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NEW REPORT REVEALS THE HIGH FINANCIAL COST OF INFRASTRUCTURE UNDERINVESTMENT TO CANADIANS

OTTAWA , July 15, 2010 – The failure of governments to invest adequately in the roads, public transit and water systems that our economy needs in the coming decades will cost the average Canadian tens of thousands of dollars in lost income, according to a new report released today by the Residential and Civil Construction Alliance of Ontario.

The report shows that continued underinvestment in infrastructure over the next 50 years will slow economic growth, reduce profitability for businesses by up to 20% and, most damaging, cost the average Canadian now entering the workforce up to \$51,000 in reduced wages over the course of their career.

“Stimulus spending delivered a one-time spike in infrastructure spending to fight the recession, but what today’s report demonstrates is that sustained investments are even more critical to the success of the country’s economy,” said Federation of Canadian Municipalities CEO Brock Carlton. “Stimulus spending will end next year – that’s clear - but as governments work their way back to balanced budgets they also need a longer-term strategy to keep our drinking water clean, repair our roads and bridges, and build 21st century public transit systems. As governments fight their budget deficits, they need to get ready to fight the infrastructure deficit too.”

Inadequate infrastructure investment lowers productivity levels in communities in many ways. For example, a lack of sustained transit funding has resulted in some of Canada’s largest cities facing the worst commute times in North America.

Recent investments in infrastructure through the *Economic Action Plan* have slowed growth in the \$123 billion municipal infrastructure deficit and slowed the decline in Canada’s cities and communities, and brought all orders of government together to start dealing with some of our biggest national challenges. This partnership must be expanded to turn ad hoc spending into coordinated strategies that deliver clear, measurable results on issues affecting Canadians.

“Saddling our future generations with a completely avoidable burden is bad economics,” said Carlton. “We need to build on the successful partnership created by the *Economic Action Plan* to set Canada up for success during the next 50 years.”

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