

Ottawa may ante up more cash for new infrastructure projects

Infrastructure Minister Amerjeet Sohi says some provinces, municipalities want new shared funding formula

By Daniel McHardie, [CBC News](#) Posted: Jan 18, 2016

Prime Minister Justin Trudeau says the federal government is open to a "certain degree of flexibility" when paying for infrastructure projects intended to rev up the Canadian economy.

The Liberal government has promised to add \$60 billion over 10 years to fund new infrastructure as a way to kickstart the national economy.

Typically, each level of government picks up one-third of the total costs for major infrastructure projects, but that's a concern for governments that are staring at bare financial cupboards.

At the Liberal cabinet retreat in St. Andrews, N.B., on Monday, Trudeau said the priority for the government is to get infrastructure projects moving in order to put Canadians back to work, and he hinted that could mean moving off the traditional funding formula.

"We have always said that we are open to a certain degree of flexibility in order to make these things happen," Trudeau told reporters.

He said the federal government's priority is "getting things done."

"Our focus on infrastructure money is actually getting projects built, getting people working on things that will activate the job market in the short term but create growth and productivity gains in the medium and long term for our communities, for our country," he said.

Also Monday, Infrastructure Minister Amerjeet Sohi said some levels of government are acknowledging they may not have sufficient cash for such projects.

'We will come up with a shared funding formula that will work for all of us recognizing the capacity issues that our municipalities and some cases provinces have,' federal Infrastructure Minister Amarjeet Sohi said Monday. (Andrew Vaughan/Canadian Press)

"What we need to understand is, what is the appropriate level of investment for the federal government to make into supporting municipal and provincial infrastructure," Sohi said while leaving a morning cabinet meeting.

"We will have those discussions and we will come up with a shared funding formula that will work for all of us recognizing the capacity issues that our municipalities and some cases provinces have."

The infrastructure minister did not say when a final decision would be made on how much of the tab Ottawa would be prepared to pick up.

He said the discussions have been taking place with provinces and municipalities for more than two months and the federal government is ready to start funding new projects.

"We understand that infrastructure investments are necessary to grow the economy, to create jobs, to make our economy more productive," he said.

Sohi would not comment on the possible impact on the federal deficit, should the federal government ante up a larger share of the overall cost of infrastructure projects.

Trudeau dodged specific questions during his news conference on whether he would be willing to allow the federal deficit to hit close to \$30 billion to deal with the faltering economy.

The Liberals had promised to keep the deficit to \$10 billion.

The prime minister also refused to say whether he would push up the date of the federal budget so money could be injected into the economy more quickly.