



RUNNING ON EMPTY



FUMING TO OTTAWA

Updated for 2004

Canadian Taxpayers Federation
Ottawa, Ontario

www.taxpayer.com

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About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit and non-partisan advocacy organization dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national taxpayers organization. Today, the CTF has over 65,000 supporters nation-wide.

The CTF maintains a federal office in Ottawa and offices in the five provincial capitals of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. In addition, the CTF has a Centre for Aboriginal Policy Change in Calgary dedicated to monitoring, researching and providing alternatives to current aboriginal policy and court decisions. Provincial offices and the Centre conduct research and advocacy activities specific to their provinces or issues in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. The CTF's flagship publication, *The Taxpayer* magazine, is published six times a year. An issues and action update called *TaxAction* is produced each month. CTF offices also send out weekly *Let's Talk Taxes* commentaries to more than 800 media outlets and personalities nationally.

CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to effect public policy change.

All CTF staff and board directors are prohibited from holding a membership in any political party. The CTF is independent of any institutional affiliations. Contributions to the CTF are not tax deductible.

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Fact Summary

- Over the past 12 months – the period of May 2003 to April 2004 – the average cost of a litre of gasoline paid by Canadian motorists was 73.3 cents. Gasoline taxes accounted for 42 per cent of the pump price. Gasoline prices have now jumped to an average weekly price of approximately 90 cents/litre.
- The federal gasoline tax increased by more than 550 percent between 1985 and 1995 – from 1.5 to 10 cents per litre.
- As a deficit reduction measure in 1995, Ottawa increased the federal gasoline tax from 8.5 to 10 cents per litre. The federal deficit was vanquished six years ago, but the tax remains.
- GST is charged on the full pump price, gasoline taxes included. It is a tax on tax. As the pump price increases so too does the GST. Last year, the federal government collected \$1.178-billion in gasoline GST revenues. Should the average price remain stuck at 90 cents this year an additional \$260-million in GST will be pumped into federal coffers.
- The vast majority of federal gasoline tax revenues are not channeled back into road and highway improvements. Of the \$5.3-billion collected in federal gasoline and diesel taxes in 2003-2004, Ottawa returned a paltry 2.5 per cent or \$135-million back in provincial transfers for road and highway development. Gasoline taxes are a user fee for roads – Ottawa should use it or lose it. Gasoline taxes should be reduced to levels commensurate with roadway spending.
- Although the Canada Infrastructure Works (CIW) program supported an average of \$800-million of roadway and waterworks infrastructure over seven years, persistent accountability concerns about the program detract from its value. When Transport Canada transfers are combined with CIW transfers, the federal government's commitment still represents less than one tenth of gasoline tax revenues.
- In 1998-1999, the U.S. federal government collected \$25-billion in gasoline tax revenues and spent \$21-billion on roads and highways. In all, 84 per cent of U.S. gasoline tax revenues went back into asphalt.
- The Canadian Federation of Municipalities has asked for the federal government to share a portion of gasoline taxes with municipalities. Politicians of all types and stripes have joined in the call for gasoline taxes for cities, but the 2004 budget did nothing to remedy the federal government's gouging at the pumps.
- In 2002, Canadian municipalities spent \$7.8-billion building and maintaining roads yet received none of the federal gasoline tax revenues. More than eighty per cent of all roads in Canada are municipal roads.

CTF Recommendations

- That the federal government transfer and dedicate 5 cents of federal gasoline tax revenues to municipalities for roadway development using the CTF ***Municipal Roadway Trust*** model (details of the Municipal Roadway Trust can be found on page 16 of this report).
- That the remaining half be returned to motorists and taxpayers in the form of lower gasoline taxes, starting with the elimination of the 1.5 cent per litre gasoline tax introduced in 1995 as a deficit elimination measure. In addition, that the federal government eliminate the 7 per cent GST (and 15 per cent HST in New Brunswick, Nova Scotia, and Newfoundland & Labrador) that is applied to the federal and provincial tax components of the pump price.

Principles

- Treat federal, provincial, and municipal gasoline tax as a user fee.
- Dedicate gasoline tax revenues to highway and roadway construction and maintenance.
- Reduce federal and provincial gasoline tax rates to levels commensurate with road and highway funding.

Introduction

Since beginning the annual Gas Tax Honesty Campaign six years ago, the CTF has publicized the level of gasoline taxes paid by Canadians as well as their use – or lack thereof – in dedicated funding for roadway maintenance and infrastructure. When the CTF held its first Gas Tax Honesty Day on May 20th, 1999, many believed there was an industry-wide conspiracy to drive up gasoline prices in advance of every long weekend over the summer. The CTF has done a great deal to create awareness of the tax component of gasoline. This year, with an average pump price that is 42 per cent higher than it was in May 1999, taxpayers are increasingly aware the federal government is shortchanging them.

It is not surprising that demands for federal funds to pay for municipal infrastructure have grabbed the public's attention. In the midst of reports calling for new taxing powers for municipalities – a policy change opposed by the CTF – the availability of federal gasoline taxes must not go unnoticed. Gasoline taxes are a user fee and should be earmarked primarily for road and highway maintenance and improvement. Since 1999, the CTF has documented what federal and provincial governments have collected in gas taxes and motoring licensing fees. Ottawa has reaped a revenue windfall, but has provided only token support for roadway development.

Gasoline taxes in Canada are tantamount to highway robbery. Last year, Ottawa collected \$5.3-billion in federal gasoline taxes (excluding GST revenue) but the Department of Transport only spent \$135-million on roads and highways – 2.5 per cent of gasoline tax revenues. When Canada Infrastructure Works initiatives (CIW) are factored in, the funding figure rises to a maximum of \$1.2-billion in 1996-1997. In 2003-2004, CIW funding was \$200-million – well short of the revenues collected from motorists. The federal government, as well as other governments, must reduce gasoline taxes so that they are in line with roadway spending.

This report recommends measures that are specifically directed at the federal government. In general, provincial gasoline taxes should be treated as a user fee for roads, and provincial gasoline taxes should reflect provincial spending on roads. In the case of the federal government, gasoline taxes should be cut in half, with one portion going to municipalities – through the Municipal Roadway Trust, and with the other returned to motorists in the form of lower gasoline taxes. Immediately eliminating the 1.5 cent per litre federal gasoline tax and immediately eliminating the levying of the GST on top of federal and provincial gasoline tax, would be the first step in making federal gasoline taxes commensurate with federal road and highway funding.

Gas Tax Honesty Campaign Mile Markers

- On May 20th, 1999, the CTF held its first Gas Tax Honesty Day calling for gasoline service stations to list both the pre-tax and post-tax price of gasoline. On the day of our news conference in Burlington, Ontario, one gas station billboard posted the pre-tax price of 26 cents, which caused a small traffic jam at the pumps. In the past five years, the CTF has played an important role in educating taxpayers and politicians about the taxable and non-taxable pump price of gasoline.
- Responding to CTF pressure for more information on the costs of gasoline, the Canadian Institute for Petroleum Information began publishing, in February 2000, a bi-weekly report of fuel prices including four components determining prices: government taxes, refiner margin, marketing margin, and crude costs.
- In 2001, large gasoline chain retailers began posting pump price breakdowns at the pumps. The CTF applauds the industry for helping consumers better understand the tax component of gasoline prices.

- In January 2002, Canadian municipalities joined the CTF by asking the federal and provincial governments for more money to help fund upgrades to crumbling municipal infrastructure.
- On May 16th, 2002, the CTF proposed a Municipal Roadway Trust (MRT) in response to growing demand from municipalities for funds to cover roadway construction and maintenance costs. Toronto Deputy Mayor Case Ootes joins the CTF in Toronto to lend support to the CTF's MRT model.
- On May 30th, 2003, CTF's federal director addressed the Federation of Canadian Municipalities, urging their members to join the CTF and push for a MRT. The federation adopted a resolution to push the federal government for options to share gasoline tax revenues.
- In September 2003, the CTF announced the winner of its Highway from Hell contest – highlighting the connection between poor roads and government profiting at the pumps.
- In 2003, Liberal leader Dalton McGuinty pledged to allocate 2 cents of the provincial gasoline tax to municipal transit, but failed to make a commitment for a portion dedicated to roads. On May 18, 2004, the Ontario budget allocated 1 cent of the provincial gasoline tax to municipalities.
- On March 1st, 2004, the province of Manitoba tabled Bill-14, which will track all provincial roadway spending transfers to Manitoba's municipalities relative to provincial gasoline tax collection. This bill represents the boldest move toward an MRT in the country.
- On March 16th, 2004, Canadian Press reported that Conservative party leadership candidate – and later leader – Stephen Harper endorsed the principle

of returning gasoline taxes to municipalities, pledging between 3 and 5 per cent of federal gas tax revenues to provinces and municipalities.

- On March 23rd, 2004, Prime Minister Paul Martin promised Canadians municipalities a share of federal gasoline tax revenues. Mr. Martin made a similar promise as front runner Liberal leadership candidate as far back as October 2003. As Prime Minister, he has yet to propose a concrete plan and failed to deliver a share of gas tax revenues to municipalities in the 2004 budget. Despite this failure, Mr. Martin has indicated he will campaign on sharing gas taxes with municipalities in the 2004 general election.

The 2004 federal election is an opportunity to press candidates – including Messrs. Martin and Harper as well as New Democratic leader Jack Layton – to clearly indicate if they are prepared to stop gouging taxpayers and motorists at the pumps by cutting excessive gasoline taxes and dedicating a share of gasoline tax revenues to municipalities to spend on roads and infrastructure. The CTF is inviting federal political leaders, as well as Canada's municipal leaders to sign on with the MRT and ensure federal gasoline taxes match roadway spending. The CTF will ensure that once pledged, this promise will be kept.

The Sixth Annual Gas Tax Honesty Campaign

The Thursday before the Victoria Day holiday weekend marks Gas Tax Honesty Day and kicks off the CTF's annual Gas Tax Honesty Campaign, which is designed to inform Canadians about the taxable share of the pump price. This year, **the CTF will embark on a cross-country tour of forty communities, with a campaign decorated van, to meet with taxpayers, invite municipal leaders to sign our pledge, and to build support for lower gasoline taxes and the MRT.** At each stop on the tour Canadians will have the opportunity to sign the CTF's Gas Tax Honesty Petition. To date, the CTF has collected more than 80,000 signatures in support of its initiative. Canadians who are unable to meet CTF directors as they tour across the country will be invited to sign

the CTF's Gas Tax Honesty Petition by visiting our website at www.taxpayer.com. In addition, a letter seeking support of our petition will be sent to every Canadian mayor during the federal election campaign.

Survey of Gasoline Taxes, Fees and Spending

The pump price motorists pay can be broken down into four components: crude oil costs, refining costs, retailer's profit margin and gas taxes. Depending on the province (see Appendix III) gas taxes represent between 33 to 43 per cent of the pump price.

Snapshot of Canada's Transportation Network

Canada's road system is comprised of a total of 900,000 km of roads, highways and bridges. Of these, 15,000 km are federally owned (1.7 per cent); 231,000 km are provincially owned (25.7 per cent); and 655,000 km are municipally owned (72.9 per cent).*

Approximately 40 per cent of all travel occurs on 5 per cent of Canada's roads. Noteworthy among these was last year's second runner up in the CTF's Worst Highway Contest (a.k.a. the Highway From Hell Contest) – Highway 401 in Ontario. This highway is one of the busiest in the world, handling 350,000 vehicles per day, equivalent to all 16 lanes being full for 11 hours straight each day.*

The rate of automobile and truck traffic has increased faster than economic growth. Traffic is growing faster than the road network can accommodate. If current patterns continue, total vehicle use could increase by as much as 50 per cent to 60 per cent by 2015.*

*Source: Transport Canada, Vision and Balance: Canada Transportation Act Review, (Ottawa; June 2001).

As a 1996 Statistics Canada study shows, gas prices, adjusted for inflation, actually fell by 26 per cent between 1957 and 1995. Meanwhile, gas taxes rose 86 per cent in the same period.¹

Gasoline tax hikes have met little public opposition because they are hidden – out of sight and out of mind. Posting the full cost of gas taxes next to the retail pump price reveals governments' true take at the pumps. This positive action is applauded as an excellent first step on the part of gasoline retailers to illustrate the tax component of the

¹ Statistics Canada, "Forty Years of Gasoline Prices," Consumer Price Index, December 1996.

pump price. Better still, retailers should add all the gasoline taxes up at the till, not unlike the way GST is added to other retail purchases.

Chart 1 gives a comprehensive overview of current federal, provincial and municipal fuel tax rates.²

Chart 1 – Current Canadian Fuel Tax Rates³

	Regular Gasoline	Mid-grade Gasoline	Premium Gasoline	Diesel	Aviation Gasoline/ Turbo Gasoline	Propane
Federal Taxes						
GST	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Excise (cents per litre)	10.0	10.0	10.0	4.0	11.0/4.0	--
Harmonized Sales Tax	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Provincial Taxes						
Newfoundland	16.5	16.5	16.5	16.5	0.7	7.0
PEI	17.0	17.0	17.0	13.5	0.7	12.0
Nova Scotia	15.5	15.5	15.5	15.4	0.7	7.0
New Brunswick	14.5	14.5	14.5	16.9	2.5	6.7
Quebec	15.2	15.2	15.2	16.2	3.0	--
Quebec Sales Tax	7.5%	7.5%	7.5%	7.5%	--	7.5%
Montreal Levy	1.5	1.5	1.5	--	--	--
Ontario	14.7	14.7	14.7	14.3	2.7	4.3
Manitoba	11.5	11.5	11.5	11.5	4.2	9.0
Saskatchewan	15.0	15.0	15.0	15.0	3.5	9.0
Alberta	9.0	9.0	9.0	9.0	1.5	6.5
British Columbia	14.50	14.50	14.50	15.00	3.0/5.0	--
Victoria	17.00	17.00	17.00	17.50	--	--
Vancouver	20.50	20.50	20.50	21.00	--	--
Yukon	6.2	6.2	6.2	7.2	1.1	--
NWT	10.5	10.5	10.5	8.9	1.0	--
Nunavut	6.4	6.4	6.4	9.1	1.0	--

- 15 per cent HST is only levied in Newfoundland & Labrador, Nova Scotia, and New Brunswick.
- 7 per cent GST is levied in all other provinces and territories.

² The term gasoline is often used to describe all fuels. In this report gasoline refers to regular gasoline and not other fuels such as diesel.

³ M.J. Ervin and Associates, Current Consumption Taxes on Petroleum Products as of 2004/04/15

Federal Gasoline Taxes

In fiscal 1994-1995, the federal government collected \$3.8-billion in combined federal gasoline taxes. By 2003-2004, revenues increased by almost 37 per cent over what was collected ten years earlier (Chart 2). One explanation for the increase in gasoline tax revenues is the consistent increases in gasoline tax rates. The federal regular gasoline tax rate increased over 550 per cent between 1985 and 1995 – from 1.5 cents per litre to 10 cents per litre.

Chart 2 – Federal Fuel Tax Revenues vs. Transport Canada Spending⁴

Year	Fuel Tax Revenue (\$ million)	GST Revenue estimate (\$ million)	Transport Canada Spending (\$ million)	Highway Spending Transfers (\$ million)
1995-1996	4,404	855	2,547	257
1996-1997	4,467	909	1,914	290
1997-1998	4,638	886	2,256	268
1998-1999	4,716	843	1,072	194
1999-2000	4,757	868	963	191
2000-2001	4,805	1,167	940	113
2001-2002	4,848	1,038	1,220	119
2002-2003	4,992	1,159	1,451	134
2003-2004	5,275	1,178	1,608	135
2004-2005	5,290	1,198	1,673	135

- GST revenue based on gross GST revenues collected by retail gasoline and service stations.

- Highway Spending Transfers, refer to transfers to provincial and territorial governments from Transport Canada for the purpose of roadway and highway spending.

Gasoline Taxes versus Sales

Raising gasoline taxes does not deter consumption. The original argument for imposing higher gasoline taxes in the 1970s was to curb consumption. But consumption has chugged along and so has governments' tax take. Between 1985 and 2003, gasoline sales steadily increased at an average rate of just over one per cent per year.

⁴ Source: Federal Public Accounts: 1994 through 2003 & Federal Budget 2003.

According to Statistics Canada, retail gasoline sales in 1985 were just over 32-billion litres and 40-billion litres in 2003.

By matching annual gasoline sales with federal excise tax increases, Chart 3 shows the limited impact that increasing gasoline taxes has had on sales.

Chart 3 – Gasoline Sales versus Gasoline Tax Increases

Year	1985	1986	1987	1988	1989	1990	1995
Tax cents/litre	1.5	3.5	5.5	6.5	7.5	8.5	10
Increase	n/a	133.3%	57.1%	18.2%	15.4%	13.3%	17.6%
Sales billion litres	32.7	32.9	33.2	34.1	34.8	33.9	35.1
Change	n/a	0.41%	1.09%	2.78%	1.91%	-2.47%	0.19%

Historically, Transport Canada highway spending represented a small component of the global Transport Canada budget envelope (see Chart 2). The lack of federal attention to highway spending is evidenced by nominal spending decreases since 1996-1997. This decline becomes more dramatic when inflation and its effects on purchasing power are factored into the equation.

The gasoline tax rate has remained high despite improvements to federal finances. In 1995, Ottawa increased the federal regular gasoline tax rate from 8.5 to 10 cents per litre purportedly as a deficit reduction measure. The federal deficit was vanquished six years ago, but the tax remains.

Another contributor to growing federal gasoline tax revenue is the GST and HST. The GST is charged on the full pump price, gasoline taxes included. It is a tax paid on other taxes. As pump prices climb, Ottawa rakes in more GST revenues. Between 1995-1996 and 2003-2004, GST revenues from gasoline sales increased from \$855-million to \$1.178-billion. According to M.J. Ervin & Associates, the average weekly price of a litre of regular gasoline has jumped to 90 cents in May 2004. This price level will pump

another \$260-million into the federal treasury over the next year — totaling \$1.438-billion in GST revenue.

Finding room for a reduction in half the federal gasoline tax take of 10 cents per litre could be accomplished in many ways. Eliminating the 1.5 cent per litre deficit tax is the first step, then eliminating the GST charged on 19 to 30 cents per litre of gasoline could net another 1.5 cents in savings, leaving room for a further reduction of 2 cents per litre from the federal gasoline tax. The remaining half of the federal tax would be directed to the MRT.

The Provinces

Provincial gasoline tax revenues have also risen, but not as dramatically as federal gasoline taxes. Since 1994-1995, provincial gasoline tax revenues and motoring revenues climbed 16 per cent from \$8-billion to \$10-billion in 2003-2004. (See: Appendix II & Appendix III.) Although the provinces have done a better job at matching transportation spending with motoring revenues — total provincial spending on transportation was \$6.9-billion in 2003-2004 — provincial transportation spending has only increased by \$200-million since 1994-1995. This spending currently reflects 70 per cent of provincial revenues being dedicated to their intended purpose, namely road construction and upkeep.

Making a Break from Past Mistakes

Faced with a growing infrastructure deficit it is not surprising that municipalities have been seeking new taxing powers. However, the public is suffocating under their tax burden, and more taxes are not the solution, especially when the federal government is sitting on \$5-billion in excess fuel tax revenue.

Past government approaches to infrastructure initiatives have been problematic, if not wholly political, in their focus. The most recent debacle has been the Canada Infrastructure Works Program (CIW). The Auditor General noted, “Our 1996 observations dealt with the need for clearer definitions of program objectives and project selection criteria, as well as the need for improved information.”⁵

Furthermore, the program definition of infrastructure was far too broad. As a result, the Auditor General reported that only 60 per cent of the funding contributed to the construction of roads, bridges, and water and sewer networks. The other 40 per cent went to fund bocce ball courts, fountains, canoe museums and other questionable projects. Not unlike the current government advertising and sponsorship scandal that the Auditor General reported on in February, federal infrastructure funds programs lack accountability and proper guidelines.

The U.S. National Highway Trust Model

In 1956, the U.S. federal government created the Highway Revenue Act (HRA) which created the National Highway Trust (NHT) as the vehicle to finance highway construction. The NHT relies on a number of taxes and levies, including motor fuel sales, taxes on truck tires, taxes on the sale of trucks and trailers and taxes on heavy vehicle use. In 1997, 83 per cent of the NHT revenues were derived from fuel taxes.

By contrast to Canada, U.S. gasoline tax increases imposed in 1993 for the purposes of deficit reduction and elimination were plowed back into the NHT account. After October 1997 the U.S. deficit elimination tax was repealed. If the same standard were applied to the 1.5 cent/litre increase in Canadian federal excise taxes on gasoline, the tax would have reverted to 8.5 cents/litre 1998 as opposed to remaining at the current tax rate of 10 cents/litre.

⁵ Auditor General, *Report of the Auditor General of Canada – September 1999*, Chapter 17-5 p. 5.

Filling Canada's Infrastructure Gap

Canadian motorists are not receiving good value for the roadway taxes they pay. Current federal capital funding has not flowed back into the provinces and cities that are the source of those revenues. Chart 4 shows the amount of federal gasoline tax raised in each province:

**Chart 4 – Provincial Contribution to Federal Gasoline Tax Revenues
2003-2004**

Province	Percentage	Amount (million)
Newfoundland	1.5%	\$ 64.0
Prince Edward Island	0.3%	13.8
Nova Scotia	2.4%	102.3
New Brunswick	1.8%	79.4
Quebec	20.9%	902.7
Ontario	40.6%	1,751.9
Manitoba	3.1%	135.2
Saskatchewan	3.0%	130.6
Alberta	14.1%	605.8
British Columbia	11.7%	505.6

With 99 per cent of all current roadway transfers going to provinces east of Ontario, the current criteria is hardly fair. A better approach would be to transfer existing federal revenues directly to municipalities.

According to the constitution, municipalities are a provincial jurisdiction. Hence, the federal government cannot unilaterally propose municipal taxes or revenue sharing arrangements. However, there is an established precedent for the federal government to directly pay municipalities cash in lieu of property taxes owed. Provincial governments do not object to these direct payments.

Some might be concerned that by transferring gasoline taxes with strings attached, Ottawa is imposing its priorities on municipal governments. This is a valid point, but most taxpayers recognize that gasoline taxes are paid locally but sent to the federal government, which does not directly fund roadway construction. Municipal governments should be given tax money to fund roadway construction and the federal government should ensure the funds are used only for that purpose. Accountability requires the auditing of MRT funds to be undertaken by the Auditor General of Canada each year.

Municipal Roadway Trust

The ***Municipal Roadway Trust*** formula is predicated on the principle that gasoline taxes be treated as a user fee levied on motorists.

Chart 5 uses some basic assumptions to arrive at a revenue sharing formula to be used to create a ***Municipal Roadway Trust*** fund. Based on figures for the fiscal year 2003-2004, federal gasoline tax revenues will be about \$4.7-billion. This chart is based on 5 cents per litre in federal gasoline tax, and shows how these revenues would be re-directed to municipal governments for roadway spending. (See: Appendix III for more examples of municipal shares under the MRT.)

To arrive at each municipality's share, Gross Domestic Product (GDP) by municipality would be divided by the Canadian GDP, resulting in a percentage. Due to the complexities of tracking gasoline sales by municipality, the use of GDP is somewhat arbitrary, but still a fair way to arrive at a division of roadway spending that corresponds with gasoline taxes. In the case of smaller municipalities, these would receive funds on a per capita basis, once amounts to larger municipalities are calculated.

Rather than proposing a convoluted project approval process, this approach would give each municipality the opportunity to rationally develop and maintain its own roadway

system. Funds could be spent or rolled over into the next year depending on roadway construction schedules and priorities.

**Chart 5 – Gasoline Taxes Divided Among Major Municipalities
(\$ million)**

City	Halifax	Montréal	Ottawa	Toronto	Winnipeg	Regina	Calgary	Edmonton	Vancouver	Victoria
Percentage of Federal GDP	0.9%	8.9%	3.2%	15.6%	1.9%	0.6%	3.6%	3.2%	5.5%	0.8%
Portion of ½ Federal Fuel Tax	18.3	223.8	78.4	383.1	44.8	13.5	103.3	91.0	135.1	18.9

The ***Municipal Roadway Trust*** would consist of an initial three-year commitment to apply this formula to all Canadian municipalities. Over a three-year period of time, more than \$7-billion would be put directly into local roads.

To ensure funds were only spent on roads, the following accountability framework would be applied:

- Municipalities would be provided directly with these funds – with a streamlined approval process;
- Funds could only be used for roadway and bridge construction or maintenance;
- At the end of the fiscal year each municipality would: identify the road, bridge or section built or repaired; name the principle contractor; and provide the cost of each project;
- Each year, the Auditor General would provide a report to the House of Commons detailing an audit of the ***Municipal Roadway Trust*** spending;
- Based on the Auditor General's report, any project of questionable merit would be disallowed – with funds subtracted from the following year's allocation;
- The program would run for three years and would be subject to renewal by Parliament; and

- Any provincial government interested in using the methodology to allocate its own fuel tax revenues could sign on to or emulate this process.

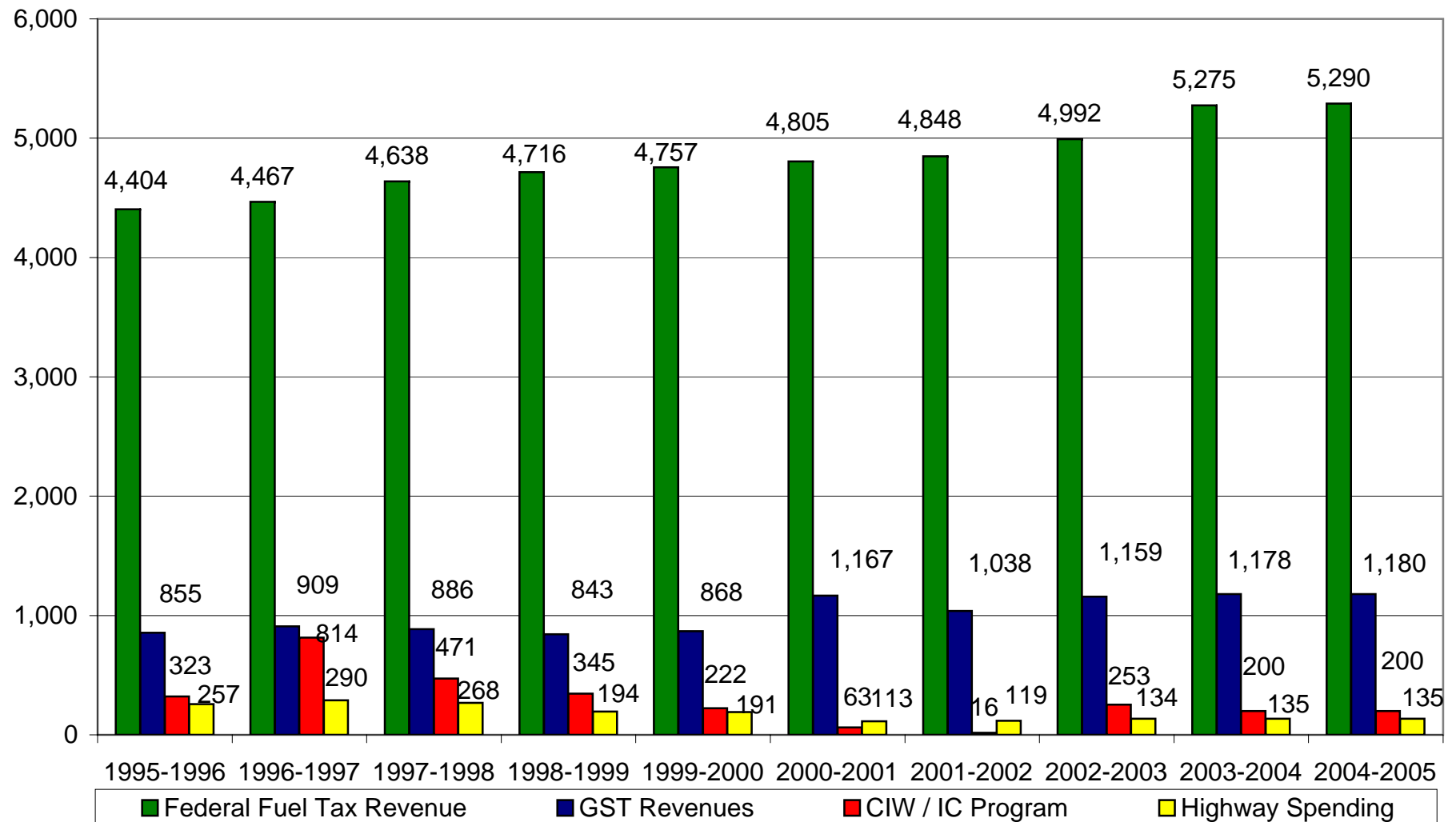
Conclusion

When the CTF launched its first GTHC in 1999, most motorists and taxpayers were unaware of the tax component of gasoline at the pumps. Even fewer motorists were aware that the federal government returned less than 5 per cent of the \$4.7-billion it collected at the pumps to roads. Through five years of campaigning, motorists and taxpayers are more aware. Industry has made changes and politicians are beginning to listen.

Meeting the infrastructure challenges of the 21st century will put a considerable strain on Canadian municipalities. Providing direct federal assistance for improvements to municipal roads will make an important contribution to this challenge. For years the federal government has collected billions in gasoline tax revenues, but has not channeled significant dollars back into Canadian roads and highways. This must change.

The need for more roadway funding is clear. It is not a question of creating new taxes, but one of fairly distributing the taxes that already exist. The ***Municipal Roadway Trust*** would make a significant contribution toward meeting the needs of our cities – large and small – in the 21st century. But motorists are not a cash cow for government, reducing gasoline taxes in line with roadway spending is essential.

Federal Fuel Tax Revenues Versus Transport Canada Highway Spending and Canada Infrastructure Works and Infrastructure Canada Program Spending (\$ Million)



Provincial Motoring Revenues

Year	NL	PEI	NS	NB	PQ	ON	MB	SK	AB	BC	YK	NWT	NT	Total
Fuel Tax Revenue														
(Million)														
1994-1995	\$ 125.5	\$ 26.2	\$ 195.6	\$ 160.0	\$ 1,340.0	\$ 2,434.0	\$ 214.5	\$ 339.2	\$ 525.0	\$ 666.6	n/a	n/a	n/a	\$ 6,026.6
1995-1996	121.9	26.6	197.5	163.0	1,407.0	2,444.0	213.5	335.8	527.0	827.7	n/a	n/a	n/a	6,264.1
1996-1997	108.5	27.2	198.7	166.0	1,454.0	2,491.0	216.2	365.5	540.0	832.4	n/a	14.3	n/a	6,413.7
1997-1998	120.4	29.5	204.1	169.0	1,486.0	2,591.0	215.9	376.9	558.0	760.2	6.3	18.8	n/a	6,536.2
1998-1999	121.5	32.1	211.6	171.0	1,559.0	2,660.0	221.3	354.6	547.0	872.0	6.5	13.6	n/a	6,770.2
1999-2000	129.2	33.5	219.4	185.5	1,560.0	2,819.0	221.7	369.0	568.0	836.0	6.6	7.5	n/a	6,955.5
2000-2001	130.4	33.6	201.7	186.5	1,536.0	2,820.0	224.0	345.1	581.0	825.0	5.8	10.8	3.1	6,903.1
2001-2002	130.0	32.7	208.0	188.0	1,536.0	2,851.0	224.0	353.8	590.0	802.0	6.7	16.9	3.3	6,942.3
2002-2003	134.7	34.0	246.3	217.1	1,645.0	2,988.0	227.3	331.5	597.0	684.0	6.7	15.6	4.5	7,131.7
2003-2004	135.0	36.5	248.9	235.0	1,670.0	2,966.0	231.3	350.9	602.0	870.0	6.7	17.6	4.5	7,374.4
2004-2005	142.0	43.1	255.9	239.4	n/a	3,044.0	235.3	363.1	607.0	891.0	-	17.8	-	n/a
Licencing Fees Revenue														
(Million)														
1994-1995	\$ 43.5	\$ 9.0	\$ 71.0	\$ 70.0	\$ 500.0	\$ 751.0	\$ 58.1	\$ 87.0	\$ 159.0	\$ 306.1	n/a	n/a	n/a	\$ 2,054.7
1995-1996	44.9	9.1	56.0	71.4	482.0	736.0	58.0	88.4	164.0	326.3	n/a	n/a	n/a	2,036.1
1996-1997	45.2	9.2	58.6	71.0	490.0	816.0	59.4	94.6	171.0	321.9	n/a	n/a	n/a	2,137.0
1997-1998	50.5	10.3	54.9	69.7	641.0	820.0	64.0	98.8	182.0	316.5	n/a	n/a	n/a	2,307.7
1998-1999	49.5	10.7	61.0	71.1	664.0	890.0	63.4	108.1	196.0	329.0	3.2	n/a	n/a	2,445.9
1999-2000	52.0	11.1	61.4	78.8	667.0	911.0	68.3	113.3	203.0	336.0	2.7	n/a	n/a	2,504.6
2000-2001	53.0	11.1	62.0	80.6	646.0	929.0	70.5	113.8	208.0	342.0	2.7	n/a	n/a	2,518.7
2001-2002	54.5	11.9	65.1	77.4	662.0	941.0	75.5	117.9	213.0	346.0	2.8	n/a	n/a	2,567.0
2002-2003	56.3	11.8	75.9	79.1	690.0	982.0	80.1	117.0	248.0	355.0	2.9	n/a	n/a	2,698.2
2003-2004	56.5	11.3	73.7	79.5	700.0	986.0	88.7	122.2	262.0	362.0	3.0	n/a	n/a	2,744.9
2004-2005	68.6	11.3	80.4	n/a	n/a	987.0	103.8	127.1	257.0	370.0	n/a	n/a	n/a	n/a
Total Motoring Revenue														
(Million)														
1994-1995	\$ 169.0	\$ 35.1	\$ 266.6	\$ 230.0	\$ 1,840.0	\$ 3,185.0	\$ 272.6	\$ 426.2	\$ 684.0	\$ 972.7	n/a	n/a	n/a	\$ 8,081.3
1995-1996	166.8	35.8	253.5	234.4	1,889.0	3,180.0	271.5	424.2	691.0	1,154.0	n/a	n/a	n/a	8,300.2
1996-1997	153.7	36.4	257.3	237.0	1,944.0	3,307.0	275.6	460.1	711.0	1,154.3	n/a	14.3	n/a	8,550.7
1997-1998	170.9	39.8	259.0	238.7	2,127.0	3,411.0	279.9	475.7	740.0	1,076.8	6.3	18.8	n/a	8,843.9
1998-1999	171.0	42.7	272.6	242.1	2,223.0	3,550.0	284.7	462.7	743.0	1,201.0	9.7	13.6	n/a	9,216.1
1999-2000	181.2	44.6	280.8	264.3	2,227.0	3,730.0	290.0	482.3	771.0	1,172.0	9.3	7.5	n/a	9,460.1
2000-2001	183.4	44.7	263.6	267.1	2,182.0	3,749.0	294.5	459.0	789.0	1,167.0	8.5	10.8	3.1	9,421.8
2001-2002	184.5	44.6	273.0	265.4	2,198.0	3,792.0	299.5	471.7	803.0	1,148.0	9.5	16.9	3.3	9,509.3
2002-2003	191.0	45.8	322.2	296.2	2,335.0	3,970.0	307.4	448.5	845.0	1,039.0	9.6	15.6	4.5	9,829.8
2003-2004	191.5	47.8	322.6	314.5	2,370.0	3,952.0	320.0	473.1	864.0	1,232.0	9.8	17.6	4.5	10,119.3
2004-2005	210.6	54.5	336.3	239.4	n/a	4,031.0	339.1	490.2	864.0	1,261.0	n/a	17.8	n/a	n/a

Source: Provincial Budget Documents 1990-2003

Provincial Transportation Spending

Year	NL ¹	PEI ²	NS ³	NB ⁴	PQ ⁵	ON ⁶	MB ⁷	SK ⁸	AB ⁹	BC	YK ¹⁰	NWT	NT ¹¹	Total
Provincial Transportation or Equivalent Spending														
(Million)														
1994-1995	\$ 101.8	\$ 43.8	\$ 121.6	\$ 125.2	\$ 1,551.0	\$ 598.0	\$ 225.3	\$ 128.6	\$ 667.0	\$ 907.0	n/a	n/a	n/a	\$ 4,469.2
1995-1996	95.1	42.5	106.4	125.5	1,460.0	1,054.0	229.6	115.9	646.0	851.8	n/a	n/a	n/a	4,726.8
1996-1997	114.1	46.7	166.6	128.8	930.0	1,449.0	222.2	118.2	505.0	844.0	n/a	58.3	n/a	4,582.9
1997-1998	113.2	58.7	166.3	125.1	1,363.0	752.0	224.9	137.3	667.0	770.0	63.0	56.4	n/a	4,497.0
1998-1999	118.0	62.2	236.5	131.8	1,507.0	634.0	232.8	123.1	1,242.0	790.0	62.9	58.9	n/a	5,199.1
1999-2000	120.5	65.7	236.3	131.4	1,578.0	587.0	293.9	129.8	888.0	1,697.0	64.4	42.0	n/a	5,834.0
2000-2001	134.3	73.2	248.6	141.9	1,501.0	593.0	300.6	140.1	885.0	611.0	64.1	48.2	61.6	4,802.6
2001-2002	136.1	71.1	233.5	162.0	1,406.0	664.0	319.1	143.0	926.0	701.0	73.3	71.5	64.4	4,971.0
2002-2003	138.4	47.6	253.6	148.3	1,429.0	282.0	321.9	137.4	652.0	750.0	66.6	73.7	69.6	4,370.1
2003-2004	174.4	39.6	227.7	140.2	1,488.0	808.0	303.9	243.0	1,075.0	850.0	65.7	74.1	72.0	5,561.5
2004-2005	167.0	49.1	241.0	129.1	n/a	862.0	305.9	252.3	1,003.0	811.0	n/a	76.9	n/a	n/a
Provincial Transport Capital Spending														
(Million)														
1994-1995	\$ 48.0	\$ 33.9	\$ 97.4	\$ 193.3	n/a	\$ 1,757.0	n/a	\$ 65.7	\$ 134.0	n/a	n/a	n/a	n/a	\$ 2,329.3
1995-1996	58.8	35.9	132.0	142.3	n/a	1,387.0	n/a	57.2	134.0	n/a	n/a	n/a	n/a	1,947.2
1996-1997	17.4	38.9	74.3	314.1	n/a	1,259.0	n/a	52.1	115.0	n/a	n/a	34.5	n/a	1,905.2
1997-1998	29.2	37.5	96.9	239.2	n/a	2,022.0	n/a	75.6	148.0	n/a	30.4	31.9	n/a	2,710.6
1998-1999	26.8	30.1	n/a	196.2	n/a	892.0	n/a	109.3	247.0	n/a	34.4	26.6	n/a	1,562.3
1999-2000	31.3	32.1	n/a	198.9	n/a	830.0	n/a	106.0	1,416.0	n/a	40.2	25.0	n/a	2,679.5
2000-2001	36.8	26.9	n/a	97.0	n/a	836.0	n/a	133.2	1,282.0	n/a	38.2	20.6	21.3	2,492.1
2001-2002	41.3	28.9	n/a	123.5	n/a	818.0	n/a	166.3	990.0	n/a	46.2	32.7	27.9	2,274.8
2002-2003	41.1	21.4	n/a	168.1	n/a	1,097.0	n/a	157.1	596.0	n/a	48.1	43.7	31.4	2,204.0
2003-2004	19.1	32.5	n/a	196.0	n/a	812.0	68.5	n/a	785.0	n/a	44.7	35.6	27.2	2,020.5
2004-2005	21.7	23.3	n/a	248.8	n/a	679.0	78.9	n/a	1,074.0	n/a	n/a	47.8	n/a	n/a
Total Transportation Spending														
(Million)														
1994-1995	\$ 149.7	\$ 77.7	\$ 219.1	\$ 318.5	\$ 1,551.0	\$ 2,355.0	\$ 225.3	\$ 194.3	\$ 801.0	\$ 907.0	n/a	n/a	n/a	\$ 6,798.6
1995-1996	153.9	78.4	238.4	267.8	1,460.0	2,441.0	229.6	173.1	780.0	851.8	n/a	n/a	n/a	6,674.0
1996-1997	131.5	85.6	240.9	442.9	930.0	2,708.0	222.2	170.2	620.0	844.0	n/a	92.8	n/a	6,488.1
1997-1998	142.3	96.2	263.2	364.3	1,363.0	2,774.0	224.9	212.9	815.0	770.0	93.4	88.3	n/a	7,207.6
1998-1999	144.7	92.3	236.5	328.0	1,507.0	1,526.0	232.8	232.3	1,242.0	790.0	97.3	85.5	n/a	6,514.4
1999-2000	151.8	97.8	236.3	330.3	1,578.0	1,417.0	293.9	235.9	888.0	1,697.0	104.6	67.0	n/a	7,097.5
2000-2001	171.2	100.1	248.6	238.9	1,501.0	1,429.0	300.6	273.3	885.0	611.0	102.3	68.8	82.9	6,012.7
2001-2002	177.4	100.0	233.5	285.5	1,406.0	1,482.0	319.1	309.3	926.0	701.0	119.5	104.2	92.3	6,255.8
2002-2003	179.5	69.0	253.6	316.4	1,429.0	1,379.0	321.9	294.5	652.0	750.0	114.8	117.4	101.0	5,978.1
2003-2004	193.5	72.1	227.7	336.2	1,488.0	1,620.0	372.4	243.0	1,075.0	850.0	110.4	109.6	99.2	6,797.0
2004-2005	188.6	72.4	241.0	377.9	n/a	1,541.0	384.8	252.3	1,003.0	811.0	n/a	124.7	n/a	n/a

1. Newfoundland: Works Services & Transportation

2. PEI: Transportation & Public Works

3. Nova Scotia: Transportation & Public Works

4. New Brunswick: Transportation

5. Quebec: Transports

6. Ontario: Transport

7. Manitoba: Transportation & Government Service

8. Saskatchewan: Highways & Transportation

9. Alberta: Transportation and Support for Infrastructure

10. Yukon: Infrastructure

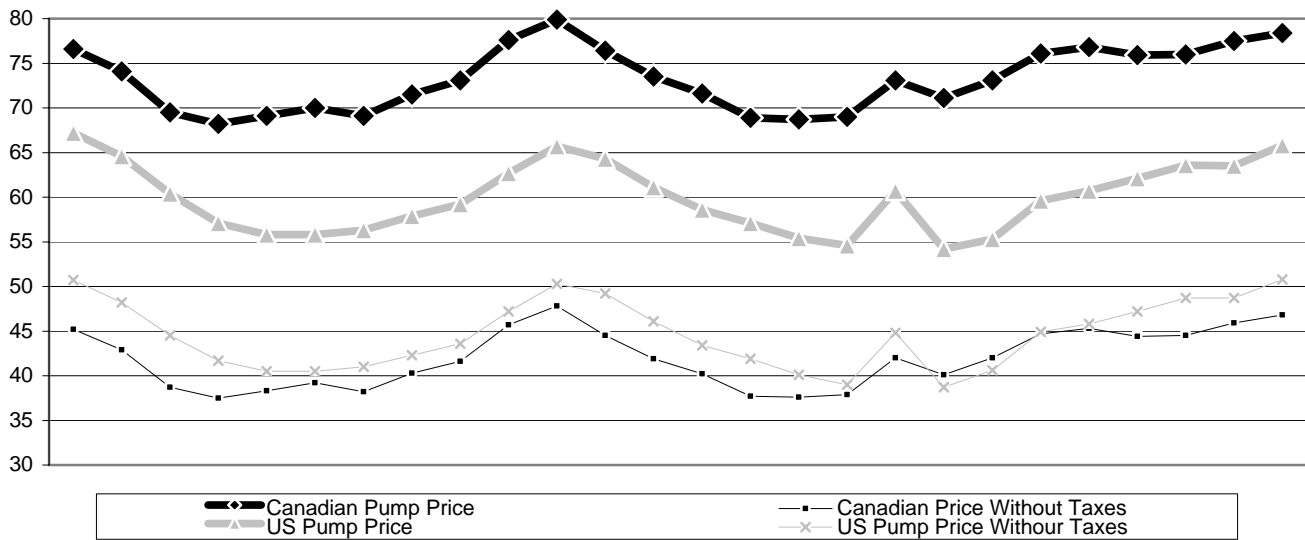
11. Nunavut: Community Government & Transportation

Source: Provincial Budget Documents 1990-2003

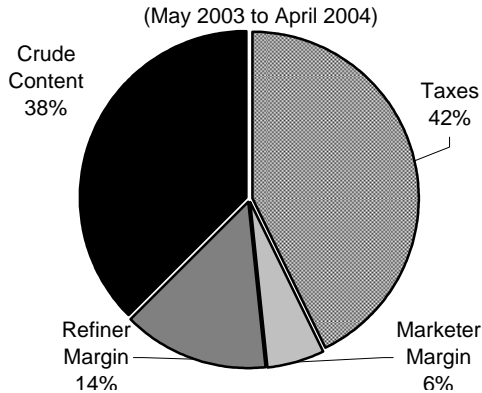


Federal -- Gas Tax Facts

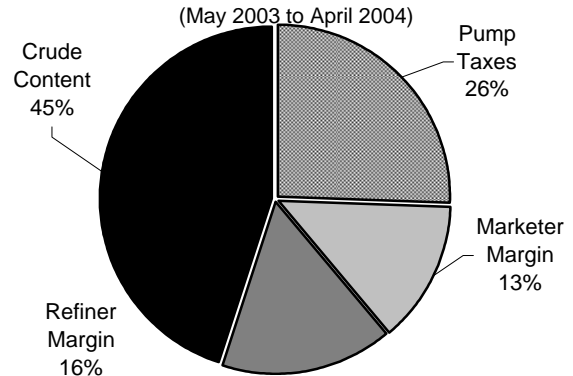
Canada versus US Average Price and Price Without Taxes 2003 to 2004



Canadian Average, Gas Price Breakdown at 73.3 cents/litre (May 2003 to April 2004)



USA Average, Gas Price Breakdown at 60.0 cents/litre (May 2003 to April 2004)



Federal Government Revenues and Expenditures 1990-2001 (\$ million)

Year	Gas Tax Revenue	GST Revenues (Est.)	Total Revenues (Est.)	Highway Spending*	% of Gas Tax Revenue	% of Total Revenue
1993-1994	3,656.0	775.2	4,431.2	197.3	5.4%	4.5%
1994-1995	3,824.0	771.5	4,595.5	211.0	5.5%	4.6%
1995-1996	4,404.0	854.8	5,258.8	257.0	5.8%	4.9%
1996-1997	4,467.0	908.7	5,375.7	290.0	6.5%	5.4%
1997-1998	4,638.0	886.4	5,524.4	268.4	5.8%	4.9%
1998-1999	4,716.0	842.7	5,558.7	194.1	4.1%	3.5%
1999-2000	4,757.0	867.5	5,624.5	190.7	4.0%	3.4%
2000-2001	4,805.0	1,167.4	5,972.4	113.1	2.4%	1.9%
2001-2002	4,848.0	1,037.7	5,885.7	118.6	2.4%	2.0%
2002-2003	4,992.0	1,158.9	6,150.9	134.3	2.7%	2.2%
2003-2004	5,275.0	1,178.4	6,453.4	135.0	2.6%	2.1%
2004-2005	5,290.0	1,179.6	6,469.6	135.0	2.6%	2.1%

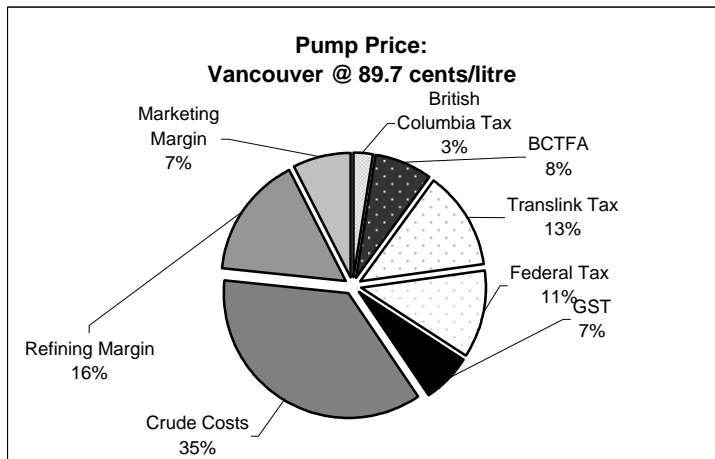
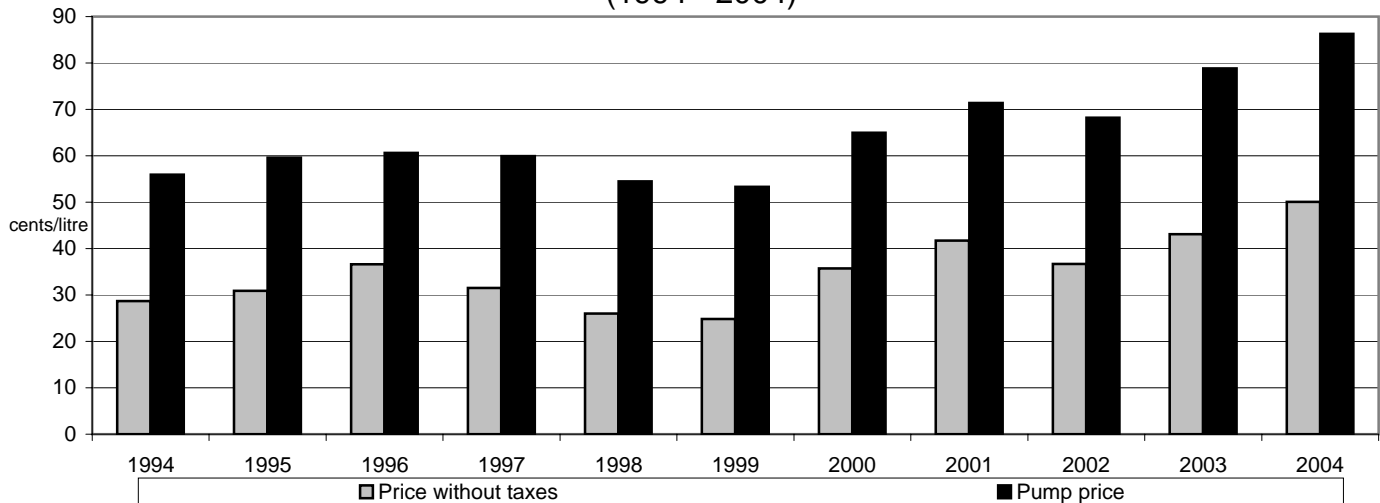
* Highway Spending, Transport Canada transfers to provinces

GST Revenues Estimate: based on Gasoline sales multiplied by average price per litre, multiplied by 7% GST less rebates.



British Columbia -- Gas Tax Facts

Vancouver: Gas Prices & Gas Taxes (1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic

Fill-up		89.7 cents/litre
Capacity		50.0 litres
Total Sale	\$	44.85
British Columbia Tax	\$	1.13
BCTFA	\$	3.38
Translink Tax	\$	5.75
Federal Tax	\$	5.00
GST	\$	2.92
Crude Costs	\$	16.20
Refining Margin	\$	7.15
Marketing Margin	\$	3.30

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	641.7	277.5	5.9	925.1	1,030.0	n/a	1,030.0	111.3%
1994-1995	666.6	306.1	5.9	978.6	907.0	n/a	909.0	92.9%
1995-1996	827.7	326.3	6.9	1,160.9	851.8	n/a	851.8	73.4%
1996-1997	832.4	321.9	5.7	1,160.0	844.0	596.0	1,440.0	124.1%
1997-1998	760.2	316.5	6.3	1,083.0	770.0	419.0	1,189.0	109.8%
1998-1999	872.0	329.0	0.1	1,201.1	790.0	781.0	1,571.0	130.8%
1999-2000	836.0	336.0	-	1,172.0	1,697.0	1,015.0	1,697.0	144.8%
2000-2001	825.0	342.0	-	1,167.0	611.0	944.0	611.0	52.4%
2001-2002	802.0	346.0	-	1,148.0	701.0	630.0	701.0	61.1%
2002-2003	684.0	355.0	-	1,039.0	750.0	500.0	750.0	72.2%
2003-2004	870.0	362.0	n/a	1,232.0	850.0	n/a	850.0	69.0%
2004-2005	891.0	370.0	n/a	1,261.0	811.0	n/a	811.0	64.3%

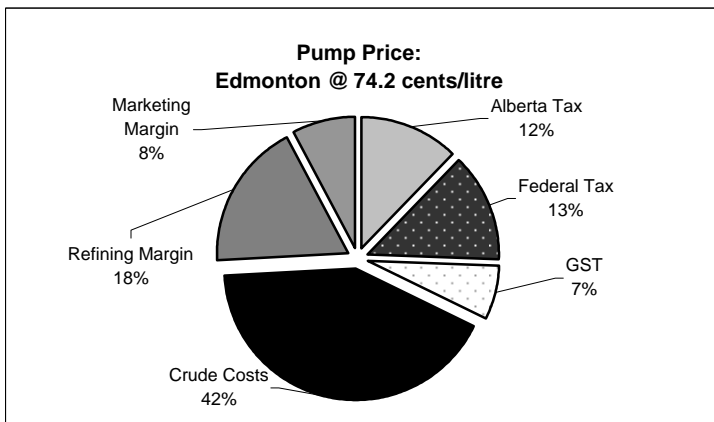
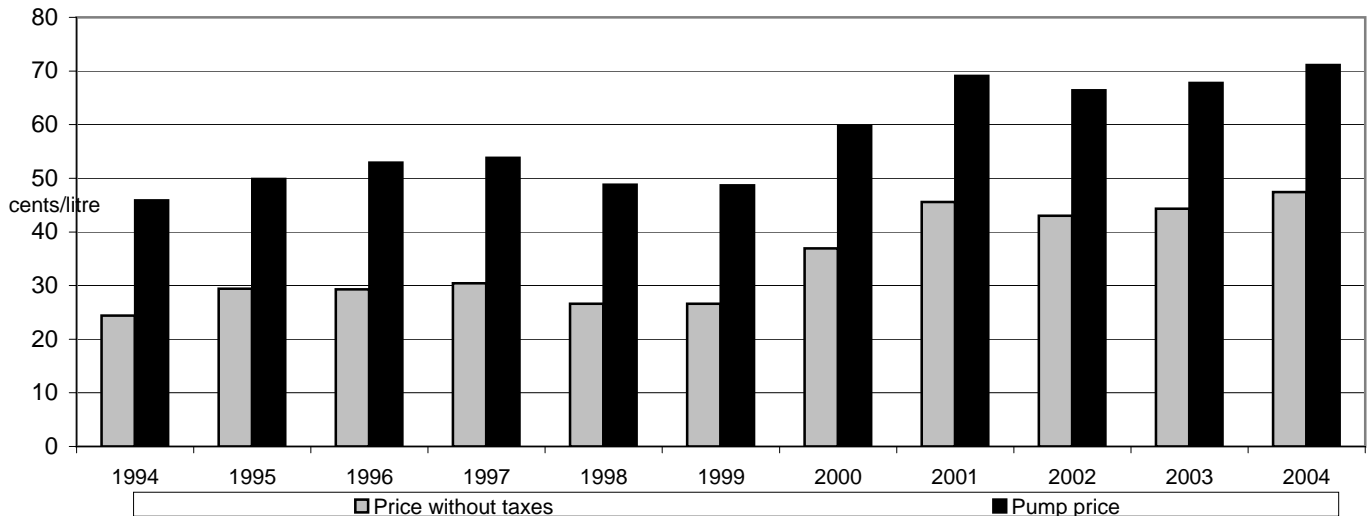
N.B. 1999-2000 Includes debt write-down for the BC Ferry Corporation.

British Columbia Ministry of Transportation and Highways Expenditures.



Alberta -- Gas Tax Facts

Edmonton: Gas Prices & Gas Taxes (1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic		
Fill-up	74.2 cents/litre	
Capacity	50.0 litres	
Total Sale	\$ 37.10	
Alberta Tax	\$ 4.50	
Federal Tax	\$ 5.00	32% Tax
GST	\$ 2.45	
Crude Costs	\$ 15.55	68% Costs
Refining Margin	\$ 6.70	
Marketing Margin	\$ 2.90	

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	494.0	163.0	10.0	667.0	879.0	219.0	879.0	131.8%
1994-1995	525.0	159.0	8.6	692.6	667.0	134.0	801.0	115.7%
1995-1996	527.0	164.0	10.2	701.2	646.0	134.0	780.0	111.2%
1996-1997	540.0	171.0	1.2	712.2	505.0	115.0	620.0	87.1%
1997-1998	558.0	182.0	-	740.0	667.0	148.0	815.0	110.1%
1998-1999*	547.0	196.0	-	743.0	1,242.0	247.0	1,242.0	167.2%
1999-2000*	568.0	203.0	-	771.0	888.0	1,416.0	888.0	115.2%
2000-2001	581.0	208.0	-	789.0	885.0	1,282.0	885.0	112.2%
2001-2002	590.0	213.0	-	803.0	926.0	990.0	926.0	115.3%
2002-2003	597.0	248.0	-	845.0	652.0	596.0	652.0	77.2%
2003-2004	602.0	262.0	n/a	864.0	1,075.0	785.0	1,075.0	124.4%
2004-2005	607.0	257.0	n/a	864.0	1,003.0	1,074.0	1,003.0	116.1%

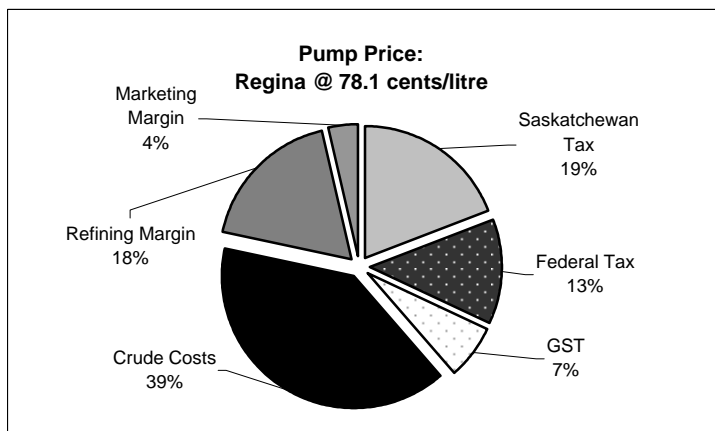
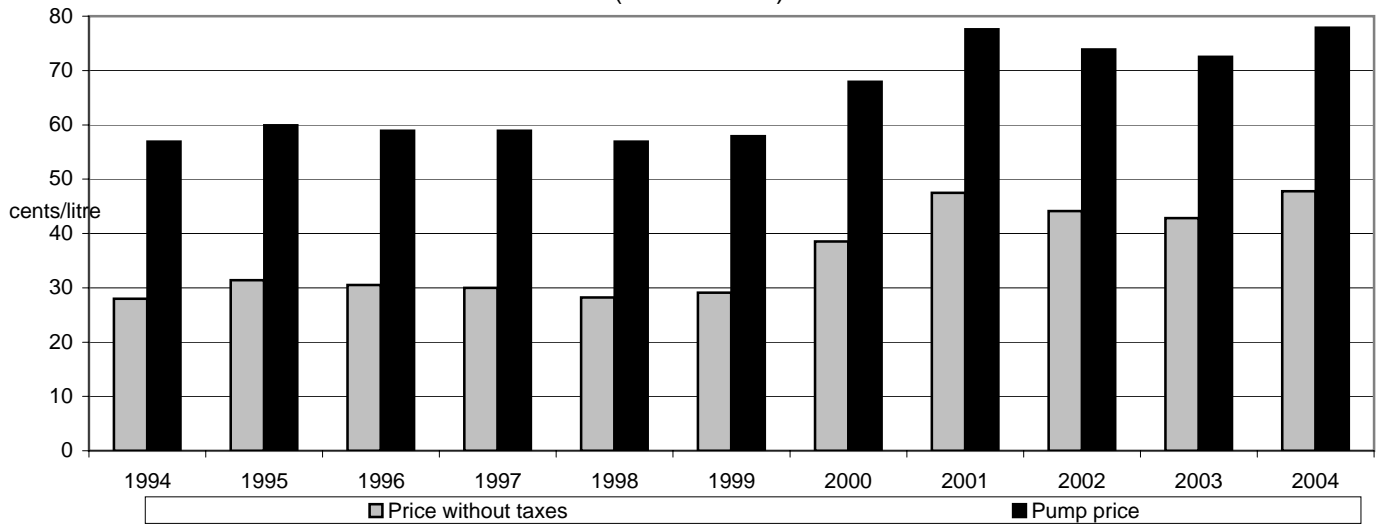
* Alberta Transportation was part of larger Alberta Infrastructure

Alberta: Transportation



Saskatchewan -- Gas Tax Facts

Regina: Gas Prices & Gas Taxes (1994 - 2004)



Pump Price Breakdown:		2003 Honda Civic	
Fill-up		78.1 cents/litre	
Capacity		50.0 litres	
Total Sale	\$	39.05	
Saskatchewan Tax	\$	7.50	
Federal Tax	\$	5.00	39% Tax
GST	\$	2.54	
Crude Costs	\$	15.55	61% Costs
Refining Margin	\$	7.00	
Marketing Margin	\$	1.45	

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

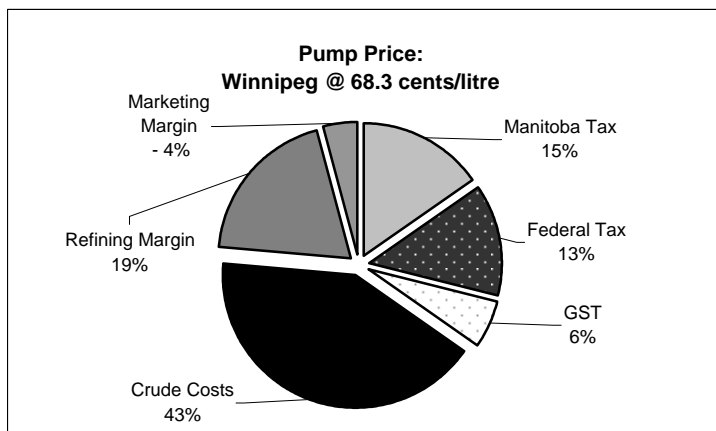
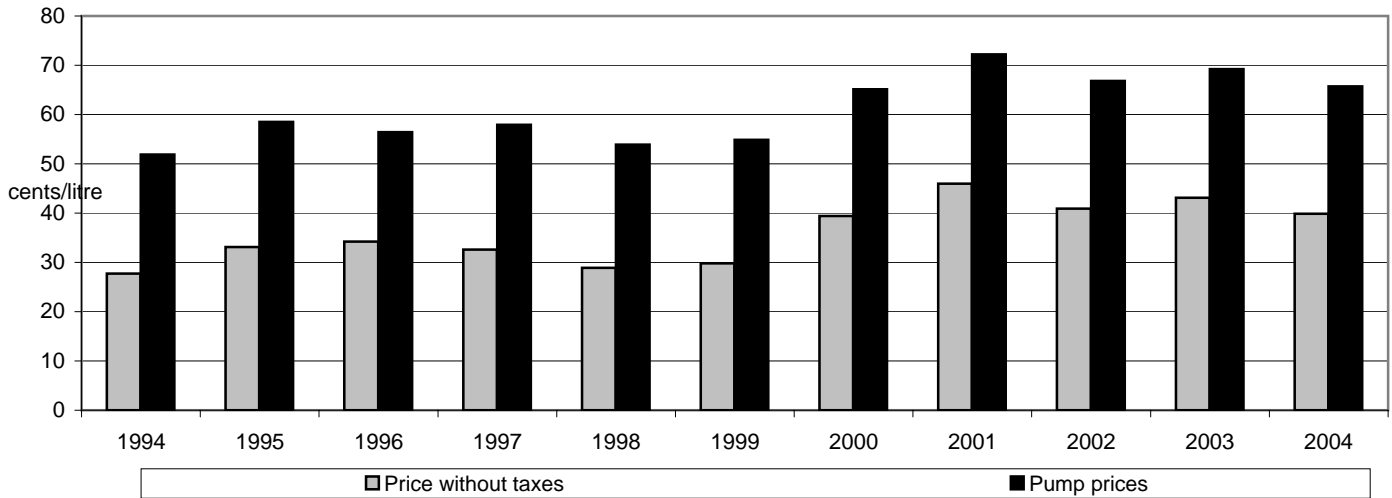
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	330.0	86.0	8.1	424.1	189.5	75.6	189.5	44.7%
1994-1995	339.2	87.0	8.3	434.5	128.6	65.7	128.6	29.6%
1995-1996	335.8	88.4	7.4	431.6	115.9	57.2	115.9	26.9%
1996-1997	365.5	94.6	9.0	469.1	118.2	52.1	118.2	25.2%
1997-1998	376.9	98.8	2.5	478.2	137.3	75.6	137.3	28.7%
1998-1999	354.6	108.1	-	462.7	123.1	109.3	123.1	26.6%
1999-2000	369.0	113.3	-	482.3	129.8	106.0	129.8	26.9%
2000-2001	345.1	113.8	-	459.0	140.1	133.2	140.1	30.5%
2001-2002	353.8	117.9	-	471.7	143.0	166.3	143.0	30.3%
2002-2003	331.5	117.0	-	448.5	137.4	157.1	137.4	30.6%
2003-2004	350.9	122.2	n/a	473.1	243.0	n/a	243.0	51.4%
2004-2005	363.1	127.1	n/a	490.2	252.3	-	252.3	51.5%

Saskatchewan: Highways & Transportation



Manitoba -- Gas Tax Facts

Winnipeg: Gas Prices & Gas Taxes (1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic		Fill-up	
		68.3 cents/litre	
		Capacity	
		50.0 litres	
Total Sale	\$	34.15	
Manitoba Tax	\$	5.75	
Federal Tax	\$	5.00	38% Tax
GST	\$	2.25	
Crude Costs	\$	15.55	
Refining Margin	\$	7.20	62% Costs
Marketing Margin	-\$	1.60	

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

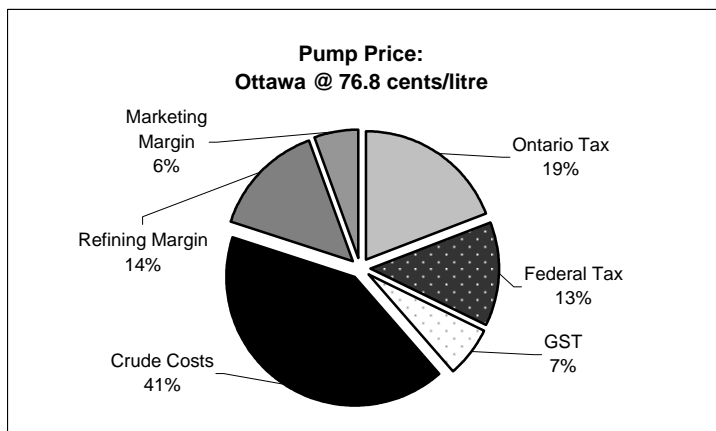
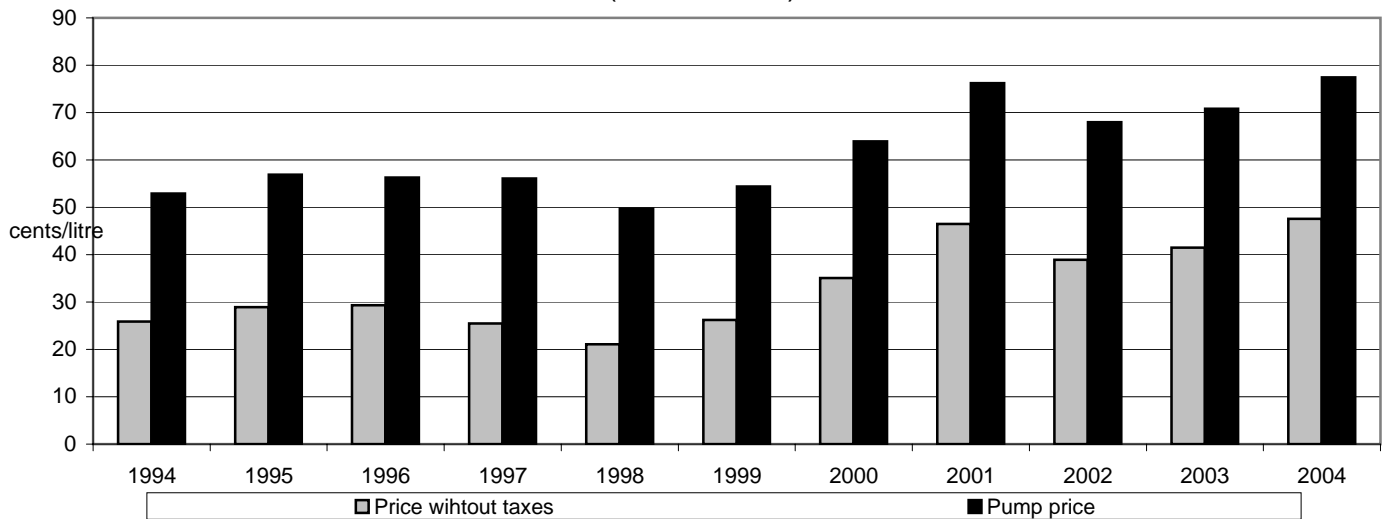
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	213.3	54.6	13.4	281.3	236.3	n/a	236.3	84.0%
1994-1995	214.5	58.1	12.0	284.6	225.3	n/a	225.3	79.2%
1995-1996	213.5	58.0	6.0	277.5	229.6	n/a	229.6	82.7%
1996-1997	216.2	59.4	3.8	279.4	222.2	n/a	222.2	79.5%
1997-1998	215.9	64.0	-	279.9	224.9	n/a	224.9	80.3%
1998-1999	221.3	63.4	-	284.7	232.8	n/a	232.8	81.8%
1999-2000	221.7	68.3	-	290.0	293.9	n/a	293.9	101.3%
2000-2001	224.0	70.5	-	294.5	300.6	n/a	300.6	102.1%
2001-2002	224.0	75.5	-	299.5	319.1	n/a	319.1	106.6%
2002-2003	227.3	80.1	-	307.4	321.9	n/a	321.9	104.7%
2003-2004	231.3	88.7	n/a	320.0	303.9	n/a	303.9	95.0%
2004-2005	235.3	103.8	n/a	339.1	305.9	n/a	305.9	90.2%

Manitoba: Transportation & Government Service



Ontario -- Gas Tax Facts

Ottawa: Gas Prices & Gas Taxes
(1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic

Fill-up		76.8 cents/litre
Capacity		50.0 litres
Total Sale	\$	38.40
Ontario Tax	\$	7.35
Federal Tax	\$	5.00
GST	\$	2.50
Crude Costs	\$	15.85
Refining Margin	\$	5.55
Marketing Margin	\$	2.15

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

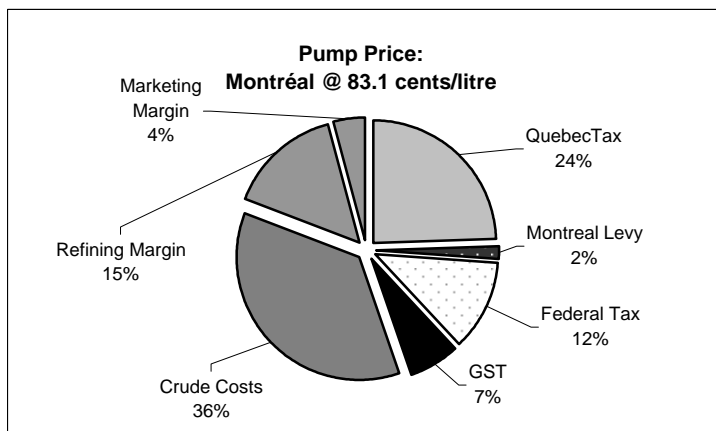
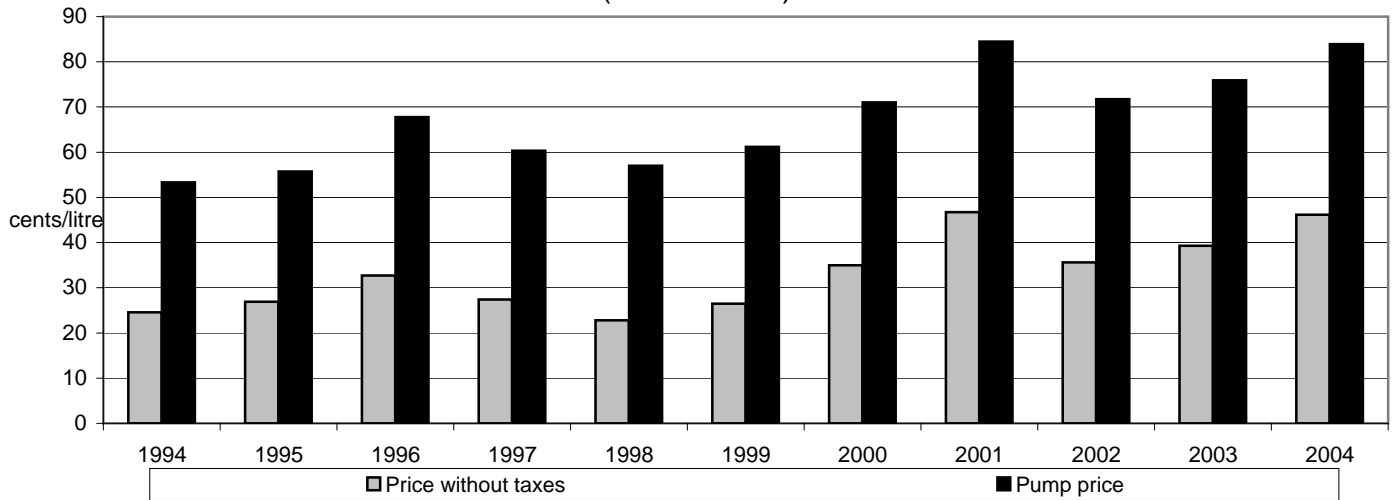
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	2,364.0	695.0	-	3,059.0	2,312.2	1,552.0	2,312.2	75.6%
1994-1995	2,434.0	751.0	13.4	3,198.4	598.0	1,757.0	2,355.0	73.6%
1995-1996	2,444.0	736.0	16.2	3,196.2	1,054.0	1,387.0	2,441.0	76.4%
1996-1997	2,491.0	816.0	17.4	3,324.4	1,449.0	1,259.0	2,708.0	81.5%
1997-1998	2,591.0	820.0	32.2	3,443.2	752.0	2,022.0	2,774.0	80.6%
1998-1999	2,660.0	890.0	23.7	3,573.7	634.0	892.0	1,526.0	42.7%
1999-2000	2,819.0	911.0	-	3,730.0	587.0	830.0	1,417.0	38.0%
2000-2001	2,820.0	929.0	-	3,749.0	593.0	836.0	1,429.0	38.1%
2001-2002	2,851.0	941.0	-	3,792.0	664.0	818.0	1,482.0	39.1%
2002-2003	2,988.0	982.0	-	3,970.0	282.0	1,097.0	1,379.0	34.7%
2003-2004	2,966.0	986.0	n/a	3,952.0	808.0	812.0	1,620.0	41.0%
2004-2005	3,044.0	987.0	n/a	4,031.0	862.0	679.0	1,541.0	38.2%

Ontario: Transport



Quebec -- Gas Tax Facts

Montréal: Gas Prices & Gas Taxes (1994 - 2004)



Fill-up		83.1 cents/litre
Capacity		50.0 litres
Total Sale	\$	41.55
QuebecTax	\$	10.09
Montreal Levy	\$	0.62
Federal Tax	\$	5.00
GST	\$	2.74
Crude Costs	\$	14.85
Refining Margin	\$	6.25
Marketing Margin	\$	1.70

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

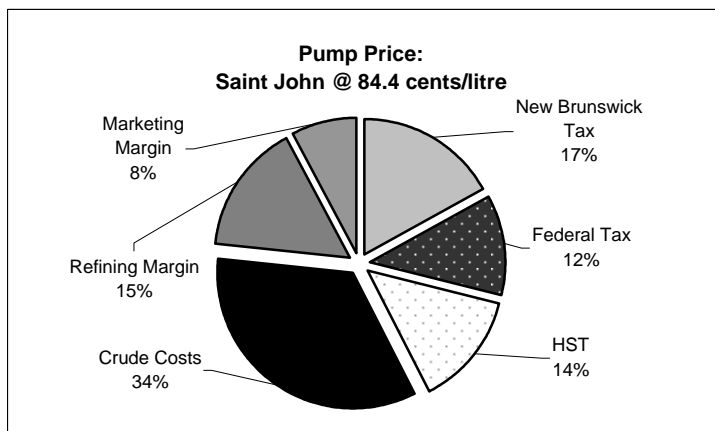
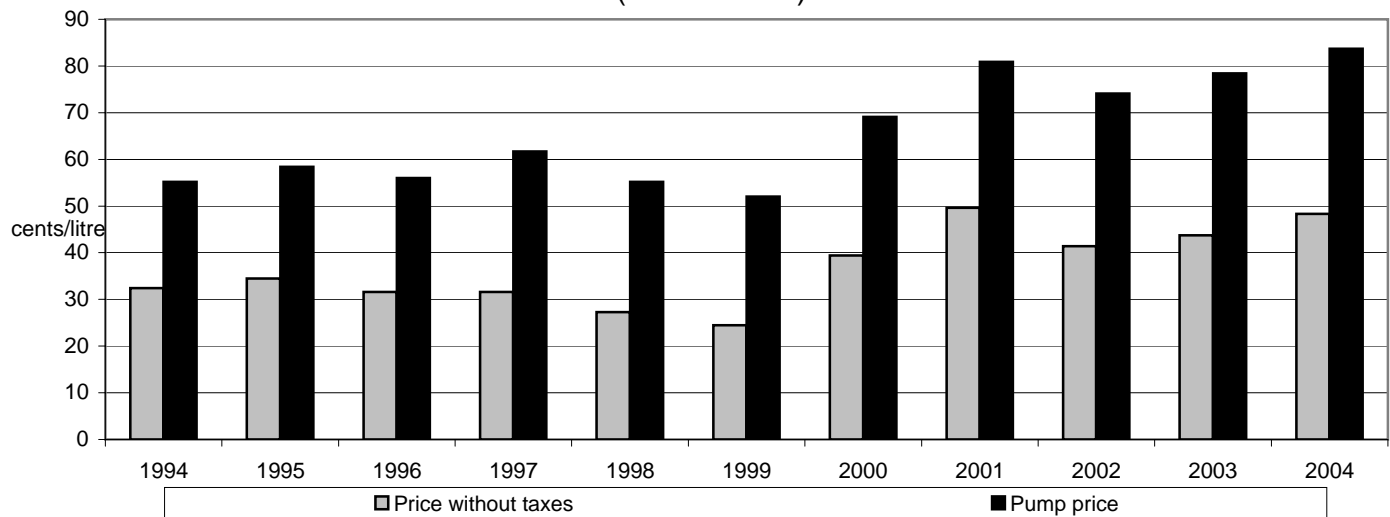
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	1,257.0	555.0	26.3	1,838.3	1,992.8	n/a	1,992.8	108.4%
1994-1995	1,340.0	500.0	24.6	1,864.6	1,551.0	n/a	1,551.0	83.2%
1995-1996	1,407.0	482.0	26.2	1,915.2	1,460.0	n/a	1,460.0	76.2%
1996-1997	1,454.0	490.0	39.1	1,983.1	930.0	n/a	930.0	46.9%
1997-1998	1,486.0	641.0	36.8	2,163.8	1,363.0	n/a	1,363.0	63.0%
1998-1999	1,559.0	664.0	20.7	2,243.7	1,507.0	n/a	1,507.0	67.2%
1999-2000	1,560.0	667.0	35.7	2,262.7	1,578.0	n/a	1,578.0	69.7%
2000-2001	1,536.0	646.0	1.9	2,183.9	1,501.0	n/a	1,501.0	68.7%
2001-2002	1,536.0	662.0	7.3	2,205.3	1,406.0	n/a	1,406.0	63.8%
2002-2003	1,645.0	690.0	2.3	2,337.3	1,429.0	n/a	1,429.0	61.1%
2003-2004	1,670.0	700.0	n/a	2,370.0	1,488.0	n/a	1,488.0	62.8%
2004-2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Quebec: Transports



New Brunswick -- Gas Tax Facts

Saint John: Gas Prices & Gas Taxes (1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic

Fill-up		84.4 cents/litre
Capacity		50.0 litres
Total Sale	\$	42.20
New Brunswick Tax	\$	7.25
Federal Tax	\$	5.00
HST	\$	5.91
Crude Costs	\$	14.55
Refining Margin	\$	6.60
Marketing Margin	\$	3.30

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1989-2002 (\$ million)

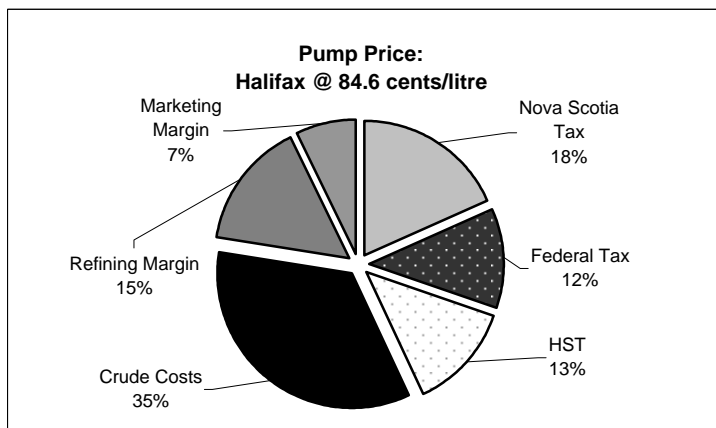
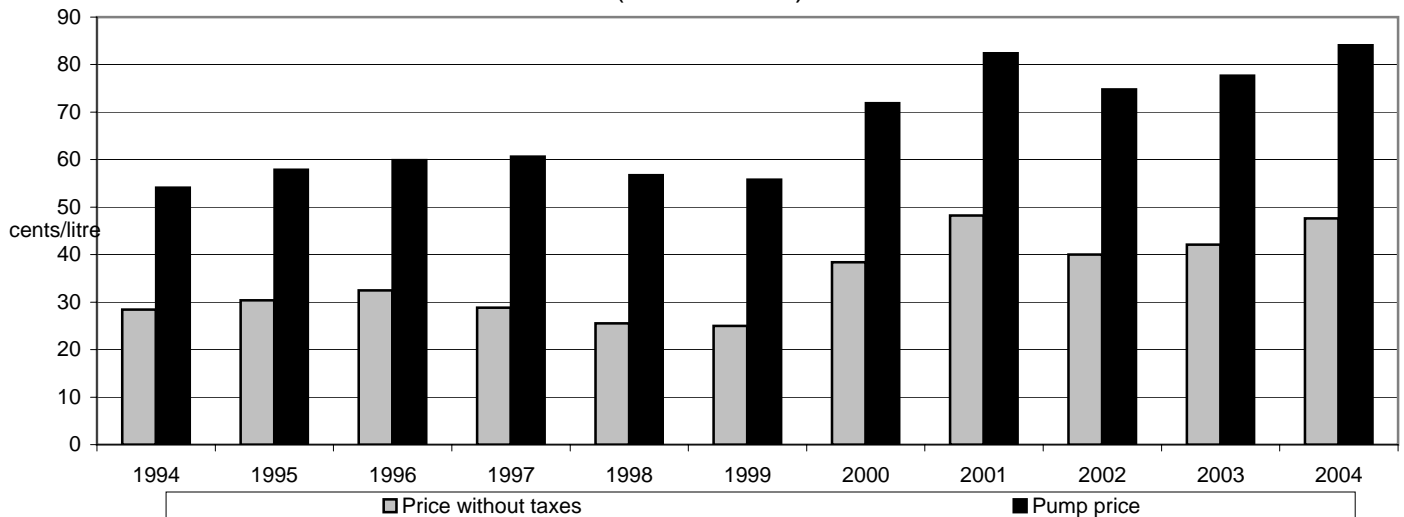
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	152.0	66.0	50.3	268.3	340.9	213.9	340.9	127.1%
1994-1995	160.0	70.0	47.2	277.2	125.2	193.3	318.5	114.9%
1995-1996	163.0	71.4	95.3	329.7	125.5	142.3	267.8	81.2%
1996-1997	166.0	71.0	97.8	334.8	128.8	314.1	442.9	132.3%
1997-1998	169.0	69.7	70.5	309.2	125.1	239.2	364.3	117.8%
1998-1999	171.0	71.1	29.5	271.6	131.8	196.2	328.0	120.8%
1999-2000	185.5	78.8	35.0	299.3	131.4	198.9	330.3	110.4%
2000-2001	186.5	80.6	9.5	276.6	141.9	97.0	238.9	86.4%
2001-2002	188.0	77.4	14.9	280.3	162.0	123.5	285.5	101.9%
2002-2003	217.1	79.1	38.4	334.6	148.3	168.1	316.4	94.6%
2003-2004	235.0	79.5	n/a	314.5	140.2	196.0	336.2	106.9%
2004-2005	239.4	-	n/a	239.4	129.1	248.8	377.9	157.9%

New Brunswick: Transportation



Nova Scotia -- Gas Tax Facts

Halifax: Gas Prices & Gas Taxes
(1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic		
Fill-up	84.6 cents/litre	
Capacity	50.0 litres	
Total Sale	\$ 42.30	43% Tax
Nova Scotia Tax	\$ 7.75	
Federal Tax	\$ 5.00	
HST	\$ 5.50	57% Costs
Crude Costs	\$ 14.55	
Refining Margin	\$ 6.50	
Marketing Margin	\$ 3.00	

Fill-up at April 27, 2004 prices

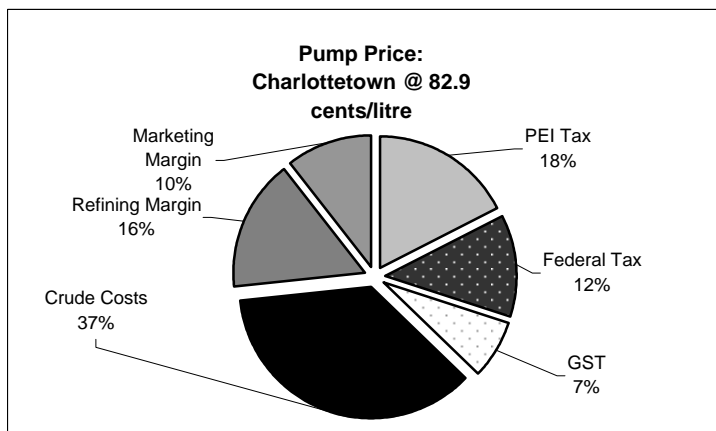
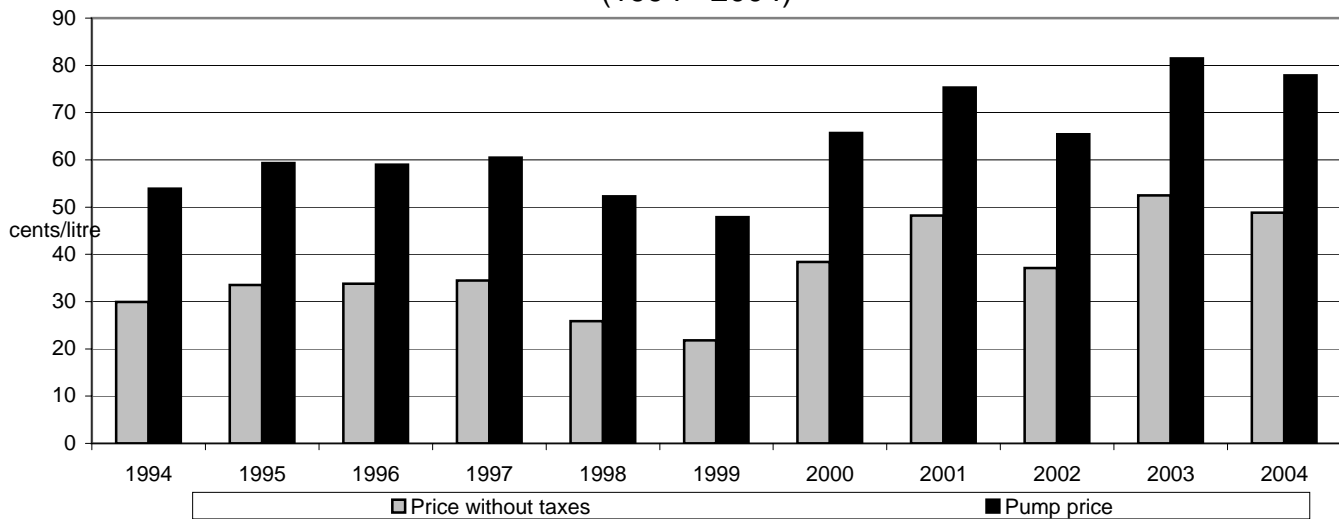
Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	176.0	58.6	19.3	253.9	264.4	134.4	264.4	104.2%
1994-1995	195.6	71.0	18.2	284.8	121.6	97.4	219.1	76.9%
1995-1996	197.5	56.0	24.9	278.4	106.4	132.0	238.4	85.6%
1996-1997	198.7	58.6	39.4	296.7	166.6	74.3	240.9	81.2%
1997-1998	204.1	54.9	44.4	303.4	166.3	96.9	263.2	86.7%
1998-1999	211.6	61.0	42.5	315.1	236.5	n/a	236.5	75.0%
1999-2000	219.4	61.4	7.1	287.9	236.3	n/a	236.3	82.1%
2000-2001	201.7	62.0	2.6	266.2	248.6	n/a	248.6	93.4%
2001-2002	208.0	65.1	-	273.0	233.5	n/a	233.5	85.5%
2002-2003	246.3	75.9	-	322.2	253.6	n/a	253.6	78.7%
2003-2004	248.9	73.7	n/a	322.6	227.7	n/a	227.7	70.6%
2004-2005	255.9	80.4	n/a	336.3	241.0	n/a	241.0	71.7%



PEI -- Gas Tax Facts

Charlottetown: Gas Prices & Gas Taxes
(1994 - 2004)



Pump Price Breakdown:		2003 Honda Civic	
Fill-up		82.9 cents/litre	
Capacity		50.0 litres	
Total Sale	\$	41.45	
PEI Tax	\$	7.00	
Federal Tax	\$	5.00	36% Tax
GST	\$	2.90	
Crude Costs	\$	14.55	64% Cost
Refining Margin	\$	6.50	
Marketing Margin	\$	4.20	

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

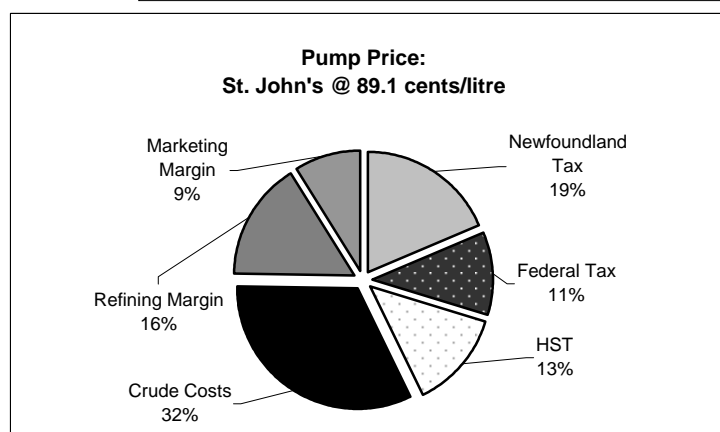
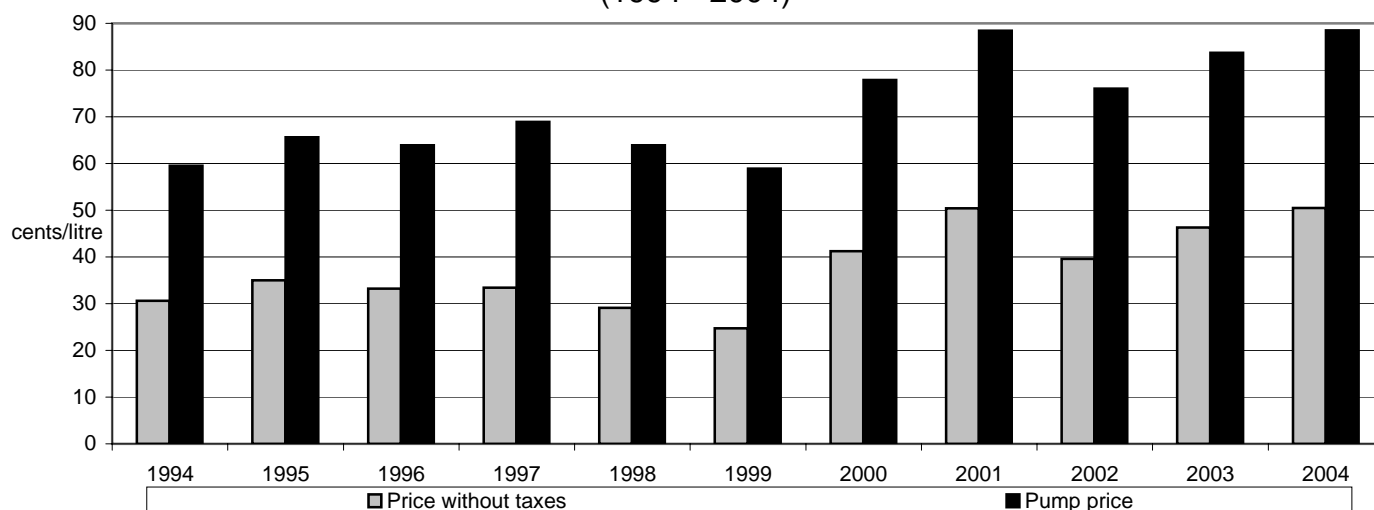
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	23.2	8.4	3.1	34.7	84.0	35.1	84.0	242.3%
1994-1995	26.2	9.0	7.4	42.5	43.8	33.9	77.7	182.6%
1995-1996	26.6	9.1	6.5	42.3	42.5	35.9	78.4	185.4%
1996-1997	27.2	9.2	8.0	44.4	46.7	38.9	85.6	192.6%
1997-1998	29.5	10.3	8.9	48.7	58.7	37.5	96.2	197.8%
1998-1999	32.1	10.7	10.1	52.8	62.2	30.1	92.3	174.8%
1999-2000	33.5	11.1	49.1	93.7	65.7	32.1	97.8	104.4%
2000-2001	33.6	11.1	47.3	91.9	73.2	26.9	100.1	108.9%
2001-2002	32.7	11.9	48.6	93.2	71.1	28.9	100.0	107.3%
2002-2003	34.0	11.8	50.3	96.1	47.6	21.4	69.0	71.8%
2003-2004	36.5	11.3	n/a	47.8	39.6	32.5	72.1	150.7%
2004-2005	43.1	11.3	n/a	54.5	49.1	23.3	72.4	132.9%

PEI: Transportation & Public Works



Newfoundland and Labrador-- Gas Tax Facts

St. John's: Gas Prices & Gas Taxes (1994 - 2004)



Pump Price Breakdown: 2003 Honda Civic		
Fill-up	89.1 cents/litre	
Capacity	50.0 litres	
Total Sale	\$ 44.55	
Newfoundland Tax	\$ 8.25	
Federal Tax	\$ 5.00	43% Tax
HST	\$ 5.79	
Crude Costs	\$ 14.55	
Refining Margin	\$ 7.05	57% Costs
Marketing Margin	\$ 3.90	

Fill-up at April 27, 2004 prices

Comparative Provincial Motoring Revenues and Expenditures 1993-2004 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1993-1994	118.4	32.5	59.2	210.1	177.1	44.8	177.1	84.3%
1994-1995	125.5	43.5	63.0	232.0	101.8	48.0	149.7	64.5%
1995-1996	121.9	44.9	55.3	222.1	95.1	58.8	153.9	69.3%
1996-1997	108.5	45.2	66.0	219.7	114.1	17.4	131.5	59.8%
1997-1998	120.4	50.5	63.1	234.0	113.2	29.2	142.3	60.8%
1998-1999	121.5	49.5	67.4	238.4	118.0	26.8	144.7	60.7%
1999-2000	129.2	52.0	63.7	244.9	120.5	31.3	151.8	62.0%
2000-2001	130.4	53.0	52.0	235.3	134.3	36.8	171.2	72.7%
2001-2002	130.0	54.5	47.9	232.4	136.1	41.3	177.4	76.3%
2002-2003	134.7	56.3	9.8	200.8	138.4	41.1	179.5	89.4%
2003-2004	135.0	56.5	n/a	191.5	174.4	19.1	193.5	101.0%
2004-2005	142.0	68.6	n/a	210.6	167.0	21.7	188.6	89.6%

Newfoundland: Works Services & Transportation

Municipal Road Facts

Year	BC	AB	SK	MB	ON	PQ	NB	NS	PEI	NL	Canada
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Municipal Roadway Spending by Province

1999	657.7	1,024.3	277.1	228.2	2,481.3	1,530.9	121.6	114.4	12.5	85.7	6,575.6
2000	701.4	1,204.5	290.4	211.8	2,615.2	1,822.4	119.2	133.3	12.2	93.9	7,247.8
2001	675.7	1,190.7	314.0	229.3	2,673.2	1,786.1	124.1	157.3	14.7	106.2	7,314.1
2002	727.0	1,042.5	287.7	242.7	2,938.7	1,963.5	114.5	128.8	12.0	86.6	7,587.0

Total Municipal Spending by Province

1999	8,473.4	7,628.8	2,163.4	2,526.7	34,937.2	16,523.7	618.3	1,643.2	200.1	895.4	75,934.4
2000	8,683.6	8,062.7	2,190.3	2,538.3	35,830.0	16,870.1	635.3	1,642.8	196.8	933.6	77,898.2
2001	9,006.7	8,647.1	2,278.9	2,625.8	36,201.5	17,630.3	656.5	1,713.9	207.4	1,009.3	80,303.8
2002	9,390.1	8,626.3	2,296.5	2,650.3	37,172.5	17,952.1	685.5	1,809.0	211.6	973.7	82,121.6

Total Municipal Property Taxes by Province

1999	2,443.4	2,222.4	1,127.5	1,039.9	16,617.3	7,462.3	318.0	663.7	34.8	188.3	32,175.1
2000	2,611.1	2,360.4	1,164.6	1,033.6	16,423.4	7,589.5	329.6	687.0	35.4	194.3	32,486.7
2001	2,718.5	2,661.4	1,197.6	1,016.3	17,279.8	7,415.9	340.7	711.4	37.8	202.1	33,642.3
2002	2,885.1	2,720.7	1,229.0	1,017.9	17,904.4	7,439.1	348.6	713.8	38.3	219.6	34,578.9

Municipal Roadway Trust by Province -- Hypothetical Implementation

1999	265.4	257.0	67.5	70.2	897.7	462.7	41.8	50.6	6.9	26.7	2,142.0
2000	262.8	288.1	67.6	68.4	883.5	451.5	40.4	49.7	6.7	27.8	2,153.5
2001	257.1	294.3	65.4	68.7	881.8	452.8	40.4	50.8	6.8	27.6	2,205.0
2002	253.1	280.0	64.6	69.2	892.6	458.4	39.5	50.6	7.0	30.9	2,268.0

MRT as a Percentage of Total Provincial Property Taxes

1999	10.9%	11.6%	6.0%	6.7%	5.4%	6.2%	13.1%	7.6%	19.9%	14.2%	6.7%
2000	10.1%	12.2%	5.8%	6.6%	5.4%	5.9%	12.3%	7.2%	18.9%	14.3%	6.6%
2001	9.5%	11.1%	5.5%	6.8%	5.1%	6.1%	11.9%	7.1%	17.9%	13.7%	6.6%
2002	8.8%	10.3%	5.3%	6.8%	5.0%	6.2%	11.3%	7.1%	18.3%	14.1%	6.6%

MRT Funds by Municipality -- Select Municipalities

(\$ Million)

Toronto	383.1	Saskatoon	15.2	Prince George	5.9
Montreal	223.8	Regina	13.5	Chilliwack	4.4
Vancouver	135.1	Red Deer	11.8	Vernon	3.6
Calgary	103.3	Lethbridge	11.7	Prince Albert	2.2
Edmonton	91.0	Kingston	11.1	Moose Jaw	2.1
Ottawa	78.4	Abbotsford	11.1	Wetaskiwin	1.9
Hamilton	48.5	Sudbury	10.7	Brandon	1.8
Winnipeg	44.8	Medicine Hat	10.7	Moncton	1.3
Quebec	41.1	St. John's	10.6	Drumheller	1.4
London	31.6	Sherbrooke	9.4	Banff	1.2
Kitchener	30.7	Saguanay	9.0	Peace River	1.1
St. Catharines	27.2	Saint John	8.6	Salmon Arm	1.1
Windsor	22.7	Thunder Bay	8.7	Yorkton	1.0
Oshawa	22.0	Trois Rivières	7.3	Vermillion	0.7
Victoria	18.9	Grand Prairie	6.4	Merrit	0.5
Halifax	18.3	Kamloops	6.0	Llyodminster	0.5
		Naniamo	6.0	North Battleford	0.2