



TRIP/Canada

THE ROAD & INFRASTRUCTURE PROGRAM OF CANADA
"A Special Committee of the Canadian Construction Association"

2001 Report

to the

Western Canada Roadbuilders & Heavy Construction Association

February 2002

The 2000 federal budget, election, and review of the Canada Transportation Act provided an opportunity for your TRIP/Canada Management Committee to take a hard look at its lobby activities.

The review of the Canada Transportation Act began without plans to address the need for federal participation in highway investment. The final report revealed that our lobbying was successful.

The success of our efforts resulted in an entire chapter dedicated to highways and the panel recognizing the federal government has a significant role to play in maintaining and upgrading Canada's National Highway System.

The 2000 federal budget announced \$600 million for highways and \$2.05 Billion for municipal infrastructure. Six hundred million dollars may be more money announced for highways in previous budgets, but it still falls short of Canada's \$17 billion need.

We made a strategic decision to hire a professional communications/government relations firm, GGA Communications Ltd. Together with our own efforts, we made significant inroads to the decision-makers. Between March and June we met 10 federal Cabinet Ministers including Ministers Martin, Collenette, Dhaliwal, Dion, and the Deputy Prime Minister, Mr. Herb Gray.

Over the summer months we conducted a blitz of Quebec based Liberal Members of Parliament and produced a video that was distributed by the Premier of Ontario to his colleagues at their Annual Premiers Meeting. The meetings with the Members of Parliament were held in their ridings and attend by contractors.

The Four-minute video made its way to each Provincial Premier and Territorial Leader. Dozens more have been spread throughout Canada. The purpose was to secure the continued support of the provinces.

The result of the Quebec blitz was significant in that it has produced a sense of not only support but also urgency. September was filled with meetings in other parts of Canada including Manitoba, New Brunswick, and British Columbia. In the run-up to the December Federal budget, October and November the MP blitz was focused exclusively on Ontario.

The events of September 11, 2001 have had a very serious impact on federal government priorities. National Security issues have vaulted to the top of priority list. Yet, as we have seen in the United States and in Canada, just look at the Quebec provincial budget, we also need an economic stimulus. Infrastructure and highway investment can provide that stimulus.

When asked, "In these uncertain times, the federal government should bring in a new infrastructure program to create jobs" **74%** of the Ipsos-Reid respondents **AGREED**. While 78% support federal government actions as Canada slips into a recession.

There is no doubt of the public support for federal infrastructure and highway investment.

December 10, 2001 Federal Budget

Strategic Infrastructure Foundation

- The federal budget announced a minimum of \$2 billion and the creation of a Strategic Infrastructure Foundation for highways and infrastructure. The \$2 billion was to be an allocation from this year's surplus funds at year-end. The Foundation was announced as an arm's length agency with a board of directors that would be responsible for assessing projects and making spending decisions.

Border Infrastructure Program

- The budget also provides *\$600 million* over the next five years towards a new Border Infrastructure Program.

The government will seek to partner with the provinces, municipalities and private sector, and will help finance improvements to infrastructure at or near the border. The federal government also intends to work with the United States to ensure a coordinated approach toward border infrastructure.

Projects supported by this program could include new or improved highway access for border crossings; processing centres for commercial vehicles to speed up clearance times; and soft infrastructure such as intelligent transportation systems.

The following are a series of events that led up to the December 2001 federal budget:

- **2001 - March to June** CCA, TRIP/Canada and CRCI meet with 10 Cabinet Ministers. Arms length agency idea comes up often, Deputy Prime Minister applauds our efforts to "to whatever it takes to make it happen".
 - **July** – met with Prime Minister's Director and Assistant Director of Policy discussed agency
 - **September** - blue print document was given, again, to Minister Martin and Senior Finance Officials
 - **October** – Prime Minister Office requests, via third party, documentation on highway investment
 - **November** – House of Commons Standing Committee on Finance recommends arms length agency.

- Highway Caucus Chair calls in advance of Highway Caucus/Economic Committee private meeting with Paul Martin. He asks for another title other than Authority, he says that the Minister of Finance doesn't think it will fly, we propose Canada Transportation Foundation.
- Highway Caucus Chair says Martin not sure if we can insert Foundation into budget, he also informs us that he is willing to allocate one cent per litre to it (\$500) per year. We ghost wrote a document to create an arms length agency called the Canada Transportation Foundation complete with a matrix outlining set-up options. By the end of the business day, Minister Martin had the document provided to him by the Chair of the Highway Caucus.

February 5, 2002 – Budget Enabling Legislation

Legislation Changes Foundation to a Fund

- Legislation was introduced to implement the \$2-billion Canada Strategic Infrastructure Fund, which will provide assistance to large infrastructure projects in co-operation with municipal and provincial governments, as well as with the private sector.

Canada Strategic Infrastructure Fund

- In Budget 2001, the Government announced its intention to create the Canada Infrastructure Foundation and provide at least \$2 billion in funding for large infrastructure projects. The change was due to unease with an independent group making decisions without political control.
- The Canada Strategic Infrastructure Fund will have the same goals and \$2-billion commitment as set out in the budget. The infrastructure areas eligible for the fund include:
 - highway or rail infrastructure;
 - local transportation infrastructure;
 - tourism or urban development infrastructure;
 - sewage treatment infrastructure;
 - water infrastructure; or
 - other infrastructure prescribed by regulation.

The Government will administer the fund. Ministerial accountability to Parliament and Canadian citizens will rest with the Minister of Infrastructure, Hon. John Manley, and the Government will report annually on its commitments and expenditures under the fund.

The federal budget has added three additional sources of money. There are now five funding mechanisms for infrastructure investment:

1. Green Municipal/Canada Infrastructure Program \$2.05B– Budget 2000
2. Provincial Highway Investment \$600M – Budget 2000
3. Canada Strategic Infrastructure Fund (CSIF) \$2B (minimum) – Budget 2001
4. Border Infrastructure Program \$600M - Budget 2001
5. Grain Roads Program \$175M

In is no secret that two people in Ottawa make most decisions, the Prime Minister and the Minister of Finance. Our lobbying strategy has also focused on people around Minister Martin and the Prime Minister whom might influence their decisions. A great deal of effort focused on meeting and asking for support from the people around the Prime Minister and Minister of Finance.

Looking back it would appear that the hard work of many people from each region of Canada has paid off, and it has - \$3.2 Billion will be invested largely in the heavy construction sector.

It is clear that highway investment into Canada's National Highway Systems will be made by the Strategic Infrastructure Fund, through the border infrastructure program, and the additional funds (\$600M) added to the current Strategic Highway Improvement Agreements in place with the provinces.

Next Steps

The Message

- The \$2 billion federal committed over 5 to 7 years is a step in the right direction, it is only one step.

This is not a fund that is *dedicated* to improving Canada's National Highway System nor does the \$2 billion go far enough to solve our \$17 billion problem – *this is not a National Highway Program.*

The Goals

1. Maximize the investment from the Canada Strategic Infrastructure Fund and the Border Infrastructure Program in to Canada's National Highway System; and
2. Secure a National Highway Program.

The Objectives

- Develop a list of projects on Canada's National Highway System,
- Recommend that provincial heavy construction associations work with their provincial and municipal governments to develop priority projects for the Fund and Border program,
- Continue our work with Liberal highway caucus group
- Meet with Regional Ministers
- Advocate need for National Highway Program

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