

# PERSPECTIVES

A Publication of the Manitoba Heavy Construction Association



## Making Manitoba a Competitive Destination Province

### INSIDE:

- **CentrePort Canada —  
Canada's First Inland Port Initiative**
- **Winnipeg: "Yes we can!"**
- **Western Canadian Exports  
in the Post-Recession World**
- **Where is the Global Economy Headed?**



**2010 ANNUAL MAGAZINE**



## TOROMONT TAKES THE GUESSWORK OUT OF EARTHMOVING

Discover the next generation of Grade Control

Performing earthmoving smarter, faster and more profitably is critical to success in today's highly competitive construction industry. Today, you need to be able to perform all parts of the job faster and more accurately than ever before. From estimating to completion, Trimble's next generation Grade Control System available at TOROMONT is truly revolutionizing the total construction process.

Trimble offers you the most complete line of Grade Control Systems. From laser or sonic based to 3D, these rugged systems are easy to use, fully upgradeable and flexible enough to meet a wide range of application and jobsite requirements.



Winnipeg, Thompson, Brandon,  
Manitoba

Rankin, Cambridge Bay, Iqaluit,  
Nunavut

**TOROMONT**



[www.toromontcat.com](http://www.toromontcat.com)



## MESSAGE FROM THE CHAIR – BARRY ARNASON



We finally made it.

Manitoba is officially one of the “Have Provinces” in Canada. Years of slow and steady economic growth have enabled our province to achieve this lofty status in the Canadian federation and it appears Manitoba is well positioned to maintain this new role in the foreseeable future.

Our industry has grown as Manitoba has prospered. Manitoba heavy contractors have responded in a big way to handle the additional workload created by the recent increased spending on infrastructure while coping with a demand from the public for a substantial reduction in worksite injuries. Over the last three years we have witnessed unprecedented expansion and retooling by many of our member firms. The MHCA Safety Program has worked closely with industry to provide the training required to meet COR standards and reduce WCB claims. The Manitoba heavy construction industry has proven over time that they have the resources, training and ingenuity required to meet the challenges of maintaining a safe productive workforce capable of completing the ambitious construction programs proposed by all levels of government.

The financial and human resource investment made by our members in their respective organizations is a reflection of the fact that Manitoba has become “A Place to do Business”. The Federal Infrastructure Program, Wuskwatim, Conawapa, Centre Port Canada as well as other major projects will help keep Manitoba moving forward and minimize the effect of the worldwide recession. We must continue to lobby all levels of government to ensure the infrastructure deficit remains a priority after the funds provided by the federal stimulus package are depleted. It is in the best interests of all Manitobans that the renewal and expansion of our infrastructure systems remain the driving force behind the future growth of Manitoba.

*B. Arnason*



## MESSAGE FROM THE PRESIDENT – CHRIS LORENC



### **Perspectives 2010**

This marks the 17th consecutive year of publishing the MHCA Annual Magazine which we have re-named ‘*Perspectives*’ for the 2010 edition.

‘*Perspectives*’ is an appropriate moniker to attach to this publication which like the Manitoba Heavy Construction Association (MHCA), is much more than what typically might be associated with the perceptions around trade organizations or associations. (See also ‘MHCA — more than a trade organization’ at page 48).

The MHCA’s areas of interest are many, wide ranging and respectfully unparalleled in Canada. They are driven by successive Board Chair, Board member and membership acceptance of - and commitment to - the importance of supporting economic growth through strategic public / private sector investments, underpinned by collaboration and pursuit of mutual interest always referenced against the public’s best interest.

I invite you to read the many fascinating ‘perspectives’ on an impressive array of local, regional, national and global interests, which reflect a continuum associated with our publication, such that it has become recommended reading in some higher institutions of education.

Of course we could not achieve content quality reputation without the support of contributors and most importantly our advertisers whose investment allows the distribution of ‘*Perspectives*’ across Canada to senior public and private policy makers, Members of Parliament and of legislatures, City Councilors, key public sector administrators, university and public libraries, purchasers of construction services, the broad construction and related industries in Canada, students of public policy and those interested in perspectives as communicated through our publication.

As always, we look for improvement and so if you have any suggestions, I welcome them directly to my email address which is [clorenc@mhca.mb.ca](mailto:clorenc@mhca.mb.ca)

Enjoy the read and ‘*Perspectives 2010*’.

*Chris Lorenc*

# PERSPECTIVES



A Publication of the Manitoba Heavy Construction Association • 2010 Annual Magazine



## CentrePort Canada – Canada's First Inland Port Initiative

Premier Gary Doer discusses how Manitoba's first inland port is now open for business one year after it unveiled its plans.



## Asper: 'Yes we can'

Winnipeg businessman David Asper thinks that we can achieve great things, if we only let ourselves actually accomplish it.



## Manitoba – Steps to a 'Have' Province

Graham Starmer of The Manitoba Chambers of Commerce tells us what's happen since they launched the "Making Manitoba a 'Have' Province" initiative in 2007.



## Manitoba 10, 20, 30 Years from Now

Manitoba Progressive Conservative leader Hugh McFadyen discusses Manitoba's enormous potential for growth.

## OTHER ARTICLES & FEATURES

- 10** Manitoba: A Bridge to Global Trade
- 20** Selling Winnipeg to the World
- 22** Challenges Facing Manitoba's Highways
- 36** Infrastructure Investment & Manufacturing Productivity
- 38** Working Through the Credit Crunch
- 40** Human Rights Museum Represents Extraordinary Opportunity
- 42** Where is the Global Economy Headed?

All rights reserved. The contents of this magazine may not be reproduced by any means, in whole or in part, without the prior written consent of the publisher.

*The opinions and views expressed in this publication are not necessarily those of the MHCA.*

© 2009 Manitoba Heavy Construction Association

Printed by Premier Printing

Annual membership fees of the MHCA include a copy of this publication.

Publication mail agreement #40019507

Undeliverable mail return to:

Manitoba Heavy Construction Association  
1236 Ellice Avenue  
Winnipeg, MB R3G 0E7  
www.mhca.mb.ca

**EDITOR/LAYOUT & DESIGN/ADVERTISING SALES:**

Jason Rosin, MHCA Manager of Communications



# MHCA BOARD OF DIRECTORS

## Executive Officers

Barry Arnason  
MHCA Board Chair & Aboriginal Cttee. Chair  
Arnason Industries

Chris Lorenc, B.A., LL.B.  
MHCA President

Robert Reidy, P.Eng.  
MHCA Vice Chair & Safety Program Chair  
Taillieu Construction Ltd.

Henry Borger Jr.  
MHCA Secretary Treasurer & Winnipeg  
Committee Chair  
Borland Construction Inc.

Gord Lee, P.Eng. G.S.C.  
MHCA Past Chair & WCR&HCA/CCA Rep.  
Nelson River Construction Ltd.

Derek Walker, P.Eng.  
Highways Committee Chair  
Mulder Construction & Materials

Ted Smook, B.Com., G.S.C.  
Smook Brothers (Thompson) Ltd.

## Committee Chairs

Mickey Stanley  
Events  
Toromont CAT

Greg Orbanski  
Equipment Rental Rates  
Tri-Line Construction Ltd.

Kevin Brown, P.Eng., G.S.C.  
Education, Training & Gold Seal  
Maple Leaf Construction

Paul Venn  
Membership  
B&B Rentals Ltd.

Warren Sigfusson  
Aggregate Producers  
Sigfusson Northern Ltd.

## Directors at Large

Boris Gavriloff, P.Eng., G.S.C.  
Bituminex Paving Ltd.

Dave Cumming  
Zenith Paving Ltd.

Gilles Collet  
Collet Gravel Inc.

Calvin Edie  
Edie Construction Ltd.



# A SALUTE TO OUR CHAIRS

1945-46 F. Scott Fowler

1947-48 - Noel J. Vadeboncoeur

1949-50 - Nev R. Williams

1951-52 - Dudley H. Stratton

1953 - Jim S. Quinn

1954 - Pat Kelly

1955 - Gurth Claydon

1956 - Dr. M. Oretski

1957 - Arthur Erven

1958 - John Below

1959 - Don Brown

1960-63 - Frank Fowler

1964 - Len Tasker

1965 - Cliff Bradley

1966-67 - Al Borger

1968 - Jack Smith

1969-70 - Marcel Taillieu

1971-73 - Dave Penner

1974-76 - Ralph J. Borger

1977-78 - Neil Wither

1979-80 - Chuck Lee

1981-82 - Don Eppler

1983-84 - Dave Brown

1985-86 - Don Whitmore

1987-88 - Dick Mulder

1989-90 - Wilf Taillieu

1991-92 - Barry Brown

1993-94 - Ron Watson

1995-96 - Colleen Munro

1997-98 - Ken L. Rowan

1999-2000 - Calvin Edie

2001-02 - Barry Mulder

2003-04 - Cal Moon

2005-06 - Boris Gavriloff

2007-08 - Gord Lee



# MHCA STAFF

## President

Chris Lorenc, BA, LL.B

## Manager of Finance

Wendy Freund Summerfield

## Manager of Events, Membership & Gold Seal

Christine Miller

## Manager of Communications

Jason Rosin

## Front Office Administrator

Brenda Perkins

## SAFETY PROGRAM TEAM

### Director

Stan Kruse, CSO

### Supervisor, COR Safety Program

Elaine Alvis, CSO

### Safety Program Advisor

Phillip McDaniel, OH&S Cert., CSO, P.GSC

### Safety Program Administrator

Heather MacLean

## Safety Program Advisor

Denine Rodrigues

## MANAGER OF TRAINING ACADEMY

### Manager

Greg Huff, CSO, G.S.C., LIAT



# **CENTREPORT CANADA** **CANADA'S FIRST** **INLAND PORT**

Just one short year ago, Manitoba unveiled its plan to establish Canada's first inland port—an exciting vision to build our province for the future, one that will create new opportunities for our businesses, our communities and for the people who call Manitoba home. Today, our province's inland port, CentrePort Canada, is open for business.



**HON. GARY DOER**

It has been a tremendous year of achievement for the architects of our inland port. The historic CentrePort Canada Act was introduced in the legislature in September 2008 and was passed in October, establishing CentrePort Canada Inc., a non-share capital corporation tasked with managing, developing and marketing the inland port. The legislation also designated the land in the vicinity of Winnipeg's James Armstrong Richardson International Airport for the inland port.

The next key step was the December 2008 appointment of the first board of directors. The inaugural board members include Kerry Hawkins (chair), Art Mauro (vice-chair), Maureen Prenderville, David Fung, Chris Lorenc, Gord Peters, Joan Hardy, Don Streuber, Bob Silver, Tom Payne, Barry Rempel, Robert Ziegler, Eugene Kostyra and Ryan Craig. The board brings expertise in such crucial areas as rail, air and truck transportation, international business, labour, infrastructure and construction, law and financial management, and marketing.

These significant steps in the development of CentrePort Canada could not have been achieved without the hard work, leadership and commitment of Manitoba's business community, the City of Winnipeg and others who have embraced the vision of building upon Manitoba's considerable trade and transportation advantages.

Anchored by Winnipeg's international airport, CentrePort Canada provides prime real estate in the city's capital region for companies looking for new or expanded export-oriented opportunities in transportation, manufacturing and warehousing. The area offers multiple benefits to investors including an abundance of serviced and non-serviced land that is ready for development. Private companies are already moving in, including Standard Aero's expansion of its existing facility and the relocation of Canada Post and Greyhound Canada to the new inland port.

CentrePort Canada is about connecting business to major North American markets. It builds on our existing transportation network to create better, faster, cheaper access to key markets in Canada, the United States and Mexico. Strategically located in the centre of Canada and North America, CentrePort Canada offers numerous business advantages, a modern, well-established network of highway, railway, air and sea connections and convenient, quick, affordable access to key markets across the continent. Manitoba also offers growing international shipping opportunities through our international airport, the northern Port of Churchill (over our "Arctic Bridge"), the Asia Pacific Gateway and via Thunder Bay.

While inland ports exist in various American cities and are under consideration in other locations in Canada, CentrePort Canada is our country's first inland port. The promotion of this exciting venture is leading the way in Canada and opening the eyes of the world to the opportunities that exist in Manitoba. In recent months, CentrePort Canada has been promoted in Belgium, China, France, India, Russia, Mexico, the US and Qatar. Our inland port has also been featured at the North

American SuperCorridor Coalition annual conference in Quebec City and in the Inland Ports Across North America conference in Chicago.

At every opportunity, we are promoting CentrePort Canada's key advantage—its unique and well-developed range of transportation assets, including:

- **Trucking** – The Emerson/Pembina border crossing, which connects PTH 75 with US I29, is a gateway of prominence that supports Asia backhaul capability via our supply chain links into the US. It is the busiest port-of-entry for truck trade in Western Canada, boasting approximately \$16 billion in trade in 2008. It is also one of the most efficient, with a wait time that is normally 10 minutes or less. In addition, Manitoba has more than 1,000 for-hire trucking companies to help move products to markets.
- **Air transport** – Winnipeg's James Armstrong Richardson International Airport is the only 24-hour unrestricted major Canadian international airport between Toronto and Calgary. It is also one of the most reliable airports in the world, averaging less than two hours of downtime annually. The airport has the largest number of dedicated cargo handlers in Canada, moving 148,000 tonnes of cargo in 2008. The airport features major shipping facilities for Purolator and FedEx and receives daily transborder service from DHL. It is a central Canadian gateway airport for UPS and a major domestic hub for Purolator and Cargojet.
- **Railway** – Winnipeg, Manitoba's capital and home of CentrePort Canada, is served by three major continental railways – CN, CP and Burlington Northern-Santa Fe – that offer service north-south and east-west across North America. Both CN and CP maintain intermodal terminals in Winnipeg where trailers and containers are transferred between rail and road modes.
- **International shipping** – Manitoba's Port of Churchill is the only ocean port in the centre of Canada and is Western Canada's closest seaport to northern and eastern Europe. Located on the west coast of Hudson Bay, the Port of Churchill is located at one end of our "Arctic Bridge" to Europe and has four deep-sea berths able to accommodate Panamax class vessels (up to 70,000 tonne capacity). The port has strong railway links to North American markets and is only 3,380 nautical miles from Liverpool and other markets overseas.

These transportation assets combined with CentrePort Canada's prime location provide excellent opportunities for companies who are reevaluating their supply chains. With CentrePort Canada, companies are able to move their products inland – away from the congested sea ports. From our inland port, companies are able to distribute their products across North America in an efficient and timely manner. Beyond these warehousing and distribution advantages, CentrePort Canada also offers those companies seeking to establish manufacturing facilities in North America an ideal location to access continental and international markets.

The Government of Manitoba and the Government of Canada are partners in the development of CentrePort Canada. In 2009, Prime Minister Stephen Harper and the Province of Manitoba committed more than \$212 million to build CentrePort Canada Way, an expressway linking the inland port with Winnipeg's Perimeter Highway, the international airport and the

...continued on page 8

CP Weston rail intermodal facility. This new expressway will provide CentrePort Canada with even more timely, cost-effective access to the Canada-US border crossing at Emerson.

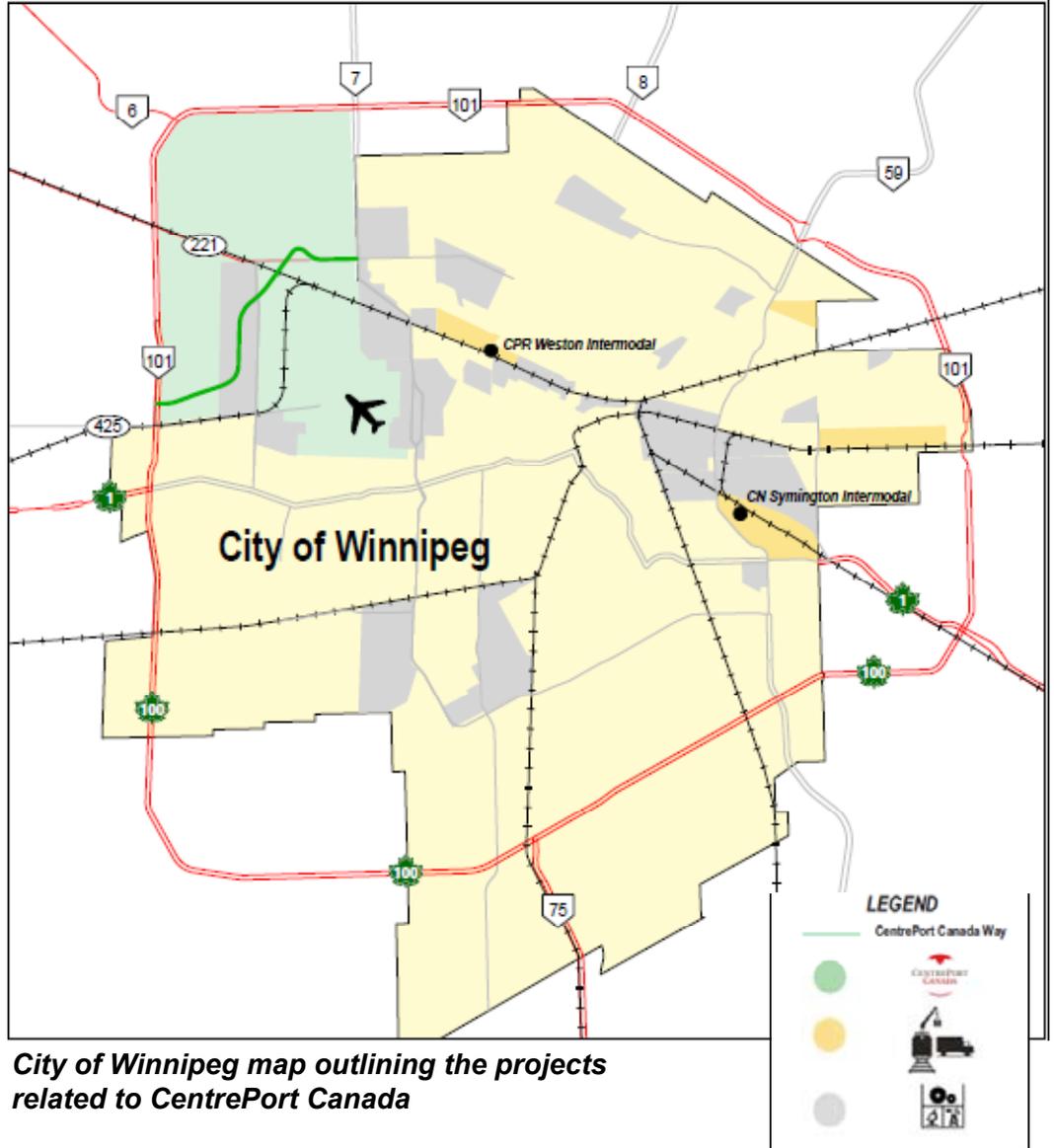
Additional joint investments by the governments of Manitoba and Canada include: \$85 million to upgrade PTH 75, Manitoba's key trade route to the US; \$48 million for upgrades to the Hudson Bay rail line and the Port of Churchill; and, \$50 million for a new interchange on the Trans-Canada Yellowhead Highway at the intersection of PTH 1 and PTH 16. This strategic project will facilitate the safe and efficient movement of cargo via CentrePort Canada along the Asia Pacific Gateway and Corridor, from Prince Rupert to Chicago.

The Province of Manitoba has also supported the development of CentrePort Canada by:

- supporting the "Selling Winnipeg to the World" initiative, a Winnipeg Chamber of Commerce-led call program to identify and attract new business investment to the inland port;
- expanding the fuel tax exemption for international cargo flights to include direct and indirect flights to the US; and
- introducing legislation to allow tax increment financing to be used for the development of CentrePort Canada.

Our inland port will provide excellent investment opportunities for business, support our construction sector, create jobs for Manitobans and will help continue to modernize our transportation infrastructure. CentrePort Canada was called "the best economic opportunity for Manitoba" by Winnipeg Chamber of Commerce President Dave Angus, and I share that sentiment wholeheartedly. We will continue to work side by side with Manitobans dedicated to making CentrePort Canada an even greater success.

*Editor's Note: The Honourable Gary Doer submitted his resignation as Premier of the Province of Manitoba on August 27, 2009. He will now be the Canadian Ambassador to the United States beginning this fall. ■*



**City of Winnipeg map outlining the projects related to CentrePort Canada**

# L. Chabot Enterprises Ltd.

**Order Desk:**  
**(204) 224-1565**

Sand • Gravel • Base • Stone  
• Limestone Products  
• Equipment Rentals  
• Civic & Municipal Projects



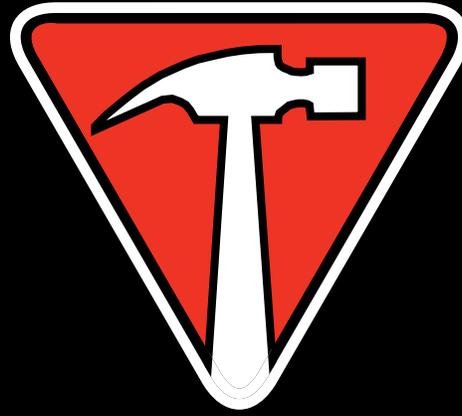
**C.O.R.  
Certified**

Find Us Online at:

## www.chabotenterprises.ca





**SAFE  
WORK**

**S** SPOT THE HAZARD  
**A** ASSESS THE RISK  
**F** FIND A SAFER WAY  
**E** EVERYDAY

TM

**Workplace Injuries Are**

**PREVENTABLE**

---

**For more information on preventing injuries visit  
[www.safemanitoba.com](http://www.safemanitoba.com)**



# Manitoba — A Bridge to Global Trade



**HON. RON LEMIEUX**

**WE ARE IN THE MIDST OF A VERY INTERESTING TIME WITHIN MANITOBA**, a time when we are poised to secure our place within the North American network-based economy and the global economy at large. To do this we must capitalize on both our existing and potential advantages and turn them into indispensable fixtures of economic networks. Our approach to this challenge is the Manitoba International Gateway Strategy (MIGS).

The MIGS approach is predicated upon positioning Manitoba to be a key player in global trade by

enhancing our role as a strong and attractive part of the global supply chains that define where trade and trade related economic activity occurs. We know that international trade is historically growing as a proportion of world GDP, and that it is, in part, a by-product of increased efficiencies in global supply chain developments. Therefore, the MIGS focus is on providing the foundation for being a best-practices jurisdiction for supply chain and transportation efficiencies.

### Where Does Manitoba Stand as a Global Gateway?

Over last few years we have worked hard to understand Manitoba's role in transportation and trade flow. At an elemental level, like most other provinces, our economic framework is tied heavily into trade with the US, which absorbs 70% of our exports and, in turn, provides over 80% of our imports. Our international foreign merchandise trade is a combined \$28 billion, and forms the backbone of our integration into the global network.

When one focuses on transportation and trade flows, some of the results are fairly striking. By most measures, trade based activity like transportation and warehousing is of far greater importance to Manitoba's economy than it is to other provinces. Our studies also show Manitoba is an existing gateway for rail and truck based trade flows originating in Canada and destined for export. For example, by weight, of all the Canadian exports leaving the country from Manitoba, only one third originate in Manitoba. This is particularly evident within the trucking indus-

try, wherein 42% of the export value that passed through Manitoba's main border crossing into the US (Emerson/Pembina) comes from other provinces and territories. The Emerson/Pembina border crossing processes \$16 billion in trade annually, the most in western Canada. A similar pattern emerges with respect to rail and the air freight sector, wherein the Winnipeg James Armstrong Richardson International Airport holds the distinction of being the busiest all cargo freighter airport in Canada.

Over time it has become clear that Manitoba's gateway activity is based on many comparative advantages:

- Our mid continent location, linked interprovincially east and west across Canada, and linked to the US and Mexico via PTH 75 and US I-29 through the Emerson/Pembina border crossing. Our northern location also positions us to capitalize on burgeoning supply chain trends, such as polar air route development;
- Low business, land and energy costs;
- A mature internationally oriented trucking presence, with specialized expertise and dominant market presence in transborder trucking services market.;
- A strong rail network – this includes being a main line convergence location for both CN and Canadian Pacific railways, as well as a Burlington Northern Railroad connection;
- An international airport acknowledged as the leading, all cargo freight airport in Canada;
- An experienced workforce in the transportation and distribution industries, including an outstanding degree of transportation expertise through assets such as Asper Business School Supply Chain Management Program, University of Manitoba Transport Institute, the Center for Sustainable Transportation at the University of Winnipeg;
- The Port of Churchill gateway – the prairies' most direct ocean link to and from the Atlantic and Arctic supply chain partners and markets; and,
- The demonstrated convergence of multi-modal trade flows.

### Manitoba International Gateway Strategy & CentrePort Canada

All of our comparative advantages have resulted in Manitoba being a natural gateway for North American and global trade.

The MIGS strategy amplifies these existing advantages by explicitly connecting Manitoba to global supply chains through our established and growing transportation network. Fully supported by the key private players, MIGS envisions Manitoba as a sustainable transportation and trade gateway of choice for North American mid-continent global related commerce.

In support of this vision, we have undertaken several initiatives, such as:

- Creating the Manitoba International Gateway Council, comprised of private sector supply chain leaders, to help guide our future policy and investment decisions, and to allow Manitoba to speak with one voice to the world business community about our capabilities. The council is co-chaired by Arthur Mauro, Chairman of the Winnipeg Airports Authority, and a long time distinguished transportation leader in the province, and by Art Defehr, a major industrialist and shipper leader in the province.
- Creating a marketing organization for the Port of Churchill and, along with private sector owners and the federal government, investing in upgrades to the port and rail system. Over the past two shipping seasons, the Port of Churchill has already begun to see new diversified two way traffic through the traditionally grain export oriented port.
- Developing CentrePort Canada, Manitoba's inland port, which capitalizes on the myriad of transportation assets, services, and trade flows already existing in the capital region and province at large.

Clearly Manitoba has a solid foundation upon which to build; however, to secure our place in the world macro-supply chain order, we must ensure that economic conditions within the province are favourable to continued investment. Fortunately, Manitoba is well positioned if one considers our economic performance forecast, trade relationship developments and overall jurisdictional competitiveness. Manitoba continues to have a strong trade relationship with the United States and rapidly growing trade with China, exports to whom have increased 673% since 2002. We have a competitive tax regime, with \$1 billion in corporate and personal tax savings by 2009, and a plan to reduce corporate income tax to 11% after 2009. The corporate capital tax was eliminated for manufacturers in July 2008, and Winnipeg, our economic engine, has the lowest effective corporate tax rate among the largest Canadian cities reviewed in a 2008 KPMG report

## Gateway Infrastructure Development

Manitoba Infrastructure and Transportation (MIT) is supporting the realization of MIGS and the development of CentrePort Canada through several major infrastructure improvements, many of which have been intentionally designed to coincide with other Provincial initiatives. For example, in support of CentrePort Canada, MIT is expediting the development of a new expressway called CentrePort Canada Way, at a cost of over \$212 million.

MIT has also committed to an investment of \$135 million for infrastructure projects on our key gateway highways. This commitment includes improvements to intersection at PTHs 1 and 16, which will be upgraded to a modern grade separated interchange. PTH 75 from Winnipeg to the US border will be completely rehabilitated to improve safety and comfort while accommodating increasing truck trade to the U.S. We are also involved in border studies targeted at the Emerson/Pembina

## Our economic future lies in taking full advantage of Manitoba's role as an essential trade corridor

crossing and the Ontario crossing to identify key constraints to expediting trade, consolidating services, improving public safety and reducing delays.

### Ensuring Access to the US

The success of the MIGS vision and CentrePort Canada are dependant upon ensuring continued access to the US market. A key factor in ensuring continued access is preventing the congestion that can be seen at other border points in Eastern Canada. Severe congestion often constrains trade and adds unnecessary costs to supply chains, situations that we are working strategically to avoid. Manitoba is also working with our US and Canadian partners to assess future border requirements with the intention of developing a state of the art port of entry between Canada and the US that satisfies both trade velocity requirements and security concerns.

However, improving the border crossing is merely one of the facets of our strategies within and outside of the Manitoba. We are also working to enhance development of the key transportation systems beyond the border that support our gateway. Manitoba is actively pursuing and promoting the development of the International Mid-Continent Trade and Transportation Corridor, which facilitates over \$190 billion in trade annually.

To this end, Manitoba has been a member of the North America's Super Corridor Coalition (NASCO) since 1997. NASCO supports the development and improvement of infrastructure, the environment, and technological innovations along the multi-modal transportation network connecting central Canada, the Central United States and Mexico. NASCO's members include both public and private interests along the corridor, and they represent significant trade opportunities for Manitoba businesses.

### Conclusion

Being a gateway on the global supply chain network will create employment growth for our goods-related shippers who will have a greater range of logistical options to access the world economy. Being a gateway creates opportunities for industries and corporations to add value in their supply chains, whether from a manufacturing, assembly, or distribution perspective. This, in turn, creates further employment and economic opportunities for Manitoba's transport and logistics industries, other businesses, and our citizens.

Our economic future lies in taking full advantage of Manitoba's role as an essential and irreplaceable intermediary within existing and developing trade and transportation corridors. This ability to serve as a vital central point geographically, economically, and logistically within the North American network for the movement of goods positions Manitoba as a bridge to global trade for our partners and ourselves.

*Ron Lemieux is Minister of Infrastructure & Transportation for the Province of Manitoba. ■*



# Winnipeg: Yes We Can!

*This is an excerpt from a speech delivered on May 28, 2009 to the Winnipeg Chamber of Commerce.*

**'WE CAN'. I SAID AS MUCH IN A RECENT SPEECH TO THE WINNIPEG CHAMBER OF COMMERCE**, when asked to offer a few thoughts on where I thought we needed to go as a city and province. By this, I mean that we can achieve great things, if only we let ourselves.

A prime example is the need to move beyond planning and consultation regarding infrastructure. There is a fundamental problem in that we want things fixed and built but no one wants to pay for it. This paralysis must be unlocked because funding infrastructure is the central issue for government and the public today. The 'house' is crumbling around us. Is that to be our legacy?

When Centre Venture was first established, I had the honour to serve as Chairman. In order to prepare myself, I undertook a lengthy process of studying Civic and downtown issues. This brought me into contact with Plan Winnipeg and Centre Plan.

As I dug into the state of our City, I encountered a blizzard of studies, planning, consultations, recommendations and city by-laws that attempted to address a myriad of problems and public policy issues. It was a mind numbing experience.

**I came to three simple observations:**

1. In September, 1967 Winnipeg welcomed a great new addition to our community – Debbie the polar bear.

Over four decades, Debbie had 15 million visitors at Winnipeg's zoo.

Interest in Debbie initiated international tourism, attracting people from all over the world to Churchill, and Manitoba.

The polar bear became an incredible symbol and asset for our city and province.

Yet, today, there is still no polar bear at the zoo.

2. In 1972, the WHA Winnipeg Jets came to Winnipeg in spite of concerns about the long term viability of the Winnipeg

arena. In 1979, the Jets graduated to the NHL.

As the years went by and the arena crumbled, the decision was made to renovate instead of building a new one.

Jets owner Barry Shenkarow warned that the renovated arena was not suitable for an NHL franchise. He urged City and Provincial agencies to consider building a new facility.

You know what came next – feasibility studies, through the 80's and 90's- even as the Jets ownership made it clear that without a new facility, the team would leave.

In 1996, even with massive, public support for government financing of a new arena, the Jets did just that, and left for Phoenix.

3. In 1951, the City began considering what modern urban transportation might look like. Eight years later, Norman Wilson produced a report entitled "Future Development of the Greater Winnipeg Transit System". Mr. Wilson concluded that a rapid transit subway was needed to fill those future needs.

Needless to say, it was not acted upon and the matter of rapid transit remains unresolved to this very day.

Having celebrated my 50th birthday last year, it is mind boggling to think that while I have grown from boy to man, got married, had children and raised them ---- a half century later..

We still have no rapid transit.

Nor do we have a polar bear.

Nor do we have the Winnipeg Jets.



**DAVID ASPER**

## We've got to look at the future and say: Why not Winnipeg?

Missed opportunities threaten to define our City. We must learn from our past to inform and improve our future.

We DO have a great new baseball park. Yes, Sam Katz went through a lot of grief, but he was tenacious. Even the naysayers now agree it is an important amenity for our City and Province.

We DO have a fantastic new arena that is home to the Manitoba Moose, and is also one of North America's top concert venues, and perhaps, one day, home to another NHL team.

But, not until Mark Chipman endured opposition that protested all the way to the Supreme Court of Canada.

And yes, we are on the cusp of a new football stadium for both the Winnipeg Blue Bombers and the University of Manitoba Bisons. Ten years in the making, this project, while not quite a done deal, has also been ground through the Winnipeg grist mill.

Once complete --- and I remain as determined to get it done as Sam and Mark before me --- it will provide another lasting legacy for Winnipeg and Manitoba.

Projects like these take far too long. Why? Because we study things, create plans, deviate from plans, then launch new studies to determine the consequences to the old, thereby making them new.

In business, it's good to plan. But a plan without execution is a waste of time.

In Winnipeg, we've got to find balance. Right now, to execute, you've got to stick your neck out and be prepared to suffer, all for the sake of doing something great for this city.

I fear that an ominous syndrome is holding Winnipeg back from achieving greatness. That perhaps we are afraid of it, or worse, we think we are undeserving.

This 'we're just Manitobans' attitude has to change. Because others don't see us that way. The world turned here during the SARS and H1N1 crises to our world-class team of scientific experts at our Virology Lab...

Where did Andrew Lloyd Weber premiere his new play? Winnipeg. Success here meant a booking in Toronto. Is Broadway next?

When major US cities decided to go green, they knew where to go for alternative energy technology? They headed to New Flyer Industries.

Over the past twenty years, there have been rumblings of change in the feel and spirit of Winnipeg – that we are ready to break loose of our most negative bonds.

You can hear it in Destination Winnipeg's campaign to promote our City. In their words, "a city that is vibrant, growing and full of life. What sets us apart? It's as much a fact as it is a feeling!"

Writer/director, Guy Maddin reinforces this by unabashedly proclaiming that here, "there's emotional space – room to think and breathe, to bounce ideas off others."

But Maddin also knows Winnipeg's dark side...chastises us as a city of sleepwalkers...a place with every tool in the kit to be great, but for some reason, we fall asleep at the switch.

Here, anything is possible if we set our minds to it. Think of the individuals who have come before us and those of today who

have and will continue to lead the way.

Manitoba names like Reimer, DeFehr, Cohen, Richardson, Silver, Spiring and yes, even Asper.

Like them, we've got to look to the future and say: Why not Winnipeg?

Dreams are great but we've got to be able to pay for them. We can't create plans and commit to execute unless we have the means to do so.

The problem is that no politician is going to run and try to get elected by proposing to raise taxes. At least, not unless we make it safe for them to do so.

Imagine if we did. We, and our politicians, could take advantage of the reduction in the federal GST by adding two points to the PST...like a Controlling our Destiny Levy. Controversial, yes, but think of the possibilities.

Each percentage point of provincial sales tax is worth approximately \$150 million dollars. By collecting an additional two points, we could raise \$300 million dollars per year...and dedicate it exclusively to infrastructure improvements, all of it Fed-free, no more lobbying for handouts.

I know. There are concerns, but I suspect a bigger problem is how the money is spent. So, our politicians, City and Province, could create a new arrangement. These infrastructure funds could be directed into a transparent infrastructure commission, one with a specific mandate. Within the mandate – specific projects, specific timeframes and a clear and transparent mechanism of accountability. Taxpayers would get a clear and honest accounting of how their money is being spent.

If this levy were imposed for let's say, a five to seven year period with a sunset clause, the possibility exists for us to raise \$1.5--\$2 billion dollars. The levy could be legislated to cease at the end of that period.

We could even make provision for the levy to be automatically extinguished or extended. A referendum with a super majority of perhaps 65% of Manitobans could determine its future.

The Controlling Our Destiny Levy would allow government to establish infrastructure priorities and finance them by creating an independent agency to account to the public on progress made. Taxpayers would be engaged and informed.

A polar bear habitat? Rapid transit? Sport facilities? Yes, it is possible.

There comes a time when the talking has to stop. There comes a time for action. If we really believe we can create and build a new Winnipeg, then it's time to bust through the policy paralyzes.

We have to tell the Mayor and our future premier that we want to be great. That we are prepared to back them and to pay for it. Above all else, it's up to us to encourage them to get past all the plans-and to get things done.

David Asper is a Winnipeg area businessman. ■



**GRAHAM STARMER**

# Manitoba



**Province  
'Have'  
to a  
Steps**

**THE MANITOBA CHAMBERS OF COMMERCE (MCC) LAUNCHED THE "MAKING MANITOBA A 'HAVE' PROVINCE"** initiative in 2007 to get Manitobans thinking about the type of province they wanted Manitoba to be.

We knew inviting people to talk about provincial aspirations would also raise the specter of benchmarks as it makes little sense to set goals if we can't measure our progress.

As a result, the MCC launched its own in-depth study of benchmarks.

Benchmarking has become quite the industry. Benchmark reports are regularly issued by a wide array of organizations from across the world, from the Conference Board of Canada to the World Economic Forum.

These reports rarely resonate in the public consciousness past the 24-hour news cycle immediately following their release.

They don't resonate because the public is skeptical, and rightly so. They know a lot of these benchmarks give mixed signals - they look good on the surface but in reality trouble may be approaching. Even running off a cliff can give you a pretty good view; until you start falling.

Perhaps the best evidence that numbers aren't always as they appear is the popping of the housing bubble (in the U.S. and, to a lesser extent, in Canada) and the recent financial crisis. Turns out a lot of those signs of prosperity (rising profits, rising housing values, growing rates of spending) were hiding some pretty dangerous and unsustainable activity.

Let's call it the illusion of strength.

It's an issue that prompted Jim Collins to look at why companies stumble.

Collins is the author of "Good to Great", one of the most highly regarded business books of all time.

A CEO of a highly successful company sparked Collins' interest in the illusion of strength. The CEO had approached him during a conference, posing a question that should haunt every CEO, government official, and policy maker:

"When you are at the top of the world, the most powerful nation on Earth, the most successful company in your industry, the best player in your game, your very power and success might cover up the fact that you're already on the path to decline. So, how do you know?"



How do you know?

By the way, I think this issue applies to any organization, whether they are at the top or not.

Collin's new book, "How the Mighty Fall and Why Some Companies Never Give In", outlines his efforts to address this issue, and it comes to some surprising conclusions that confirm the problem with typical benchmarks.

If people had to guess why companies failed or faltered I bet most would say it is because they got lazy, lost ambition, stopped innovating, or stopped being strategic.

The amazing thing about Collins' study is the companies that got into trouble had developed aggressive strategies. Writes Collins, "... we found tremendous energy – stimulated by ambition, creativity, aggression and/or fear..."

For example, one company that faltered increased its patents from 613 to 1,016 between 1991 and 1995. Another patented 1,933 new compounds from 1996 to 2002 – the most in the industry and 400 ahead of the second place company.

Typical benchmarks would have given these companies the thumbs up, but they were actually paving their road to ruin, or at the very least setting themselves up for tremendous struggles.

Collins says if you really want to know how a company is performing you need to get past the typical numbers associated with high performance. In his quest for a true test he came back to the matrix he developed in "Good to Great".

Here is Collins' matrix, and as you read on consider what role these factors play (or could play) in your organization's success:

#### **STAGE 1: DISCIPLINED PEOPLE**

Level 5 Leadership. Level 5 leaders are ambitious first and foremost for the cause, the organization, the work—not themselves—and they have the fierce resolve to do whatever it takes to make good on that ambition. A Level 5 leader displays a paradoxical blend of personal humility and professional will.

First Who ... Then What. Those who build great organizations make sure they have the right people on the bus, the wrong people off the bus, and the right people in the key seats before they figure out where to drive the bus. They always think first about "who" and then about what.

#### **STAGE 2: DISCIPLINED THOUGHT**

Confront the Brutal Facts—the Stockdale Paradox. Retain unwavering faith that you can and will prevail in the end, regardless of the difficulties, and at the same time have the discipline to confront the most brutal facts of your current reality, whatever they might be.

The Hedgehog Concept. Greatness comes about by a series of good decisions consistent with a simple, coherent concept—a "Hedgehog Concept." The Hedgehog Concept is an operating model that reflects understanding of three intersecting circles: what you can be the best in the world at, what you are deeply passionate about, and what best drives your economic or resource engine.

#### **STAGE 3: DISCIPLINED ACTION**

Culture of Discipline. Disciplined people who engage in disci-

plined thought and who take disciplined action—operating with freedom within a framework of responsibilities—this is the cornerstone of a culture that creates greatness. In a culture of discipline, people do not have "jobs;" they have responsibilities.

The Flywheel. In building greatness, there is no single defining action, no grand program, no one killer innovation, no solitary lucky break, no miracle moment. Rather, the process resembles relentlessly pushing a giant heavy flywheel in one direction, turn upon turn, building momentum until a point of breakthrough, and beyond.

#### **STAGE 4: BUILDING GREATNESS TO LAST**

Clock Building, Not Time Telling. Build an organization that can adapt through multiple generations of leaders; the exact opposite of being built around a single great leader, great idea or specific program. Build catalytic mechanisms to stimulate progress, rather than acting as a charismatic force of personality to drive progress.

Preserve the Core and Stimulate Progress. Adherence to core values combined with a willingness to challenge and change everything except those core values—keeping clear the distinction between "what we stand for" (which should never change) and "how we do things" (which should never stop changing). Great companies have a purpose—a reason for being—that goes far beyond just making money, and they translate this purpose into BHAGs (Big Hairy Audacious Goals) to stimulate progress.

In the MCC's extensive review of benchmarks no report has made us much sense as a true barometer of success as Collins' eight principles.

If these principles work for individual companies imagine the strength, the prosperity, the resiliency of an economy that is built on business after business that lives these concepts.

A jurisdiction that celebrates and nurtures these ideas will be in the best position to thrive in a global, highly competitive, knowledge-based economy.

Developing benchmarks that measure our progress towards these principles would be a crucial 'next step' in making Manitoba a 'Have' province.

Indeed, it would give Manitoba a substantial advantage over all the other jurisdictions that are still struggling to find true measures of success.

*Graham Starmer is President of the Manitoba Chambers of Commerce. ■*



**FOR ALL YOUR ASPHALT PAVING NEEDS**  
**108 Richmond Avenue East**  
**Brandon, Manitoba**  
**R7A 7G1**  
**Phone 728-3388**  
**Fax 727-3748**  
**Serving Southwest Manitoba Since 1960**



# Centre Port Canada – A New and Bold Future!



**KERRY HAWKINS**

**CENTREPORT CANADA OFFERS THE OPPORTUNITY OF A NEW AND BOLD FUTURE** for trade and related economic growth for Manitoba, western Canada and by extension Canada.

## **But what is CentrePort Canada?**

CentrePort Canada is Canada's first inland port initiative which happens geographically to be located 'in the heart of the continent' in the City of Winnipeg and its capital region area in Manitoba.

It is an unprecedented and unique venture connected with a well-established network of highways, railways, air, and sea connections providing better, faster, cheaper access to markets in Canada, the United States, Mexico, and global markets. In addition, our location supports Canada's national and international trade objectives.

CentrePort Canada is 20,000 acres of land adjacent to Winnipeg's James Richardson International Airport operating 24/7. It offers greenfield investment opportunities and 'shovel-ready' property accessible for development to meet business needs for a wide variety of sectors, including distribution centers, warehousing and manufacturing.

CentrePort Canada is located on the International Mid-Continent Trade Corridor, providing ready access to major markets in the United States and Mexico via the Emerson Border - and Manitoba is in the centre of Canada with strong east-west transportation corridors.

CentrePort Canada provides direct access to Asian markets via Canada's Asia-Pacific Gateway. Shippers and manufacturers transport goods by road and rail to Canada's two main western seaports, Vancouver and Prince Rupert.

Our unique access to northern trade routes provides entry to European markets as well. Air shipments can be transported via polar routes through Winnipeg's James Richardson International Airport.

Marine shipping opportunities are increasing through the northern deep-sea Port of Churchill and St. Lawrence Seaway and Great Lakes via Thunder Bay.

CentrePort Canada can take advantage of rail history, presence and access. Winnipeg is the only location in western Canada where the two major rail lines - CN and CP - intersect and maintain extensive intermodal yards collectively employing more than 4,000 people.

In addition, OmniTRAX provides key trade links to the Port of Churchill, and BNSF provides additional linkages to markets in the United States.

All of these attributes auger well for CentrePort Canada, for domestic, continental and global trade given past and predicted increases in trans-border traffic of goods.

The marked increase in Manitoba's case is more aptly described as 'remarkable' and 'sustained'. Proof of Manitoba's expanding role is reflected in strong, sustained economic growth over the past nine years.

Manitoba enjoyed the 2nd highest GDP growth in Canada in 2007 and 2008 and is forecast to have the 2nd highest GDP in Canada in 2009.

Manitoba's strategic location as a crossroads for the North American and global movement of freight, combined with our economic development strategies, have yielded results in some sectors beyond the most predictions.

For example, the Canada-US border crossing at Emerson, approximately 100 kilometres south of Winnipeg, is now the busiest international border crossing point in Western Canada for commercial traffic. In 2007 two-way truck trade at Emerson totalled \$14.7 billion, and it handled 425,000 trucks.

Overall, Manitoba has seen a 74% growth of two-way trade at Emerson Canada - US Border in the last five years.

Our aviation infrastructure is expanding as are the rates of handling. The James Armstrong Richardson International Airport is one the most reliable airports in the world, averaging less than 2 hours downtime annually. It is the third busiest cargo airport in Canada and is home base to more freighter operations and dedicated cargo handlers than any other Canadian facility. As the only 24-hour unrestricted major Canadian airport between Toronto and Calgary it is a central

Canadian gateway airport for UPS and a major domestic hub for Purolator and Cargojet. Between 2003 and 2008, airport experienced a total air cargo increase of 55%. That performance can only be enhanced with the new state of the art terminal slated to open in 2010.

Manitoba's emerging trade with China is another significant development. Exports to China increased 586% since 2002, creating significant backhaul opportunities. Between 2002 and 2007, our total imports increased 30%; exports increased 23% and total manufacturing shipments increased by 37%.

This translates into employment, economic growth, and development potentials of significant proportions. And so, we must consider how this growth impacts the planning and development of the most environmentally friendly, safe, secure, efficient and technologically advanced inland port - CentrePort Canada.

CentrePort Canada is being developed as a sustainable transportation and distribution gateway. One of the primary objectives is to maximize efficiencies and improve logistics and supply-chain processes. From the on-board computers tracking and managing the performance of trucks and the introduction of alternative fuels, to the vast information networks tracking the contents of ships, planes and trains around the globe, technology is ever present.

New technology will help us meet environmental protection standards making the transportation footprint much greener and eco-friendly. The ability to empirically quantify levels of individual, corporate, or sectoral environmental impacts and mitigation measures may well prove to be beneficial to emerging international policy.

New technology is also being applied to facilitate the efficient exchange between stakeholders needed for the daily movement of commerce. For example, through the application of advanced sensor, secure information exchange, and communications technologies often referred to as "smart" or "intelligent systems", there is a significant potential to make the transportation of people and goods more efficient, more reliable, safer and more environmentally friendly.

While many applications remain "works in progress", Intelligent Transportation Systems must form an integral part of any inland port development strategy to be more efficient in the handling of inter-jurisdictional freight movements securely.

The North American Facilitation of Transportation, Trade, Reduced Congestion and Security ("NAFTRACS") initiative illustrates how applications of trusted technology in both the transport industry and trilateral regulatory sense, will benefit our pursuit of enhanced trade opportunities.

This recently completed tri-national pilot project enabled third-party information sharing and exchange between participating partners. It is hoped that the forthcoming analysis and recommendations will support more efficient and seamless corridor traffic management, and the efficient and safe flow of commerce within and throughout the corridor.

We are confident that NAFTRACS will demonstrate the benefits of vehicle / route management from third-party data sources to support and facilitate corridor wide advanced risk assessment and mitigation, and regional disaster preparation and response.

It is technology that will allow CentrePort Canada, to handle the developing supply-chain demand and increase traffic fluidity and efficiencies without sacrificing security.

Today we must not only be concerned about the physical logistics of moving a truck, train, plane or ship between nations, we must ensure the security of all stakeholders at every step of the process.

Across borders, across the planet, security is non-negotiable - security trumps trade. For the transportation and logistics sector, it has already changed the way daily business is conducted and this affects the flow of commercial goods across international borders.

Tighter entry regulations, more thorough scrutiny at ports of entry often through the use of advanced methods, higher standards for the training of personnel and stricter enforcement policies are only a small part of the new global commerce reality.

CentrePort Canada is working towards the objective of creating an inland port, which despite being located 100 km away from the border, can effectively operate as if it was situated on the international border.

This can be done through the application of a suite of technologies which ensure, to the satisfaction of federal regulatory bodies, the security of commercial cargo in the "post-port" - "pre-border" segment of travel.

Ideally, these technologies will interface with those in use at physical border facilities to provide pre-clearance or expedited passage of the verified cargo and driver through the point of control.

To realize this objective will require collaborative work of governments, border agencies and regulatory bodies as well as acceptance of the technologies by the commercial transport sector, ideally on the basis of a proven value proposition.

Although these technologies exist, the major challenge is to have them proven to and accepted by those formulate border and national security policy and regulations.

We must proceed by working through strong international partnerships to identify and explore each new challenge and share the search for solutions. We believe in the global potential presented by linking and strengthening not only the exchange between Mexico, the United States and Canada, but extending that reach into the global market.

Manitoba and CentrePort Canada understand that the role of technology is integral to the development of an inland port, to foster growth in supply-chains, and to sustain the economic prominence of the transportation sector at the Provincial, National and International Corridor levels.

Much collaboration between nations and with our stakeholders will be required to fully realize the benefit and opportunities which innovative technology and security applications can offer.

CentrePort Canada's linkages to global trade, enhanced by technology and assured security all conducted in an environmentally sustainable way are at once our challenges and opportunities.

A new and bold future indeed!

*Kerry Hawkins is Chair of CentrePort Canada.* ■



# Manitoba into the Future

## HOW DO YOU VISUALIZE MANITOBA TEN, TWENTY AND THIRTY YEARS FROM NOW?

Among many other things, your vision probably includes sustained economic growth so there will be jobs and opportunities for future generations of Manitobans.

Manitoba has enormous potential for growth. We have a wealth of human and natural resources, a diverse and productive workforce, and natural trade and transportation advantages due to our central location on the continent. It's a fact. Our citizens are deeply committed to seeing our province succeed.

The decisions made by our elected officials and public policy makers today will forever change the landscape of our province. Strategic long-term thinking is required to ensure there is a proper balance between the infrastructure and programs traditionally provided by the provincial government and an environment allowing the private sector to create economic growth.



**HUGH MCFADYEN**

As Leader of the Official Opposition, my vision for Manitoba's economic prosperity begins and ends here – and this path can only be taken if we first find ways to decrease our dependency on other levels of government to pay our province's way.

For the year ending March 31, 2010, Manitoba is projected to receive \$3.782 billion in federal transfer payments - fully 37% of the province's operating budget. This dependency is not sustainable – we are losing control of our own destiny.

We must do more to stimulate growth in the private sector so that we can provide our children with the ability to stay in our province and work in a stimulating, prosperous and diverse economy.

During this global economic recession, Manitoba's diversified economy has meant we have not yet experienced the same level of job losses as some other jurisdictions, which are more reliant on one or two key industries, such as in Ontario with the automobile sector or Alberta's oil and gas sector. Our dependency on transfer payments, however, makes us more vulnerable when other provincial economies stumble.

Manitoba is not immune to the economic downturn. For example, in 2009, many Manitoba businesses made tough decisions and laid-off thousands of full-time workers. In July alone, 5,300 full-time jobs were lost in our province. Young people seeking employment also faced challenges – the youth unemployment rate was 61% higher in July 2009 than July 2008.

While all provincial economies face challenges, the Manitoba government isn't taking adequate steps to make Manitoba more competitive and to attract new businesses and industries. Manitoba is the highest tax jurisdiction west of Quebec – this seriously erodes our competitive position and serves as a deterrent to attracting private capital investment and the jobs associated with it.

Now is the time for the provincial government to shake off its

complacency and develop a comprehensive economic plan for Manitoba. We must ensure that we are competitive with other provinces that have been striving to reduce the regulatory and tax burden on entrepreneurs.

People have the opportunity to live and work anywhere in Canada. That's why part of government's role includes providing incentives to attract and keep people in Manitoba. It is essential that we are competitive with other jurisdictions so we can draw new businesses and industries of all sizes to our province.

Today, Canada has a serious infrastructure deficit. It has been estimated that the national infrastructure deficit is in the range of \$123 to \$200 billion, and Manitoba has not been immune to these challenges. Communities across the province are wrestling to find ways to finance the replacement of aging infrastructure such as sewer and water treatment facilities, recreation centres, roads and bridges – all of which has been ignored for far too long.

The federal government's economic stimulus package has offered a great deal of assistance when it comes to tackling some of these infrastructure challenges. But even after that stimulus package ends, there will be an ongoing need to update and replace our infrastructure.

In recent years, Manitoba's municipal governments have requested that the funding arrangements between local governments and the provincial government be re-examined because provincial revenues have gone up for each of the last nine years, but the proportion granted to municipalities by the province has not kept in step.

The municipalities' goal is a new arrangement that would help ensure they have access to dollars to pay for ongoing needs such as infrastructure, while providing as much predictability as possible in the planning process.

Manitoba's Progressive Conservatives believe it's reasonable to expect the government to put a bigger share of revenues into building and maintaining infrastructure. One way to achieve this would be to dedicate a portion of the existing Provincial Sales Tax revenues to municipalities and cities. Giving local governments a predictable share of revenue allows them to plan and respond more quickly to infrastructure needs.

It's time the provincial government gave serious consideration to this proposal.

Manitoba's economic success is inextricably linked to trade. A diverse range of made-in-Manitoba goods from food products, to clothing, buses, farm equipment, mining drill bits, furniture, windows and doors – to name just a few – make their way into markets around the globe. The provincial government's policies also need to be conducive to stimulating trade and the economic opportunities that come with it.

In 2007 alone, Manitoba's exports to the United States were \$8.4 billion, representing 71 per cent of all exports from the province. Imports from the US were \$10.5 billion, or 80 per cent of all imports into the province. Manitoba's two-way trade in merchandise goods with the U.S. states along the Mid-Continent Trade Corridor and Mexico is in the range of \$10 billion annually.

It is disturbing that Manitoba's NDP government was slow to embrace competition and free trade. Before becoming premier, Gary Doer was a vocal opponent of the Free Trade Agreement with the United States. While some jurisdictions try to enforce protectionist policies, it is important that the NDP don't revert to their protectionist roots. Embracing trade is in Manitoba's best interest.

On the same token, we cannot afford to ignore opportunities for increased trade, be they increased interprovincial trade or the development of an inland port.

The federal government's commitment to CentrePort Canada is one example of a new opportunity for Manitoba to capitalize on our central location and our broad transportation network.

However, our favourable geographic location and our transportation options alone will not be enough for CentrePort to succeed. This project requires support from all governments and stakeholders.

There are steps that Manitoba's NDP government could be taking to enhance the CentrePort opportunity. Advocating for the establishment of a foreign trade zone would go a long way to making Winnipeg a more attractive place to do business.

A foreign trade zone (FTZ) is an area where duties/tariffs/ taxes are either deferred or eliminated until they leave the zone. Although Canada does have a series of programs that imitate the outcome of a FTZ, according to the Canadian Airports Council, we are the only G8 country that does not yet employ a true FTZ program.

Not only could establishing a FTZ at CentrePort Canada provide a significant competitive advantage for firms looking to invest in Manitoba, help facilitate international trade and provide economic spinoffs for countless Manitoba communities, but it could also increase the competitive advantage of an inland port in Winnipeg. And since two other western Canadian cities are also vying to be Canada's next inland port city, it's important that Manitoba do everything possible to be competitive in this process.

Progressive Conservatives even introduced a Private Members Resolution in the Manitoba Legislature to stimulate debate about the potential merits of a FTZ in relation to CentrePort Canada.

In conclusion, how Manitoba's economy performs years down the road depends on decisions being made today by the provincial government. Visionary thinking is required.

We need a government that is prepared to set ambitious targets, not only in terms of cultivating economic development and creating a more competitive tax environment, but also in working toward social improvements, such as having a healthier, safer, more educated citizenry.

There is no reason why we cannot strive for towards this vision. It is time to turn our potential into our reality.

As Winston Churchill said, "It's no use saying, we are doing our best. You have got to succeed in doing what is necessary."

*Hugh McFadyen is the Leader of the Progressive Conservative Party of Manitoba. ■*

**“The federal government's commitment to CentrePort Canada is one example of a new opportunity for Manitoba to capitalize on our central location and our broad transportation network”**

**Deer Country**  
EQUIPMENT

**Your ASV Skidsteer & Terex Compact Equipment Dealer for MB**

340 Hwy 12N ~ Steinbach, MB ~ 204-326-1305 ~ 800-903-4008

**TEREX** | **asv**



# Selling Winnipeg to the World: It's about time



**DAVE ANGUS**

**WE SPEND A GREAT DEAL OF TIME DISCUSSING** and debating the brand of Winnipeg. What do people from around the world think of Winnipeg as a place to work, live, and visit? Is it the cold, our many lakes, our friendly people, our diversity? Or is it the arts and culture scene that catches their attention? Well let's end the debate. The simple fact is, in large part, we have no brand. We are not known and the value that we offer others as a destination to invest has been overlooked. To find those responsible for this unfortunate reality, as a communi-

ty, we just have to look in the mirror. The proactive approach to "selling" our city internationally has not been a priority.

Fortunately, that is changing. When the Winnipeg Chamber launched the Selling Winnipeg to the World initiative less than a year ago we did it based on what we have seen that has worked in other cities. Engaging the local business community in partnership with the public sector in an effort that clearly identifies your city's value proposition and then in a focused and strategic way taking it out to the global marketplace has proven to be the formula for success.

The first step in our process was to engage our local business

community in a discussion of specific opportunities that we can pursue but also the value that they believe Winnipeg holds as a place in which to operate a business. We assembled a team of over 60 volunteers who ventured out and met with the CEO's of Winnipeg's top over 200 companies. The response was outstanding and the information was invaluable. If ever we doubted the value proposition of Winnipeg, we certainly doubt it no more.

Economic development experts will tell you that in today's increasingly competitive world mid-sized centers, like Winnipeg, have a tremendous advantage. The balance between economic assets and quality of life elements have become critically important to companies that realize that being able to attract and retain a workforce is much easier done in a centre that is attractive to live in. Larger cities that have to deal with crippling congestion, a deteriorating environment, and an escalating cost of living will soon find that the size of their market will eventually lose out to quality of life as a key business advantage.

The local business community validated this theory as they clearly articulated the reasons why they choose to do business in Winnipeg. Don't take our word for it. This is what those that have chosen to invest in this City and continue to do so have told us in order of priority.

The number one advantage by far is our workforce, our people. A company's ability to find highly skilled, qualified, productive employees is a tremendous advantage to any city in addressing the number one issue facing business. The strong work

ethic of our local people stands out amongst other centers along with the diversity of skills found here. Winnipeggers are more loyal, friendly, and committed overall in comparison to the collective human capital found in other cities. In many ways this is difficult for other cities to duplicate. You either have it or you don't. Winnipeg has it and companies want it. It's time to sell it.

Quality of life elements were also cited as a tremendous advantage for Winnipeg. Our affordability, short commute times, sunny skies, and the richness of our arts and culture were some of the many elements cited as unique points of difference for Winnipeg. But more importantly, these were cited as critically important reasons for businesses to do business here.

Our diverse economy, especially in today's challenging economic times, is seen as a tremendous asset. Business thrives on certainty. Winnipeg, through its stability offers a company comfort that they can be successful over the long haul. Our competitive cost structure was also cited as a key advantage that Winnipeg has over other centers and it just adds to the likelihood of long term profitability and success.

Our location and our transportation assets was identified as a key point of difference. The development of CentrePort, Canada's inland port, was seen as a key strategic international advantage as the cost and efficiency of transporting product into and out of North America becomes increasingly important.

Those are just some of the highlights of what we learned through our business call program. At the same time we received an overwhelming number of leads that we are following up on to begin to attract or expand companies that make sense for Winnipeg.

I have never been more excited about our City. This initiative has confirmed for me that we can re-invent our city economically through a more aggressive and targeted approach to business investment. Whether it is through attracting companies, expanding existing companies, or creating new enterprise, Winnipeg's unique value is a brand that people want. Let's just get out there and sell it.

*Dave Angus is President of the Winnipeg Chamber of Commerce. ■*



**NR** Nelson River Construction Inc.

FOR ALL YOUR  
CONSTRUCTION NEEDS

Municipal, Residential,  
Commercial and Industrial Works  
Aggregate and Paving Works

101 Dawson Road North  
Winnipeg, Manitoba R2J 0S6  
Telephone: (204) 949-8700  
Fax: (204) 237-8337

[www.nelsonriver.com](http://www.nelsonriver.com)

# Challenges & Opportunities Facing Manitoba's Highway System

**Manitoba Infrastructure and Transportation (MIT)'s vision is to proactively lead the delivery of excellent and sustainable public infrastructure and services for Manitoba. We are directly responsible for over \$11 billion in infrastructure assets, including approximately \$5.6 billion for 19,000 km of provincial highways, \$2.3 billion for provincial highway bridges and large culverts, and \$9.7 million for the annual construction of 2,200 km of winter roads.**



**DOUG MCNEIL**

In this large and geographically varied province, highway infrastructure is essential for moving goods and people, especially within an increasingly globalized economy. Yet the construction and care of such a vast and crucial asset presents many challenges that must be met efficiently, economically, sustainably, and for the greater good of all Manitobans, as well as all Canadians.

Currently, and for the foreseeable future, there are at least six overarching issues that affect Manitoba's highways. These include: highway safety, sustainable funding for the provincial highway network, enabling trade and economic development, responsive implementation, price volatility, and greenhouse gas reduction. MIT's task is to face the challenges these issues present and convert them into opportunities for our province and our communities.

## Highway Safety

The first issue MIT faces, and will always face, is ensuring highway safety. We are faced with the daunting responsibility of providing a highway system that not only allows people to travel safely, but also enables the safe transport of a wide array of essential products, from building materials to food to medicine. Furthermore, our highway system is a workplace for MIT staff, our contractors, and the drivers of public transportation and commercial vehicles.

Though delivering on this responsibility can be extremely difficult, we are committed to fulfilling it. There are far too many safety initiatives undertaken in MIT on a daily basis to list here, but they include providing online highway condition reports, partnering with Worker's

Compensation Board on the SAFE Roads Campaign, increasing the budget for monitoring and inspecting bridges since 2007, twinning frequently used sections of major highways, and improving the winter road network for safe access to northern and remote communities. Safety is foremost in the execution of MIT's mandate, and every day our staff turns the challenge of providing a safe highway network into an opportunity to protect the lives and livelihoods of Manitobans.

## Sustainable Funding

The second and possibly the most obvious issue MIT must face is to find sustainable funding for the provincial highway network. Manitoba highways, roads and bridges are extremely important to the economic, social and cultural life of our province. Manitobans expect to have access to safe, sustainable highways and they see the need to invest in improvements to and maintenance of these structures. At the same time, they demand that these assets be managed cost-effectively and in balance with other priorities for provincial funding.

Failure to properly maintain highways over time will only increase these costs and reduce Manitobans' access to friends, family, and economic opportunities. Likewise, failure to improve highways to meet our province's future transportation needs will negatively affect our businesses, farmers, and citizens. MIT is facing this challenge by taking advantage of opportunities for new and creative funding partnerships, committing to short and long-term plans, and making the most of the federal funding allotted to us.

The first step is improved planning. In

2007, MIT released the Manitoba Highway Renewal Plan (MHRP) for 2007-2011. The plan resulted from the Vision 2020 public consultations, and outlined the major projects we intended to pursue over that time period. MHRP not only assured Manitobans that MIT has a direction and a purpose for investing in Manitoba's highways, it also laid out a realistic approach that enabled us to enhance our activities scheduling and to use our resources and construction season more efficiently.

Previously, funding for the highway system increased incrementally, from about \$150 million in 1989 to around \$250 million in 2006. However, the MHRP significantly increased that amount to \$400 million annually in order to deal with many years of underfunding and resultant highway issues. Our budget for highway renewal has further increased to \$545 million in 2009, allowing MIT to address highway improvements such as access to remote communities and increased safety features.

A further advantage to a strong, focused highway renewal plan is the ability to form strategic partnerships and funding arrangements. For example, the development of CentrePort Canada relies on an integrated strategic partnership between the Province of Manitoba, the Winnipeg business community, and the City of Winnipeg to create an inland port that leverages our geographical and economic advantages.

Establishing a strong renewal strategy further enables Manitoba to make the most of funding available through federal programs such as the Building Canada Plan by planning our contribution to cost-sharing initiatives (usually 50/50). In turn,

establishing our commitments allows municipal governments to plan for new projects and cost-sharing opportunities in their communities.

## Trade and Economic Development

The third issue Manitoba faces is to enable trade and continuous economic development. In an increasingly globalized economy, Manitoba must be able to stand up to international competition and maintain relationships with our trading partners while forging new partnerships. We must create an environment that allows for the coordination and expansion of economic activities. If we do not have a strategy for our position within the global supply chain, we will be missing an opportunity to be active managers of those economic activities.

Rather than passively accepting the role others have set for us, Manitoba is turning the challenge of globalized competition into an opportunity by making the most of our province's natural advantages. We have established the Manitoba International Gateway Strategy (MIGS) to position ourselves as a sustainable transportation and distribution gateway for commerce and travel.

Under MIGS, Manitoba has undertaken several initiatives. One of these is working to ensure that our highway system, especially the RTAC network that supports the heavy truck traffic essential to our position as an international shipping gateway, is sufficient, efficient, and improving for our future needs.

MIGS also includes the development of CentrePort Canada, the 20,000 acre hub of air, rail, and ground transportation that will support our future as an international gateway. CentrePort Canada will take advantage of our physical linkages to the US and Mexico through PTH 75/US I-29, to eastern Canada, the west coast and beyond through the Asia Pacific Gateway Corridor, and to Europe and Asia through the Port of Churchill. CentrePort will build on existing transportation infrastructure and economic strengths, encourage local secondary manufacturing and redistribution of goods, and create more efficient supply chain management networks.

Our actions under MIGS will reduce transportation congestion and delays by improving capacity and eliminating bottlenecks. This will support our province as it becomes an international travel and shipping hub, thus turning the challenge of a global economy into an opportunity for Manitoba to be an irreplaceable part of that economy.

## Responsive Implementation

The fourth issue Manitoba faces is ensuring the responsive implementation of our vision. What MIT does on our highways must correlate to what Manitobans want and need delivered within a reasonable timeframe.

Clearly this can be a difficult goal to achieve, and many barriers to responsiveness exist. Highways projects often require several consultations, environmental reviews and a rigorous and time-consuming approvals process. Additionally, we are restricted by legislated requirements under such acts as the Manitoba Environment Act, the Canadian Environmental Assessment Act, and the Navigable Waters Protection Act (NWPA). MIT takes a proactive approach to this challenge, working collaboratively with other agencies to reduce lengthy delays to restoration and construction processes.

We have also increased our responsiveness through Manitoba Vision 2020. Manitoba Vision 2020 was an extensive public

consultation process which highlighted the need for investment to renew highway infrastructure, create long-term sustained funding, and protect our economic future. We put the ideas resulting from Manitoba Vision 2020 into practice when we developed the MHRP.

Furthermore, MIT is embracing new requirements for aboriginal consultations under section 35 of the Constitution Act. MIT sees these new requirements as an opportunity to improve our responsiveness to the needs of all Manitobans. To this end, MIT is a partner in the Province of Manitoba's commitment to the duty to consult with Aboriginal groups in a meaningful way when our actions may affect an Aboriginal community.

By actively pursuing changes to processes that inhibit responsiveness, and by committing to collaboration and consultation processes that increase responsiveness, MIT is working to turn the challenge of responsive implementation into an opportunity for growth. We take our duty to be responsive seriously and see it as an opportunity to engage stakeholders, build consensus, and activate change mechanisms.

## Price Volatility

The fifth significant issue MIT faces is price volatility. The cost of equipment, fuel and labour is increasing more so than gas tax revenues and the constant change in the prices of these components of construction creates the potential for a slow erosion of the annual highway improvement program.

This is, however, an opportunity to expand and improve the way we plan and allocate funding for highway projects. MIT employs strategies to optimize our investment in infrastructure, including the use of cost benefit analyses to evaluate proposed projects and the implementation of an asset management system to direct road expenditures efficiently. We also continually monitor our activities for chances to tailor highway programs to user needs and economic opportunities. Finally, price volatility encourages us to find new and innovative forms of funding transportation system costs.

## Reducing Greenhouse Gases

The sixth issue MIT faces is continuing to reduce greenhouse gases (GHG). Manitoba has committed to reducing GHG emissions to 6% below 1990 levels. The transportation sector accounts for 37% of Manitoba's GHG output, creating a significant challenge for MIT as the steward of the ground transportation network.

The reduction of GHG presents an opportunity to promote the health of Manitoba families and to stimulate sustainable economic growth. For its part, MIT is using GHG reduction as an opportunity to increase efficiencies in the overall transportation network and to support initiatives like sustainable trucking.

MIT's vision is to proactively lead the delivery of excellent and sustainable public infrastructure and services for Manitoba, a vision that is challenging in a large and diverse province such as ours. We face the complex issues of highway safety, sustainable funding, trade and economic development, responsive implementation, price volatility, and greenhouse gas reductions. However, the challenges these issues present are also opportunities for MIT to improve the way we maintain and upgrade the highway system that is so important in the lives of Manitobans.

*Doug McNeil is the Deputy Minister of Infrastructure & Transportation.* ■



# Winnipeg's City-Owned Utility: A New Focus on the Environment, Taxpayer Protection, and Enhanced Accountability

## A CITY-OWNED UTILITY FOR WINNIPEG.

On July 22, 2009, Winnipeg City Council made a decision to create a new, arm's-length management model – much like a Crown corporation – to govern utility services. This decision was the culmination of many months of study, analysis of worldwide best practices, and broad consultation with the public and stakeholders. The City would like to thank the Manitoba Heavy Construction Association for its active participation in the consultation process.

The new utility will ensure greater accountability and taxpayer protection, with a tighter process to ensure on-time, on-budget, construction of major civic infrastructure improvements. At the same time, it will enable us to ensure that we have the necessary resources and world-class expertise to complete these major infrastructure improvements.

Looking forward into the future, the new model will enable quick, timely, and effective decision-making. It will bring a new focus to the management of Winnipeg's utility services – a focus that's essential to meeting both current and future challenges.

These improvements will benefit everyone who has a stake in the City's utility services; that is, each and every Winnipegger... and, in terms of environmental protection, many other Manitobans, too.

## The Need for Focus

During our extensive public consultations, our three Managers of Utility Development – Bryan Gray, Moira Geer, and Henry Hunter – spent time with the public and our stakeholders, articulating the City's reasons for developing a new utility management model, sharing working group progress, and seeking feedback.

There are a number of compelling reasons the City undertook this initiative, but the common thread running through all of them is the need for focus, in a highly complex, scientifically and technically advanced, capital-intensive business like utility management.

City Council and the Public Service, in any large city, have a tremendously broad and complex range of services to legislate and manage. In our last service-based budget, we identified 37 distinct categories or kinds of service, and 117 distinct service activities, that the City of Winnipeg provides.

These services are provided in the areas of Infrastructure Renewal and Public Works (which includes such services as roadway construction, parks, and transit – as well as water, wastewater, and solid waste collection); Property and Development (everything from city planning to cemeteries); Protection and Community Services (like police, fire, and paramedic services - and libraries and recreation programs); and Executive and Organizational Support (like the work done by the City Clerk's office, and 311.) If you'd like to see the full list, it's online at [www.winnipeg.ca](http://www.winnipeg.ca), under Corporate Finance 'documents': it's the last page of the 2009 Operating Budget Book.



**GLEN LAUBENSTEIN**

The point is, simply: cities have an incredibly broad range of mandated services to provide. Likewise, our business model can't always be as elegant and simple as that of a good private business ought to be. Though we are similar in some ways to private-sector service providers, there are differences, too. While we care (deeply) about value for money, our services are not profit-making. As well, unlike a private sector business, which serves a part of the public, in most cases cities' customer base is all of the public. We cannot pick or choose our customers.

When cities look carefully at the services they provide, though, sometimes it makes sense to manage some of them differently from those administered in the traditional way. Some services can be administered more like a business – while maintaining or enhancing their high standards, and public accountability.

Just as important, some services require the full-time focus of an arm's-length board and management, to make sure they keep up with the technical, fiscal, and service challenges they face, in a timely way. In today's business environment, it is a full-time job keeping up with current technology, trends, and opportunities.

The analysis of our utility team has convinced the Public Service – and Council has approved – that provision of our water, wastewater, solid waste removal and recycling services,

are exactly the kinds of activities that will most benefit from the focus and dedicated attention the new management model will bring.

## Key Areas of Focus

Bryan Gray, in explaining why a new utility management model is necessary for the City of Winnipeg at this particular point in time, points to three crucial reasons. Each of these will be a key area of focus for the new City-owned utility:

- **Environmental Protection:** We must begin work immediately on \$1 billion in sewage plant upgrades, to meet strict new environmental standards, and tight deadlines imposed by provincial law, in order to help protect our rivers, and Lake Winnipeg. The new City-owned utility will have the flexibility to help us access the expertise and resources we need to make this happen.
- **Taxpayer Protection:** Some recent civic construction projects have gone as much as one-third over budget, with taxpayers left to pick up the difference. Winnipeg City Council has made it clear that future construction projects must be managed with increased accountability and transparency, and that the taxpayer must be better protected. By involving a strategic partner in the management of the sewage plant upgrade engineering and construction process, and by ensuring that responsibility for any cost overruns is shared, the new City-owned utility will achieve this goal.
- **Enhanced Accountability and Transparency:** The new management model will open the way to more accountable partnerships with the private sector in our construction projects. Because it is an arm's-length model, it will also mean that the new City-owned utility will be more clearly accountable for its own rates, expenditures, initiatives, and performance. Like a Crown corporation, the new utility will report as a stand-alone enterprise, which will enhance the transparency of its operations.

## What An Enhanced Focus on Utility Services Means to You

The new management model recognizes that utility services are a unique kind of service. Utility services are very different from police work, or parks maintenance, or running effective recreation programs. It makes sense to manage utilities differently, affording them the enhanced focus a dedicated board can give.

This enhanced focus, and capacity for effective partnerships, stands to benefit everyone. It will help us meet our environmental challenges, protect taxpayers, and improve accountability. As Moira Geer, a longtime member of our Water and Waste Department (and now one of our three Managers of Utility Development) notes, the new model also helps us build on the strengths of our existing staff – allowing staff to focus on the core business, while opening the way to new opportunities in the future.

For the members of the Manitoba Heavy Construction Association, perhaps the key benefit of the new management model will be the City-owned utility's ability to make decisions, and conclude business agreements, more quickly. This will be a major advance in all aspects of the utility's work, but especially in its work with the private sector. Delay is costly, and the new model is designed to reduce delay: so you can get a decision, and get on with doing what you do best.

The months and years ahead will be momentous ones for utility development in the City of Winnipeg. Some of the largest projects in the City's history are right around the corner. We're looking forward to making the new management model a success; as Henry Hunter likes to say, we want to make a good utility. . . into a great one.

We'll be working closely with you, and the heavy construction industry, to make that happen – and build the infrastructure our city, and environment, need.

Further information and updates regarding Winnipeg's City-Owned Utility are available at: <http://www.winnipeg.ca/interhom/utility/>

*Glen Laubenstein is Chief Administrative Officer for the City of Winnipeg.* ■

### Asphalt Paving

- Barry Brown, P.Eng., P.G.S.C.
- Kevin Brown, P.Eng., G.S.C.
- Jack Fitzpatrick, G.S.C.
- Grant Cowan, G.S.C.
- Don Shaw, G.S.C.
- Scott Rutledge, G.S.C.

**Gold Seal Certified**



**C.O.R. Certified since 1994**

**Safety is Job #1 Teamwork is the key**

**777- Erin Street, Winnipeg, Manitoba R3G 2W2**

**Phone: (204) 783-7091; Fax: (204) 786-3106; E-mail: [barry@mapleleafconstruction.mb.ca](mailto:barry@mapleleafconstruction.mb.ca)**



### Concrete Paving

- Tibor Nagy, G.S.C.
- Jayson Samec, P.Eng., G.S.C.

### Rural Operations

- Steve Blayney, G.S.C.
- Jayson Samec, P.Eng., G.S.C.
- Miles McKay

### Sewer & Water Services,

### CCTV Inspection and

### Sewer Cleaning

- Greg Regier, G.S.C.
- Bill Gendron, G.S.C.
- Rick Goosen



# Land Drainage in Manitoba: Its Challenges

BY MANITOBA INFRASTRUCTURE & TRANSPORTATION

**DRAINAGE IS EXTREMELY IMPORTANT WITHIN MANITOBA,** where our most populous communities and significant tracts of agricultural land sit on the largest flood plain in North America. The Province of Manitoba is responsible for a drainage and water control infrastructure network consisting of 642 bridges, 388 large culverts, 4,700 km of drains, 13,000 thru-dike culverts, 92 dams, 61 reservoirs, 12 diversions and 41 pumping stations with a replacement value estimated at \$2 Billion. In addition to the provincial network, municipalities and some Conservation Districts have a vast network of drains and related infrastructure.

Manitoba Infrastructure and Transportation is responsible for the ongoing operation and management of the provincial water control network, including Provincial Waterways. Manitoba Water Stewardship is responsible for the long range planning of the water control network and for the licensing and regulation of all drainage activities within the Province.

## History

Some 20,000 years ago, the last Ice Age covered Manitoba beneath a glacier as much as four kilometres thick. Moving south from what is now Hudson Bay, the massive weight of the ice sheet shaped and carved the landscape beneath it. As the glacier receded a few thousand years later and the final signs of its existence, Lake Agassiz, drained away, the vast flood plain that covers a significant portion of Manitoba was revealed. The modern legacy of this ancient event is a substantial amount of topography with Manitoba that requires effective drainage and water control strategies to sustain the process of living and working on the prairies.

## Legislative Background

Manitoba's earliest approach to drainage on the prairies began in the latter part of the 19th century with 1880's the Drainage Act, which allowed the province to drain and develop land to gain title from the federal government as a prelude to promoting immigration and agricultural development. This was followed in 1894 with the Northwest Irrigation Act, the first federal water rights legislation.

The Water Rights Act in 1930 was created when the responsibility for resources was transferred to the provinces. Although there were various changes to how drainage was managed over the 20th century, in 2000 the current iteration of the Water Rights Act was implemented. The Act governs the use, diversion and control of water resources and its purpose is to control potential negative impacts on water and other resources; public and private property; riparian interests; drainage works, natural waterways or bodies of water; and the agricultural land base.

## Challenges

On the face of it, drainage is a simple business....water flows downhill. However, it is not quite that simple in reality and all jurisdictions involved in drainage in Manitoba face many of the same issues. Some of the challenges facing the Province include:

### 1. Renewal of the Provincial Drainage Network

Much of the drainage network in Manitoba was developed in the first half of the 20th Century. Since that time, land use and agricultural practices may have changed and capacity of some channels may have been reduced due to siltation, erosion and vegetation build-up. Perhaps one of the biggest challenges of all is renewing a drainage network that was developed a number of years ago, to meet the needs of today's rural Manitoba.

The Province receives a multitude of requests annually to upgrade the provincial drainage network. During the wet cycle experienced over the last number of years, the requests to upgrade the drainage network have increased substantially. Each of these requests needs to be reviewed on an individual basis and requires extensive stakeholder interaction to define the nature of the issue. The Province is continuously assessing the drainage network to identify prioritized rehabilitation projects for inclusion in our capital program plans.

Assessing a drain requires a review of issues such as the loss of hydraulic capacity, the overgrowth of vegetation, channel capacity, the stability of road structure crossings and embankment conditions. Other factors, such as local crop needs or the increasing use of heavier agricultural equipment on drain crossing structures, also need to be part of the assessment and planning process. This can be a time consuming, and therefore costly, process over the length of the 4,700 kilometres of waterways running across Manitoba.

As with most public programs, the need to secure continued and adequate funding for drainage infrastructure maintenance and rehabilitation is always a challenge. The Province has recognized the need for infrastructure renewal and has dedicated substantial resources towards this activity in recent years. The Province is dedicating more resources than ever before to the management, operation and renewal of Manitoba's water control and drainage infrastructure in recognition of its importance to economic growth, environmental protection and an enhanced quality of life, particularly in rural Manitoba. In recognition of the importance of renewing the water control network, the Province has recently committed to \$21.2 million worth of improvements across Manitoba during the next two years and

an additional \$3 million has been committed annually to upgrade and/or replace components of the water control crossing network. In addition, the Province has increased resources towards maintaining our Provincial Waterway network to more drain maintenance activity such as vegetation control and cleanouts.

## 2. Regulatory Issues Related with Renewal

The renewal of the drainage network is complicated by the significant regulatory and environmental aspects related to each project. Work on drainage systems is currently affected by the Water Protection Act (Manitoba), the Fisheries Act (Canada) and the Navigable Waters Protection Act (Canada). These acts make it difficult to change or rehabilitate any section of the drainage system quickly, as there are many steps to gaining the approvals required to move forward with drainage work.

Essentially, every proposed drainage project, including drain cleanouts, undergoes a strict environmental review. Effect on fish habitat is a major consideration and the Province works extensively with the Federal Department of Fisheries and Oceans to ensure that any effects are mitigated. In addition, drainage projects may affect navigability. Transport Canada is responsible for administering the Navigable Waters Protection Act and if a drain is deemed navigable, there are strict processes and design criteria that need to be followed for any bridges and/or crossings. The time and money required to get approvals and accommodate environmental and other regulatory concerns can be considerable. However, they are well worth it and part of our responsibility to “do the right thing.”

## 3. Balancing Stakeholder Expectations

It can be difficult to balance economic-based agricultural drainage needs, flood protection expectations and the need for responsible environmental stewardship and water quality management. Drains carrying nutrient rich agricultural runoff can impact the health of our lakes and rivers and may interact with other drainage systems in ways that are complex and difficult to predict. Upstream and downstream impacts of any work on the drains must be taken into consideration in the interests of environmental regulation and to protect overall stakeholder interests as much as possible.

Similarly, drainage standards must be considered in light of responsible financial stewardship and provincial drainage standards may not meet stakeholder expectations. The channels and ditches of the provincial waterway system are designed to remove excess summer rainfall and not to drain extreme summer rainfall or spring runoff events. The setting of drainage standards must be done with due consideration of costs and with the related knowledge that expectations must be managed to some degree. While some individuals might expect that a drainage system will carry water away immediately following a rain event, the cost of building such a system is prohibitive. Furthermore, such a system likely wouldn't be suitable for every eventuality within Manitoba. What might be desirable in a very wet year could be inappropriate for a very dry year and given the variation in soil types, topography, crop responses, land uses and weather cycles across Manitoba and over any length of time, the complex engineering required to design an effective drainage system becomes more complex and potentially more costly.

## 4. Coordinating Renewal Plans

Coordinating the renewal plans for the provincial drainage network requires extensive planning and stakeholder consultations to ensure success. Manitoba is a geographically vast province and drains are typically several miles in length and impact multiple stakeholders including multiple jurisdictions.

One of the ways in which stakeholder interests can be represented in Manitoba is through Conservation Districts (CDs), which have assumed key roles in various aspects of land and water management in some parts of the Province. CDs are involved in coordinating the interaction between landowners, municipalities, and the Province as part of that management. They enable a greater degree of local management of water resources, including agricultural drainage activities in some CDs and in the development of strategic surface water management plans.

This is by no means an exhaustive list of our challenges and our activities to meet those challenges in the many areas of water management, but it demonstrates a distinct commitment to improving water management infrastructure. The Province of Manitoba is responsible for the maintenance and regulation of \$2 billion in drainage and related water control infrastructure, and we are approaching this task with renewed focus and vigour. Though drainage must be managed within complex environmental, economic, and legislative contexts, Manitoba is dedicated to ensuring that we undertake these duties in a way that is responsive and responsible. ■

If you are an  
open shop  
contractor,  
we're the  
association  
for you.

Isn't it time  
you joined us?

The Merit Contractors Association of Manitoba both promotes and represents the unique interests of Manitoba's open shop contractors.

Our members enjoy many cost effective, high quality, benefits and services including:

- Employee benefit plans
- Training and education
- Career promotion
- Advocacy

For more information, call

(204) 888-6202

meritmb.com



**MERIT**  
CONTRACTORS  
ASSOCIATION  
OF MANITOBA



# Western Canadian Exports in the Post-Recession World



**ROGER GIBBINS**

**AS CANADA'S WORST RECESSION SINCE THE 1930S** draws slowly to a close, we can begin to assess its enduring impact. Although the shape of the "new normal" is still far from clear, the dust is settling enough to allow us to sketch in roughly the recession's potential impact on trade patterns in western Canada.

In doing so, of course, it is difficult to sort out temporary from long-term effects, and even more difficult to distinguish the good from the bad. For example, the loss of confidence by both consumers and governments in the financial

sector's capacity to police itself has led to unprecedented willingness by many countries to coordinate economic and monetary policy at a global level, a change that is likely to endure. Governments also put their interventionist caps back on, spending at a scale not seen since the 1970s, and with this came the return of protectionism, especially in the US. Whether either will endure is not clear.

Other aspects of the global recession are more temporary and less likely to become features of the "new normal." Deficits and debts have become thorns in governments' sides, but the right policy mix should bring both back to appropriate levels over the next decade. On the monetary policy side, interest rates will start rising again once authorities are confident that expansion is well established and inflation has returned, as it will. The housing market is already returning to its normal (and volatile) ways; demographic pressures just cannot be contained. Economic growth will be back once the US economic engine revs up again.

There are also difficult economic challenges that have not disappeared while our attention was distracted by the recession. The population of OECD countries is still aging compared to the rest of the planet, generating health care and labour force concerns. The world population keeps growing, especially in less developed countries, creating global demand while putting immigration pressure on developed ones. Information technologies keep getting cheaper and faster while hydrocarbons get harder and more expensive to find. And environmental concerns and public pressures in this regard continue to rise.

Against this background of continuity and change, let's turn our attention to trade patterns in western Canada, and especially to merchandise exports to the US. In so doing, we will skip the recent year and a half, and treat its ups and downs as anomalies. We will instead look at the established trade patterns of the recent pre-recession past (2003 to 2007) and, given the potential outlines of the "new normal," anticipate what could happen next.

The broad strokes of Canadian export trade are clear. Although exports to countries other than the US have been growing at nearly one-and-a-half times the pace of those to the US, over 80% of Canadian exports still flow to the US (see chart 1.) Resource exports have become more prevalent, particularly with respect to non-US markets. At the same time, exports of manufactured goods to the US have slowly declined in the face of competition from developing countries (see chart 2).

The most immediate threat to this existing pattern comes from the possibility of reduced demand for Canadian exports, and particularly from reduced American demand. This threat comes from at least three directions.

The first is a sustained increase in the exchange rate for the Canadian dollar (or a drop in the value of the US dollar). Now admittedly, exchange rate fluctuations are unpredictable; the Canadian dollar reached parity with the US dollar in 2007, dropped to 80 cents during the front end of the recession, and climbed back above 90 cents this past summer. Nonetheless, the point to stress is that a high Canadian dollar means our exporters face a lose-lose scenario: they lose market share if they maintain their price in Canadian dollars, or lose profit margins if they maintain their price in US dollars, as resource exporters do.

The second threat is a slow US recovery, meaning Canada would not be able to hitch its growth wagon to the US economy. The risk here is considerable because US consumers have been thoroughly shaken by the recession and will probably not drive the next expansion the way they did the last one. Furthermore, as new American energy policies emerge, the next expansion is unlikely to increase US demand for western Canada's oil and gas. Expansion will probably be centered on investment in machinery and equipment, not the West's strong suit. And as long as there is a glut of empty houses in the US market, our lumber exports will suffer.

The third threat is a rise in US protectionism. Alarm bells rang in Canada and elsewhere when the first US stimulus package

included a “Buy American” provision, thus insinuating protectionism into the recovery plan, and there are no signs of it being excluded from a potential second stimulus package. There are no major voices in the US arguing against protectionism; even Nobel prize winner Paul Krugman has said that protectionism is acceptable in difficult circumstances. Traditionally the Democrats, now in power, tend to be more protectionist than the Republicans who, for their part, have raised no opposition to the current protectionist impulse in the US. Protectionism could hurt Canadian exports across the board, from manufacturing to agriculture, from auto parts to beef.

**“THE KEY IS TO HAVE PROVINCIAL GOVERNMENTS WORKING TOGETHER TO CREATE THE CONDITIONS FOR EXPORT GROWTH, INCLUDING THE ESSENTIAL TRANSPORTATION INFRASTRUCTURE, AND TO ENSURE THAT THESE CONDITIONS ADDRESS BOTH US AND NON-US MARKETS”**

It is unlikely that the impact of these threats, individually or combined, will be uniform across the four western provinces. Manitoba, which has the most diversified economy, does not have as diversified an export market, and its strategic position at the very centre of the continent brings with it vulnerability to the US economy. Saskatchewan remains dependent on volatile resource markets -- note what has happened to potash prices recently -- but has the advantage of a diversified resource base. BC will need to increase its access to Asian markets but is already well-positioned in that regard. Also, its early start in green-oriented technologies could open up US market share, depending on the details of the upcoming US energy policy.

Alberta may face the most challenging short-term challenge given the recessionary reduction in energy demand, a continental natural gas glut, and the potentially adverse impact of emergent US energy and climate change policies on markets for Alberta oil and bitumen. Although Alberta led the recent boom, it may not lead the recovery to come.

On balance, how do things look going forward? Certainly the situation is by no means all doom and gloom, particularly if we are smart and agile in our policy responses to trade challenges. The oil and gas sector, for example, could develop the infrastructure it needs to reach Asian markets for LNG and bitumen, although the challenges here are quite staggering as those needs include refineries, pipelines (and thus First Nation agreements), and port facilities on the environmentally sensitive west coast. The utilities sector will have to tailor down its expansion plans so that they match potential growth in Canada only. As to the West’s exporters of minerals, they will not do too badly as they already export more (in proportion) to the non-US market than other sectors.

Although manufacturing could be hit particularly hard by protectionism, this need not be the case in niche markets. For example, an Ontario plant recently became the sole producer of Toyota Corollas in North America, proving that manufacturing in Canada is viable as long as the product is right. There may be similar market opportunities in the forestry sector for new, value-added products.

There is also scope for developing a coordinated trade strategy for the West as a whole. When combined, the four provinces are remarkably complementary and represent a diverse “supermarket” of natural resource and manufactured exports. The key is to have provincial governments working together to create the conditions for export growth, including the essential transportation infrastructure, and to ensure that these conditions address both US and non-US markets.

However, even with our best efforts in these respects, increasing export markets will face heavy sledding. Although growth seems to have returned to China and India (and therefore to our exports to these countries), their economies are still at an early building stage. Bottlenecks such as the lack of skilled workers, hyperinflation, or even social unrest could put this growth in jeopardy, thus putting our exports at risk. Another, more global threat comes from more and more bilateral trade deals being signed, especially in Asia, that exclude Canada. These have the potential to slowly erode Canadian market shares.

In closing, we should return to the broad patterns in western Canadian export trade, and how they might be different in the “new normal.” Non-US exports should continue to grow given strong global demand, but they will not come close to displacing the US as our prime export market. American protectionism will squeeze manufacturing exports more than resource exports, thus further increasing the importance of natural resources in the Canadian and western Canadian export mix. The return of global economic growth will strengthen the demand for Canadian resources while increasing global competition for Canadian manufacturing exports, all of which may shift the centre of the national economy further west.

Finally, we should note the recent appointment of former Manitoba premier Gary Doer as Canada’s new Ambassador to the United States. Given that protecting trade relations with the United States will be so critical in the years ahead, this infusion of intimate knowledge of the western Canadian economy could not have come at a better time.

*Roger Gibbins is President and CEO of the Canada West Foundation, a public policy research group based in Calgary, with offices in Saskatoon, Winnipeg and Vancouver.* ■

Cement - Aggregates - Pipe	
	<p><b>Lehigh Cement</b> Suppliers of Quality Cement and Fly Ash</p> <p>■ Order Desk Phone: (800) 252-9304 Fax: 780-420-2648</p>
	<p><b>Inland Aggregates</b> Suppliers of Aggregates to the Construction Market</p> <p>■ Order Desk Phone: (204) 224-4255 Fax: (204) 224-3431</p>
	<p><b>Inland Pipe</b> Suppliers of Concrete Pipe Products</p> <p>■ Order Desk Phone: (204) 339-9217 Fax: (204) 334-7957</p>
<p><b>Business Office</b> 2494 Ferrier Street Winnipeg, Manitoba Phone: (204) 334-4300 Fax: (204) 334-5900</p>	
<p><b>LEHIGH</b> <b>INLAND</b> <small>HEIDELBERGCEMENT Group</small> <small>HEIDELBERGCEMENT Group</small></p> <p>Working Together to Build Our Communities® <a href="http://www.inlandcanada.com">www.inlandcanada.com</a></p>	

# The View from Ottawa: Recent Accomplishments & Current Priorities

BY BRAD GREENE, CCA CHAIR

**THE CANADIAN CONSTRUCTION ASSOCIATION (CCA) CONTINUES TO WORK** on behalf of its Partner Associations like the Manitoba Heavy Construction Association (MHCA), the individual CCA member firms that are members of CCA through its Partner Associations, and the non-residential construction industry in general. The following is a list of some of CCA's recent accomplishments as well as its current priorities.

## INFRASTRUCTURE RENEWAL

- Recognition of Infrastructure Investment as the Chief Stimulus – CCA lobbied the Federal Government intensely in the months leading up to the January 2009 Budget to ensure that infrastructure investment would be recognized as the best means by which to stimulate the slowing economy. The introduction in Budget 2009 of \$12 billion in infrastructure stimulus, including \$11 billion in new funds, was a positive result.
- Monitoring Federal Infrastructure Commitments - CCA continues to monitor the implementation of the various federal infrastructure programs. In July 2009, CCA developed and posted on its website a Federal Infrastructure Watch. It also at Infrastructure Canada's request, issued a joint release with the Minister of Infrastructure on the status of federal infrastructure programs under the responsibility of Infrastructure Canada.
- The Need for a Long-Term Solution – CCA has started discussions with the Federal Government about more long-term sustainable funding for infrastructure following the lapse of the current programs. This was the central message of

CCA's August 2009 Pre-Budget Submission to the House of Commons Standing Committee on Finance.

## FEDERAL REGULATION

- Hours of Service - CCA continues to seek a more equitable and practical application of the federal Hours of Service regulations to construction activities including a special cycle, clearer definitions of "inter-provincial" status and "commercial drivers", and an increase to the minimum vehicle weight threshold among other proposed changes.
- Environmental Assessment and Review Process – CCA continues its lobby for a much more stream-lined and efficient environmental assessment and review process for construction projects.
- Tax Measures (Accelerated depreciation for construction machinery and equipment) – CCA is seeking an accelerated depreciation rate for construction machinery and equipment as a means to stimulate vehicle sales and production and to reduce GHG emissions from diesel-powered engines.
- Tax Measures (Reduced taxable benefit for personal use of employer-provided vehicles in certain circumstances) – CCA was successful this past year in gaining a reduced taxable benefit calculation for employees who are required by their employment to take home employer-provided vehicles at night. CCA continues to press for a further reduction.

## INTERNATIONAL TRADE

- Foreign Trade Zones – CCA has joined with the Canadian Manufacturers and Exporters (CME) and other national busi-

ness organizations in seeking reforms to current federal legislation to allow for the establishment of Foreign Trade Zones (FTZs).

- Buy American – CCA has lent its support to a coalition led by CME that is working with the Canadian Government to seek relief for Canadian suppliers from the Buy American provisions being applied by State Governments to federally funded infrastructure projects under the current U.S. recovery/stimulus program.

#### **GOVERNMENT PROCUREMENT & CONTRACTING PRACTICES**

- Development of Introductory P3 Guide for Members – A CCA Task Force is developing a guide for CCA members on Public-Private Partnerships (P3s) that describes the different contractual arrangements, risks, responsibilities, and practices associated with P3s.
- The Federal Government and P3s – CCA liaises with the new P3 Canada Inc. on a regular basis as well as with the major federal contracting authorities, PWGSC and DCC, regarding the promotion and use of the P3 project delivery method by the federal government.

#### **LABOUR SUPPLY & TRAINING**

- Seeking Enhancement of College Training Infrastructure - CCA continues, through its partnership with the Association of Canadian Community Colleges (ACCC) and its involvement in the Employers' Coalition for Advanced Skills, to seek enhanced government funding and support for college training infrastructure. These efforts were rewarded when the January 2009 Federal Budget announced the creation of a two-year \$2 billion special infrastructure fund that make federal funds available for college and university infrastructure improvements.
- Immigration Reform - CCA has been pressing federal government for reforms to Canada's immigration system to facilitate the entry of foreign construction workers both on a temporary and permanent basis. While some success has been achieved, there is still more work that needs to be done, especially regarding the "points system" associated with the federal Skilled Worker Program.

#### **THE CAA GOLD SEAL CERTIFICATION PROGRAM**

The CCA Gold Seal Certification program continues to grow in prominence. 2009 is proving to be another record year. By mid-year 2008 Gold Seal had received 391 applications. For the same period in 2009, some 582 applications have been received. April 2009 saw a record number of examination participants with 205 candidates challenging the exam.

#### **STANDARD DOCUMENTS**

One of the more important roles of CCA is the development of standard industry forms and guides. Here are some of the new standard forms and guides released during the past year:

- New version of CCA 1 Standard Stipulated Price Subcontract to complement the new version of CCDC2 published in 2008;
- New CCA 19 Standard Stipulated Price Sub-subcontract Form for execution between a Subcontractor and its subcontractors;
- CCA 28 Guide to Cash Flow in the Construction Industry has been updated;
- CCDC4 Unit Price Contract updated;
- New Guide to Calling Bids and Awarding Subcontracts ( i.e. CCA 51);
- New Construction Accounting Best Practices: Revenue Recognition Guide focusing on issues related to the recognition of revenue and the "percentage of completion" vs. "completed contract" methods;
- New Canadian Design-Build Institute (CDBI) Series 400 A Guide to Project Delivery.

#### **THE FUTURE**

CCA plans to convene a Construction Industry Summit for the non-residential construction industry in 2010. The purpose is to identify the major trends and developments that will impact the non-residential construction industry going forward in the short and long term and to determine how the industry will be impacted upon and altered by those trends/developments and what industry associations need to do at all levels to remain relevant and meaningful to their members in terms of the benefits, products and services they offer. CCA Partner Associations will be invited to participate.

*Brad Greene is 2009 Chair of the CCA Board of Directors. ■*

**TAILLIEU**  
CONSTRUCTION LTD.  
HEADINGLEY MANITOBA

**EQUIPMENT RENTALS**

**895-1221**

**7400 Roblin Blvd. • Headingley, MB • R4H 1A5**

# Making Sense Of The Federal Government's Infrastructure Programs



**MICHAEL ATKINSON**

much attention in fact that this single program is now often equated with the entire infrastructure stimulus measures announced in the last Budget, and at times, with the entire federal infrastructure effort.

What follows is a bit of a refresher or primer on the current federal infrastructure programs:

## The Original \$33 Billion Building Canada Plan

Prior to the January 27th, 2009 Federal Budget, when one mentioned “federal infrastructure programs” it was a safe bet that he or she was talking about the \$33 billion Building Canada Plan. That Plan consists of the following individual federal infrastructure programs:

- The Municipal Gas Tax Fund – An \$11.8 billion program over 7 years that transfers a portion of federal gas tax revenues

**CURRENTLY, THERE ARE AT LEAST A DOZEN OR SO DIFFERENT** federal infrastructure programs totaling more than \$44 billion in federal infrastructure funding over the next four years. Despite these various programs, including a federal annual and permanent transfer of \$2 billion a year to municipalities for the development and maintenance of municipal infrastructure, the focus of much of the media attention, criticism and political rhetoric has been centred on the \$4 billion, 2-year Infrastructure Stimulus Fund which was announced in the January 2009

Budget. That specific program, however, represents only one-third of the \$12 billion in infrastructure measures contained in the January budget and less than 10 percent of the total amount that the Federal Government expects to spend on infrastructure in the next four years.

## FEDERAL INFRASTRUCTURE PROGRAMS

As is explained in more detail below, it is likely that it is the rather restrictive parameters of the Infrastructure Stimulus Fund that have caused all the attention. So

directly to municipalities. In 2008, the federal government increased funding to an annual contribution level of \$2 billion and made it permanent beyond the life of the Building Canada Plan.

- The Building Canada Fund (2007-2014) – An \$8.8 billion program over 7 years with two components:

**The Major Infrastructure Component (MIC)** – The MIC targets larger, strategic projects of national and regional significance. Under the MIC, two-thirds of the funding, on a national basis, is directed towards projects involving the National Highway System, drinking water, wastewater, public transit, and green energy (i.e. National Priorities). Projects under the MIC are selected on the basis of merit through a federal-provincial/territorial negotiation process and all projects are required to meet criteria targeting environmental, economic and quality of life objectives—regardless of the category.

**The Communities Component** – The Communities Component is focused on projects in communities with populations of less than 100,000. Projects are selected through an application-based process and, like projects under the MIC, are evaluated on the extent to which they meet environmental, economic and quality of life objectives. \$500 million was added to this component by the January 2009 Budget.

- The Gateway & Border Crossings Fund – A \$2.1 billion fund directed at improvements to border facilities, inland trade corridors and trade gateways.
- The Asia-Pacific Gateway Fund – A \$1 billion fund dedicated to promoting transportation infrastructure development in support of Asia-Pacific trade.
- Provincial Base Funding - \$25 million to each Province over and above other allocations for 7 years (starting in 2007-08). Accelerated by the January 2009 Budget to 4 years (i.e. ending 2010-11).
- PPP Canada Fund – Some \$1.25 billion available for 25% funding of provincial P3 projects over and above provincial allocations.

## The January 2009 Budget Measures

The January 27, 2009 Federal Budget introduced some \$12 billion in stimulus infrastructure programs, of which, \$11 billion was allocated to new programs. These new programs are:

- Infrastructure Stimulus Fund – A two-year, \$4 billion fund for construction-ready projects that will be substantially completed by March 31, 2011 under which the federal government will contribute 50% of the cost of eligible provincial infrastructure projects and one-third of the cost of municipal projects.
- Knowledge Infrastructure Fund – A two-year \$2 billion fund for university (70%) and college (30%) infrastructure matched on a 50-50 basis with provincial governments.
- Green Infrastructure Fund - \$1 billion over 5 years for green projects.
- Recreation Facilities Upgrade Fund - \$500 million for recreational facilities.
- First Nations Infrastructure Fund - \$515 million over two years for “ready-to-go” First Nations schools, water and critical community services.

- Accelerated Infrastructure Program – Some \$1.525 billion in direct Federal Government spending over a 2-year period on its own infrastructure. This includes some \$407 million for Via Rail, \$269 million for federal bridges, \$217 million for small harbours in Nunavut, \$130 million to twin the Trans-Canada through Banff National Park and some \$400 million to be spent by PWGSC on existing federal buildings.

The remaining \$1 billion of the total \$12 billion infrastructure stimulus in the January 2009 Budget comes from the acceleration of the provincial Base Funding under the original Building Canada Plan mentioned previously.

## Infrastructure Stimulus Fund

As previously mentioned, of all of the current \$44 billion or so in Federal infrastructure programs the Infrastructure Stimulus Fund is getting the most attention due to the rather stringent eligibility requirements. Under this particular program, the federal government will fund 50% of the eligible project costs where the project concerns a provincial/territorial asset and 33.3% where a municipal asset is involved.

The Program's Guidelines were released in April. To be eligible, the proposed projects:

- must be substantially completed by March 31, 2011;
- must be incremental, (i.e. would not otherwise have been constructed by March 31, 2011, were it not for funding from the Infrastructure Stimulus Fund); and
- must be construction-ready.

Of particular concern to industry and municipalities alike, was the federal requirement that projects be substantially completed by the March 31, 2011 deadline or face a possible claw back of federal funds. In response to these concerns, the federal government amended its policy in June and announced that it would not claw back federal funding from proponents that fail to complete funded projects by the March 2011 deadline. Under the new policy, project proponents that fail to complete projects by the federal deadline will be responsible for all completion costs incurred beyond March 31, 2011.

## ROLLING OUT THE FEDERAL INFRASTRUCTURE PROGRAM

Since the tabling of the federal budget in January, there has been a good deal of public confusion and misunderstanding regarding federal infrastructure programs. Much of the blame rests squarely on the shoulders of the federal government, which has had difficulty communicating to Canadians the benefits of its actions and the funding available through its various programs for infrastructure development. Sloppy media reporting based on a limited understanding of the programs and processes involved in accessing these funds has only added to the confusion.

In June, however, the government tabled its second status report to Parliament on the implementation of Canada's Economic Action Plan, which provided a more clear and detailed view of the government's progress in the area of infrastructure development and modernization.

According to the report, the federal government has committed approximately \$2.8 billion of the \$4 billion available under the Infrastructure Stimulus Fund, of which, 60 percent of the funds have been committed to municipal and community projects. In total, 1700 projects have been approved for funding.

The June update also announced that under the Building Canada Fund, the federal government had committed more than \$2 billion for 62 major infrastructure projects since January. In all, more than 65 percent of the nearly \$7 billion available under the Major infrastructure Component of the Building Canada fund has been committed. In addition, the federal government also approved more than \$1 billion in funding for more than 1,000 projects under the Communities Component, bringing the total committed to date from the \$8.8 billion Building Canada Fund to approximately \$5.5 billion.

The update also announced that federal transfers under the Provincial-Territorial Base Fund have been accelerated and that the government has established and commenced funding projects under the new \$1 billion Green Infrastructure Fund.

For more information on federal infrastructure programs, please visit: <http://www.buildingcanada-chantierscanada.gc.ca/index-eng.html>. For specific regional information, please visit Infrastructure in My Region: <http://www.buildingcanada-chantierscanada.gc.ca/regions/regions-eng.html>.

*Michael Atkinson is Permanent Secretary to the CCA Construction Exports and Finance Committees. He also serves as Recording Secretary for the CCA Executive, Governance and Nominating Committees. ■*

# BORLAND CONSTRUCTION INC.

*BUILDING MANITOBA SINCE 1919*

## Highway & Municipal Paving

Leonard Wiens, G.S.C.

## Asphalt & Concrete Street Resurfacing

Todd Gulka / Mark Robles

## Commercial Parking Lots

Rick Cheney

## Underground Utilities

Frank Vickers

## Asphalt, Limestone, Gravel & Sand Supplies

David Shume, P. Eng.

## Equipment Rental

Marcel Savard

## President

J. Henry Borger

751 Lagimodiere Boulevard  
Winnipeg, Manitoba, R2J 0T8  
EMAIL: [bci@borlandconstruction.com](mailto:bci@borlandconstruction.com)

Ph: (204) 255-6444  
Fax: (204) 255-5209

# GOLD SEAL

## YEAR IN REVIEW



**THE GOLD SEAL CERTIFICATION PROGRAM** has experienced phenomenal growth in the last couple of years and this year is proving to be no exception. In 2008 Gold Seal had a near-record breaking year and 2009 is gearing up to surpass and break that record.

At the end of 2008, The National Gold Seal Committee announced that due to the increase in the scope and complexity of construction management, changes to the minimum experience requirement for examination applicants were to take effect January 1, 2009. The change from 3 years experience to 5 years experience saw a surge in applications, close to 300 applications were received by January 2009. This trend continued onto the following months and by mid year Gold Seal had received over 500 applications for certification.

Another success of the Gold Seal Program is its accreditation component. Construction management education is a key part of the Gold Seal Certification program and recognizing this fact, the Gold Seal Committee developed a definitive process to assist in accrediting institutions and their courses as meeting the Gold Seal National Curriculum Standard. Gold Seal has now accredited over 500 courses nationally, 72 courses/seminars/workshops in 2009 alone with new courses being received on a weekly basis.

Not only is the Gold Seal Certification Program getting buy in from the education providers but a recent trend is firms incorporating Gold Seal Certification into their Human Resource Strategy. At its recent annual Conference in Scottsdale CCA hosted a panel session titled Gold Seal Certification as a Corporate HR Strategy. It was noted that Gold Seal Certification is a great tool to ensure that continuing education and professional development remain a prime focus for employees.

Many firms assist their employees in the application process from begin to end. Whether the individual is a seasoned employee seeking certification through the Senior Practitioner stream or a novice applying through the Intern stream many of their human resources specialists will assist them in compiling the necessary information and application submission. As well as following-up on their progress.

Certified Gold Seal Managers know that their certification is tied to recruiting and retention, compensation and advancement. These managers have shown a sense of accomplishment in

achieving Gold Seal Certification; others are encouraged by the success of their peers.

Tying into the use of Gold Seal as a Corporate HR Strategy, Gold Seal's newest designation, Professional Gold Seal Certified is gaining momentum. Gold Seal Certificate holders are proving the importance of continuing professional development and upgrading the image of the construction industry.

Supporters of the Gold Seal Certification Program are referred to as Gold Seal Champions. Once only available to certificate holders,

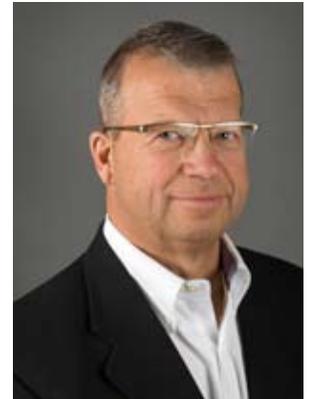
the Gold Seal Champion program is now open to anyone who promotes and supports the Gold Seal Certification Program. All Champions are highlighted on the Gold Seal website and thanked for their continuous support of the certification program.

The credibility of the Gold Seal Certification program remains a top priority for the National Gold Seal Committee. In order to maintain this credibility the Gold Seal profiles and exams are updated on a 5 year cycle. Currently, workshops are underway to update all the Roadbuilding & Heavy Construction and General Contracting profiles and examinations.

Gold Seal Certification is by the industry, for the industry and therefore we call upon our certificate holders for their expertise when updating all exams and profiles.

The National Gold Seal Committee has diligently worked on developing visual guidelines and a code of ethics, and continues to work on new initiatives such as; exploring reciprocity agreements with international bodies, developing a marketing campaign to all sectors of construction and exploring the possibility of developing further designations.

For more information on the Gold Seal Certification Program visit [www.goldsealcertification.com](http://www.goldsealcertification.com).



**JOHN SCHUBERT**



*John Schubert, B.A., M.B.A., P.GSC is Chair of the Canadian Construction Association National Gold Seal Committee. ■*



Corporate Headquarters  
4300 Main Ave. • Fargo, ND  
(800) 437-2924

General Aggregate Equipment Sales provides quality equipment and superior service for your operation that is practical, efficient, and profitable to meet your business needs.



For more information on equipment available, visit [www.genequip.com](http://www.genequip.com)



**BEWARE**  
**YOUR LIFE IS ON THE LINE!**

Manitoba Hydro  
[www.hydro.mb.ca](http://www.hydro.mb.ca)



# Infrastructure Investment and Manufacturing Productivity

**CANADA HAS LITERALLY BEEN BUILT ON INFRASTRUCTURE.** There are many examples: the Canadian Pacific Railway, the Trans-Canada Pipeline, the Trans-Canada Highway, the Saint Lawrence Seaway, Expo 67, the Montreal and Calgary Olympic facilities, and more recently the Confederation Bridge linking Prince Edward Island to the rest of Canada.

What is the current need for new infrastructure investment and maintenance? With respect to needed repairs, a 2007 report from the Federation of Canadian Municipalities entitled *“Danger Ahead: The Coming Collapse of Canada’s Municipal Infrastructure”* estimates that 79% of the service life of Canadian roads, sewage systems, and other key infrastructure components had passed by the date of the report. *“Age of Public Infrastructure: A Provincial Perspective”*, a 2008 study by Statistics Canada estimates that bridges have passed 57% of their useful life, that roads have passed 53% of their useful life, and that water treatment plants have passed 63% of their expected life. The problem with aging infrastructure was highlighted by an overpass collapse in Laval, Quebec and by contaminated drinking water in Walkerton, Ontario.



**JAMES BROX**

Increasingly, in Canada, the jurisdictional responsibility for funding much of public infrastructure has been shifted to the local or municipal level. From 1955 to 2007 the federal share of public infrastructure has declined from 26.9% in 1955 to only 5.3% in 2007, while that of the municipal or local level of government has increased from 26.7% to 54.9%. The provincial share has been more or less constant. A strong argument can be made that it is efficient to have public infrastructure facilities under the jurisdiction of local authorities. However, since local revenue sources have not kept pace with the expenditure requirements, the result has been a tendency to allow existing public infrastructure to deteriorate.

Public infrastructure expenditure has fallen since 1970 to just over one half of its average 1960-1970 value, measured as a per cent of GDP. This may be a primary reason for the productivity slowdown since the relatively stronger economic growth of the sixties and seventies. The hypothesis that public infrastructure is key to productivity growth was first contemplated by Ratner (*Economics Letters*, 1983), and developed empirically, then delivered widely to both academic and political communities by Aschauer (*Journal of Monetary Economics*, 1989).

This premise has a great deal of intuitive appeal. Public infrastructure capital stock includes: highways; other transportation facilities including docks and ports; water treatment and distribution systems; public safety systems such as police and fire protection; collection, and disposal of garbage; sewage treatment, public utilities, etc., all of which provide the necessary environment for private production to occur.

Services provided by public infrastructure enter both directly and indirectly into the private production process and so must affect the productivity of the private economy. Directly, they make up a portion of the intermediate inputs or services used in the production process. For example, firms need water, power, transportation facilities, etc., to produce. There is also an indirect relationship because private and public capital may well be considered complements in some cases, substitutes in others. For example, a newly constructed controlled-access highway could increase a manufacturer’s competitiveness by reducing transport costs. In this example, manufacturers who truck their output to customers spend less time on the road because of the new more direct route, and experience less wear and tear on their fleet of trucks. This allows the same amount of output to be delivered using fewer trucks. Also, the fleet of trucks will experience less down time for repairs because of the better maintained, newer road. Accordingly, public capital has been substituted for private capital, and the private capital stock becomes more efficient as a result. Alternately, municipal investment in infrastructure may attract new industrial growth, fostering a complementary relationship between the two types of capital. Indeed, several papers have argued that public infrastructure competition has been important in regional competition for economic development.

Recently the federal government and many provincial governments, notably the governments of Quebec and Ontario, have recognized the need for increased investment in public infrastructure. Do these recent budgetary measures imply that the infrastructure gap is a thing of the past? Not necessarily. There is a possible infrastructure gap of up to \$78 billion in new capital requirements, plus up to \$125 billion in needed repairs to existing public infrastructure capital. The federal government's announcement of \$33 billion is over a seven-year period, or less than \$5 billion per year. The government of Quebec has announced \$30 billion over five years, but with reference to a fifteen-year plan to address some of the needs. The Ontario commitment is even more modest at \$1 billion (with possible additional sums available), but this does come on top of its ambitious ReNew Ontario plan, which will inject \$30-billion into infrastructure over the next several years. Additionally, in reaction to the recent economic and financial crisis, governments have under taken stimulus measures involving additional infrastructure spending for "shovel ready" projects. Assuming that the stimulus projects are really "new" spending, these measures would amount to an addition \$4 billion dollars.

These measures, clearly welcome, have drawn favourable comments from private and municipal partners, but they represent only a first step towards what is really needed. The infrastructure gap persists. The question is, does this investment in public infrastructure provide a positive impact on labour productivity and the cost structure of the private manufacturing sector?

There appears to be a correlation between infrastructure investment and manufacturing productivity, but it would be premature to infer from this relationship that they are interrelated. Examination of this question requires rigorous empirical testing of a theoretical model of production with observed actual behaviour. Early empirical works expanded a production function model to include public capital stock and find that the public capital stock has an unusually large effect on private sector output. Aschauer's regressions find estimates of production elasticity of public capital to be between 0.38 and 0.56, and when these values are used to compute rate of returns, the conclusion is that one unit of government capital pays for itself in terms of higher output in a year or less. This is a rather improbable scenario.

My estimation results (*Canadian Journal of Regional Science, 1996; Applied Economics, 2005; and Journal of Economic Asymmetries, 2006*) clearly indicate that private manufacturers alter their input mix in production in reaction to public infrastructure investment and that a 10% increase in public infrastructure investment would lead to a 5% reduction in the cost of private manufacturing output. Further, my results suggest that private manufacturers use more labour and less private capital when the stock of public infrastructure is increased. Thus investment in public infrastructure would create jobs.

What is the "right" level of infrastructure? I address this question directly by calculating the implied rate of return to public capital and to compare this to the rate of return on private capital. My research suggests a rate of return on public capital in the range of 20%, while most studies suggest that the rate of return on private capital is around 13%. This is a clear indication that more public capital would be beneficial. New facilities are required to allow for growth for existing industries, to attract new industries and private investment, and to enhance Canada's

**PUBLIC INFRASTRUCTURE HAS BUILT THIS NATION. WE WILL NOT CONTINUE TO BE COMPETITIVE IF OUR VIADUCTS ARE IN DANGER OF COLLAPSE AND OUR WATER SYSTEMS IN DANGER OF CONTAMINATION.**

international economic competitiveness. In addition, in all areas of Canada, infrastructure is aging, and investments in repair and maintenance are required to shore up the quality of the current stock. The estimated dollar value of this required investment is of the order of \$200 billion -- up to \$72 billion in new infrastructure facilities, depending on how the gap is measured, and up to \$123 billion in repairs and upgrades to existing facilities. Recent announcements by Ottawa and the Quebec and Ontario governments have committed up to \$65 billion over the next five to ten years to address the infrastructure gap, but it is clear that this financial commitment will need to be sustained (and even increased) over an even longer period of time in order to close the infrastructure gap fully.

An article by Kalaitzidakis and Kalyvitis (*Economic Inquiry, 2005*) looks at the impact of maintenance and repair expenditures on infrastructure, as opposed to the actual level of infrastructure capital stock on total Canadian GDP for the period 1956-98. Their results suggest that the quality of capital goods, that is, the extent to which infrastructure is maintained, may be as important as the level of infrastructure in explaining private sector growth, particularly at the regional level.

In articles in *Journal of Operations Management* (1997) and *International Journal of Production Research* (2002) I look at production in the electronics and auto-parts manufacturing sectors in Canada and find that firms using just-in-time production processes have a cost advantage over other firms. Given the strong supply chain linkages between Canada and the United States, this brings into focus the critical importance of improved public infrastructure in the areas of security and border crossings.

The conclusion is that an increase in the level of the stock of public infrastructure currently available in Canada would be desirable. This conclusion is reached without considering the benefits that additional infrastructure would have for consumers and non-manufacturing sectors. This is not only a good idea for short-term stimulus. Indeed, there is some evidence that the cost-reducing effects of public infrastructure may be even higher in sectors such as construction, transportation, and wholesale and retail trade.

Public infrastructure has built this nation. We will not continue to be competitive if our viaducts are in danger of collapse and our water systems in danger of contamination. If we do not start shoring up our infrastructure deficit now, the cost in the future may be more than we can bear either physically or financially. This is a national undertaking and cannot be left to any one jurisdiction. Canadian competitiveness – and indeed our status as a developed country – depends on modern, efficient, well-maintained public infrastructure.

*James Brox is a Professor in the Department of Economics at the University of Waterloo. ■*

# Working through

## THE

# CREDIT CRUNCH

### ARE YOU “RECOVERY READY”?

Canadian businesses have faced enormous challenges and pressures from global economic uncertainty in the past year. Although 2009 has been a challenging year for almost every company in Canada, small businesses in particular have persevered. Those companies have emerged leaner, smarter and better positioned to benefit from the coming recovery. In fact, the opportunities that are likely to arise over the next several months could represent the growth opportunity of a generation.

Learn how you can take advantage of growth opportunities, tips on working through the downturn and strategies for getting your financial house in order so your business is “recovery ready.”

### Opportunities for growth – a closer look

Of all the growth opportunities emerging, the economic stimulus spending announced by federal and provincial governments is likely the most promising for construction companies. While infrastructure spending is being accelerated over the next two years to boost the Canadian economy, the need for infrastructure renewal extends well beyond this timeframe. Before the economic downturn, the federal government had already committed \$33 billion to infrastructure spending through the Building Canada program announced in 2007.

“Firms need to keep their ear to the ground at the local level, as that’s where a lot of the infrastructure action is taking place,” says Paul Ferley, Assistant Chief Economist at Royal Bank of Canada. “There’s certainly work to be had. Statistics Canada released its survey of businesses and governments earlier this year and it showed the public sector intended to increase spending by 9.5% in 2009 and that was before the budget stimulus measures were announced. So there are a lot of projects coming down the pipeline.”

### Tips on managing through the slowdown

One of the benefits of a slower market is the time it can give a business to examine its practices and look for efficiencies and growth opportunities. “Downtime is really an opportunity time”, states Ted Hart, Senior Partner, Environtech Engineering. “When it’s go go go all the time you just don’t have time to look at the bigger picture and take stock of where you are as a company — and whether the direction you’re heading makes sense for the future. This is the time to do supplemental training in the areas you believe are your growth areas, but you need to do that big-picture thinking up front. The cycle will shift, so use the time now to get your business in a better state because it will be go go go again before you know it.”

Some of the key opportunities for businesses in gaining efficiencies and preparing for future growth are: examining areas

for potential investment, controlling costs, creating liquidity out of existing assets, and identifying potential gaps in the marketplace.

### Investing for efficiency in your business:

Are there areas of your business that aren’t as productive as they could be? Is some of your equipment dated – whether it’s the need for new technology or upgrades to existing equipment? Taking the time now to assess your needs for future growth ensures you are ready for the recovery. And with a strong Canadian dollar and historically low interest rates, it is an excellent time to consider investing for efficiency in your business.

### Controlling costs:

Examining fixed and variable expenses and determining areas of cost containment helps enhance cash flow and more importantly, helps to get through those lean times. Start by analyzing procedures for authorizing spending. Scrutinize any spending that is not essential and see if this discretionary spending can be slimmed down or cut entirely. For example, can travel and entertainment expenses be reduced? Controlling costs is essentially keeping more of what you make – a good practice regardless of the economic environment.

### Creating liquidity:

Assessing your assets and determining if there are ways to create liquidity can significantly improve working capital. Review your accounts receivables – have you noticed that customers are paying slower, potentially creating cash flow challenges? Consider following up with customers who have payments outstanding to discuss options and help speed up payment. For example, you may find that some customers can be billed on an interim basis or accounts collected earlier than 30 days. A review of inventory may also provide opportunities to improve working capital. Examine inventory levels and inventory turnover rates to determine if you can remove any obsolete inventory or improve your inventory management. Another option is to review your fixed assets – buildings, machinery, etc. – to determine if they are necessary to support your core operations. If not, you may consider selling them to enhance liquidity in your business.

### Identifying gaps in the market:

In challenging times companies with strength and vision can



KEVIN LACEY

## Is credit available to support growth?

Access to credit comes in many forms – from senior lenders (financial institutions), mono-line (individual) lenders and suppliers, to name just a few. One of the challenges impeding business growth in late 2008 and early 2009 was the tightening of the credit market. In fact, some sources of credit dried up. Despite the exit of certain lenders, particularly mono-line or individual lenders, credit still remains widely available at financial institutions in Canada.

Canadian banks have worked closely with the Federal government in the past year to ensure businesses have access to capital to not only meet short-term needs but to finance growth. The major banks in Canada strive to have a consistent approach to credit in good times and bad, working with companies who may be experiencing cash flow or earnings difficulties to ensure continued access to credit. However, there may be times when extra due diligence is required or adjusted pricing due to changing economic conditions. We continue to work with businesses on a daily basis to ensure credit needs are met to fuel both ongoing sustainability and future growth.

Besides working with Canadian banks, the Federal government has also instituted new programs with Export Development Corporation (EDC) and Business Development Bank of Canada (BDC) to ensure businesses maintain access to credit. For example, EDC is now authorized, on a limited basis, to provide support to non-exporters for the next two years. In addition, the Business Credit Availability Program (BCAP), a partnership among EDC, BDC and Canada's private sector financial institutions, has been initiated. And BDC has announced a new working capital loan to help business clients increase inventory to support growing sales and replenish working capital depleted by capital expenditures, market expansion and product development. To find out more about these programs, speak with your account manager.

These initiatives from the Federal government, as well as financial institutions working in partnership with businesses, helps to ensure that Canadian companies have access to credit when they need it.

take advantage of gaps in the marketplace as competitors exit or weaken. Now may be the time to set your business up for growth – whether that be expanding into new markets at home or considering expansion internationally. You may even wish to acquire a business to extend your supply chain and gain efficiencies or buy a competitor to expand market share.

## Strategies for obtaining financing to support growth

Although banks are still lending, having your financial house in order makes the credit application much easier. Start by reviewing your business plan and then analyze cash flow, ensure working capital is strong and stress test your financial strategy.

## Updating your business plan:

A regular review of your business plan is always a good strat-

egy and much more so in times of change. Review and update your business plan to ensure that it is aligned with your current vision and company's strengths and weaknesses. Identify opportunities and threats in your marketplace. A strong business plan builds a solid foundation for business success.

## Controlling cash flow:

Companies may have strong business plans, excellent products and substantial market share, but without cash, they quickly flounder. Cash flow management – understanding of both the inflows and outflows of cash within a business – is fundamental for success. Analyze your current commitments and identify any potential gaps in cash flow. Is the timing of your receivables and payables matched to ensure your short-term commitments will be met? If there are gaps, do you have short-term investments or access to a line of credit to meet any gaps? Review cash flow regularly to ensure there are no unfortunate surprises.

## Assessing working capital:

Working capital is a measure of both a company's efficiency and its short-term financial health. Calculated as current assets (for example, cash and accounts receivables) minus current liabilities (for example, accounts payables and short-term debt), a positive working capital means that a business is able to meet its short-term obligations. A declining working capital ratio or a negative working capital ratio are warning signs that warrant analysis and may indicate sales volumes are decreasing. Carefully assessing this ratio and comparing it from one period to another helps to keep an eye on efficiency.

## Stress test your financial plan:

Stress tests are not just for cardiac patients – they are vital for companies to gain insights as to whether their business plans are realistic given certain situations. Testing best case scenarios – for example, growth in sales of 10% year-over-year - helps to assess whether your company has the resources, both financial and human resources to meet increased demand. And testing the worse case scenarios – for example, a drop in sales of 10% year-over-year – provides insights into the impact on cash levels, continued ability to meet commitments, changing inventory levels and overall efficiency. As it's impossible to accurately predict the future, a stress test can help to ensure that your business is prepared regardless of the economy.

## Ensure your company is recovery ready

While no one can predict the speed of economic recovery with any certainty, it is encouraging to see positive economic data today as there was none in late 2008. While there are certainly risks to putting growth plans into action at an early stage, there can be an even greater risk in delaying them. Those who adopt a holding pattern may lose opportunities to those who are "recovery-ready" and quicker off the mark when the rate of construction and infrastructure spending increases. Whether firms are expanding their expertise into growth areas or entering new markets, the extent and strategic nature of a firm's actions today will go a long way to determining the rewards it is likely to reap during the months and years to come.

*Kevin Lacey is Vice President of Commercial Financial Services at RBC Royal Bank. ■*

# Human Rights Museum Represents Extraordinary Opportunity for Manitoba

**“I am a Canadian, free to speak without fear, free to worship in my own way, free to stand for what I think right, free to oppose what I believe wrong, or free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.” – Prime Minister John Diefenbaker**



**PATRICK O'REILLY**

**FOR MANY YEARS NOW, FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS** have been talking about the economic benefits that the Museum will bring to Winnipeg and Manitoba. With construction now under way, I think it is time to start using the present tense: The benefits of this project are tangible, and we are starting to reap them now.

In fact, in a recent article in the Winnipeg Free Press (July 31, 2009), the Conference Board of Canada credited the Museum project as one of the reasons that

Manitoba's construction sector is expected to boost its economic impact by 7.9 per cent in 2009 – far better than the 10 per cent decline occurring in Alberta and British Columbia.

## **Economic benefits flow to Manitoba**

Locating the Museum in Manitoba also means that the residents of this province will benefit from:

- The creation of 2040 direct and indirect jobs during construction and;
- 140 to 180 direct and indirect jobs once it is open;
- \$133.9 million total labour income in Manitoba during construction
- Several million dollars in brand new annual taxes to the City of Winnipeg (that's more money for more police, fixing potholes, water parks, community centres and the Zoo);
- Upwards of 250,000 annual visitors;

- The collection of hotel tax revenue, again for the benefit of Winnipeg citizens; and
- Tens of millions of dollars flowing to the Provincial and Federal governments in tax revenue.

While tendering has been international and sub-trades from around the world will be engaged in the project, local companies are playing a significant role:

- One of Canada's largest construction companies, PCL, is the general contractor.
- Smith Carter Architects of Winnipeg are the architect of record,
- Derksen Plumbing and Heating are providing plumbing services
- Wescan Electrical and Mechanical Service will handle the mechanical engineering, and
- Subterranean Ltd is doing the foundation and excavation work.

At the end of the summer, there were already 20 salaried staff and 60 workers on site. When construction is at its peak, this number will climb to about 200 construction workers at any given time plus about 50 salaried staff.

We simply would not be enjoying these benefits if the Museum didn't exist or if it had been established in the Ottawa area where, until recently, all other national museums have been located.

Since the project's original budget estimate of \$265 million was cast more than two years ago, significant inflation, much greater precision in designs and the addition of LEED compliance have had a significant impact on the project cost. Now that the Museum has entered the design development process and tenders have started to be issued, the new budget of \$310 million is now an extremely accurate picture of the Museum's building and fit-up cost. In setting this number, the Museum's board also cut as many costs as they could.

When faced with this updated and more accurate cost, the Museum Board concluded that it would still be more efficient and cost effective to build the building than to start over. Friends of the Canadian Museum for Human Rights has accepted the board's request to raise an additional \$45 million, Given the tremendous success of private sector funding to date and given that Friends have raised \$37 million from the private sector in the last two years, we are confident that we will raise the additional \$45 million within the next three years.

The Museum has garnered enthusiastic support from the private sector, all three levels of government and many thousands of individuals from all across Canada who have contributed their time and money to move the vision of this Museum forward, from dream to reality. All four major federal political parties in the House of Commons voted unanimously to create the Museum last year. Support for the Museum remains high as shown through the numerous individual donations, school and community fundraisers and group contributions that continue to be donated in support of this landmark project.

## Private Sector Leading the Way

In fact, with only an idea to sell, Friends of the Canadian Museum for Human Rights have surpassed their original goal of \$105 million and raised \$107 million from the private sector to date (already \$2 million toward our new goal), which is in itself no small feat – and one that just a few short years ago many people suggested was completely impossible. We expect that the private sector will continue to show leadership as we raise the final \$43 million now needed to ensure that the vision Canadians have for the Museum comes to life. Again, given our successful track record, we are confident that we will be able to meet this new goal over the next three years.

In particular, private sector support in Manitoba has been strongest as donors recognize the financial benefits Manitobans will realize as a result of the Museum being established here.

The extraordinary melding of the building design, which has already received worldwide acclaim, and engaging exhibits will create an institution unlike any other in the world. It will be the largest and only one of its kind, and will become a global hub on the subject of human rights.

## A Museum for All Canadians

People across the country support this project because they recognize its ability to enhance the understanding of human rights, to promote respect for others and to encourage reflection and dialogue.

The Museum's primary focus will be to tell Canada's human rights history, looking at the bad as well as the good. International human rights events such as the Holocaust and the Ukrainian Holodomor will also be explained with the principal goal being to inspire all visitors to take responsibility today for the advancement of human rights. A quick trip to our website: [www.humanrightsmuseum.ca](http://www.humanrightsmuseum.ca) will better explain the full scope of the project.

Thousands of Canadian students will also travel annually to Winnipeg to visit the Museum through its national student education and travel program. Not only will they stay in our hotels, eat in our restaurants, shop in our stores and visit other tourist sites, more importantly, these students will become champions for the advancement of human rights here in Canada and around the world.

Benefits accruing to Manitoba as a result of the increase of tourism are conservatively estimated by the Province to be \$25.7 million per year, which is why business people in the real estate and hospitality industry are such strong and enthusiastic supporters.

The Canadian Museum for Human Rights represents an extraordinary opportunity for the City of Winnipeg, Province of Manitoba and business community to reap huge financial benefits, which is why our political and business leaders have decided to invest in the Museum. Others are donating to the cause because they see the Museum as an opportunity to create a more humane, respectful and enlightened world.

## Donate Now!

We thank the political leadership and the thousands of Manitobans and other Canadians who have already supported the Canadian Museum for Human Rights with their financial contributions. If you haven't already made a donation, I hope you will consider supporting us now.

*Patrick O'Reilly is the Chief Operating Officer for The Canadian Museum for Human Rights. ■*



**KEN PALSON  
ENT. LTD.  
WPG. MB**

*Serving the Construction Industry for over 20 Years!*

- **Excavation**
- **Site Development**
- **Bioremediation**
- **Full Service Civil & Foundations for Wind Farms**

Phone: (204) 663-9008  
Fax: (204) 663-8061  
2315 Dugald Road  
Winnipeg, Manitoba R2C 5L4  
[info@kenpalsonenterprises.com](mailto:info@kenpalsonenterprises.com)

[www.kenpalsonenterprises.com](http://www.kenpalsonenterprises.com) **Our Motto is Safety First!**

# Where is the Global Economy Headed?

A large, stylized line graph in orange and red, showing a sharp upward trend, set against a blue background with a white grid pattern.

PETER HALL

**READ ANY NEWSPAPER TODAY AND IT WOULD SEEM THAT THE ECONOMIC STORM IS OVER.** Good news is in vogue, and much is being made of the indicators that are actually growing again. Pronouncements about the recession's end are on the rise, and financial markets are responding positively. Anecdotal evidence suggests that businesses are beginning to feel better about their order books. But it's hard for many to believe that the gloomy projections of a few months ago have evaporated that quickly. Is the economy really on the rise, or is

the recent banter just wishful thinking?

Over the past year, the economy's ride was like being on a roller coaster in the dark. The plunge came fast, was far deeper than even the most pessimistic pundits predicted, and all the riders felt it. Everyone can be forgiven for being a bit dazed and jaded – and also relieved that, at least for the moment, the plunge is over. But the ride itself isn't over. For all intents and purposes, we're still in the dark, and there is a lot of uncertainty about how this ride is going to finish. After the big scare, it's understandable that we all want the ride to be over, but the mere wanting isn't enough – we're still strapped in, and in large part, at the mercy of forces beyond our direct control.

It sounds severe, but like it or not, the economy is still subject to big swings, despite decades of effort to smooth out business cycles. Many thought we had achieved this in the last go-round. After all, the world economy saw sixteen years of almost uninterrupted expansion, about twice as long as a normal cycle. But in the end, this prolonged growth phase created a super-sized bubble of excess activity in its latter years. This bubble burst in the second half of 2008, and we are still dealing with the fallout.

Why the protracted growth cycle? Globalisation is a key factor. Over the past two decades, global trade has become far more integrated. Technology has enabled business to expand not only sales but production and distribution across complex global value chains, vastly increasing the role of international trade in the economy. Since the mid-1980s, trade has swollen from 40% to 65% of global GDP and rising, a remarkable shift in a short space of time. The transformation powered the growth phase – but it also meant that the late-cycle excesses were not localized. In fact, they were exported all over the globe, and thus no economy has escaped the effects of the bursting bubble.

So much for how we got into this mess. Given how it began, can we tell anything about how long it might last? If we were able to measure the amount of economic excess that existed as the economy turned, we could have a good idea. Nice in theory, but problematic in practice. But there are clues in the industry where the downturn all began: the US housing market. The US population requires about 1.4-1.5 million new housing units every year. But annual construction averaged 2 million units from 2003 to mid-2006, over a half-million extra units each year.

That is some pile-up, and although construction levels have plunged to an annualized pace of just half a million units since last fall, there is still enough surplus in the market to keep construction at these low levels for at least six more months. By our calculations, there are enough empty units out there to keep the market soft well beyond the turn of the year. Given that this sector is a vaunted leading indicator, the rest of the economy will have to wait even longer to get on its feet. For its part, the US housing market suggests that the world economy is not likely to show solid signs of recovery until the latter half of 2010.

Consumption and housing indicators in other industrialized countries demonstrate that excesses were not confined to the US economy, and they too corroborate the delayed timing of the recovery. Where, then are today's positive indicators coming from? There's no doubt that signs such as confidence and

factory orders have brightened, but consider the context: levels are still quite low, so in a lot of cases it reflects a bottoming-out following a freefall. A related reason for recent growth is that bloated inventories have been worked down, allowing the resumption of production; the sales picture needn't change much to spur some growth. Recent 'green shoots' are also in part related to public stimulus programs, which are starting to take effect. All of these factors are helpful, but essentially temporary.

Unfortunately, the signs of a more fundamental recovery are few. Key emerging markets are showing some signs of renewed growth, but for the most part, the critical export sector is not part of the revival. This is likely because another key growth driver, consumers in large economies, have not generally staged a comeback. Spending growth remains weak in Japan, France and Germany, and has declined for five successive months in the United States, and with unemployment continuing to climb, prospects for a quick about-face are not strong.

Canada is also caught up in this weakness. Solid domestic fundamentals have partly shielded Canada's economy from the deep global recession. Consumer spending appears to be on the mend, and the housing sector is not nearly as battered as its US counterpart, largely because it did not experience the same excesses. Fiscal finances were very strong heading into the downturn. And Canada's banks have vaulted onto the world stage as examples of prudent management, ensuring that tightening of lending need not be as severe as in other countries. But being a trading nation, Canada cannot resist importing the recession. Exports are projected to tumble by 20% this year, after going into recession in 2008. Growth will return next year, but the level of activity will be muted. No US consumer, no revival in Canadian exports.

The world economy faces a further challenge. Already brought to their knees by the implosion of the US housing market and the related toxic assets, Western financial institutions are to varying degrees bracing for the wave of defaults that is sure to follow in the wake of rising unemployment. Those defaults will be what are currently seen as good consumer and business credits. Anticipating this, US financial institutions underwent stress testing earlier this year to gauge their resilience, and as a result, successfully went out into the marketplace to shore up their capital. European institutions have not yet gone through such an exercise, and it may well be too late. Given that they face other key challenges, the ability of Europe's banks to weather the coming wave of weakening is a key risk to the outlook.

Fortunately, there is good news that softens the 'default shock'. Hefty public stimulus announced last fall has yet to kick in in a big way. This is not unusual – both monetary and fiscal policy take effect on the economy with considerable lags. However, based on standard economic rules-of-thumb, both the radical monetary measures and the substantial multiple fiscal packages announced in the last year are likely to ramp up just as the wave of defaults begins to crest later this fall and into 2010.

This is also particularly good news for the heavy construction industry. While the world economy muddles through the next 12 months, one of the only growth industries will be public infrastructure projects. Tight capacity constraints at the end of the boom years already led to a number of new and substantial infrastructure projects around the world, and additional stimulus has added significantly to their number. Whether at home or abroad, there is currently a plethora of potential shovel-ready projects that governments are eager to implement quickly. Competition for these projects will be intense, but bidders that can sell speed solutions in addition to cost and quality competitiveness are likely to land decent work in the lean months.

It stands that the overall pattern of economic growth will be altered over the next 12-18 months, and opportunities will be found in non-traditional areas. Those who seek out these opportunities, whether in Canada or abroad, are most likely not just to survive the recession, but to thrive in its aftermath. All economies are likely to emerge from this recession with new challenges, and commitments to infrastructure of varied descriptions is likely to remain a long-term feature of global business. Eventually, more traditional opportunities will present themselves, but as far as it is possible to see, that is still something for 2011 and beyond.

Peter G. Hall is Vice-President & Chief Economist for Export Development Canada. ■





1036 Waverley Street Winnipeg, MB Canada R3T 0P3  
P 204 896 1333 F 204 896 6969

W.D. Pooles, P. Eng., (Ret.)  
K. Brent Pooles, B.A., C.I.M.  
[bpooles@groupwd.com](mailto:bpooles@groupwd.com)  
Jeffrey K. Warren  
[jkwarren@groupwd.com](mailto:jkwarren@groupwd.com)

*The Strength of Many. The Power of One.*



*Quality Manufacturers of:*

- Valve & Service Boxes
- W.D. Flange / Series 400
- Valve & Service Box Extensions



- Restraint Devices
- Municipal Castings
- Hydrant Wrenches / Markers

---





*Representing the following quality products:*







---



*Your One-Stop Waterworks Shop!*

[www.groupwd.com](http://www.groupwd.com)

# Who are Construction Safety Officers?

## A CSO is an individual:

- With a minimum of three (3) years of practical safety/construction related experience (or equivalent) in the heavy construction industry
- Who has attained practical knowledge in safety and health skills combined with field experience as it pertains to the work in heavy construction.

CSO's are those responsible for assisting management (and other company personnel) in the administration, implementation and maintenance of a safety and health management system or program. They will identify and review various safety and health concerns specific to the worksite and communicate effectively with government, management and workers regarding safety and health at the worksite and within the company.

CSO certification is an ideal training application for today's construction supervisors or foreman. CSO certification provides a valuable resource to management in the administration and implementation of a company's safety and health program, construction project planning and implementation.

## Manitoba's Heavy Construction CSO Certification Requirements

Understanding the importance of such an individual for a company is evident. Front-Line Supervisors who have safety and health responsibilities for workers would benefit from such certification.

The Manitoba CSO program is open to any individual who has three (3) years of practical safety/construction related experience- a resume (or equivalent confirmed by letter of experience from employer). In addition, to be a qualified MB CSO, the applicant is required to submit to attest their practical knowledge, completed copies:

- Submit three Toolbox talks;
- Submit a Construction Safety Audit on the National Standard Audit Document
- Submit three Site inspections.
- Attain minimum of 80% on exam



## & YOUR COMPANY

### What does a pandemic mean for your company and how can you protect your workers?

There are common misconceptions on what makes a strain of the flu a "pandemic". People are frequently misunderstand the term and mistakenly believe that a pandemic involves how many deaths the influenza has caused or the disease's severity to a person's health. In fact, the Canadian Government is using the term "Pandemic Influenza" to describe a new influenza virus that spreads easily through people and affects a large geographical area. With this in mind, it is necessary for each company to plan on how to prevent the possibility of a H1N1 outbreak.

### Preventing the Spread of Communicable Disease in Your Workplace

#### 1. Create an Emergency Preparedness Plan for Pandemic Influenza

It is imperative for your company to create policies and plans of action regarding disease spreading prevention. The plan should include what must be done by management, employees, and visitors to prevent the spread of the influenza virus, and how to carry out a company shutdown if it is required. For more information on how to create Pandemic Flu policies visit the following websites.

<http://www.phac-aspc.gc.ca/alert-alerte>

<http://www.safetycomplianceinsider.com/special-reports/>

#### 2. Keep Employees Informed

Once you have created your Pandemic Influenza policies, ensure employees are trained and familiar with their responsibilities and plans of action. Policies that are written but not practiced will not prevent illness in your workplace.

#### 3. Supply Equipment and Services for Prevention

Ensure that any materials or equipment you require to be used in your Pandemic Flu Policies are available to all employees and guests (IE: hand sanitizers, gloves, N95 face masks, etc.) Also, you must ensure management supports the practices written in your policies. For example, if your policy requires employees to stay home if they suspect they are ill, the company must ensure that they are supplied with sufficient sick days and not penalized for following policy.

#### 3. Stay Up-to-Date on the Pandemic's Status

There are regular updates on the following websites regarding the status of the H1N1 Influenza. Ensure to check this information frequently to keep up to date on the flu's status, then if required update your policies and plan of action to protect your company.

<http://www.gov.mb.ca/health/publichealth/pandemic.html>

<http://www.phac-aspc.gc.ca/fluwatch/index-eng.php>

# Birchwood

## AUTOMOTIVE GROUP

www.birchwood.ca

The **Exclusive Automotive Supplier** to the  
Manitoba Heavy Construction Association  
and their Safety Program.



**BIRCHWOOD BMW**  
POINTE WEST AUTOPARK  
452-7799



**MINI WINNIPEG**  
POINTE WEST AUTOPARK  
897-6464



**BIRCHWOOD CHEVROLET BUICK GMC**  
POINTE WEST AUTOPARK  
837-5811



**JAGUAR**  
JAGUAR WINNIPEG  
POINTE WEST AUTOPARK  
452-0756



**LANDROVER WINNIPEG**  
POINTE WEST AUTOPARK  
452-8030



**VOLVO WINNIPEG**  
POINTE WEST AUTOPARK  
452-0756



**WOODHAVEN LEXUS TOYOTA**  
POINTE WEST AUTOPARK  
889-3700



**BIRCHWOOD KIA**  
1364 REGENT AVENUE  
667-9993



**SATURN**



**SATURN SAAB OF POINTE WEST**  
POINTE WEST AUTOPARK  
832-0707



**HONDA**

**BIRCHWOOD HONDA WEST**  
POINTE WEST AUTOPARK  
888-2277



**INFINITI**



**BIRCHWOOD INFINITI NISSAN**  
POINTE WEST AUTOPARK  
261-3490



**HONDA**

**BIRCHWOOD HONDA CENTRE**  
1401 REGENT AVENUE  
661-6644

## Accident? We have you covered!

### POINTE WEST

**COLLISION CENTRE**

POINTE WEST AUTOPARK

885-1999

### Birchwood

**COLLISION CENTRE**

1 OWEN STREET

667-1999

# New MHCSP Safety Vehicle



The Manitoba Heavy Construction Safety Program (MHCSP) has invested in a new safety vehicle in partnership with the Workers Compensation Board (WCB) and the Birchwood Automotive Group to improve service to industry and enhance program visibility.

We are particularly grateful to the WCB's funding sponsorship of the vehicle and for its support of our industry program moving in that direction. Pictured second from left is Sue Roth, WCB Safe Work Coordinator. Since 1990, the MHCA has been delivering the safety program under agreement with the WCB. The priorities, objectives, and safety emphasis is an ongoing partnered discussion with the WCB. As a result, our program has matured and delivered effective and targeted services to the heavy construction industry.

Steve Chipman, President of the Birchwood Automotive Group (pictured above far left) was immediate in responding positively to our request for the Birchwood Automotive Group sponsorship. The Birchwood Group of dealers offers a complete line of vehicle products, including trucks. As the sole automotive member of our association and financially supportive of the MHCA/MHCSP, we encourage members to do business with the Birchwood Automotive Group.

The acquisition of the vehicle is a response to a commitment made to industry to further enhance the profile, presence and visibility of the MHCSP Safety Advisors. They are now and will continue to be at construction sites, company yards, quarries, storage facilities and related places of heavy construction work, providing assistance the program is designed to offer.

Decaled with the safety message, the CRV offers a moving billboard reflective of the visibility and objectives desired, as well as assist in managing the program costs.

From time to time you will also be made aware of where the MHCSP Safety Vehicle has been. If we've missed you, feel free to contact the MHCSP at any time at 204-947-1379. Call us for information about the safety program, COR™ training, or any questions regarding the implementation or execution of your safety program.

Your priorities, your program...MHCSP Construction Safety Excellence™! ■



*From left: Steve Chipman of Birchwood Automotive Group, Sue Roth of The WCB, Chris Lorenc MHCA President, and Stan Kruse MHCSP Director*

## YOUR SOURCE. YOUR RESOURCE.

### Geosynthetics, Erosion Control

- Propex Geotextiles
- Erosion Control Blankets
- American Excelsior Wood Fibre Erosion Control
- ENCAP Pam 12
- Maccaferri Gabion Baskets & Mattresses
- Floating Silt and Turbidity Barriers
- Stenlog - Sediment Control
- Scourstop
- Enviroberm Sediment Control
- AGES Mud Mats
- Geotubes
- Typar - Landscape Products
- Brock White Silt Fence
- Safety Fence
- American Wick Drain
- Propex Paving Fabrics & Grids
- Firestone EPDM Liners
- NAUE & Checkmate Geogrids
- Permanent Erosion Control/Recyclex
- Concrete Revetment Systems
- Prinsco Corrugated Poly Pipe
- Sand Bags
- Sewing and Fabrication

### Construction Material

- Concrete Sealers & Hardeners
- Hydrated Lime
- Nudura Insulated Concrete Forms
- QPR Asphalt Repair Material
- Concrete Repair Products
- General Construction Supplies
- Diamond Blades
- Cement and Grouts
- Dow Styrofoam Insulation
- Fiberglass and Mineral Wool
- Waterproofing Material
- Insta-Foam Products
- Metal Building Insulation
- Glass Block
- Masonry Accessories
- Roof Coatings
- Building Envelope Products

### We Offer:

- Large Stocking Warehouse
- Competitive Pricing
- Technical Support
- Same Day Shipping for In Stock Products

**WE'VE MOVED TO A  
NEW LOCATION!**

**BROCKWHITE**  
CONSTRUCTION MATERIALS

**Winnipeg**  
879 Keewatin St., R2X 2P8  
204-694-3600  
Fax 204-694-0800

**HELPING BUILD YOUR SUCCESS**

[www.brockwhite.com](http://www.brockwhite.com)

**Edmonton**  
780-447-1774

**Calgary**  
403-287-5889

**Calgary Geotechnical**  
403-204-3322

**Lloydminster**  
780-875-6860

**Saskatoon**  
306-931-9255

**Prince George**  
250-564-1288

**Burnaby**  
604-299-8551

**Langley**  
604-888-3457

**Regina**  
306-721-9333

**Winnipeg**  
204-694-3600

**Thunder Bay**  
807-623-5556



**HUGH MUNRO CONSTRUCTION LTD.**

HIGHWAY #207 • BOX 185, R.R.5 • WPG., MB R2C 2Z2



*"More than an earthmoving experience!"*

[www.hmcl.ca](http://www.hmcl.ca)

## **FORT WHYTE LOWBEDDING LTD.** \_\_\_\_\_



**Phone: (204) 224-9217**

**Box 185, R.R. #5**

**Winnipeg, MB • R2C 2Z2**

**Highway #207 — 1 KM**

**North of Hwy. #15**

# MANITOBA HEAVY CONSTRUCTION ASSOCIATION – MORE THAN A TRADE ORGANIZATION

## Introduction

An industry association representing an area of business interest is what typically might be associated with a 'trade' organization. But that rather narrow 'self-interest' suggesting definition is not the Manitoba Heavy Construction Association (MHCA). While trade in origin, what sets the MHCA apart is that its horizons and areas of interest are more vast and broad in scope than typically associated with a trade association.

## MHCA History, Membership & Governance

Founded in 1943, as the Manitoba Roadbuilders & Heavy Construction Association and subsequently changed to the Manitoba Heavy Construction Association (MHCA) - is a non-profit trade organization representing the heavy construction (heavy civil) and related industries in Manitoba.

MHCA's membership includes contractors engaged in road-building, sewer & water, excavation, bridge building, as well as the sub trades to contractors and the supply side of industry, including aggregates, petroleum, engineering, heavy equipment, financial and bonding agencies. It currently has over 300 member companies from across Manitoba.

The MCHA is governed by a 15 person Board of Directors chosen to reflect a broad cross-section of provincial representation. The day to day affairs are delegated from the Board to an Executive Committee of the Board. The Board is led by its Chair whose term is two years, while board members serve two year staggered terms. Input from members is provided through strategically struck standing committees which is supported by a president and staff of 11 in total.

## MHCA Vision & Mandate

The MHCA Vision is: "To be the acknowledged credible 'voice' of the heavy construction industry in Manitoba with all stakeholders public or private, ensuring a reputation of visible 'Presence, Profile, Impact.'"

Its Mandate challenges it to:

- Work collaboratively to promote public policies which help grow the economy with all three levels of government; provincial, regional and national stakeholders; media; and the public;
- Advocate appropriate public policy with which to manage sustainable infrastructure investment, maintenance and rehabilitation strategies;
- Articulate the positive relationship between sustainable investment in infrastructure and Manitoba/Canada's quality of life, economy and the environment;
- Promote a safe industry workplace, by providing a comprehensive safety and health training and education program;
- Deliver career and vocational training for entry workers and existing employees; and
- Participate in supporting and related activities with stakeholders ensuring always that any positions articulated by the MHCA are consistent with public interest.

## Effecting its Vision and Mandate

To effect its vision and mandate the MHCA is connected and participatory.

It has excellent relations, access to and influence with all three levels of government. Its list of public policy accomplishments is extensive. Lobby effort involvement, engagement and accomplishments are many and include: Tripling of Highway capital program; tabling by Manitoba of first multi-year highways investment plan; improved provincial / municipal tender practices; realignment of municipal capital budget approvals to facilitate earlier tender practices; initiating and chairing two Strategic Infrastructure Investment Policy (SIRP) task forces for the City of Winnipeg (1998/2005); participation and leadership on provincial task forces reviewing Workplace Safety and the Workers Compensation legislation; successfully championing National Infrastructure Policy, National Highways Program and Strategic Infrastructure Investment approach at national level; initiating, leading and chairing a public/private collaboration promoting investment in a strategic and economic Western Canada Transportation System to underpin economic growth in western Canada and the Territories; substantially enhance profile / priority for infrastructure investment at governments' levels; initiating and leading variety of safety related initiatives including Manitoba Heavy Construction Safety Program and the public/private stakeholder SAFE Roads Program; and establishing successful relationship with municipal governments in Manitoba through its collaborative work with the Association of Manitoba Municipalities (AMM).

In addition to the above, the MHCA is a judicious and strategic presenter to key organizations such as the AMM and to the Standing Committees of the Winnipeg City Council and to City Council itself. It has participated on civic task forces considering streamlining civic government; identifying economic opportunities; realignment of taxation policy; reorganization of fiscal arrangements between municipal and senior levels of government; and identification of core municipal services.

The MHCA recognizes the importance international trade plays in the economic growth of western Canada and the nation as a whole and as a result it has engaged in international trade development activities. The MHCA president was invited and participated in international trade missions with two successive Manitoba Premiers, to promote trade and resulting economic growth. Those have included: trade mission to Poland and Ukraine ('98); trade mission to China ('08); participation from 2005-09 with the international Canada/United States/Mexico, North American SuperCorridor Organization (NASCO) which promotes development of a mid-continent trade corridor to enhance multi-national and international trade related economic growth. At NASCO he has presented at the request of the City of Winnipeg and Province of Manitoba.



**CHRIS LORENC**



# CUBEX<sup>®</sup> MUNICIPAL/CONSTRUCTION

**1-877-Go-Cubex (1-877-462-8239)**

**42 St. Paul Blvd., West St. Paul, Manitoba | Phone: 204-336-0008 | Fax: 204-336-0009**



Pavers



Asphalt Distributors



Force Feed Loader



Motor Graders



Brooms



Pothole Patchers



Rollers/Compaction



Maintainers



Chip Spreaders



DS Water Truck



Asphalt Distributors



Explore the LeeBoy Family of Construction Equipment – Call for a Demo

**SALES – SERVICE – RENTAL – LEASE - FINANCE PROGRAMS**



## **MHCA — Continued from Page 48**

More recently, the MHCA initiated and its president chaired and led the 2008 Mayor's Trade Council (MTC) which recommended a sweeping set of recommendations to position Winnipeg and by extension Manitoba to a higher profile and beneficiary economic role in domestic and international trade. The MTC report's recommendations were adopted by Winnipeg's City Council. It formed the basis around a provincially led initiative creating CentrePort Canada, Canada's first inland port. The MHCA president participated as part of the Premier's Leader's Group and is now a member of CentrePort Canada's Board of Directors. The political policy commitments by Winnipeg, Manitoba and the federal government have resulted in more than \$300 million of investment in trade related infrastructure (with more to come) to support long term economic growth facilitated in large measure by tapping into greater domestic and international trade.

The MHCA has established and maintains professional relations with key senior municipal and provincial policy administrators, and with government departments and their agencies which are charged with oversight of program, legislation or regulation which affect industry. Those include: Manitoba Water Services Board (MWSB); Workplace Safety & Health Branch (WS&H); Manitoba Infrastructure & Transportation (MIT); Manitoba Conservation (MC); Workers Compensation Board of Manitoba (WCB); City of Winnipeg Transportation; City of Winnipeg Water & Waste; East Side Road Authority (ESRA) and many more.

It is also an active member of a many stakeholder organizations at the provincial, regional and national levels to ensure it understands others, and others understand the heavy construction industry and its issues.

Provincially the MHCA is a member of and/or works closely with an array of organizations including: Manitoba Chambers of Commerce; Winnipeg Chamber of Commerce; Manitoba Employers Council; Business Council of Manitoba; Manitoba Manufacturers & Exporters; Manitoba Trucking Association; and the Association of Manitoba Municipalities.

The MHCA hosts and its president serves as president of the Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA) - which represents industry in western Canada in many of its dealings at the regional and/or national levels.

The MHCA is a member of the Canadian Construction Association (CCA) which represents the broad Construction industry at the federal level. At the CCA, the MHCA is active in a number of its councils and committees including: Roadbuilder & Heavy Construction Council; Human Resources Committee; National Gold Seal Committee (national management certification program); Environment Committee; and the International Business Committee.

Under contract since 1990 with the Workers Compensation Board of Manitoba (WCB), the MHCA provides a comprehensive safety and health training and an education program to the entire heavy construction industry in Manitoba through the Manitoba Heavy Construction Safety Program (MHCSP). It delivers to national standards the Certificate of Recognition (COR) safety program widely recognized in Canada as the national standard for construction safety programs.

The Manitoba Heavy Construction Training Academy (MHCTA) was incorporated in 2001 and its curriculum and delivery accredited by the Manitoba government. It provides career and vocational training to entry workers and existing employees of the industry in heavy equipment operator training.

## **Additional Member Services**

The MHCA is identified by its members as their industry voice. They count on the MHCA to lead the lobbying efforts on issues which affect the economy, industry and therefore business.

In addition to its lobby efforts, the MHCA provides a wide array of services upon which members depend including:

- The Heavy News Weekly Bulletin is distributed to members and the broad public elected/administrative world and affiliated and related stakeholder communities, provincially and nationally;
- The Annual Directory and Equipment Rental Rate Guide is used extensively as a business tool by industry and purchasers of its services;
- 'Perspectives' the MHCA's annual magazine articulates its views related not only to its vision and mandate but to areas of primary interest beyond, including economic policy, areas of potential growth, emerging technologies, products and practices. It is distributed across Canada to a broad array of public policy leaders; leading elected officials at all three levels of government; all Manitoba MLAs and MPs; federal ministers and deputies; libraries at universities across Canada; key national, regional and provincial business and labour stakeholder organizations; Manitoba Mayors, Reeves, Councils and the Association of Manitoba Municipalities (AMM); First Nations Organizations; and the heavy construction and related industries in Manitoba. 'Perspectives' has earned an excellent 'quality content' reputation and is recommended reading at the McGill University's Civil Engineering Faculty;
- A number of standing committees of the MHCA exist to effect the ability of members to participate in the evolution and development of public policy, changes to regulation, and related industry concerns. Those committees are typically struck jointly with government representation to ensure ongoing contact and relations with those who effect legislation, regulation and general working conditions.
- The MHCA website ([www.mhca.mb.ca](http://www.mhca.mb.ca)) through which it promotes its vision, mandate and services; and
- Special events at which critical mass 'mix 'n mingle' as between industry and industry/government is provided. Those include: Breakfast with Leaders; Spring Mixer; Annual Golf Tournament; Curling Bonspiel; Annual meeting; Chairman's Gala

It is apparent from the above highlights that the MHCA has invested time, energy, effort and resources at establishing a 'Presence, Profile, Impact' reputation with government, media, the general public and its membership.

It has done so by articulating and advocating public policy positions within the scope of its uniquely broad mandate in a manner consistent with public interest. It has earned a reputation of being a contributor, a builder, a partner with the myriad of public and private stakeholders with whom it interfaces.

The MHCA – uniquely much more than a trade organization! ■

**EMCO**  
WATERWORKS



**SANDALE**  
UTILITY PRODUCTS

*One Stop Shop for All Your Water and Waste Water Needs.*

**WINNIPEG**

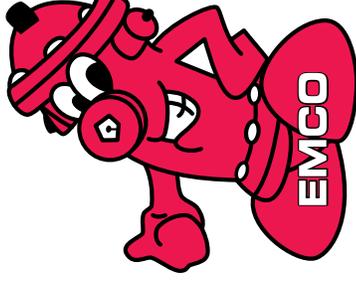
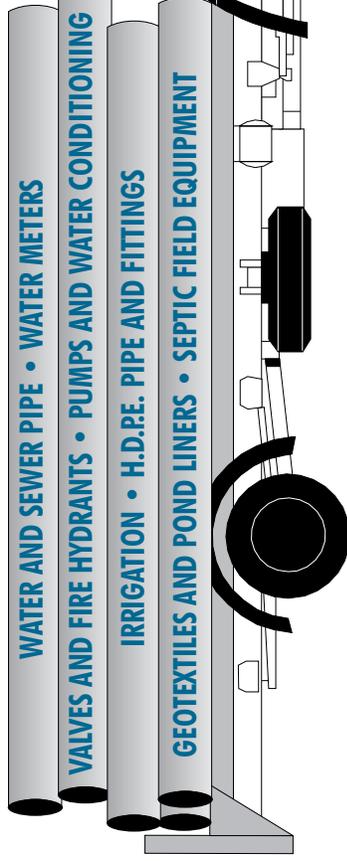
39 Eagle Dr. (204) 697-3130  
Fax (204) 779-3685

TOLL FREE **1-866-535-3626**

**BRANDON**

343 Park Ave. East (204) 571-3470  
Fax (204) 728-1141

TOLL FREE **1-866-623-6202**





JOHN DEERE



# The choice is in your hands.

**Choose the style that works for you.** With both steering wheel navigation and Grade Pro fingertip armrest controls, the John Deere 872GP lets you decide how to get the job done and the exclusive automated cross-slope makes it easier to hold a consistent slope by reducing operation to a single lever. And it's all backed by the best-trained and best-equipped sales and service team in the business. That's powerful value, delivered. For a dealer near you, call

**1-888-2BRANDT** or visit our website at **[www.brandttractor.com](http://www.brandttractor.com)**.



**Brandt**