

Liberal Infrastructure Plan: Provinces Told Changes Mean Funds For Ferries, Small Roads

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OTTAWA — Provincial governments are being told the first phase of the Liberal infrastructure program will cover the cost of new projects, as long as they are completed in three years.

The message is contained in letters to be made public today from federal Infrastructure Minister Amarjeet Sohi to his provincial counterparts.

Project costs for transit and waste-water and water-treatment projects will be eligible retroactive to April 1, "so work can begin immediately," Sohi writes.

The letters say the new infrastructure money will also cover the cost of "design and planning for future expansion" for transit systems and for water and waste-water projects to help cities meet "applicable regulatory requirements."

The first phase of the Liberals' promised 10-year infrastructure plan wraps up in 2019 — just as Canadians head back to the polls in a federal election — and is mostly focused on repairing aging roads, pipes and transit systems across the country.

The first two years of the new program includes \$6.6 billion in cash for provinces and cities, not including money promised to First Nations infrastructure or to universities.

The Liberals pledged in the budget, flowing from a campaign promise, to double infrastructure spending over the next 10 years to bring the overall federal investment to \$120 billion.

Changes to New Building Canada Fund

The letters Sohi sent out last week also outline changes to the government's existing marquee infrastructure program, known as the New Building Canada Fund.

About \$8.7 billion remains from the provincial and territorial stream of the New Building Canada Fund and the letters make clear the Liberals want the remaining money allocated to projects within the next two years.

The Liberals have previously vowed to speed up the federal approval process for money under the fund unveiled by the previous Conservative government in 2014.

The letters say the government is expanding the projects eligible under the New Building Canada Fund, including work on modest highways and roads in smaller provinces like Prince Edward Island, that previously didn't qualify for funding because they weren't big enough in scope or impact.

Disaster-mitigation projects

The federal government is also going to fund eligible project costs for ferry systems that provinces like B.C. had lobbied to have included in the New Building Canada Fund.

Sohi writes the government plans to cover up to half the cost of disaster-mitigation projects, including those that would fight floods in provinces like Alberta and Manitoba, and any projects delivered as a public-private partnership, known as a P3.

The government has removed the requirement for communities to always look for a private-sector partner on projects, but hasn't abandoned the idea: In a speech last week at a conference on public-private partnerships, Sohi said the government believes some projects are best suited to a P3, citing the new Champlain Bridge in Montreal and the Gordie Howe International Bridge in Windsor, Ont.