

Background: ACEC Comments on the New Building Canada Fund

ACEC applauds the federal government's commitment to a ten-year infrastructure program

The federal government has created the New Building Canada Plan (NBCP), a ten-year \$53-billion infrastructure program starting in 2014. This commitment to a predictable, long-term infrastructure investment plan will allow all levels of government, public agencies and private firms to develop and allocate resources to plan, finance, design, construct and operate infrastructure projects.

A key component of the NBCP is the New Building Canada Fund (NBCF), a \$14-billion fund that will support projects of national, regional and local significance that promote economic growth, job creation and productivity. The NBCF was announced on March 28, 2014.

ACEC believes there are opportunities to clarify and strengthen the NBCF

While ACEC in general supports the NBCF, there are areas which ACEC believes can be improved to provide more clarity to applicants and better value to taxpayers. In response to an invitation from Minister Lebel's office, ACEC provided the following comments:

- There still appears to be confusion and a general lack of clarity over the role of the federal and provincial/territorial governments in the application process. This is delaying the application process and the investments, resulting in a lost opportunity for a seamless transition from the old program. This needs to be addressed with urgency.
- This is a complex and long term program. It is therefore suggested that there be regular ongoing consultations with key stakeholders throughout the life of the New Building Canada Plan. This would allow, where warranted, adjustments to the Plan in order to reflect changing priorities, offer opportunities to streamline processes, or reallocate funds to reflect those elements of the plan where there is more uptake or demonstrable need. Such consultations would be analogous to a "users group" that IT companies or departments use to improve their systems.
- It appears the decision of PPP Canada on P3 screens would be considered final and binding. This change from the previous program is a concern for which there should be further discussion. Municipalities may resent the perception of "bureaucrats" in Ottawa making such a determination on their behalves. We also seek clarity whether a P3 screen would be required if the project had previously been subject to a provincial screen. We are further concerned that a P3 screen could add up to 18 months to the application process. This has all but ensured that major projects over \$100 million have missed this construction season.
- It appears that funds are no longer "stackable" as they were in the previous program. For instance, a municipality can no longer use money from the Gas Tax Fund as its contribution in order to leverage access to NBCF or P3 Funds.



- Municipalities in some of the smaller provinces are concerned with their province's ability to contribute the provincial one-third. Some of the larger municipalities have suggested that they would be willing to contribute up to 50% for certain key municipal projects, if there was flexibility of the federal government to increase their contribution to 50%, when the provincial contribution is not available to them. This flexibility may be helpful in some regions to get this funding moving and is also the model adopted for eligible public transit projects and infrastructure in the North.
- The government may wish to consider granting a municipality—that has a robust asset management plan in place—additional flexibility as to how to invest infrastructure funds. This would also act as an incentive for municipalities to develop and adopt asset management plans.
- ACEC recommends use of a short and simple application form, similar to the format successfully used for the stimulus program. (NB: Since the submission of these comments, ACEC has noted that the Canada-Manitoba Infrastructure Secretariat has developed a one-page application form that appears to meet the spirit and intent of the NBCF and that could be adapted for other jurisdictions.)

For more information, please contact:

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