



**Brief to the House of Commons Standing Committee on Finance
Pre-Budget Consultations in Advance of Budget 2026**

Building the Infrastructure Needed to Double Canada's Non-U.S. Exports by 2035

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Submitted by: Western Transportation Advisory Council (WESTAC)

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Recommendations

WESTAC recommends that the Government of Canada:

1. **Increase the federal allocation for trade and transport infrastructure in Budget 2026** to better align with Canada's goal of doubling non-U.S. exports by 2035.
2. **Adopt a clear economic infrastructure test across federal infrastructure programs**, requiring assessment of projects based on their contribution to productivity, export growth, goods movement, supply chain performance, gateway efficiency, and national economic resilience.
3. **Prioritize funding community infrastructure funding in trade-critical towns and cities where it directly unlocks economic activity**, including housing, water, wastewater, and first- and last-mile infrastructure (e.g. underpasses and overpasses) needed to support labour force growth, industrial expansion, port and terminal operations, and resource production.
4. **Prioritize nationally significant trade corridor and gateway projects** that address bottlenecks, improve intermodal connections, strengthen highway and rail access, and increase Canada's capacity to move goods to global markets.
5. **Improve federal regulatory and permitting efficiency for major trade-enabling infrastructure projects** by establishing clearer timelines, improving coordination among federal departments and agencies, resolving issues earlier, and implementing broader process improvements that enable nationally significant projects to proceed more quickly.
6. **Establish flexible, predictable, long-term federal funding for the National Highway System and nationally significant highway corridors**, recognizing their role in goods movement, first- and last-mile connectivity, export-oriented production, supply chain resilience, and access to gateways, terminals, border crossings, and industrial regions.
7. **Design federal infrastructure funding programs to provide provinces and territories with sufficient flexibility** to advance region-specific trade and transportation priorities while remaining aligned with national objectives for productivity, resilience, export growth, and economic competitiveness.
8. **Report publicly on how federal infrastructure investments support Canada's export diversification and productivity objectives**, including the goal of doubling non-U.S. exports by 2035.

Canada has set an ambitious and necessary objective: to double non-U.S. exports by 2035. Achieving that goal will require more than trade promotion, market access initiatives, or industrial policy. It will require sustained, deliberate effort to build the infrastructure that enables Canadian goods to move reliably and competitively to global markets.

Current federal infrastructure priorities do not reflect the focus or scale of investment required to achieve this objective. Budget 2026 must realign infrastructure priorities so that trade- and productivity-enhancing projects receive funding proportional to their role in achieving Canada's export diversification and growth objectives.

For Western Canada in particular, this means trade corridors, ports, inland connections, rail interfaces, highways, intermodal facilities, industrial lands, and the enabling community infrastructure that supports labour force growth in key trade and production regions. Without these investments, Canada's export diversification objective will remain aspirational rather than achievable.

Budget 2026 should make funding for economic infrastructure a clear federal priority. Canada's current approach does not yet reflect the scale of the challenge. Of the \$115 billion (over five years) for major infrastructure announced in Budget 2025, only \$5 billion was allocated to trade and transport infrastructure. By comparison, \$54 billion was allocated for core public infrastructure, \$37 billion for other infrastructure and assets and \$19 billion for Indigenous communities and municipal infrastructure. Clearer funding prioritization is needed to maximize impact on export growth.

In addition, the federal government set aside \$3.9 billion for preliminary work to support Alto High-Speed Rail, a project the government estimates will cost \$60 billion to \$90 billion over 20 years. WESTAC recognizes the importance of passenger mobility and urban transportation objectives. However, the scale of this proposed investment highlights a broader policy misalignment. Alto may advance passenger transportation objectives, but it does not directly address the trade corridors, goods movement constraints, gateway capacity, or export-enabling infrastructure required to double non-U.S. exports by 2035.

This pattern of spending raises a significant policy concern. If Canada is serious about doubling non-U.S. exports by 2035, federal infrastructure funding must more closely align with that objective. Trade-enabling infrastructure remains underweighted relative to its economic importance.

The Prime Minister aims to deliver more growth, diversification, and stronger trade performance, yet the 2025 budget allocated comparatively limited funding to the infrastructure needed to achieve these goals. WESTAC members recognize the importance of community and social infrastructure but emphasize that economic infrastructure should be prioritized as the platform supporting growth, productivity, and, ultimately, public revenues. If Canada is serious about doubling non-U.S. exports by 2035, the level of federal trade and transportation infrastructure funding must more closely align with that national objective. Investment in trade-enabling infrastructure remains underweighted relative to its economic importance.

The point is especially important in a country such as Canada, where export performance depends on long-distance transportation networks, gateway reliability, and the ability of communities near key trade assets to attract and retain workers. Infrastructure categories cannot be treated as isolated silos. In some locations, housing,

water, wastewater, and related services are essential enabling conditions for trade growth because they allow communities to support port expansion, terminal operations, industrial activity, and workforce recruitment.

This is a practical issue, not a theoretical one. When major export gateways or production regions cannot secure enough housing, sufficient municipal servicing, or the workforce needed for expansion, national trade capacity is constrained. In those cases, community infrastructure is also economic infrastructure. As major trade-related infrastructure projects proceed, federal funding programs should ensure that community infrastructure investments align with and complement those projects so that ports, terminals, corridors, industrial sites, and resource regions can operate at their intended capacity.

Budget 2026 should adopt a more disciplined framework to guide infrastructure funding decisions. It must clearly distinguish between projects aimed at local service needs and those that are nationally significant for improving trade performance. Funding should prioritize projects that reduce bottlenecks, strengthen supply chains, or increase Canada's ability to reach non-U.S. markets, and unlock production. The federal government should also recognize that some enabling investments in communities near major projects, trade corridors and gateways are necessary to realize the economic and job creation value of larger transportation and industrial assets.

Highways require particular attention within this framework. Canada's ability to support export-oriented production and fill supply chain demand often depends on the capacity, reliability, and condition of highway corridors, including those that form part of the National Highway System. These corridors provide critical first- and last-mile connectivity to ports, rail terminals, inland hubs, industrial sites, border crossings, and resource production regions. Yet decades of underinvestment, aging provincial highway assets, and significant population and freight growth are placing critical trade-enabling highway corridors under increasing strain.

Since the end of the federal Strategic Highway Infrastructure Program in 2007, provinces and territories have carried a disproportionate share of the cost of investing in and maintaining the National Highway System. Budget 2026 should address this funding gap through flexible, predictable, long-term federal funding for nationally significant highway infrastructure, particularly where those corridors support export growth, supply chain resilience, regional production, and access to gateways.

Federal infrastructure funding should also be designed to empower provinces and territories to respond to region-specific trade and transportation priorities. Funding should prioritize projects that directly enhance productivity, trade growth, resilience, and export diversification. While national objectives are important, increasingly prescriptive federal conditions can undermine flexibility, delay project delivery, and limit jurisdictions' ability to advance projects that best address their unique needs. A more effective federal approach would set clear national outcomes while giving provinces and territories sufficient flexibility to identify and deliver the projects that advance those outcomes.

Funding alone will not be sufficient if major infrastructure projects cannot move through federal review and permitting processes in a timely and predictable way. Budget 2026 should be accompanied by a stronger commitment to regulatory efficiency for trade-enabling infrastructure, including federal infrastructure projects. The creation of the Major Projects Office is a positive step, but Canada also needs broader improvements that help all projects move more quickly, without compromising safety, environmental protection, or meaningful consultation. Streamlined federal processes, clearer timelines, better coordination among departments and agencies, and earlier issue resolution are important enablers of the infrastructure Canada needs to achieve its export growth target.

A sharper national focus on economic infrastructure would produce several benefits.

First, it would improve productivity. Canada's long-standing productivity challenge is closely tied to the efficiency with which goods, inputs, and people move across the country and to export gateways. Bottlenecks, congestion, poor connections, and insufficient capacity impose real costs on businesses and weaken Canada's competitiveness.

Second, it would support export diversification. Expanding trade with markets beyond the United States requires dependable corridors to tidewater, resilient port and terminal systems, efficient inland transportation networks, and supporting infrastructure in the communities that host these assets. Export diversification cannot be achieved on policy intent alone; it must be built into the physical economy.

Third, it would strengthen fiscal capacity over time. Economic infrastructure helps generate the growth, investment, employment, and tax revenues that support other public priorities. WESTAC's Board discussion rightly emphasized that this relationship needs to be reflected more clearly in national infrastructure policy: the infrastructure that generates economic returns must be seen as foundational, not residual.

Fourth, it would improve public confidence in federal infrastructure spending. Canadians are more likely to support major investments when governments can clearly explain how those investments advance national objectives such as economic growth, productivity, resilience, and trade diversification.

Budget 2026 is an opportunity to reframe federal infrastructure policy. Canada does not need to choose between economic infrastructure and community well-being. It does, however, need a more coherent strategy that recognizes how economic growth is generated and what kinds of infrastructure are essential to support it. In trade-critical regions, the federal government should be prepared to fund both core trade assets and the enabling community infrastructure that allows those assets to function at full capacity.

For WESTAC's members, this is not simply a transportation issue. It is a national economic issue. Western Canada's ports, rail networks, highways, terminals, industrial clusters, and resource corridors are central to Canada's prosperity and to its ability to

serve a broader range of global markets. Budget 2026 should reflect that reality by placing greater emphasis on nationally significant economic infrastructure and ensuring that federal funding programs support Canada's export, productivity, and supply chain objectives.

About WESTAC

The Western Transportation Advisory Council (WESTAC) is a council of major transportation organizations represented by senior decision-makers in Canada. WESTAC's members span both the modes and sectors of freight transportation. They include carriers and logistics providers, ports and terminals, shippers, labour unions, and the three levels of government, which represent a significant share of the western Canadian economy. Members focus on critical issues that affect Western Canada's freight transportation network to ensure that it is safe, efficient, reliable and competitive.