



## Media Backgrounder

### URGENT INVESTMENT IN INFRASTRUCTURE KEY TO ECONOMIC RECOVERY, JOB CREATION, IN GREAT LAKES-ST. LAWRENCE REGION

#### Why invest in green cities in the Great Lakes and St. Lawrence region?

- According to the Brookings Institution, the Great Lakes and St. Lawrence region is the second largest economy in the world. Investing in this region will drive national economic recovery in both countries.
- The Great Lakes-St. Lawrence region is home to 40 million Canadians and Americans. Quebec and Ontario, and the eight Great Lakes states represent 58% and 28% of the Canadian and U.S. Gross Domestic Product (GDP) respectively, representing a regional economy worth over \$4 trillion.
- The Great Lakes and St. Lawrence system is the most significant source of fresh drinking water not only in North America but in the world and is estimated to contain 20 percent of the world's freshwater resources. As water resources continue to dwindle in other parts of the world, the region will become an even more attractive place to live and conduct business.
- With a declining manufacturing base and a strong research community, the region has an available trained workforce and innovation capacity to transform itself into a world leader in the development and application of green technology and environmentally-sustainable public infrastructure. A rapid economic recovery package from both Canada and the United States could serve as a catalyst for this transformation.
- Investing in public infrastructure delivers direct and immediate results, creating jobs and other spin off benefits. Each year, municipalities carefully plan many infrastructure projects. An economic stimulus will allow these projects to move ahead immediately. Municipalities are experienced money managers. Legislation dictates that municipal governments are not permitted to run a deficit.



### **How much investment is needed for economic recovery in the region?**

- The International Monetary Fund (IMF) has called on governments to invest the equivalent of approximately 2% of GDP into their economies to stimulate economic recovery.
- For the Canadian and U.S. Great Lakes and St. Lawrence regional economy, this would be equivalent to investments worth approximately \$86 billion (2% of approximately \$4.3 trillion regional economy). This is an investment of approximately \$15 billion in Ontario and Quebec and approximately \$71 billion in the U.S. states bordering the Great Lakes.
- The Brookings Institution calculated that the return on investment in protecting and restoring the Great Lakes could be at least 2:1.
- The Canadian federal government has pledged to expedite existing infrastructure funding that, combined with provincial and municipal matching dollars, would result in an \$8 billion investment nation-wide. It is estimated that every billion dollars worth of investment will create tens of thousands of jobs.

### **What are the region's infrastructure needs?**

- Financing water, wastewater and transportation infrastructure is a major challenge for municipalities. Public investment has been on the decline in the last thirty years, but investment needs to maintain, upgrade and expand infrastructure have been on the rise.
- Local governments are investing over \$15 billion annually to protect and restore the Great Lakes and St. Lawrence resource, based on a GLSLCI-Great Lakes Commission survey of 2006 investments. State, provincial and federal government investments are less than 10% of what local governments are investing.
- Despite this massive annual investment by municipalities, it is not keeping up with need. The U.S. Environmental Protection Agency estimates the U.S. wastewater infrastructure deficit is over \$200 billion on a national level, with \$73 billion of that in the eight Great Lakes states alone. In Canada, the immediate national water infrastructure needs are estimated to be over \$30 billion according to a recent Federation of Canadian Municipalities study, with a larger overall infrastructure deficit of \$123 billion. Environment Canada estimates the wastewater infrastructure deficit is between \$10 and \$20 billion over the next fifteen years.



### **What type of investments could advance green cities while stimulating job creation?**

By directing investments strategically at public infrastructure that promotes environmental sustainability and job creation in the Great Lakes and St. Lawrence region, the combined efforts of Canadian and US Governments could make significant advancements in:

1. Reducing combined sewer overflows and stormwater run-off, particularly associated with climate change and increased storm activity, which contribute to Great Lakes and St. Lawrence pollution.
2. Expanding public transit to reduce traffic congestion and greenhouse gas and smog emissions.
3. Modernizing ports and other transport hubs to allow for multi-modal transfer of cargo to reduce truck traffic and increase the use of more energy efficient modes of transport including rail and shipping on the lakes.
4. Improving the energy efficiency of public buildings through retrofits of existing public buildings and innovative design of new buildings.
5. Reducing the energy intensity of water and wastewater treatment and distribution systems through optimization of plants, measures to reduce water loss in the distribution system, and stormwater runoff controls and aggressive water conservation measures to reduce overall volumes of water to be treated.
6. Significantly expanding renewable energy projects that reduce a municipality's dependence on carbon-based energy sources like coal.

*The Great Lakes and St. Lawrence Cities Initiative is a bi-national coalition of 61 mayors and other local officials that works actively with federal, state, provincial, tribal, and first nation governments and other stakeholders to advance the protection, restoration and promotion of the Great Lakes and St. Lawrence River basin. For more information, please visit our website at [www.glslcities.org](http://www.glslcities.org).*