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Chair

Mr. Alan Tonks

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• (1110)

[English]

The Chair (Mr. Alan Tonks (York South—Weston, Lib.)): I think we're ready to go.

Good morning, members of the committee. Bonjour, and welcome to our witnesses today.

We are now coming to committee meeting number 40, so if the members look a little bedraggled, you can appreciate—speaking for myself, if I look a little bedraggled....

Pursuant to the Standing Orders, which I read each meeting, we have been dealing with the Kyoto implementation plan and we've had witnesses pursuant to that.

This morning, though, we have another issue that is before us, which is breaking the rhythm of our Kyoto presentations by getting into a policy issue, one that affects our constituents right across the country, with respect to Parks Canada. This is an opportunity for the committee to involve itself in a very hands-on issue that concerns the day-to-day operations of Parks Canada: the setting of fees and so on. This is a unique opportunity for the committee, and we welcome Parks Canada here this morning.

Without any further ado, I suppose what I should do is explain the ground rules. We have 10 minutes for a presentation and then 10 minutes, party by party, for questions and answers. We look forward to that.

We'll begin. Perhaps, Mr. Latourelle, you will begin with a statement, and then we'll take it from there.

Thank you.

Mr. Alan Latourelle (Chief Executive Officer, Parks Canada Agency): Thank you, Mr. Chair.

[Translation]

I would like to thank the committee for this opportunity to present and discuss Parks Canada's user fee proposal. I'll begin by reminding you of our operating context.

Parks Canada's mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage, and to foster public understanding appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

This mandate is carried out at 42 national parks, 149 national historic sites and two national marine conservation areas. These

special places are also some of the principal assets in Canada's tourism sector. They make important contributions to a sustainable economy, generating \$1.2 billion to the Gross Domestic Product and the equivalent of 38,000 full-time jobs.

Parks Canada's total planned spending for this fiscal year is \$533 million. This comprises \$448 million in appropriations, \$67 million in revenue from visitor fees and \$18 million in revenue from land rent.

Currently, Parks Canada recovers approximately 25% of the costs of its visitor services and facilities. Fees were first charged in national parks during the 1880s for the use of the hot springs in the Rocky Mountains.

Traditionally, we have increased user fees on a periodic basis and made adjustments a year at a time.

When we consulted user and stakeholder groups on a proposal to increase fees for the 2003 visitor season, many people asked us to adjust our fees on a more routine basis in order to provide greater certainty about our prices and services.

Owing to this feedback, we developed the multi-year proposal that is before you. We feel that this approach is more transparent and will provide the certainty desired by commercial operators for business planning and by our visitors for vacation planning.

This user fee proposal represents one element of a two-part strategy to address the seriously deteriorated condition of assets in national parks and national historic sites.

• (1115)

[English]

Parks Canada manages a \$7.1 billion asset inventory through its national parks and national historic sites. It includes close to 900 kilometres of highways that pass through national parks; hundreds of flood control dams along historic canals; municipal infrastructure in five national park town sites; irreplaceable cultural resources, primarily within national historic sites; and a wide range of visitor facilities, such as camp grounds, visitor centres, and hiking trails.

Nationally, more than two-thirds of Parks Canada's assets are in a poor to fair condition and are at risk in terms of meeting building codes, environmental standards, and health and safety standards. Based on the expenditure guidelines cited by Treasury Board Secretariat, Parks Canada's ongoing shortfall to recapitalize its assets is \$100 million per year. This shortfall has been identified in all of our corporate plans since 1999 that have been tabled in the House and in our 2000 to 2004 long-range capital plans.

Phased increases to user fees are the first element of a two-part strategy. Our estimate of long-term revenue growth is \$25 million per year—long-term. The second element is increased appropriation support. In Budget Plan 2005 the government proposed an allocation of \$209 million over five years and \$75 million per year thereafter for ongoing asset recapitalization, as reflected in the corporate plan we've tabled in Parliament. Together these two elements provide a solution to our recapitalization shortfall.

Parks Canada's approach to charging user fees is based on the fundamental distinction between public good and personal benefit. Establishing and protecting national parks and national historic sites is done in the interests of all Canadians, and all Canadians help to pay the public good through their tax dollars. However, when people choose to visit the parks and sites, they benefit personally from the services and facilities they use and enjoy. Consequently, it is appropriate for them to help pay for these benefits through user fees.

In developing this proposal, we dealt with two important issues. First, Parks Canada wanted to institute a system of charging the same price for the same services nationally, based on comparability with other heritage attractions in Canada and elsewhere in the world. The principle of comparability is important because we deliver many of the same types of services as the private sector. Campground services that are offered near national parks are a good example. In some cases, if our prices are not up to date, we undercut private sector operators or suppress the amount they can charge. Annex C of our submission contains information about price comparability.

Second, we made a commitment to our users and stakeholders that the resulting revenue would remain in the parks and sites where it was collected—revenues that are collected in Gros Morne National Park remain within Gros Morne National Park, for example—and that these funds would be reinvested in repairing and rebuilding visitor facilities.

The consultation program for this proposal was very comprehensive. We began by meeting with the Canadian Tourism Research Institute. Its economic projections for the tourism sector showed modest but sustainable growth within the timeframe of our proposal. From the information they provided to us, there was no apparent impediment to proceeding.

Next, in a public opinion poll we asked people whether they would prefer to pay higher user fees so that revenues could be used to rebuild our infrastructure or if they would prefer to maintain the current prices and close some facilities and reduce some services. Seven out of ten preferred paying higher user fees.

The Tourism Association of Canada carried out an independent survey of its member organizations, and the results were virtually

identical. I will leave with the clerk at the end of the day today a copy of their submission to us.

We asked the same question of a focus group of park users across Canada, and they all indicated a preference for paying higher user fees and rebuilding facilities.

There are also close to 88 members of Parliament with parks and sites in their ridings across Canada. We were able to meet with them or get feedback from the offices of a majority of them. Of those we have spoken to or consulted with, 92% appreciated the issue and were supportive of the proposal.

• (1120)

Our greatest consultation effort occurred at the local community level. There are approximately 120 parks and sites that charge user fees because we offer services, and consultations with user groups and stakeholders were held at each location.

There was widespread understanding of the needs of the proposal and acceptance of the proposed fee increases, provided that Parks Canada honours its commitment to invest the resulting revenue growth in repairing and rebuilding our facilities.

I believe this level of acceptance can also be explained by some key initiatives that have been implemented over the years. We have a large number of high repeat users, such as skiers or golfers, for example, or hikers, campers, and bird watchers. We have developed specially priced annual and seasonal entry passes for this important part of our market.

As many parks and sites are located in rural communities that have economic challenges, we have developed early bird discounts to provide even greater value for money, and during the shoulder season—mostly the fall, generally speaking—we reduce our prices whenever we reduce the level of service.

We also have a quality service guarantee. If visitors are not satisfied with our services, we are able to resolve the issue at the park and site level.

We have also consulted with provincial and territorial parks and tourism ministries, and once again, the majority perspective was acceptance of the fee proposal, if there was reinvestment in the parks and sites.

There were some concerns about four elements of our proposal, and we have made adjustments to respond to them. For example, people asked us not to increase all fees for all services every year. Our original phase-in was over three years. We have added a fourth year so that we can stagger price increases for those services people buy most frequently. In that way, we would not be increasing all of our prices at the same time.

Commercial group tour operators were concerned that price increases might affect the continuing post-9/11 recovery of their businesses. To respond to this, we have extended the phase-in and have delayed the implementation until April 2007.

Our business licence fees have not been increased since 1993. However, we experienced some opposition to our proposal in the Rocky Mountains parks, primarily from hotel and restaurant operators. We believe their concerns were legitimate; consequently, we agreed to withdraw the proposal, revise it, and consult with them again this summer.

At the Sault Ste. Marie canal, there was concern that a new lockage fee would compel boaters to go through the American freighter locks, where there are no lockage fees, and visitation to the city would decline. Due to this, we have withdrawn our lockage proposal at this point.

To conclude my opening remarks, I would like to illustrate the importance of the user fee proposal through the following scenario. If Parks Canada received the allocation proposed in Budget Plan 2005 but a decision was made not to proceed with user fee increases, we would be able to repair assets that support public good locations, such as historic buildings, highways, and flood control dams, but there would be no source of funds to recapitalize one-third of our visitor facilities. Over time, this would lead to large-scale closures and further reductions, as health and safety risks became unacceptably high. This would occur predominantly in national parks with the highest levels of visitation, because the infrastructure is mostly in those parks.

Alternatively, with the user fee and reinvestment strategy, Parks Canada will continue to offer high-quality services through our current facilities.

In conclusion, once again I would like to thank the committee for the opportunity to address you today.

• (1125)

The Chair: Thank you very much, Mr. Latourelle.

Also, I welcome your colleagues, Mike Fay, chief administrative officer, and Doug Tapley, strategic planning evaluation with Parks Canada Agency. Thank you for your input, and thank you for being here.

We also have the mayor of the town of Banff, Mayor John Stutz. Your Worship, welcome. If any of us are coming back this way again, I'm sure we'd all like to be the mayor of Banff. But I'm sure that has its days too when there are great challenges. We welcome you to discuss this challenge, as we can appreciate the policy issue as it affects the town. We're looking forward to hearing your input on it, Your Worship.

We also have, from the Association for Mountain Parks Protection and Enjoyment, Wanda Bogdane, executive director. Welcome to you.

That having been said, now, Your Worship, you have an opportunity to address the committee. We welcome you.

Mr. John Stutz (Mayor, Town of Banff): Thank you, Mr. Chairman.

I'm pleased to have this opportunity to come before you to share the Town of Banff's point of view on potential increases to national park gate fees.

Canada's national parks enrich the lives of all Canadians, and they are a source of pride and unity for all of us. We flock to them each year to enjoy the country's natural and cultural heritage.

Parks Canada's mandate is to protect and present these special places and to foster public understanding and appreciation and to preserve the ecological integrity for national parks for present and future generations. It's an honourable one, and it's one the Town of Banff embraces enthusiastically.

We were thrilled to learn of the federal government's intention to set aside more than \$200 million over the next five years for the country's 41 national parks. After the years of cutbacks, we believe this is a step in the right direction. These tax dollars are desperately needed to create and preserve these parks.

In Banff National Park alone, it's been reported that half of our physical assets are now classified as being in poor condition, and nearly all of the rest in merely fair condition. Mr. Latourelle alluded to that. The town strongly supports any investment the federal government makes in Parks Canada's infrastructure.

The town, however, cannot support yet another gate fee increase. Since 2001, individual gate fees have gone up by 40%. Since 2004, the annual family pass has gone up by nearly 20%, and commercial rates have increased by 83%. Parks Canada is yet again proposing fee increases. Over the next three years—four years, I think I've been told today—the current proposal will see fees for individuals increase by another 42%. Family and commercial rate increases are proposed at a 55% increase. These increases are simply too high.

The 1997 *State of the Parks* document prepared by Parks Canada said, "It is not surprising to see a visitation decrease, while access fees have been increasing." So Parks Canada understands the negative impacts of gate fee hikes. In Banff we have experienced them first-hand. We strongly believe that another increase at the park gate in Banff will negatively impact visitation. Any increase of gate fees will negatively impact our economy.

Tourism is Banff's primary industry. As you are aware, we're only now beginning to recover from the impacts of 9/11, the effects of a war in Iraq, SARS, devastating forest fires, followed by one mad cow. The beleaguered Alberta tourism industry has faced monumental challenges in recent years, unlike any seen before, and in a brutally brief time.

There is a misconception out there that most of the travellers to Banff are international or from the U.S. This is not the case. A recent Travel Alberta study showed that of visitors to the Rocky Mountains parks, 70% of them are Canadians, and 58% of those are Albertans. Each year we get about 3.6 million visitors to stop in the town of Banff, and nearly half of those visitors are from Alberta. They are regional tourists. We rely heavily on regional tourism.

A recent Canada West Foundation study of regional tourists showed us that 92% of the respondents opposed any gate fee increase for Banff National Park. That is an astonishing statistic. Respondents said a gate fee increase would stop them from visiting Banff. Many said they would stay in Canmore, just 15 minutes to the east of us, or that they would simply continue on to the mountain areas, such as Golden in British Columbia, all in an effort to find an affordable destination. At the Town of Banff, we believe there has to be another solution to fund Parks Canada's infrastructure. There has to be another solution, other than increasing gate fees.

Canada's national parks have grown dramatically in number in recent decades, yet the resources to maintain them have not; we don't dispute that. The author of a recent Fraser Institute study called *Can Markets Save Canada's National Parks?* said this increase in the number of parks has been disastrous. We are seeing the effects of that first-hand in Banff. The study not only profiles the financial challenges faced by our park system, but it also suggests some solutions.

There is one I must highlight today. The Fraser Institute proposed that decision-making and setting user fees be done locally to reflect the real costs of providing services and the public demand.

• (1130)

The report suggests that individual parks should fully retain and reinvest all locally generated revenues. We believe this should be the case for Banff.

Total revenues for the Banff park gate in 2001 were reported to be \$19.5 million, yet the cost of running Banff National Park was just \$16 million. That means Banff generated a \$3.5 million profit for Parks Canada that was distributed elsewhere. This practice clearly goes against Parks Canada's strategy, which is based on the Government of Canada's external charging policy that individuals and organizations that benefit directly from the programs and services provided should help pay the related costs.

We strongly suggest the notion that all parks must become self-sufficient. This is the only way to ensure their sustainability. Banff has supported other parks for years, and that is no longer acceptable. If the increased fees charged at the Banff gates no longer support the budget for the park, then by all means, we would support a gate increase, but until all parks are self-sufficient, we don't believe an increase in the gate fee for Banff National Park is warranted. This is not in the best interests of Banff, our visitors, or our economy.

The Town of Banff implores you to reconsider this decision to raise park gate fees, to explore other alternatives of making all national parks self-sustainable. We are confident that once you have done this, we will have a solution that works for everybody and a solution that preserves these special places for all Canadians.

Thank you for your time, Mr. Chairman.

The Chair: Thank you, Your Worship. I'm sure we'll now have some questions after we have Ms. Bogdane make her presentation.

Ms. Bogdane, would you like to lead off, please?

Ms. Wanda Bogdane (Executive Director, Association for Mountain Parks Protection and Enjoyment): Thank you for the

opportunity to address your committee regarding the potential national parks fee increases.

My name is Wanda Bogdane, and I'm the executive director of the Association for Mountain Parks Protection and Enjoyment, better known as AMPPE. AMPPE, as you may know, is a non-profit organization celebrating over 10 years of service, advocating for balance between human access and ecological integrity within our mountain parks. As our office is located in the heart of Banff National Park, we work shoulder to shoulder with organizations and residents who are directly affected by the decisions that will be made here today.

Valued committee, I would like to commend Alan Latourelle on his progressive vision for Parks Canada and his team for the many partnerships that have been forged over the recent years.

Parks Canada has begun to work innovatively to manage our treasured parks and turn out solutions that bring benefits to all involved stakeholders, but it is with great respect that I ask you today to consider not increasing the national parks gate fees at this time.

It is no secret that the tourism sector within our national parks has faced many struggles and is still in a recovery phase since the fallout of 9/11, SARS, and the forest fires, and it has since to recover. As recently released by Parks Canada, the revised figures for visitor arrivals to Banff alone have shown a steady decline since 2000.

We are deeply concerned at this time about the impact an increase in Parks Canada gate fees will have on the local provincial visitation. Parks Canada's 2003 visitor survey stated that 40% of the visitors to Banff come directly from Alberta. That's over 1,138,000 people. Based on these numbers, an increase in parks gate fees could affect the decision of over 455,000 visitors from Alberta to reject enjoying the magnificent beauty of Banff National Park. As well, a recent Canada West Foundation study that was alluded to earlier surveyed regional tourists and determined 92% of respondents were very opposed to an increase in parks gate fees.

Looking at the need to assist organizations to survive and even thrive within our national parks, we recognize that this tourism sector cannot withstand a gate increase at this time. It is known that the mountain national parks' key industry is tourism; more than 3.6 million people visited the town of Banff itself last year.

Based on the need to support those individuals who help us showcase our treasured parks, AMPPE believes in the need to provide incentives to assist with attracting those visitors. We have deep concerns that if we raise the gate fees, as currently proposed by Parks Canada, less revenue will be generated within our parks, thereby affecting organizations and residents as well as the revenue generated for Parks Canada.

Canadians as a whole have expressed that they see Canada's national parks as a source of pride. We've noted that their two most treasured national icons are the beloved Canadian flag as well as our stunning national parks. What we need to do is expose more Canadians to the tremendous opportunities and valuable treasures in all our national parks as protected areas. At this point in Canadian history, we need a symbol to rally around, and what better icon than those Canadian national parks? Our national parks can play a tremendous role in supporting national unity at this time and serve as symbols for what is great about Canada. In their vastness, they symbolize the breadth of the Canadian dream and the majesty of this country.

We should be encouraging all Canadians to visit these parks. New Canadians as well as children can learn more about their country by embracing visits to the parks, which represent a learning experience that is very unique to this world.

Hundreds of seniors have already protested in Calgary to voice their disapproval, saying that fee hikes will prevent them from visiting, hiking, and enjoying the parks they so fondly cherish.

In response to these points, we ask that you find a new model for funding that refrains from downloading all the service costs to the visitor. We are concerned that if we don't change the current model, the end result could be a continuing trend of fewer visitors and less revenue.

School groups should be free. Seniors should see greatly reduced rates. People who come in groups using public transport also should pay less, as an encouragement to environmentally friendly transport. There should be more free days and hence incentives to increase the visitorship.

On behalf of the residents dedicated to life in the parks, the varied visitors touched by the rugged outdoors we embrace, and the organizations that are investing millions of their own dollars in marketing to try to desperately revive Canada's tourism sector, we ask that you take a new view, look at different funding models that encourage visitorship, and make a lasting legacy that we can all take pride in.

Honourable committee, thank you for your time and interest.

• (1135)

The Chair: Thank you very much, Ms. Bogdane, and to all the witnesses for that input.

Members of the committee, I understand Mr. Cullen has to leave in a few minutes. I think there is consent to give him the opportunity to lead off, and then we'll go back into our regular schedule.

Is that okay?

Some hon. members: Agreed.

The Chair: Without any further ado, you had better get in there really fast, Mr. Cullen.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Apparently they want my vote this evening, in order to do that. I'm not sure it's worth the—

The Chair: I'm sure that's purely coincidental.

Mr. Cullen.

Mr. Nathan Cullen: Thank you, Chair, and thank you to the other committee members. I'll try to keep these questions brief.

Thanks to all panellists for their presentations.

Here are a couple of quick questions for Mr. Latourelle, just with respect to Parks Canada.

Have you folks done any studies on where the price point is in charging fees, at which point it starts to have a cumulative negative impact on the total revenue generated by the parks? In most marketing studies there's a point for any product at which you start to lose total revenues because you're now charging too much. The question is, have you done those studies?

Mr. Mike Fay (Chief Administrative Officer, Parks Canada Agency): We have done studies in the past. The only thing I would say is that it's very complicated, because the fee is not the only factor, obviously, that's affecting whether people are coming or not. We work in a much broader context. We've talked about SARS; we've talked about other attractions happening.

Mr. Nathan Cullen: Have you done any research with respect specifically to Banff National Park?

Mr. Mike Fay: We've done the consultations we mentioned in the material Alan presented, but I don't think we've done anything specific just for that park. It's been more on a national level.

Mr. Nathan Cullen: Okay. I'll raise some concern with that, just in understanding that if revenue is part of the question we're looking at here today, if the fees get to such a point that you actually have a negative impact on overall revenue, it doesn't make much sense.

• (1140)

Mr. Alan Latourelle: Absolutely.

Mr. Nathan Cullen: It seems that research in that area would be well advised, at the very least.

Mr. Alan Latourelle: But I think what we did do, and it's part of your package, is look at other attractions in Canada in terms of their comparability.

Mr. Nathan Cullen: Yes, that's understood I think just from today's views, and from the mayor and others.

The other question is with respect to this comment on the 83% increase in commercial rates for entry into the park that the mayor I think referred to. That seems like an extraordinarily high increase over a short period of time. Is there any reason for it?

Mr. Alan Latourelle: In working on the travel trade fees with the commercial operators who come into the parks over the last decade or so, we have agreed we would give them an 18-month notice. Their prices were significantly lower than what you would see on an average family or an adult day rate. We've also postponed their increases for some years because of the situation following 9/11 and so on. Most other fees have increased except the travel trade, so they're catching up, basically, to the average Canadian fee to get into our national parks, for example.

Mr. Nathan Cullen: That's appreciated. I'll leave off with just one last question for you folks.

It seems to me that when commercial operators are accessing parks, they bring other benefits. I wonder if the comparison is fair between a commercial operator and, say, a family user group that comes in, just in terms of the impact of the exposure upon the park and people seeing the park. Do they not warrant some preferred treatment, in a sense?

Mr. Mike Fay: Yes. We have a discount in place for commercial operators who operate in the park. It's a base 15%. And for the high-volume operators, who bring in more people, we discount even further than that.

Mr. Nathan Cullen: Okay. Again the rate of increase referred to by the mayor seems somewhat alarming, just in terms of any.... But I'll leave that for now.

Mayor Stutz, here's just one question with respect to the revenues generated by the park that you referred to. In your earlier comments you said you appreciate the shortfall and that it needs to be corrected for the parks system in general, but also for Banff, and that we haven't been making enough investments. My assumption is that with this \$100 million figure or something, your preference is that the majority of it come entirely from tax revenues rather than from an increase in user fees. Is that correct?

Mr. John Stutz: Are you referring to the \$209 million that has been allocated through this budget for parks?

Mr. Nathan Cullen: There was an initial comment made by Parks Canada, but also yourself, that there's been a shortfall in our investment in parks—

Mr. John Stutz: Yes, that is true.

Mr. Nathan Cullen: —and that's agreed to.

Mr. John Stutz: But that has been over the years. Yes.

Mr. Nathan Cullen: Yes, it's been over the years.

We now have to make up that shortfall. The government has proposed a 75-25 split, essentially, with 75% coming from general tax revenue and 25%—correct me if I'm wrong—coming from an increase in user fees.

Mr. John Stutz: Those are Mr. Latourelle's figures, yes.

Mr. Nathan Cullen: Is your suggestion that 100% come from that, rather than raising any fees in parks?

Mr. John Stutz: Not necessarily. I think the crux of my suggestion was that each park should become self-sustaining on its own merit. Banff National Park is, at this point in time. In fact, there is a surplus of revenue collected at the Banff National Park's gate that is distributed to other national parks. We suggest the fees collected at Banff National Park be dedicated to Banff National Park, and that because it is self-sustaining there is no need to increase the fees of Banff National Park.

Mr. Nathan Cullen: To that, first, I very much appreciate the position you folks are in, feeling that there is an unfairness in the way the fees are collected and then distributed. It seems to me, though, that this is a parks system, in itself and in whole, and it seems there are many parks that can't be self-sustaining, simply by

virtue of location, yet they merit being parks, for whatever general societal values we hold.

It seems to me that when we redistribute tax dollars, say, from the Athabaska tar sands, we certainly don't put back into those communities as much as we take out. There's a general principle of redistribution for some communities that would not be self-sustaining otherwise, for various reasons. It seems to me what you're asking to do is to undermine some of the foundations of what the park system is about, in the suggestion that Banff should be left, or all parks should be left, entirely to their own merits in terms of financing.

Mr. John Stutz: I am suggesting right now that Banff already is providing some funding for other national parks, and we should perhaps continue that process, yes.

Should we increase fees for Banff National Park to further that surplus for other national parks? I question that right now. It will have a negative impact.

Mr. Nathan Cullen: I see. Thank you.

I have one last question for the mayor.

You noted the decline in the quality of services over the last number of years in Banff National Park. What direct impact has that had on your community itself?

• (1145)

Mr. John Stutz: On the municipality itself?

Mr. Nathan Cullen: Yes.

Mr. John Stutz: Certainly it would have a negative impact on our visitorship. I think it's acknowledged that, yes, the infrastructure of Banff National Park is aging and is falling somewhat into disrepair. We embrace any solution from the federal government and Parks Canada to amplify and bring that up to a restored factor. It does affect our visitorship, and therefore our economy, because the resources our visitors expect simply are not up to their standards.

Mr. Nathan Cullen: Thank you.

I have just one last comment to Ms. Bogdane. I agree with the comments on seniors, school groups, and environmentally sound transportation. I think we need a more progressive way to charge fees, particularly to groups to which we want particular exposure.

Thank you, Mr. Chair. Those are all my questions.

The Chair: Thank you, Mr. Cullen.

We'll now go up to the top of the batting order. Mr. Richardson had raised this under a notice of motion, and that's how it's come through onto the agenda.

Mr. Richardson, you can lead off in terms of your questions.

Mr. Lee Richardson (Calgary Centre, CPC): Thank you very much, Mr. Chairman.

I thank you very much for the presentations. I think it gave a very clear view of just where we are with this thing. Obviously, because of the proximity to my constituency, and the letters and the requests for information I get and the concerns expressed, Banff is the park that is most important to me and to my constituents, and I think you have all heard what the problems are expressed in a very good way.

I should say to those of you who aren't as close to Banff as I am that the group of people we've got here today, and the groups they represent, have a relationship that's unique over the history of my time in the parks, which is about 30 years. I commend you all for a new spirit of cooperation and discussion and for the consultations you have had. It has not always been that way, as you know, in the park. For those of us who enjoy the use of the parks, it's noticeable that people are talking to each other and trying to find productive solutions, as opposed to just yelling at each other, as we may have done in the past.

I think there are still some outstanding concerns. Some are involved because all of the problems aren't unique, as we've heard. I would like to ask the Parks Canada people something about that, Mr. Latourelle particularly. How is Banff is somewhat different from the rest of them? You implied in your opening remarks that fees cover 25% of the costs of visitor services. I presume you were referring to licences as well.

Is that the case in Banff? Is it only 25% in Banff?

Mr. Alan Latourelle: That's across the system.

Mr. Lee Richardson: That's across the system.

I can see where the mayor was coming from. We seem to be, as we are wont to do in Alberta, paying more than our share to support the rest of the country. We're happy to do that, but in the case of Banff, it does seem that we get a lot of traffic, a lot of visitors, and we would expect a compensatory amount of fees would be directed back into our park. I'll let you comment on that.

Then I want to go ahead from there, because I don't want to get totally attached to the current mode, the sort of user fee thing. I know my colleague, Mr. Mills, is going to ask you about other costs you have to pick up that we think are perhaps unfair as well—for example, maintaining a national highway.

Could you start off by telling me if Banff is unique from the rest of them?

Mr. Alan Latourelle: First let me answer a question from a mountain parks perspective, because I think one of the operational realities we have is that most visitors are coming from, let's say, Calgary into Banff and then either staying in Banff or going to other mountain parks. So the east gate of Banff is by far where most travellers arrive to the mountain parks.

Our policy is quite clear: the revenues, the user fees, and the campground fees, for example, that are generated in the park—and in this case we operate it as a mountain park bloc, because of the operational reality—are totally reinvested in that park. For example, we generate about \$43 million in our mountain parks, and our actual expenditures—total, including capital—are about \$60 million. That's not only visitor services; it's all of our costs. Basically Banff is by far, and the mountain parks almost close to, full cost recovery of their visitor services, but the moneys are staying in those mountain parks and being reinvested there.

For the other parks, and across the system, on average it's about 25% of visitor services that are being collected. As in Banff or the mountain parks, in all of the other parks any fee adjustment or revenue is reinvested in those parks or sites.

• (1150)

Mr. Lee Richardson: Quickly—I don't want to take too much time—you mentioned also seasonal entry. My family uses the park all year round, and we get an annual pass, so I'm not familiar.... Is there a seasonal entry pass for Banff?

Mr. Mike Fay: There isn't one for Banff. There are other parks where we're only open for four or five months of the year, where obviously we just have a seasonal pass. Riding Mountain is one example, or Gros Morne, or something like that. Because we offer services and facilities in Banff year round, we don't have a seasonal pass.

Mr. Lee Richardson: I guess that raises the point, Mr. Fay, then—and I'm thinking about the use of the parks in the winter particularly, because so many of the Banff services you provide simply aren't open in the winter. I'd like to get a sense of what percentage of your services are available in the winter. It seems that when people go to ski—and what does it cost, \$50 to go skiing these days—you then have to top that up with a park pass. It seems as though it's a bit unfair, if the only service in the park that people are using is a restaurant or a hotel or a ski hill. That isn't something you're supporting; it's something that's supporting you. Is it really fair to have the same price in the wintertime when your services generally—picnic tables, washrooms, those kinds of things that are up in the hiking areas—aren't available?

Mr. Alan Latourelle: One part is that for a lot of the frequent users who may be, for example, those who go to the ski hill and go hiking in the summers and so forth, there is a western pass that's about \$55 for the year. If you compare it—for example, I think the amount you used is \$50 for a ski lift for one day—the annual pass for the year is about \$55. I think for the repeat users, who are using it at different periods of the year, clearly the season pass is the best option for them.

Mr. Lee Richardson: I wanted to specifically ask about a reduction during the winter. Has there been consideration of that? Is it a reasonable thing to look at? I understand completely how you are strapped for funds, and I would like to go back, at another time when we have more time, to the model you use, because I think it's particularly unfair in the Banff Park, with a highway running through it. In the interests of the businesses in the park and the services that are available—most of these are private services in the wintertime—has there been consideration of a reduction in the costs for the people who just use the park in the wintertime?

Mr. Mike Fay: It's come up before, obviously, and we feel there are some services people are using: access roads, and some of the public safety measures, and the maintenance we're providing with the user fee. There was also a study done by us and Alberta in 2003 that specifically targeted the skiers and asked them about the user fee. The results of the study showed that almost 70% of the users felt they were getting very good value with the annual pass they had to buy from Parks Canada. It's \$55—

Mr. Lee Richardson: Let me just interrupt there. I appreciate where you're coming from in saying that, but one of the groups you don't so much survey is the group of people who don't come because of the differential between going to Banff and perhaps going to Whistler. If you're coming from Japan or coming from England and there's an extra \$100 tacked onto your package because you have to pay \$10 a day to be in the park, that is a price break point for those people. You don't survey those people, because they never come; they go to Whistler, or they go elsewhere outside the park. I think it is a factor that maybe you should have a look at.

Mr. Alan Latourelle: We need to address this. As an example I'll use the United States. I've met personally with the board of directors of the National Tour Association. They, by far, bring the most foreigners or people from outside Canada to mountain parks or to Canada. We've gone through the proposal with them. Their perspective was basically that the \$1 adjustment per year is not significant as long as there is sufficient notice. That's why we've built with them this 18-month period notice—but they had not raised that issue with us, and I've met with the board of directors personally.

• (1155)

Mr. Lee Richardson: I've got 100 more questions, but I'd like to pass to Mr. Mills the time I have left. I do want to say thank you. I know you're trying and I do appreciate it, but I think we've got a ways to go.

Thank you.

The Chair: Mr. Mills or Mr. Jean.

Mr. Bob Mills (Red Deer, CPC): Alan, you and I have talked quite often about the fatigue of much of the infrastructure and how that needs a whole new commitment. We need to upgrade that dramatically, and obviously a new model for funding involves the federal government dramatically in getting up to the 21st century in terms of our parks. I think that whole issue needs to be addressed.

There are a few other things you and I have talked about. I must mention this one, because again it's a local issue for my constituents—going through the park to go to B.C. If you come by Rocky Mountain House, you're going to pay a fee, even though you're not staying in the park; you're going through. If you go via Calgary, you don't pay to simply pass through the park. Obviously that's extremely unfair. It affects people, and it's been a common complaint for the 12 years I've been the member of Parliament for that area. I don't believe there is any way you can justify that. You can try.

There is another issue that I think is again a real source of money. Again, you and I have talked about this. I spoke to the chamber of commerce at a meeting in Jasper, and they raised it. I'm sure the mayor from Banff would raise it. It is the fact that your park budget is used for highways. Those highways are driven by trucks, driven by people simply on their way to B.C. or on their way back from B.C. They don't want to go through a park because they have to slow down to 90. If there was any way other than going through the park, they would just as soon do that. Yet you, out of your budget, pay for maintenance of the highway, cleaning the snow and so on. That seems to me really counterproductive to maintaining our parks. It would seem to me that Transport Canada should be paying for

maintenance of those roads. Has anything moved on that since you and I talked about it?

Mr. Alan Latourelle: In terms of the highways, yes, there is a significant cost to Parks Canada. If I remember rightly, we have close to 900 kilometres of them through our parks across the system, so it's not only in Alberta. We do have a responsibility to clean them and keep them safe for visitors. We are proceeding with the twinning, for example, of the Trans-Canada Highway between Banff and Jasper, but the cost is totally within our existing budget and has to be absorbed there.

We've had some preliminary discussions in the past with provincial governments, for example, because most of the transportation corridors outside the parks are provincial, but I think everybody is in the same situation. Unless we transfer them over to someone—we appropriate a lot of money to maintain them—they're not prepared to take them on. From our perspective, if we had the money, we'd keep them, mostly because of the environmental impacts that we can mitigate through our management of these places—but yes, they are a significant cost to us.

The Chair: I'm going to have to interrupt you. I'm sorry, but we're out of time on that component, and I have to go to Mr. Bigras.

Mr. Bigras.

[*Translation*]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you very much, Mr. Chairman. I have three questions to ask this morning.

First, I think the opinion poll you conducted is a bit biased. Ultimately, you can present a survey however you want and, based on the questions you ask, achieve the results you want to achieve.

So you've given citizens two scenarios: the first is an increase in user rights that would make it possible to rebuild facilities, and the second is the direct question of closings. I think we can strike a balance between the two.

Did you ask citizens the following question: If user fees increase, what would be the impact of that increase on park access? If it were ultimately concluded that an increase in fees would result in a decline in traffic, I don't think Parks Canada would be any further ahead. Consequently, I'd like to know whether there have been any surveys on the subject.

Ms. Bogdane told us that there was a downward trend in accessibility. Have you tested the impact of an increase in fees on traffic?

I'll let you answer that first question.

• (1200)

Mr. Alan Latourelle: Thank you. That's a very good question.

First, we haven't conducted any surveys on the impact on traffic. The approach we adopted was really to examine the fees we would charge users and to compare them with those charged by other organizations for other attractions or services provided to visitors to enable us to ensure that our fees are comparable to those of others and remain competitive with other initiatives or decisions that others might make.

As to the question we asked, it was clear. We have reached a point where we have to charge fees or close down certain services. In view of the present situation, we have no other choice if we want to guarantee everyone's health and safety. I want my remarks to be clear on that point.

Mr. Bernard Bigras: All right.

There are currently two competing philosophies regarding parks. Some would like to expand the parks network and increase the number of Parks Canada parks, while others are calling for a moratorium on the creation of new parks so the existing network can be consolidated.

I'd like to know what you think about those two approaches. Should we expand and increase the number of parks in Canada, at the risk of having to scatter them across the country, which might weaken our present system, or do you believe instead that we should have a moratorium, consolidate our system and, subsequently, perhaps go further, once we've managed to offer services consistent with the ecological integrity of the parks — because that's part of the mandate — and to ensure good service is provided to the public.

Mr. Alan Latourelle: I think that's clearly a question for the minister or the government, but I can give you information to ensure that people really understand the situation prevailing at Parks Canada and so they understand how the new parks operate compared to the existing parks.

With regard to the new parks, under the business plan it developed in response to the government decision, Parks Canada will move ahead and create five new parks and two national marine conservation areas. Funding for the creation and long-term maintenance of those parks was provided in the 2003 budget. We received \$144 million over five years and \$29 million a year on a permanent basis.

Mr. Bernard Bigras: I don't understand. The creation of five new parks was announced, you have budget guarantees to ensure those parks operate, and, at the same time, you're telling us that the present network is in a deplorable state and that you have to increase user fees. I'm trying to understand the logic behind that.

Mr. Alan Latourelle: All right. For the existing network, we're essentially facing the challenges I mentioned a little earlier. The strategy was to meet some of those challenges through adjustments to user fees and to reach the rest of them through parliamentary appropriations. Once again, this is a return to the principle that individuals who participate and use our parks should bear a portion of the costs, while the government assumes the rest. That policy has been in place for a number of years.

Mr. Bernard Bigras: I have another question, which really troubles me. On page 2 of your presentation, you tell us that Parks Canada's assets are in poor to fair condition, which leaves them at

risk. It states that they "are at risk in terms of meeting building codes and environmental standards."

What you're saying there is quite disturbing because, unless I'm mistaken, one of Parks Canada's mandates is to preserve the environmental integrity of those areas.

Are you telling us today that, in view of the current state of the infrastructure, there might be a risk to the environmental integrity of our parks? Could you table here in committee the report on what you're saying? How can you come to the conclusion that environmental standards might not be met? Could you table with the committee the report on the situation in the parks where there is a threat to environmental integrity?

Mr. Alan Latourelle: First, you have to realize that most of the infrastructure of our national parks was built in the 1960s and 1970s. So it's now 35 to 45 years old. The environmental standards at that time were quite different from today's standards. For example, the waste water treatment standards of the 1970s were very different from those we have today.

We've now reached a point where that infrastructure is at the end of its economic life and must be replaced, at campgrounds, for example. It clearly no longer meets our current environmental objectives.

Another aspect is that, in some cases, we put up buildings that, if we had to do it over today, would be built very differently and in different places, to enhance the environmental integrity of our national parks.

• (1205)

Mr. Bernard Bigras: All right.

Are your parks in the Treasury Board inventory of contaminated sites? There's a list of federal contaminated sites.

Mr. Alan Latourelle: Yes.

Mr. Bernard Bigras: How many of your sites are currently in the "health and safety risk" category?

Mr. Alan Latourelle: I don't have that information with me today. I can send it to you.

Mr. Bernard Bigras: All right. You'll send it to the committee?

Mr. Alan Latourelle: Yes.

Mr. Bernard Bigras: All right. I have no further questions.

[English]

The Chair: Thank you, Mr. Bigras.

We'll now go over to Mr. McGuinty.

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chairman. I was hoping to ask a couple of short questions in succession, Mr. Chairman, if I could.

As I understand, Monsieur Latourelle, the budget will provide \$209 million over five years for infrastructure.

Mr. Alan Latourelle: That is correct.

Mr. David McGuinty: Will the budget provide \$60 million over five years for ecological integrity?

Mr. Alan Latourelle: That is correct.

Mr. David McGuinty: That would go a significant distance in making up your \$100 million a year shortfall.

Mr. Alan Latourelle: That is correct.

Mr. David McGuinty: With your proposed increases in fees and the budget provisions, what kind of shortfall would you be seeing on an annual basis?

Mr. Alan Latourelle: Basically the 2005 budget provides \$209 million over five years and then \$75 million permanently. Then the user fees would contribute—again, not in the first year, but over the long term—\$25 million. That would provide us with a \$100-million-a-year permanent increase in our capital budget. To put it into perspective, our existing capital program is about \$40 million a year. So this would meet our requirements and would meet being able to maintain our national historic sites and our national parks.

Mr. David McGuinty: Were your representations and your negotiations in the budget-making process for \$209 million for infrastructure and \$60 million for ecological integrity over five years designed somewhat glove in hand with respect to potential increases in fees?

Mr. Alan Latourelle: Yes. Our strategy, I wouldn't say year by year, but overall.... Yes, we've looked at basically a portion of it coming from user fees and a portion coming from parliamentary appropriation.

Mr. David McGuinty: So the legitimate concerns raised by Monsieur Bigras, in terms of the parks being funded appropriately and whether there should be a moratorium or not, might well be met if the budget, for example, were to be passed this evening.

Mr. Alan Latourelle: I would only say that if we are successful in obtaining the \$209 million plus the user fees we are proposing, we would have an additional investment of \$100 million a year, which would allow us a permanent solution to our capital infrastructure issues.

Mr. David McGuinty: Okay. Thank you.

Mr. Chairman, I'd like to ask a few questions, if I could, of Ms. Bogdane and Mayor Stutz.

I want to look at the Banff situation more specifically. Canada has committed to setting aside 12% of its territory as part of international agreements in order to meet global ecological integrity targets. My understanding is that when the 600-plus aboriginal land claims are eventually settled in this country, the projections are that aboriginal Canadians will control about 10% of the Canadian land mass.

The notion of the city or the town....

Is it a town or a city?

Mr. John Stutz: It's a town.

Mr. David McGuinty: The notion of the town of Banff existing is an important reality that's also a bit of a historical blip. If we were creating Banff National Park today, we wouldn't put a town in the middle of a national park. Is that right?

Mr. John Stutz: True, but one actually has to reflect back historically for the purpose of Banff National Park. The original purpose of Banff National Park was not as an environmental reserve. It was as a tourist attraction to bring folks from the east to the west to prevent annexation by the United States—of the CPR, obviously.

Mr. David McGuinty: Understood.

Mr. John Stutz: So the purpose was a little bit contradictory to what a national park would be in today's standards.

• (1210)

Mr. David McGuinty: Can you tell me how your town revenues are raised, and what those revenues are?

Mr. John Stutz: Primarily the town revenues are raised through property taxes. We raise about \$9 million a year that way.

Mr. David McGuinty: And do you have development charges?

Mr. John Stutz: When people do development, yes, we actually have fees, as would any municipality.

Mr. David McGuinty: Do you have any tourist or bed fees, or overnight stay fees?

Mr. John Stutz: We have none. Alberta legislation does not provide for any municipal fees or any of those other ones, as other provinces perhaps do. We have no access to the park gate fees.

Mr. David McGuinty: So you have a revenue stream of roughly \$9 million a year for the Town of Banff.

Mr. John Stutz: Yes. It is also supported by certain provincial grants, as is typical of all Alberta municipalities.

There has been one special grant set aside for the two parks municipalities in Alberta for tourism infrastructure. It is a one-time expenditure over a five-year period of \$12 million, to be shared between Jasper and Banff municipalities.

Mr. David McGuinty: Okay.

I'd like to go to the comment you made about cost recovery, quoting the Fraser Institute—and I understand where the Fraser Institute is coming from on this—that the increase in the number of parks has been disastrous, that we should be setting fees locally, and that we should be looking to operate fees almost on a cost-recovery basis.

Although the airport situation is slightly different, there are some parallels to be drawn: the federal government—having divested itself, Mr. Chairman, of airports—revisiting the whole question of airport rents, for example, where some airports were paying an awful lot more money than other airports. This is not exactly a parallel case, but it's a very interesting precedent.

I'm having great difficulty—and this is a question I want to put to both of you—with this notion that individual parks should be cost-recovering 100% of their fees.

There is a park in the Nahanni, isn't there? Yes?

Am I to believe, or are Canadians to believe, that fees collected at Nahanni are going to support the infrastructure of Nahanni, the ecological integrity work of Nahanni? I would suspect, if that were the case, I'd be paying \$1,000 to canoe down the Nahanni.

So I'm a little troubled by the notion that a national parks system should, in a sense, bring in a cost-recovery thrust. Although I appreciate the argument by the Fraser Institute, I'm worried about the impact on other parks. Can both of you comment on that?

Mr. John Stutz: I would like to, if I could, Wanda, please.

Ms. Wanda Bogdane: Absolutely.

Mr. John Stutz: You're right. There probably is merit in a cost-recovery sharing among all national parks. However, Banff is already contributing to that cause. To further increase that right now would have a detrimental effect. It will decrease visitorship. Our studies show that. There have been Canada West Foundation studies that show that and there have been unscientific impromptu studies that have been so radically opposed to fee increases that they can probably be deemed as scientific, or at least pretty representative of the public's perception of what will occur should there be a fee increase.

Banff, as I said—and I'm repeating myself—is providing funding for other national parks as we speak. To further increase that right now, again, might not be appropriate.

The Chair: Ms. Bogdane.

Ms. Wanda Bogdane: With regard to the funding model we had actually done some conceptualizing on, we were looking more at getting some input from the lease agreements and concession plans to provide some dollars to go back out—with the inclusion of the park fees, instead of just the park fees—so that there could be some greater revenue distributed, because as everyone has heard, the infrastructure is seriously suffering. At this point, we just don't think the park fees should be increasing. There are perhaps some other models, compliance at the gates and what not, that we can look at, just some other things—I'm thinking outside the box at this point in time—so that we can keep the visitorship up and not put a stamp on the economy in the local areas of the national parks.

Jasper has also taken a significant hit, and they're currently looking at other models with their municipality to figure out how they can survive and thrive. It's an important factor for them.

Mr. John Stutz: Mr. McGuinty, you asked about the sources of revenue for Banff National Park, and I've alluded to that already. It's primarily property assessment. We have extraordinary costs in Banff that no other municipality in Canada or probably the world has, in that we pay Parks Canada about \$550,000 a year in land rent.

• (1215)

Mr. David McGuinty: From the \$9 million in revenues?

Mr. John Stutz: From our \$9 million in revenues, yes.

Mr. David McGuinty: Mr. Chairman, through you to Mr. Mayor, have you made overtures to the Alberta government with respect to the possibility of an equivalent to the airport improvement fee?

Mr. John Stutz: We certainly have made a number of overtures to the provincial government. What we have done—and are in the process of doing—is provide an economic impact study of Banff on the Alberta economy and in the Canadian economy. Having done that, and through negotiations over the past two years, we acquired the grant I alluded to a little earlier of \$12 million, to be shared between Jasper and Banff on a two-thirds to one-third ratio, by population, and that is dedicated to provincial infrastructure.

So, yes, the Alberta government is recognizing the importance Banff has economically and is providing some funding. It's not the same model as the airport fee structure you're talking about, but Alberta has recognized the needs and the importance of Banff.

Mr. David McGuinty: There is the rent.

Mr. John Stutz: Well, the renting issue, again, was part of our incorporation agreement, which was signed in 1990, and at this point in time that's where we are. We do pay rent to Parks Canada; it's \$550,000 a year.

Mr. David McGuinty: Mr. Chair, I want to table one more question with all the witnesses. Two years ago I gave a major keynote speech for the Tourism Industry Association of Canada. In the course of my research for that speech, TIAC confirmed with CTC that the single fastest-growing market in terms of tourism was the ecotourism business. It is also at the highest end and has the highest value margins. Also, the most wealthy tourists were coming from jurisdictions.... They were looking for a profoundly ecotourist experience.

I wanted to table that and get some responses to it later.

The Chair: We'll leave that with our guests and go to Mr. Jean. Perhaps they can work that into their responses.

Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

Thank you very much for coming today. I'm actually a member of Parliament from northern Alberta. I visit Banff and Jasper and every park I possibly can at all possible times.

Looking at the international price comparison done by your department, I think I've just about visited every one, including both in Australia. I have to tell you I find the user fees in Banff and in most of our parks very low, internationally, for certain. I think we have much more to offer the world than any other park I've ever been in, including Ayers Rock in Australia and in south Australia. I think our parks are fantastic, and Banff and Jasper are probably the most beautiful parks in the world.

Coming to that, I don't understand a couple of things. I look at Fort McMurray. We need \$1.4 billion in infrastructure now, and I'd really like to make sure that all the oil stays there, but unfortunately the Alberta government says otherwise. That \$10 billion per year in revenues goes to the Alberta government, instead of staying in Fort McMurray.

I'm curious about your mill rate in Banff in relation to your taxes for businesses, because my taxes are quite high in Fort McMurray. I've been in partnership, for instance, with one of your current businesses for some 15 years. Their profits, quite frankly, as a business operating in Banff, were astronomical compared to mine in Fort McMurray. You would think mine would be astronomical, but he was making probably four to five times as much as I was in any given year. What can you say about that?

Mr. John Stutz: Actually, our commercial mill rate is five times our residential mill rate. That is the highest in the province.

Mr. Brian Jean: What is it, do you know?

Mr. John Stutz: I can't give you that figure right now, but it certainly is the highest in the province, probably, if not in the country, when we consider the ratio between residential and commercial mill rates.

Business in Banff—our only industry is tourism—has been suffering for all of the reasons we both alluded to a little earlier. The cost of doing business in Banff is very high. There is a perception out there that a Banff businessman is a wealthy person. The actual average annual income in Banff is \$2,000 a year less than the provincial average.

•(1220)

Mr. Brian Jean: Are you talking income, or are you talking business income? There is a difference.

Mr. John Stutz: I would suggest that the perception of the wealthy businessman in Banff is really a myth. These folks are struggling. I see businesses closing down in Banff on a regular basis. It's alarming. The economy of Banff, although it is getting healthier, is certainly of great concern to us as a town council. To exacerbate that situation in any way can have adverse effects, and one of those ways in which it could would be to provide higher user fees.

You also mentioned that user fees in Canadian national parks, compared to other international national parks, are quite reasonable. That is probably a very true statement; however, that doesn't ring very true with Albertans and Canadians. They probably are unaware of what the fees are in international parks. They feel the fees in our Canadian national parks are already high.

Again, I pointed out in my presentation that the majority of our visitors to Banff are Albertans. To further increase a visitor fee for Albertans to come to Banff will again have an adverse effect. I cited two studies alluding to that; in one, the Canada West Foundation study, 92% of the respondents said that increasing park fees in Banff would lower their visitorship.

Mr. Brian Jean: I understand that. I think, quite frankly, if you ask any Canadian, they would not want an election at any time, no matter what the circumstances were as well.

I know when I go to a movie and spend \$10, I'd rather it was \$3, but it's not. I compare this to going to a movie or to Disneyland. I'd much prefer going to Banff over going to Disneyland, and Disneyland for a day is \$100, and we're at \$6 or \$7. I can't compare the two, because if you're a family of four at a movie, you're spending \$70 or \$80, but you can go to Banff for a day and spend \$47.

Mr. John Stutz: If a family of four from Calgary wants to come to Banff for dinner, now you're adding \$28 to the price of that dinner. If a family of four wants to go skiing for the day to Lake Louise, now you're adding \$28 to the price of that ski day.

Mr. Brian Jean: But skiing per person is \$55, so for four people it's \$200—

Mr. John Stutz: Then you add another \$28. I suggest they might then proceed on to Golden, not pay any park fee, and ski at Kicking Horse instead. The \$28 park fee they didn't have to pay will now pay

for their gas to get there. And we don't have them in our national park.

Mr. Brian Jean: I understand your argument, sir.

To get back to the business mill rate, do you know what that rate is? I know it's five times more than residential.

Mr. John Stutz: I can't give you that figure right now, I'm sorry.

The Chair: Perhaps you wouldn't mind sending it to us.

Mr. John Stutz: I can have that for you momentarily.

Mr. Brian Jean: You also talked about a total amount of \$9 million a year in tax revenue. Is that correct?

Mr. John Stutz: In our property assessments, yes.

Mr. Brian Jean: It just seems low. But I don't know the number of businesses or the square footage, etc.

Is it true that each business actually leases from the town, and the town in turn leases that land from the province?

Mr. John Stutz: The town leases from Parks Canada. Actually, each of the properties in Banff—Alan, you can correct me on this—does lease directly through Parks Canada.

Mr. Alan Latourelle: We have a lease with each operator, but we don't collect any rent. We collect the rent from the town, I think close to \$500,000 a year, based on an agreement we had signed with the town, with the Province of Alberta, in 1990. That amount of rent has been fixed since 1990.

Mr. Brian Jean: How does that compare with other communities? I mean, I look at it this way: you've got a monopoly here. With Canmore and Banff, let's face it, no more land is being developed in Banff. No more business is coming in. You've got a monopoly, and monopolies make a lot of money. That's just the way it goes, usually, all things being equal.

I'm just wondering how this compares with other communities in terms of what's being paid tax-wise—and I mean in total, not just tax but also rent per square footage, etc. That comparison would be very beneficial for me in making any decision in relation to Banff, especially regarding user fees, which I think are far too low, quite frankly, given what I want to see in our parks. I'd like to see 20% of our land mass set aside, as far as our future goes, and half of Canada turned into great parks so that we can entertain the world, as far as that's concerned. But we can't do that without money, and I don't think the people who don't use parks should have to pay for that in taxes.

That's just my own view.

Ms. Wanda Bogdane: You made quite a few comments. Perhaps I could speak to one of them, about the monopoly that could be had within an area.

There are also very interesting and unique constraints put on those businesses in that area with regard to the lease agreements through Parks Canada, and that would perhaps be development and improvement of their infrastructure. I think there's a very unique system in place at this point in time that can sometimes inhibit environmental improvements to businesses in the area of perhaps higher air quality or waterways usage. So I think we need to be careful in saying that it's a monopoly, because it's not necessarily a monopoly with challenges such as that, when the businesses can't put their own development terms on and make sure they're eco-friendly.

David made a reference to the ecotourism industry. There isn't the opportunity to develop, so we have to make sure that what we have is very well cared for, upgraded to the best of its ability, and of course there are challenges within the park system to make sure this can happen. Some people may see it as an icon of monopoly, but we see it as an area we need to preserve, to make sure the businesses are as strong as possible for the users. At this point in time, we just need to make sure we're looking at the perception appropriately.

● (1225)

Mr. Brian Jean: I have just one more comment, if I may, very quickly.

I support anything by way of a resident fee versus a non-resident fee, or even a longer minimum fee, such as a three-day pass or something like that. I certainly think for Canadians, especially Albertans, it should be a lot less expensive than for international visitors.

The Chair: Mr. Wilfert.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Thank you, Mr. Chairman.

You've outlined the issue of the recapitalization and the \$100 million shortfall. From what I understand, 37% of this recapitalization would come from obviously this fee issue.

In your surveys and discussions...and most people, when you ask them if they want to pay more, of course say no. Who wants to pay more? What discussions did you have with the Town of Banff in terms of their perception of the economic impact it would have on their business community? We've heard about issues with regard to closure of businesses in the community. We've heard about 9/11, and SARS, and all of those things. Yes, there is starting to be an increase back up, but it doesn't take much, particularly in the tourism business, for an impact that could send shock waves back into the town of Banff.

So what interplay was there, first of all, with the town?

Mr. Alan Latourelle: I can't tell you about a specific discussion. I know we had local consultation throughout our parks system and our national historic sites. We also had consultations with, for example, the Tourism Industry Association of Canada and the National Tour Association.

Interestingly enough, the comment from the National Tour Association in the United States was that our fees were too low. The perception was that because they were low, people weren't getting value for money.

In terms of specifically the Town of Banff, I can provide the information later; I don't have it here. There were consultations at a local level, including with AMPPE, who had their perspective. They also contributed to the TIAC survey.

Hon. Bryon Wilfert: I should ask the same question of His Worship.

Mr. John Stutz: The only consultation the Town of Banff has had, as it relates to the increase in park fees, has been through the media.

Hon. Bryon Wilfert: Mr. Latourelle, with the Town of Banff, obviously, through the mayor and council of Banff, being a major stakeholder, why that type of approach? It doesn't sound to me to be very constructive.

Mr. Alan Latourelle: That is not the general approach we take, I can assure you of that. I would have to check, but I think most of the consultations were done in 2003. It's not as though we've done them in the last two or three or six months.

I'm more than prepared to share with the committee the results of those consultations; I don't have them here. I would be totally surprised if there wasn't any public consultation, because there were a lot in the mountain parks. For example, I have some comments that I had received back from AMPPE through our discussions at that time.

Hon. Bryon Wilfert: I think there's no question that Banff is a unique case compared with other national parks, given that the park grows around the town of Banff. I'm certainly extremely familiar with the pressures that a municipality has. Certainly, having been to Banff over many years, and having worked with a number of mayors and councillors from Banff over many years, I understand they have a very limited resource. Obviously, any change is going to have an impact.

Presumably, if you're going to raise the fees, you're going to have a quality service guarantee. How do you actually link the two? If you're going to provide service, what am I getting for that?

● (1230)

Mr. Doug Tapley (Strategic Planning Evaluation, Parks Canada Agency): Would you like to know how the guarantee works?

Hon. Bryon Wilfert: I know how the guarantee works. You're saying that this is our quality service guarantee, we've had it since 1998, and this is what we believe is important. In terms of what you're providing, how do you justify an increase? How do you link that?

Mr. Doug Tapley: The quality service guarantee has to do with people's satisfaction with the services and with the level of service we are providing. We provide training for our front-line staff on how to deal with issues where people are not satisfied with the rendering of service. We also give them an opportunity to try to immediately rectify whatever the problem is. If that cannot be done to the satisfaction of the visitor, then they are also permitted to provide a refund.

It goes to the sense of value for fees. We've found that very few people will ask for their money back. They are more interested in getting a problem resolved; those who do, at the end of the exchange with our staff, go away feeling their interests have really been taken into account. We understand, from the research we've undertaken, that when they go home, they talk to about ten of their friends and describe the situation to them. It's far better for the reputation of Parks Canada for them to go back home and say, "I had this problem, they tried to fix it, I wasn't really satisfied, but I got my money back, and I think they really had my interests at heart", rather than for them to go home and relate a very bad experience to those ten friends, who could possibly decide they don't want to go there.

Hon. Bryon Wilfert: I think it's a very good approach. Linkage obviously is important. But it goes back to the issue of the Town of Banff and the town council. To me, the fact is that you also have a client there, a very important one—namely, the residents of the town of Banff, and the town council represents the residents of Banff. They're there. It's a reality. There has to be some kind of quality... again, the same idea. They have, through no fault of their own, certain expenditures. They're paying this fee.

Your Worship, what's the fee actually for? What are you getting in return for the fee?

Mr. John Stutz: Land grants—a unique situation for any municipality in Canada.

Mr. Alan Latourelle: I think this is very uncommon, as mentioned. I'd like to perhaps explain that elsewhere in Canada, commercial operators would generally own the land and the buildings in which they operate. In a national park, the land is owned by the federal government. We rent the land on which people develop their commercial properties. For example, outside the town, there is outlying commercial accommodation, and with each operator we have a lease. They pay us rent because of the location, and they build their building on Parks Canada land.

In terms of Banff, that used to be the model. The costs were increasing, the rents were increasing, and in 1990 we reached an agreement with the town. We subsequently reached a similar agreement with Jasper, at the demand of the community, to have community land rent instead of individual land rent, and for the community to manage the town.

Before 1990, I would have been sitting in both places here—I would have been the mayor of Banff as well—because Parks Canada was the operator of the town and the owner of the land at the same time.

Hon. Bryon Wilfert: I have to congratulate you, Mr. Latourelle, for the fact that in February you had consultations with all key stakeholders with regard to parks in this country. I had the privilege of being there for a few sessions, speaking on behalf of the minister, and I can say that the response and the feedback you and others got was very, very important. But I would suggest that there needs to be much tighter discussions with the council of the Town of Banff.

I think it underlines why, Mr. Chairman, we need to pass the budget tonight and to continue to move the budget. I know that my colleagues on the other side are expressing their concern for parks in Canada, and I'm sure it's not disingenuous at all. In order to move

forward, and clearly, with the dollars in question, we need to move that forward...and I would hope that would be the case.

I will just end with one comment that I've raised with you before. I agree with my colleagues on the other side—so I may slap you with one and congratulate you with the other—on the issue of the maintenance of highways. To me, it makes no sense that it's coming out of Parks Canada's budget.

I have to congratulate Parks Canada for the way you do operate your budget, but from a policy perspective, I think this is an issue that we really need to address much more effectively than we currently do, because the costs incurred have really little to do with what you are providing as a Parks Canada agency.

● (1235)

The Chair: You're out of time now.

Hon. Bryon Wilfert: That's not like me, Mr. Chair.

The Chair: I was hoping we wouldn't get into speculation with respect to tonight's budget, but would talk about the budget of Parks Canada and the problems the town is having.

Mr. Latourelle, in terms of the point raised by Mr. Wilfert, what is the amount that is covered out of the Parks Canada budget for the transportation component? And does Mr. Wilfert make a good point—a point also made by, I believe, Mr. Richardson—with respect to whether that's a fair allocation?

Mr. Alan Latourelle: I don't have the exact amount in front of me, but it's probably in the neighbourhood of \$10 million a year for Parks Canada. Clearly, because we are owners of that land—it's in a national park—we traditionally have had the responsibility for it.

Again, there have been attempts to get other levels of government involved, or other departments, but without giving them the funding, nobody wants to take on the liability here, Mr. Chair.

The Chair: Mr. Mills, perhaps that's a good segue for you.

Mr. Bob Mills: Thank you.

I didn't get an answer from you, Mr. Latourelle, on why it's fair that when you come through the centre of the park, you pay, and when you come through either side, it's free. Could you just answer that?

Mr. Alan Latourelle: Yes, sorry.

The traffic that goes through Banff—for example, from Calgary to Vancouver—does not pay on the Trans-Canada. It's the same in Jasper, from Highway 16. We do charge for the route that connects both of them, the Icefields Parkway, because it's a scenic parkway that's fully maintained by us, and there are services and so on. That's where we pay, for that link between the two.

● (1240)

Mr. Bob Mills: But when I go from central Alberta to Vancouver, I go through Rocky Mountain House and through that road; I don't want the traffic of Calgary, the traffic of Edmonton, or however else I might go up Highway 22 or whatever. I go straight across—it's good highway, it's scenic, and I am in the park for an hour and a half. But I have to pay, which some might see as unfair.

Obviously, if you're staying in the park, if you're going to Jasper or Banff, that's different, but this just seems to me to be a pretty unfair charge. Certainly the people of central Alberta find it that way. I get many commendations about how good the parks are, but the big complaint I get is about the charge. I get about a hundred letters a year. So it's something I would ask you to look at.

In terms of the bigger picture, the junior minister mentions that if the budget doesn't pass, of course the parks are gone, and there's no money there at all. I think you've heard, and you know, that we have an environment plan that does include the parks and does include a commitment. I think the biggest thing is that you need \$500 million for infrastructure, for upgrading of infrastructure, just to bring it up to where it should be. There's 50 years of neglect in terms of that infrastructure. It's not very sexy putting in sewer and water, building more washrooms, and things like that. And those are the things that look very fatigued.

I wonder, is that \$500 million an accurate figure? Is that the figure that would do the job? If that were part of a long-term budget plan, would that do it? Because obviously that will help Banff. That will help all parks across Canada. That should be a commitment I think of any government, because we do all value our parks.

So I wonder, is that an accurate figure?

Mr. Alan Latourelle: Basically, the amount we used in the corporate plan historically was \$475 million—and over a five-year period, not as a one-time figure—to make sure we have a solid base. Basically, we need some time to ramp up, to build capacity internally in order to manage effectively and responsibly a capital program.

The budget that's been announced allows us to increase up to \$75 million the base on which the overall amount was identified. It gradually moves up from a certain base in year one to a base in year five.

Mr. Bob Mills: Ecotourism has been mentioned, and I know how popular that is. I've experienced it around the world. It should be a huge, growing area. People in Australia and Germany particularly seem to be so interested in what we have to offer. China is obviously coming to a point where they have a lot more money to spend on tourism.

I wonder how we're going to manage our parks down the road when the demand becomes much greater. If we market it properly, I see it becoming one of our biggest assets in this country. If we look at some of the parks in the U.S., they now have a quota system. Your name has to be drawn in order to go there.

Have you done some long-term planning in terms of how this tourism might impact our parks?

Mr. Alan Latourelle: We've looked at some trends. Currently, for example, except for a very few select places, such as the West Coast Trail and Pacific Rim National Park reserve, because of the ecological impact there, we don't have controls in place on the number of visitors. What we're doing is really working with the Tourism Industry Association of Canada, for example, to develop a code of ethics for sustainable tourism. Working with AMPPE is part of that, as part of the association. We also have the Gros Morne Institute for Sustainable Tourism.

So we're working with the tourism industry to attract the right people at the right place at the right time. In certain cases, it's not the number of visitors, it's where they go and when they go that's the issue. We're trying to work with the industry to find solutions together.

A lot of the issues are park-specific. We have some parks that have no issues whatsoever with human use, but at Lake Louise, for example, we get 20,000 visitors a day in the summer. We work with AMPPE, with the local communities, with the environmental groups to develop an area plan to effectively manage that in a way that's good for people—and good for grizzlies, in this case.

I guess in summary, the solution in terms of impact lies at the local level, through public consultation, based on our science.

Mr. Bob Mills: I know there are crossover problems, where you end up with people instead of animals crossing over, scaring the animals away. Can you build a road that in fact has an ecologically minor impact? Is that possible engineering-wise?

Mr. Alan Latourelle: I would say no. We have international guests who come and see us in terms of our environmental leadership and in terms of how we developed, for example, the twinning initiative. The Trans-Canada is a good example of that twinning. But to build a new road anywhere in our national parks, I would say there's no way you can do this without having an impact.

Mr. Bob Mills: I have just one tiny question. I noticed that in Italy an awful lot of their roads bore right through the centre of their mountains. That obviously would mean less impact and much more safety. We don't seem to do that in our parks and so on. Is there a reason why we don't?

Mr. Alan Latourelle: I can't talk about the history. There are a few parks where we have, for example, transportation corridors through them, but they're mostly in the mountain parks—Terra Nova, or Gros Morne, or Cape Breton. Those roads were built some time ago. We haven't built a new through-road in any of those parks in probably 50 or 60 years.

Mr. Bob Mills: Highway 1 is obviously a huge, dangerous place to go, and I just wonder why we don't use a different engineering technology. It's used there, and it works beautifully. They have four-lane highways right through the middle of their mountains.

The Chair: We're going to have to leave it at that, Mr. Mills.

We'll go to Mr. McGuinty and then we'll come back to Mr. Jean.

Mr. David McGuinty: Thanks, Mr. Chairman.

I'm pleased to hear about the 20,000 visitors a day at Lake Louise. I think the grizzly bear is even more pleased: more people to eat. Just a joke.

Mr. Chairman, I'm trying to figure out where the problem is here. Is Banff the hot spot? Is this the problem? And if it is the problem, from what I've heard this morning, it doesn't seem to be that difficult a negotiation to resolve.

Does the user fee problem expand beyond Banff?

•(1245)

Ms. Wanda Bogdane: Yes.

Mr. David McGuinty: How far does it expand beyond Banff?

Ms. Wanda Bogdane: Within the Jasper area.

I was part of the Jasper National Park planning forum, and there was great concern with regard to the number of visitors being in strong decline in that area. So I can speak on behalf of Jasper National Park as well, that there has been a strong decline.

Mr. David McGuinty: There are 42 national parks, 149 national historic sites, and two national marine conservation areas. Are there two hot spots out of all of those?

Ms. Wanda Bogdane: No, but I can only provide a voice for the mountain national parks.

Mr. David McGuinty: Fair enough.

Mr. Alan Latourelle: I think the only thing I can say is that we've done the local consultation. We've in fact sat with close to 88 MPs to present this. We've also worked with the Tourism Industry Association of Canada, as the national voice for tourism, and we've obtained their support.

I think clearly there's an issue in Banff and Jasper. I can really appreciate that there are concerns with our proposal concerning the impact on potential visitorship. We can put in place some models to manage that and to monitor it over time. That's one of the reasons why, in terms of our proposal, we're not saying let's go from \$6 or \$7 to \$9 immediately. It's being phased in over time so that we can assess the situation. Despite all the science you can do, I don't think anybody has any tools that can predict accurately the effect on visitation.

The only thing we can do is look at comparable facilities, at other places, and at what they charge—at the movies, for example. That's a small example, and I wouldn't compare it to national parks other than in terms of what Canadians are prepared to pay for in their recreational time.

Mr. David McGuinty: I want to take it up to 5,000 feet for a second, Mr. Chairman. It goes back to something Mr. Jean said, in terms of how much set-aside there should be in the country.

Perhaps I can table this question with everyone here, because I think it deals with Canada's continuing branding challenge. I know we've been examining our international policy review. We've been examining how we're seen across the country. Our government, through Industry Canada, has tried to brand us as the most connected nation on the face of the earth—for example, with the school network.

I don't know about other members, Mr. Chairman, but in all my work abroad and travel, it's been clear to me that most citizens of the world think of Canada as being a big, green, empty place, with few people, most of whom live along the American border. The branding issue is being raised again. I don't know how Parks Canada and CTC and TIAC are examining this, or if they're examining it together, but I have yet to hear anybody, from any country, say "Oh, you're from Canada, the most connected nation on the face of the earth".

That's not to say that we shouldn't aspire to be the most connected nation, or to try to brand ourselves accordingly, so that we move into

another economic realm. But most people say, "You're big, you're green, you have few people, and you all live along the American border".

I want to go back to the explosion of the high-end, high-margin tourism market on the ecotourism side, which is precisely why Costa Rica, a decade ago, completely rebranded itself as the primary destination for ecotourism. I don't know how well it's worked. I don't know whether it works here or not. But I want to raise this again, because I think we have to make a decision. Just as we made a decision in our international policy review that we cannot intervene in 125 countries and be effective with our ODA, for example—we've chosen to focus in on 25 countries—I think we're going to have to make some decisions about what role the park system plays, not only in achieving our ecological integrity obligations internationally but also in terms of market share.

I raise this because I think an awful lot of Canadians would buy the notion, just as they buy the notion of peacekeeping—although I'm hearing that peacekeeping through the UN is declining every year—that Canada has a specific responsibility, as a big and rich country, to be a global steward. For example, we have, intact, the only boreal forest left on the face of the planet that's worth anything.

I wanted to just throw that at the table. I don't see a huge issue here, in terms of Banff and Jasper, that's not negotiable and not resolvable. I'm talking very small amounts of money.

I want to get a sense here of your reaction to that.

•(1250)

The Chair: Do you want to respond to that, Mr. Latourelle?

Mr. Alan Latourelle: Yes.

In terms of high-end ecotourism, look at Wapusk National Park, for example. People go there to see the polar bears, and their costs are about \$3,500—not to us but to the operators who go into the park. Look at northern Canada, where a lot of our new parks have been established. I would say it's a best-kept secret internationally. We have opportunities for ecotourism in Canada that nobody else has. It is, and it should be, targeted to high-end visitors. It would be good for the aboriginal communities—the people in Nunavut, for example, or the Northwest Territories—as a sustainable economic engine.

Mr. John Stutz: There was question from Mr. Jean about our mill rates. I do have those figures for you right now.

Our residential mill rate is 6.9 mills and our commercial one is 20.4 mills. That is accompanied, however, by the highest education tax in the province of Alberta because of the very high property assessments in the town of Banff. One must be very cognizant that when we are striking a residential and commercial mill rate, with the other provincial taxes factored into it, living in Banff does become affordable. We try to make it so.

The Chair: Mr. Jean, you have the floor now.

Mr. Brian Jean: I'd like to share my time with Mr. Mills. He has a comment to make.

Mr. Bob Mills: There was a mention of public consultation. All I can say, and I'd like to have it on the record, is that my experience with Parks Canada has been pretty excellent in terms of that consultation, particularly as it relates to the Rocky Mountain historic site. The public got very involved in that and feels very strongly about it. Parks Canada couldn't have done more in terms of the public consultation and what happened. As well, meeting with the Jasper people, they felt they'd been consulted with by the local people there, and are really part of it. I'm pretty sure, or I would hope, that Banff would feel the same.

I just want to commend you on that part of your job.

The Chair: Thank you, Mr. Mills.

Mr. Jean.

Mr. Brian Jean: First of all, I would like to explain something, Your Worship, and also Ms. Bogdane. Specifically, my family has been in small business in Fort McMurray for 38 years. I think it's important to explain that. I saw oil prices take a drop in the eighties, just as they did after September 11. Four independent family businesses were left standing in Fort McMurray after the eighties. So I've seen small businesses go, and I've really felt for them.

I'm interested in specifics. I'm interested in the mill rate. I also am curious about any other information you can provide to the committee about that. I think it's very important in terms of making a decision, having stability in small business. Of course, in Fort McMurray, our commercial mill rate is 9.7, I think, but it's also based on the value of the property, because it's owned.

This is obviously not on the value of the property, or I wouldn't think it would be. Is it more on the value of the equipment or on the value of the lease? Or how is the mill rate calculated?

I'm not asking for specifics at this stage, but I'd be very interested if you could provide to the chair, for the committee, information on that specifically before making a decision. The ultimate tax includes a lot of things, and it might be assessed specifically on different variables.

I'm interested in the competition, in the comparison with other businesses in Alberta. That's what I'm interested in.

Mr. John Stutz: The mill rate in Banff, like most communities, probably, is what will be palatable to our residents and our commercial sector and what will not put an undue burden on them so that they can succeed commercially and afford to live there. Arguably, the cost of living in Banff is one of the highest in the province, simply because of the fact that we do have extraordinarily high residential taxes, shall I say, accompanied by...

Actually, when I say that, that's a cumulative amount in terms of municipal and education taxes.

Mr. Brian Jean: I understand that. I'm not asking for information or feedback or answers right now. I'd really like to receive it in writing so that I can analyze it and look at it and make a proper decision on that basis.

Mr. John Stutz: Fair enough.

Mr. Brian Jean: I have a question in relation to user fees. I'm wondering if there's ever been any thought about a toll. I think most Canadians don't like the idea of tolls, but personally, I really like

them. I think users should pay. If people are travelling through Banff or Jasper, going to Vancouver or wherever else, I think they should pay a fee.

Has there been any look at that, at having, first of all, in terms of using the roadway, a differentiation between passing through and staying overnight, and resident and non-resident?

• (1255)

Mr. Alan Latourelle: The toll proposal has been raised publicly in several cases by individuals. Basically, we follow the government policy that the Trans-Canada should be free of charge to Canadians who travel on it. That's the policy we abide by in terms of through traffic.

Mr. Brian Jean: My concern is the freeloaders, and I know there's a lot of them. Last year during the strike, I went down to your park. I spent some time there. I mean, I couldn't even pay when I wanted to. I was out in my boat on one of the lakes, out in the middle of nowhere, and one of the people came to me and asked me for my fees. It was a big joke. It was one o'clock in the morning, and they were on a boat in the middle of the water. I mean, it was not a serious thing. They told me that most people who go through don't pay the fees. So there's a huge problem with freeloaders—and that's from somebody who works for your organization.

I'd like to hear your comments on that.

Mr. Alan Latourelle: The enforcement aspect is an important one, and we have to do it. For example, in Banff and Jasper, because of the economic impact of commercial operators, we have to do it reasonably and sensibly. We don't want to turn visitors off. But we want to make sure that they're paying their fee when they come in. I think there is opportunity to increase enforcement or compliance, clearly.

But the other part that I've not presented at all—I was presenting our asset issue—is that every year, with inflation, in operating our parks and sites we lose \$4 million in purchasing power every year. Because we don't get any inflation value for our goods and services, our prices go up but our budget stays the same. Every year we do adjustments internal to the organization to deal with those. Over five years, there's a \$20 million compound increase in reduction to our budget.

Through our operating, through increased compliance, we use those funds to be able to offset some of the inflationary impact on us.

Mr. Brian Jean: Do you have any studies to indicate the percentage of freeloaders?

Mr. Alan Latourelle: We've had some, but I think it all depends; every park is different. In the mountain parks, or those that have through highways, it's easier, because we do trust people. We do spot checks in the town and other places. In most of the other parks, to get into the park, the only way is to pay your fee at the gate; there's no through highway. Banff and Jasper are really anomalies, generally speaking, from that perspective, compared with the rest of the system.

Mr. Brian Jean: Would your department have those kinds of studies available?

Mr. Alan Latourelle: I can do some research and make it available.

Mr. Brian Jean: I'd be interested in that. Thank you.

Mr. John Stutz: The figures I have on that—and I may be wrong—show that you have 85% compliance in Banff National Park.

Mr. Brian Jean: That's what the studies are showing?

Mr. John Stutz: Yes.

The Chair: Okay. I think this brings our committee to a close.

Mr. Latourelle, did you wish to take a minute to make a comment?

Mr. Alan Latourelle: Yes, just a comment.

Today we're dealing with fees. We have AMPPE and the Mayor of Banff here, and it looks like there are conflicts between the three of us, but I really want to take the opportunity to share with all of you the relationship that's been mentioned before—the relationship between Parks Canada, the town, AMPPE, and the other stakeholders in Alberta and in the mountain parks. It has really evolved over the last decade, with significant change. And these communities are demonstrating environmental leadership.

Oftentimes, people see just the conflicts or the issues, and I just want to make sure you're left also with the positive aspects.

The Chair: Mr. Mayor, would you like to have the last word?

Mr. John Stutz: The relationship between Parks Canada and the Town of Banff has never been better. We are cooperative. We do have the same vision. We will not always see the same things on

certain issues—I think that has come to the table today—but I can't thank Mr. Latourelle and his staff enough. They have been wonderful people to work with, and we are partners together.

Ms. Wanda Bogdane: I can mirror the same with regard to AMPPE. The progression that has occurred over the last little while, with regard to involving stakeholders on decisions and making sure the science is peer-reviewed, has been phenomenal. We really commend Parks Canada on the progression that's happened within that department.

The Chair: I think you can sense from the questions that we're extremely proud of the product that is in progress. I was being somewhat facetious when I said that when we do come this way again—and I'm conscious of the fact that I have a friend, Reverend Watson, here, so I'm going to say when we *do* come this way again—we come as the mayor of Banff. Below that, I think, is this driving conviction that we have a wonderful country as represented by our parks. You can just feel the pride that's coming from those of us who are from those areas.

I think it's a very appropriate way to end this meeting that you leave us with the sincere commitment that you are working, and we are working with you. Now that we have had the input, we will reflect on and digest the points of view we've heard. I'm sure the committee will give some consideration to this, and perhaps the steering committee will discuss it among themselves in terms of where we go with the issue from this point.

I would like to thank you very much for being here and for sharing with us the kind of commitment you have to make our parks something we can be proud of. Thank you very much.

Just before we adjourn the committee, the clerk has informed me that when we reconvene the week after next—if we reconvene—we have just one further deputation from the National Round Table on the Environment and the Economy. We'll also have the Pew Center. So we'll have those two, and then we're in the process of putting our draft report together.

The committee is adjourned.

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