



# The Heavy News Weekly



## Institutional investors can help bridge municipal infrastructure gaps

Originally published by *The Globe & Mail* and featured in *CCA Weekly*



Canadian  
Construction  
Association

Municipal delegations and Ontario's three political party leaders are in Niagara Falls this week for the annual meeting of the Association of Municipalities of Ontario. Across the province, virtually every municipality is confronting the same problem: How to pay for infrastructure investments that will keep people safe and on the move.

Barry Schwartz, Chief Investment Officer and portfolio manager, Baskin Wealth Management & BNN's Paul Bagnell look at why the transportation nightmare in Toronto unearths a bigger issue at hand.

Most municipalities are struggling just to maintain their infrastructure at current levels, let alone invest in new projects. A recent AMO study of 93 Ontario municipalities revealed that \$5.1-billion is required just to replace aging assets.

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Of course, this is not solely an issue in Ontario, but across Canada. The Federation of Canadian Municipalities estimates the national municipal infrastructure deficit at more than \$123-billion, and the total deficit for all levels of government is estimated at \$350-billion to \$400-billion. To put that in perspective, it's an infrastructure deficit of about \$30,000 a household.

In short, the gap between the improvements we need and our ability to pay for them is widening. But Canada's institutional investors can significantly help bridge that gap, if given the opportunity.

Because of the nature of our business – premiums are often received for decades before claims are required to be paid, and therefore must be invested in quality long-term assets – life and health insurers are among the largest long-term investors in Canada. Indeed, 90 per cent of life and health insurers' domestic investments are held for the long term, totalling \$540-billion.

Given the dire need for domestic infrastructure investment, it may seem perplexing that the Canadian institutional investors are increasingly forced to look abroad for predictable, long-term investment opportunities. But this is exactly what's happening in Canada, because the opportunities for private investment are scarce.

Life and health insurers want to play an important partnership role in financing infrastructure projects. One of the most mutually beneficial ways for long-term investors to support government priorities is through private-public partnerships (P3s), which allow governments to access the significant capacity and appetite of Canadian private investors.

While P3 investments have become more common, governments need to do more to fully harness the power of private investment. There has been some notable progress: PPP Canada, the federal Crown corporation dedicated to supporting P3 investments, represents a strong commitment by Ottawa. Provinces such as Ontario, British Columbia and Alberta have also created dedicated investment agencies that support P3 programs.

Yet, for the vast majority of infrastructure needs, particularly at the municipal level, P3 financing is not considered a viable option.

We believe three steps can be taken to fix this:

First, the rest of the provinces and territories should create dedicated investment agencies to promote P3 investments.

Second, all levels of government should agree to a \$20-million threshold above which all infrastructure projects are screened for P3 suitability.

Third, PPP Canada should take on a leadership role in standardizing project documentation for all projects under \$50-million, which would reduce the time and cost of issuing P3s for smaller projects and make it easier for investors to capitalize on those opportunities.

## Canadian Construction Association: Take the survey on Construction Innovation and see where our industry's headed

The Canadian Construction Association's upcoming COO Conference will host a session on **Construction Innovation: Where we are and where we're headed**.

As part of the session, the Canadian Construction Association asks that you take part in a brief survey that covers your stance on the heavy construction industry, both currently and where it's headed with the advancements of modern technologies. As a participant in the survey, you will receive a copy of the results.

Visit <http://gobridgit.com/cca-tech-2015/> and learn about Construction Innovation: Where we are and where we are headed.

Thank you for your participation!

## Querel Trailers pledges \$1,000 towards STARS CEO Rescue on the Island challenge - challenges others to follow suit



Bruce Querel from Querel Trailers has pledged \$1,000 towards Nicole Chabot and her rescue mission with STARS CEO Rescue on the Island challenge and challenges others to follow suit.

Chabot, Vice President of L. Chabot Enterprises Ltd. and Education, Training & Gold Seal Committee Chair with the Manitoba Heavy Construction Association, will be transported to an unknown destination in Manitoba and, with only her cell phone in-hand, will have to compete to raise money by facing a series of challenges to help secure a flight home.

**Take the challenge within a challenge and help Querel Trailers raise money for Nicole Chabot to return home!**

To support Nicole Chabot on her rescue mission, simply visit <https://foundation.stars.ca/nicole> to fill out the online pledge and the tax receipt will be emailed directly to you! Please note that donations of all sizes are welcome and appreciated and that all amounts qualify for a tax receipt and your gift will go directly towards the cost of care for a fellow Manitoban.

To learn more about STARS and their ongoing missions across Western Canada, visit [www.stars.ca](http://www.stars.ca).



## Get Gold Seal Certified

Since 1991, the Gold Seal Certification program has set the Gold Standard in the Management of Construction. Today, more than 8,000 construction professionals have been recognized as Gold Seal Certified.

### What are the benefits of Gold Seal Certification?

Whether you are a **Construction Professional, a Contractor, Project Manager, or an Owner of a construction project**, Gold Seal Certification can help you set a high standard - the Gold standard - on a construction project.

Learn more at [www.goldsealcertification.com](http://www.goldsealcertification.com)



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## **Amendments to Vehicle Weights and Dimensions on Classes of Highways Regulation**

I am writing to inform you of recent regulatory amendments respecting vehicle weights and dimensions and highway classifications.

Amendments to the *Vehicle Weights and Dimensions on Classes of Highways Regulation, MR 575/88 (VWDR)* will come-into-force on August 26, 2015, to better align Manitoba's regulation with the Federal-Provincial-Territorial Memorandum of Understanding on Interprovincial Weights and Dimensions as well as meet Manitoba's obligations set out in agreements with other jurisdictions. These amendments are intended to:

- Ensure Manitoba's trucking industry is able to take advantage of new technologies that improve efficiency and reduce cost;
- Reduce barriers and increase regional competitiveness through the harmonization of regulations with neighbouring jurisdictions; and
- Address road safety concerns.

### **Highlights of the Changes**

**Aerodynamic Devices - subsection 11.1(a):** The permissible length for aerodynamic devices will increase from 0.61 metres to 1.52 metres and will continue to be excluded from the measurement of overall length, provided the devices are collapsible.

**B-Train Length – clause 13(5)(k) and Wildlife Bumpers – subsection 11.1(b):** The permissible length for a B-train configuration will increase from 26 metres to 27.5 metres. However, the new B-train length will now *include* wildlife bumpers in the overall length measurement.

**Wide-base Single Tires – subsection 28(2)(c) and Schedule H:** The permissible weight for wide-base single tires and axle groups fitted with wide-based single tires has increased for RTAC routes to be consistent with dual tires. The increased weights on wide-base single tires on RTAC routes are currently authorized by Ministerial Order (9,100 kg for a single axle, 17,000 kg for a tandem axle, and 24,000 kg for a tridem axle) and will be continued in regulation.

**Full Trailer Weight - subsection 28(4):** To help ensure vehicle stability, subsection 28(4) is amended to establish a maximum weight of 31,000 kg for full trailers equipped with 4 or more of axles on the trailer.

**Minimum Axle Weight for Tandem Steer/Tridem Drive Combination Vehicles - section 28.2:** To help ensure vehicle stability section 28.2 is amended to establish a minimum steer axle weight of 40 percent of the drive axle weight on tandem steer/tridem drive combination vehicles. The VWDR already establishes a minimum steer axle weight for single/tridem combination vehicles.

### Highway Re-Classification

Several highways have been reclassified to permit heavier loads.

Highway No.	Portion Re-Classified	New Classification
Richmond Avenue (Brandon)	from its junction with 17 <sup>th</sup> Street East to its junction with 65 <sup>th</sup> Street East	Increased to RTAC Route (63,500 kg)
PR 200	from its west junction with PR 201 to a point 1.6 km north of that junction	Increased to RTAC Route (63,500 kg)
PR 201	from its junction with PTH 75 to its east junction with PR 200	Increased to RTAC Route (63,500 kg)
PR 283	entire length of highway	Increased to Class A1 Highway (56,500 kg)

The regulatory amendments can be viewed at: <http://web2.gov.mb.ca/laws/regs/current/pdf-regs.php?req=575/88>

If you have any questions regarding these amendments, please contact Jan McKee by email at [jan.mckee@gov.mb.ca](mailto:jan.mckee@gov.mb.ca) or phone 204-945-8240.

Sincerely,



Esther Nagtegaal, B.A., B.Ed., MMM  
Assistant Deputy Minister

c Jan McKee

# Changes to the Highway Traffic Act - Safety Fitness Certificate Program

Changes to the Safety Fitness Certificate (SFC) program under the Highway Traffic Act may result in additional administrative and operational requirements for the heavy construction industry and all operators of heavy equipment.

As of September 1, 2015, Manitoba Infrastructure and Transportation (MIT) will require all companies who own ANY T-plated heavy vehicles (4500 kg or above) will be required to obtain a Safety Fitness Certificate (SFC) and meet all applicable SFC program requirements, unless the vehicle is used exclusively for personal use. Individuals owning heavy vehicles that are not used exclusively for personal transportation will need to know how to comply with the Safety Fitness Program requirements. Registration will cost the same and there is no fee for a Safety Fitness Certificate.

A heavy vehicle is defined as a truck or truck tractor with a registered gross vehicle weight of 4,500 kg or more.

## Key Issues or Changes:

- Changes will be implemented beginning September 1, 2015, and will become effective as companies/owners renew registrations on their vehicles. Companies will need to comply with all *Safety Fitness Certificate Program* requirements 30 days after the effective date of your vehicle registration renewal/reassessment. For example, if the effective date of your vehicle registration is November 1, 2015, you must meet all requirements on December 2, 2015.
- Standards will apply to all commercial heavy vehicles or those owned by individuals and not used exclusively for personal use.
- Standards for heavy vehicle inspections have been amended, changing the inspection frequency for truck tractors from every six months to every 12 months.
- **As per existing requirements, to be registered in the Safety Fitness Certificate Program, companies must ensure:**

Driver's comply with hours of service requirements  
Daily trip inspections are conducted (currently required under COR™)  
- If vehicle is traveling more than 160 km from the place of business the driver must have written inspection report with them  
Driver records are obtained and reviewed which includes:  
- Driver's license disclosure  
- Driver's abstract  
- Disclosure of all accidents and violations  
Vehicle is maintained  
Manufacturer's defects are remedied upon notice from manufacturer  
A Compliance Officer is designated  
Vehicles are marked with name of company  
Adequate records are maintained

Please note that staff at the Manitoba Department of Infrastructure and Transportation has offered to facilitate information sessions for industry if there is interest. If you are interested in attending such a session, please contact the main MHCA office at (204) 947-1379 and MHCA WORKSAFELY™ staff will arrange a meeting.

For additional information on changes the *Safety Fitness Certificate Program* you may contact:

**Manitoba Infrastructure and Transportation** or your **local insurance broker.**

Heavy Vehicle Safety Initiative

Motor Carrier Division

Unit C - 1695 Sargent Avenue

Winnipeg MB R3H 0C4

Telephone: 204-945-7571

Toll free: 1-877-340-9068

Fax: 204-948-2078



## The National Trade Contractors' Coalition of Canada seeks support in new federal Prompt Payment Legislation

The National Trade Contractors' Coalition of Canada (NTCCC) has approached the Canadian Construction Association (CCA) in ask of support of its initiative to see federal Prompt Payment Legislation enacted.

The Prompted Payment Legislation would see that all construction contracts that have been appointed by the Government of Canada, as an **owner**, will be structured under a secured payment system that ensures that all payees (contractors and subcontractors) receive standardized payments. These payment structures will be identical to those originally stated in the Canadian Construction Documents Committee (CCDC) Standard Contract forms.

With the Prompted Payment Legislation in place, the owner will be required to pay the contractor and the contractor will be required to pay all levels of subcontractors on a monthly (or more frequent) basis.

Interest will apply on all late payments and if either the owner or contractor does not comply with this new prompt payment system, unpaid payees will have the right to stop work and/or to terminate the contract/ subcontract as per the CCDC contracts and CCA Standard Contract Form.

Unfortunately, the nature of the heavy construction industry is the normalcy of *late payments*. Late payments have become an unfortunate and unequal bargaining power between the contractor and their subcontractors. Contractors can't afford to miss out on a bidder's list for tenders and subcontractors have no ability to determine the structure of payments from the contractor; therefore, contractors are retaining funds (originally collected the subcontracted work) and using it to finance their own operations.

This systematic problem is in need of a systematic solution and the Prompt Payment Legislation will provide the next steps to achieving a payment standard across Manitoba's heavy construction industry.

### What do you think?

The Manitoba Heavy Construction Association is interested in your thoughts and opinions on the Prompt Payment Legislation and how it may impact the heavy construction sector, if the bill is enacted. Please send your responses by email to Megan Funnell, Marketing Communications Specialist, at [mfunnell@mhca.mb.ca](mailto:mfunnell@mhca.mb.ca) by end of day on **Friday, August 28, 2015**.

Thank you – your input is greatly appreciated and we look forward to hearing from you.

Sincerely,

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



# WORKSAFELY MHCA SAFETY TIPS

## Preventing Wasp or Bee Stings

The best way to prevent stings is to avoid the insects. Leave the area, if possible. If there is a travelling swarm, they will likely leave within a few days.

Note that insect repellent (“bug spray”) does not affect these stinging insects. Avoidance and awareness are the keys to not being stung.

### **Before working on a site:**

- Take a look around. Check to see if there are any visible signs of activity or a hive or nest. If you see a number of insects flying around, check to see if they are entering/exiting from the same hole or place. If so, it is likely a nest or a source of food.
- Wear long sleeve shirts, long pants, and closed-toed boots or shoes. If you cannot avoid working near bees or wasps, tape your pant legs to your boots/socks, and your sleeves to your gloves.
- When using power tools, be aware that the tools may provoke the insects or in some cases, cause the insects to swarm.

### **If you find you are working near stinging insects, here are some tips:**

- Most bees and wasps will not sting unless they are startled or attacked. Do not swat at them or make fast movements. The best option is to let the insects fly away on their own. If you must, walk away slowly, or gently “blow” them away. The only exception is if you have disturbed a nest and hear “wild” buzzing. Protect your face with your hands and run from the area immediately.
- Wear light coloured clothes such as khakis, beige, or blue. Avoid brightly coloured, patterned, or black clothing.
- Tie back long hair to avoid bees or wasps from getting entangled in your hair.
- Be careful when shaking out clothing or towels as the insects could be inside the folds.
- If you find a bee or wasp in your vehicle, stop and leave the windows open.

### **DO NOT:**

- Do not wear perfumes, colognes, scented soaps, or powders as they contain fragrances that are attractive.

**For more tips, tricks, and valuable resources on effective workplace safety and health practices, visit [mhca.mb.ca/WORKSAFELY](http://mhca.mb.ca/WORKSAFELY)**

## **SiteDocs Android Phone App is in Beta!**

For the past three years, SiteDocs has been on an Apple platform and, because of the iPad's stability and reliability, we've been able to develop a first-class product that just continues to get better. Our goal is to make digital safety accessible on the field to all workers and, while the iPad was a great start, we know that many of our customers would love to use SiteDocs on their Android devices.

So, the time has finally come to expand to Android. We are delighted to announce that our Android Phone App is officially in beta testing!

If you (or your company) would like to join in on the testing, you're most welcome.

### **Getting Started:**

- Download SiteDocs from the Play Store (requires Android 4.4 or higher).
- We are tracking crashes and bugs very closely but any feedback or insight you can provide about issues you encounter is very valuable. When providing feedback, please let us know what device you're using.
- Check the Play Store for regular updates (we'll be releasing numerous updates in the next few weeks).

### **Current Known Issues:**

- Long forms (with more than approximately 100 items) can crash.
- Forms can take a long time to upload, especially those containing many photos. In some cases with poor internet connection, large forms with many photos may fail to upload entirely. We are already in the midst of addressing this.

Of course, there's no pressure - if you'd rather wait for it to be out of beta, simply wait for the announcement to be made, likely in September.

As always, stay tuned for more updates and releases coming soon!

### **SiteDocs Development Team**



**TO REGISTER,  
PLEASE CONTACT:**  
Sarah Higgins  
sarah@mhca.mb.ca

# Training Schedule

## August

Flagperson (1/2 day AM)  
COR™ Leadership in Safety Excellence  
COR™ Principles of Health & Safety Management  
COR™ Auditor  
Train the Trainer  
Excavating and Trenching (1/2 day AM)  
Committee/Representative Training (1/2 day PM)

August 10 MHCA Office  
August 17 - 18 MHCA Office  
August 19 MHCA Office  
August 20 - 21 MHCA Office  
August 24 - 25 MHCA Office  
August 26 MHCA Office  
August 26 MHCA Office

## September

Flagperson (1/2 day PM)  
Traffic Control Coordinator  
COR™ Leadership in Safety Excellence  
COR™ Principles of Health & Safety Management  
COR™ Auditor  
WHMIS (1/2 day AM)  
TDG (1/2 day PM)  
Excavating and Trenching (1/2 day AM)  
Committee/Representative Training (1/2 day PM)  
Train the Trainer

Sept. 8 MHCA Office  
Sept. 10 -11 MHCA Office  
Sept. 14 - 15 MHCA Office  
Sept. 16 MHCA Office  
Sept. 17 - 18 MHCA Office  
Sept. 21 MHCA Office  
Sept. 21 MHCA Office  
Sept. 22 MHCA Office  
Sept. 22 MHCA Office  
Sept. 23 - 24 MHCA Office

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	1	2
3	4	5 COR Leadership in Safety Excellence	6	7	8	9
10	11	12	13	14 Training Flagperson	15	16
17	18 COR Leadership in Safety Excellence	19 COR Leadership in Safety Excellence	20 COR Auditor	21 COR Auditor	22	23
24	25	26	27	28	29	30

# China's Devaluation: Opportunistic or Overdue?

By Peter G Hall, Vice President and Chief Economist



Just in case you were getting too comfy at the cottage, China offered up a summer storm: a one-two gut-punch of currency devaluation. What has followed is a wave of reaction that has still not settled down, and a lot of speculation as to China's rationale for the move. Opinions are varied. Was this a competitive devaluation, aimed at shoring up an ailing domestic economy by boosting trade? Or was it just time for a RMB reality check?

One thing's for sure, it took the world by surprise. Few if any saw a change to the relatively stable path the RMB has taken since early 2014. Thus, the 1.9 per cent drop against the USD on August 11 and the further 1.6 per cent the following day, the largest swing since August 2005, rocked markets. The speed was perhaps more shocking than the actual amount of

movement, but the real jolt was the departure from a steady and predictable currency management program which had been in place for nearly two decades. What happened?

We don't have to look too far for reasons. The first is China's quest for an internationalized currency on par with the USD and Euro. This goal has led to the setup of RMB hubs around the world, including Canada's last March, a series of financial reforms that are pushing the RMB toward full convertibility, and a concerted effort to have the currency added to the IMF's SDR basket. The latter would vault the RMB much closer to a global reserve currency overnight and greatly augment its worldwide circulation. In fact, a key but largely unappreciated development last week was the PBOC's move to allow the previous day's market close rate to influence the RMB's daily fixing rate. In other words, the 'invisible hand' now has a seat at the table. Beijing is signaling that its RMB internationalization agenda is alive and well.

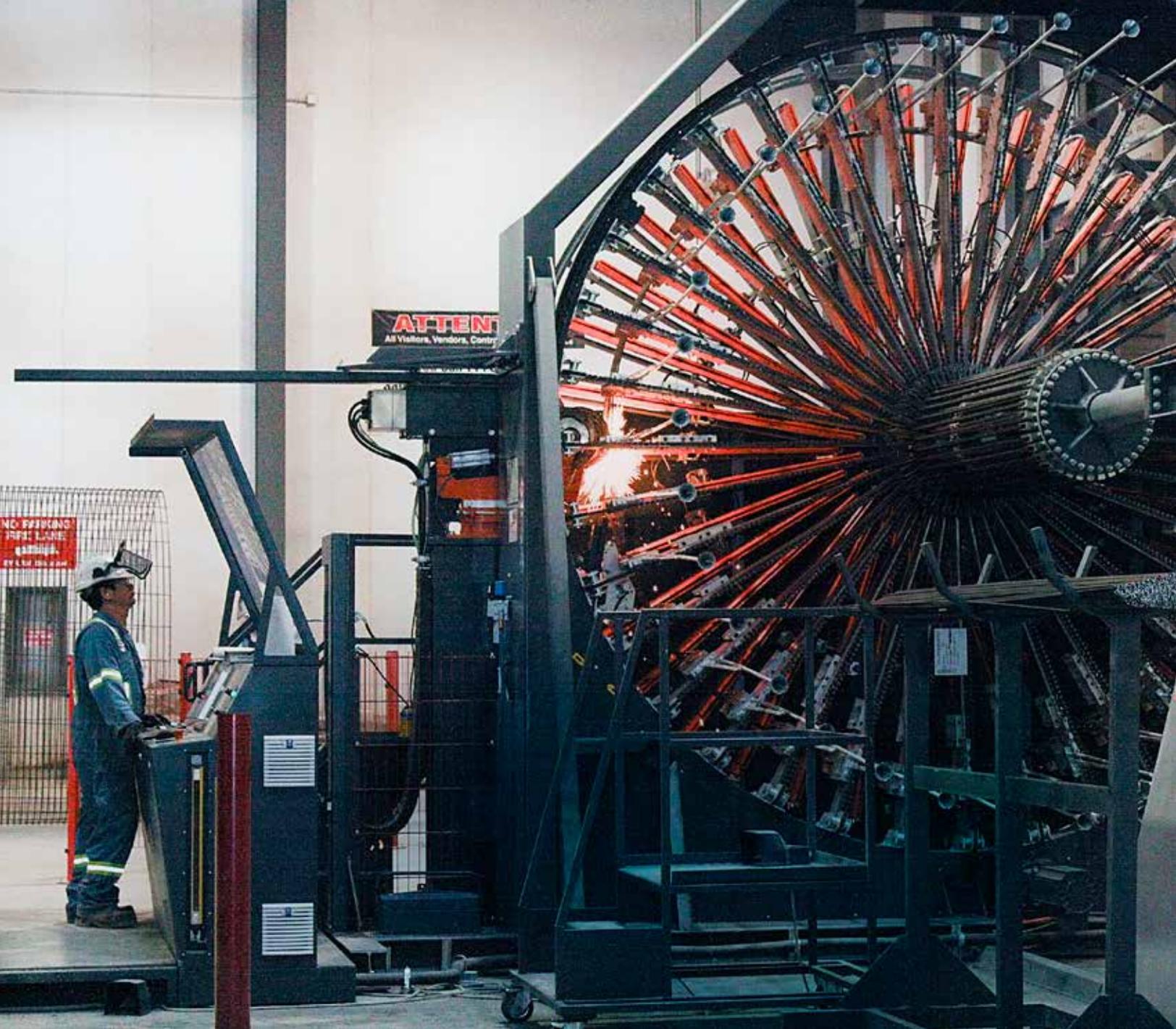
Another reason is the reality that the RMB's existing valuation mechanism was no longer sustainable as it was too closely pegged to the USD. While the RMB is officially pegged to a basket of currencies (the exact formula is not known) it is clear that this basket is heavily weighted to the USD. The bilateral rate did not fluctuate more than 2.3 per cent in the past 20 months, while at the same time America's trading partners on average depreciated 18 per cent against the greenback.

This has effectively caused the RMB to track the rhythms of the US economy rather than its own, while structurally and operationally, the two economies are worlds apart. Thus, China's currency actions have punished its trade activity this year, favouring instead economies whose currencies have steadily weakened. Current industrial production and export numbers seem to corroborate this scenario.

Take China-EU trade as an example. The EU gobbles up 15 per cent of total Chinese exports, and in the past 20 months the RMB has appreciated 18 per cent against the Euro. The same can be said for its standing against other significant trading partners. Analyze the reaction of any economy to currency swings like this, and it's pretty hard to stem steep declines in activity. This also happens at a time that China's internal cost structure is rising against other low-cost producers.

Weighting the RMB to trade activity suggests that if the currency were indeed free-floating, more depreciation likely would have occurred. By this measure alone, further RMB depreciations are likely warranted. There are, however, more factors that determine currency values. Certain balance of payments data suggest that China's resilient RMB looks reasonable – although a proper assessment on this basis requires a broader sense of financial assets and liabilities across the Chinese economy. China's real effective exchange rate produces yet another assessment of where the RMB might belong. Suffice it to say that the 'true' level of the currency continues to be hotly debated.

The bottom line? Accusations against China of competitive devaluation at this point seem short-sighted. It's actually more surprising that given its structure, China's currency has not depreciated more. And if that is a near-term possibility, then we can expect the consequent market volatility to persist.



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