



Canada: Building Canada with Federal & Provincial Investment in Infrastructure

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BACKGROUND

Canada's federal and provincial governments have announced various infrastructure improvement plans over the last few years, creating several opportunities for U.S. companies in various sectors. As of 2003, more than fifty percent of the country's infrastructure was over 40 years old, with many roads, highways and bridges passing their half life. Efficient and reliable infrastructure is crucial to Canada's long-term economic prosperity and growth. Canada's government officials, have therefore, deemed it necessary to invest in infrastructure improvement and modernization to reduce congestion, strengthen supply lines and ensure smooth and effective trade flows between Canada and the United States.

More than \$1.8 billion in trade crosses the Canada-U.S. border per day. This volume of trade represents the largest bilateral trade relationship in the world with a rate of growth that has averaged six percent per year over the last ten years. This growth in trade and traffic has put significant pressure on the major trade corridors and border crossings between the Canada and the United States and various infrastructure improvement projects are currently underway to increase the capacity of these networks and sustain economic performance.

Building Canada is one such program initiated by the Government of Canada (GOC) that will provide \$33 billion in funding to Canadian municipalities from 2007 to 2014. The goal of the *Building Canada* program is to build a stronger economy, cleaner environment and better communities through investment in infrastructure that will contribute to increased trade, public transit, wastewater and solid waste management, green energy, safe drinking water, bridge rehabilitation, sports and culture, and more.

The following is a province by province breakdown of the funding allocations under the *Building Canada* program:

Ontario

In May 2005, the Province of Ontario announced *ReNew Ontario*, a five-year infrastructure investment plan dedicating \$30 billion to health care, education, and economic prosperity. In fall 2007, the provincial government announced the *Municipal Infrastructure Initiative (MIII)* to support the efforts of municipalities to improve their public infrastructure. Original funding for this program was announced to be \$300 million, but a \$150 million addition to the program was announced in February 2008, for a total of \$450 million. The *MIII* funding builds on that of *ReNew Ontario*. The Ontario government also announced an additional \$60 billion investment over the 10 years following the completion of *ReNew Ontario*. In June 2007, \$18 billion in funding for rapid transit in the Greater Toronto Area and Hamilton was announced. In addition, federal funding of more than \$6.2 billion for infrastructure in the province was announced on July 24 2008. Improvements to Highway 11 and 17, expanding rural broadband coverage, and rapid transit in the Waterloo region were identified as initial priorities under this new agreement.

Quebec

The Canada-Québec Framework Agreement, signed by the governments of Canada and Québec on September 3, 2008, is valued at almost \$4 billion under the *Building Canada* plan. The addition of this funding will bring federal infrastructure spending to over \$4.8 billion in Québec by 2014. Projects that will be given priority through this program include expansion of Laval University and several highway improvement projects.

British Columbia

The province of British Columbia (BC) will receive over \$2.7 billion from 2007 to 2014. Since the signing of the federal-provincial agreement on November 6, 2007, several infrastructure improvements projects have been announced. In January 2008, the governments of Canada and BC announced improvements to Highway 97 near Prince George to contribute to the faster and safer flow of local, tourist and trade traffic, with federal funding of up to

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\$11.3 million. Further highway improvements were announced in July, with the GOC and BC jointly funding up to \$231 million worth of National Highway System improvements in the province.

Alberta

The Canada-Alberta Framework Agreement, signed August 29, 2008, is valued at \$1.8 billion in new federal infrastructure funding under the *Building Canada* plan. This brings total federal infrastructure spending in Alberta to more than \$2.1 billion by 2014. Expansion of the Northlands exhibition facility is one project that will receive funding through this agreement with the aim of increasing tourism, business and job opportunities in the region. Northlands will be eligible for \$25 million in federal funding and the total cost of the project is expected to be \$150 million.

Saskatchewan

In April 2008, the governments of Canada and Saskatchewan announced \$755 million in federal funding for infrastructure projects in Saskatchewan. Priority projects for highway improvements were identified, including upgrades to Highway 11 between Prince Albert and Saskatoon and construction of an interchange in Regina. This federal funding commitment comes a month after the announcement of provincial funding programs for highways and transportation infrastructure in the province. On March 6, 2007, a \$5 billion investment in Saskatchewan's transportation network was announced to promote the seamless movement of goods and people throughout the province. Another announcement on March 19, 2008 committed a further \$513 million to revitalize provincial highways as part of a \$1 billion program for capital and infrastructure improvements.

Manitoba

The Canada-Manitoba Framework Agreement, signed September 5, 2008 by the governments of Canada and Manitoba, is worth \$718 million in new federal infrastructure funding under the *Building Canada* plan. This brings total federal infrastructure spending in Manitoba to more than \$854 million by 2014. Also announced, was \$85 million in funding for reconstruction, rehabilitation and safety projects to improve Highway 75. Highway 75 is Manitoba's key trade route to the United States, connecting to the Emerson border crossing, which supported \$14.4 billion in Canada-U.S trade traffic in 2007.

New Brunswick

On December 7, 2007, the governments of Canada and New Brunswick announced the signing of a Framework Agreement worth \$541.6 million under *Building Canada*. Already approved is allocation of \$126.6 million of the total funding for major infrastructure projects, such as improvements to New Brunswick's highway infrastructure and the completion of the Saint John Harbour clean up. The most recent announcement was completion of improvements to Route 1, an important trade corridor that connects Atlantic Canada with the north-eastern United States. This \$275-million project, announced September 4, 2008, will ensure more efficient movement of people and goods along this key trade route.

Other Regions

- Newfoundland and Labrador signed an agreement worth \$430 million in federal contributions with the Government of Canada on December 17, 2007.
- On February 21, 2008, the governments of Canada and Northwest Territories announced the signing of a Framework Agreement worth \$245.8 million.
- The governments of Canada and Nova Scotia signed a Framework Agreement worth \$634.38 million on November 9, 2007.
- The governments of Canada and Nunavut announced the signing of a Framework Agreement worth \$242.68 million on February 8, 2008.
- On May 21, 2008, the governments of Canada and Prince Edward Island (PEI) announced the signing of a Framework Agreement worth \$270 million.
- The governments of Canada and Yukon announced the signing of a Framework Agreement on March 17, 2008. This investment is worth \$242.91 million and includes infrastructure projects ranging from a water sampling station and sidewalks upgrades to city wide compost program improvements in the City of Whitehorse.

OPPORTUNITIES FOR U.S. COMPANIES

The recent announcements of infrastructure investment at both the federal and provincial level will create several opportunities for U.S. companies in the coming years. Improvements to infrastructure will help facilitate trade between the U.S. and Canada by making it easier for American companies to export to the Canadian market more efficiently. Several opportunities for American companies in the construction, building, heavy equipment, architecture, and/or engineering sectors will also be considerable. Some current open opportunities include:

- Invitation to Tender (ITT) issued by the Government of Nova Scotia for Construction on a Bridge Rehabilitation Infrastructure Renewal project. Closes November 27, 2008 at 2:00 p.m. Atlantic Standard Time.
- Invitation to Bid (ITB) issued by Manitoba Infrastructure and Transportation for tunnel repairs with an estimated value of \$100,001 to \$250,000. Closes November 27, 2008 at 2:00 p.m. Central Standard Time.
- Notice of Proposed Procurement (NPP) issued by Public Works and Government Services Canada for Sanitary & Storm Water Infrastructure upgrades for an estimated value of \$500,000 to \$1 million. Closes December 8, 2008 at 2:00 p.m. Eastern Standard Time.
- Request for Proposal (RFP) issued by Transport Canada for Development of Additions to the Replacement Class Screening for Minor Transportation Improvement Projects under the Canadian Environmental Assessment Act. Closes December 9, 2008 at 3:00 p.m. Eastern Standard Time.
- Request for Proposal (RFP) issued by the City of Calgary for the Light Rail Transit Project with a value estimated at over \$100 million. Closes January 5, 2009 at 4:30 p.m. Mountain Time.

The above opportunities are all posted on [MERX](#), the Government Electronic Tendering System. [Infrastructure Ontario](#) may also present U.S. companies with several other opportunities in the coming months. There are several projects listed in the Pre-Tender stages on the projects section of the organization's website, including construction of new hospitals in Oakville, northwestern Toronto, and Markham, and mental health facilities in Penetanguishene, London, and St. Thomas, Ontario.

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For More Information

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