



Western Canada Roadbuilders & Heavy
Construction Association (WCR&HCA)
Unit #3-1680 Ellice Avenue, Winnipeg, Manitoba, R3H 0Z2

June 17, 2021

The Hon. Catherine McKenna,
Minister of Infrastructure and Communities
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6

Re: National Infrastructure Assessment – WCR&HCA submission

Minister McKenna,

The Western Canada Roadbuilders and Heavy Construction Association (WCR&HCA) <http://wcrhca.com/> wishes to thank you for launching the National Infrastructure Assessment (NIA), a long-overdue assessment of Canada's infrastructure needs.

The importance of this initiative, *Building the Canada We Want in 2050*, cannot be overstated. Infrastructure, in particular nation-building projects that elevate Canada's trade competitiveness, is foundational to economic recovery and sustainable future growth.

Creating a reliable inventory and assessing the condition of our infrastructure assets, is the necessary first step to understanding the current infrastructure investment deficit, determining the investments Canada needs to enhance domestic productivity and therefore global competitiveness.

This is an important path to protecting our national economic and security interests as new opportunities, challenges and threats emerge, and to ensuring our communities, services and businesses are resilient to the challenges of climate change.

Context

The WCR&HCA membership consists of the four heavy construction associations in Western Canada, namely British Columbia Road Builders & Heavy Construction Association (BCRB&HCA), the Alberta Roadbuilders & Heavy Construction Association (ARHCA), the Saskatchewan Heavy Construction Association (SHCA) and the Manitoba Heavy Construction Association (MHCA). The WCR&HCA advocates for national and regional infrastructure investment in core infrastructure, in particular trade-enabling transportation assets, that support economic growth.

Infrastructure investment must support Canada's economic revival and long-term growth, ensuring that the benefits reach all Canadians. Strategic investment in infrastructure:

- Supports trade, the backbone of the national economy
- Helps protect our national-security interests, enabling international trade diversification
- Ensures our communities can meet the risks of climate change, through resilient infrastructure
- Assists the reduction in greenhouse gas emissions and, through generating revenues for research and innovation, supports a careful, phased transition to a new economy

Strategic, long-term investment in infrastructure, in particular trade-enabling infrastructure, is our way to building back better.

Trade fuels economic growth, generating the revenues governments require to support the breadth of our vital social programs and critical services: health care, housing, recreation, culture, and other assets such as the expansion of broadband, a foundational service for daily life and business.

Discussion – National Infrastructure Assessment (NIA)

The WCR&HCA’s mission is to advocate for economic growth, enabled by principled public policy and strategic investment that advance Canada’s and our regions’ ability to move people to jobs and goods to market. Almost 65% of Canada’s GDP is derived from trade, supporting two million jobs (2019) across the country.

Repeat economic analyses have verified that strategic, trade-enabling infrastructure investment holds amongst the highest returns to GDP, through immediate, first-year and long-term ROI.

Canada’s trade-enabling infrastructure must be efficient, reliable and seamless; it must support enhanced domestic productivity; it must be prepared to meet tomorrow’s opportunities and demands. Canada’s new and expanded global trade deals are opening the door to real potential, but we must be able to guarantee delivery of our coveted goods and commodities, on time.

The NIA is fundamental to addressing Canada’s domestic, continental and international trade challenges. It could and should lead to the adoption of a permanent investment strategy that elevates our trade potential, relationships and reliability, thereby providing increased confidence to investors and trade partners.

The NIA should aim to serve our immediate needs by:

- conducting a comprehensive survey of the condition of national, provincial and municipal infrastructure which is strategic to national interest;
- estimating the level of investment required for bringing that infrastructure to good condition, and for building new infrastructure necessary to support economic growth;
- surveying the public and private sector’s regional, provincial and municipal infrastructure priorities which are of national significance; and,
- setting out the steps necessary to move to a sustainable, long-term funding strategy to meet those needs.

There are multiple, competing demands for infrastructure investment: there are “needs” (health, education, emergency services); there are “wants” (cultural spaces, recreation, arts); and then there is the infrastructure that pays for it all – and that is trade-enabling infrastructure.

The Way Forward - Western Canada Trade Gateways and Corridors Initiative (WCTGCI)

The WCR&HCA has called upon the Government of Canada to boldly renew the national trade policy framework and recapitalize the national trade corridor investment program.

Western Canada, our country’s port to a vast, untapped Asian market, is indispensable to Canada’s trade profile and productivity and, therefore, its economic health and prosperity.

Done right, a sustained, long-term, robust investment program for Western Canada’s trade gateways and corridors can help secure for generations to come the standard of living Canadians have come to expect.

Canada’s past recognition of the importance of modern trade gateway and corridor infrastructure is illustrated in previous nation-building investment programs, such as the Asia Pacific Gateway and Corridor Initiative (APGCI); the National Policy Framework for Strategic Gateways and Trade Corridors; the Ontario-Quebec Continental Gateway; and, the Atlantic Gateway & Trade Corridor.

The success of well-planned, strategic trade corridors investment is documented. The APGCI (2006), for example, saw \$1.4 billion in federal seed money leverage \$3.5 billion in total investment, as sub-national and private entities bought in. The resulting build-out of Western Canadian port facilities dramatically increased freight-volume

movement. Construction and upgrades to highways, grade separations and bridges relieved a series of pinch points, allowing for the fluid, efficient movement of goods to domestic and international markets.

Investors and markets noticed the investment commitment, and Canada's global reputation benefitted. In 2008-09, Canada was ranked 10th in the World Economic Forum's Global Competitiveness Index for transportation infrastructure reliability.

However, with the expiry of programs like APGCI, by 2019 Canada's reliability reputation precipitously dropped to 32nd, as documented by the Global Competitiveness Report (2019).

This is a critical time to renew our commitment to nation-building infrastructure projects. The trade potential residing within our new trade agreements – focusing on emerging Eastern and European markets – cannot be realized without a new trade transportation infrastructure policy framework.

Further, the global pandemic has shocked national economies world-wide, wreaking fiscal havoc. Strong recovery requires that we recognize, now, that as economies reopen, there is a pent-up demand for trade.

We must proceed thoughtfully. Rising protectionism, a reflex-trend to domestic sourcing, the emergence of trade weaponization and aggressive global promotion of autocracy, demands trade diversification. Diversification serves our national security interests, balancing the abundant risk – and evident consequences – of an over-reliance on trade with any single market.

Western Canada is strategically situated to raise Canada's export profile and potential, diversify into growing Asian markets, and thereby support our national security interests.

Western Canada is:

- a vast, resource-rich, value-add manufacturing region with significant, pent-up capacity to produce the goods that are in demand, domestically, continentally and globally.
- at 32% of Canada's population, it contributes 37% of its exports and nearly 38% of Canada's real GDP.
- Western Canada's GDP per capita was \$56,000 in 2017, 18% higher than the national average.
- The region is book-ended by geographically advantageous port jurisdictions:
 - o Manitoba is a trade hub, connected to all cardinal points for trade (Emerson is the busiest land crossing west of Windsor; Churchill is Canada's only Arctic port served by a Class A railroad)
 - o British Columbia has two deep-water ports, acting as Canada's primary tie to significant Asia-Pacific global markets.

Western Canada's trade gateway and corridors include the existing and new marine and inland ports, road, rail and air modes that support freight and passenger flows of regional and national significance for international commerce.

The primary objectives of the WCTGCI include:

- Support economic revival in Western Canada focusing on post-pandemic returns of lasting value, harnessing the return on investment of trade, and in the process, promote our national security interests;
- A multi-year sustained national program addressing strategic investment required in Western Canada's multi-modal trade transportation network focusing on growing domestic, continental and international trade;
- Support and leverage investment in existing and new trade gateways and corridors that expand connectivity to international trade; and
- Attract public and private investment in trade-transportation assets.

The WCTG&CI would invest in projects that incent domestic and foreign investment in trade-enabling, value-added commerce of the region, including the needs of Arctic and northern communities. It would support Canada's trade agreement goals to diversify our global markets, help shield the economy from over reliance on any single market and mitigate against the weaponizing of trade by large market jurisdictions.

Summary

Investing in a Western Canada Trade Corridor and Gateway Initiative would signal:

- *To the region:* that Canada recognizes Western Canada has historically contributed disproportionately to the GDP, and is indispensable to national prosperity and assisting transition to the new economy;
- *To our trade partners, new and expanded markets:* we are strengthening continental and global trade routes and relationships;
- *To the private sector:* there is cause for renewed confidence, to invest in capital and proceed with ambitious plans to build out their business reach;
- *To the domestic and international investment community:* that Canada is ready, again, to put "skin in the game," thereby making our country an attractive market.

Finally, it would signal that Canada is investing in itself, is confident it has what the world wants and can deliver, can compete globally for greater shares of international trade.

It would signal to Canadians that our federal government understands its central responsibility and role in supporting good jobs, creating opportunity, securing economic prosperity and protecting our national security interests.

The National Infrastructure Assessment can be the 'keystone' in "building back better," by ensuring Canada identifies and invests in the strategic nation-building infrastructure that holds the fastest, highest return to our GDP to generate the opportunity to move our country where we want to be, for generations to come.

Respectfully submitted,

Western Canada Roadbuilder & Heavy Construction Association



Per:

Greg Orbanski, G.S.C.
WCR&HCA Chair



Chris Lorenc, B.A., LL.B.,
WCR&HCA President

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