



Meeting with
The Honourable Andrew Swan
Minister of Competitiveness, Training & Trade

March 25, 2008

Table of Contents

Executive Summary.....	3
Departmental Issues.....	5
1. Promoting Business Development in Rural Areas.....	5
2. Expansion of Technology Across Manitoba.....	6
3. Trade, Investment and Labour Mobility Agreement.....	8
General Issue.....	9
1. Water Issues.....	9
Appendix A – Active Resolutions.....	11

Executive Summary

Departmental Issues

1. Promoting Business Development in Rural Areas

- Business development is one of the cornerstones of community economic development since a thriving business community is essential for a strong, healthy, vibrant community.
- The Province should help those willing to take over local businesses to develop the basic skills needed to keep established businesses running.
- The AMM also sees a role for the Provincial Government in helping communities market themselves as viable locations for business development.

Therefore the AMM urges the Provincial Government to work with communities in all areas of Manitoba to promote and retain local businesses.

2. Expansion of Technology Across Manitoba

- Communities where cellular and high-speed internet services are limited or unavailable are disadvantaged by the inaccessibility of associated economic benefits.
- The existing systems still leave significant gaps in service throughout much of rural and northern Manitoba and the Provincial Government should assist communities that still lack these resources.
- The availability of technological infrastructure will encourage businesses to remain in small communities and rural areas rather than moving elsewhere to access enhanced technologies.
- Lower usage rates are eroding rural Canada's ability to compete for industry, services and population.
- In addition to the economic development opportunities, continuing to expand technology can assist in addressing outstanding safety concerns in many parts of rural and northern Manitoba.

Therefore, the AMM urges the Provincial Government to support business development by adopting a more prominent role in the expansion of technological infrastructure across Manitoba.

3. Trade, Investment and Labour Mobility Agreement

- BC and Alberta signed the Trade, Investment and Labour Mobility Agreement (TILMA), which took effect on April 1st, 2007.
- This agreement will have wide-ranging impacts for municipalities and municipalities should have been at the table for the development of the agreement.

Therefore, the AMM requests that any discussions held by Manitoba on TILMA-style agreements include municipal representation.

General Issue

1. Water Issues

- Water management is one of the most important issues facing Manitoba today and we believe it is important that all Ministers understand the significance of the current direction to municipalities.
- Municipalities certainly agree with the Province on the high level goals and visions laid out so far. However it is how the Province is looking to move forward in arriving at these goals that has raised concerns for municipalities.
- Conservation districts (CDs) have become the delivery mechanism of choice for water initiatives in Manitoba, however the funding for CDs has never been equal to the expectations that have been placed upon them. The *Framework for the Future* document advocates for a scenario where the Province will provide little additional funding, while increasing the expectations for CDs.
- There is real concern that the proposed changes to the funding mechanisms will seriously erode the importance of local priorities, ultimately leading to the erosion of local authority.
- By being forced to use the vast majority of the CD budget on provincially directed initiatives, there will be nothing left to deal with local priorities.
- We are also very concerned with the approach taken by the department in trying to gain feedback on the document. The questionnaire is misleading in that it does not deal with these fundamental issues, and instead focuses on support for the very general goal statements.
- We are hopeful that although the Province has moved forward unilaterally on this initiative, there is still opportunity to find a workable solution that benefits everyone.

Departmental Issues

1. Promoting Business Development in Rural Areas

An issue of growing concern for municipalities is the need for greater business development in rural Manitoba. While some communities are seeing businesses close for various reasons, communities in other areas of the province are finding it increasingly difficult to attract new businesses to meet local demands. Business development is one of the cornerstones of community economic development since a thriving business community is essential for a strong, healthy, vibrant community. Unfortunately this is not the current reality for many areas of the province.

In some areas of the province, communities are seeing local businesses close due to the retirement of local owners. In many of these cases we have been told that there are local people willing to take over the business, however they are not experienced in business management and view this as an impediment. Often these businesses are successful, but the current owners are prepared to move on to another stage in life. The AMM has identified an opportunity for the Province to offer support to those willing to take over local businesses to help them develop the basic skills needed to keep established businesses running.

In other areas of the province, communities are finding it challenging to attract new businesses. In most cases, there is the potential clientele, but the problem rests with attracting investment outside of Winnipeg. Again, the AMM sees a role for the Provincial Government in helping communities market themselves as viable locations for business development.

Therefore the AMM urges the Provincial Government to work with communities in all areas of Manitoba to promote and retain local businesses.

2. Expansion of Technology Across Manitoba

Today's economy depends on the use of continually improving technology to allow instant communications and maintain connectivity. Many communities are enjoying the benefits of the expansion of technology across Manitoba. However, communities where cellular and high-speed internet services are limited or unavailable are disadvantaged by the inaccessibility of these economic benefits. Although telecommunications companies promote the fact that cellular services are available to 97 per cent of Manitoba's population, this does not provide an accurate representation of the geographical extent of available services throughout the province. The current systems still leave significant gaps in service throughout much of rural and northern Manitoba and the Provincial Government should assist communities that still lack these resources.

More and more industries are increasing their usage of technology due to the advantages it provides. Therefore, communities can foster economic development through the enhanced provision of internet and cellular services. Both of these technologies promote employee mobility while maintaining connectivity with the workplace. The availability of technological infrastructure will encourage businesses to remain in small communities and rural areas rather than moving elsewhere to access enhanced technologies. As well, entrepreneurs and new businesses will prefer to locate where cellular and high-speed internet services are available, which contributes to migration away from unserved areas. The Province should support economic development in all rural and remote communities by supporting the demand for additional cellular and high-speed internet technology throughout Manitoba.

A recent report from Statistics Canada supports the need to extend technological services to rural and remote areas. It suggests that despite the potential of the internet as a tool to overcome distance, living in rural and small town Canada continues to be a factor associated with lower rates of internet use. Furthermore, the study indicates that these lower usage rates are eroding rural Canada's ability to compete for industry, services and population. The internet has the potential to create opportunities for rural communities to enhance business practices, as well as to support distance education that promotes business development and the retention of a skilled labour force at the local level. The increasing importance of high-speed internet in the economy

requires assistance from the Provincial Government in supporting the infrastructure necessary to effectively conduct business and training in all areas of Manitoba.

In addition to the economic development opportunities, continuing to expand technology can assist in addressing outstanding safety concerns in many parts of rural and northern Manitoba. In these areas, there is an urgent need for timely emergency response and the expanded availability of cellular service would provide an effective way for individuals to request assistance. This is true for both unserved and served areas, since many served areas continue to experience unreliable coverage. There is a need to fulfill the expectation for service in these areas, especially in emergency situations when individuals believe they can rely on their cellular phones to seek assistance.

As an important safety measure and economic development tool, there is a critical demand for cellular and high-speed internet services throughout rural and northern Manitoba.

Therefore, the AMM urges the Provincial Government to support business development by adopting a more prominent role in the expansion of technological infrastructure across Manitoba.

3. Trade, Investment and Labour Mobility Agreement

An area that is getting greater attention is the potential for freer trade between provinces. Most recently, the Trade, Investment and Labour Mobility Agreement (TILMA) was signed between BC and Alberta, which took effect on April 1st, 2007. The agreement claims to reduce or eliminate barriers to trade, investment and an individual's ability to work between the two provinces, making it easier to find work and workers and attract investment. While TILMA is being touted as good for all Albertans and British Columbians, municipal associations in both provinces are concerned. Principally, municipalities were not consulted in the development of the agreement, and are only now becoming part of the process during the two-year transition period. This agreement will have wide-ranging impacts for municipalities and municipalities should have been at the table for the development of the agreement.

Therefore, the AMM requests that any discussions held by Manitoba on TILMA-style agreements include municipal representation.

General Issue

1. Water Issues

Each year the AMM includes a top issue as a general agenda item for its meetings with all individual Cabinet Ministers. This year the AMM Board is taking municipal concerns with the current Provincial direction on water-related issues. The reason we are taking this issue to all Ministers is to let each Cabinet Minister know the importance of this issue to municipalities and our primary concerns. We believe this is one of the most important issues facing Manitoba today and we believe it is important that all Ministers understand the significance of the current direction to municipalities.

The AMM has always been a willing partner on water initiatives whenever asked. The AMM was one of the most vocal advocates for the creation of a single department to deal with water initiatives. The AMM has also participated on a number of provincial direction-setting initiatives, including the Manitoba Water Strategy. Municipalities know firsthand the importance of properly managing water and have always been willing to do what is needed. Clean drinking water, safely managed wastewater, and proper drainage and water management are all priorities for municipalities, just as they are for the Province.

Municipalities certainly agree with the Province on the high level goals and visions laid out so far. However it is how the Province is looking to move forward in arriving at these goals that has raised concerns for municipalities.

Throughout the last number of years municipalities have been raising concerns with how all of the new directions announced by the Province will be funded. Most recently the Province released *Framework for the Future*, a discussion document on the future of conservation districts in the province, which is most alarming. Conservation districts (CDs) have become the delivery mechanism of choice for water initiatives in Manitoba, however the funding for CDs has never been equal to the expectations that have been placed upon them. This document advocates for a scenario where the Province will provide little additional funding, while increasing the expectations for CDs.

One of the greatest strengths of CDs is that they are locally driven, with boards comprised of local residents making decisions based on local priorities. However there is real concern that the proposed changes to the funding mechanisms will seriously erode the importance of local priorities, ultimately leading to the erosion of local authority. This new proposal is to link limited provincial funding with provincial priorities, taking away a local CD's ability to use provincial funding for locally decided priorities. By being forced to use the vast majority of their budget on provincially directed initiatives, there will be nothing left to deal with local priorities. While we certainly expect there to be similarities between provincial and CD priorities, any flexibility in addressing local priorities will be lost.

These are very fundamental issues that need to be discussed and dealt with in order for the CD program to work in Manitoba. However we are very concerned with the approach taken by the department in trying to gain feedback on the document. The questionnaire is misleading in that it does not deal with these fundamental issues, and instead focuses on support for the very general goal statements. We feel the information gained from the questionnaires will only provide part of the picture, while many of the more fundamental issues are not addressed.

The AMM has a long history of working together with the Province, and over the last few years we have worked closely on numerous issues. While often we have differing opinions about what is best, we have been able to work together to find solutions to challenges and with the end result being what is best for all Manitobans. We are hopeful that although the Province has moved forward unilaterally on this initiative, there is still opportunity to find a workable solution that benefits everyone.

Appendix A – Active Resolutions

AMM Resolution Number 10 - 2001

Topic: Rural and Northern Internet Service

Sponsor: Town of Ste. Rose du Lac, RM of Ste. Rose (Parkland District), Town of Melita (Western District), Town of Churchill (Northern District)

Departments: Manitoba Intergovernmental Affairs, Manitoba Telecom Services, Manitoba Aboriginal & Northern Affairs, Canadian Heritage

WHEREAS the Internet has become a valuable business tool for many Manitoba municipalities;

AND WHEREAS high-speed Internet is available to only some regions of the province;

AND WHEREAS the cost of online services is expensive in most rural and northern municipalities, putting it out of reach for many rural and northern residents;

AND WHEREAS the ability to conduct business and stimulate markets is becoming more dependent on the Internet and services such as e-mail play an important role in everyday life;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial and Federal Governments to introduce technologies required to provide high-speed Internet access to all rural and northern municipalities.

BE IT FURTHER RESOLVED that the AMM lobby the Provincial Government to strongly encourage Manitoba Telecom Services (MTS) to provide ADSL (digital subscriber line) system to rural and northern municipalities.

BE IT FURTHER RESOLVED that the AMM lobby the Minister of Industry, Trade and Mines to stabilize and reduce the cost of accessing the Internet and provide technologies in northern and rural communities that will provide the same level of Internet service that some parts of the province currently enjoy.

AMM Resolution Number 72 - 2005

Topic: Improved Cell Phone Coverage

Sponsor: City of Thompson (Northern District), RM of Mountain (Parkland)

Departments: Manitoba Science, Technology, Energy & Mines, Manitoba Telecom Services

WHEREAS communities in Manitoba do not have adequate cell phone coverage;

AND WHEREAS the distances without such coverage are huge and include long stretches of highway;

AND WHEREAS there is a question of safety and security that must be addressed;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial Government and Manitoba Telecom Services, or other communication providers, to provide for improved cell phone coverage in Manitoba.