

Jerry J. Ouellette, MPP Oshawa

PROVINCIAL BUDGET IMPACTS AUTO INDUSTRY



The recent provincial budget introduced measures that have the potential to impact the auto manufacturers of Oshawa and Ontario.

What's taken place is the current government has doubled the tax rebate for electric-hybrid vehicles sold in Ontario. What does this mean for automotive manufacturers in Oshawa and Ontario? Currently, there are no electric-hybrid vehicles even manufactured in the province of Ontario. Not until 2009 will the Saturn Vue be produced, and only an electric transmission for that vehicle will be produced in Windsor, Ontario. As a result, it appears an incentive has been established for consumers to purchase vehicles made outside of Ontario.

The budget also proposes to remove the tax-free exemption on ethanol that is blended into gasoline. Ethanol will now be taxed just like every other fuel, which means a higher fuel price at the pumps. With the recent escalation of world fuel pricing, I am concerned with the possible future effects on consumers. Having worked on this file in the past, I know tax exemptions are given to allow new fuels to get established. This proposal could jeopardize the potential development and support of ethanol-based fuel.

General Motors in Oshawa produces the E85 Impala, a flex-fuel vehicle which runs on up to 85% ethanol. This vehicle currently is more environmentally-friendly than any electric-hybrid produced in the world, based on exhaust emission readings. The combination of these proposed budget initiatives have the potential to seriously impact the promotion of this world leading, environmentally-friendly vehicle, which is produced right here in Oshawa.

For all the hard-working employees associated with the industry as well as individuals across our community, it is essential that we develop policies which will assist the local automotive sector at this crucial time.

Let's all help to promote "Made-in-Ontario" vehicles.

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A handwritten signature in black ink that reads "Jerry J. Ouellette". The signature is stylized and fluid, written over a white background.

**Jerry J. Ouellette
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