



Canadian Construction
Association
Association canadienne
de la construction

The Honourable Steven MacKinnon
Transport Canada
Place de Ville, Tower C
330 Sparks St
Ottawa, ON K1A 0N5

Re: Canadian Construction Association – Submission to the Strengthening One Canadian Economy through trade and transportation

Submitted via email: TC.engagement.TC@tc.gc.ca

Minister MacKinnon,

Against the backdrop of ongoing trade disputes with the United States, the federal government has reaffirmed a clear priority through Budget 2025 and the Spring Economic Statement (SES) 2026: Canada must diversify its trade relationships away from its reliance on a single trading partner. Achieving this objective will require sustained investment in trade-enabling and transport infrastructure to build a stronger, sustainable, and more resilient Canada. From the supply chain that move goods across the country to the infrastructure that connects Canadian producers to global markets, the efficient function of these systems is critical to the Canada's long-term prosperity and economic competitiveness.

The Canadian Construction Association (CCA) appreciates the opportunity to participate in this important consultation on 'Strengthening One Canadian Economy through trade and transportation.' As the national voice of the construction industry, CCA represents more than 18,000 member firms through an integrated structure of 57 local and provincial partner associations. Construction is a key driver of the Canadian economy, employing 1.6 million people, \$162 billion in annual economic activity, and accounting for 7.5 percent of Canada's gross domestic product (GDP).

For decades, Canada has fallen behind its international counterparts for decades in developing and maintaining its trade-enabling infrastructure, weakening its perception as a reliable trading partner or a desirable investment destination. Reversing this trend will require predictable and sustained investment in trade- and transport-enabling infrastructure. Such investments not only assert our sovereignty and increase economic resilience against future shocks, but also help restore Canada's reputation as a reliable trading partner.

The construction industry looks forward to contributing practical insights for supply chain efficiency and reliability, including potential areas of collaboration between the government and industry to advance shared economic outcomes. Please note that this consultation is structured according to the relevant topics for construction outlined in Transport Canada's discussion paper.

Investments in Budget 2025

The construction industry was pleased to see major funding packages announced in Budget 2025 to expand our export capacity and build modern trade corridors, including funding through the Trade Diversification Corridors Fund (TDCF) and the Arctic Infrastructure Fund (AIF). While the combined \$7 billion investment to build trade and

transport infrastructure is a welcome start, this figure falls short of the amount needed to address Canada's longstanding infrastructure gaps.

A 2023 report by the Canadian Centre for Economic Analysis found that even an investment package of \$21 billion would leave Canada uncompetitive compared to its peers. Despite the importance exports play in Canada's economy, the report highlighted that transportation infrastructure investment has experienced 3.6 times greater volatility over the past decade – a trend that, if repeated, ultimately undermines the impact of any single funding package. In this context, investment must account for maintenance needs, new builds, and expansion of trade and transport systems, requiring regularized, predictable, long-term funding models to ensure Canada does not fall further behind.

Canada Trade Infrastructure Plan (CTIP)

CCA has been advocating for the development of a Canada Trade Infrastructure Plan (CTIP) for several years. A national campaign that ran from 2023 to 2026 pointed out that meaningful strides in trade and transport-enabling infrastructure cannot be made without a national trade infrastructure plan to guide strategic direction.

At its core, CTIP's advocacy is well aligned with the government's priorities of connecting our economy and diversifying trade. The campaign reflects the political and economic moment Canada finds itself in calling for:

- (1) the establishment of an efficient network of trade infrastructure for domestic and international markets,
- (2) the implementation of measurable greenhouse gas emissions across the trade transportation system,
- (3) the adoption of trade diversification as a strategy of self-preservation; and
- (4) the restoration of Canada's global reputation as a market worthy of major investments that cement Canada's status as a long-term reliable trading partner.

This campaign was supported by all Canadian premiers who co-signed a letter of support to the Prime Minister in 2023. This unified endorsement delivers a strong statement that improving our trade-enabling infrastructure transcends jurisdictions and political affiliations, underscoring that it is a national priority amongst all of Canada's provinces and premiers. Without coherent, long-term trade infrastructure planning, the investments outlined above cannot yield long-term socio-economic dividends for Canada.

Additionally, while there is an understandable imperative for the government to achieve 'quick wins' that stimulate building activity, this decision risks repeating a common mistake: prioritizing shovel-ready projects rather than shovel-worthy ones. In prioritizing speed, the government must be careful not to sacrifice long-term infrastructure resilience and functionality. This reinforces the need for an institutionalized, long-term trade infrastructure plan to guide project selection, coordination, and planning for future projects.

Modernize transportation policy and trade corridors

In Budget 2025 and the 2026-2027 Departmental Plan, Transport Canada committed to a 50 per cent rail freight discount for interprovincial shipments of steel and lumber, subsidizing the Canadian National Railway and Canadian Pacific Kansas City Railways. Further information was slated for release in Spring 2026, but little has been shared about the potential launch date, eligibility, or delivery mechanism. Given that steel and lumber shipments are a significant source of pressure for the industry due to elevated costs, greater clarity on the operationalization of this policy will support more effective cost management and project planning for the sector.

Furthermore, while this initiative focuses on railway transportation, rail is not the sole transportation mode used to move construction materials that cannot be procured domestically. This underscores an opportunity to extend this policy to cover maritime transportation, recognizing its role in delivering basic building materials, and reflecting that geopolitical volatility has made cross-border transportation more expensive and riskier.

Additionally, modernizing transportation policy and trade corridors should also include a proportionate focus on procurement modernization. Attracting investment to unlock new infrastructure development must include procurement frameworks that support innovation and efficiency to foster long-term resilience and maximize the benefits from the government's current \$7 billion investment.

Buy Canadian procurement

The government noted in its discussion paper that it intends to “make supply chains faster, more reliable and more predictable.” On December 16, 2025, its *‘Buy Canadian Policy’* to guide federal procurement for strategic industries was officially launched. Of particular relevance for construction are the *‘Policy on Prioritizing Canadian Suppliers’* and the *‘Policy on Prioritizing Canadian Materials in Federal Procurement.’*

While CCA appreciates efforts to prioritize Canadian suppliers and content in government procurement, the reality is that Canada's local purchasing ability is inherently constrained by its material capacity. For example, essential building components like wide-flange beams, float glass, and ceramic tiles have no Canadian alternatives. In an environment where supply chains are already strained, additional procurement requirements may increase costs, complexity, and project risks without providing financial flexibility for businesses as a recourse, ultimately creating overall uncertainty for project timelines.

Furthermore, while the initial suite of ‘Buy Canadian’ measures applied only to federal procurement, recent signals have pointed to this mandate expanding to provincial procurement. Given that procurement can take months to years from project ideation to construction, expanding protectionist policies that take immediate effect creates self-imposed red tape due to the onerous documentation and tracking requirements. This runs the real risk of delaying project timelines, which Canada cannot afford at this time, where the objective is to catalyze trade and transport infrastructure to connect the country domestically and internationally.

Reduce red tape and streamline regulations

CCA supports the proposal for a ‘tell-us-once’ system to share information across federal departments, as it will reduce duplication, saving the industry time and lowering costs. The industry has advocated for enhanced cross-departmental information sharing to ease document processing and reduce the regulatory compliance burden on contractors.

Holistically, CCA has welcomed efforts to fast-track projects through simplifying processes and requirements; however, the long-term strategic direction of such regulatory changes warrants consideration. Strengthening trade and transport infrastructure is a major undertaking. If project efficiency can only be achieved through fast-tracking and exemptions, this suggests broader challenges within Canada's regulatory environment that warrant structural reform. While the building momentum is particularly pronounced right now, the industry asserts that ease of doing business in construction should be the norm, rather than the exception, to prevent the endless boom-and-bust cycles that have historically affected the construction industry.



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Conclusion

On behalf of CCA and our membership, we appreciate the opportunity to participate in this consultation and share our insights on advancing 'One Canadian Economy through trade and transportation.' The industry is ready to deliver on gateways and corridors to support Canada's domestic trade and diversify our trading capacity, restoring our global reputation and ultimately supporting sustained, trade-based economic growth and prosperity for generations to come.

We welcome the opportunity to meet with you and your team at a mutually convenient time to discuss the contents of this submission further.

Warm regards,

A handwritten signature in black ink, appearing to read 'R. Gilbert'.

Rodrigue Gilbert
President, Canadian Construction Association