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Thursday, May 28, 2009

—
Chair

Mr. Derek Lee

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• (1110)

[English]

The Chair (Mr. Derek Lee (Scarborough—Rouge River, Lib.)): I will call the meeting to order, colleagues. We're a little bit short of time today for reasons that will become clear on the record.

I see a quorum. We're reviewing the estimates of Public Works and Government Services Canada.

We welcome with us today as witness Minister Christian Paradis and a number of important ministry staff to help us with our review of the estimates. I believe the minister will be making an opening statement, and I invite him to do that now.

I will note, as we begin, that the minister is only able, for real reasons, to be with us for the first hour. The officials will remain. The minister may wish to make a comment on that as he makes his remarks.

Welcome, Minister Paradis. The floor is yours.

[Translation]

Hon. Christian Paradis (Minister of Public Works and Government Services): Thank you, Mr. Chair.

Good morning, dear colleagues. I am very glad to attend this committee meeting. This is my first visit.

I will go straight to the point right away, because at noon, I must attend a federal-provincial meeting. I will meet my Quebec counterparts regarding infrastructure files. We are not giving up on this. I wanted to tell you this from the outset, Mr. Chair.

As I am sure you know, the department's Main Estimates for fiscal year 2009-2010 amount to a net \$2.4 billion, an increase of \$44.4 million over last year. In supplementary estimates A, we are seeking approval for approximately \$350 million in additional funds.

As you know, with 14,000 employees in every region of the country, PWGSC plays a critical role in the government's daily operations and in the everyday lives of Canadians.

[English]

This committee recently heard about PWGSC's responsibilities as the government's central purchaser and property manager. It is because of these and other responsibilities that the department plays such a critical role in our government's plan for getting Canadians back to work and kick-starting our economy.

[Translation]

Under Canada's Economic Action Plan, Budget 2009 allocated more than \$400 million to PWGSC over two years to repair and renovate federally-owned infrastructure. The department moved quickly to develop a two-year plan—the Accelerated Infrastructure Plan—to speed up the rehabilitation of our federal buildings.

And I am pleased to report, Mr. Chair, that our share of the infrastructure funds is already being invested in ways that are creating and maintaining good jobs in every region of Canada.

Broadly speaking, my department's projects fall under three main areas. The bulk of the funding—\$323 million—will be allocated to repair and restore projects in federal buildings across the country, including the Parliament buildings. Fourteen million dollars will be used to enhance accessibility to federal buildings—specifically those that serve Canadians, such as Human Resources and Skills Development Canada, Service Canada, the Canada Revenue Agency, and Citizenship and Immigration Canada buildings in which customer traffic is on the increase. Together, these investments in federal buildings will amount to literally hundreds upon hundreds of projects, both large and small, in every region of Canada.

[English]

Another \$40 million will go into the repair and restoration of four federal bridges: the LaSalle Causeway in Kingston, the Burlington Lift Bridge, and here in Ottawa-Gatineau, the Chaudière Crossing and the Alexandra Bridge.

Finally, \$2 million will be used to develop a plan for the future of the historic Manège militaire in Quebec City. Public consultations are under way at present.

[Translation]

Funds allocated under Canada's Economic Action Plan must be spent by the end of the next fiscal year and my department's share will be divided roughly 50-50 over those two years. Believe me, we intend to invest every cent—and we are well on our way.

Mr. Chair, there is no doubt that this investment will have a positive impact on the Canadian construction industry—much of which is comprised of small and medium enterprises. Some funds will be disbursed through our property management service, SNC-Lavalin ProFac, which has a proven record of efficiency and broad engagement of small and medium enterprises across the country, wherever the Department of Public Works and Government Services holds assets. Based on last year, ProFac expects to work with more than 3,700 small and medium enterprises to deliver this work on our behalf.

As for bridges, much of the preparatory work has already been completed and certain contracts have been awarded. In fact, work on the Alexandra Bridge and the LaSalle causeway has already begun.

PWGSC is also coordinating closely with other departments that received infrastructure funds by providing real property, procurement and translation services. We are exploring measures to streamline processes to allow more flexibility in contracting, without compromising our principles of fairness and transparency that we follow on a daily basis.

[English]

Let me assure you that all contracting rules continue to apply. In fact, the program management framework that my department has put in place includes a robust risk management framework, including risk mitigation strategies and plans.

Mr. Chair, I'm proud of the work of my department and even more so of its positive contribution to our country's economic well-being in these difficult times.

[Translation]

In conclusion, Mr. Chair, I would like to commend the committee for its hearings on the ability of small and medium enterprises to access federal procurement. I believe that this is an important issue and I look forward to reading the committee's report and its recommendations.

Thank you for your attention. I am now ready to answer your questions.

• (1115)

[English]

The Chair: Thank you, Mr. Minister.

Colleagues, I think we will stay with the eight-minute opening round since this is estimates and effectively a first appearance. This will mean that each party will have an opportunity to engage for the eight-minute first round, but it will mean that some members individually may not have an opportunity to address the minister after the first hour. They will have an opportunity to address questions to the officials.

I'm about to turn to Ms. Hall Findlay for the first round.

Ms. Martha Hall Findlay (Willowdale, Lib.): Thank you, Mr. Chair.

I just note that the last time we had a minister for only an hour, we only barely got the full two rounds in on the five-minute basis.

The Chair: In this particular case, the meeting will continue past the first hour, so members will have plenty of opportunity to ask questions. I was of the view that it was more important for the parties to have an eight-minute round to put issues to the minister. If members don't feel that way and want to go right to five-minute rounds, we can.

Ms. Martha Hall Findlay: No, thank you, Mr. Chair. I was just wanting to be consistent with the last meeting. If it is possible, then, I will share my eight minutes with my colleague.

The Chair: The chair doesn't want to be consistent with the last meeting. I've tried to articulate why I didn't want to be. If you're ready to go, you have eight minutes.

Ms. Martha Hall Findlay: Yes. Thank you, Mr. Chair.

[Translation]

Thank you very much, Mr. Minister. I thank all of you for being here with us this morning. We have many questions for you. Unfortunately, we only have one hour, but we will do our best.

[English]

The first question I have has to do with asset sales. This relates to information that came in the economic update in the fall, but also in the more recent budget materials, which is that there is a provision in the numbers for asset sales that would reach a total of \$10 billion over the course of five years.

Recognizing that federal government assets are made up primarily of crown corporations and real estate, the assumption is that an awful lot of what might be sold would come under your department, Mr. Minister. We have asked a number of times for information on what assets might be considered and to date have no information of any specific assets.

First, how will we see the approximately \$2 billion for this fiscal year in revenue from asset sales? What would those assets be? What is being considered for this year and the next four years in order to achieve that \$10 billion?

[Translation]

Hon. Christian Paradis: Thank you for your question.

First, let me emphasize that PWGSC manages about 1,500 buildings where nearly 241,000 federal public servants work. Among these buildings, about 1,200 are rented and 300 belong to us. These are round figures, but they are roughly accurate.

As far as we are concerned, none of the assets is targeted by the aspect of the budget that you just mentioned. PWGSC has a recurrent capitalization budget. We can buy or sell land, buy buildings, sell or rent buildings, but the plan set out in the budget does not target any of PWGSC's assets. This does not depend on our department. Therefore, I am unable to tell you more.

Ms. Martha Hall Findlay: Thank you, but it is rather hard to hear someone tell us that the sale of assets will bring \$10 billion over five years—\$2 billion this year alone—without knowing what these assets are.

Do you not see that there is a problem in saying that we will obtain such sums of money without knowing where they will come from? During a recession, we must know which assets can be sold.

[English]

at a price that makes any sense. We're a little concerned that we're talking about a fire sale in order to achieve a projection of \$10 billion, approximately \$2 billion in this fiscal year, first, without knowing what they are, but also worrying that we're going to end up in a fire sale just to meet these commitments.

• (1120)

[Translation]

Hon. Christian Paradis: I pointed out to you that the realistic holdings of Public Works and Government Services Canada comprised 1,500 buildings, 1,200 of which are rented and 300 of which we own. The Canadian government has far greater assets that are spread over many departments. I am not in a position to tell you about the other assets.

I am looking at the budget and the place that you are referring to. The Department of Finance states that an evaluation will be made in collaboration with those who hold the portfolios for the identified assets.

Today, I am telling the committee that no assets of Public Works and Government Services Canada were identified in the course of this operation. Let me refer you to the Department of Finance with regard to this. I am not able to give you an answer. Our regular operations will be carried on, and no assets have been identified as far as this sale is concerned.

Ms. Martha Hall Findlay: Thank you.

I will share my time with my colleague.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Thank you.

Good morning and welcome, Minister. Good morning to your officials. I will first put some questions to you and then I will put some questions to your officials.

On December 20, 2007, the Canadian government and the Quebec government announced that they would participate financially in the expansion of the Musée national des beaux-arts in Quebec. On May 21, 2009, your colleague, Minister Josée Verner, announced that a national architecture competition had been launched for building the new pavilion. Since December 2007, we have not spent any money or done any work. This is May 2009, and now we have a decision to hold a contest so that we can move ahead.

What exactly is going on?

Hon. Christian Paradis: It's a very good piece of news. The Art Gallery—

Mr. Marcel Proulx: I am sorry, Mr. Minister, this has been delayed two years, come on!

Hon. Christian Paradis: First of all, do you know where the Art Gallery is located?

Mr. Marcel Proulx: Certainly.

Hon. Christian Paradis: It is located on Parliament Hill in Quebec City, so many individuals are involved in this project, including Quebec City. I met Mayor Labeaume.

Mr. Marcel Proulx: [Editor's note: technical difficulties].

Hon. Christian Paradis: I am not saying that this was Mayor Labeaume. I am referring to the dynamics I witnessed last week. This is very good news. I can tell you that John Porter was very pleased.

Mr. Marcel Proulx: I can understand that, he has been waiting for two years!

Hon. Christian Paradis: You asked me a question, and I am pleased to answer you. I am trying to convey to you all of the enthusiasm I observed there. What I am telling you, Mr. Proulx—

Mr. Marcel Proulx: Mr. Minister, we are going to run out of time.

Hon. Christian Paradis: Mr. Proulx, this project is located on Parliament Hill, and, for one thing, there was a lot of debate about the whole urban planning issue.

The Government of Canada withdrew its commitment, which, if I'm not mistaken, totalled \$33.7 million, and the Government of Quebec did the same thing. We reaffirmed that we would be investing when it was appropriate to do so.

For such a key project located on Quebec City's Parliament Hill, we decided to aim high and launch an international architecture competition. And this will be a beautiful project, Mr. Proulx.

Mr. Marcel Proulx: Thank you, Mr. Minister, two years later.

You wanted to talk about bridges and I too would like to discuss this issue with you. On March 14, in the newspaper *Le Droit*, it was announced that repair work would begin this spring on the Alexandra Bridge and end by the fall of 2011. In *Le Droit* of March 18, we read the following: "Built more than a century ago, the Alexandra Bridge will be undergoing repairs worth \$52 million". On April 9: "The federal government will be speeding up the renovation of its bridges and buildings", and it was announced that two bridges would be rehabilitated or repaired. April 23, "Facelift for Chaudières and Alexandra Bridges", announced by the Government of Canada. May 8: "The federal government confirms that the Alexandra and Chaudières Bridges will be repaved".

I'm pleased that you will be repairing these bridges, because they are in my region. But how many times do you intend to make the announcement?

Hon. Christian Paradis: We are repairing them quicker than expected. That's the good news, Mr. Proulx.

Mr. Marcel Proulx: That was not my question. My question is how many times are you going to make this announcement?

Hon. Christian Paradis: We are making this announcement because we are in the process of going ahead with it. We know that this is important because, essentially, accelerated infrastructure will enable us to proceed with the work more quickly than we wanted to. If we had not had an Economic Action Plan for Canada, which you approved, we would not have been able to be up and running immediately in spring. We would perhaps have had to wait until the fall. This is a good piece of news for the National Capital Region. There are already shovels and spades at work on the Alexandra Bridge. This is why we made the announcement. This work is going on right now, as we speak. These are good announcements.

We are telling people that this is concrete work. We are working on the structure, we are taking all of the action required to preserve the structure, paint, beams, etc., which may have been put off. We can proceed more quickly. Yes, we are announcing this. We are doing some good work. People want to know about it. This is very legitimate.

• (1125)

Mr. Marcel Proulx: Thank you, Mr. Minister. However, I do find that making the same announcement five times is a bit much.

The Chair: Thank you.

Ms. Bourgeois, you have eight minutes.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Mr. Chairman.

Good morning, Mr. Minister. I am pleased to see you here this morning. I would also like to welcome the people accompanying you.

Two and a half years ago, Minister, the Auditor General of Canada said that there had been many irregularities in the awarding of a contract to Royal LePage. However, last April, you announced that you would not be renewing the contract with Royal LePage. Then, on April 29, your department solicited bids. The closing date for this request to tender was June 19, an extremely short timeline.

Why did you wait so long to announce that the contract awarded to Royal LePage would not be renewed?

Do you not think that allowing only a scant six weeks to award what was the Royal LePage contract—which pertained to building leases—is a bit short?

Hon. Christian Paradis: Thank you for the question.

First of all, my predecessor or the department did indeed make a commitment here, at the time, to deal with the problem raised by the Auditor General. This was done. I am here before the committee today and I am proud to tell you that this has been done, because this was not an easy file. It is rather complex. Several departments are involved in this process. Data needs to be collected and these are files where we must proceed cautiously.

A relocation contract is not awarded the same way as a regular construction contract is awarded. What I can tell you is that I am very comfortable being here, today, to be able to tell you that we "delivered the goods". A tender process is currently underway. We are hoping that the contract will be given by September 1. That is what we are aiming to do, and that is the objective that we set for ourselves. All of the legal timelines are currently being respected. We are fulfilling the commitments that we made before this committee.

Ms. Diane Bourgeois: Minister, two and a half years after it was pointed out that there were some irregularities in the contracting process, you chose to go to tender. This was done two and a half years later, which does not give new bidders very much time to become acquainted with the file and deal with the paperwork. We have some serious questions about this.

What occurred in your department with respect to this file? Something happened. You could have made an announcement two

and a half years ago that the Royal LePage contract was not going to be renewed, making it possible for other bidders to acquaint themselves with the file and present a proper bid. We have some serious questions about this.

Moreover, through your deputy minister, you gave some assurances to small- and medium-sized businesses that professional services would not be included in the Government Enterprise Network Services initiative with respect to this infamous IT file. Your deputy minister, whose word I am not questioning, told us that small- and medium-sized businesses would be able to submit a bid.

Can you assure us that this is the case today? I would like you to do this, in front of us.

Hon. Christian Paradis: You talked about two and a half years. I would like to put things in perspective. A report from the Auditor General is coming. If we could start everything over in one fell swoop, we would do this, but things don't work like that. We have a contract that is still valid, and there are legal constraints, procedures that are underway, as you know. We also have to gather data from the client departments. My officials acted diligently, they collected the data, and a process is underway to ensure that we will be able to award a contract by September 1, 2009. That is what occurred. I would repeat that we have "delivered the goods" as far as this is concerned.

In answer to your second question, professional services were excluded outright. The deputy minister stated this, and I can state to you that this is the case.

• (1130)

Ms. Diane Bourgeois: Representatives from Industry Canada told us that 5.1 million people, nearly half of the labour force in the private sector, work in small- and medium-sized businesses in Canada. These small- and medium-sized businesses are very annoyed with the way that your department deals with them. I believe that this was said openly before this committee.

I am wondering, given the difficult economic times, whether or not it would be appropriate to rethink to process for awarding contracts. We have resolved the information technology contract awarding process, but we know that you want to group together contracts pertaining to furniture and other aspects.

Would it be possible to ask your deputy ministers to ensure that more priority is given to small- and medium-sized businesses and that consideration be given to the economic contribution they make in Canada, which is currently experiencing a recession?

Hon. Christian Paradis: I quite agree with you in that respect. You are preaching to the converted. Small- and medium-sized businesses are the economic lungs of our country. Just look at the results since 2005. In that year, the percentage of contracts awarded to small- and medium-sized businesses was 43%. In 2005-2006, this rose to 46% and now it is 49%, worth \$4.8 billion in contracts. So there is a clear upward trend.

We also have the small business office—

Ms. Diane Bourgeois: —which is worthless.

Hon. Christian Paradis: That is false. That is what you are saying, but we have testimony indicating that this office is working, and we have good feedback from the sector.

Ms. Diane Bourgeois: Don't make us laugh, Minister.

Hon. Christian Paradis: I'm going to give you another example that makes me laugh.

You want to attack the bundled IT network process. A report was commissioned. We heard from industry representatives, and some are satisfied and are saying that this is a good approach, that this is the way to go. So you can see that we are listening. The report was drafted by our department, with the assistance of consultants. Their report will be tabled here, it will be submitted to the committee.

Personally, I am looking forward to seeing the observations and recommendations of the committee because the report includes good news. There were some irritants. However, we had a good consultation. We listened and we heard. I will therefore be paying close attention to the committee recommendations.

Ms. Diane Bourgeois: Minister, were it not for the work of this committee, which did in fact hear the voices of small and medium businesses, I'm wondering whether or not they would have been heard. These small and medium businesses said that they were dissatisfied with the relationship they had with Public Works and Government Services Canada.

That being said, would it be possible for your deputy ministers, in the next few months, to sit down with the small and medium businesses from other sectors? As you were saying, you heard representatives from information technology, but there are other sectors representing, for example furniture, where people are saying that they are not being listened to.

Could you instruct your deputy ministers to sit down with representatives from small and medium businesses in order to reach an agreement that is as favourable, as you have said, as the one for IT?

Hon. Christian Paradis: The directive exists, and the facts prove that. As I said, the numbers have increased steadily since 2005-2006. We created a tool, that is, the Office of Small and Medium Enterprises. You may make all the comments you wish, but we have received positive feedback on this subject, and nothing is perfect. I admit it, everything can be improved. That is also why we opened an Office of Small and Medium Enterprises here in Gatineau. We saw that there was a need. We continue—

• (1135)

Mr. Marcel Proulx: We insisted—

Hon. Christian Paradis: No, we ensured that it was accessible and located on the ground floor. There are no security mechanisms. It's completely different.

Yes, there is a commitment. If we take the trouble of opening an additional office here, as was done elsewhere in the country, and if the deputy minister responsible oversees it and it works, then that means that a directive is in place and ensures that the Government of Canada does indeed want to work with SMEs. That's why the trend is increasing. It's amazing to have gone from 43% to 49% in four or five years. The results are there.

The Chair: Thank you.

Mr. Gourde, you have the floor for eight minutes.

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you very much, Mr. Chair.

Thank you for your visit, Minister, Deputy Minister and Assistant Deputy Ministers.

In your introductory presentation, you mentioned that you are currently exploring measures to streamline processes to allow more flexibility in contracting.

Can you give us more information on these measures and explain to us what goals are targeted?

Hon. Christian Paradis: Thank you for the question. You have raised a very interesting point.

Earlier, we discussed the topic of SMEs. Yes, the process must be streamlined. Industries and SMEs are part of the solution. The last thing we should be doing is playing hide-and-seek with our partners. Instead we should agree to see how we can improve the contracts, how we can streamline them and make them more practical, while maintaining the aspect of openness and transparency. That is the direction that we have taken. We want to adapt to the current economic reality. It's dynamic and things are in constant flux.

As concerns the overall contracting process, I am often called upon to work with the Minister of Industry, the Minister of National Defence and the President of the Treasury Board. We talk among ourselves to ensure that nothing is done in isolation and that the process is coherent. However, what is important, and something we often hear about from the industry, is a concern about the management of risk sharing. We are sensitive to that. If contracts are too cumbersome and expensive, it means that it is the taxpayers who risk paying for them, because the industry may have to assume a disproportionate share. That's why I used the expression "playing hide-and-seek" with the industry. That would be the worst thing to do.

The industry and our private sector partners are not enemies, they are just that, partners. That is why we have to get along in order to work and do good business together. We must maintain a positive dialogue through the Office of Small and Medium Enterprises. We must also ensure that we have what we want, at the end of the day, that is, openness and transparency. That will in turn result in the best value for money, especially when we think of the taxpayers' money that will be invested.

There is also another aspect that is often raised: the specifications that accompany the tenders. Sometimes, when our department clients issue tenders, they may include conditions that are extremely specialized and technical that may be incomprehensible for the industry. We are trying to hold discussions in this regard. Perhaps specifications X are not the best fit for a given project Y, and perhaps specifications Z would be better, for example. The industry can advise us to that end. That's why we maintain an open dialogue.

In general, that is the direction taken by the department. I can sum it up very simply: we must work together and be attuned to the industry. That is why consultations were held. Earlier, the example of GENS was given. There are consultations in the furniture sector. This subject was raised earlier. As concerns tenders and contracting agreements, consultations are held on an on-going basis to create this partnership dynamic.

Mr. Jacques Gourde: Minister, we often hear the opposition raise negative points concerning the federal government's contracting process for SMEs.

Can you give us some concrete examples of SMEs that are satisfied? Do you have any good news for us?

Hon. Christian Paradis: I certainly do. I have some quotes here that I will read you in English.

• (1140)

[English]

Joe Schnurer, of Bumper to Bumper, an auto parts dealer in the western region, attended a business seminar on selling to the military and received guidance from OSME about accessing federal opportunities. Mr. Schnurer was able to access requirements, and through his innovative approach and creativity was able to secure over \$10,000 worth of business supplying the government with insect repellent for the Canadian Forces.

[Translation]

This is an example of someone for whom the federal apparatus was mysterious and mystical. He consulted the Office of Small and Medium Enterprises, and today he is in business. It's as simple as that.

Also, Mr. Oskar Bruk, of Brooks Industrial Metals, sold highly technical parts for the amount of \$105,000. Ms. Marie-Claire Thauvette, of Fast Forward French, a French-language training centre, reports that since she registered, she has had business opportunities that she would not have had otherwise. We know that the federal government can help out with training.

There are also seminars organized in the regions. The people from the Office of Small and Medium Enterprises travel not only to Montreal, Halifax and Gatineau, but to many other places as well. We receive very positive feedback. Some people could not even have imagined such a thing and say that they were not aware, that the process seemed so complex, but that now, they can do business because they have a point of contact. So there is an entire process of assistance.

I encourage you to go and see the office was have just opened in Gatineau. There is no security mechanism or elevator for 10 floors. The door is accessible from the main floor, and you can meet with people from the department immediately. The technology tells you how MERX functions. There is everything necessary, interactive sessions, etc.

Too often, people become disheartened because they do not know where to start, but all that changes after one half-day visit. The three stories I have just read you are not to be overlooked. When a contract of \$105,000 is awarded to an enterprise, that's a success story. So one half-day visit to the Office of Small and Medium Enterprises is an excellent investment. Mission accomplished. The numbers are increasing, and this proves that we are on the right

track. From 2005 to now, the number of contracts signed with SMEs have risen from 43% to 49%, which represents \$4.8 billion in purchases for last year alone. We are thus going to continue in this regard.

Mr. Jacques Gourde: Do I have enough time left?

The Chair: You have 30 seconds.

Mr. Jacques Gourde: Minister, if an SME feels that it has been wronged, does it have the possibility of appealing before the court?

Hon. Christian Paradis: SMEs can always turn to the Canadian International Trade Tribunal. This is an expedited process. It's not like a common-law court, where you don't know when you'll be heard. There is also the ombudsman, a new institution created under the Federal Accountability Act. This ombudsman reports to the minister about small contracts. People may contact the ombudsman to provide information on where things went wrong, according to them. Once a year, the ombudsman submits a report to the minister.

Too often, we hear people say that the machine is too big, that they were on the point of closing their books and doing something else. Those are the type of comments we don't want to hear any more. We implemented this tool, which is accessible and affordable for taxpayers, with the aim of innovating, and especially of renewing and improving the process.

[English]

The Chair: Merci.

Mr. Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Chair.

I only have eight minutes, but I'm going to use the first few seconds to condemn in the strongest possible terms the fact, Minister, that you are only with us here for one hour today. You come to us asking for the approval to spend billions and billions and billions of dollars, and you have only one hour to share with us for us to probe into this book of main estimates that's as thick as a Manhattan phone book. You're the second minister in a row that has stiffed us. The President of Treasury Board just did the same thing. He was booked for a paltry two hours. When he got here he announced, "By the way, I can only be with you for an hour". And you've done the same thing to us today, Minister. I'm not impressed. I understand you have another commitment, but you have to understand the estimates are part of the parliamentary procedure where you come to us asking for approval for spending, and you owe us more than an hour of your time.

Having said that, I don't mean to be rude, I'm simply venting my disappointment. I come from a jurisdiction where the estimates in the province of Manitoba go on for days, where a minister has to answer questions on a line-by-line basis why he proposes to spend in this way. We're being shortchanged; the people of Canada are being shortchanged by this process.

My questions are specific and they're quite narrow in scope, because time doesn't permit for anything else. One of the finance minister's ways of trying to get out of deficit, about which we're concerned, may be the fire sale of crown assets. Four times Public Works has been before our committee, and so has the Treasury Board, and so has the Minister for Infrastructure. We have asked a number of officials: "What is the list of crown assets that you intend to sell? Are you intending to sell things such as VIA Rail, the CBC, AECL?". We learned today you are selling AECL. The answer to those questions was "No, no, no. No such list exists. No, no, no, everything is on the table, but nothing is on the table." Well, AECL must have been on the table during that period of time for you to announce today that you are offloading one of the crown jewels of crown corporations and national assets.

What else is on the table? What else have you been asked to divest by Public Works?

• (1145)

[Translation]

Hon. Christian Paradis: Esteemed colleague, I understand your comment concerning my presence, but I am telling you very frankly: I have a previous engagement with my provincial counterparts.

However, I will address the question at hand. I will discuss the budget, as I did earlier with Ms. Hall Findlay.

[English]

Mr. Pat Martin: I accept that.

[Translation]

Hon. Christian Paradis: I will take note of that, but as regards your question on the assets, I will reiterate that in the budget, the Department of Finance indicated that the departments affected could be named. However that is not the case for the Department of Public Works and Government Services. So I will repeat for you that no Public Works and Government Services Canada assets will be involved in that process.

Moreover, I am not in a position to speak for other departments. I already have more than enough work in my own. Asset management is immeasurable. It includes all procurement, the Translation Bureau, all information technology and the Receiver General of Canada. I can speak to those areas, but otherwise, I cannot.

[English]

Mr. Pat Martin: I have only eight minutes, sir. If that's the case, that you can't answer on the sale of assets, then I'll move on to my next question.

Asbestos is the greatest industrial killer the world has ever known. More people in Canada now die from asbestos than from all other occupational diseases combined. You are known as one of the number one cheerleaders of asbestos in this country. Canada spends millions of dollars promoting and subsidizing the production, sale, export, and use of chrysotile asbestos in Canada and in third world countries because nobody else will buy it from us any more. Only third world countries, where we dump it, are using asbestos, because the rest of the world has banned it.

You've come to us seeking approval of the estimates. There's no guarantee we will approve them, by the way. We may reject them, we may reduce them, but we don't have to accept them.

I notice you have budget lines in here for renovating public buildings to improve handicapped accessibility and any number of virtuous issues associated with the maintenance and care of the buildings that are in your trust. Where is your long-term plan or budget to remove this class A carcinogen that your government has promoted and contaminated every public building in the country with?

In my home province of Manitoba, they've just identified 436 schools contaminated with this deadly carcinogen, chrysotile asbestos.

The Parliament Buildings are unfit for human habitation by any realistic standard. It's a good thing the Canada Labour Code doesn't apply to Parliament Hill, because my staff would exercise their right to refuse unsafe work. They wouldn't come into this domicile, because it's littered with asbestos.

So where in your budget, as the minister responsible for public works and these buildings, is the asbestos removal budget to make these buildings safe again?

• (1150)

[Translation]

Hon. Christian Paradis: Mr. Martin, I am very well aware of your opinion of chrysotile asbestos. I respect your point of view, but I do not share it.

Having said that, you can call me names and grandstand as much as you want calling me a cheerleader or anything else for that matter, the answer is that it is a question of managing risks through controlled use. That is the policy, don't mix things up. We know that in the past, fibres, which may not have even been chrysotile, were not used properly. It may have been sprayed asbestos, or a host of other things. Today, chrysotile fibres are encased, which is completely different.

You are referring to improper use of asbestos.

[English]

Mr. Pat Martin: We can't have the debate of whether or not asbestos is dangerous. That horse has left the barn.

[Translation]

Hon. Christian Paradis: Look, you asked me a question and I answered it.

[English]

Mr. Pat Martin: Asbestos is the biggest killer and industrial occupational disease in the world.

[Translation]

Hon. Christian Paradis: Mr. Chairman, may I please answer the question?

[English]

Mr. Pat Martin: We're asking about how you could get it out of the buildings, not whether or not it's dangerous.

[Translation]

Hon. Christian Paradis: Mr. Chairman—

[English]

Mr. Pat Martin: The Canadian Cancer Society says it's dangerous.

[Translation]

Hon. Christian Paradis: Look, if you want to make propaganda, go ahead.

[English]

Mr. Pat Martin: Propaganda?

[Translation]

Hon. Christian Paradis: I am in the process of telling you—

[English]

Mr. Pat Martin: The Canadian Cancer Society propaganda?

[Translation]

Hon. Christian Paradis: I will go back to the point. You asked me a question. I would like to answer it.

[English]

Mr. Pat Martin: You, sir, are the promoter of propaganda. You and your Chrysotile Institute are the ones with tainted research. You're the tobacco industry's evil twin, you and your Chrysotile Institute.

[Translation]

Hon. Christian Paradis: I would like to answer the question, Mr. Chairman. I understand that this gentleman has many points to make, points that I have heard on several occasions.

[English]

Mr. Pat Martin: Where's the budget?

[Translation]

Hon. Christian Paradis: I want to go back to the question about federal buildings.

Each time we come across asbestos that has not been used properly, and we know that it has not been used safely, we remove it. If Mr. Martin wants to launch other debates or call me names, let him go ahead. I will reiterate that the Government of Canada's policy is to move towards controlled use of chrysotile, that is the issue. Let's not mix things up.

Saying that there is asbestos everywhere and that we are being poisoned by it is rhetoric. That is not the issue, Mr. Chairman, and so I am answering the question.

[English]

Mr. Pat Martin: Sir, there's a multi-billion-dollar liability—

[Translation]

Hon. Christian Paradis: If we find asbestos in federal buildings and we see it, because it has been sprayed and not used properly, we remove it, that's all.

[English]

Mr. Pat Martin: —in your buildings alone.

[Translation]

Hon. Christian Paradis: There are funds available for that.

[English]

Mr. Pat Martin: There's a multi-billion-dollar liability in your buildings alone that I don't believe you have budgeted for to make these buildings safe again. No human being should be exposed to a single fibre of asbestos ever, and our buildings are littered with them.

The threshold that Health Canada recognizes, of 0.1 fibre per cubic centimetre, doesn't even apply on Parliament Hill because we're a labour-code-free zone. Part III of the Canada Labour Code was never given royal assent, so it doesn't apply to these buildings. We have no confidence that we're not exposed to 10 parts per cubic centimetre.

You have to get this asbestos out of these buildings. It's your job, even though you represent the asbestos mines in Quebec. Your bias shouldn't put public servants at risk, or myself and my staff. Your prejudice, your boosterism of the asbestos industry, is putting us at risk.

The Chair: Mr. Martin, this is your time, and we have free speech, but the minister does represent the government here today. He's not here as an individual member of Parliament.

In any event, Mr. Minister, the time has expired, but I'll give you a brief window to reply.

[Translation]

Hon. Christian Paradis: I will be brief, Mr. Martin's comment leads me to believe that he did not want to get involved in a debate on asbestos. I agree with him, and I am not here for that.

However, for the past two or three minutes, a number of unacceptable things have been thrown at me. So I will answer the question. Let's stop the rhetoric, enough is enough. In the West Block alone, eight air quality tests are conducted each day, so that is enough.

[English]

The Chair: Thank you, Mr. Martin.

Now to Ms. Hall Findlay. We're back into five-minute rounds. We recognize the minister's time is limited. Maybe we can squeeze out two five-minute rounds. I don't know.

Ms. Hall Findlay, over to you.

● (1155)

[Translation]

Ms. Martha Hall Findlay: Thank you, Mr. Chairman. I am going to try to share my time with my colleague, even if I only have five minutes.

My question deals with central funds allocated by Treasury Board, more specifically vote 35. Public Works and Government Services Canada has an allocation of \$100 million to fund infrastructure projects linked to construction, acquisition and maintenance, to undertake work that will support federal investments in infrastructure for the restoration and improvement of accessibility of federally-owned buildings, repairs to federal bridges, and the development of a plan for the Manège militaire in Quebec City.

Despite considerable hesitation surrounding the budget, we supported vote 35, only because we knew that it was necessary to stimulate the economy immediately. We hear all the time that no money has been injected into the economy. There have been announcements and allocations, but no money.

Minister, can you tell us what has been undertaken with this \$100 million? Where is the money starting to be spent? What jobs have resulted from that? Don't tell me about announcements or allocations, tell me what is being done now, where, and how many jobs that has created.

Hon. Christian Paradis: Earlier on, we discussed the restoration of federal buildings and the project to improve accessibility. Projects are underway throughout Canada. Of course, I cannot provide you with exact amounts that have been committed, because a report will be tabled. We will see that in due time. I am telling you that candidly.

However, I can tell you that there are a number of projects. For example, there are seven projects in Newfoundland and Labrador. Sixteen are underway in Prince Edward Island, 49 in Nova Scotia, 75 in New Brunswick, 326 in Quebec, 482 in Ontario, 4 in Manitoba, 5 in Alberta, 3 in Saskatchewan, 76 in British Columbia, and 12 in the Northwest Territories. That is why we needed \$100 million under vote 35. Work is currently underway throughout Canada. Once the report has been tabled, I will be more than happy to use the figures to show you more.

Ms. Martha Hall Findlay: Thank you. But there again, those are projects and announcements.

Hon. Christian Paradis: I am not talking about announcements...

Ms. Martha Hall Findlay: We want to know what jobs have been created...

[English]

in addition to what would otherwise have been. That was the whole reason for our supporting vote 35. I will leave it at that.

[Translation]

I have a host of other questions to ask, but I will give the rest of my time to my colleague.

Mr. Marcel Proulx: Thank you, Mr. Minister.

I want to go very quickly back to the well-known issue of relocation. I think that you may not have had time to look at the entire issue. Later on, we will raise it with your officials.

About two and a half years ago, the Standing Committee on Public Accounts studied the issue. I had asked what was in the submission. Much to my surprise, I received a huge quantity of documents. I was not surprised at receiving them, your department had said it would provide them. I received the documents, and they were voluminous. We must consider the short amount of time your department has to study the submission and the time that will be left over for the winner of the submission to put the process in place.

Did you know that there are more than 20,000 issues to be dealt with in this contract? It's impossible.

If you continue, without an extension or without delaying the process, there will only be one bidder, the same one that had bid when some of the issues were tainted, a few years back, that had

been decried at the Standing Committee on Public Accounts. You will recall talk of potential bribes and malappropriations. That is why the committee suggested not automatically renewing the contract, and your department, correctly, had accepted to review the tender offer. Unfortunately, your department showed up at the last minute, with little time left, which runs counter to what the Standing Committee on Public Accounts had recommended. There will not be any other bidders, and the same bidder will again be privileged.

I also wanted to talk about federal buildings on the Quebec side of the national capital region. Just over two years ago, your predecessor and one of your colleagues made an announcement. They called for tenders. For some vague reason, the process was cancelled. It was resumed with a wait-and-see attitude. Invitations to tender went out, it was open. We still do not know where the project is at. However, one thing is clear. There is not even one more Government of Canada job on the Quebec side of the river.

Thank you, Mr. Chairman.

We will discuss that with your officials, Mr. Minister. I understand that you have to leave us; that is too bad.

• (1200)

Hon. Christian Paradis: Thank you, Mr. Proulx.

A relocation process is currently underway. Our officials are currently negotiating with industry. There is no red flag. Things are unfolding as planned. I don't think that saying anything more and commenting on hypotheses is appropriate. Let's let the situation unfold. There are no red flags at present. We are confident it will work. As you pointed out, there were some irregularities during the first process. We took actions so that would not recur, but it is a complex file. Huge client departments are involved. We have taken steps to ensure the file is dealt with properly.

Having said that, let's go back to the building in Gatineau you were talking about. Indeed, we had to start the process over. There were two. First of all, the bids did not respect regulations. There is not a lack of good will on the part of the government. So we started over in February. It ended in the month of March. Requests for qualifications will be announced shortly. That is how we want to proceed. Once these sites have been completed, we will have virtually reached the ratio we had committed to, the famous 75:25. That will be good news.

Mr. Marcel Proulx: You don't have the right ratio. You were talking about physical space, whereas we are talking about jobs.

Hon. Christian Paradis: No, you are talking about buildings.

The Chair: Thank you.

Mr. Marcel Proulx: That's very different. Warehouses are measured in square feet, but are not jobs.

Hon. Christian Paradis: You asked me about buildings so I'm talking to you about buildings.

The Chair: Thank you.

Mr. Roy, you have five minutes.

After that it will be Mr. Brown's turn.

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Minister, are you leaving or staying with us?

Hon. Christian Paradis: I have to leave at noon.

Mr. Jean-Yves Roy: In any case—

Hon. Christian Paradis: For me, it's noon, Mr. Chairman.

Thank you.

[*English*]

The Chair: You've advised us that you have to leave at this time.

Hon. Christian Paradis: Sorry, Mr. Chair. I'm running late.

The Chair: You'll miss some very valuable questioning from Mr. Brown. I know that you'll be very disappointed.

Mr. Minister, before you actually leave, it has already been expressed here by some of the members that we would have preferred to have more time with you. There is a possibility that we may invite you to come back again in the near future, but thank you for attending today.

Good luck with your work later in the day today. Thank you for coming.

We'll continue the meeting now with officials.

Monsieur Roy.

[*Translation*]

Mr. Jean-Yves Roy: Thank you, Mr. Chairman.

In his presentation, the minister stated that SNC-Lavalin ProFac was going to hire some 3,700 small and medium-size businesses. It is already hiring some. I would like to know the process used by this company in its relations with small and medium-size businesses.

Does SNC-Lavalin ProFac conduct its activities from Toronto throughout Canada or only in certain provinces? Fifteen hundred Public Works and Government Services Canada facilities were mentioned. You are in my region and I know that people are extremely dissatisfied. I'd like to know what control Public Works and Government Services Canada has over the operations of SNC-Lavalin ProFac.

Does this company simply award contracts to companies that it already knows or does it call for tenders for the cleaning of a building, for instance? We're not talking about high-value contracts.

Nevertheless, I have heard that there were serious problems in my region regarding relations between the small companies in question and SNC-Lavalin ProFac. There were even aspects that were more or less clear or legal in the contracts that they had signed with small and medium-size enterprises.

What kind of an audit does Public Works and Government Services Canada conduct with small businesses that subcontract for SNC-Lavalin ProFac? First of all, is there an audit and are there bids?

• (1205)

Mr. François Guimont (Deputy Minister, Department of Public Works and Government Services): Mr. Chairman, I will give you an overview of our relations with SNC-Lavalin ProFac. I think it's important so that members of the committee can understand this a little more clearly.

[*English*]

The Chair: Excuse me, just as a point of order, it might be appropriate for the record to introduce the officials who are here today, because we have been working with the minister. I'll just read the list. I appreciate your being here.

There's Mr. François Guimont, who is already at the microphone. He is the deputy minister of the department. There's Jean-Luc Caron, acting chief financial officer of the finance branch. We also have Tim McGrath, assistant deputy minister, real property branch, and Mike Hawkes, special advisor of the accelerated infrastructure program.

Welcome.

It's back to you, Mr. Guimont.

Mr. François Guimont: If I may, Mr. Chair—and maybe I missed it—there is also Madame Daphne Meredith, who is the associate deputy minister of the department.

[*Translation*]

I will describe the relationship we have with SNC-Lavalin ProFac, give you a few figures and tell you how we will use and are using the contract that this company has to do the work that we have to do under the Accelerated Infrastructure Program. We signed an agreement with this company through a call for tenders. The contract was awarded in 2005 and covers a period of four years and includes options. We are in the first option period. The total value of the contract was...

[*English*]

Mr. Tim McGrath (Assistant Deputy Minister, Real Property Branch, Department of Public Works and Government Services): The total value is \$5.3 billion.

[*Translation*]

Mr. François Guimont: Five point three billion, so it's a substantial contract. The purpose of the contract is to maintain our buildings. The buildings in question, to which the minister referred, represent some 350 buildings in Canada. SNC-Lavalin ProFac looks after 80% of them. It's not 100%, but it's still a very large percentage. The department looks after the other 20%. What we would call maintenance is done by the department for 20% of the buildings, and in 80% of the buildings, that is the majority of them, are handled by the contractor.

The way we work in the department, the company has a design program, things that have to be done. There are always more projects than money to carry them out, and that's more or less the reality. You know this, you saw it in a document that was made public, our capital expenditure budget is about \$350 million. The first point I would make is that the \$350 million consists in a series of projects that are categorized. You will recognize that: there are type A, type B and type C projects. The most important ones are those with the greatest demand in terms of security and workplace health. If things have to be solved quickly, that will be the first stratum of projects implemented by SNC-Lavalin ProFac.

There is one other point. I'd like to open a parenthesis here before I answer your question directly. The \$300-million accelerated infrastructure program will be increased by \$200 million this year. But we keep the reports that we will make to Parliament very separate. There's the standard money, approved, if it is approved, that we have in our hands as opposed to what is done by AIP. I would like to emphasize that the execution mechanism is the same; that's very important.

With regards to the contractual relationship and the type of measures in place, we don't tell SNC-Lavalin ProFac how to do their job. The company has a responsibility for execution. I will allow Mr. McGrath to explain how SNC-Lavalin ProFac normally proceeds to implement projects. However, according to the terms of the contract, we have a responsibility to be satisfied that the work is executed properly in accordance with the money paid to SNC-Lavalin ProFac. Mr. McGrath will explain the mechanism. Obviously, we won't simply hand over money to the contractor without ensuring that the work that has to be done has been done properly.

Mr. McGrath will touch on these points, perhaps starting with the way the company proceeds with small and medium-size business in terms of competitions, as well as the issue of the audits we conduct.

• (1210)

[English]

Mr. Tim McGrath: Thank you.

In the contract we have with ProFac, we outline the methodology they must use for securing contractors. ProFac use a rotational list for projects under \$25,000. They pre-qualify contractors.

For jobs greater than \$25,000, they call tenders, again from a qualified list of companies. Any company can register with ProFac at any time. There's a predetermined form for registration, and anybody can get on the ProFac registration list, provided they meet the qualifications.

In the real property industry—and these stats come from the Construction Sector Council—over 90% of firms are small and medium enterprises within the industry itself. So the industry lends itself to small and medium enterprises.

Does ProFac operate coast to coast? Absolutely. The other specific thing about ProFac is that the small and medium enterprises we're using in the delivery of those services are very localized, so they use the contractors from those specific communities where the buildings are located.

In terms of audit and verification, we work in a key performance indicator approach where ProFac must submit their performance indication to us on an annual basis. We have the right to go in and audit their books at any time, based on the contracts. Very few complaints have come through to our department as a result of our contract with ProFac and subcontractors since ProFac has undertaken the work on behalf of Public Works over the past year.

The Chair: Thank you.

Over to Mr. Brown.

Mr. Patrick Brown (Barrie, CPC): Thank you, Chair.

I had two questions I'd hoped to ask the minister, but I will pose similar questions to the remaining witnesses. The first one relates to small and medium-sized enterprises. As you know, this committee has had several meetings about their access to federal procurement opportunities. As you look toward drafting recommendations, I wanted to ask the minister if he wanted to highlight anything to us that should specifically be in those recommendations, that more focus should be put on for enhancing access. I give that same opportunity to whoever would feel it appropriate to respond to that.

Mr. François Guimont: Thank you for the question.

Mr. Chairman, frankly, I am very keen to get your report. We've discussed this. We are looking forward to seeing the types of observations and recommendations you're going to make. That's the first point I would make: I am welcoming your input.

The second point I would make is that we are in continuous improvement. Procurement is not static, even less so with SMEs. It's very organic: they're smaller organizations, they're across the country, they have various types of specialization. Why do I put emphasis on continuous improvement? We're learning through the dialogue we have with them.

References were made to the furniture issue. We had 14 or 15 meetings. And it's good to have them—this is an observation. I encourage good dialogue with SMEs and with other industry, for that matter, and we learn from it. We take an approach by which in the past certain things have worked correctly. When we renew our supply arrangements, our standing offer, we want to get input from SMEs to see how we should do them. Sometimes we're a bit off; things happen. It's a two-way street: the dialogue leads to certain suggestions that are made, and we put them in place. But things happen. At the end of the day, these are competitions.

The second point I would make is that we are in continuous improvement based on an open dialogue. As the minister emphasized, we have a work program. Frankly, it does not, as we think about procurement, massively differentiate between small, medium, and big. It speaks to the following. Our contracts can be complicated, and we have to work at streamlining—that's the first point I would make—by taking more an outcome-based approach than a prescriptive approach. The more things you have to meet, the more complicated it is; if you are trying to meet these as a company, you have only so much time you can put into putting a bid forward. We appreciate that. So it's simplification in the context of volume: moving towards more of an outcome-based type of procurement, as opposed to prescribing how to get there.

That was the first point. The second point is, we also have a tendency to not necessarily write in simple, plain language. I have myself looked at certain contracts and clauses, and they are challenging. So we're trying to write in plain language in contracts also.

The third point that the minister mentioned, which is important, is the whole issue of risk transfer. Our people are trying to protect the taxpayer. This is super-important. We take a hard look and we want to make sure that we minimize the exposure of the crown. It's ingrained; it's in our genes. The question then becomes: are there certain areas where there is a low probability of a risk manifesting itself, and can we be more flexible in those areas? We're looking at that.

These are tangible examples that would help SMEs.

• (1215)

Mr. Patrick Brown: I have another thing I want to ask about in my limited time. A year ago, one of the things we looked at on this committee was retention rates in the public service. I remember that one thing that was brought up was the effort by the Government of Canada to make sure that public service jobs weren't just in the major hubs but across Canada in small towns as well. One thing that came out was that retention rates in small urban areas are much better than in large urban areas, so the costs of retraining are significantly less in those small hubs, whether it be in the Maritimes or in any small city across Canada.

Are there any updates on that process? Are we seeing that flow of public service jobs spreading out across Canada?

Mr. François Guimont: I'll make three points on this.

The first point is that Public Works, like most other federal departments, is facing a renewal challenge. This is just a reality. I don't know if committee members know, but our attrition rate through the pensioning of our staff who leave after finishing their careers is almost 9% per annum. So at 9% per year, multiplied by five, you're getting to 50% attrition for a department of 14,000 people.

I'm worried, and so is the minister, about the knowledge that we need to be able to keep. So we're very active at having good planning to give us good recruitment patterns, so we can get the right skills at the right places for the right jobs.

On the issue of public service employment in Ottawa or headquarters versus the regions, I think it is fair to say, speaking for my neck of the woods, that our operations in the regions are.... For instance, we administer pensions out of Shediac. As another example, we also process cheques for reconciliation out of Matane. In the pensions area, we have almost 600 people, so it is not a small unit.

We have evidence to show that the movement in the regions is not as high as in other bigger centres. That is what I would say. Frankly, I've been in the regions on two occasions in my career, and I found that the regional jobs are very close to the citizens. It's a feeling that you don't necessarily have elsewhere. You have a tactile sense of what the job is about, and I'm almost tempted to associate that with a level of satisfaction, because you feel things.

Take, for instance, our OSME operation in the regions. We have six of those offices in the regions, and also one in Ottawa, and now that we've moved it to the ground level, our people will experience that feeling. When you're in a region, you're going to see people; you're going to see OSME, the Office of Small and Medium Enterprises; you're going to relate to provincial officials, and even to

other federal departments. There's a proximity that you don't feel as much when you're at headquarters, which I think maybe does point to a level of job satisfaction that can be different from that in bigger centres.

• (1220)

The Chair: Thank you.

Ms. Hall Findlay.

Ms. Martha Hall Findlay: Thank you, Mr. Chair.

I have some follow-up questioning based on my earlier question to the minister, and it has to do with asset sales. I guess I would ask Mr. McGrath, because questions of government assets in PWGSC will most likely be in the real property area. I think I said to the minister that our understanding is that for most government assets, the largest numbers are associated with real property and crown corporations. So I'm asking you this in terms of real property.

I understood from the minister, and please correct me if I'm wrong, that either there are no assets with PWGSC that have been identified as potential assets for sale or that he, as minister—or the ministry itself—was not involved in determining which of those assets might in fact be considered for sale. Can you clarify that for me, please?

Mr. Tim McGrath: Yes, I'd be happy to.

Regarding the initiative put forward by the Minister of Finance, Public Works and Government Services was not asked to contribute to the asset list put forward at that point in time. The minister was concentrating on other custodial departments.

In terms of our own real estate portfolio, going back to the initial sale lease-back, we identified 40 buildings that were under consideration. We did proceed with the sale of seven, but the remaining 33 are just assets that we continue to own and operate within our own portfolio. And we will take investment decisions in our portfolio based on what we think is the best thing to do for that portfolio. As you pointed out earlier, this isn't a good time for us to be selling assets. Market conditions are such that it's probably not a good idea to do so. As a result, we manage our portfolio in the context of market conditions as well. At this point in time, we're not looking at anything.

Ms. Martha Hall Findlay: Thank you very much.

Then can you clarify for me when you knew the minister was not asking PWGSC to contribute to the list of potential assets? I'm trying to pin down when effectively you were not asked to contribute to the list.

Mr. Tim McGrath: I can't tell you a date when I wasn't asked, because—

Ms. Martha Hall Findlay: When did you find out that you weren't being asked?

Mr. Tim McGrath:—the department just wasn't asked.

Ms. Martha Hall Findlay: At all?

Mr. Tim McGrath: Not at all. So I can't specifically pin down a date as to when we were or weren't asked.

Ms. Martha Hall Findlay: I have to say I'm at a bit of a loss, because you yourself have admitted that this is not a time to sell assets. I go back to the concern we have that we have \$2 billion or so allocated—not allocated, but assumed—that would actually be seen on the books as money that was over and above the book value of assets. That's an awful lot of assets that would need to be sold to show an increase of \$2.1 billion in this year, let alone \$10 billion over the course of the next five years.

If I have a little bit of time left, I would like to go back to my earlier question about the \$100 million associated with infrastructure. I will repeat our concern that we supported vote 35, despite significant concerns about the budget as a whole, specifically because we understood the need to get money out into the economy right away. It is the nature of stimulus. The stimulus is not going to be effective a year from now the way it is needed now. I'm concerned about getting answers that indicate cannibalization of earlier projects that were announced, for example.

Of that \$100 million, what has actually been spent that is incremental, that is over and above what already would have been spent that can justify the concept of actual immediate stimulation in the economy? From whoever would be best to answer that, I would really appreciate an answer.

Mr. François Guimont: On vote 35, as we were doing our financial planning for getting stimulus money—which in our case we call accelerated infrastructure because we're putting that cash on top of the base that we have—we've identified requirements for \$100 million. That \$100 million is to allow us—and that's what we're doing—to roll out and have ProFac do projects. They are doing projects. The minister ran through a number of projects by provinces, including Quebec and Ontario. These projects are consuming cash, cash that normally would not have been available until supplementary estimates A.

• (1225)

Ms. Martha Hall Findlay: To be clear, these are projects that would not have people working on them right now, but because of this they now have people working on them?

To be honest, I understand the concept of vote 35 being bridging, and I understand all that. But my very strong suspicion is that if indeed there are people working on these projects, these people would already have been at work, and we're not actually seeing incremental employment, which is the reason why we supported vote 35.

I understand the concept of the bridging, but I'm still not hearing that we're seeing an actual increase in jobs as a result of this at this point in time.

Mr. François Guimont: I understand the question. The \$100 million, in reality, will total to more than what we would have done. To give you a clear idea, for instance, we had budgeted an amount for the Alexandra Bridge of \$50 million or so. If we had not had the AIP increment to the base, we probably would have waited for a year

to get that increment in order to bridge the gap between the original approval of \$30 million and where we ended up, with \$52 million. So if I did not get part of that \$100 million out of the AIP vote 35, I would not have been able to kick-start that project. We had to go get revised approval, but I would not have had a source of funds. Part of that \$100 million for the Alexandra Bridge, for example, gave me that source of funds.

I want to be respectful and fair. You're right. I'm not saying that the Alexandra Bridge is solely out of the \$100 million of the AIP. I'm not saying that at all. We were using our base. We had that discussion yesterday. The top-up would have required time for us to be able to put what we're doing now with that contractor, Pomerleau. We awarded the project contract on March 16. We probably would have obtained that cash six, seven, or eight months down the road.

Is that fair to say that, Tim?

Mr. Tim McGrath: That's correct.

The Chair: Thank you.

Mr. Anders.

Mr. Rob Anders (Calgary West, CPC): Thank you, Mr. Chair.

I note that earlier this week there was a proposal tabled to increase the user fees for the Esquimalt graving dock, in Victoria. While this question may be slightly different from what has been proposed, I'd like to know a little bit more about what a graving dock is, exactly. I'm familiar with a dock, but I'm new enough with regard to docks that I don't know what a graving dock is. I wondered if you could educate us on the importance of the dock and why the fees are being raised. Just give us some background, generally, and maybe some follow-up questions will arise, depending on what you say.

Mr. François Guimont: I had a chance to fly over and walk not too far from the graving dock, so I had a chance to see it. Believe it or not, I asked the same question: why graving? My folks will help me, but if I remember, it has to do with scraping barnacles. Yes, that's exactly what it is. I didn't dare say it, but that's what I saw, in getting confirmation. That's the terminology now. Today, that's not what they do solely—it's about refitting a ship and doing other work; but originally it had to do with removing the barnacles. That's the first thing.

The second thing about the graving dock is that it's an important piece of equipment on the west coast for *la réparation des navires*, *notamment*. It was quite clear, when I was there, that there is demand for that dock. That capacity is there.

The issue with the graving dock has to do with the fee structure, which hopefully you're going to be discussing. It has been a little too low in the past. Over the last two years we've been consulting with the industry. There's a consensus now that it would be fair to put the fee structure at a higher level—at a reasonable high level—so that there is not a deficit, which, by the way, Public Works used to mop up every year. It was around \$5 million.

We want to be able to correct that deficit. And it has a magical effect, because the graving dock used to be on what we call our divestiture list of assets. Think about it: divestiture, letting go. The fact that it was on that list was preventing recapitalization by the private sector. So the two kind of go together.

Briefly, it's now off the divestiture list, so it is an asset of the federal government. Now that the private sector sees that it may not be let go to I don't know who, creating equilibrium on the fee structure will ensure that it's operated correctly. Then there will be, as well, an appetite for recapitalization, in an ongoing fashion, of that graving dock for the long-term sustainability of that piece of equipment.

That's the logic behind the user fee increase. We went at it for two years of dialogue with the industry. Unless I'm told otherwise, there's good support for moving ahead with that fee structure, because they see in this long-term sustainability for the west coast as it relates to fixing ships when they need to be fixed.

• (1230)

Mr. Rob Anders: Okay.

You mentioned that it was losing, let's say, maybe \$5 million a year. That was the difference between revenue coming in versus what it was costing. What are the total aggregate numbers we're looking at? Was it bringing in \$40 million a year in revenue and losing \$5 million? What are the numbers we're looking at?

Mr. François Guimont: I'll let Mr. McGrath address this, if you don't mind.

Mr. Tim McGrath: You have to understand that what we do is provide the infrastructure. We provide a facility for small and medium enterprises to come in and work on ship repair, and any type of repair work required, for a number of fleets.

The type of revenue the graving dock brings in is around \$6.4 million or \$6.5 million on an annual basis. Under the fee proposal that will be phased in over a five-year period, we see that being raised to around \$15.5 million, which will include an element of recapitalization. Through the consultation process with the industry, the industry is in full agreement with that process and with the proposed fee schedule we've consulted on.

Mr. Rob Anders: Just to make sure I understand that correctly, we were subsidizing that to the tune of at least half, if not more. Is that right?

Mr. Tim McGrath: That's correct.

Mr. Rob Anders: All right. Well, that explains it to me.

Is it just scraping? Is that how it works? They scrape barnacles off. Or is it a chemical treatment? How does it work?

Mr. Tim McGrath: No, actually there are not as many barnacles coming in now. It's basically redoing the hulls, redoing the electronic

systems, redoing engines, and refurbishing cabins. There are a number of elements. It's total ship refurbishing that takes place at the graving dock now.

Mr. Rob Anders: Okay, fair enough.

The Chair: Thank you, Mr. Anders.

Since Mr. Anders raised the issue of the User Fees Act here, I just wanted to mention to members that we will be proceeding to consider some motions for adoption near the end of the meeting, one of them having to do with the Esquimalt dry dock. We're also about to consider several billion dollars in spending, so we'll move to that shortly.

We'll go to Madame Bourgeois for five minutes.

[*Translation*]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Mr. Guimont, in the forecast and planned spending of Public Works and Government Services Canada, for program activities under the heading "Information Technology Infrastructure Services" the amount of \$19.4 million has been indicated for 2008-2009 and only \$1.5 million for 2011-2012.

Could you explain why these funds have been so drastically reduced? Is this because of excessive optimism on your part?

Mr. François Guimont: Thank you for the question.

Yes, we are optimistic, but that is not necessarily because of the numbers. What happened, Mr. Chairman, as far as the lower numbers are concerned, that is, the fact that we went from 19.4 in 2008-2009 to 14.4, and the 3.9 and 1.5 you referred to, is due to the fact that we took the difference between 14.4 and 3.9, and we did the same thing for 3.9 and 1.5, and this was perfectly legitimate.

Remember the structure of the department's budget. We have what is called a special purpose allotment and revolving fund. Part of the money we put in the special purpose allotment fund for IT services. Therefore, in theory, the money is still there. It was simply moved within the forecast and planned spending fund.

Jean-Luc, would you like to add something?

• (1235)

Mr. Jean-Luc Caron (Acting Chief Financial Officer, Finance Branch, Department of Public Works and Government Services): In answer to the question, we restructured our internal activities, but the amounts which will be spent remain the same.

Ms. Diane Bourgeois: Does this not affect small- and medium-sized enterprises?

Mr. Jean-Luc Caron: No, not at all.

Ms. Diane Bourgeois: That's not what I wanted to know. It was a legitimate question, and all the more so because we did not have the information.

I have another question. Mr. Guimont, your department tabled with this committee what it called an operational justification. By that I am referring to shared information technology services. It was not a business plan, nor was it a work plan. In the past few years, the Auditor General had already asked for a business plan for this type of project. The Standing Committee on Public Accounts had also asked for the same thing in 1996.

Do you think you could table with this committee a business plan or a strategic plan with regard to shared services in the other areas we have already discussed?

Mr. François Guimont: Thank you for the question. I understand exactly what you are getting at. I am a bit perplexed, because we made public a document a couple of weeks ago... I have with me the English version of the document; it refers to a business rationale. It's not a business plan, the word "plan" does not appear, but "business rationale" is perhaps a hybrid concept. The first part of the document describes the direction the department intends to take, and the four pillars, as well as the rationale. The rest of the document, which is about 80 pages long, refers specifically to GENS activities.

The point I am trying to make is that the document situates the government enterprise network services initiative within the general approach we want to take for IT services. It is actually a matter of degree. The document is available, and it provides a description, that is, it lays out the reasoning, the direction and the rationale. If you are looking for charts with numbers, you won't find them here. I'm not saying that the opposite is true. There are charts and numbers specifically within GENS, but not as far as the other proposed initiatives are concerned. If a "business plan" is supposed to contain numbers, this business rationale, however, does not have any.

Ms. Diane Bourgeois: Mr. Guimont, if I may, I will come back to the first question I asked the minister. You are the deputy minister. Last April, Mr. Paradis announced that the contract with Royal LePage would not be extended. You knew this two and a half years before that date. The Auditor General of Canada had said that the contract contained countless irregularities. You knew this, so you decided not to extend the contract.

How is it then, when you knew that the contract would not be extended, and when you knew that the documentation for the last request, which had been won by Royal LePage, was enough to fill boxes and boxes, that at this stage, you only gave new bidders six weeks to familiarize themselves with the file, to grasp an understanding of it and to submit a proposal? When you put that into perspective, Royal LePage may have had a year, a year and a half or even two years to familiarize itself with the file.

I understand that some people are extremely smart, but six weeks is an impossibly short time to go through reams and reams of documents. So I ask you the question, Mr. Guimont: What in God's name possessed you to grant new bidders only six weeks?

Mr. François Guimont: The answer to that question has three parts. The first part has to do with the work of the Auditor General and that of the committee. There is what is called the volume of activity within National Defence, the RCMP and the rest of the public service, which is very little. It was very hard for us to correctly and precisely define what are personnel movements. We worked very hard on that. It may seem easy to predict and to

correctly establish the movements of personnel within the Department of National Defence, the RCMP and the rest of the public service, but, in fact, it was an awful lot of work.

Further, last year, we put in a request through MERX. I don't remember exactly how many proposals we received, but we did get a significant number, and also a lot of questions. This in turn led us to redo a significant part of the work. My colleague, Ms. Saint-Pierre, can give you the date. We put out a request for proposals through MERX to see who would be interested in submitting a bid. This provided us with information, and lots of it. So what you have noted, I am also noting, and all this is fairly new.

For now, we are working closely with the industry. We are working in an appropriate and transparent manner. All questions are put through MERX. We are answering all questions in a transparent way so that people can see what questions their potential competitors are asking, as well as the answers they are receiving. At first glance, it may look like a relatively straightforward contract. After all, people are simply moving from one place to another. But we learned a lot from what the Auditor General said. We want to make sure that the competition is conducted appropriately, honestly, and in a transparent manner.

• (1240)

The Chair: Thank you.

Mr. Proulx, you have five minutes.

Mr. Marcel Proulx: Thank you, Mr. Chairman.

Good afternoon, Mr. Guimont. I would simply like to clarify something. We are talking about the Office of Small and Medium Enterprises. I dealt with some of your employees several weeks ago, or perhaps it was several months ago. I was told that, since 2007, the office had given courses in Ottawa, and that it tried to give courses to company owners on the Quebec side of the National Capital Region, but that for some reason it did not really work out. The office was approached seven times, but only three replies were forthcoming.

Last April, following a report by Radio-Canada concerning the fact that very few contracts had been given on the Quebec side, I again contacted the Office of Small and Medium Enterprises, which you work for. On April 7, I even met with the office's employees. I was accompanied by the President of Développement économique – CLD Gatineau, Mr. Michel Plouffe, and we met with two of your employees. I don't have their names, but you probably know who I am referring to. There was the national supervisor and another person who said she was a regional supervisor, and I had no reason not to believe her. Their offices were located at Place du Portage, and everything went well. They led us to believe that there would be contact with the Gatineau Chamber of Commerce, with the Association de la construction du Québec-Région de l'Outaouais, with the Association des professionnels, industriels et commerçants du secteur Aylmer, and others.

We announced this to the committee of the whole of the City of Gatineau. Everybody was happy. Several weeks later, the minister publicly announced the creation of an office to help small- and medium-sized businesses.

Tell me. Am I missing something? Did the minister know that such an office existed already, Mr. Guimont?

Mr. François Guimont: Your question is very clear. The minister knew that the office already existed, but it was located on a top floor. The new office employs people from headquarters. We have about 29 employees. Now, instead of subjecting people who come from far away to security measures, which may be intimidating even though they are necessary, all they have to do is head to the office on the ground floor. They can walk right in, and they are met by the people they came to see.

Mr. Marcel Proulx: Unless I'm mistaken—and I appreciate your answer—these new offices house an organization which already existed, and it's just easier now for someone to get through the door.

Mr. François Guimont: Some of the employees who were working out of the 13th and 14th floors are now on the ground floor, thus closer to their clients, of course.

• (1245)

Mr. Marcel Proulx: Thank you, I appreciate that.

In the two minutes I have remaining, I would like you to address an issue on which I hold a certain position, and which is well-known to your colleagues. It concerns the way federal jobs are divided between the Ontario and the Quebec sides of the river in the National Capital Region.

In the 1970s—and during the 1980s, which was confirmed yet again—Liberal governments said that it was important for federal jobs to be located on both sides of the river: 75% on the Ontario side and 25% on the Quebec side. The policy applied to jobs and employees of the federal public services.

Since then, there have been changes at the administrative level. In fact, not every job, department or agency is accountable to Treasury Board as an employer. Indeed, there are different ways of conducting administration. For instance, organizations which are not accountable to Treasury Board include museums, the Société Radio-Canada, the RCMP, the Department of National Defence, and others. So if you take all federal jobs into account, you realize that we are very far from the ratio of 25% to 75%.

We did some research and tabled a written question in the House of Commons. The government gave us a response. By comparing the numbers, we realized that 81.04% of jobs are on the Ontario side, whereas 18.96% of jobs are on the Quebec side.

Mr. Guimont, would you object to the 75:25 ratio as applied to all of the public service?

I know that not all public sector jobs are with the departments, agencies or corporations which are accountable to you and fall within your mandate. Museums for instance do not fall under your mandate. You also do not have an agreement with the Canada Mortgage and Housing Corporation.

Nevertheless, would you object to 25% of all public sector jobs being located on the Quebec side of the greater National Capital Region?

Mr. François Guimont: Mr. Chair, as it stands, our ratio is 77:23. I am not questioning how we arrived at this ratio, at that level of coverage. This is due to a government decision which goes back to 1980.

Mr. Marcel Proulx: I'm sorry, but the percentages you are referring to represent the distribution of employees who work for Treasury Board. They are in a different situation from other employees. You are referring to the main body of government.

However, if you consider the separate agencies, such as members of the Canadian Forces, members of the RCMP, non-commercial organizations, and other federal public organizations, the current breakdown is 81.04% to 18.96%, Mr. Guimont.

Mr. François Guimont: Mr. Chairman, the ratio of 77:23 is specific in terms of the policy; that's my first point.

As for the second point, we have a strategy—

Mr. Marcel Proulx: What policy, Mr. Guimont?

Mr. François Guimont: I will let Mr. McGrath tell you how the policy came about and what it covers in a couple of moments.

Here is my second point. We want to see the ratio of 77:23 change to 75:25. That is the policy, absolutely, and we have a plan. Between now and 2012-2013, in light of the fact that two new buildings are to be built in the Outaouais, we should be able to reach the 75:25 ratio. If I recall correctly, we are at about 24%.

I will now let Mr. McGrath explain the policy underlying the 75:25 ratio. It is not a policy which Public Works and Government Services Canada can vary; I have to carry out the policy.

Mr. Marcel Proulx: I'm aware of that. I simply asked you whether you would eventually agree with it.

[*English*]

The Chair: Is Mr. McGrath going to add something here?

Mr. Tim McGrath: Yes, I will.

The Chair: Good. That will wrap up the round.

Go ahead, Mr. McGrath.

Mr. Tim McGrath: The 75-25 certainly did start as an employment target, but over the years, because of the creation of crown corporations and more people leaving the employ of Treasury Board, as Mr. Proulx had pointed out, the proxy became the measurement of office space and the number of people employed by Treasury Board directly. As a result, they're using Public Works as a proxy measure for the amount Treasury Board is able to control. As a result, the 75-25 is based on the allocation of office space.

Right now it's 77-23. There is a two-percentage-point move. The two buildings that we have and that will be coming out under requests for proposals will add another 80,000 square metres to the Quebec side, and they will house approximately 4,000 public servants.

• (1250)

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

Do you have a point of order, Mr. Proulx?

Mr. Marcel Proulx: Unfortunately, Mr. Chair, I did not get an answer. My question was whether they would object. They are giving me numbers. They're giving me the new policy by the Conservative government that relates to square metres, and square metres don't create jobs. We are talking of jobs. My question was, would they object?

The Chair: It's probably not a point of order either.

Mr. Marcel Proulx: Oh, I'm sorry.

The Chair: The subject matter is of interest to all members. If there is a one- or two-word answer, yes or no, to the question, it can be given; otherwise, we'll end the round here.

Mr. François Guimont: I don't have anything to add, Mr. Chairman.

The only point I would make is, out of completeness, regarding Madame Bourgeois's question earlier. I think it's important that it be on the record. I made references to the relocation package—I called it that—to be posted on MERX. It was done on September 22, 2008. I just wanted that to be on the record.

The Chair: Okay.

Thank you, colleagues, and thank you to the witnesses.

I'm going to suggest that the witnesses remain. The first reason is that I want to comment on that relocation contract.

I haven't asked any questions today, as chair, but it struck me that this is a very large contract. In my mind, I had the image of a subway train in Toronto packed with people, so many people on it that when it pulled into the station nobody could get off and nobody could get on. This huge relocation contract that exists is so massive—I understand that there are some 20,000 files in progress—that offloading it to a new manager would, in my view, take a whole lot of time. It is so big and so massive that there is almost no ability to change horses, to change drivers, to change subway trains. I think there is some sense that it is problematic for the department.

Now, I don't expect you to answer me, really, with any degree of particularity. We're on the public record, and any miscues by Public Works in any of this can easily give rise to a lawsuit. I just wanted to make the point that this particular contract and the sequencing involved in it may come up as an issue among members.

I'll leave that with you. I'm not going to ask any hard questions here now, but I wanted to signal my interest in this.

I've asked you to stay. We're going to deal with a couple of subject matters. One is the adoption of the estimates. One of the envelopes is Public Works, which is yours. I thought you might like to watch members deal with that motion, which involves \$1 billion or \$2 billion.

I am going to thank you for the testimony today and for answering questions, and now I'm going to go to the adoption of the main estimates.

The first vote I'm going to ask members to take is that for Public Works and Government Services. This is for votes 1 and 5.

PUBLIC WORKS AND GOVERNMENT SERVICES

Department

Vote 1—Operating expenditures.....\$1,947,477,000

Vote 5—Capital expenditures.....\$349,070,000

(Votes 1 and 5, less the amounts voted in interim supply, agreed to)

The Chair: Thank you, colleagues.

Witnesses, you have just gotten another couple of billion dollars in the pipeline. Thank you for attending today.

We'll proceed with our other motions today.

Mr. François Guimont: Thank you very much, Mr. Chairman.

The Chair: Colleagues, I'm going to go through the list of the other estimates. We will be reporting these back to the House, if members so agree.

CANADIAN HERITAGE

Public Service Commission

Vote 95—Program expenditures.....\$79,814,000

Public Service Labour Relations Board

Vote 100—Program expenditures.....\$6,071,000

Public Service Staffing Tribunal

Vote 105—Program expenditures.....\$1,567,000

Registry of the Public Servants Disclosure Protection Tribunal

Vote 110—Program expenditures.....\$1,644,000

(Votes 95, 100, 105, and 110, less the amounts voted in interim supply, agreed to)

GOVERNOR GENERAL

Governor General

Vote 1—Program expenditures.....\$16,468,000

(Vote 1, less the amount voted in interim supply, agreed to)

PARLIAMENT

The Senate

Vote 1—Program expenditures.....\$58,659,000

(Vote 1, less the amount voted in interim supply, agreed to)

PRIVY COUNCIL

Department

Vote 1—Program expenditures.....\$115,611,000

Canadian Intergovernmental Conference Secretariat

Vote 5—Program expenditures.....\$6,095,000

Canadian Transportation Accident Investigation and Safety Board

Vote 10—Program expenditures.....\$25,635,000

Public Appointments Commission Secretariat

Vote 25—Program expenditures.....\$945,000

(Votes 1, 5, 10, and 25, less the amounts voted in interim supply, agreed to)

TREASURY BOARD

Treasury Board Secretariat	
Vote 1—Program expenditures.....	\$175,374,000
Vote 5—Government Contingencies.....	\$750,000,000
Vote 10—Government-Wide Initiatives.....	\$6,636,000
Vote 20—Public Service Insurance.....	\$2,103,044,000
Vote 25—Operating Budget Carry Forward..	\$1,200,000,000
Vote 30—Paylist Requirements.....	\$500,000,000
Vote 35—Budget Implementation Initiatives...	\$3,000,000,000
Canada School of Public Service	
Vote 40—Program expenditures.....	\$58,330,000
Office of the Commissioner of Lobbying	
Vote 45—Program expenditures.....	\$4,120,000
Office of the Public Sector Integrity Commissioner	
Vote 50—Program expenditures.....	\$6,033,000
Public Service Human Resources Management Agency of Canada	
Vote 55—Program expenditures.....	\$61,127,000

(Votes 1, 5, 10, 20, 25, 30, 35, 40, 45, 50, and 55, less the amounts voted in interim supply, agreed to)

• (1255)

The Chair: Thank you, colleagues. It's unanimous.

Shall I report the main estimates 2009-10 to the House?

Some hon. members: Agreed.

The Chair: I shall report them. I should say it may well be that Monsieur Gourde will report them on our behalf tomorrow morning in the House at routine proceedings.

[Translation]

Ms. Diane Bourgeois: Mr. Gourde will report it to the House? But that's your job, Mr. Chair.

[English]

The Chair: Correct.

[Translation]

Ms. Diane Bourgeois: You are the chair, and I do not want to be represented by Mr. Gourde.

[English]

The Chair: Thank you for your support and kind advice on that.

We continue to do the work our electors have sent us here for. We've approved the estimates and we'll report that back to the House.

There's an additional item involving the User Fees Act and the Esquimalt dry dock that was taken up in questioning earlier by Mr. Anders. Mr. Gourde, on behalf of the government, gave us notice of this at the last meeting. I think we have a motion that is going to be moved by Mr. Gourde. I will just say for the public record that the User Fees Act requires that where there is a regulatory initiative to increase or adjust user fees, these matters are referred to the House and the Senate, and they are then referred to the appropriate committee, in this case this committee. The committee then may study, review, and report the recommendation back to the House.

In this case, I understand the parties have all been informed of this. They've all had an opportunity to review the user fee proposals for the Esquimalt dry dock. The parties have accepted and agree with

those, and we're able to put the motion. I understand colleagues do not wish to debate it, but they can if they wish.

Is this a point of order?

Ms. Martha Hall Findlay: No.

The Chair: What is it?

Ms. Martha Hall Findlay: I thought you weren't going to allow any comment, but you just said we could, actually.

The Chair: Yes, once the motion is put, sure.

Ms. Martha Hall Findlay: I thought you were going to run it through. That's my mistake.

The Chair: The hope is to get it through today.

Ms. Martha Hall Findlay: No, it's a tiny comment.

The Chair: I'll try it.

Mr. Gourde, you have a motion.

[Translation]

Mr. Jacques Gourde: Thank you, Mr. Chairman.

I propose the following motion to my committee colleagues:

That the Committee indicate to the House of Commons that it recommends and agrees to the adoption of the User Fees Proposal relating to the Esquimalt Graving Dock (EGD), as tabled in the House of Commons on May 20, 2009.

[English]

The Chair: We've had some difficulty today on the precise wording of this.

Would you please read it again, just for the record?

[Translation]

Mr. Jacques Gourde: All right then, I will read it more slowly.

That the Committee indicate to the House of Commons that it recommends and agrees to the adoption of the User Fees Proposal relating to the Esquimalt Graving Dock (EGD), as tabled in the House of Commons on May 20, 2009.

[English]

The Chair: I think the running translation we have here is sufficient. I think it complies with our requirements. This is pursuant to the User Fees Act, particularly section 5. Thank you for the motion.

Is there any debate on the motion?

Ms. Hall Findlay.

Ms. Martha Hall Findlay: I just wanted to say that, based on the information the ministry has provided to us over the last few weeks, we support the motion.

The Chair: Thank you.

Is there any other comment?

I will just say I've had an opportunity to look at it, and there appears to have been pretty significant consultation with all the users. My feeling is that the process here quite adequately fulfills the objectives of the User Fees Act as it was adopted by Parliament as a result of a private member's initiative a few years ago. I thought that was a fairly good exercise.

Having had that brief exchange and debate, I will put the motion.

(Motion agreed to)

●(1300)

The Chair: Shall we report it to the House?

Some hon. members: Agreed.

The Chair: Colleagues, we can now adjourn, if there's no further business.

Thank you very much.

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