



Cement
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of Canada

Association
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du Ciment

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Ottawa, May 28, 2020

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, Ontario
K1A 0A2

Dear Prime Minister,

On behalf of the Canadian cement and concrete industry I want to thank you and acknowledge your leadership and that of your Government in navigating our great country through these historic and challenging times.

Federal leadership will also be the necessary catalyst for Canada's successful economic recovery from the devastating impacts of the Covid-19 pandemic.

Heads of Canada's cement and concrete industry are committed and ready to play an important role in Canada's recovery. They have signed the attached Declaration stating the importance of construction and calling on the federal government to place time-sensitive, strategic infrastructure spending at the heart of Canada's Covid-19 Economic Recovery Plan.

The Declaration recognizes the weakened financial capacity of municipalities and the need for the federal government to eliminate their financial risk in undertaking important infrastructure work in local communities that is critical to our economic recovery.

This Declaration is for your consideration and action.

Please rest assured of our industry's continued support during these historic and challenging times.

Yours sincerely

Michael McSweeney
President and CEO
Cement Association of Canada

Cc: The Honourable Chrystia Freeland, Deputy Prime Minister
The Honourable Catherine McKenna, Minister of Infrastructure and Communities
The Honourable Bill Morneau, Minister of Finance
The Honourable Jean-Yves Duclos, President of the Treasury Board
The Honourable Jonathan Wilkinson, Minister of Environment and Climate Change
The Honourable Navdeep Bains, Minister of Innovation, Science and Industry



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BUILDING A SUCCESSFUL ECONOMIC RECOVERY IN CANADA

JOINT DECLARATION BY CEOs OF THE CANADIAN CEMENT AND CONCRETE INDUSTRY

As Canada emerges from the impact of the global Covid-19 pandemic that forced unprecedented health and safety measures, it will be important for the public and private sectors to work together to stimulate economic growth, jobs and confidence to quickly reverse the economic downturn and build a more resilient country.

At the heart of a successful economic recovery is a commitment to use construction activity and time-sensitive infrastructure spending as an important and visible stimulus that multiplies benefits through many value chains in every region of Canada.

Action must be quick, strategic, and targeted to instill public confidence and optimism.

- Cement and concrete are indispensable to Canada's economy, as they supply critical value chains in the construction industry.
- Cement and concrete are produced locally, creating local jobs and using local resources throughout our industry's supply chain, thus sustaining the livelihoods of thousands of workers and their families in nearly every community across the country.
- The cement and concrete industry is responsible for the employment of over 158,000 Canadians and annual economic activity in excess of \$76 billion, while supporting small and medium size businesses throughout the supply chain.
- In 2019, the building materials and construction industries contributed \$157 billion in economic activity representing 7.9% of Canada's overall GDP.
- In addition to supplying the world's most durable and sustainable materials for building infrastructure and community assets, including transportation networks and trade corridors, our low-carbon cement and concrete solutions support green jobs and spur local innovation across multiple sectors.
- A competitive cement and concrete industry is key to developing a low-carbon and circular economy and low-carbon innovations in our sector are instrumental to achieving Canada's net-zero by 2050 ambition.
- Our sector has a strong track record of developing and implementing health and safety protocols that protect our employees and the communities where they work.



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Therefore, Canada's cement and concrete industry calls for the Government of Canada to:

1. **Put the construction sector at the core of the Covid-19 Economic Recovery Plan.** Construction has a track record as the most reliable and fastest engine for economic recovery and can act as the foundation of strategic stimulus for Canada's low-carbon transition. It can drive the post-pandemic economy and is vital to fortifying medium and long-term economic growth and development.
2. **Prioritize large-scale infrastructure projects to improve competitiveness and growth.** New investments in urban infrastructure, schools, roads, bridges, railways, ports, wastewater facilities, renewable energy, climate mitigation and climate resilience will support economic growth by increasing private and public sector productivity and help future-proof Canada's economy.
3. **De-risk provincial and municipal projects by ensuring federal dollars are first into projects.** Municipalities in particular are experiencing significant daily losses of revenue putting irreconcilable pressure on both operating and capital budgets. In this fiscal context, capital planning is virtually impossible. The federal government must de-risk 2020 capital expenditures by guaranteeing that federal money will support the upfront cost of projects.
4. **Boost investment in municipal State of Good Repair (SOGR) projects.** SOGR projects maintain critical community assets such as roads and bridges and can be operationalized and flow money quickly as they do not require the lengthy planning and approval processes that come with new capital projects. *Given the unprecedented fiscal challenges faced by municipalities (who, in addition, have few fiscal tools to manage unrecoverable losses) the federal government should provide an immediate additional investment through the existing Gas Tax Fund so that these municipal projects have "shovels in the ground and shovel-worthy projects" started this construction season (2020).*
5. **Optimize existing infrastructure programs that already have a large inventory of projects and approved funding.** All three levels of government have agreed to program parameters and protocols for a large number of infrastructure projects that are ready to go. *As above, the Federal Government should cover 100% of the municipal share of all approved projects that can be implemented in the 2020 construction season and completed by the end of the 2022 construction season.*
6. **Accelerate the transfer of historic levels of funding already committed under the *Investing in Canada Infrastructure Plan*.** Over \$182 billion was committed by the federal government over a 10-year period. Collapsing this funding so that it is dispersed over a shorter two-year timeframe along with removing cost-sharing requirements for municipalities will help operationalize projects quickly and remove a major impediment to municipal projects under the current fiscal climate.
7. **Invest in climate action and the continued decarbonization of energy-intensive industries such as cement.** The Canadian cement industry is on a path to zero carbon by 2050. Our low-carbon



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transition roadmap identifies the key technologies to reduce CO₂ emissions in cement manufacturing (e.g. low-carbon fuels, low-carbon blended cements and carbon capture utilization and storage) as well as down the value chain (e.g. material efficiency, recyclability, and mineralization of building materials). Canada's economic recovery plan offers a decisive opportunity to demand the use of low-carbon materials and to help underwrite investments in these breakthrough technologies to foster Canada's industrial competitiveness in a low-carbon global economy.

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