

FOR IMMEDIATE RELEASE

June 20, 2005

**GAS-TAX DEAL PROVIDES FOR MILLIONS
TO MEET EASTERN ONTARIO NEEDS**

RENFREW COUNTY – The rural communities in Eastern Ontario stand to gain in excess of \$112 million over five years for roads, bridges and other infrastructure under the historic gas-tax deal signed with the federal government on June 17.

“We are very gratified that Prime Minister Martin has met the commitment he made in his 2005 Budget,” said Warden Bob Sweet of Renfrew County, who is also head of the Eastern Ontario Wardens’ Caucus (EOWC). “These funds will help smaller communities in Eastern Ontario to make badly-needed investments in roads, bridges and waste management, as well as water and sewer systems and other projects.” EOWC is made up of the wardens of the 11 counties in Eastern Ontario, as well as the mayors of Kawartha Lakes and Prince Edward County.

Funded by a five-cent-a-litre tax on gasoline, the agreement provides annual payments over five years to every municipality on the basis of its population as recorded in the 2001 census. The agreement will see these much needed funds flow before the end of 2005.

“This agreement will help offset some of the damage from downloading of provincial responsibilities that rural municipalities have been struggling with,” Sweet said. Despite their small population and assessment base, for example, municipalities represented by EOWC had to take over 40% of all downloaded highways.

The new funds will also enable communities to make grant money from the provincial and federal governments go further. Under the existing Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF), each level of government contributes a one-third share of the cost of approved infrastructure projects. With the new agreement, a municipality will be able to use the gas-tax money for part of its share, as long as the federal share plus these funds does not exceed one-half of the total.

“Like other organizations on the municipal scene, EOWC has been pushing the federal government for a share of the gas-tax to address critical needs at the municipal level,” Warden Sweet said. “We are very glad that the federal government has listened.”

- 30 -

For more information, please contact:

Warden Bob Sweet, chair of EOWC, Warden of the County of Renfrew 735-7288