



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

PRESENTATION TO WESTAC

Introduction

May I begin by expressing my thanks for the invitation to speak to WESTAC at its annual conference here in Edmonton. Transportation investment is an issue of continuing importance to Canadians. It is clearly a fundamental investment tool, which underpins all of our economic activity.

Let me begin by providing you with a brief overview of the WCR&HCA in order to properly context our views of some challenges addressing road users and some policy considerations that we believe should be pursued both at the regional and national levels.

The WCR&HCA, originally known as the Prairie Roadbuilders Association was founded in 1943. Its initial members were the roadbuilder associations from the provinces of Manitoba and Saskatchewan. Alberta Roadbuilders Association joined in 1956. When the British Columbia Roadbuilders Association joined in 1973, its name was changed to the Western Canada Roadbuilder Association. To more fully reflect the broad nature of industries it represents, the name was further amended in 1996 to its current *Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA)*.

Mandate

The WCR&HCA has from its inception been concerned about the need to properly invest in Canada's infrastructure including its transportation network. The Annual Convention held in Saskatoon in 1953 adopted the following:

WHEREAS – The increase in volume of road traffic and the economic development of this country has far exceeded the rate of construction of road facilities and has resulted in a steadily increasing back log of road requirements; and

WHEREAS - A properly integrated road system is necessary from the standpoint of improved lines of transportation for use in both peace and war, to provide access to undeveloped areas, to provide mobility of defence projects, to expand our tourist industry, to provide dust-free roads and has become vital in the daily economic life of our country;

NOW THEREFORE BE IT RESOLVED – That the Federal Government in Canada set up a National Highway Commission to co-ordinate the planning, financing and construction of main highways in Canada and provide the Federal appropriations in keeping with the financial abilities of the Canadian people, to be made available to the provinces on a percentage basis having due regard to area, population, vehicle registration and the ratios of mileage of road per unit of population."

The arguments cited in support of a National Highways Commission to administer the planning, financing and construction of main highways in Canada were as sound at the 1953 convention, as the recommendations for a NHS are today.

Obviously we have not been too terribly successful in urging the federal government to adopt that resolution.

National Affiliations

The WCR&HCA is an active member of the Canadian Construction Association (CCA), is a member of the CCA Roadbuilder & Heavy Construction Council and TRIP/Canada, and supports efforts of the Coalition to Renew Canada's Infrastructure (CRCI). It also has a seat on the Board of Directors of the Transportation Association of Canada (TAC) through its membership in the CCA. It has recently participated in discussions with a number of key transportation and policy stakeholders in western Canada including Canada West Foundation, Van Horne Institute, University of Manitoba Transport Institute, WESTAC and Western Corridors Initiative.

National Transportation & Infrastructure

The WCR&HCA has consistently maintained a focussed attention on national infrastructure policy issues. In 1994 the Board of Directors adopted a National Infrastructure Policy (NIP), which targeted its attention at 3 program component parts:

- ❑ Core municipal infrastructure;
- ❑ National highways system requirements; and
- ❑ Strategic infrastructure.

If you look at the federal positions on these matters today, with the exception of a NHP, they closely mirror those advanced by the WCR&HCA through our involvement in a myriad of national, regional, provincial, and local stakeholder groups.

Challenges

So what are some of the challenges today related to road use and road transportation for both user and policy maker?

Let us begin with an important proposition. The transportation of freight – the movement of good and services – along an efficient, safe, well maintained highway system, is of pivotal importance to our national economy, and the economy in western Canada.

A fast, safe, well-maintained system ensures provincial, regional and international competitiveness. It means less expensive consumer goods. It supports more efficient manufacturing, agricultural and service industries that depend upon the movement of goods.

If inadequate investments in our transportation system minimize our competitiveness, then the economic foundation, which supports our social programs, will inevitably suffer and taxes will inevitably be pushed higher.

It is clear today as it was decades ago, that roads are the core of the transportation system that binds our nation together and underpins the competitiveness and growth of our economy. It is also clear that this reliance on road transportation is likely to continue well into the foreseeable future.

Most passenger travel is along the roads; 50% of all freight traffic makes its entire journey along roads, and most of the rest that is hauled or moved by other modes relies on truck transportation at one or both ends of the trip.

All underlying trends suggest that road traffic will continue to rapidly expand. Passenger vehicle use is expected to grow 50 to 60% higher than current levels by 2015 while truck traffic is expected to rise by 30% by 2015.

So roads and our reliance upon them are here to stay. They will continue in their important role in linking rail, air and marine. They will continue to have an enormous impact upon the competitiveness of our economy, the cost of goods and services we import and export, and provide substantial revenues to government with which to fund our social programs.

Addressing the Challenges

The biggest challenge facing road users is the lack of a clearly defined and integrated national strategy to the funding, management and investment in the road transportation network.

This policy absence results in:

- ❑ A dysfunctional national transportation system;
- ❑ Inconsistent bilateral agreements which seem mired in "eligible costs" debates;
- ❑ Funding programs, which are not tied to an understandable strategy or destination.

Although the provincial governments have made commendable investments and improvements to the NHS, their ability to fully commit in a sustained fashion is in part limited because of the level of fuel tax occupied by Ottawa.

Further the absence of an articulated national transportation investment strategy linking the nation coast to coast, is by default promoting the development of 3 economic solitudes:

- ❑ Atlantic Canada;
- ❑ Eastern Canada primarily Ontario/Quebec; and
- ❑ Western Canada with primary strengths in Alberta and British Columbia.

These solitudes weaken our national identity. It promotes the growth of north/south trade and weakens the linkages created by east/west trade. Further a nation that trades together stays together – are will willing to risk the opposite?

The Canada Transportation Act Review Committee Report submitted to Minister Collenette in July 2001 provided in our judgment a sound blueprint around which serious discussions and negotiations between the federal and provincial, governments should resume.

As you know, as it relates to funding of roads, the CTA Report provided three options:

1. A federal roads and transportation funding agency responsible primarily for the distribution of federal fuel tax revenues on a cost-sharing basis with which to address the NHP proposal and projects proposed by other governments;
2. A cost-shared roads agency responsible for the national highways system. It would administer a fund into which the federal government would deposit its receipts from the NHS, to be matched by provincial revenues similarly recovered. It would have responsibility for the management of the NHS;
3. The federal government could offer provinces an annual sum reflecting fuel tax receipts from the NHS provided that provincial governments agreed to establish a roads and transportation funding and management agency.

In addition to the above the Panel recommended that Canada adapt the World Bank/New Zealand concepts of road and transport funding and management agencies subject to a number of conditions.

This important area of public policy requires a visible voice speaking to these issues at a regional or national level. It is critical that transportation have a champion because of the:

- ❑ System condition
- ❑ Transportation trends
- ❑ Impact of NAFTA and FTA
- ❑ Globalization

- ❑ Importance to our national identity and unity
- ❑ Impact upon our economy

It is critical that there emerge an entity, which is prepared:

- ❑ To advance the principles articulated in the CTA Review report,
- ❑ Address the importance of rebuilding our transportation system,
- ❑ Speak to the importance of nation building that transportation reflects,
- ❑ Address the significance of securing and enhancing our international competitiveness with which objective transportation is so critical.

Now I know that WESTAC describes itself as a Council and not a lobby group. It is intended to provide impartial information about critical transportation issues, a forum where players can jointly address concerns in a non-confrontational setting.

I also know, having served on the Board of TAC for a number of years, and having gone through its strategic planning sessions of the delicacies related to:

- ❑ Jurisdiction
- ❑ Policy versus guidelines
- ❑ Forum versus advocacy
- ❑ Promotion versus neutrality

I have some views about where TAC ended up as a result of the “re-thinking” process, but that’s left better for another day.

What I am most worried about, is that failing to address transportation in a clearly defined policy context can and will leave western Canada fending for itself in an ever increasing competitive world, disjointed from the rest of the country.

Western Canada should begin the process of considering the development of a regional transportation investment policy, which recognizes the strategic importance of each mode of transportation – air, rail, marine and road – in a coordinated regional fashion, linked to a national vision.

It must recognize that the link pin to each is the roadway system.

There must be a process, which identifies the strategic importance of primary or strategic corridors, which platform the economy in western Canada.

In short there must emerge an entity, a champion willing to speak boldly, to advance new and innovative ideas, to challenge the status quo, to facilitate a voice for users and consumers in the investment decisions.

It is not enough to simply agree – action, steps must follow.

WESTAC should emerge from its current model as a more visible, dominant spokesperson for transportation. Win some new members as you will, or lose some existing members if you must, but be the entity seen and heard to be speaking for strategic transportation investment decisions.

There are a number of entities in western Canada, each of which separately speak to various aspects of transportation. They need a leader; they need the resources which collectively and strategically pooled can raise the level of consciousness in both the elected branches of government and the general public.

I do not pretend to know all of the required steps to begin this process. But as a first step, it seems to me that progressive, visible Council of Transportation Ministers from the western provinces and territories representing all seven jurisdictions are a good start.

A fully funded and resourced secretariat which WESTAC could/should be a second step.

Strategic sharing and pooling of research and policy development strengths could be a third.

Certainly there are others.

But, perhaps the single most important step, is persuading the four western premiers of the critical importance of addressing transportation from a policy priority perspective; persuading that at western premiers conferences, transportation is treated with no less attention than healthcare or education; that it be the subject matter of national discussion and resolution at Annual Premier Conferences and First Minister Conferences.

Questions of sustainability, funding, externalities, structures of transportation agencies, dedication versus allocation, tiered or national entities – none of these or many others can be addressed without that heightened sense of priority.

And so in our view, the greatest opportunity in the transportation system and to the road users is reflected in a proactive, visible, aggressive, radical centre if you will, entity, which speaks to regional and national transportation policy issues from a western Canada perspective.

There is clearly an investment need, an impact upon our economy, a coordinated regional and national transportation policy void.

I urge you to seize the moment, to challenge, to articulate – to lead.

Thank you!



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President WCR&HCA

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