

Trudeau and Trump might actually find something to agree on — infrastructure spending

[Drew Fagan](#)

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If Justin Trudeau and Donald Trump need to build bridges across the political gulf between them in the uncertain times ahead, they should actually *build* some bridges — and transit systems, airports and other crucial infrastructure.

Indeed, infrastructure investment may be one of the few areas where Canada can find common cause with Trump, who pledged in his campaign to spend \$1 trillion US of public and private money over 10 years to make America not-so-crumbling again. Infrastructure fills a similar gap between Republicans and Democrats, who are looking for a bipartisan issue to lower the temperature in Washington.

In both capitals, infrastructure is almost as hot as post-election tempers. Remarkably, during his victory speech last week, Trump emphasized infrastructure more than Obamacare, NAFTA or immigration. In Ottawa, a new Canada Infrastructure Bank was the star of Finance Minister Bill Morneau's fall economic update two weeks ago. And this week in Toronto, Trudeau, Morneau and other ministers pitched Canada as a prime place for pension funds and other massive institutional investors to put their money.

More importantly for the cross-border relationship, one of the world's largest public-private partnership (P3) conferences was also held in Toronto this week. U.S. officials came north with a new sense of anticipation about what is almost certain to be a key delivery model of Trump's plan. Importantly, Canada is ahead of the U.S. on P3s, with its extensive track record of consortia contracting with governments to build – and often operate – transit systems, hospitals and other developments.

Canada's P3 agencies, such as Infrastructure Ontario and Partnerships B.C., are also well-placed to provide advice on how infrastructure agreements can be structured to be on-time and on-budget.

Canada's strong construction and financing sector may soon have an expanding market next door, too. The need for more U.S. infrastructure spending has been evident for years. The Metro system in Washington D.C. is crumbling (its chairman has called it “maybe safe”), and outgoing Vice-President Joe Biden noted that other countries had leapfrogged over the U.S. “If I blindfolded you and took you to LaGuardia Airport in New York, you must think ‘I must be in some third world country.’ ”

The Trudeau government will have to do whatever it can to limit “Buy America” programs that unfairly put U.S. companies at the front of the queue by pointing out that American companies can generally bid and win Canadian contracts.

The most obvious focus for bilateral cooperation lies in cross-border projects. The Gordie Howe International Bridge between Windsor and Detroit – though it has faced significant bilateral hurdles – took a big step forward last week under the P3 model with the formal request for companies to submit bids to design, build, finance, operate and maintain the multi-billion-dollar crossing.

In the fall economic statement, Morneau announced an additional \$10-billion for trade and transportation projects. Some of this will be spent to get products to the coasts, particularly for shipment to Asia. But cross-border links need to be expanded as well. Discussion of gateway projects in the dense corridors of southern Ontario and southern B.C. and on the U.S. side, in particular, would help to set a more positive tone with Washington, especially amid heightened uncertainty about NAFTA.

The uncertainty of the Trump era may actually bode well for Canada: The federal government emphasizes the “Canadian advantage” to international investors, noting Canada’s political stability and open-to-investment approach. And with infrastructure one of the few common goals of Trudeau and Trump, it may serve to cement our most important international economic relationship, too.

Drew Fagan is a former Ontario deputy minister of Infrastructure who wrote the recently released Public Policy Forum report [Building the Future: Strategic Infrastructure for Long-Term Growth](#).