September 29, 2017

MHCA™
MANITOBA HEAVY CONSTRUCTION ASSOCIATION
Presence. Profile. Impact.

The Heavy News Weekly

INSIDE:

Saskatchewan commits to remove restrictive trade practices

MHCA's protest triggers discussions, agreement between provincial governments

Trade officials in Saskatchewan have provided assurances that Manitoba companies will not be prevented from bidding on a level playing field for work tendered by Crown corporations in that province.

The undertaking comes following a letter sent, with follow-up, to Manitoba`s minister of Growth, Enterprise and Trade this summer by the MHCA, protesting restrictive trade practices in Saskatchewan by SaskPower and by the Highways and Infrastructure Department there.

SaskPower had recently tendered contracts that restricted bids to companies within provinces that have signed the New West Partnership agreement. It excluded Manitoba in that list, although Manitoba became a full signatory to the NWP agreement earlier this year.

"Saskatchewan officials noted that there had been some internal delays in communicating the revised coverage by Manitoba," a Sept. 19 letter from Manitoba Trade and Investment to the MHCA explained, adding "it is clear Manitoba suppliers will be eligible as NWPTA region suppliers."

MHCA President Chris Lorenc sent a reply letter, thanking the minister and the department for their work. However, Lorenc asked that the department also press for the removal of local preference clauses and language within the SaskPower tenders and those issued by Saskatchewan's Highways and Infrastructure Department.

SaskPower reserves the right to evaluate bids based upon "the best overall value to SaskPower." Meanwhile, Highways and Infrastructure rates bidding companies based on 'best value' and 'local knowledge.'

Lorenc said such clauses are offensive to the commitment to free, unfettered trade and evidence of Saskatchewan's continue efforts to advantage local companies through exclusionary language.

Manitoba does not impose such restrictions on out-of-province bidders, he noted.

MHCA joins Canada-wide outcry over Trudeau government's proposed reforms to business taxes

Letter warns about unintended consequences, damage to economy

Minister Jim Carr – March, 2016

The MHCA joined leading business organizations recently to meet with Manitoba's regional federal minister, Jim Carr, in hopes of bringing home to Ottawa the anger and alarm raised by the Trudeau government's proposed tax changes for privately incorporated businesses.

The changes will alter dramatically the way such corporations, especially small business, are taxed, upsetting the structure of their investment and succession plans. The reforms were prepared and announced to the surprise of the business community mid-July. The government is allowing for consultations only until October 2.

"This surprise revelation that key elements to the tax regime for Canadian-owned corporations would be overhauled without warning and in the middle of summer is unfair," MHCA President Chris Lorenc said. "Many MHCA members are just this kind of small, family-owned business that will be disproportionately penalized by the changes."

For many small businesses, investment and succession plans – key elements to retirement strategy – are decades in development; the Trudeau government's tax reforms would in a fell swoop upend the deliberative decisions put in to build business, create jobs, innovate and, ultimately, leave a better corporate interest in the hands of a family's successive generations.

The MHCA, with the Business Council of Manitoba, the Winnipeg and Manitoba chambers, the Manitoba Homebuilders and the Canadian Manufacturers and Exporters, met with Natural Resources Minister Carr, Manitoba's voice in the Trudeau cabinet. As a group, they asked that the process be slowed down and the reforms rethought, with attention to the ramifications for small business and the Canadian economy. This position echoes the outcry gaining momentum across the country from various sectors about the bundle of tax changes planned.

"If adopted as currently proposed, they will induce the flight of capital, become a disincentive to risk, innovation and start-up investment, reduce private-sector capacity to create jobs and grow wealth in this country," said Lorenc. He noted that, cumulatively, this will damage the national economy "which fuels government capacity at all levels to fund Canada's globally envied standard of living."

The Trudeau government has been hit with a barrage of comment, criticism (see following page) and recommendations to pull back on their tax changes, including from both sides of the House, as the amendments to tax law proceed through the legislative route. Conservatives and Liberals at the House finance committee and in question period this week warned the government about the unintended and serious consequences, especially to small business, that will follow should it pass the changes.

In a follow-up to the September 22 meeting, MHCA Chairman Greg Orbanski and Lorenc sent Carr a letter asking that the consultation period be extended and subject the proposals to review by experts in the field. Lorenc said the response was disappointing.

Carr, in a reply letter, said: "In Budget 2017, the Government of Canada signaled its intention to address specific tax planning strategies involving the use of private corporations – strategies that can result in high-income individuals gaining tax advantages that are not available to most Canadians. Over the last decade, the number of such private corporations has increased substantially and evidence indicates that a significant share of taxable income has shifted from the personal to the corporate tax base."

The MHCA letter and Carr's reply have been posted on the MHCA website.

Proposed tax changes to privately incorporated business under fire

The Trudeau government is under fire for tax changes targeting privately incorporated businesses, which the government says aim to eliminate "unfair" tax treatment that can result in business owners paying less tax than employees.

That assertion has drawn significant fire, especially as the proposed changes relate to the small businesses relying on tax law to plan for investment, innovation and succession. Since introducing the package of planned tax changes to this summer, federal Finance Minister Bill Morneau has received a flurry of feedback about the unintended consequences of his proposed reforms from across Canada.

The changes proposed relate to the tax treatment of: the distribution of income that business owners can make to employed or shareholder family members as dividends or capital gains; income that is retained (rather than distributed as salary or dividends) for 'passive investment' by a business; and, the payout of dividends as capital gains, and the use of the lifetime capital gains exemption.

Among the cogent arguments being made against the changes, underscoring the damaging consequences to businesses, jobs and the economy, are:

Stanley Hartt, a former deputy Finance minister and chief of staff to Brian Mulroney, writes in the September 22 edition of *Policy Options*, that "*in essence, the Finance minister has declared war on the middle class.*

"The small business deduction in our corporate tax system was not invented by tax planners. It was meant to encourage the establishment of new enterprises and assist in their survival during their early-stage growth periods… The dividend tax credit – which integrates the tax imposed on the corporation with the tax collected a second time when profits are distributed by way of dividends – is not a loophole. The business owner was never intended to pay the same amount of tax as his neighbor who was an employee."

Mark Milke, author and consultant, in the *Globe and Mail* September 24 took on the assertion animating Finance Minister Bill Morneau's proposal that "*the ostensibly wealthy*" do not now pay enough tax.

"There is no accepted definition of who is rich, middle income or poor. But most people might think incomes greater than $100,000 provide a comfortable living. Here now we approach the Prime Minister's claim, which I pose as a question: Do they pay their "fair share" of taxes? For any reasonable person, the answer should be "yes" and based on the following: In 2014, those whose incomes exceeded $100,000 represented more than 8 per cent of all tax filers, garnered slightly more than 33 per cent of all income and paid nearly 52 per cent of all federal income tax. Or expressed differently: If having less than one-tenth of all tax filers pay more than half of federal income tax isn't yet fair, it is unclear what proportions will satisfy the tax-the-rich-more class warriors."

What can you do?

The Canadian Construction Association, of which the MHCA is a member, is encouraging businesses to write directly to their Member of Parliament in a campaign led by the Canadian Chamber of Commerce called Protect Growth. "Through this new campaign, CCA members from all across the country will be able to easily engage their local Members of Parliament through the microsite www.protectgrowth.ca."

Individuals and their companies can engage their local MPs by clicking the "Write Your MP!" button located at the top and bottom of the page.

The password to access the tool is *Chamber2017*

Once clicked, they will be directed to include basic contact information that will be used to populate the Chamber form letter. Then a simple click of "send" automatically delivers the letter to the local MP.

City of Winnipeg launches review of development plan

MHCA participates in recent round-table discussion on updating OurWinnipeg

The City of Winnipeg has identified budget constraints and a need for new revenue sources in its discussion on how it can meet citizen demand for improved streets and roads, in opening consultations for updating its development plan.

This week, a number of community groups and associations were called to the discussion session for updating the document, called OurWinnipeg. The MHCA was represented by association President Chris Lorenc.

The city, within its discussion papers, noted that while surveys continue to see Winnipeggers ranking infrastructure – specifically, the condition of roads and streets – as the No. 1 "quality of life" priority, it also seeks to respond to the demand for other forms of transportation beyond cars, such as cycling, walking and mass transit.

"We have a $2.2+ billion infrastructure deficit over the next 10 years, mostly related to road projects," the paper said. "Using current funding sources, a significant additional amount per capita in tax-support would be required to fully absorb the projected transportation-related infrastructure deficit over the next 10 years.

"Therefore, moving forward, the City faces a number of critical decisions with respect to the ongoing transportation needs, choices, and costs for a growing population."

Lorenc said that the City of Winnipeg can only meet the challenge of future infrastructure needs – especially with regard to trade-enabling infrastructure, and growing demands from a rising population – through a regional approach. The Capital Region will grow to more than one million in population over the next 15 to 20 years.

"Such an approach serves Winnipeggers because it creates a region that, in pulling together a variety of strengths, can compete across North America to attract new businesses."

Lorenc stressed that Winnipeg city hall needs to release an update of its infrastructure investment deficit, last published in 2011 and based on 2009 dollars. The infrastructure investment deficit describes what it would cost to bring its current assets to good condition and to build the infrastructure that is required in the next 10 to 20 years.

The OurWinnipeg review is expected to take two years.

Awards Breakfast & Annual General Meeting

Friday, November 17, 2017 8 am - 11:30 pm
RBC Convention Centre, York Ballroom 2

Keynote Speaker: Honourable Ron Schuler,
Minister, Manitoba Infrastructure

Awards, Year in Review, Membership and Future Priorities presentations

Tickets: $49 +GST (per person)

No. of tickets: _____

Annual Chairman's Gala

Tickets available as individual or tables of 10

No. of tickets: _____

Company: _____ **Contact Person:** _____

Phone: _____ **Please Invoice:** _____

Credit Card #: _____ **Exp. Date:** _____ **3-Digit Security Code:** _____

Card Holder Name: _____ **Signature:** _____

Delta Winnipeg, reservations: 1-844-294-7309 - room rates starting at $135
Quote: Manitoba Heavy Construction Association

Fill out this form in full and fax to Christine Miller at the MHCA office at 204-943-2279 or email christine@mhca.mb.ca. To request a special meal, to accommodate any food allergies and/or dietary restrictions, please call or email Christine at 204-947-1379.

Upcoming MHCA Meetings

Rental Rates Committee
MHCA Office
October 6 - 12:00-2:30

MHCA Executive Committee
MHCA Office
October 25 - 12:00-4:00 PM

SAFE Roads
MHCA Office
October 27 - 12:00-1:30 PM

Rental Rates Committee
MHCA Office
November 3 - 12:00-2:30 PM

MHCA Board of Directors
RBC Convention Centre
November 17 - 10:00-12:00 Noon

MHCA Executive Committee
MHCA Office
November 21 - 12:00-4:00 PM

Rental Rates Committee
MHCA Office
December 1 - 12:00-2:30 PM

MHCA Executive Committee
MHCA Office
January 17, 2018 - 12:00-4:00 PM

MHCA Board of Directors
Location TBD
January 24, 2017 - 12:00-4:00 PM

Construction Corner: Researchers creating roads that can be de-iced with wax

Korky Koroluk, September 27

They're intriguing things: materials that release latent heat as the material changes between its liquid and solid state. Many different materials have been used in different ways.

One suggestion, which got a brief burst of publicity a decade or more ago, was to embed capsules of PCMs in gypsum board to help stabilize interior temperatures in conjunction with a building's HVAC system.

I don't know what became of the idea. I've done a couple of quick searches without turning up any evidence that it ever developed into a commercial product.

Now PCMs are back in the news, this time by researchers from three American universities including Drexel U in Philadelphia. They have come up with a system that could create roads that de-ice themselves during winter storms. All they had to do was add a little paraffin wax to the road's concrete mix.

Put that way, it sounds trivial, but it's not. After more work is done, researchers may have a product that could be used at airports to keep runways free from ice and snow. It could be used on expressway ramps.

There could be many applications in the parts of North America where snow and ice can cause problems.

The research team involved people from Purdue University and Oregon State. The team leader was Yaghoob Farnam, of Drexel. The team was among the first to show that using PCMs as an environmentally friendly alternative to salt can be just as effective as the standard salting, scraping and plowing.

"Phase-change materials can be incorporated into concrete using porous lightweight aggregate or embedded pipes, and when the PCM transforms from liquid to solid during cooling events, it can release thermal heat that can be used to melt ice and snow," Farnam says. "By inhibiting the formation of ice and snow on the pavement or bridge surface, the use of PCM may reduce or eliminate the need for de-icing chemicals or salts, snowplowing or both — saving money and positively influencing the environmental impact of such operations."

The paraffin oil the team used is the same ingredient that is found in candles, wax polishes, cosmetics and waterproofing compounds.

Like all PCMs, it releases thermal energy when it changes its physical state, which means that as the temperature drops and the oil begins to solidify, it releases energy as latent heat. That in turn means that the oil can be tailored to embed de-icing capabilities in a road surface so that it becomes thermally active during snowstorms.

During the research, the team created a set of concrete slabs. One had paraffin-filled pipes embedded in it and one had porous lightweight aggregate infused with paraffin. The third was a reference slab without paraffin. Each was sealed in an insulated container and then covered with about five inches of "snow" manufactured in the lab.

With each container held just above the freezing mark, both the paraffin-treated slabs melted the snow within 25 hours, all the snow on the reference slab remained frozen. Thawing was a little faster on the slab with the paraffin-filled tubes. But in the group's second experiment, in which the ambient air temperature in each container was lowered to freezing before the snow was added, the paraffin-treated aggregate was more effective than the embedded pipes.

Farnam says the team believes that infusing lightweight aggregate paraffin is the method that shows the most promise. But he warns that additional research is necessary.

That would enable researchers to gain a better understanding of other factors such as ways in which the paraffin might influence things like the durability of the concrete pavement, skid resistance and long-term stability.

With winter approaching, I have just laid in a bag of de-icing salt. So I'd be curious to know how concrete infused with paraffin would perform on my front walk.

Korky Koroluk is an Ottawa-based freelance writer. Send comments to editor@journalofcommerce.com.

The sleeping giant stirs…

Peter G. Hall, Manager, Economic & Political Intel Centre

Big commitments are hard to make. Before putting substantial funding toward any business project, there has to be a solid case for it. At a very basic level, it helps when the economy is strong. When the political situation is stable. When there is good access to international demand. And, of course, when current facilities just aren't sufficient to process current orders . The absence of these factors, or greater uncertainty shrouding them, has held back corporations the world over from making big commitments – for seven long years. More recently, on certain fronts the case has begun to improve. Is the sleeping giant starting to stir?

Before answering the question, some might doubt its premise. Giant? Gross investment in the economy? Add up its four big components – residential, non-residential, machinery and equipment and government investment – and you barely get 20 per cent of the economy. Certainly not the 'giant' status of consumer spending, at about 60 per cent of GDP, and international trade which, when both exports and imports are included, is also about 60 per cent of the economy. In aggregate, investment looks a lot more like a David than a Goliath.

Maybe so, but as the story goes, David proved to be the greater giant. Investment may be a bit of a sleeper in the economy, but don't let its size fool you – it is actually the element that to a large extent determines the economy's capacity to produce future goods and services. Take away its oomph, and it says a lot about where the economy is going. In the post-recession years, the oomph has clearly been absent. Globally, this investment cycle hasn't been shorter in duration than most, but it has clearly been the least impressive in decades. Average growth has been almost a full percentage point below the next-to-worst growth period since 1980. In the OECD alone, make that since 1960. Through 2016, this giant has stayed pretty sleepy.

No less so than other elements of GDP, you might say. Sure, investment's share of global GDP hasn't really changed in recent years. Ah, but it has in the OECD, where the post-recession investment gap is as big now as it was in 2010. And what set emerging markets apart was massive government investment; the private sector is still dealing with a deficit.

Is there any reason to believe that the next few years will be any different? A recent Commentary suggested the first glimmers of a renewed investment cycle, in the machinery space. What about construction? Ask 'new normal' analysts, and they'd say there's no hint of a change. The data seem to be on their side. But consider these factors: first, recent weakness followed the 18-month commodity price plunge that ended in early 2016. Since then, a partial revival has done the same for investment plans. As a whole, the worst seems over for the mining sector, and investments can again be considered.

A second factor is the industrial space. It was plagued by chronic over-capacity in the immediate post-recession years, but that has steadily been used up since. Now, OECD markets are looking at utilization rates that are as tight as they have been since 2008. Vacancy rates for industrial space in the US are in the low single digits in a number of cities, and in a number of cases are about as low as they ever get. Without some kind of uptick in investment, firms are soon going to have to turn away business, and jack up the prices of the limited amount of stuff they are making. Central banks see this, and in anticipation are tightening monetary conditions again.

A third factor is commercial office space. Demand for the services that these glass-and-steel structures produce is heating up, and vacancy rates seem to be getting a lot lower. While there is still room to grow, the effect of rising pressures on average rents is likely to get the sector more interested than it has been for some time in new projects.

The same trends are generally true for business investment in Canada. As things begin to heat up globally, demand is expected to be tighter in Canada's export sector. Key manufacturers are already bumping into capacity issues.

The bottom line? There's little concrete evidence of a significant global upshift in investment. But there is a considerable increase in trusted preconditions. One final thought: political uncertainty has created a higher-than normal first-mover advantage.

WORKSAFELY™, SAFE Work Manitoba recognize an outstanding safety leader

WORKSAFELY™ Back to You with Don Hurst

WORKSAFELY™ has partnered with SAFE Work Manitoba and Manitoba's other industry-based safety associations to take part in a new event – the SAFETYS – that identifies and rewards Manitoba businesses and individuals dedicated to making workplaces safer.

WORKSAFELY™'s commendation is called the Safety Leader Award. This award recognizes individuals who demonstrate outstanding achievement and commitment in the pursuit of safety in a heavy construction workplace.

This year, WORKSAFELY™ presented its award to Marc Rodrigue from Accurate HD.

Marc is an active leader with his company, and is consistently improving its safety program through training and the implementation of safe-work procedures and practices. Over the years, Marc has embraced and evolved the role of safety at Accurate HD by being proactive and keeping current with legislation, policy and standards. Marc's conscientious outlook towards safety in the workplace is second to none.

Congratulations Marc!

KNOW YOUR WORKSAFELY™ TEAM

Don Hurst, B.A., M.A. (Econ.)
Director, WORKSAFELY™ Education and Training
E: don@mhca.mb.ca T: 204-594-9051 C: 204-291-4740

Ed Gregory, NCSO, OH&S Cert.
WORKSAFELY™ Safety Advisor, Southern Region
E: ed@mhca.mb.ca T: 204-594-9058 C: 204-227-6932

Randy Olynick, CRSP
WORKSAFELY™ Safety Advisor, Eastern Region
E: randy@mhca.mb.ca T: 204-594-9057 C: 204-295-3876

Trevor Shwaluk, B.P.E
WORKSAFELY™ Safety Advisor, Central Region
E: trevor@mhca.mb.ca T: 204-594-9061 C: 204-871-0812

Dave McPherson
WORKSAFELY™ Safety Advisor, Northern Region
E: dave@mhca.mb.ca C: 204-271-2088

Phil McDaniel, OH&S Cert., P. GSC, NCSO, CRM
COR™ Program Development & Quality Control Advisor
E: phil@mhca.mb.ca T: 204-594-9059 C: 204-997-5205

Jackie Jones, CAE
WORKSAFELY™ COR™ Program, Education and Training Advisor
E: jackie@mhca.mb.ca T: 204-594-9054 C:204-509-0384

Sarah Craig, OH&S Cert.
WORKSAFELY™ Client Services Advisor
E: sarah@mhca.mb.ca T: 204-594-9060 C: 204-979-3971

Kristen Ranson
WORKSAFELY™ Administrative Assistant
E: kristen@mhca.mb.ca T:204-594-9056 C:204-330-3520

Gerry McCombie
WORKSAFELY™ Safety Advisor, Western Region
E: gerry@mhca.mb.ca C: 204-720-3362

To contact your WORKSAFELY™ advisor assigned to your area, please see mhca.mb.ca/worksafely/know-your-advisor

MHCA Certificate of Recognition COR WORKSAFELY MHCA

WORKSAFELY MHCA

TO REGISTER, PLEASE CONTACT:
Kristen Ranson
kristen@mhca.mb.ca

Training Schedule

WINNIPEG - MHCA Office
3-1680 Ellice Ave.

October 2017

12	Flagperson 1/2 day AM
12	Committee/Representative training 1/2 day PM
13	Excavation and Trenching 1/2 day AM
13	Transportation of Dangerous Goods 1/2 day PM
16-17	**COR™ Leadership in Safety Excellence**
18	**COR™ Principles of Health & Safety Management**
19-20	**COR™ Auditor**
24-25	Traffic Control Coordinator

November 2017

2	Winter Roads Safety 1/2 day AM
2	Environmental Awareness 1/2 day PM
7	Flagperson 1/2 day AM
7	Safety Committee/Representative 1/2 day PM
8	Excavating and Trenching 1/2 day AM
8	Auditor Refresher (no charge) 1/2 day PM
9	Train the Trainer
13-14	Traffic Control Coordinator
20-21	**COR™ Leadership in Safety Excellence**
22	**COR™ Principles of Health & Safety Management**
23-24	**COR™ Auditor**

December 2017

4	Flagperson 1/2 day AM
4	Safety Committee/Representative 1/2 day PM
7-8	Traffic Control Coordinator
11-12	**COR™ Leadership in Safety Excellence**
13	**COR™ Principles of Health & Safety Management**
14-15	**COR™ Auditor**

Construction Safety Excellence™

WORKSAFELY MHCA

SAFETY TALK

Working in the rain

As we move into the fall season we can expect rain. The increased frequency of rain can result in hazardous working conditions on job sites.

What's the danger?

- Slippery surfaces are a leading cause of slips, trips and falls
- Electrical shock can occur when using the wrong types of tools in the rain
- Reduced visibility in the work zone
- Working in the rain for long periods can lead to hypothermia or other cold/stress-related conditions
- Unstable ground conditions
- More hazardous driving conditions

How to protect yourself

- Move cautiously to prevent slips, trips and falls
- Use the proper tools – do not use electrical tools that are not rated for use in the rain
- Wear warm, waterproof clothes and footwear
- Wear proper hand protection – non-slip grip is best
- Make sure that you can be seen – wear high-visibility clothing over your rain gear
- Take small breaks to warm up
- Don't walk through pooled water without knowing the ground conditions
- Ensure that you change out of your wet clothes when you get home
- Drive to the weather conditions

Print and review this talk with your staff, sign off and file for COR™ / SECOR audit purposes.

Date: _____

Performed by: _____

Supervisor: _____

Location: _____

Concerns:

_____

_____

_____

Corrective Actions:

_____

_____

_____

Employee Name:

_____

_____

_____

_____

Employee Signature:

_____

_____

_____

_____

MHCA™
MANITOBA HEAVY CONSTRUCTION ASSOCIATION

Your Voice Heard

The Manitoba Heavy Construction Association (MHCA) is the voice of Manitoba's heavy construction industry, promoting sustainable municipal infrastructure development, sustained investment in core infrastructure, and seamless, multi-modal transportation systems.

We want your voice to be heard, if you have any questions or suggestions regarding our industry, the MHCA, or the services that we provide, contact us directly by visiting our website www.mhca.mb.ca or calling 204-947-1379.

Stay Connected >>> mhca.mb.ca >>>