

# Billions in federal infrastructure money yet to flow to five provinces

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OTTAWA — The federal government has yet to sign infrastructure funding agreements with five provinces and two territories — agreements that are a key step before any federal cash can flow to projects underway across the country.

Ontario, Saskatchewan, Alberta, Nova Scotia, New Brunswick, Nunavut and Northwest Territories have yet to sign funding deals.

Prime Minister Justin Trudeau is in the Atlantic region this week and is expected to sign a deal with Nova Scotia on Tuesday. New Brunswick is expected soon too.

But federal officials had expected to have all the agreements signed before the midway point of the summer construction season.

It has taken larger provinces longer than first thought to finalize the list of projects eligible for federal cash and negotiate the fine print of the plan, including timelines for when projects need to be completed.

For Saskatchewan, a deadline of finishing new construction or expansion projects by March 2018 has raised concerns that municipalities may rush the due diligence needed to prepare funding proposals, or may not be able to complete projects on time, said Jay Teneycke, a spokesman for Saskatchewan Government Relations Minister Jim Reiter.

The delay in signing a deal hasn't had a major effect on the pace of projects in provinces like Alberta, but municipal officials say there is anecdotal evidence of delays for some work while cities wait to make sure that their projects will land federal cash.

The Liberals had pledged during the election to increase infrastructure spending by \$60 billion over the next 10 years. The first two years of the program have \$6.6 billion for provinces and cities to spend on transit and water and wastewater systems.

The hope is that the infrastructure spending will help stimulate the economy, create employment — Statistics Canada reported the country had a net loss of 31,000 jobs in June — and pad government coffers with new tax revenue that will help bring the budget back to balance.

But none of the money can flow to provinces and cities without bilateral agreements.

Although each province knows how much it is getting in new transit and water infrastructure money, it has to negotiate with its cities about what projects it will put forward for federal cash.

That list needs at least 60 per cent of the funding slots filled before a funding agreement can be signed and provinces like Alberta are still in talks with their municipalities.

The federal government has vowed to pick up half the tab for projects and make payments retroactive to April.

Six agreements have been signed so far, including with British Columbia and Quebec, two of the most lucrative.

"These agreements mean hundreds of millions of dollars in infrastructure funding are flowing to help municipalities improve their public transit and clean water and wastewater systems, while creating jobs and supporting clean growth," said Brook Simpson, a spokesman for Infrastructure Minister Amarjeet Sohi.

A spokeswoman for Ontario Infrastructure Minister Bob Chiarelli said the province is finalizing its agreement with Ottawa, which would provide the most populous province with \$570 million for water and waste water projects and \$1.48 billion for public transit.

As for when a deal would be done? "Negotiations are going well and we expect to have something in the near term," Katrina Kim said.