

Honourable Jim Flaherty
Minister of Finance
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Ottawa, ON K1A 0G5

Honourable John Baird
Minister of Transport
Place de Ville, 300 Sparks Street
Ottawa, ON K1A 0N5

CC: MP Denise Savoie
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House of Commons
Ottawa ON, K1A 0A6
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Dear Ministers,

I am writing to support Bill C-466, "An Act to Amend the Income Tax Act: transportation benefits (www2.parl.gc.ca/HousePublications/Publication.aspx?Docid=4174281&file=4)

This legislation would give employers a strong incentive to offer employees transit subsidies, usually as a substitute for subsidized employee parking. Similar policies have applied in the US and the UK. This policy would provide many important benefits:

- Provide direct financial savings to hundreds of thousands Canadian workers.
- Give employers a strong incentive to support efficient commute modes (cycling, ridesharing and public transit).
- Significantly increase public transit ridership, and so increase transit revenues and increase overall transit system productivity.
- Reduce energy consumption and pollution emissions, which helps meet Canada's international emission reduction commitments.
- Reduce traffic congestion, road and parking facility costs, and traffic accidents, increasing economic productivity.
- Complement Budget 2006's public transit tax credit.
- Demonstrate Canada's commitment to urban transportation policy innovation.

Federal government research indicates that this policy is very cost effective overall (*Tax Exempt Status For Employer-Provided Transit Benefits, Transportation Issue Table*, National Climate Change Process and Transport Canada, www.vtqi.org/IBI_TransitTax_1999.pdf). In fact, it ranked as the most cost-effective transport emission reduction strategy of dozens evaluated (*Transportation and Climate Change: Options for Action*, Transport Canada).

For these reasons I respectfully request early Government action to make employer-provided transit benefits tax-free for employees.

Yours sincerely,