



December 17, 2019

The Honourable Catherine McKenna
Minister of Infrastructure and Communities
180 Kent Street
Suite 1100
Ottawa, ON K1P 0B6

Submitted electronically

Dear Minister McKenna:

Congratulations on your recent appointment as Minister of Infrastructure and Communities.

The Residential and Civil Construction Alliance of Ontario (RCCAO) is a labour-management organization that advocates on behalf of tens of thousands of hard-working men and women who are employed in the construction industry.

On behalf of our member organizations, RCCAO commissions independent research into issues facing not only our industry, but also Ontario society. We have commissioned 52 reports to date, which seek solutions on topics ranging from mitigating traffic [congestion](#) to responsibly managing excess construction [soil](#). These reports have earned the respect of many, including Ontario government officials, for their objective, evidence-based findings and construction recommendations.

A primary RCCAO focus since our inception has been the importance of investing in public infrastructure – from transit and waterworks to roads and bridges – and doing so smartly and efficiently for taxpayers and daily users of infrastructure. On topics such as gas tax [revenues](#), we have identified ways for governments to supplement these revenue tools by focusing on road pricing and innovative parking charges. This should also be something that the federal government focuses on. Not only is a long-term reliance on gas tax revenues a risky proposition, it also presents a contradiction as it is at odds with a transition to a low carbon economy.

There is widespread support for major infrastructure investment as a priority for all governments but more needs to be done to improve project evaluation methods. It is imperative to get the best value from our large capital expenditures on public infrastructure and to find innovative ways to finance them.

Many RCCAO research reports have argued for a more business-like approach to the selection and delivery of infrastructure projects. In [Unlocking Ontario's Advantages](#) (2014) a case was made for more effective leveraging of our existing public assets and exploring new sources of revenues. In 2016, we followed-up with [Megatrends](#), a report emphasizing the need to anticipate the infrastructure requirements of the future, in the face of trends impacting our society. This could include a lower demand for bricks-and-mortar facilities in health care and education. The report author, former Ontario deputy Minister Michael Fenn, said that good infrastructure



decisions serve us well economically, socially and environmentally, but the wrong decisions can burden us for generations.

One of our recently commissioned reports by the Canadian Centre for Economic Analysis was an [infrastructure update](#) report focusing on the federal and provincial risks and rewards. An update [bulletin](#) released in May showed that the underinvestment trend has continued. For example, previous provincial Liberal budgets underspent on infrastructure by about \$2 billion per year based on budget announcements. More striking though is that there is a structural underinvestment by the federal government, which we are hopeful you as Minister will address during your mandate. This has been exacerbated by delays in releasing funds to Ontario and its municipalities.

RCCAO also supported the formation of the Canada Infrastructure Bank and commissioned two [reports](#) in 2016. While we have been disappointed in the slow start of infrastructure spending, we remain hopeful that progress on CIB's mandate will now be made (including the establishment of revenue-generating projects).

We would be pleased to meet with you to discuss in more detail the work that RCCAO has done on infrastructure-related issues and how industry and government can work collaboratively to ensure that infrastructure is delivered effectively by the Government of Canada.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Manahan', is positioned above the typed name.

Andy Manahan
Executive Director