



MANITOBA HEAVY CONSTRUCTION ASSOCIATION (MHCA)
Unit #3-1680 Ellice Avenue, Winnipeg, Manitoba, R3H 0Z2

April 29, 2020

The Hon. Brian Pallister
Premier, Government of Manitoba
Room 204, Legislative Building
450 Broadway
Winnipeg, Manitoba, R3C 0V8

Dear Premier Pallister,

The MHCA Board of Directors met earlier today. The Board noted gratefully your stewardship of Manitoba through the COVID-19 health emergency, and the April 29 announcement of Manitoba's phased-in reopening of business, as a careful, reasoned and welcomed plan.

And we, like the public and private sector, now look to you for economic recovery leadership with confident messages tied to economic recovery strategies to return confidence to investors and consumers, without which not much happens.

As much as infrastructure investment acts as an economic stabilizer during upheavals such as this pandemic, it is also universally recognized as a key enabler of economic recovery and growth.

Shovel-ready infrastructure investment produces immediate, high return on investment through job creation and purchasing of supplies and services from associated businesses. Major capital projects hold multi-year benefits to the economy, due to their vital role in trade productivity and profile.

Our industry appreciates your government's commitment to flowing the existing capital budgets, including Manitoba Infrastructure's Highways Capital program.

The pandemic's economic impact, however, has seen private-sector investment retract dramatically – in the order of hundreds of millions of dollars. As a result, public infrastructure budgets bear the responsibility for job creation and the circulation of money in our communities.

For that reason, we urge you as Premier to significantly enhance approved infrastructure budgets to get Manitobans back to work and kickstart our economic revival. The status quo budget, itself, will not do that. Industry is already in a weakened state, private-sector investment is significantly down due to the noted lack of confidence.

With the pandemic's gale-force blow to the economy, it has also set up 'perfect storm' conditions, in your government's favour for infrastructure investment. Extraordinarily low interest rates and a tight, competitive market – we are seeing bid prices regularly posted at 10-20% below market – have combined to make this the opportune moment to add dollar value to program budgets. It is the *now time* to significantly enhance infrastructure investment.

We respectfully suggest that the project-selection strategy should focus on '*job procurement*' in rehabilitation, accelerate deferred maintenance, land drainage, sewer and water, flood mitigation, projects large and small across Manitoba. The strategy should also select multi-year, major capital projects that hold significant economic legacy value, such as the extension of the Chief Peguis Trail, which connects to CentrePort Canada Way and elevates the

importance of the Headingley and St. Norbert bypasses and widening of Route 90 – all of which increase the domestic, continental and global trade productivity and profile for this province.

All the above suggestions are essential to addressing the most critical issue facing our economic revival – the lack of investor and consumer confidence in the economy.

We know of no economic recovery strategy that supports status quo capital investment measures in times of depressed economies. We need our local, provincial and federal governments to commit to vigorous and bold stimulus capital programs procuring jobs and building legacy assets.

Manitobans will gratefully remember your careful stewardship of the health strategy that mitigated the potential impact of this pandemic; they (and we) now look to you for the roadmap back to prosperity.

We strongly urge significantly enhanced infrastructure investment, which has proven itself repeatedly as an antidote to economic collapse.

Yours truly,



Jack Meseiton, G.S.C.
Chair, MHCA



Chris Lorenc, B.A., LL.B.
President, MHCA

cc. Hon. Heather Stefanson, Deputy Premier
Hon. Scott Fielding, Minister of Finance
Hon. Ralph Eichler, Minister, Economic Development & Training
Hon. Ron Schuler, Minister, Manitoba Infrastructure
Hon. Reg Helwer, Minister, Central Services
Michael Kowalson, Director of Stakeholder Relations
MHCA Board of Directors