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Infrastructure

Dion's funding pledge lacks certainty, Canadian construction officials say

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Liberal leader Stéphane Dion's pledge to spend any budgetary surplus beyond \$3 billion on crumbling infrastructure lacks the funding certainty municipalities and industries need, construction officials say.

"The notion of using any unanticipated surplus that exceeds a \$3 billion raises questions and concerns," says Jeff Morrison, Government Relations and Public Affairs Director of the Canadian Construction Association. "There needs to be long-term funding in place. We do not even know if this policy is over and above the core infrastructure funding programs which are in place."

Dion made his pledge at the recent Federation of Canadian Municipalities' (FCM) sustainable community conference. He said his Liberal government would pump billions of dollars into Canada's aging municipal infrastructure, from public transit to bridges and roads. A \$10 billion surplus, for example, would result in \$7 billion for municipalities and their infrastructure woes.

The Infrastructure Investment Coalition (IIC) says it welcomes the pledge and is pleased the Liberals have placed a focus on infrastructure but more certainty in funding is needed. "Our concern is that this type of approach does not necessarily result in predictable funding streams," says Andy Manahan, Executive Director of the Residential and Civil Construction Alliance of Ontario and a representative of IIC.

"Even if federal surpluses continue, the amount above \$3 billion could vary dramatically year over year. If the surplus is below \$3 billion, then there is no additional money for infrastructure, probably at a time when it is most needed."

FCM applauded Dion's announcement, stating it is the type of plan needed to tackle crumbling infrastructure. FCM represents 1,600 municipalities and it has pegged the nationwide

municipal infrastructure deficit at \$123 billion.

“This may be one of the most significant federal policy announcements of the last decade. It is bold and it is visionary, with the potential to change the face of our country,” Gord Steeves, President of the Federation of Canadian Municipalities said in a news release. “Investing in infrastructure is about more than patching potholes. It is about economic competitiveness and clean air and water.”

The IIC believes that all three levels of government should work together and embrace innovative funding mechanisms to resolve current service and infrastructure deficits.

“Ultimately, an investment from the federal level is important, and it is certainly one of a number of mechanisms to address the infrastructure crisis,” says Manahan.

Morrison adds that the CCA supports Dion’s commitment to make the gas-tax sharing program permanent. The IIC also states that Canadians should pay road tolls and congestion fees to help pay for highway upgrades and upgraded transit and not just rely on federal funding.

“Metering and full cost pricing is required to properly pay for water and sewer services,” says Frank Zechner of Greater Toronto Sewer and Watermain Contractors Association and IIC member. “Charging the actual users makes the most sense, and people who benefit from services should help pay a little more for their construction, maintenance and repair.”