



**WESTERN CANADA ROADBUILDERS &
HEAVY CONSTRUCTION ASSOCIATION (WCR & HCA)**

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**Chairman's Report to the
55th Annual General Meeting of the
Western Canada Roadbuilders and Heavy Construction Association
March 25, 1998
Victoria, British Columbia**

Introduction

It is a pleasure to report to the delegates at the 55th Annual General Meeting of the Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA) on the activities of the Board of Directors for the period 1997/98.

As you well know, the WCR&HCA has a history of activities going back to 1943, of being a regionally based organization focusing largely on national issues related to infrastructure policy (Attachment "A"). It has in my opinion evolved into a reasonably persuasive proponent of infrastructure policy in Western Canada and has a credible presence in the nation's capital.

This report along with a number of documents to which I will make reference, were circulated in all delegate registration packages. What I propose is to simply provide an overview of the Board's undertakings.

Activities

A. National Highways Funding

The Board kept a close watch on federal activities related to the funding of Canada's national highways.

In the early summer of 1997, the WCR&HCA learned the TRIP/Canada had received a copy of Transport Canada's *Cash low Report*. (Attachment "B"). The report compares funding profiles to provinces covering the period 1984 - 2003. Of the \$1.4 billion provided by the federal government over the period 1984 - 1997, Eastern Canada received \$1.27 billion or 90.7% of funding. The four western provinces, the Territories and Yukon all shared the remaining \$130.3 million.

Over the period 1997/98 - 2002/2003, the federal government is projected to contribute \$3.03 billion of which \$2.046 billion is allocated to Confederation Bridge linking New Brunswick and PEI. That leaves a net of \$987.9 million. Of the sum, Eastern Canada receives \$974.7 million or 98.66%. The remaining amount of \$13.2 million is allocated thusly: Manitoba \$0 m; Saskatchewan - \$2.4 m; Alberta - \$0 m; B.C. - \$6.1 m; Yukon - \$3.7 m; Territories - \$.958 m.

Given the clear inequity in the federal allocation, the WCR&HCA circulated for publication an article in July 1997 speaking to this issue, a copy of which is in your material. (Attachment "C").

The Board is mindful that at the 1996 Annual Premiers' conference, Premiers took a position with respect to infrastructure. Premiers unanimously adopted what they called "*Proposed Guidelines for a New National Infrastructure Program*". The *Guidelines* urged the federal government to focus on strategic infrastructure priorities including highways. (Attachment "D").

Further the Board had already adopted a position with respect to infrastructure in its "*National Infrastructure Policy - Briefing Note*." (Attachment "E").

Accordingly, the Board directed that correspondence to the four Western Premiers be sent inviting them to jointly and forcefully pursue funding for a national highway program on an equitable basis, and to in particular raise the matter at the August 1997 Annual Premiers' Conference. The Board also asked the Premiers to endorse the thrust of its infrastructure policy and provided copies of the policy to the Premiers. Correspondence to this effect was sent to the Premiers on July 22, 1997 to which some replies were received. (Attachments "F" & "G").

I am pleased to report that at the August 1997 Annual Premiers Conference held in New Brunswick, the Premiers unanimously reaffirmed the "*Proposed Guidelines for a New National Infrastructure Program*" which called upon the federal government to fund its share of national highways. (Attachment "H")

The Board met early in September 1997 and adopted a series of recommendations aimed at further pursuing WCR&HCA policy objectives. (Attachment "I"). In substance the directions taken by the Board were adopted at the late September 1997 meetings of TRIP/Canada and the Roadbuilders & Heavy Construction Council of the CCA.

On November 7, 1997 federal Transport Minister David Collenette and New Brunswick Highways Minister Lee announced that the existing Canada/New Brunswick Highway Agreement would be extended three years adding a total of \$300 million on a fifty-fifty cost -shared basis beginning in April 1998. The monies were to cover the cost of widening the Trans Canada Highway from the Quebec provincial boundary to Fredericton. According to Minister Collenette, "*this means that goods and people will now be able to travel into the heart of the Atlantic Canada most of the way on four lane roads from as far west as Windsor-Detroit.*"

While the Board had no quarrel with the stated objectives as they are consistent with the TAC reports related to upgrade requirements, it expressed concern that the funding of Canada's National Highway System continued to be grossly disproportioned and not based on any national plan. The Board did this via a number of venues:

- An article entitled "*How Long Must This Go On?*" was also distributed for circulation. (Attachment "J");
- In a presentation made November 15, 1997 to the Federal Liberal Western Caucus, the inequity of "one off" agreements was raised. The cash flow report and the New Brunswick deal were specifically raised (Attachment "K");
- On January 13, 1998 letters to the four Western Premiers and Territorial Leaders were sent asking that they aggressively pursue highways funding in the context of a national infrastructure policy. (Attachment "L"). Replies were received. (Attachment "M");
- A communication to eighteen national and regional organizations was sent soliciting their support. (Attachment "N").

B. National Infrastructure Policy (NIP)

The activities and involvement of the Board over the last twelve (12) months have as well focused on promoting to provincial, municipal and federal levels of government, along with local, regional and national organizations the importance to Canada of a "*National Infrastructure Policy*".

Early into this Board's term, a draft version of a policy was prepared, circulated and approved by the Board. The WCR&HCA proposed that a National Infrastructure Policy (NIP) should target three program areas:

- *A National Infrastructure Program (NIP)* with annual cost-shared investments of \$1.8 billion to rehabilitate Canada's core municipal infrastructure targeting the FCM's estimated \$44 billion national infrastructure deficit;
- *A National Highways Program (NHP)* with annual cost-shared investments of \$1.6 billion to address national highway system requirements estimated by TAC to be in the vicinity of \$13 - \$18 billion in 1988; and
- *Strategic Infrastructure Investments (SII)* to create new areas of economic activity therefore wealth, and enhanced quality of life as components of both. (Attachment "E").

The Policy was taken to the fall 1997 meetings of the Canadian Construction Association. There, the policy was adopted by each of the Roadbuilder & Heavy Construction Council, TRIP/Canada and the CCA Board of Directors.

It was also agreed that the policy should be fleshed out and meshed with the "*Proposed Guidelines for a New National Infrastructure Program*" as adopted by the Premiers at their 1996 and 1997 Annual Premiers' Conferences.

I am pleased to advise that the "*National Infrastructure Policy – A Sustained Commitment*" brief ("NIP brief") was adopted by the Board and effectively by TRIP/Canada and the Roadbuilder & Heavy Construction Council at the February 1998 CCA Convention.

The NIP brief in its entirety was included in your registration materials under separate cover. The Board has directed that it be broadly circulated in Canada in close collaboration with the Coalition to Renew Canada's Infrastructure which has also adopted the policy.

The Board at its March 2, 1998 teleconference directed that the brief be broadly circulated. Accordingly on March 6, 1998 it was mailed to Prime Minister Chretien, Federal Ministers Martin, Masse and Collenette, all Premiers and Territorial Leaders, provincial Ministers of Finance and Ministers of Highways and key organizations in communication dated March 6, 1998. (Attachment "O"). In due course it will be mailed to Members of Parliament and an expanded list of key opinion shaping bodies in Canada.

The *Premiers' Guidelines* and *WCR&HCA Brief* encompass a number of infrastructure policy principles, which include: sustained duration; operate within current fiscal frameworks; flexible; three-pronged policy program approach addressing national municipal and community-enhancing infrastructure, a national highways system and strategic infrastructure investments; significant order of magnitude; and application of new and innovative technologies.

We believe that a National Infrastructure Policy (NIP) will open the door to tremendous economic opportunities. Efficient infrastructure systems will attract new business and investment and streamline the flow of goods to national and international markets.

Finally, as well as the economic benefits of a National Infrastructure Policy (NIP), there are clear social benefits. We can achieve national unity through a common objective: leaving a legacy to future generations, a country rebuilt, ready to face the challenges and opportunities of the new millennium.

C. Meeting With Transport Minister Collenette

On Monday March 2, 1998 the WCR&HCA met with the Hon. David Collenette Federal Transport Minister. During the meeting, the NIP brief was presented urging the Minister to support funding not only for a national highways program, but a national infrastructure policy encompassing municipal infrastructure, national highway and strategic infrastructure investments.

The Minister acknowledged the importance of surface transportation to the economy, tourism, exports and imports, and to national unity. He expressed surprise and support for what appears to be a growing

consensus in the country, namely that notwithstanding jurisdictional matters, the federal government should assert a leadership role in national transportation systems and issues.

It was suggested to the Minister that in the absence of “adequate” political consensus, the federal government should table a program and challenge provincial governments to participate or explain to their constituencies their absence from a federally led program, much like the experience with the Canada Infrastructure Works Program (CIWP).

The Minister accepted the offer of participating/leading in a non-partisan forum at which key stakeholders would discuss establishment of a federally led National Highways Program. He also indicated that politically, the Prime Minister and the Minister of Finance were critical to any federal funding of a National Highways Program.

The WCR&HCA in partnership with TRIP/Canada is currently following up on this matter. It is hoped that a broad coalition of stakeholders groups can take part in such a gathering.

Conclusion

The Board of the WCR&HCA plays an important function in the development of public policy and its broad circulation in Canada:

- We interface closely with The Road & Infrastructure Program (TRIP/Canada), and the Roadbuilder & Heavy Construction Council of the CCA, where Tom Brown a past president of the WCR&HCA is Chair not only the TRIP/Canada Management Committee but the Council as well;
- Our views are represented on the CCA Board of Directors where Barry Brown also a past president of the WCR&HCA serves on the Executive Committee of the Board;
- Our daily contact with TRIP/Canada, the CCA and the Coalition to Renew Canada's Infrastructure, ensures that the views of the WCR&HCA are considered when policy and strategy decisions are made. WCR&HCA national initiatives included the “Roads Work for Canada Campaign,” the NIP policy and the renaming of TRIP/Canada from the Road & Information Program to the Road & *Infrastructure* Program to ensure that the name encompasses the broad industry interests that the WCR&HCA speaks on behalf of;
- We are key players in the development of national policy papers around which lobby strategies are developed as witnessed by our recent policy paper on national infrastructure which will be adopted for national use by the CRCI;
- We play a visible and vocal role on both TRIP/Canada and the Roadbuilder & Heavy Construction Council of the CCA to whom Transport Canada made a presentation at the CCA February 1998 Convention (Attachment “P”);

The efforts to lobby for a National Infrastructure policy must continue unabated. The debate nationally centers around allocation of the so-called federal fiscal dividend, and we must be visible to ensure that infrastructure is a priority.

The current Canada Infrastructure Works Program (CIWP) began in January 1994. For the past four years, federal, provincial and local governments combined have sustained annual average infrastructure expenditures in the order of \$1.5 billion per year. At the same time, all levels of government made dramatic progress on deficit reduction fronts. This clearly demonstrates that an ongoing program of targeted infrastructure investment is financially sustainable.

With the current economic expansion producing greater tax revenues and a balanced federal budget with projected fiscal surpluses, continued infrastructure investments within existing fiscal frameworks are less of a challenge to finance than when the program was first introduced. Sustained reinvestment will

gradually ease the country's infrastructure deficit, as well as contribute to economic growth and the quality of life Canadians enjoy.

In Short, the federal government has now balanced its books and is showing a surplus with projections for ongoing surpluses. A National Infrastructure Policy (NIP) can operate within the current fiscal frameworks of governments.

On a financial note, I am pleased to advise that the WCR&HCA is in sound position with sufficient resources to carry on its myriad of lobby activities on behalf of the broad heavy construction industry.

The above then serves merely to highlight the activities of your volunteer WCR&HCA Board of Directors. On your and my behalf, I want to express my thanks to all Board members, member associations and their respective chief operating officers for the support that has been given to the WCR&HCA. Without their involvement none of what I have reported upon could have been accomplished.

In closing I wish to express the Board's sincere thanks to all of the sponsors and contributors to the 1998 WCR&HCA convention, whose generosity allows this function and the ongoing activities on behalf of industry to take place. When making your purchase decisions in construction season 1998, please keep in mind those whom support us, and support them in return.

And finally I wish to thank you for the opportunity of serving as your President. It has been rewarding – it has been a privilege.

Thank you.

Dave Hengen
Chair WCR&HCA