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—
Chair

Mr. Bob Mills

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• (1535)

[English]

The Vice-Chair (Hon. Geoff Regan (Halifax West, Lib.)): Good afternoon, colleagues. This meeting will come to order.

Before we begin with our witnesses, who we're delighted to welcome here today, there are a couple of minor business items. A notice has not been sent for tomorrow, but a room is available if the committee is available to meet on Bill C-474. I understand that Mr. Warawa and Mr. Godfrey have been or will be discussing the remaining clauses.

Mr. Warawa, do you want to comment on this, in terms of whether you're available and agreeable to meet tomorrow?

Mr. Mark Warawa (Langley, CPC): Unfortunately, I'm not. Also, one of the department people we need to have there is not available, so perhaps we could stay with Monday. Mr. Godfrey and I will be meeting tomorrow, so hopefully things would move very quickly on Monday.

The Vice-Chair (Hon. Geoff Regan): We'd all like that. Of course, we'd need to have agreement to meet tomorrow, in any event.

I think Mr. Cullen would like to make a comment.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): As a note to that meeting, when you folks get together, as much as is possible, documents about what the conclusions and consequences are would be appreciated. One of the challenges with our last meeting was that amendments were being made having all sorts of consequential effects on the rest of the bill. Committee members were being asked to vote parts of the bill out and other parts in. It slows us down beyond what I think we need at this point. So as much as you and Mr. Godfrey are able to settle on something that committee members can see beforehand, rather than in the moment we're facing the clause—decide to strip it out, move it, readjust it—that would be helpful.

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. Cullen.

Once we finish Bill C-474—which we're all hoping will happen in a rapid manner on Monday—we'll be going to Bill C-469, from Monsieur Guy André. He's been invited to appear before the committee on Monday.

[Translation]

That will be immediately after the study of Bill C-474. Normally we allow the member introducing the bill to make a 10-minute presentation, followed by a question period of about 30 minutes.

[English]

That is the approach we would propose to take on Monday. Of course, by then you'll have the regular chairman. Mr. Mills will be back from Russia and be in the chair, and I'm sure you'll all look forward to that.

This is a meeting pursuant to Standing Order 81(4) to consider the main estimates for the Department of the Environment, as well as for the Parks Canada Agency, the Canadian Environmental Assessment Agency, and the National Round Table on the Environment and the Economy. In that regard, I am pleased to welcome, from the Department of the Environment, Ian Shugart, the associate deputy minister.

Perhaps, Mr. Shugart, you would be prepared to introduce the people who are here with you.

Mr. Ian Shugart (Associate Deputy Minister, Department of the Environment): I'd be delighted to do that, Chairman.

With me are Alan Latourelle, chief executive officer of the Canada Parks Agency; Mr. Peter Sylvester, president of the Canadian Environmental Assessment Agency; and Mr. David McLaughlin, president and CEO of the National Round Table on the Environment and the Economy.

The Vice-Chair (Hon. Geoff Regan): Thank you very much.

I trust you've been advised by the clerk already that we're offering you five minutes per agency, so to speak, perhaps five minutes for you and five minutes for each of the agencies to make presentations, following which we're looking forward to engaging with you in discussion.

Mr. Ian Shugart: Exactly, Chair. I'll begin.

I'm very grateful to be here with the committee and indeed on this occasion with my colleagues in the portfolio. I think it's the first time we have done that, certainly any time recently.

With me also from the Department of the Environment is Cécile Cléroux, who is the assistant deputy minister of our largest branch, the environmental stewardship branch, and Basia Ruta, our chief financial officer in the department.

[Translation]

It is a pleasure to be here, as acting deputy minister, to respond to questions on the department's main estimates.

[English]

We also have other colleagues with us, should the committee members want to put questions of a more detailed nature to us. We're here to provide whatever information we can; and, as always, we'd be happy to follow up if we don't have the immediate information at hand.

I'd like to point out with reference to the main estimates, Chair, that Environment Canada's budget has undergone a few changes in comparison with the previous year. It might be helpful to give you a brief explanation of these.

First, to ensure that our results structure aligns with government priorities, our program activity architecture has changed slightly from the previous year. If you were to reference page 7 of the report on plans and priorities, you will note that the initiative to revitalize the Toronto waterfront, along with the Harbourfront Corporation, has been added to the list of 2008-2009 program activities. For that fiscal year, our main estimates total \$957.5 million, which is approximately \$115.5 million more than the 2007-2008 main estimates. Of this increase in funding to the department, the majority of the variance is targeted towards grants and contributions, largely relating to the Toronto waterfront revitalization initiative and the Harbourfront Centre—\$92 million in this case.

Those two items aside, the department's 2008-2009 main estimates are largely comparable to those of the previous year.

The department also receives re-spendable revenues—what we refer to as “vote-netted revenue”—which amount to \$68 million in the current year. That amount is mostly attributable to activities such as licences, permits, and the meteorological services we provide to National Defence and NavCan. VNR is netted out in the main estimates.

I'd also note that through the 2008-2009 supplementary estimates (A), tabled on May 13, Environment Canada is seeking \$74.6 million in new funding for initiatives such as the implementation of the national vehicle scrappage program and the implementation of fresh water initiatives. These were referenced in the budget, of course.

● (1540)

[Translation]

Overall, the funding provided to the department this year will allow us to continue our work on the environmental agenda and meet the government's key priorities in this area. This includes working to conserve our nation's biodiversity, to predict weather as effectively as possible in order to reduce the risks that Canadians may need to control, and to protect citizens and the environment from the effects of pollution and waste in areas such as water and chemical management.

[English]

Undoubtedly, climate change is the greatest priority of our department. We are working to implement the “Turning the Corner” action plan, introduced last year for the reduction of greenhouse gas emissions and air emissions. This framework was recently expanded in March 2008 to include strong new sector-specific reductions aimed at the oil sands and electricity sectors.

Internationally, as the committee knows, we're actively participating in negotiations on a post-2012 international agreement on climate change.

We're also working to protect and preserve the diversity of our environment, for example, through the natural areas conservation program, a partnership created with the Nature Conservancy of Canada last year. A number of properties have been purchased under that program, such as a significant one in the Qu'Appelle Valley region of Saskatchewan this year.

We're making investments to protect our oceans and water, working to fulfill the government's commitments in this area through the action plan on clean water to clean up our rivers, lakes, and oceans—in this case, the Great Lakes, Lake Simcoe, and Lake Winnipeg.

[Translation]

Significant investments are also being made in improving our enforcement capabilities so that we can give our environment the protection it deserves. For example, in the March 2008 budget \$21 million over two years was allocated to support the enforcement of Canada's tough environmental laws by increasing the effectiveness of environmental enforcement officers with better forensics laboratory support, data collection, analysis and management systems. This follows on the \$22 million identified in Budget 2007 to support a 50 % increase in the number of environmental enforcement officers hired.

● (1545)

[English]

Lastly, Budget 2008 provided an increase in funding for the ongoing work under the chemicals management plan, which, as the committee knows, is Canada's plan to take immediate action to regulate substances harmful to human health and the environment.

Chair, these are the main highlights and some examples of the work that we've been doing and the areas where work is being done to meet our environmental objectives. As the committee knows, we remain committed in the department to advancing the environmental agenda. To do this, we want to ensure that the appropriate conditions are in place so that we can respond to the environmental challenges in front of us with the right mix of laws, regulations, and market incentives.

Thank you, Chair, for giving me this time to make these comments to introduce the session. As you know, we'd be happy to answer questions.

With your approval, I'll turn to my colleague, Mr. Latourelle.

Mr. Alan Latourelle (Chief Executive Officer, Parks Canada Agency): Good afternoon, Mr. Chair and committee members. It's a real pleasure to be here today. I'm very pleased to work with the committee, including answering any questions that you may have following my presentation.

First, I'd like to share with you how proud I am to be part of the Parks Canada Agency. At Parks Canada, people genuinely care about the issues we're all called upon to work on. We care because we know that what we do has real and meaningful impact on the lives of Canadians.

In the fall of 1883 three Canadian Pacific Railway construction workers discovered a cave containing hot springs on the eastern slope of Alberta's Rocky Mountains. This led to the creation of Banff National Park, Canada's first national park, in 1885.

Parks Canada has grown a lot since then. There are now 42 national parks, covering more than 275,000 square kilometres; three national marine conservation areas; as well as 925 national historic sites, of which 158 are operated and owned by Parks Canada.

Each of Canada's protected heritage areas is part of Canada's collective soul and part of our nation's promise to its future. It's not by accident that in Canada, natural and cultural treasures continue to thrive in the 21st century. They survive because Canadians have chosen to safeguard places of stillness, natural wonder, and meaning.

[*Translation*]

Through the years, we have increased our knowledge and understanding of ecosystems and improved our legislation.

We are developing our offer to visitors and stand as the largest provider of natural and cultural tourism products Canada-wide with more than 20 million domestic and international visits every year.

I am extremely proud that our efforts in providing services to visitors were recently recognized by two awards of excellence: The Tourism Business of the Year Award from the Tourism Industry Association of Canada, and a prestigious award from World Travel Market Global Award to Jasper National Park. These awards illustrate once again the richness and quality of Parks Canada's team.

[*English*]

However, our national parks and national historic sites face a challenging future. In this time of growing urbanization and high dependence on technology, fewer and fewer Canadians are connected to nature. As our success depends on the involvement of all Canadians, we are taking action to engage more and more stakeholders and partners from an increasingly diversified Canadian society. We are also making every effort to provide Canadians with meaningful experiences and quality visitor services in ways that protect resources for present and future generations.

[*Translation*]

Parks Canada is also taking action to conserve and expand Canada's system of national parks and national marine conservation areas and our network of places, persons and events of national historic significance.

[*English*]

Because of the actions Parks Canada is taking today, years from now Canadians and foreign visitors will still be able to learn about Canada's journey through history and enjoy landscapes and places unique to Canada such as the Torngat Mountains, the historic district of Old Quebec, Lake Superior, and the Nahanni region. And years

from now, plains bison will still thunder across the vast wind-swept prairie that once was their native homeland.

In terms of priorities of the agency for the upcoming few years, maintaining and improving the cultural integrity of our national parks and the commemorative integrity of our national historic sites remains a priority. Maintaining and improving the quality of the visitor experience and renewing our visitor service to Canadians is also a priority. Connecting Canadians, especially urban Canadians, to our national parks and national historic sites is a priority, and so is continuing on our mission to expand our system of national parks, national historic sites, and national marine conservation areas.

In closing, I am greatly encouraged by all Parks Canada has been able to recently accomplish, and I'm confident in our ability to meet the heritage challenges that confront us and to realize the full potential of our magnificent heritage resources.

Mr. Chair, I thank you for your attention, and I shall be happy to answer any questions committee members may have.

• (1550)

The Vice-Chair (Hon. Geoff Regan): Mr. Sylvester.

[*Translation*]

Mr. Peter Sylvester (President, Canadian Environmental Assessment Agency): Thank you, Mr. Chairman.

It's my turn to thank you for affording me the opportunity to come and talk about the activities of the Canadian Environmental Assessment Agency.

This is a very interesting time for the Agency. As you have no doubt already noted, our budget has sharply increased. In my preliminary remarks, I plan to focus on three points. First, I want to provide some brief background on the federal environmental assessment process. Second, I will describe how new funding proposed for 2008-2009 is leading to a transformation of our Agency. Finally, I would like to look ahead to the 2010 review of the Canadian Environmental Assessment Act.

[*English*]

First, very briefly, here is some context on environmental assessment. In the simplest terms, EA is a process to predict and evaluate possible environmental effects and then to propose measures to mitigate those adverse effects. Making changes to the design of a project before construction starts is a cost-effective way to protect the environment and the health of Canadians.

Our legislation, CEAA, applies to proposed projects where a federal authority—a department, agency, or crown corporation—has a decision to make as the proponent of the project, as a source of funding for the project, as the land manager, or as the regulator for the project. It is a self-assessment process, and this means the federal body that has the decision-making authority in relation to the project is also responsible for ensuring that the EA is conducted.

The types of projects that are assessed under our system, some 7,000 to 8,000 per year, range from relatively benign projects such as a hiking trail in a national park to much more complex and controversial projects, like a nuclear reactor, for example.

Projects will undergo a screening, a comprehensive study, or a panel review, depending on the potential for significant effects and public concern.

[Translation]

Within this self assessment process, our Agency provides advice and training. We coordinate the assessment of larger projects and support independent review panels appointed by the Minister of the Environment. We also work closely with provinces so that a single EA meets the legal requirements of both jurisdictions.

[English]

Turning now to our proposed spending, the 2008-09 main estimates propose a net increase of \$17.9 million, for a total spending of \$34.5 million, which is slightly more than double our previous budget. This significant increase is due to the following factors.

First, under the government's initiative to improve the performance of the regulatory system for major resource projects, the agency will now lead the EAs of most of these projects on behalf of the responsible departments.

Second, a surge of investment in the resource sector means that additional scientific and technical capacity is required, including support for more review panels. Adding capacity and shifting primary responsibility for delivery of the process from multiple departments to the agency is intended to improve the timeliness and the predictability and to ensure high-quality information for decision-makers.

Finally, where the agency manages an EA, it will also assume the very challenging role of coordinating consultations with aboriginal groups and communities about potential impacts of proposed projects on their rights and interests.

[Translation]

Now how will the transformation that I referred to earlier occur? In practical terms, this new funding means we will be able to recruit and retain additional scientific and technical staff, primarily in our six regional offices across the country. That means an increase in our staff of between 90 and 100 new employees. That's significant growth.

In addition, with this capacity, our Agency will play a more prominent leadership role in managing specific EAs, something that environmental and industry stakeholders have been recommending for years.

It should also be noted that, as part of our transformation, there is an increased emphasis on tracking, measuring and reporting performance.

•(1555)

[English]

Finally, I'll say just a few words about statutory review. The act is scheduled for review in 2010 by a parliamentary committee, a requirement coming out of amendments that followed the previous five-year review in 2003. Everything we learned from our continuing efforts to improve the timeliness, predictability, and quality of the EA process will serve to inform this review.

Thank you, Mr. Chairman. I welcome questions.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. Sylvester.

Mr. McLaughlin.

Mr. David McLaughlin (President and Chief Executive Officer, National Round Table on the Environment and the Economy): Thank you, Mr. Chairman, for the opportunity to be with you here today to talk about the round table.

The National Round Table on the Environment and the Economy is an independent policy advisory agency whose purpose is to play the role of catalyst in identifying, explaining, and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development. The round table was created in 1988, 20 years ago, and had its status formalized in a 1993 act of Parliament that sets out its purpose and mandate. We report to Parliament through the Minister of the Environment.

[Translation]

The Round Table examines the environmental and economic implications of priority issues and offers independent policy advice, based on its own research, multi-stakeholder consultations, and the deliberations of Round Table members themselves, on how to address these issues.

[English]

The 2008-2009 main estimates for the National Round Table on the Environment and the Economy are \$5.154 million. The round table will expend its full appropriation on a single program activity, which is an advisory program on environment and economy issues.

Over the course of this fiscal year we will be working on a range of policy priorities, including climate change adaptation relating to northern infrastructure, carbon-pricing instrument design, best international practices in greenhouse gas emission forecasting, the economics of climate change, water, and compliance with our legislative responsibilities under the Kyoto Protocol Implementation Act.

I'd be pleased to answer any questions committee members might have about the round table and its main estimates.

Thank you.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. McLaughlin.

Let me thank the witnesses for coming in under the 20-minute mark. It's much appreciated.

[Translation]

We will now proceed with our first round of questions. Each party will have 10 minutes to ask its questions. Then there will be a round of five minutes for all members who haven't yet spoken. The members' time is their own: they may talk or ask questions.

Mr. McGuinty.

[English]

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chair.

Thank you very much, ladies and gentlemen, for joining us this afternoon.

Mr. Chair, if I could, for 30 seconds, I just want to make a comment and an observation.

I'm very disappointed, as is the official opposition, that the minister is not here for these estimates. He was invited no later than April 28, 2008. He informed this committee only last week that he would be unable to attend the meeting. In the meantime, he told this committee that the only date he would be available was the last date before the deadline to report these estimates back to the House. He provided no alternative date to members of Parliament or to the committee.

I understand that from time to time things come up that cause rescheduling, but it seems passing strange, despite our profound desire to have a thorough examination of the department's budget for 2008-2009 and with the minister present to be accountable for, after all, \$1.1 billion worth of decisions. I was prepared to give him over a month to make himself available. He's been unable to do so, and I think it's very disappointing for the Canadian people that this minister has not made the effort to accommodate this committee and is now absent from these meetings.

Let me go on to my line of questioning, if I might, Mr. Chair. We're here to do our jobs, so let's begin.

To start off, Mr. Shugart, on page 9 of Environment Canada's 2008-2009 report on plans and priorities, I see an additional \$8.8 million was spent by Minister Baird on advertising last year under the supplementary estimates. Can you please, in fairly short order, tell this committee what this money was spent on? What is the advertising budget going to be for 2008-2009, and does this advertising coincide with the launching of the "Turning the Corner" plan?

• (1600)

Mr. Ian Shugart: Chair, I'll respond to our planned amount of advertising for 2008-09 and ask my colleague if we have that information on the spending in the previous year.

We're expected to spend in advertising about \$6.38 million in 2008-09, and \$6.18 million would be for the promotion of the vehicle scrappage incentive program. And \$200,000 is booked as a recurring item for the promotion of the Biosphere, which is an Environment Canada facility in Montreal. So that's \$6.18 million for the vehicle scrappage program.

Mr. David McGuinty: And Last year's?

Mr. Ian Shugart: As for last year, I'll ask Madam Ruta.

Mr. David McGuinty: Please, and if you could be short, I'd appreciate it.

Ms. Basia Ruta (Assistant Deputy Minister and Chief Financial Officer, Finance and Corporate Branch, Department of the Environment): For last year there was about \$5.6 million on ecoACTION that was spent in advertising, as well as \$98,000 in terms of the campaign to unfold in 2008-09 vis-à-vis the vehicle scrappage, and for the Biosphere \$190,000, for a total of \$5.8 million.

You're quite correct that in the report on plans and priorities there was an amount earmarked of \$8.8 million, but we did not spend that full amount.

Mr. David McGuinty: What does ecoACTION mean, Ms. Ruta? What do you mean by that? What does that mean in English?

Ms. Basia Ruta: Well, ecoACTION is a number of initiatives that are sponsored for the promotion of environmental programs in support with communities at the local level.

Mr. David McGuinty: It would be helpful, Mr. Chair, for all committee members if we perhaps request a copy of the breakdown of the total expenditures in the supplementaries of \$8.8 million, or whatever the correct number is, and a detailed listing of the \$5.6 million on ecoACTION, whatever that means exactly. Could we get a clearer breakdown of advertising costs, newspaper advertisements, radio advertisements? There were radio advertisements run across the country, for example. Canadians would like to know how much was spent on that. Could we get that in short order?

Ms. Basia Ruta: We could certainly provide it. And as I say, we didn't spend \$8.8 million, but about \$5.9 million.

Mr. David McGuinty: I appreciate that.

Could I go to question number two with Mr. Shugart?

Mr. Shugart, what analysis and costing was performed by your department on the tax-deductible transit pass?

Mr. Ian Shugart: I think the primary work on that was done in the Department of Finance. I think there would have been some work with them. Let me check with my colleague.

The Department of Finance would have done the primary work on that.

Mr. David McGuinty: So you're not in a position to tell us whether the program has been effective, the ridership up or down. Particularly, can you tell us what the cost per tonne of carbon dioxide equivalent reductions, if there have been any, actually is?

Mr. Ian Shugart: I don't have that data with me, but we'll examine to see what we do have.

Mr. David McGuinty: I'd like to come to the third point, the "Turning the Corner" plan. On March 10, 2008, the government announced further details of the greenhouse gas emissions regulations under this plan after what they called "extensive consultations". What cost-benefit analysis was performed on the "Turning the Corner" plan? Did anything occur between its announcement on April 26 and this March, when the regulations were finally announced? And if so, can you provide all that analysis to this committee?

Mr. Ian Shugart: Well, let me answer first generally and then my colleague can add if she thinks it's pertinent to do so.

Between the publication of the initial framework and the final policy decisions in March, there was a series of what I would describe as very extensive consultations with three sources, principally provincial governments, industry, and environmental groups, to do a couple of things: to test the responses—

• (1605)

Mr. David McGuinty: Mr. Shugart, I apologize. It's not so much consultations. I'd just like to know what cost-benefit analysis was performed by the department between the time the plan was announced and this March, when the regulations were finally announced. Can you tell us? And if you have any cost-benefit analysis, can you table that with this committee?

Mr. Ian Shugart: Do you want to comment on this?

Mrs. Cécile Cléroux (Assistant Deputy Minister, Environment Stewardship Branch, Department of the Environment): We did a modelling exercise, both on the economic side as well as the emissions side. This document is already public. It is available on the website. It was published on March 10, on the same occasion.

The full cost-benefit analysis of the “Turning the Corner” plan will be finalized when we have the other component on the air pollutants completed. Then we will be able to produce the full cost-benefit analysis, because one without the other doesn't produce the full results.

The intervention is on the same sectors for the two types of emissions. Right now we have published the GHG part and we're finalizing the air pollutants component. So everything on the GHG side has already been made public and is available on our website.

Mr. David McGuinty: Is that the analysis that was pored over by about nine organizations in Canada and abroad that have had serious questions about the analysis?

Mrs. Cécile Cléroux: Could you please repeat? I missed the beginning of your question.

Mr. David McGuinty: That's okay.

I'd like to go on to my next question, if I could, Mr. Chair, because our time is so short.

Mr. Shugart, \$1.519 billion was placed in a trust account last year for the eco-trust fund. How much of that money has flowed to the provinces?

Mr. Ian Shugart: I don't know the numbers. The Department of Finance manages the process of the trust. A financial institution actually manages the trust and the provinces draw that down for their initiatives according to their priorities.

Mr. David McGuinty: You mentioned that last time you were here. You said before the committee that the trust fund works such that when it is set up it is out of the hands of the federal government. Can you tell us, given that you're the representative for the line department that's supposed to know this, which greenhouse gas reductions are expected to result from this \$1.5 billion investment?

Mr. Ian Shugart: I should reiterate, Chair, that the whole principle behind this approach is that the provinces have many of the levers that are necessary to make the public policy decisions that will

result in GHG reductions, for example, in the regulation of the electric power generation sector, municipal transportation, and so on. We in fact—

Mr. David McGuinty: It's also out of our hands then, Mr. Shugart, I guess, if we don't know.

Mr. Ian Shugart: What we did in this initiative was to leave it to provincial governments in varying circumstances across the country to use this funding for support as they undertook major initiatives, whether it was public infrastructure or whatever it might be. Those are their decisions, and that was deliberate.

Mr. David McGuinty: I understand. The deliberate choice by the government was to put \$1.5 billion into a trust fund and not know exactly what the GHG reduction implications were. Is that right?

Mr. Ian Shugart: Well, when the money was made available to the provinces, they would use it for their plans. We know, through collaboration with provinces, what their GHG reduction strategies are. But we do not insist on knowing what particular dollar out of that trust arrangement goes to what particular purposes. So if a province is investing in new hydroelectric development, for example, or in contributing to the cost of a power grid, we don't insist on knowing what dollar contributes to that. However, we work with provinces and can know what their GHG strategies are.

[Translation]

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. McGuinty.

Mr. Bigras, you have 10 minutes.

[English]

Mr. Mark Warawa: Point of order.

On the issue that was just raised by Mr. McGuinty, the fact is \$586 million went to the province of Ontario—

The Vice-Chair (Hon. Geoff Regan): This sounds like debate, as opposed to a point of order, Mr. Warawa. I know you'll have the opportunity. I'll look forward to your comments on your turn.

Mr. Bigras.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you, Mr. Chairman.

On page 10 of Part 3 of the main estimates 2008-2009, we see “Departmental Planned Spending and Full-Time Equivalents”. Among other things, under the heading “Program Activity Descriptions”, we see “Risks to Canadians, their health and their environment posed by toxic and other harmful substances are reduced.” I see there is a drop from the estimates for 2007-2008, that is to say that the amount fell from \$130 million to \$103.8 million. It's declining. Planned expenditures for 2009-2010 are \$102 million, and that amount remains the same for 2010-2011.

Since the government has submitted a toxic substances management plan, I'd like to know what explains this reduction provided for under the main estimates.

As you know, parliamentarians have amended the Canadian Environmental Protection Act. A management plan has been tabled. I find it hard to understand this quite significant reduction in expenditures, when the acts have been amended and the government has submitted a plan to us.

What is the explanation for this reduction? Does it mean that programs are being cut? What's going on?

• (1610)

Ms. Basia Ruta: These are the main estimates, not the full budget for the current year. Last year, there was \$130 million, and this year \$103.8 million; that's true. That's not a reduction, but it's related to the activities—

Mr. Bernard Bigras: Are these public awareness activities that will—

Ms. Basia Ruta: I'll ask my colleague Cécile Cléroux to answer that question.

Mrs. Cécile Cléroux: With respect to the Chemical Management Plan, there is an increase, not a decrease in our actions. We can provide you with the details on what appears in the document. Unfortunately, I'm currently unable to explain the variation in the figures to you, but some budget items might perhaps explain it. For example, we'll explain to you the one that appears above it, which concerns sustainable consumption, to provide you with the details on the financial figures.

Under the Chemical Management Plan, we are substantially increasing our intervention. We are complying to the letter with the plan that was made public in December 2006. We have met all deadlines for the commitments that were made. We are on the first cohort of products that were identified; we are taking action to manage risks; and we are now on the sixth cohort of products that were targeted to identify measures that could be taken by the various producers.

So you'll normally see an increase, not a decrease in budgets for the Chemical Management Plan, once we've reconstituted the figures so that we can describe it to you.

Mr. Bernard Bigras: You'll correct me if I'm wrong, but your government announced last Friday that funding for the Areas of Prime Concern (ZIP) under the St. Lawrence Plan would be extended. I saw the news release announcing the extension of funding for the 14 ZIPs in Quebec. If I'm not mistaken, the agreement was signed by the minister on Friday for the next two years. However, the stakeholders operating along the St. Lawrence seem to be very concerned.

I would like you to reassure me. Perhaps I misread the documents, but I don't see the estimates for 2010-2011. Could you reassure me that not only do you intend to continue the funding that was announced last Friday, but that it will go further for 2010-2011. We're being told in the field that the stakeholders are having a lot of trouble planning. Can you reassure us today about funding for the Areas of Prime Concern?

Mr. Ian Shugart: I'll try to answer your question, and my colleague, the assistant deputy minister for Science and Technology can then supplement that.

According to the system we operate under, it is hard to guarantee expenditures for future years. That depends on the decisions of government and Parliament. However, the department intends to continue supporting this type of environmental action in partnership with the communities.

• (1615)

Mr. Bernard Bigras: I don't intend to go any further.

If I understand correctly, in the last federal budget, the government announced the cancellation of the ecoAUTO Rebate Program. You must know what that program is. I can assure you that members are getting a lot of telephone calls from their ridings.

What recommendation do you make to the Minister of Environment—which was clearly sent to the Minister of Finance—for the government to cancel the ecoAUTO Rebate Program? Was that because there weren't any greenhouse gas emissions reductions associated with that program?

Mr. Ian Shugart: Mr. Chairman, it's hard for us to discuss the advice and analysis submitted to the Minister of Finance or to our minister respecting budgetary decisions.

[English]

Would Transport Canada and others have been directly involved with that program?

[Translation]

Mrs. Cécile Cléroux: The program was the responsibility of Finance Canada, and it was supported by Transport Canada with respect to all its terms and conditions. So this is a matter that should —

Mr. Bernard Bigras: But Environment Canada clearly should have been consulted on an anti-climate change plan. Its role, in particular, is to assure us that every policy and, in the matter before us, every program results in reductions in greenhouse gas emissions. What did the Department of the Environment's recommendation state with respect to that program: that it permitted reductions in greenhouse gas emissions, or that it did not? I want to understand that decision and know what recommendation the department made concerning that program.

The Vice-Chair (Hon. Geoff Regan): Pardon me, Mr. Bigras, but Mr. Warawa has a point of order.

[English]

Mr. Mark Warawa: I apologize for interrupting, but the point of order is relevant.

Directions being provided by members before us to a minister are confidential, and therefore couldn't be shared.

[Translation]

Mr. Bernard Bigras: I thought we were operating in an entirely transparent manner and that, apart from the question period, this was an opportunity to question the officials. However, I realize that the parliamentary secretary doesn't view the committee's role in that way, and that's very disappointing. In any case, even if I insisted, I wouldn't get an answer.

Mr. Sylvester, you say in Part 3 of your brief:

The Agency is an ardent defender of the use of the strategic environmental assessment (SEA) as an instrument for promoting integrated decision-making.

You aren't unaware that parliamentarians have just, that is at three o'clock, voted on Bill C-33. My question is simple: does your Agency have at its disposal a strategic environmental assessment of Bill C-33? It was two weeks ago, if I'm not mistaken, that a deputy minister appeared here and made a commitment to send us the strategic environmental assessment of the bill. However, we haven't received it. I made the same request in another parliamentary committee, the Human Resources Committee, and we haven't yet received it. So this is a third attempt today.

Let me tell you that, after three requests, Mr. Chairman, I'm taking other steps to obtain a document. So I'm asking Mr. Sylvester whether he has, at his Agency, a strategic environmental assessment of Bill C-33, which parliamentarians voted on a few minutes ago.

Incidentally, there's nothing personal in this. I'm angry, but that often happens to me.

Mr. Peter Sylvester: I would like to emphasize that the Agency—
[English]

The Vice-Chair (Hon. Geoff Regan): Mr. Sylvester, *excusez-moi, s'il vous plaît*.

Mr. Warawa has a point of order.

Mr. Mark Warawa: Again, my apologies for interrupting, Chair, but we do have to stay on topic. We are discussing the main estimates. We're not discussing Bill C-33.

[Translation]

Mr. Bernard Bigras: Mr. Chairman, I'm sorry—

The Vice-Chair (Hon. Geoff Regan): Let Mr. Warawa finish, please, Mr. Bigras.

[English]

Mr. Warawa, do you want to finish, or are you finished?

•(1620)

Mr. Mark Warawa: We need to stay on topic, which is discussing the main estimates. We're not discussing Bill C-33. That's a different committee. So through you, Chair, I ask that we stay on topic.

[Translation]

The Vice-Chair (Hon. Geoff Regan): Mr. Bigras.

Mr. Bernard Bigras: I'm sorry, Mr. Chairman, but I'm citing the document word for word. The Agency considers itself an ardent defender of the use of the environmental assessment, and I want to see to what extent it is that. I'm asking whether it has that assessment at its disposal and whether it can table it immediately.

The Vice-Chair (Hon. Geoff Regan): Mr. Bigras, I'm going to allow your question and ask the witness to answer it. Your time will then be up, and we'll continue with Mr. Cullen.

Mr. Sylvester.

Mr. Peter Sylvester: Thank you, Mr. Chairman.

The Agency's role as an ardent defender, which we talk about in the document, consists in this: we carry on a lot of promotional and

training activities, but we do not monitor compliance or control of their implementation. We also do our best to conduct research in this field.

To answer your question as to whether we are in possession of the document, I don't know, but I can inquire. However, even if we had it, I believe it would be treated as a confidential cabinet document. We therefore would not be able to table it.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. Sylvester.

[English]

Mr. Cullen, you have ten minutes.

Mr. Nathan Cullen: Thank you, Mr. Chair, and my thanks to our witnesses today.

Just to clear this up, because we've had some confusion over the years, are there any outstanding moneys that were owing to the United Nations climate change protocol?

Mr. Ian Shugart: To the very best of my knowledge, Chair, no, there weren't.

Mr. Nathan Cullen: It's perhaps a good qualifier of past experiences.

I would like to spend some time on the adaptation spending. I want to start with the science. How much are we spending, under the current estimates, on climate science, on the understanding and knowledge of climate change?

Mr. Ian Shugart: I'll ask our ADM of science and technology to deal with that.

Mr. John Carey (Acting Assistant Deputy Minister, Science and Technology Branch, Department of the Environment): We have a separate program in the architecture for adaptation science. If memory serves, it's around \$2.3 million.

Mr. Nathan Cullen: That is the amount—\$2.3 million—to be spent on understanding adaptation for Canada's particular circumstance under a climate change regime? Is that right?

Mr. John Carey: Yes.

Mr. Nathan Cullen: Okay, thank you.

How much are we spending overall on the science of climate change, including the science of adaptation?

Mr. John Carey: It's about \$7 million in O and M, and there's approximately \$20 million in salary as part of our climate program, as I recall.

I can get more precise figures. I'm doing this off the top of my head.

Mr. Nathan Cullen: That's fair.

Has Environment Canada ever done any kind of analysis or comparison with what other countries, say just within the OECD, the so-called developed countries in the world, spend per capita as a part of GDP, or even in total? Do they have some figures on climate change science?

I imagine you have colleagues you work with and consult with around the world. Have we ever looked at what Canada's ratio of spending is like on this issue?

Mr. John Carey: I'm not aware of any studies, but we probably have done some comparisons. I don't have that with me. We'd have to get it for you. I can look into it.

Mr. Nathan Cullen: I'm a little confused. In the spending on adaptation, is some of the money spent to figure out what the potential costs of climate change might be if sea levels were to rise? Does Environment Canada spend money on those types of models and scenarios? Is that part of the effort that we make?

Mr. John Carey: Yes, it is, but the major effort is trying to, as we say, downscale our climate models to provide more regional information, because at the moment they are national in scale, and they don't really help communities to understand what may happen at the regional level. So our major effort is in that area.

Mr. Nathan Cullen: I'm a little confused and maybe edging on concerned. With a \$1.4 billion budget for Environment Canada, with what is posed and what is mentioned even in your own documents as potentially one of the greatest risks to our economy and society—it has been pointed out around the world, and there has been much of both scientific and media attention—where does the directive come from to spend a proportionally very small amount of money on something that is relatively uncertain for the Canadian situation and poses such an astounding financial risk to Canada's well-being?

I don't know if this is a question for Mr. Shugart. Who makes the decisions on spending that amount of money?

•(1625)

Mr. Ian Shugart: Well, I don't know that the decisions are made in exactly that way, Mr. Chairman.

There is no question that the emphasis has been on mitigation, on doing the analysis and putting in place the regulatory regime to address the industrial emissions. That has been, without any doubt, the principal policy decision of the government in this climate change area. Our involvement in climate change obviously goes beyond that into other areas of the department, in terms of the science.

I think in these areas it is difficult to draw precise boundaries around the kind of atmospheric work that has application to climate change and money that is specifically identified as being related to adaptation. So I think there is always some difficulty with the precision of numbers simply by attributing.

Mr. Nathan Cullen: And that may well be. I suppose I just want to contextualize some of this.

When we compare that with British Columbia, where the chief forester of our province and the premier of the province have identified climate change as being a major contributor to the outbreak of the pine beetle infestation, costing some billions of dollars in lost economy, aside from the environmental impacts, then even if it's \$3 million or \$4 million for studying adaptation, the proportion seems completely out of whack. In a few days we're meant to vote on these estimates, to give approval and say that these things are going forward in a proper way.

Can I ask a question about the ecoAUTO rebate? This program ran for a year. Do I have that right? Was it two years?

Mr. Ian Shugart: Two, if I'm not mistaken.

Mr. Nathan Cullen: I'm unable to see it in these estimates, as the program was cancelled. What economic assessment was done in the determination to cancel that program?

Mr. Ian Shugart: I think it's not in our estimates because it was not our program.

Mr. Nathan Cullen: Was Environment Canada ever asked to engage in the analysis of the value of such a program?

Mr. Ian Shugart: I think this goes back to the previous question. I cannot share with the committee advice that may have come to the Minister of Finance or discussions that were held within cabinet on the priorities that are made in the budget process.

Mr. Nathan Cullen: It's just so I can understand that.

The Vice-Chair (Hon. Geoff Regan): Mr. Cullen, excuse me, we have a point of order.

Mr. Warawa.

Mr. Mark Warawa: Chair, this is the second time this has happened, so I'm going to read from Marleau and Montpetit, on page 863, chapter 20 on committees. It says:

Particular attention has been paid to the questioning of public servants. The obligation of a witness to answer all questions put by the committee must be balanced against the role that public servants play in providing confidential advice to their Ministers. The role of the public servant has traditionally been viewed in relation to the implementation and administration of government policy, rather than the determination of what that policy should be. Consequently, public servants have been excused from commenting on the policy decisions made by the government. In addition, committees will ordinarily accept the reasons that a public servant gives for declining to answer a specific question or series of questions which involve the giving of a legal opinion, or which may be perceived as a conflict with the witness' responsibility to the Minister, or which is outside of their own area of responsibility or which might affect business transactions.

Again, through you, Chair, we need to stay on focus. We cannot ask the witnesses about areas that are confidential.

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. Warawa.

I'm sure that members will be informed by that quote, and I'm sure the witnesses also are undoubtedly aware of that and will follow it accordingly.

Mr. Cullen.

•(1630)

Mr. Nathan Cullen: Can I speak to this point of order?

The Vice-Chair (Hon. Geoff Regan): Yes, Mr. Cullen.

Mr. Nathan Cullen: I'm confused by the parliamentary secretary's over-sensitivity to my asking the question of whether any analysis was performed, because on many occasions the department releases that analysis to the public. We heard an answer earlier from a department official indicating to my colleague from the Liberals that it was out in the public forum. I am simply asking, when the cancellation of that program happened, did Environment Canada perform any analysis? If so, was it made public?

This is not asking for some confidential briefing document of the minister's. I appreciate the parliamentary secretary's concern and caution over transparency that has arisen today. What I'm asking for is any assessment that was done, and perhaps done in the public sphere, that we're not aware of. I'm not asking for confidential notes.

I think on this point of order, if he's going to persist on raising it on questions that do not mean to ruin or impinge the reputation of any of the officials we have before us, but to simply ask open and transparent questions, it will lead one to both confusion and suspicion as to these random points of order. This is a simple, straightforward question.

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. Cullen.

I'm confident that the witnesses know their requirements and the rules that apply to them in this regard, and the rules the Privy Council Office has—

Mr. Mark Warawa: Who, to note, have been prepared to answer.

The Vice-Chair (Hon. Geoff Regan): Mr. Warawa, do you still need to add something else on this point of order?

Mr. Mark Warawa: Yes.

Mr. Cullen has misinterpreted why I brought this to the attention of the committee. He was asking questions about department-to-department, and consultations within, possible confidential consultations, which is totally different from what he just expressed. That is why I raised the point of order.

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. Warawa.

I'll rely on the witnesses, who undoubtedly will have those concerns in mind but will provide as much information in their answers as they can to Mr. Cullen.

Mr. Nathan Cullen: To quote from your document, one of the guiding strategic outcomes for the department is "promoting science-based approaches to inform the development of new standards and regulations". When dealing with climate change, what is the science-based standard in developing regulations? Is it a rise in global temperatures of a certain degree? Is it a total parts per million into the atmosphere contributed by Canadian...? I want to know this so I can understand how the spending is decided upon.

Mr. Ian Shugart: We'll get the right colleague to answer that.

Mr. Chair, if the member would permit me, I think it might be helpful to the committee just to clarify on the last point. I did interpret the question in terms of advice that we may have given to the Department of Finance and the minister in making that decision. If that was not the intent, I apologize.

Mr. Nathan Cullen: I'm sure the record will show that was not my question.

Mr. Ian Shugart: I can answer—

The Vice-Chair (Hon. Geoff Regan): I'm going to ask everyone to address themselves to the chair.

Mr. Ian Shugart: I can tell the committee, Mr. Chair, that following the decision in relation to that program, the department has not done an evaluation and release, publicly or otherwise.

Mr. Nathan Cullen: Thank you.

Mr. Ian Shugart: In relation to the development of the regulations, I'll ask Madame Cléroux to elaborate a little on the process and the analysis that goes into that.

Mrs. Cécile Cléroux: As the committee knows, we are working using the CEPA instrument. All of you have been involved in the review of CEPA this year, so you are all familiar with the different rules of engagement of that act. When we are proceeding to put different regulations in place, we need to make sure we have the science supporting that we are facing a chemical that has an impact on human health and/or environment. It is the case with GHG. The six main GHGs that are considered by the different countries around the world....

Mr. Nathan Cullen: With the points of order and all the discussion, I want to make sure my question is answered, rather than use up the remainder of my time.

My question was very specific. In your document, you talk about science-based targets in developing policy to set regulations. Yes or no, is there a two-degree or parts-per-million target that is used by government in developing the policies for climate change?

Mrs. Cécile Cléroux: Because we have a pollutant of concern and at this time no one knows exactly what the acceptable percentage or degree or quantity of GHG is, the approach that has been taken is to identify a target that is based on a reduction of that pollutant, to be able to intervene and to start having a decrease in the impact of global warming.

• (1635)

Mr. Nathan Cullen: In terms of drinking water—and I'll make this my last question, Chair—the government has designed a program to provide science, leadership, water quality, etc., towards first nations communities in particular. What proportion of money goes towards treatment of the water actually produced, as opposed to treatment of the water at source, in which Environment Canada has the authority to do both. Do we make a proportional...? Is it fifty-fifty?

Mrs. Cécile Cléroux: Treatment of water for potable purposes is under the jurisdiction of the Department of Indian Affairs. It's not Environment Canada that intervenes. The advice is provided about the different quantities or concentrations of the different pollutants by Health Canada. Potable water is considered a health threat and not an environmental threat, so it's not Environment Canada that is providing the advice to the Department of Indian Affairs.

The Vice-Chair (Hon. Geoff Regan): Merci, Madame.

Thank you, Mr. Cullen.

Now I understand we have Mr. Watson. Am I correct in understanding that you wish to share your time with Mr. Harvey?

Mr. Jeff Watson (Essex, CPC): That's correct, Mr. Chair, should there be any time left over. I don't have too many questions, but I appreciate that.

Of course we are here today for a very important duty of this committee, and that's to review the estimates for 2008-2009. Just for the record, before I launch in, Mr. McGuinty raised a number of issues in his round of questioning, and I just wanted to be clear that Ontario's share of the eco-trust fund is \$586.2 million to support projects that result in real reductions in greenhouse gases and air pollutants. I think Mr. Shugart could confirm this.

I have a quote from Premier Dalton McGuinty: "It will also support Ontario's plans to phase out its remaining coal-fired generating stations." We certainly expect we'll have an understanding of what their greenhouse gas reductions will be as they begin to draw that down. I think it will be significant to the province of Ontario.

I want to thank the witnesses for being here. I think we all would have appreciated having the minister here, but I think we can appreciate that the minister has a very busy schedule.

Looking at the estimates and the number of topics covered in your presentations, everything from conservation to protecting biodiversity, chemicals management, climate change, clean water, these are very important things for the minister to be tackling. Now we can probably add to that helping the Premier of Ontario protect his economy from a massive carbon tax plan from the opposition.

Mr. Shugart, you mentioned very briefly the natural areas conservation program, which is a very significant program with respect to habitat preservation. You mentioned the purchase of some lands in Saskatchewan. Of course the first announcement to come out of that was on Pelee Island, and that's protecting 5% of the island's rare alvar habitat. It's a very good announcement.

My questions will be directed to the government's action plan on clean water, \$663.3 million to protect what I think this committee would arguably agree is the most precious natural resource in Canada. We've made numerous investments in the province of Ontario: Lake Simcoe; my area, the Detroit River; the St. Clair River; and Randall Reef in Hamilton Harbour. Can you inform the committee of the progress of some of these funding announcements and what their effects will be for the surrounding communities?

Mr. John Carey: Mr. Chair, I'll attempt to address that question.

Of the resources just quoted, approximately \$96 million will come to Environment Canada over the next five years to address three elements of the action plan. Those would be Lake Simcoe, as mentioned, the Great Lakes, and Lake Winnipeg. The Great Lakes program is approximately \$48 million over five years, and it's intended to accelerate sediment cleanups in the areas of concern. I believe progress has been made on five of those accelerations to date.

In Hamilton Harbour, a technical plan has now been agreed to and the environmental assessment is beginning, and some of the other scientific studies to allocate sources are also taking place.

Of the 17 areas of concern that implicate Canadians, to date two have been delisted and are no longer areas of concern. All the actions in one of them have taken place, and we're waiting for the use impairments to disappear so it can be delisted. Of the 17 remaining, we intend to have completed actions in 15 by the year 2012.

A call was made for proposals with respect to Lake Simcoe, and 63 were received. They were reviewed by a technical committee, who completed their work, I believe, approximately two weeks ago and are making recommendations to the minister on projects that will be funded this year.

● (1640)

Mr. Jeff Watson: The environment commissioner, of course, did a review recently—one that I asked for a couple of years ago—not only on the Detroit River but on the areas of concern on the Great Lakes and highlighted some of the work that is being done. Our government is certainly attempting to make significant efforts to improve and protect the Great Lakes. Of course living as far south in Canada and being surrounded by the Great Lakes, it's an area that's important to me, protecting the Great Lakes and their various ecosystems.

In this environment commissioner's report, it was reported that for a significant period of time, better than a decade anyway, previous governments made numerous promises to clean up the Great Lakes, but, as usual, did nothing, didn't achieve that.

Can you update the committee on what the government is doing to protect the future of the Great Lakes basin ecosystem in its attempts to restore the Great Lakes to health, especially in the areas of concern? Can we bore down into that a little bit?

Mr. John Carey: The main activity is the cleanup of the areas of concern. That was a commitment made in 1987 under the Great Lakes Water Quality Agreement.

Other commitments also involved improving our science base, developing lake-wide management plans for critical pollutants, and those plans have been developed. We are looking at implementation strategies for those plans so that on a lake-by-lake basis critical pollutants will be managed lake-wide. We're also modifying monitoring programs to support the implementation of those lake-wide management plans.

And the science continues. We're studying things like avian botulism and blue-green algae in Lake Erie, looking at sources, looking for next actions.

Mr. Jeff Watson: Thank you.

Mr. Chair, how much time is remaining?

The Vice-Chair (Hon. Geoff Regan): You have three minutes.

Mr. Jeff Watson: I have another question.

Turning back to conservation for a moment, environmental protection is one of the main priorities of this government's northern strategy. The Prime Minister, of course, has announced the expansion of Nahanni National Park, and an historic agreement was reached with the first nations to protect Canada's north.

Can you update the committee on the progress that has been made in that regard? What are the long-term plans for these projects?

Mr. Ian Shugart: Yes, I'll ask Mr. Latourelle to start on this.

Mr. Alan Latourelle: Significant progress has been made this year, for example, on the Nahanni expansion from two perspectives. On the northern component of Nahanni, we've been working with the Dechi Laot'i First Nation to complete the consultation to establish the park boundaries. And then on the southern watershed of Nahanni, we've reached an agreement with the Naats'ihch'oh for the Naats'ihch'oh National Park Reserve. We've committed some funding to them, \$500,000 over the next two years, to establish an impact and benefit agreement with that first nation community.

We're also working on the east arm of Great Slave Lake with the Lutselk'e First Nation. We've committed \$3 million to a feasibility study for a national park proposal, and that \$3 million will include also mineral and energy resource assessments as part of the feasibility study.

Mr. Jeff Watson: The second part of my question is on the long-term plans for these projects. I think those are mostly next steps.

• (1645)

Mr. Alan Latourelle: Yes. Those are all critical steps in terms of the establishment of national parks. In the case of Nahanni, it is to expand the national park and to get it to a national park reserve. And it's the same in terms of the Naats'ihch'oh National Park Reserve. It is to complete the consultation and the engagement with the first nations to actually establish the park. In terms of east arm, it's to define the boundaries of a potential park there and seek their support for a national park.

Our objective is to move forward and establish these two new parks and expand Nahanni significantly.

Mr. Jeff Watson: Thank you.

My apologies to my colleague. I'm sure he'll come in on a later round. He's punching me in the arm here.

Thank you, Mr. Chair.

The Vice-Chair (Hon. Geoff Regan): He'll have his turn in due course. Thank you very much, Mr. Watson.

That is the end of the first round. Now we'll go on to the second round of five minutes.

Mr. Godfrey.

Hon. John Godfrey (Don Valley West, Lib.): Thank you, Chair, and thank you, witnesses

I want to return to the "Turning the Corner" plan and the money that was set aside for the eco-trust, which is \$1.5 billion.

On page 7 of the short form of the plan there is a fairly ambitious chart that shows how we're going to get to a 20% reduction by 2020. On page 6 it says that the eco-trust investments will yield, at a minimum, 35 megatonnes of reduction. Madame Cl  roux, in answering the question on cost-benefit analysis, I assume included the 35 megatonnes expected from the eco-trust.

Here's the problem I have with the eco-trust. If it's the provinces exclusively that make the decisions and there is no conditionality imposed by the federal government, no accountability for the way the money is spent, no compliance mechanism or even corrective action that can be taken if it turns out this isn't working, how can anyone make a firm cost-benefit analysis about how the plan's going

to work, or indeed a firm prediction that we will reduce greenhouse gases in Canada by 20% by 2020, when this large component—35 megatonnes at a minimum—is not subject to any foreseeable rules, conditions, accountability, or verifiability?

Mr. Ian Shugart: Mr. Chairman, the approach we took to that component of the projected reductions was to begin with the provincial plans themselves. Where provinces had identified their own objectives for GHG reductions in their own jurisdictions we took that into account and factored that into the overall target and the components that would get Canada to that target. In other words, in that 20% anticipated reduction there is an element that we explicitly said would come from provincial actions. We've used their analysis and their numbers. In some cases there was a commitment without concrete plans, but we took them at their word that this was a matter of policy for those governments.

The instrumentality of the trust arrangement was simply to provide support, as has been done in a number of cases in public policy areas—health and so on—by Parliament, to support provincial efforts in their areas of jurisdiction toward an outcome Parliament agrees with.

That's the rationale for the eco-trust. And that's why we were able to factor into the model, into the 20% reduction target, the results from the eco-trust. We took account of the fact that provinces had plans, objectives, and that they would use the funding. The announcements at the time made it clear that provincial governments intended to use the funding to those policy objectives.

• (1650)

Hon. John Godfrey: But there's no verifiability. It seems to me, if I may draw a contrast with something where Madame Cl  roux is well informed as well, that if you contrast the kinds of contribution agreements that were made on infrastructure programs where the funding was shared among the federal government, municipalities, and provincial governments frequently, there was a mechanism to see that the work was done and there was a contract signed.

Let me ask you the question. Compared with that kind of verifiability and those sorts of contracts, how do these ones compare in terms of their enforceability, transparency, verifiability? Surely this is of a lesser order.

Mr. Ian Shugart: I agree, Mr. Chairman, that it is a different instrument of public policy. In this particular case, it would be the normal responsibility of a provincial Auditor General to ensure or to measure the expenditure for environmental policy, in this case for GHG reductions, using money that was available to that province through the trust mechanism.

In terms of measuring the reductions in GHGs over time, we do have that capability as a country, and indeed, we are going to have to track the results, year after year, of our GHG emissions as a country.

I agree with the member, Mr. Chairman, that we will not be able to attribute a megatonne of reduction in GHGs to a dollar spent through the eco-trust initiative. But that is known at the time Parliament uses this mechanism of providing financial support to a province to engage in policy interventions that will allow it, using its instruments of jurisdiction, to reduce greenhouse gas emissions.

[*Translation*]

The Vice-Chair (Hon. Geoff Regan): It's Mr. Harvey's turn.

Mr. Luc Harvey (Louis-Hébert, CPC): Gentlemen, in recent months, last summer at least, blue algae caused a lot of problems in Quebec. I know that announcements were made on the subject. The Minister of the Environment announced measures to reduce phosphate emissions.

What are your comments on that?

Mrs. Cécile Cléroux: We are developing regulations that will enable us to reduce the phosphate percentage that will be permitted in the various consumer products.

Mr. Bernard Bigras: I have a point of order. The questions have to be related to the agenda. However, it seems to me the member is straying from the subject.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. Bigras. We normally allow a certain amount of latitude, but I encourage all members to focus on the subject.

Mr. Harvey.

Mr. Luc Harvey: Can the witness answer the question?

The Vice-Chair (Hon. Geoff Regan): Yes.

Mrs. Cécile Cléroux: We're completing the development of regulations that will make it possible to reduce the quantity of phosphate permitted in domestic consumer products so as to reduce the amount of phosphate in the various waterways.

In addition, the work we're doing with the provinces and territories to put in place regulations on the quality of municipal waste water effluents that wind up in the environment is another mechanism that will enable us to reduce phosphate levels.

It is a matter of months before those measures are put in place to meet the commitments made by the government.

• (1655)

Mr. Luc Harvey: I'll start with the St. Lawrence Valley, where there are a number of ZIP committees. Some good announcements have been made by the minister. Have they produced the desired results?

[*English*]

Mr. John Carey: The announcements in relation to the St. Lawrence were in relation to the ZIPs. We had a previous question on that already. The decision was taken to renew the 14 ZIPs, and the grants and contributions agreements are presently being renewed.

Again, Mr. Chair, in light of the previous question, the announcements that were made were about the \$2.2 million to renew those 14 agreements. Of that, \$1.1 million is for this year and \$1.1 million is for next year. It is the intention to renew those agreements for two years and to provide funding to the end of 2009-10 for those actions.

[*Translation*]

Mr. Luc Harvey: The question is mainly for the Canadian Environmental Assessment Agency and the Round Table on the Environment and the Economy. We've talked a lot about sustainable development and what must follow from it: the types of energy and so on. There are increasing references to Europe, where they're talking about the nuclear industry and so on.

Do you have any priorities as regards the types of energy that we should focus on developing in the next few years? What should they focus their efforts on, at the Department of the Environment, in order to support the next developments?

Mr. Peter Sylvester: Mr. Chairman, the Canadian agency is engaged in the assessment of projects that are proposed by the proponents. We do not state our preferences as to sources of energy. We don't have a policy development component in that area.

I'll turn the floor over to my colleague, David McLaughlin.

Mr. David McLaughlin: It's the same for us. For the moment, our priorities are focused on the price of coal, on water and climate change, not really on this issue of energy renewal.

The Vice-Chair (Hon. Geoff Regan): That's all, Mr. Harvey.

Now it's Mr. Lussier's turn.

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Thank you, Mr. Chairman. My first question is for Mr. Latourelle.

Mr. Latourelle, you state in your brief that you've received two awards for excellence. The Auditor General has praised your cost management because your department is considered to be the one where the cost-services ratio is very fair.

Of the 925 national historic sites that you administer, you say that 158 are reserved for Parks Canada. Who administers the other historic sites and how are the costs shared?

Mr. Alan Latourelle: Mr. Chairman, approximately 750 other sites belong to community organizations, provincial governments, other federal government agencies—for example, National Defence has a number of them—which manage them. They are responsible for managing those buildings or places, and they receive funding in order to do so.

Mr. Marcel Lussier: That doesn't appear in your budgets? There isn't any... All right.

Mr. McLaughlin.

Mr. Alan Latourelle: Pardon me, I would simply like to confirm that, in our budget, there is approximately \$1.1 million for a grants and contributions program to support those organizations, which are third parties.

Mr. Marcel Lussier: All right.

Mr. McLaughlin, you mentioned in your brief that you are responsible for designing a carbon price instrument.

Do you intend to do that yourself, with your staff, or to contract out to specialized firms?

Mr. David McLaughlin: I would ask the committee to go to page 16 of the English version of the Report on Plans and Priorities. It's on page 18 in French.

● (1700)

[English]

Here we have a list of our programs and policy priorities we're looking at. You'll see at the top of page 18, in French, *Le prix du carbone: conception et mise en oeuvre d'un instrument*.

The round table is embarking on a project that will take most of this year to complete, whereby we are furthering our work from our report, *Getting to 2050*, released in early January, which said that market-based policies were probably the best way to get deep greenhouse gas emission reductions. So as part of that, we want to look at the best forms of policy instrument design, particularly a carbon tax versus a cap and trade. To get to that, we will have some work done inside by staff, but we will also, of course, use modelling experts in Canada, as well as other academic and policy experts across the country and elsewhere.

[Translation]

Mr. Marcel Lussier: Mr. Sylvester, you say in your brief that you assess large-scale projects. Considering the rights and interests of aboriginal people, how many environmental studies were conducted on the oil sands? How many have you done in the past? How many are currently underway and how many are you planning in future?

Mr. Peter Sylvester: If I understood the question, Mr. Chairman, I'm being asked how many in-depth studies...

Mr. Marcel Lussier: ... environmental assessments on the oil sands.

Mr. Peter Sylvester: I could provide you the overall number of in-depth studies that have been conducted on the oil sands, but I don't have that information here today. We recently completed three, including the Kearl, and Muskeg projects in Alberta. At least three or four of some 20 in-depth studies overall are currently very active.

Mr. Marcel Lussier: Do those studies occupy a lot of your staff, or is the work contracted out?

Mr. Peter Sylvester: These projects on the oil sands are often—I would even say always—assigned to joint commissions of the agency and a regulatory tribunal of the Province of Alberta. So these are joint reviews. The agency is responsible for providing secretariat support to the joint commissions. So we have employees on site to prepare for the hearings, but there is also a considerable investment by Agency employees in the preparation of the agreement for the joint commission and in the preparation of parameters for this exercise.

Mr. Marcel Lussier: My question mainly concerned aboriginal peoples.

The Vice-Chair (Hon. Geoff Regan): Mr. Lussier, pardon me, but we now have to turn the floor over

[English]

to Mr. Vellacott, followed by Mr. Scarpaleggia.

Mr. Vellacott, for five minutes.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Thank you, Mr. Chair.

I have about three questions, and I'm not sure what time we'll have in the way of answers for each of them.

I want to start off with respect to the vehicle scrappage program, which I note we're seeking some new funding for. Because it's a program that meets us where we're at, if we have old clunkers or old vehicles, could you describe for us how you've been advertising it and what are the practical nuts and bolts of the program for an individual who has old vehicles, including the compensation they will get? Can you describe that very briefly?

That's my first question, and then I want to go to carbon capture after that.

Mr. Ian Shugart: I'd be pleased to do that, Chair.

The principle, I think, of the vehicle scrappage program is clear: it is primarily to take older, polluting vehicles off the road, taking advantage of the greater fuel efficiency and cleaner emission standards that are applied to newer models. We do that in collaboration with local non-profit organizations who have this in their mission.

There is an incentive provided to consumers, administered by these organizations, and the government provides financial support to the organizations. The form of that incentive can vary, from a cash rebate in the order of \$300, I think, for a vehicle. What is particularly advantageous is not necessarily the trade-in for another vehicle, but the public transit subsidy, or the use of bicycles, and those kinds of thing.

So it's a partnership program with that objective, and it includes a rebate.

● (1705)

Mr. Maurice Vellacott: Do we have those in every province across the country, in every region? In Saskatchewan, for example, would we have it in Saskatoon or Regina? Do you happen to have those details or can you maybe provide them to us?

Mr. Ian Shugart: The intention is to roll it out everywhere by the end of 2008-2009. Cécile may know more.

Mrs. Cécile Cléroux: Currently we have seven groups across the country. Unfortunately, I don't know those by heart and don't have the data with me.

These incentives are going to be deployed around the rest of the country, so the intention is exactly that every part of the country will be covered and every citizen will be able to apply for these kinds of programs.

Mr. Maurice Vellacott: When do you anticipate having that up and fully going?

Mrs. Cécile Cléroux: By the end of 2008-09.

Mr. Maurice Vellacott: Okay, thank you.

On the issue of carbon capture and storage, particularly as it relates to my province, I think we could probably fairly say that the province of Saskatchewan, down in the Weyburn country, has become a bit of a leader in that area. In Budget 2008, we've earmarked some \$240 million in trust for Saskatchewan for further development there.

What would be the implications of that carbon capture on the surrounding communities down in that south part of the province of Saskatchewan, for example, or in the vicinity of where carbon capture is going on? What is the impact in the region, the area, geographically and otherwise?

Mrs. Cécile Cléroux: Mr. Chair, of the different projects that currently exist for carbon capture and storage, we do have one in Weyburn for enhancement and recovery of oil. In all the monitoring that has been done throughout this project, which has been there for almost a decade now, we have no reason to believe there is any leakage or any threat to any of the surrounding communities.

For sure, as we are progressing and looking at carbon capture and storage on a greater base, we need to continue the monitoring to make sure no population would be exposed to any gases that would be a danger to them. This is part of why we are deploying carbon capture and storage in a very organized manner and not letting it be just like that. But at this time we have no indication whatsoever of any threat to communities.

Mr. Maurice Vellacott: So there are no adverse effects that we're aware of at this point, and you'll continue to monitor as we go.

Mrs. Cécile Cléroux: Exactly.

Mr. Maurice Vellacott: Mr. Chair, do I have a few minutes left?

The Vice-Chair (Hon. Geoff Regan): Thank you for asking, Mr. Vellacott. It's unfortunate, but you're at five minutes. So thank you very much for being so careful on that, not wanting to go over your time. It is much appreciated.

Now we will turn to Mr. Scarpaleggia, for five minutes.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you, Chair.

I'd like to get back to this issue of the eco-trust. It sounds to me, the more I learn about it, that it's some sort of banking machine for the provinces to draw on for vaguely defined environmental projects. There are no criteria. There's no real accountability. Is this unconditional money? Is there any hook; is there any condition that the provinces have to aim to meet to get this money? Is it just an envelope of money and they can just draw on it? Are there any criteria whatsoever? Is there any mission?

Mr. Ian Shugart: Mr. Chairman, I take the committee back to the first principles on this: that in the area of reducing greenhouse gas emissions, provincial governments have many of the direct policy instruments—

Mr. Francis Scarpaleggia: I'd like to stop you there. It sounds to me that the object of eco-trust is to allow provinces to take finance measures that will reduce greenhouse gas emissions. If there's an overriding condition or an overriding mission, that is it.

•(1710)

Mr. Ian Shugart: It is to support them in their efforts to reduce greenhouse gas emissions.

Mr. Francis Scarpaleggia: That would presume the provincial plan meshes with the federal plan. In other words, if we have a province like Alberta, which is admitting its plan is to allow greenhouse gas emissions to rise by 15% to 20% by 2020, are we not funding a provincial program that is contradicting and undermining the federal program?

Mr. Ian Shugart: Mr. Chairman, I would have to clarify or qualify—I hope not to disagree with the honourable member—on one point. In the sense that a provincial action to reduce greenhouse gas emissions may be in an area of jurisdiction such as to provide for municipal transportation infrastructure, or to replace a particular form of electricity generation, or to regulate it, that would be in its own jurisdiction. Therefore almost by definition there wouldn't be any meshing, because the federal government makes use of its policy instruments in its jurisdiction and the province in its own.

But there's nothing stopping the Parliament of Canada from transferring money to the province in support of its exercise of its jurisdiction, which is what was done. It is clear that the objective was a shared objective, which is to reduce greenhouse gas emissions.

Mr. Francis Scarpaleggia: It seems to me we're giving money to a province that is admittedly going to work against federal targets. If you read Geoffrey Simpson in *The Globe and Mail* of March 22, he says we should do the math, that it's impossible, that the federal government cannot reach its national greenhouse gas reduction targets with the plan Alberta has in place now. He says that Alberta accounts for 35% of Canada's emissions. Premier Ed Stelmach's government plans to allow emissions to increase by 15% to 20% to 2020.

If the largest polluting province's emissions are rising, the rest of the country can't take that many emissions out of the economy to reach the Harper target. You must be aware of this as officials. Is the minister aware of this?

Mr. Ian Shugart: The federal government is confident it has the constitutional jurisdiction to regulate in the large industrial sectors using CEPA. That is what our regulatory plan—

Mr. Francis Scarpaleggia: So the federal government is going to use CEPA to override Alberta's own greenhouse gas plan because it believes it can win in court on this. Is that the government's logic?

Mr. Ian Shugart: The government has published its regulatory plan under the authority of CEPA, and is confident that this is an appropriate policy response for the problems we face.

Mr. Francis Scarpaleggia: I hope the government realizes we have a constitutional crisis brewing here.

Thank you for your answer, Mr. Shugart.

My question now is to Mr. McLaughlin. You published a report, and on January 7 you said research shows that

The most effective and efficient policy that would result in deep GHG emission reductions is a market-based policy, such as an emissions tax, a cap-and-trade system, or a combination of the two.

Have you eliminated the emissions tax from the equation at this point?

Mr. David McLaughlin: We have not.

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. Scarpaleggia.

We will now turn to Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

So today we've heard expressions of concern from members of the federal Liberal Party that money in the \$1.5-billion eco-trust has been given. We've heard from Mr. Shugart that provinces were taken at their word. Mr. Watson has reminded us that \$586 million went to Ontario, taking them at their word that they will shut down those dirty coal-fired generating plants.

Canadians are counting on the provinces to live up to the agreement of those dollars, because Canada has a commitment to reduce its greenhouse gas emissions by an absolute of 20% by 2020. We're counting on Ontario to be honourable with those dollars that have been entrusted to them to reduce greenhouse gas emissions.

The other point raised by Mr. Scarpaleggia was on the Liberal carbon tax. He was trying to justify a \$62-billion tax—a tax on gasoline, a tax on Canadians to heat their homes, a tax to dry their clothes, a tax on food, a tax on people to drive their cars.

• (1715)

Mr. David McGuinty: On a point of order, Mr. Chair, this has nothing to do with the estimates.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. McGuinty.

Mr. Warawa, I encourage you—as you were urging other members earlier—to try to stay on topic. I know you'll want to do that.

Mr. Mark Warawa: Thank you very much, Chair.

I am raising a real concern I have on the carbon tax being proposed by the Liberals that Francis was asking about. This government firmly believes in the polluter-pay principle. We've heard that from the Prime Minister and the minister. Our plan recognizes that all Canadians have to help in the fight against climate change, and industry has to do its part.

My question is for Mr. Shugart. We've invested \$21 million over two years to make environmental law enforcement more effective. It's not the Liberal plan for a sin tax or a carbon tax; it's to actually have law enforcement and force people who are polluting—big industry—to be effective in reducing their greenhouse gas emissions.

So on the \$21 million over two years, how will that money be used and allocated?

Thank you.

Mr. Ian Shugart: There are two dimensions to this, Mr. Chairman.

The first dimension was an investment, which is still rolling out and being implemented in Budget 2007, to increase the capacity by about 50%, if my memory serves, through environmental enforcement officers on both the environment protection side and on the wildlife side. It was intended to hire and pay for and equip new environmental enforcement officers. They were to be deployed right across the country, basically expanding the geographic reach and in some cases the depth of our capacity to investigate and enforce.

In Budget 2008 there was a second round of investment in this area, which was to provide greater capacity in the environmental enforcement branch in areas such as forensic capability, data development, and tracking so that our enforcement program would know where the greatest risks are, to develop the evidence base, to be able to bring the detailed forensic analysis to court to achieve a successful prosecution—for example, in the illegal trafficking of endangered species across borders—or to be able to attribute a particular oil spill in a marine environment to the particular oil on a particular vessel, for example.

So in terms of both the human resource capacity and the science and technical capacity to back up their work, we are rolling out those investments and will be over the next couple of years.

Mr. Mark Warawa: Is there any more time left, Chair?

The Vice-Chair (Hon. Geoff Regan): Thank you, Mr. Warawa. As you indicated to me, your time is at an end; I concur.

Now I'll take my turn to ask a couple of questions.

First of all, I come from a part of the country where, as in most parts of the country, people are concerned about clean air. We sometimes refer to Nova Scotia, or we think of it in some respects, as a tailpipe of North America, because the wind, unfortunately, brings lots of bad air from other parts of North America. Particularly we think of the Ohio River Valley and other areas with lots of industry. We're the recipients of what they do to the air and what other parts of the continent do.

Clean air is important to us, and I'm alarmed to note that the clean air regulatory agenda has had its funding reduced by \$2.2 million. Could you tell me what aspects of the agenda have lost funding and are decreasing?

• (1720)

Mr. Ian Shugart: Chairman, I think we may have an issue with the number.

You can explain this. Thank you.

Mrs. Cécile Cléroux: What you have in the main estimates is not taking into account the additional funding that cabinet has accepted for the delivery of the framework.

We had a partial acceptance or approval of the framework until we had the final decision, so we got an additional approval of the funding necessary. You will see it later in the year, in the additional estimates that will be tabled in Parliament. This is why in the main estimates you see a reduction, but overall, by the end of the year, normally Parliament would see an augmentation of the amounts that are allocated to the clean air agenda.

The Vice-Chair (Hon. Geoff Regan): Thank you.

Mr. McLaughlin, it used to be that the national round table reported directly to the Prime Minister, and now it reports to the Department of Environment. Why was it demoted?

Mr. David McLaughlin: This decision was made in 2006, before I got to the round table. It was a decision of the incoming government, and I wasn't privy to the reasons for that decision, because I wasn't at the round table at that time.

The Vice-Chair (Hon. Geoff Regan): I understand that Canada's overall contribution to support international efforts in environmental issues will be reduced from almost \$8.5 million in 2007-2008 to about \$3 million in 2008-2009. What are the reasons for the decrease in the contributions to support Canada's international commitments?

I talked a moment ago about how my province receives air from another country, so to speak, and the air we're breathing today in Ottawa was somewhere else yesterday. Water and air move around the world, and the molecules that are polluted today may be somewhere else tomorrow. So it is an international issue.

Can you answer that question about why the decrease?

Ms. Basia Ruta: Just to understand a little bit of the funding mechanism, in the main estimates, you are correct, there is a reduction. However, in the supplementary estimates (A), which I know we're not discussing today, there is an amount of about \$8 million that is presented for international actions in support of Canada's clean air agenda. Part of this is a technical arrangement. We needed to get approval from the centre on our results management framework for the clean air agenda. Once we had that, we got permission to go forward with the funding necessary to support the international actions in support of the clean air agenda.

So there is a bit of a timing difference, but there is not much fluctuation from the previous year. There is a little bit less, but I think it's pretty much onside. My colleague, John Arseneau, might be able to provide more information on that.

Mr. Ian Shugart: Mr. Chairman, I apologize if we have not responded quite as quickly as we might. We come to the table thinking of the numbers on an annual basis, and as Ms. Ruta has pointed out, between the mains and the various supplementaries they can sometimes come in different tranches over the course of the year.

The Vice-Chair (Hon. Geoff Regan): Well, if there are gaps you're able to fill in later, that would be appreciated.

My time is near an end. I'm going to come in under time. I'll hand it over to Mr. Tilson, who has the last five-minute round.

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Shugart, I have a question with respect to the \$65 million that was in the 2008 budget. It was put in to establish the regulatory elements of a framework for air emissions to help the government establish the regulation of industrial greenhouse gas and air pollutant emissions. Can you be specific about or elaborate on what the \$65 million is going to do?

• (1725)

Mr. Ian Shugart: I will ask Mrs. Cléroux to elaborate on that. She administers that program.

Mrs. Cécile Cléroux: Thank you, Mr. Chairman.

The money that has been made available for the clean air agenda is for putting in place the regulations that will target the industrial sectors. So what we are proceeding with at this time is putting in place all the components of that framework. For the first time, we will use market instruments for the reduction of pollutants in Canada. We are putting in place those different market instruments at the same time as we are writing the regulations, which is as we speak. So as we are proceeding, different documentation will become public. We are soon going to publish the criteria for the credit for early action. They will be followed by guides for the domestic offset system. Next fall we will publish in *Canada Gazette, Part I* the regulations on the GHG component of the clean air agenda.

Mr. David Tilson: What do you mean by market instruments?

Mrs. Cécile Cléroux: We are going to put in place instruments that are going to help with reductions using a trading system, which will be available to all industries across the country for the reduction of their GHGs. To complement the trading system that will be created by the private sector, we are putting in place in the regulations the levers that are necessary and the rules of engagement so that the private sector—for example, the Montreal Exchange—can put forward the different mechanisms for putting a full-blown Canadian trading system for GHGs in place.

As we speak, we are putting in place different pieces of the puzzle. We're going to have a domestic system that will include sectors that won't be targeted by the regulations so that they can contribute to reductions in GHGs. There will be initiatives that will be municipal. There will be initiatives for the agricultural sector and the forestry sector. So different initiatives will be documented and verified, and we'll put in place different accountabilities to document the reductions that will be obtained.

Mr. David Tilson: Can you take one of those sectors, the agricultural sector, which interests me in my riding, at least, and tell me how the trading system will work?

Mrs. Cécile Cléroux: Mr. Chair, I'm going to give an example from the agricultural sector. Many more projects can come forward, but one of the typical examples in that sector is the management of manure.

The different emissions coming from exposed manure are GHGs released into the atmosphere, and there are biodigesters that are able to reduce those emissions to the atmosphere. We will first put in place a protocol that will identify the methodology that will be able to account for the reduction of those GHGs. The farmers able to contribute or to become recognized for the diminution or reduction of their GHGs will be able to apply and get their project approved, and there will be credits issued to those farmers. Those credits are going to be tradable and bankable; they will be usable in the trading system. An industry that cannot meet its target will be able to buy those credits to be able to provide for compliance to the regulation. It will provoke.... The sectors that are not currently targeted by the regulations will also be able to contribute to the reduction of GHGs.

Mr. David Tilson: How do you propose to inform the farmers, the agricultural people, of this system?

Mrs. Cécile Cléroux: Part of the funding that we are receiving this year will be used to have sessions with the different groups across the country to inform them.

Mr. David Tilson: Do you mean the different federations?

Mrs. Cécile Cléroux: It would be the different federations and communities that would want to be involved in the offset system. We will also have web information available to inform the population of those different offsets. It's going to be a progressive growth of the offset system.

The Vice-Chair (Hon. Geoff Regan): Thank you.

We're going to have a third round. We're close to 5:30. I propose around two minutes for Mr. McGuinty, Mr. Bigras, Mr. Cullen, and Mr. Warawa, in that order.

Go ahead, Mr. McGuinty.

Mr. David McGuinty: Thanks very much, Mr. Chair.

Mr. McLaughlin, who is doing your analysis on cap and trade, carbon tax, or a hybrid version of those?

• (1730)

Mr. David McLaughlin: It's a range of people. We're just in the process of starting that research program. We have some internal staff, as I'm sure you well know. We have used consultants J&C Nyboer in the past and will probably use them again, as well as the CIMS from Simon Fraser University.

Mr. David McGuinty: It's a series of outside consultants.

Mr. David McLaughlin: In most cases for economic modelling, it's a series of outside consultants, yes.

Mr. David McGuinty: Thanks very much for that.

Mr. Shugart, I made an ATIP request to your department in March. I got documents back about the industrial sector regulatory framework development, and 80% of it was blanked out completely, particularly the pages that were providing options to the minister about a cap-and-trade system or a carbon market. Can you tell us what analysis has been done internally in your department?

Analysis was done, because it's in the deck. What analysis was done? Can you please table it for the committee in terms of the options being presented to the minister around the cap-and-trade system he's planning on releasing in the fall, and the carbon tax, which he denies even looking into publicly?

The work was dated December 8, 2006. Can you help Canadians understand exactly what work was done by your department?

Mr. Ian Shugart: Mr. Chairman, I'm not familiar with the particular ATIP request, but if it was advice to the minister and the cabinet that accounted for the particular information not being released, I'm afraid I would still be bound by that restriction now in answering the question.

Mr. David McGuinty: Is your department doing work now?

The Vice-Chair (Hon. Geoff Regan): Mr. McGuinty, your time is up. Do you want information submitted in relation to this?

Mr. David McGuinty: If you have it—if you're doing it now and contemplate doing it under these estimates, it would be important for this committee to hear what analysis you're doing, particularly around the pricing effects of the cap-and-trade system you're working on for the fall.

The Vice-Chair (Hon. Geoff Regan): Thank you. We'll ask for that. If you're able to provide it to this committee, that would be appreciated.

[*Translation*]

I now turn the floor over to Mr. Bigras.

You have two minutes.

Mr. Bernard Bigras: Thank you, Mr. Chairman.

I have two questions. The first concerns the \$66 million over the next two years for the introduction of key elements of the regulatory regime. This is an electronic monitoring system for units exchanged in the carbon market. I think that's what was written in the federal budget. I'd like to know whether you sought outside expertise. Is there a business that is responsible for establishing that system, or is everything done in house?

My second question is for Mr. McLaughlin. I want to know whether you contracted out last year. Is all your research conducted in house? If not, how many businesses received contracts from the Round Table, for what amounts and for which studies? Is it possible to tell us, for each of the studies that you carried out, which business was directed to conduct the study or analysis, and for what amount? Is it possible to provide a breakdown and to submit that information to the committee? I assume the Round Table doesn't conduct all the studies alone. It must contact outside businesses. Is it possible to table all that information, not immediately, but later?

The Vice-Chair (Hon. Geoff Regan): Mr. Bigras, you have 30 seconds left.

Mr. Bernard Bigras: That's fine. Thank you.

I want to thank the witnesses for coming.

[*English*]

The Vice-Chair (Hon. Geoff Regan): Mr. Cullen, for two minutes.

[*Translation*]

Mr. Nathan Cullen: I'd like to use those 30 seconds.

Mr. Bernard Bigras: They've elapsed.

Mr. Nathan Cullen: That's it.

[*English*]

First, I have just a quick question. I have a government document—more on the side of government propaganda out to the general public—claiming to spend \$4.7 billion in the last fiscal year and \$4.6 billion in this current year on the environment and climate change. Can you help me square the numbers between that claim and estimate and what we see before us in the 2008 estimates?

Mr. Ian Shugart: I cannot in detail at the moment, although my colleague might. I know that the primary distinction would be between our own departmental investments or spending and environment-related initiatives that were spent across the Government of Canada.

Mr. Nathan Cullen: If these numbers actually exist and are being spent, three times the equivalent of Environment Canada's budget is being spent outside of Environment Canada on alleged environmental initiatives. I expect that nuclear energy is included in the government's assessment of what it is to be environmental.

• (1735)

Mr. Ian Shugart: Not necessarily.

Mr. Nathan Cullen: Actually, from the government's own document it says that includes spending on nuclear safety and liability as an environmental initiative.

I have one question just with respect to CEAA. I don't want Mr. Sylvester to feel left out of this.

Do you have any assessment of how much per applicant under a CEAA request for say a mining project when a first nation is participating in the assessment of a project to and fro? Is this a question that falls within your purview?

Mr. Peter Sylvester: I'm not sure I understand the question.

Mr. Nathan Cullen: When a project is going through an environmental assessment analysis, participants are given a certain amount of funding to participate. Many first nations in my region are frustrated. They are unable to fully participate in the science analysis of a project. Funding seems to be very difficult to come by.

Do you go on a case-by-case basis? Is it per first nation? How do you manage to distribute the funds?

Mr. Peter Sylvester: Mr. Chair, there are a couple of sources for funds, for both allowing the agency to play a leadership role in managing the consultations with first nations, but perhaps more important, providing capacity funding for first nations to participate as part of the government's recently announced initiative to improve the performance of the regulatory system for major resource projects. There was a sum of \$2.3 million that was earmarked for funding this proactive leadership of the consultations but also for participant funding for the 14 review panels that are currently being forecast coming forward.

Indeed, some of that work and some of the allocation of this funding has already taken place—for example, projects like the Lower Churchill hydroelectric development, the Joslyn Creek oil sands project, and in B.C., the Prosperity Gold Mine initiative is also benefiting from agency involvement in leading the consultations but also access to capacity funding.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. Cullen. You'll be glad to know that you did get Mr. Bigras' extra 30 seconds, and a bit more, as it turned out.

Mr. Warawa, for two minutes.

Mr. Mark Warawa: In my two minutes I want to thank each witness and each department that's here today for answering some tough questions. I'm very proud of you and the hard work that you do for the government, but also for Canada.

Today the United Nations awarded the Prime Minister an award for Canada's contribution to biodiversity—another example of excellence in leadership. I want to thank you for making that possible and for your commitment to have Canada's toughest environmental plan in Canadian history to clean up the air that Canadians breathe, both for Canada and for the globe.

So thank you so much.

The Vice-Chair (Hon. Geoff Regan): Thank you very much, Mr. Warawa. I don't know if that's unanimous, but we'll go on here.

Our thanks to you is certainly unanimous, and we appreciate your presence here today. Thank you so much for coming.

Before we leave this, we could follow our procedure. We voted on the estimates separately, but I'm guessing what we're going to do is not vote on these estimates, because obviously they're deemed reported to the House if we do not do so. Do I presumably allow them to be deemed reported back to the House? Is that the way we'll approach this? In which case, again, thank you to the witnesses and to all colleagues. We'll see you on Monday.

The meeting is adjourned.

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