



April 1, 2021

Hon. Pablo Rodriguez, P.C., MP
Leader of the Government in the House of Commons
House of Commons
Ottawa, Ontario
K1A 0A6

Submitted electronically.

Dear Minister Rodriguez,

RE: Quick Passage of *Bill C-25*

The Residential and Civil Construction Alliance of Ontario (RCCAO) unreservedly supports Bill C-25 and we urge you and all parliamentarians in both the House of Commons and the Senate to come together and pass this Bill quickly.

As a unique labour-management association that focuses on the importance of investing in public works, RCCAO has worked diligently since the start of the pandemic to both ensure that municipalities across Ontario have the financial support they need to continue with critical state-of-good-repair (SOGR) infrastructure projects and ensure that our workers have good-paying jobs.

The pandemic presents significant challenges to municipalities as it has decimated their operating budgets. This has forced municipalities to reduce their spending and reallocate money from their Capital Budgets to their Operating Budgets to fill the deficit gap caused by the pandemic. This is especially true for municipalities with large transit systems. For example, the City of Toronto will use a total of \$649 million of capital funds to cover its 2021 deficit in the absence of federal and provincial financial aid.

Bill C-25 will deliver an important part of this much-needed financial support. The proposed one-time investment of \$2.2 billion through added gas tax funding for municipalities in 2020-21 is welcome relief for cities and a construction industry impacted by the pandemic. In addition to other financial measures announced by the federal and provincial governments, this funding comes at a crucial time for municipalities, which are finalizing their 2021 budgets and planning their infrastructure and construction work for the year.

The funding contained in Bill C-25 is a signal to municipalities to proceed with state-of-good-repair projects and other critical infrastructure work. **Any delay in passing Bill C-25 risks the delay or cancellation of these projects, which would have a disastrous effect on the construction industry and the provincial economy.**

Infrastructure project tenders have been decreasing significantly since last summer and our members have already seen hundreds of construction workers laid off. A report that we



commissioned from Prism Economics and Analysis, called [*Averting a Crisis: The Need to Protect Ontario's Infrastructure Investments*](#), found that 41,000 construction-related jobs are at risk if building permits continue to decline.

Investing in infrastructure is one of the best ways to help Ontario and Canada recover from the devastating financial impacts of COVID-19. In addition to the social benefits of infrastructure and the creation of a hard asset at the end of construction, each dollar of infrastructure spending has a positive effect on the economy. In the short-term, investments support jobs and businesses, leading to lower levels of unemployment and a higher level of economic growth. In the long-term, they boost the competitiveness of businesses, thus leading to greater wealth creation and higher living standards. Also, for every \$1 billion in infrastructure spending, GDP is boosted by an average additional \$1.46 billion, or an average multiplier effect of 1.46.

We appreciate your time and attention in considering this letter. Should you have any questions or wish to discuss this matter further, please do not hesitate to contact me directly at Todorova@rccao.com.

Sincerely,

A handwritten signature in black ink, which appears to read 'Nadia Todorova', is positioned below the 'Sincerely,' text.

Nadia Todorova
Executive Director