

June 17, 2009

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UPDATE ON INFRASTRUCTURE STIMULUS PROGRAMS

Since Jan. 27, 2009, when the Government of Canada announced its \$12-billion infrastructure stimulus plan, FCM has worked closely with Minister John Baird and his officials to ensure that federal stimulus programs were designed to meet municipal needs and move funds quickly to projects in our communities.

Some aspects of the government's plan, including the Infrastructure Stimulus Fund, have raised questions and concerns among members, particularly the delays in getting money to local projects for this construction season and the March 31, 2011, deadline for stimulus projects. FCM has urged the federal government to set clear timelines for approving projects and to work with provinces and territories to ensure that municipalities receive formal authorization to tender projects and start construction as soon as possible. Given the time it's taken to flow stimulus dollars to municipalities, we also advised the federal government that it was unreasonable to insist on a rigid March 31, 2011, construction deadline.

Even with intensive efforts by federal, provincial/territorial, and municipal governments, it has taken four months to start flowing stimulus dollars to projects across the country. The good news is that many municipalities are beginning to receive approvals to tender projects and start construction.

However, in some regions, including some of Canada's biggest cities, projects have not yet received the green light. We are urging the federal government to work with provincial/territorial and municipal governments in these regions to approve projects that will meet local priorities and start creating jobs this year.

Minister Baird made two important announcements at FCM's annual conference this month that speak to members' concerns:

- **Project approvals:** The minister said that public announcements by the federal government of project approvals under the Infrastructure Stimulus Fund and the Building Canada Fund Communities Component top-up may be considered federal approval to tender projects and begin construction. According to the minister, no further formal written approvals are required from the federal government to proceed with stimulus projects.
- **March 31, 2011, construction deadline:** The minister said the federal government will pay its full one-third share of infrastructure project costs incurred before April 1, 2011. Prior to this clarification, there was concern that if a project was not complete by this date, the federal government would claw back its entire share of the funding.

We have written to Minister Baird to seek formal clarification and confirmation of these announcements and have asked him to communicate these changes to provinces, territories and municipal project recipients. We will update you as we receive new information.

For more information, please contact Eamonn Horan-Lunney, Manager of Intergovernmental Affairs at ehoranlunney@fcm.ca

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