



Issue Update

CCA News Release
Ottawa, February 18, 2003

NEW LONG-TERM INFRASTRUCTURE PROGRAM WELCOMED; NATIONAL HIGHWAY PROGRAM REMAINS ELUSIVE

FEBRUARY 18, 2003

OTTAWA – The Canadian Construction Association (CCA) today applauded the announcement in the federal budget to allocate \$3 billion over the next ten years to long-term municipal infrastructure needs. A total of \$2 billion will be channeled through the existing Strategic Infrastructure Fund, with another \$1 billion over ten years for smaller infrastructure projects. Although the funding levels fall short of Canada's infrastructure needs, CCA is pleased to see that the federal government has listened to CCA's long-held position that infrastructure investment must be made from a longer-term, strategic perspective.

CCA welcomed a number of other measures included in the budget, including:

- \$600 million over five years to upgrade, maintain, and monitor water and wastewater systems on First Nations reserves.
- Elimination of federal capital taxes over the next five years.
- The small business deduction threshold will be increased from \$300,000 by 2005 from its current level of \$200,000.
- A guaranteed reduction in EI premiums to \$1.98 per \$100 in insurable earnings in 2004 from its current level of \$2.10.
- \$175 million over two years for the clean-up of contaminated sites, ie. brownfield sites.

However, CCA was disappointed that there was no sustained strategy announced for Canada's critical National Highway System. As the most important component of Canada's transportation and trade network, and as a key element in increasing safety and reducing greenhouse gas emissions, the federal government continues to neglect the need for strategic investment in Canada's National Highways.

"Overall, we are pleased that the federal government has taken CCA's advice with regard to taking a long-term perspective for infrastructure funding," stated Tom Brown, Chairman of the Canadian Construction Association. "We are also pleased that they have heeded our message on certain business tax measures."

"Nevertheless, CCA will continue to send the message to the federal government that investment in Canada's National Highway System is essential to the long-term economic growth of this country," added Michael Atkinson, President of CCA.

Over the coming months, CCA and the construction sector in general look forward to work with the federal government to implement the 10-year infrastructure program.

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