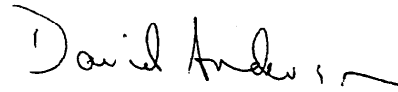
Environnement Canada / Environment Canada



Canada

I appreciate the collaboration of Canada's municipalities, including those represented by your Association, in helping to improve the environment for Canada's citizens.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Anderson", with a stylized flourish at the end.

David Anderson, P.C., M.P.

c.c.: The Honourable Ralph Goodale, P.C., M.P.