



# 2019

AED'S CANADIAN POLICY PRIORITIES



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## ABOUT ASSOCIATED EQUIPMENT DISTRIBUTORS (AED)

AED is the international trade association representing companies that sell, rent, service and manufacture construction, mining, farm, energy, forestry and industrial equipment. The equipment industry, which is dominated by small-medium-sized, family-owned businesses, has over 3,500 locations, employing 120,000 workers and accounting for more than \$51 billion of annual sales revenue of equipment and related supplies and services in the U.S. and Canada. Specifically, AED's Canadian members account for more than \$10.3 billion in annual sales, parts, service and technical while employing 40,000 workers at 500-plus locations across Canada.

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## REBUILDING CANADA'S INFRASTRUCTURE

Canada needs a long-term approach to investing in infrastructure to improve the quality, accessibility and sustainability of services that Canadians use every day and significantly contributes to the country's economic prosperity, job creation and international competitiveness. AED strongly supports the federal government's plan to invest \$180 billion over 12 years to fund infrastructure upgrades. However, AED urges the government to ensure year-over-year consistency and long-term predictability in funding critical infrastructure projects. Furthermore, the federal government must improve coordination between provincial and municipal governments to more efficiently deliver funding and implement a more streamlined process to speed the start of projects. While AED also supports the concept of Canada's Infrastructure Bank, reforms are needed to better facilitate investment partnerships between the private and public sector.

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## INDUCING GROWTH THROUGH TAX POLICY

Tax and regulatory policy that incentivizes capital investment is a necessary component to ensure sustained growth. The United States enactment of the Tax Cuts & Jobs Act put Canadian businesses at a significant disadvantage. AED strongly supported and commends the government's decision to triple first-year deduction for equipment purchases from 15 percent to 45 percent. The policy will allow Canadian companies to increase cash flow, which can be used for further capital investment (more machinery, building new locations, etc.), creating jobs and higher wages for current workers. However, AED continues to advocate for further pro-growth modifications that simplify the tax code while incentivizing investment and entrepreneurship.

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## PROVIDING REGULATORY RELIEF FOR EQUIPMENT DEALERS

AED strongly supports efforts to reduce the regulatory burden on job creators and pursue regulatory harmonization with the United States. To that end, finalizing an electronic logging device mandate that mirrors U.S. requirements should be a priority. However, the government should reform current hours of service (HOS) rules to allow greater flexibility, particularly for equipment service technicians. Service technicians spend 80 percent or more of their duty time on non-driving activities, such as repairing and maintaining heavy equipment and related administrative duties, and do not face the same demands or fatigue concerns as long-haul truck drivers. For these drivers, operating a vehicle is incidental to their primary job responsibilities and they should be granted relief from burdensome HOS regulations.

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## ADDRESSING THE SKILLED LABOUR SHORTAGE

The Canadian construction equipment industry is facing a shortage of skilled workers, particularly diesel technicians. The labour shortage encumbers the ability of AED members to service customers, hindering growth and delaying the completion of infrastructure projects. While the federal government has made targeted investments in apprenticeships, more must be done to encourage all Canadians to consider careers in the skilled trades. AED is continuously advocating for continued focus on apprenticeships and public awareness campaigns around the opportunities in skilled trade careers. The government must also pursue policies to ensure better collaboration between post-secondary institutions and employers and incentivize individuals to enter the skilled trades.

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## PRO-GROWTH ENERGY POLICIES

A robust energy sector is necessary to Canada's international competitiveness and future growth. Consequently, the government must strike the correct balance between regulation and environmental protection to ensure the continued viability of Canada's energy producers and developers. Furthermore, in order to transport oil and gas to market, the federal government must establish a comprehensive and predictable pipeline approval process that takes into account all stakeholders, including Indigenous peoples, to provide certainty to companies seeking to invest in major projects.



## **AED GOVERNMENT AFFAIRS AND PUBLIC POLICY**

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