MANITOBA HEAVY CONSTRUCTION ASSOCIATION (MHCA)
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March 18, 2025

Presentation to: Mayor Scott Gillingham, Chair
Members, Executive Policy Committee

From: Chris Lorenc, B.A., LL.B., President & CEO, MHCA

Subject: **Council Update for the Preliminary Design Study – Chief Peguis Trail Extension West (SPC Public Works Report , Item 2)**

The MHCA is pleased to speak in support of the CPT Extension, which recommends that the Public Service proceed with an independent ***value for money assessment*** for evaluating the business case and alternative project delivery methods.

The context is important. Trump tariffs and hostility towards Canada's economic and therefore social welfare, have forever changed the nature of relations between Canada and the United States.

The discourse for disentanglement from trade reliance on US, and to expand internal and global trade diversification heard from governments, opinion leaders, economists, media and public has been clear and remarkably consistent:

1. Canada needs to boost our domestic economy with enhanced internal trade within Canada to build resiliency.
   - We need to eliminate inter-provincial trade barriers to enable growth of cost-efficient trade and strengthen our domestic markets.

2. Canada needs to trade more with global partners, to diversify our markets and be less dependent on the United States.
   - Ensure investment in pipelines, marine, port, rail, trade gateway & corridor facilities to enable export east, west and north (Port of Churchill) of our oil, gas, LNG, potash, grains and other products to global markets. This helps alleviate disproportionate reliance on the US market, diversifying our global trade profile and securing more economic independence, strength and resilience.

3. Canada can be less dependent on the US for selling our goods and energy, but we need stronger connections to global markets.
   - Enhance access to and opportunities emerging from free trade agreements with countries, markets and regions beyond the US.

4. To enable us to achieve the above objectives, we need to support strategic, ROI to GDP investment in trade gateway & corridors. There exists a strategy – the Canada Trade Infrastructure Plan (CTIP). The premiers support the principles of CTIP, which I have attached to this presentation. We need the federal government to sign on and adopt the plan.

   CTIP's implementation will result in the following benefits:
   - An efficient network of trade infrastructure supporting sustained, trade-based economic growth.
   - Measurable GHG emission reductions across the entire trade transportation system.
   - The infrastructure to support trade diversification, so we don't rely on any single market.
   - A restored global reputation for Canada as a reliable trading partner and desirable market in which to invest; and
   - Create new and help sustain existing jobs within broad swaths of Canada's economy.

The CPT Report highlights the broad socio-economic and financial benefits of the Chief Peguis Trail extension including but not limited to moving people and goods off high-traffic, congested streets onto a trade corridor.

The study shows that extending Chief Peguis Trail from Main to Brookside Blvd holds multiple benefits for some 1.9 million trips DAILY in north Winnipeg – and residents in the north/north-west/east sectors of the city:

- Relieves pressure and congestion off residential and feeder roads onto the expressway
- For east-west commuters/travellers across the northern part of Winnipeg, based on current traffic, Chief Peguis extension saves 6 to 11 minutes travel time (instead of taking North Perimeter or Jefferson and Leila)
- Supports the domestic, continental and global trade hub opportunities and role which is a growing outcome of CentrePort Canada, Canada's first inland port which has already attracted more than $1.5 billion in private sector trade, manufacturing and export related activities.
    - I have also attached an opinion editorial on point under my name, *'Economic security for now and our future'* published in the February 26, 2025, edition of the Winnipeg Free Press.
- Helps unlock potential for 15,000 new housing units on the adjacent developable lands
    - 1,200 net acres of residential and 600 net acres of employment lands
    - 5,700 jobs to be created
    - Fully built out, the employment lands boost GDP by $731 million
    - Long-term tax revenue to all levels of government = about $60 million annually

The Chief Peguis Trail extension is the very type of project that speaks to branding ourselves as trade and economic investment ready. CPT would clearly merit federal and provincial financial support as called for in the proposed Canada Trade Infrastructure Plan (CTIP) which as noted, is supported by all of Canada's Premiers.

You are being asked today to allow a value for money assessment.

We urge your support of the recommendation to enable a fully informed decision.

Respectfully submitted,
Manitoba Heavy Construction Association (MHCA)



Chris Lorenc, B.A., LL.B.,
President & CEO

cc. MHCA Board of Directors



Canada Trade Infrastructure Plan (CTIP)

A Long-term Plan for Trade Corridors Investment to Spur the Next Generation of Economic Growth

Trade is fundamental to Canada's prosperity, and it is poised to grow

but only if we can reliably deliver what we produce

- According to 2022 World Bank data, trade generates two thirds of Canada's GDP, involving more than three million jobs and generating revenues that fund our social programs and other priorities.
- In the 2019 World Economic Forum's global ranking of quality of transportation infrastructure, Canada dropped from top 10 in 2009 to 32nd (behind Azerbaijan).

Bold action and a change in approach are needed

- Canada needs a fundamentally different approach - a long-term trade infrastructure plan, developed jointly by governments and industry, with an unwavering focus on strategic national priorities and return on investment, projects that are 'shovel worthy', rather than 'shovel ready.'
    - CTIP's principles are based on Canada West Foundation's report *From Shovel Ready to Shovel Worthy* (May 2022*)*, and its 7 building blocks to a plan for Canada's trade corridor network

A Canada Trade Infrastructure Plan (CTIP) is the answer

- Governments and industry stakeholders must collaborate to develop a Canada Trade Infrastructure Plan, that coordinates investments in trade infrastructure (road, rail, air, port and marine assets) along key economic corridors, to boost Canada's competitiveness and restore our global reputation.

An all-hands-on-deck priority

- **Canadians think this type of plan is needed**: According to a 2023 Ipsos survey, 94% of Canadians agree that given how important trade is to Canada, we need to prioritize making sure that our trade infrastructure can effectively move people to jobs and products to market.
- **Canada's provinces and territories are on board**. In their July 12, 2023, communiqué, Canada's Premiers unanimously endorsed the principles of CTIP, and highlighted the essential role of Canada's strategic infrastructure and ongoing competitiveness in the global economy in the economic prosperity of all provinces and territories.
- **Canadian businesses are calling for a CTIP**. The plan has been publicly endorsed by the Canada West Foundation, Canadian Chamber of Commerce, Canadian Construction Association, Canadian Manufacturers and Exporters, Civil Infrastructure Council Corporation and the Western Canada Roadbuilders and Heavy Construction Association, among others.

The time is now

- We urge the federal government to **immediately** convene provincial, federal, municipal, Indigenous community and industry representatives to develop a Canada Trade Infrastructure Plan that delivers:
    - An efficient network of trade infrastructure supporting sustained, trade-based economic growth;
    - Measurable GHG emission reductions across the entire trade transportation system;
    - The infrastructure to support trade diversification, so we don't rely on any single market; and
    - A restored global reputation for Canada as a reliable trading partner and desirable market in which to invest.

Learn more

- Visit https://ctip-picc.ca/ for detailed information on a Canada Trade Infrastructure Plan that identifies strategic priorities, follows best-practices and enables trade to grow the economy and build Canada.

Winnipeg Free Press, February 26, 2025

Economic security for now and our future

President Donald Trump's talk of tariffs, trade and what's best for Canada has rivetted Canadians on what we can do, as a nation and individuals, to protect our country, our economy and our jobs. Where this all ends is a rabbit hole of conjecture.

It would be dangerous, however, to underestimate the potential impact that a tariff war with our largest-by-far trading partner can cause to Canada's health, wealth and security.

Here's why:

Canada's economy is tied tightly to the US because of the integration of many sectors of production. Canada is America's largest buyer of goods (above 17%); 76% of Canadian exports go to the US.

More than 65% of Canada's GDP – the generation of revenues that fund our social programs and core services – flows from trade. More than half of Manitoba's GDP is tied to trade; 72% ($18 billion) of our annual exports go to the US. https://businessdatalab.ca/canada-u-s-trade-tracker/

Caught in this firm geopolitical grip, how can we protect our economic and national security? The answer is not simply to "buy Canadian." We produce far more than we could ever consume, ourselves.

There is no quick and easy fix, but, as we all now see, a big part of the solution starts with easing our reliance on one customer. We have to diversify, expand and develop new global markets.

That'll take some work.

Canada has been a bit lazy in seizing on global trade opportunities; we've fallen complacent having the world's largest economy next door.

We have signed numerous multi-nation trade agreements, yet we've not done nearly enough to chase those markets or to ensure we can move product quickly, cheaply and reliably.

Predictability is everything in business. That reliability requires seamless, efficient and connected trade gateways and corridors because if you can't move it, you can't sell it.

But Canada has neglected its trade infrastructure. As a result, our reputation around the world has suffered. In 2009, a World Economic Forum survey of global transportation network quality ranked Canada in the top 10; a decade later we had fallen to 32nd in rank, below Azerbaijan.

Surveys of buyers and sellers, here and abroad, indicate Canada is regarded as a country that can't be depended upon for the efficient movement of goods and commodities across borders.

The Canadian Centre for Economic Analysis points out that Canada's trade transportation investment programs have coming in fits and starts. That "volatility" damages our reputation and hobbles the potential return on investment to GDP. We are leaving billions on the table for lack of strategic investment thinking.

Meanwhile, countries we compete with in the global arena – targeting the same markets where we have signed trade agreements – have secured those ties and adopted trade infrastructure strategies that look 20 and 30 years out to prioritize and coordinate nation-building infrastructure projects offering the highest ROI to GDP.

Canada's trade corridors and gateways need a lot of love. As we've seen in the supply-chain troubles during the pandemic or the sudden, cataclysmic impact of "weather bombs" on the west coast, our country is vulnerable to big economic pain when trade is severely disrupted.

More than two million jobs, nationwide, rely on the health of our trade.

Provincial premiers know this.

That's why the Premiers' Council of the Federation unanimously endorsed the principles of a proposed Canada Trade Infrastructure Plan (CTIP) – a roadmap through public-private collaboration to map out a strategy like those other countries are using to amplify trade relations and market returns.

At its core, CTIP, proposed by leading national business organizations, offers a "how to" for building an investment strategy, using recommendations in the Canada West Foundation's 2020 report *From Shovel Ready to Shovel Worthy*.

It's the start of a solution. Its time is right. And it's sitting on the desks of federal and provincial leaders.

Canada is being held hostage to the fever dreams of an American president intent on unraveling the rational, rules-based order that, historically, has supported our mutual prosperity.

Canada needs a plan that supports our country's economic, social and national security.

We need to expand or connect to new trade routes. CTIP would get us started on that path.

Buying Canadian is good.

But better still, tell your MP you want to see the next federal budget lay out the first steps to a long-term trade infrastructure investment strategy, to help Canada protect its economy, diversify and compete globally for trade.

Chris Lorenc is President & CEO of the Manitoba Heavy Construction Association and the Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA). The WCR&HCA is one of 7 national think tank and business groups proposing CTIP https://ctip-picc.ca/