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Chair

Mr. Merv Tweed

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• (1530)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good afternoon, everyone. Welcome to the eleventh meeting of the Standing Committee on Transport, Infrastructure and Communities, with our orders of the day pursuant to the order of reference of Wednesday, February 25, 2009, Bill C-3, An Act to amend the Arctic Waters Pollution Prevention Act.

Joining us today in the first hour from the Department of Fisheries and Oceans are: René Grenier, Jaime Caceres, Michel Desparois, and Larry Trigatti. From the Department of National Defence, we have Casper Donovan. From the Department of the Environment, we have Robert Allin, Michael Wilson, and Linda Porebski.

Welcome. I hope you've been advised that you have roughly five minutes to make a brief presentation. Then the members will have questions for you. I don't know if anybody wants to take the lead.

Perhaps I'll start with Mr. Donovan. Do you have any opening comments?

Captain(N) Casper Donovan (Director, Maritime Strategy, Department of National Defence): Thank you, Mr. Chair. I welcome the opportunity, but I did not prepare an opening statement, mostly because of the amount of time I had to prepare for today's appearance.

The Chair: Absolutely. We appreciate that.

Mr. Grenier.

Mr. René Grenier (Deputy Commissioner, Maritimes Services, Canadian Coast Guard, Department of Fisheries and Oceans): Neither did we, because I was told just this morning that we were going to appear here. We had to scramble together some notes. But we are happy to be here, and hopefully we'll be able to answer all your questions or be helpful.

The Chair: Wonderful. That's kind of how we operate in this committee, so it works very well.

Mr. Wilson, do you have comments?

Mr. Michael Wilson (Executive Director, Environmental Assessment and Marine Program, Department of the Environment): We actually have two short opening statements, so we'll make up for it.

I'll speak briefly on Environment Canada's mandates on marine Arctic protection.

Robert Allin is from the enforcement branch. He'll speak of the enforcement program that we have there, because I understand that was of interest in some of the discussions you've had recently.

I'm going to speak to Environment Canada's mandate for protecting oceans from pollution, to give you a context to our work.

Like a number of departments, we have a mandate for environmental protection and conservation in the Arctic marine environment. We use several legislative instruments to realize this mandate. I'll quickly go through each of those legislative mandates.

One of the main ones is under the Canadian Environmental Protection Act, which gives us disposal at sea provisions. These provide that no person shall dispose of substances from a vessel or other structure at sea without a permit. Environment Canada manages a permitting program, a monitoring program, and an enforcement program. These programs are designed to prevent marine pollution. These provisions are consistent with our international obligations under dumping conventions and under the United Nations Convention on the Law of the Sea. They apply in all Canadian marine waters out to the 200-mile zone limit of the exclusive economic zone. Generally this program is used to prevent dredged material from being deposited in unauthorized sites or prevent dangerous materials from being deposited in the ocean from dredging.

Environment Canada also administers the Migratory Birds Convention Act. Under this act, no person or vessel shall deposit a substance that is harmful to migratory birds, or permit such a substance to be deposited, in a water or area frequented by migratory birds. This act also extends to the 200-mile limit of the exclusive economic zone.

Third, other parts of the Canadian Environmental Protection Act and the Fisheries Act give us quite a broad range of authorities to prevent different forms of pollutive activities, including pollution into water. These would tend to be used to control land-based sources of pollution. We have regulations under these authorities that control liquid discharge from mining operations or pulp and paper operations. They tend to be closer to coasts than would be necessary for the 200-mile limit provisions. We also administer the pollution prevention parts of the Fisheries Act, which is a general prohibition against depositing deleterious substances into water frequented by fish.

The last piece of legislation that is pertinent here, the Species at Risk Act, provides that no person shall kill, harm, harass, capture, or take an individual of a wildlife species that is listed as extirpated, endangered, or threatened. This applies in Arctic waters as well as on the land, but only to a 12-mile limit.

The last mandate area I wanted to talk to, keeping in mind that Robert will talk about our enforcement program, is emergency response and cleanup.

Environment Canada is a primary resource to the Canadian Coast Guard. We have the capacity and mandate to provide scientific and technical information and advice for environmentally sensitive areas, information on weather and sea state, and emergency response and cleanup in the marine environment.

You can see that Environment Canada has a number of important roles to play in protecting the Arctic marine environment, but they're by no means comprehensive. The Arctic Waters Pollution Prevention Act plays a key role as well.

That leads to the last point I wanted to make in my opening remarks. Because of the complementary roles Environment Canada's legislation and the AWPPA play, we were consulted as the legislative amendments were being developed. We were briefed at the officials level, and we expressed no concerns or reservations about what was proposed there. It's consistent with where Environment Canada has gone on pollution prevention legislation that's used to control marine pollution.

Those are my statements.

Before we go further, perhaps Robert Allin could give a short statement on enforcement programs.

• (1535)

Mr. Robert Allin (Director, Strategic Policy, Planning and Coordination, Enforcement Branch, Department of the Environment): Thank you, Michael.

Thank you, Mr. Chair, for the opportunity to speak to you today.

Environment Canada's enforcement branch is responsible for enforcing a number of important environmental laws, such as those my colleague has mentioned: the Canadian Environmental Protection Act, the pollution prevention provisions of the Fisheries Act, and the Migratory Birds Convention Act, all of which, of course, apply to the Arctic as well. However, Environment Canada does not enforce the Arctic Waters Pollution Prevention Act. This is a Transport Canada responsibility.

Much of our compliance verification work in the area focuses, as Michael has said, on sectors such as operating mines, advanced mineral exploration sites, and federal facilities. Under the Canadian Environmental Protection Act, we enforce regulations pertaining to PCBs, halocarbons, disposal at sea permits, fuel storage tanks, and these sorts of things, mostly land-based.

We currently have six enforcement officers stationed in the Arctic, with five in Yellowknife and one in Iqaluit. We'll soon be adding another four in Yellowknife, bringing our total to ten, and twelve if you include the two officers we have in Whitehorse.

We have strong partnerships with the other federal organizations active in the area, such as Transport Canada, Indian and Northern Affairs, the RCMP, colleagues from the coast guard, Fisheries and Oceans, and, of course, the territorial governments.

We're members of the key environmental protection and enforcement bodies such as the Northwest Territories/Nunavut Spills Working Agreement, which is a single window for reporting spills and dispatching information to the appropriate agency. We also participate in the Arctic security interdepartmental working group, which is focused primarily on security, but every session always has an element on the environment.

Our partners serve as additional eyes and ears in northern communities and also provide us access to important assets such as ships and aircraft for transportation and surveillance. As examples, Transport Canada provides us with information from their daily surveillance overflights of Arctic areas, and the RCMP make watercraft available to us when needed. Territorial enforcement officers are also designated, under federal wildlife enforcement laws such as the Migratory Birds Convention Act, to add further reach to the federal powers.

With respect to marine incidents specifically, the coast guard, of course, is the first responder for spills. Follow-up investigations are conducted either by Transport Canada or by Environment Canada, or by both, depending on the nature of the spill, and in accordance with a memorandum of understanding between our two departments that sets out the respective roles and responsibilities. In a typical year, we may respond to between two and three marine incidents.

Although the Arctic is vast and challenging, our officers and our partners work in concert to enforce environmental laws in this important and sensitive region.

Thank you.

• (1540)

The Chair: Thank you very much.

Mr. Volpe.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Thank you, Chairman.

Thank you, gentlemen and lady, for coming and sharing some of your views with us.

I realize this will probably come out in the questions and answers. Some of the members of this committee were concerned about the overall implications on policy in various departments as a result of some of the witnesses who came forward.

I'm going to limit myself to one very brief question. It emanates from what the Minister of Transport said in this committee on March 24:

For Canada to truly exercise effective management in the Arctic, we need to put in place a strong and proactive regulatory framework for marine transportation and we need to back that up with real action. We're very much being proactive in this regard, not waiting for next year, or 10 years, or 25 years from now for an accident to happen and for us to regret not taking more proactive measures.

Can any of you tell me—perhaps I might start with you, Captain—what measures you have to enforce Arctic sovereignty and for the environment today, and what measures you'll have in place if this bill becomes law? To paraphrase myself, aside from being consulted, were there extra funds expended for you to better equip yourself for the task at hand?

Capt(N) Casper Donovan: Thank you, Mr. Volpe.

I'd preface my remarks by saying, representing the Department of National Defence and the Canadian Forces, that we do not have an actual mandate to enforce the laws and regulations of which you speak. However, we're working day in and day out with the various government departments that do have those mandates.

As you can imagine, the Canadian Forces and the department have a variety of assets, whether they be satellites or access to satellites, aircraft, ships, and personnel—for example, the Rangers in the Arctic—that can all be used in concert with the assets that other government departments use to understand what is going on in the Arctic and to determine whether there is an incident or situation in which some enforcement may be required.

Hon. Joseph Volpe: So nothing beyond what you currently have.

Mr. Grenier?

Mr. René Grenier: I'm the deputy commissioner of the coast guard. I brought these gentlemen with me because we didn't really have time to prepare. But we're here on behalf of the coast guard.

I'm sure you're all aware that we have money for a new polar icebreaker. It's not going to be an addition, but rather a replacement for the *Louis St. Laurent*, which is quite old. It's going to be a ship that is probably much more powerful and able to stay in the Arctic much longer than the *Louis St. Laurent*. We also—

• (1545)

Hon. Joseph Volpe: Those funds were allocated before the bill was proposed.

Mr. René Grenier: Yes.

We will also start two NAVAREAs in the Arctic. Canada has been asked by the IMO to be the one to transmit notices to mariners in the Arctic. That's something we'll be starting in January of next year. Also, the long-range identification tracking system that's going to be in place will help us track ships up north as well as within 1,000 miles of our coasts.

Those are the enhancements, if you will, that we're looking at besides our ten icebreakers in the Arctic and the traffic stations we have, which I'm sure you know about.

Hon. Joseph Volpe: Thank you.

The Chair: Mr. Bagnell, you have three minutes.

Hon. Larry Bagnell (Yukon, Lib.): Thank you.

This is probably for Environment Canada. We had the Beaufort project representatives here, and a couple of professors made the point that there's no technology at the moment to clean up oil spills under the ice. The minister talked about the importance of development of oil and gas in the north and about the huge reserves. Some 25% percent of the world's remaining reserves of oil and 33% of gas are found there.

I'm wondering what work Environment Canada is doing—what research it's funding, etc.—to deal with this lack of technology that would hinder the minister's objective of developing the oil and gas in the north.

Mr. Michael Wilson: It's a good question. I don't have information on the technology or research programs that we're involved in for technology development. I can certainly, through the chair, get that information back to the committee, but we're not from the technology section of Environment Canada. I'm sorry.

Hon. Larry Bagnell: I'll think of another question.

The minister said that you have responsibility for monitoring this, but he didn't know how many planes and boats you had. Considering that this new responsibility, as Mr. Volpe said, starts more than 100 miles offshore, what types of...? He also said that Environment Canada has a responsibility. How many boats and planes do you have to discharge it?

Mr. Robert Allin: We have very limited assets in the area. We're based out of Yellowknife, because that's where our regulatory agenda puts us, as the best base of operations.

Remember that a lot of our focus is on, I'd say, the resource extraction industry and on federal facilities subject to our regulation. We're not primarily focused on the marine environment. That being said, we have agreements with partners such that, at any time we need to respond to a spill, we have access to their assets. In most cases, we're responding with partners who have those assets—for instance, Transport.

Mr. Michael Wilson: To make sure we're clear, this bill doesn't create new regulatory responsibilities for us that we would be enforcing.

Hon. Larry Bagnell: Okay.

To all the panellists, basically we've added an area the size of Saskatchewan, with new responsibilities, as Mr. Volpe said, but no one has confirmed that there are any new resources. Normally when you do a bill that has some ramifications, you also do a study on the resources to implement a bill.

Do any panellists want to comment?

Capt(N) Casper Donovan: Sir, if I might, one part of the answer I didn't get to with Mr. Volpe was that the navy and the Department of National Defence are pursuing the project to acquire Arctic offshore patrol vessels. Those vessels are being designed to be far more capable than our current fleet in operating in Canada's north. So there will be some additional assets in the future in that regard.

Hon. Larry Bagnell: They can go in a metre of ice. That ice can be more six metres thick, so it leaves a lot of the year and a lot of area still not covered.

Capt(N) Casper Donovan: That is true. They're being designed to go through first-year ice, and I believe it's about a metre thick. However, the thicker the ice gets—and I am not an expert in Arctic navigation, *per se*—the fewer vessels you have transiting those waters. You have those waters to enforce the regulations on, but there are far fewer vessels capable of transiting those waters when the ice gets far thicker. They go hand in hand.

• (1550)

The Chair: Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you, Mr. Chair.

Captain Donovan, you said that you do not currently have the equipment that you need for the protection or the surveillance of this territory. If something happened, would you be able to call on air support from NORAD?

Capt(N) Casper Donovan: We have several kinds of equipment that we can use for surveillance. But, on site in the Arctic, we have less equipment for ground surveillance. However, the department and the Canadian Forces have various kinds of equipment that we can use, depending on the area and the situation.

Mr. Mario Laframboise: And you would never see a reason to request NORAD involvement?

Capt(N) Casper Donovan: In which...

Mr. Mario Laframboise: For air surveillance or anything else. You are able to do it without...

Capt(N) Casper Donovan: We work every day with NORAD, with the other departments here and with other federal departments on all the activities we are discussing. I am not an expert in the area, but I know that one of the headquarters responsible for this kind of activity is under Canadian command. Canada has direct links with NORAD and other similar organizations.

Mr. Mario Laframboise: Do you know if this famous “zizigue” line is inside or outside the 200 nautical miles?

Capt(N) Casper Donovan: I am not sure of the exact location of that line.

Mr. Mario Laframboise: Mr. Grenier, one of our problems is knowing who will run this operation in the north, who needs to be put in charge. Is the Department of Fisheries and Oceans going to be responsible?

Mr. René Grenier: The quick answer is no.

The Coast Guard supports the RCMP in defence and border services. From the point of view of intelligence, we are trying to develop a kind of common picture of everything that goes on in the Arctic. In the summer, with NORDREG—a voluntary system that could change—we have a good idea of the location of ships in the Arctic and we send that information to Transport Canada and to other departments that ask for it. As well as a photograph of the ships, we provide information about the direction they are heading in, the ice conditions, and so on.

Mr. Mario Laframboise: Professor Pelletier told us that we do not have the equipment and that even the icebreaker that we are

going to build will not be able to check all our territory out. Is that true?

Mr. René Grenier: We are still at the definition stage, but the concept is to build what we call a “three-season” icebreaker. It will not be a “four-season” vessel. In January, February and March, when the ice is thickest, the ship will not be able to go anywhere in the Arctic.

• (1555)

Mr. Mario Laframboise: Does that compare to what the Russians have?

Mr. René Grenier: Not at all.

Mr. Mario Laframboise: A little earlier, you said that surveillance could become something we have to do. Is that one of the objectives of this bill? We cannot see it specified in the bill, but once the bill is passed, is it your intention to make surveillance mandatory?

Mr. René Grenier: I think that the NORDREG reporting system should become mandatory. Ships should have to report.

Mr. Mario Laframboise: That is good.

Mr. René Grenier: Instead of 100 miles, it would be 200 miles. It would depend on the line.

Mr. Mario Laframboise: Right.

Let us talk about the environmental aspects. Mr. Bagnell pointed it out earlier, but Professor Pelletier told us that we could not do a recovery operation. We should not even think about an oil spill, at those temperatures and in those waters, because we do not have the technology to recover the petroleum.

Am I wrong to say that?

[*English*]

Mr. Michael Wilson: As I said, I'm not aware of any technologies we have that can recover oil from beneath the *glace*, but I'm also not familiar with all elements of our research program. I can get back to you if there's research under way in that area.

[*Translation*]

Mr. Mario Laframboise: The professor told us, in fact, that, in order to address that, we need a treaty. So we will have to negotiate with all user countries, or all Arctic countries, as is done in the Antarctic. We need a genuine environmental treaty.

Are you working on that? Has the government given you the mandate to try to come up with a treaty? The professor was very kind. He said that it could be the Ottawa Treaty, that it could be a way to bring all countries together. Since a spill is almost unthinkable, we have to make sure that all Arctic countries take part in the discussions. Do you have a mandate like that?

[*English*]

Mr. Michael Wilson: We don't have a specific mandate to negotiate a treaty like you've described. We have negotiated a number of treaties that implicate pollution prevention in the marine environment, so we're party to a number of treaties, including the Antarctic. But as for that treaty you're describing, we don't have a mandate to negotiate something like that.

[Translation]

Mr. Mario Laframboise: Do I have a little time left?

We support this bill. But I want it clearly understood that the Bloc Québécois is interested in a genuine effort on the environment. We cannot just ignore the disaster that a spill would cause. Passing a bill and planning a response are not enough. We cannot even contemplate a situation like that.

We are told that funds to make the research possible would be forthcoming. Do you have that impression? Has the government told you that passing this bill would give you more resources to conduct more research so that spills could be prevented?

[English]

Mr. Michael Wilson: That's a good question. We do have active research programs in the north. Could they be larger, and could they be more extensive? Of course they could be.

[Translation]

Mr. Mario Laframboise: Was there not a polar bear project, which is now over and for which the money remains in place?

[English]

Mr. Michael Wilson: We have ongoing research projects for the International Polar Year and other research that we do in the north.

The Chair: Thank you.

Mr. Bevington.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chairman.

Thanks to the witnesses for joining us here today in such numbers. It's good to see.

First, I'd like to speak to you, Mr. Allin, in terms of the disposition of more environmental officers to Yellowknife. How would you characterize their duties there? Would they be primarily land-based? Are they actually going to be engaged offshore? Do you have a specific number of officers that are going to be engaged offshore?

Mr. Robert Allin: Mr. Chair, no, we don't have officers who will be dedicated solely to the marine environment. They will be based in Yellowknife. The majority of them will be in our environmental enforcement program.

Bear in mind that we have two enforcement programs. One's for wildlife and one's for pollution. It's environmental enforcement. So their duties will revolve primarily around the Fisheries Act and the Canadian Environmental Protection Act. The wildlife officers are generally the ones who usually respond when there's a spill because of the "birds oiled at sea" provisions of the Migratory Birds Convention Act.

So there isn't just one piece of legislation. We don't carve out teams of people based on different pieces of legislation, except for the wildlife and environment split.

• (1600)

Mr. Dennis Bevington: So you wouldn't really have a team that was going to be engaged in extending environmental work in....

In the offshore, I know, we're looking at over a billion dollars' worth of work that has been lined up with a number of leases in pretty sensitive areas. Could you characterize the kind of work you're going to do around that? How many person-years would be involved in assessing work in the Beaufort?

Mr. Robert Allin: That would be very difficult to say. You have to understand that in any given year, between 20% and 40% of our effort in enforcement is reactive. It depends on what happens, such as the occurrences, spills, and so on that we have no control over. The remainder we plan for based on what we perceive to be the greatest threats and risks in the vicinity.

In the Beaufort area, I know that every year we do a program of inspections around, I believe, the big Shell Exploration facility up there to ensure that they're operating within some of their permitting. But it would be very difficult for me to say exactly how many person-years will be directed towards....

Was your question pertaining mostly to the Beaufort area?

Mr. Dennis Bevington: Certainly that's the most active area we have off the coast, but we also have barging traffic. We have a number of things happening in the Beaufort that are of concern to all of us in terms of oil spills or any kind of action like that within the 100-mile or 200-mile limit.

Mr. Robert Allin: As an example, in conversations with my colleagues from the region yesterday, they're expecting that a couple of additional disposal at sea permits will be issued this year for dredging around some of the harbour sites, which is related to the increased activity. If that does take place, we will have that built into our work plan for the upcoming season so we can make sure that we're inspecting on those permit provisions.

Mr. Dennis Bevington: Thank you.

Captain Donovan, you mentioned something about the ships you're getting for the Arctic. You're in charge of maritime strategy. As the ice conditions change in the Arctic as there's more open water and we see more pack ice moving through the area.... You said that there's not likely as much traffic at times when there's no ice, but we're looking at situations when there will be more ice movement on open water and through open water.

How do you deal with ships that have a capacity for a metre of ice when you have that pack ice movement? It may actually become more of a problem for boats and shipping in the future than it has been with more stabilized conditions.

Capt(N) Casper Donovan: The simple answer to your question, from a mariner's point of view, and I've not taken ships into the Arctic, is that if your ship is designed for one metre of ice, and if it happens to be pack ice that's two metres thick, you don't go there. But the same effect applies to others who may be operating in the Arctic. If their ships are designed for one metre or less, or perhaps two metres, then they can go where they can go. But if the ice is such that it precludes that, then it makes no sense for those vessels to go there.

It's a very difficult thing to predict. The ice belongs to Mother Nature, and it goes where it goes. It's very difficult, and I think there's no clear prediction of what's going to happen in the Arctic at any given point in time in the future. But it's something that applies to both sides of the coin, so to speak.

•(1605)

Mr. Dennis Bevington: I want to point out that if we were enforcing action in the Arctic in the changing conditions, perhaps we need ships that are capable of handling more than a metre of ice, regardless of the time of year, because of this likely movement that's going to take place.

I'm sure the coast guard is familiar with the movement of ice in the Arctic. Perhaps they want to say something about this as well.

Mr. René Grenier: The thickness of the ice is one thing, but it's the pressure. If you have thick ice and you can go around it, it's no problem. It's when you're between the archipelago and navigating through passages that you have to be careful.

On commercial shipping, Transport would be the one that would really answer this. My understanding is that commercial ships need to have an Arctic prevention certificate. They go in different zones and at different times in the Arctic, depending on their ice class. This would normally prevent ships from going places or areas where it's more severe.

The captain receives the ice charts, the ice information. Certainly I don't think any captain I know would willingly send their ship into a dangerous place.

Mr. Dennis Bevington: You have a great increase in cruise ships going into the Arctic now, and a lot of dollars are at stake. Of course that always lead to situations.

You say, then, that the cruise ships coming into the Arctic are fully arctic-equipped.

Mr. René Grenier: No, that's not what I'm saying. I'm saying they have to follow some regulations, and they also have to be cognizant of the environment and the ice.

Mr. Dennis Bevington: It's my understanding that there is no mandatory vessel plan required by the coast guard now.

Mr. René Grenier: That's right. It's a voluntary system.

Mr. Dennis Bevington: It's voluntary, so you have ships that are....

The Chair: You're way over time.

Thank you.

Mr. Jean, very briefly.

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

We had an opportunity to speak before, on the Conservative side of the table, and we thought we would give an opportunity for the opposition to ask as many questions as they can, especially having regard to Mr. Bigras, who is here today. He is the environment critic for the Bloc, and I'm certain he'll have some sort of constructive information for us.

The Chair: We're back to this side.

Mr. Bigras.

[*Translation*]

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

I have two quick questions. Am I right in saying that ships are under no obligation to advise Canada when they enter Canadian waters?

Mr. René Grenier: Under the Marine Transportation Security Act, they must report 96 hours before they arrive at their port of destination. South of the 60th parallel, under ECAREG or WESTREG, they must report 24 hours before, as they enter and during the voyage, depending on where they are. North of the 60th parallel, except for the 96-hour requirement, they have no obligation. NORDREG is a voluntary system.

Mr. Bernard Bigras: In 2007 and 2008, two ships entered Canadian waters without advising Canada. Is that the case? If so, what kind of ships were they?

Mr. René Grenier: For all Canada, I do not know, but I am sure that all we have to do is check.

Mr. Bernard Bigras: From what I understand, they advise Canada more in order to find out about ice conditions than for jurisdictional reasons.

Mr. René Grenier: No. Transport Canada has the legislative mandate and we apply it. This is the marine traffic communication system. In eastern Canada, it is called ECAREG and, in the west, it is called WESTREG. Those are mandatory systems. In the north, we have a voluntary system called NORDREG.

•(1610)

Mr. Bernard Bigras: As I understand it, the fifth largest undiscovered hydrocarbon deposit in the world is in the north. That corresponds approximately to the energy reserves in Nigeria, Kazakhstan and Mexico. So it is not surprising that, in 2007 and 2008 respectively, ExxonMobil Corporation and the BP Exploration Company Limited won the tender for exploration in the Beaufort Sea.

Do you have the means to carry out environmental assessments in those areas?

[*English*]

Mr. Michael Wilson: We have an environmental assessment program at the federal level, and at the territorial level as well. Different departments have different roles they would play in an environmental assessment that would happen there. But Environment Canada certainly has resources that it puts toward understanding both the environmental impacts that a project might have, and understanding and giving any regulatory approvals that might go with that project. There are a couple of regulatory approvals that might be required for a project like that, and then for participating in the environmental assessment.

Now, whether or not we have the resources to participate in an environmental assessment of that magnitude, it really depends on how big the project is and how different the project is from those we already have expertise in and have already participated in.

There have been projects in the past where, because of the size of them, we have sought and obtained additional resources to work on the environmental assessment. For a lot of the other environmental assessments, we have a pool of money and expertise that we put toward them as they go through the system. There are thousands each year.

So it really depends on what type of project it ends up being, and its size.

The Chair: Are there any other comments or questions?

I thank our guests for being here today on very short notice. As for some of the information that was to come through the chair, if you could forward it to me through Maxime, then I'll see that the members of the committee get the responses.

Thank you very much for your time, and have a good weekend. *Merci.*

While our guests are making their way out, we'll move to clause-by-clause, as previously agreed.

(Clauses 1 and 2 agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill carry?

Some hon. members: Agreed.

The Chair: Shall the chair report the bill to the House?

Some hon. members: Agreed.

The Chair: Thank you.

Mr. Jean.

Mr. Brian Jean: I would at this time just make note that I believe it was unanimous, by all members present, in relation to all of the questions put.

The Chair: Duly noted.

Now, as was previously discussed—I know that some people have a little bit of a time restraint here—we have coming back to us, after the break, Bill C-7, which amends the Marine Liability Act. It has been sent to committee for study and review.

I think we can discuss this bill as a group. We're okay with that? It's pretty much the same. This is the steering committee at large.

We have Bill C-7 on the Marine Liability Act. I've sent a heads-up to the minister's office to invite him and his appointed delegates to the committee.

I know there were a couple of other things that we wanted to at least put on the agenda. Before we move to them, I would ask that if you do have witnesses you'd like to bring forward on Bill C-7, could you get their names to Maxime by the end of next week? Then we can certainly have them lined up to be here and available when we come back.

Is there any further business today?

Mr. Volpe.

•(1615)

Hon. Joseph Volpe: I have three issues. I'd like to deal with each of them separately, if you don't mind.

Having due regard for the fact that we need to address the legislative items that come before the committee as a priority, we still have, first of all, the main estimates to deal with. I would like us to establish a date for doing that so that we can have the minister/ministers come before us. I guess my colleagues on this side will agree, and I'm sure the colleagues on the other side will also agree, that at the earliest opportunity, we should do that.

So if we put in a request to do that, we can slot that in. I don't know whether Monsieur Laframboise and Monsieur Bevington are in agreement that at the earliest opportunity, we should go to them.

The Chair: So for the main estimates.

Mr. Bevington.

Mr. Dennis Bevington: I still want to go back to look at the stimulus infrastructure packages and the conditions that have been laid out in them. I've been making that request for a while. I think it's something that should come up on this agenda shortly after we return.

The Chair: Mr. Volpe.

Hon. Joseph Volpe: I have no problem with that.

You know, Mr. Bevington, I was thinking about... We as a committee have the responsibility to deal with legislation. I think that as a committee we also have an obligation to deal with the main estimates prior to the end of May. I just thought we should do it at the earliest opportunity we have to do it. Then I wanted to go on to the items that some of us on this side would like to deal with.

It was simply a request that we put the request in immediately so that we could slot in one of those days and work around the date for the main estimates. What we do with it is another story.

The Chair: Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise: For the benefit of Mr. Bevington, I would like to point out that a good time to ask questions about infrastructure is when we are studying the estimates. So it would be helpful if the minister could appear for two hours. We should make a request to that effect. We could then ask him the necessary questions.

Hon. Joseph Volpe: I agree. Each time the minister has appeared, it has just been for an hour.

[*English*]

The Chair: Through Maxime, we will send a letter to the minister, asking him to identify a Tuesday or a Thursday before May 31 to come before the committee. I'll request two hours, with the second hour geared, perhaps, more toward the infrastructure aspect of the budget review.

Mr. Bevington.

Mr. Dennis Bevington: We'll be beholden to the minister's schedule, then, to get this information out. If it's prior to May 31, that takes it another two months down the road.

This is a stimulus package. The infrastructure program is a big part of the stimulus package. We want to understand that these dollars are going to be delivered to municipalities and provincial and territorial governments in a good fashion. That requires, I think, some oversight on the part of this committee to ensure that it's being done.

Seeing that information come forward in a timely fashion, I would say, would probably mean within the month of April. If the minister wishes to appear in front of the committee at that time, perhaps that would be adequate. But to leave it until potentially the end of May is not, I think, the best idea.

The Chair: I think what I will do in the letter to the minister is ask him to identify a date as soon as possible, but absolutely before the May 31 deadline, which is your estimates deadline.

Mr. Jean.

Mr. Brian Jean: I feel like Horshack in *Welcome Back, Kotter*: “Oh! Oh! I got the answer!”

How about April 23 for the main estimates and the minister?

The Chair: It would be good, if he would come on the Tuesday and—

• (1620)

Mr. Brian Jean: Let's make it tentative for now as to whether it's one hour or two hours. I've been informed that this day fits his schedule now, because I anticipated this question. This would be the best one.

Then I was hoping we could deal with Bill C-7 on the 23rd and again on the 28th.

My only concern with Mr. Bevington's....

I'll just wait until he has a chance to listen to this.

The Chair: I want to clarify. You're talking about the same day, the 23rd again.

Mr. Brian Jean: The 21st is the Tuesday, with Bill C-7 being introduced.

The Chair: You said the 23rd.

Mr. Brian Jean: Oh, did I?

The Chair: I just wanted to make sure it was clear on the record.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): He made a mistake.

The Chair: That's okay.

Mr. Brian Jean: So yes, we could do that at that stage. And then I can have additional information for the committee on the 21st. I apologize for that.

My only concern with Mr. Bevington.... We have talked about this issue of infrastructure for a long period of time, and I think you'd find every member in the House is interested in this particular issue. Even before we had the last election, we were talking about doing this—Monsieur Laframboise and others.

My concern is that the closer you get to infrastructure, it's like the more you learn, the more you realize you don't know anything. I'm

worried about focusing our agenda specifically on the issues that are necessary, because I want to have the answers we need to have from the officials. I want to make sure that....

I've heard three different descriptions of the infrastructure study that you would want. As a government, we're interested in doing it, but we'd like to see that it's focused. If it's focused on many things, maybe one day we could focus on one and the next day we could focus on another. But I would like to have clarity from the whole committee about what we want to focus on, because it's a big file.

The Chair: We'll go to Mr. Volpe and then Monsieur Laframboise.

Hon. Joseph Volpe: I want to thank the parliamentary secretary for his observation that it could be a very large file.

He, of course, has the advantage of working with the Minister of Transport, who is also responsible for infrastructure, and he's working with the Minister of State for Infrastructure. I'm wondering whether he's thinking in terms of having part of this committee become a subcommittee focused specifically on infrastructure issues on an ongoing basis. Obviously it doesn't have to be the full committee. That subcommittee would then report to this committee, and so on.

Is he headed in that direction? We would accommodate him.

Mr. Brian Jean: That's actually not my proposal. That would have to be proposed from the other side. We are the masters of our own destiny, so what we decide is a go, but I have no objection at this stage, as long as we continue to have our regular meetings and deal with legislation as a priority in our ongoing meetings. I have no difficulty with that. I'd love to sit on that particular committee.

Hon. Joseph Volpe: If we have agreed in principle—sorry, Monsieur Laframboise, for one second—that the government doesn't have a problem with that, can we then revisit this issue once the minister is here on April 21?

Mr. Brian Jean: Absolutely.

The Chair: Go ahead, Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: That is what I was going to suggest. My impression is that, in the next two weeks, the government is going to make a number of announcements about infrastructure. At least, if I was the government, that is what I would do. I would take advantage of the two-week break to do it. It is my impression that, when we come back, we are going to find out about a good number of programs. After meeting the minister, if we think it would be good to bring the steering committee together, we could do that.

[English]

The Chair: Basically what we're saying, then, as we move forward, is that on April 21 we will do Bill C-7 with the minister and staff available. On April 23 we will have the minister here on estimates, and if he has the extra hour, we will have some infrastructure discussion at that time.

Mr. Volpe, did you have another point?

Hon. Joseph Volpe: There is an issue that has come out on several occasions. I know we've asked a question on it, and Monsieur Laframboise has asked a question on it. Along with the provincial governments of Ontario and Quebec, the government has expended more moneys on the issue of doing a feasibility study on high-speed trains. I'm surprised it didn't include Alberta.

I think this committee would be well served by initiating its own study in this area. There are a lot of feasibility studies that can be reviewed by this committee, but more importantly, we could take a look at some of the technologies and innovations that first surfaced in France and that are now being exported into Spain and developed in Germany.

This committee, in the time I've been on it, has travelled extensively—from room 209, to room 206, to room 214 in Wellington. While it's done some great work in terms of analysis, it really hasn't addressed the issue that is the mainstay of this committee, which is transport, and transportation innovation, and whatever.

In this instance, I would suggest that the committee...and I propose this to my colleagues on this side, Monsieur Laframboise and Monsieur Bevington.

• (1625)

[Translation]

If they agree, the committee could begin a study on high-speed trains, and, parallel to that, plan a trip, so that we could completely finish the job before the end of the year. I also propose that our analysts prepare a program for us containing all the topics we need for us to be able to conduct the study in all its complexity.

[English]

The Chair: Mr. Jean.

Mr. Brian Jean: I would like nothing better than to have a high-speed train from Calgary to Fort McMurray. It would be a wonderful thing.

Hon. Joseph Volpe: I'd have to be satisfied with Edmonton first.

Mr. Brian Jean: Edmo-where?

Mr. Joe Volpe: It's the edge of the world, I think.

Mr. Brian Jean: I could get in trouble for that.

I've had an opportunity to be involved somewhat with the issue of the Quebec City-Windsor high-speed corridor, just in relation to the study, because I am interested in a high-speed train, and I'm very interested in that as an alternative that's obviously better for our environment.

I understand what this committee can do. Maybe we could propose a study that could be constructive and provide some benefit. But after reading the background of this quite some time ago, I know that in this particular case, this new tripartite study that's being done involves five consulting firms. It's a study that's going to involve years. The new study reviews about eight different things.

I could go into detail, but this is actually the second or third study that has been undertaken for the same thing. Just for perspective, my understanding is that it's going to cost \$18 billion for this possible

rail, with 70% financing by the federal government or it's not going to be viable in any way, shape, or form.

The difficulty I have with a study like that is that I think we'd be doing nothing but scratching the surface of something that is, quite frankly, extremely complicated, and should be done, I believe, from a private sector...and maybe take that study, that they provide to us, or that they do, after a year of research or thereabouts, and spending millions of dollars of taxpayers' money, and take that and analyze it for the viability.

I don't really think we can do enough to study it sufficiently. I would like to see us do more of a macro study of different issues. If we got the report and did a study on that, I think that's a great idea. But to do so simultaneously, and really not have the necessary resources that they have.... I mean, there are probably hundreds of people involved in this study on a daily basis, and we're not going to do anything close to that.

I don't see it as a good use of time.

The Chair: I have Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: Why do not we not hold one or two meetings with officials and some representatives of private business? There are major Canadian companies in this business and we could very quickly ask their representatives to appear so that we could find out if what Mr. Jean is saying is true. Two major provinces, Ontario and Quebec, are discussing the matter. I feel that we are not doing anything and that worries me a little. By holding a meeting or two, we could find out what can be done, what has been done in the past and whether it is true that we would have to wait a year before we can get studies.

We could first look very closely at the first aspects of the problem, which is something we have never done. There have already been studies. In Canada, three major companies specialize in this area. We could very quickly meet their representatives and ask them if it is doable or if much deeper studies are needed. We would then have looked at the problem and would have things clear in our minds. If we do not look at this while Quebec and Ontario are doing so, we are going to miss our opportunity, as I see it.

[English]

The Chair: Mr. Bevington, Mr. Volpe, and Mr. Jean.

Mr. Dennis Bevington: To start, I think I would prefer Mr. Laframboise's approach. It's one that I see as useful. I've had presentations in the last week, from Bombardier, on the issue of fast trains. I think there's a great deal of interest in the country right now on the subject. To get a perspective on what it means for this committee to understand the options that exist, even in one corridor, for the improvement to the rail system, I think would set the committee up for dealing with the study as it comes along.

I would think that to start in the fashion you've proposed would be quite useful, and it could be something we initiate in the fall. I don't see it as a priority item.

I'll wait to speak to another priority item after we're finished this discussion.

•(1630)

The Chair: Mr. Volpe.

Hon. Joseph Volpe: Two things encourage me and one thing discourages me. The thing that discourages me—I'll deal with the negative thing first—is that Brian Jean has actually admitted that this is a complex issue that might be beyond the capacity of members of Parliament to grasp. That is discouraging.

Mr. Brian Jean: No, no, that's not what I said.

Hon. Joseph Volpe: But I am encouraged that he wanted to recognize that eventually this committee is going to have to deal with this issue, and that the best thing one could do is prepare oneself in anticipation thereof. I applaud him for that.

I think that perhaps

[*Translation*]

Mr. Laframboise is right. It is a good time to start with one, two or three sessions. After those first meetings, we could either go a little further, or wrap our studies up. We have to learn all the terminology, learn about the technology, the nature, the characteristics, the parameters, the studies that have already been done, and put it all into context for the committee.

If the three governments present us with a proposal towards the end of the year, it will not be a good time to say that we would like to start studying high-speed trains. I think that the good time is now. I congratulate Mr. Laframboise for the compromise he is proposing, and Mr. Bevington for the agreement that he seems to be giving us.

I hope that Mr. Jean agrees.

[*English*]

The Chair: Mr. Jean.

Mr. Brian Jean: I want to mention two things before I comment on your persuasion.

Quebec awarded the contract to these five consultants on February 16, 2009; I just want to point that out. It's a \$3-million contract. I'm of course not saying that we can't grasp issues that cost \$3 million. I'm saying we don't have the resources necessary to do the on-the-ground study that they're going to do.

I like Mr. Laframboise's idea. I think it's a good idea. Actually, it was my colleague Jeff Watson who convinced me—thank you, Jeff—that this was a great idea. I just wanted to mention that.

So I do like that idea. What I would ask, though, before we schedule this, is whether, if at all possible—and I'm fine to tentatively schedule it in wherever the members would like—I could find out from the department when to expect to receive a copy of the report, or when the report is planned to be done, just so we have that information. I don't know how long it's going to take. I'm sure it will take longer than a few minutes to spend \$3 million, but if I could find this out, it might give us an opportunity—

Hon. Joseph Volpe: It's the end of the year.

Mr. Brian Jean: I don't know.

Hon. Joseph Volpe: It is.

Mr. Brian Jean: It is? I'm not certain; I don't have it listed.

But if we could do so on a macro basis on the issue itself and maybe on some of the technology that's available, that would be, from my perspective, more beneficial at this stage than trying to duplicate what they're doing, as far as a cost-benefit analysis and the viability of it are concerned.

But I'm prepared to do whatever the committee and the members want to do.

Hon. Joseph Volpe: I thank you for that, Mr. Jean, but there are other studies that have been done in the past. So for us, it's not that we want to pre-empt what anybody else is going to do down the road, but there are other studies. There have been two very major studies and eight very significant studies, and the department has access to all of them. We could share some of that information.

As Monsieur Laframboise said, we could bring some of the officials forward, we could begin to do our own study, and then what this latest group will say or do will make it more significant for us. That's what our focus is, from what I gather my colleagues are saying.

•(1635)

The Chair: Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise: Perhaps we could give our analysts the mandate to contact Transport Canada, as well as Bombardier, Siemens, Alstom and other companies with expertise in the area. We would ask them to see how they could coordinate it. We would have to tell those companies that the committee intends to meet for a few sessions and see if they are prepared to provide us with documentation. We could have a report from our research service telling us that the companies have been contacted and here are the possibilities. This is no national emergency, but we could start contacting the companies.

[*English*]

The Chair: Mr. Bevington.

Mr. Dennis Bevington: It might well be that we bring forward the consultants who are doing the study to present to us what they're accomplishing with the new study. We can put that in context, as well. That would certainly set the tone and might give us some answers as to what this new study is going to show us, above what we already know about fast rail in this country.

The Chair: Mr. Jean.

Mr. Brian Jean: Mr. Watson was on the list, Mr. Chair. I'm not sure whether he was struck off.

After that, I have just have one comment to make, if I may.

The Chair: Mr. Watson.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Chair.

I'm not even sure I was going to say anything more, though I was wanting to speak a little while back, other than that I think the more limited approach of holding a couple of meetings on this to scope out some of the issues that are important.... Of course, important in all the discussion isn't just the cost of getting something up and running, but the cost of operating such a system as well, because that's an ongoing cost of doing high-speed rail properly.

So I guess I'm speaking in favour; I think it's important to get... I just don't want us to bite off more than we can chew, as well, because we have to balance that against, I think, some of the other issues we have to deal with at the committee.

Maybe I sense there's some agreement to keep this a little more limited at the moment rather than something much broader.

The Chair: Go ahead, Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair. I thank the other members for their indulgence.

I think you're right, Mr. Volpe. There have been a lot of studies done, but all of them have shown that it's not viable. That's the issue. You mentioned in your first address that there may be new technology. If there is new technology, I could see us focusing on that new technology and whether, on a macro basis, it might change the viability of the entire operation.

The Alberta government was going to have a high-speed train between Edmonton and Calgary for a billion dollars some six years ago. That price has, I think, quadrupled at this stage.

I'm not sure what the committee can do as far as the viability aspect goes, but on new technology and generational change—and this is the time to do it, if at all—we can do it as a government. The economic stimulus package now might be able to justify the viability of it, so I think it might be more appropriate than I originally anticipated.

The Chair: Go ahead, Mr. Volpe.

Hon. Joseph Volpe: Thank you for that.

Since we seem to be in agreement, I might propose that we put aside two or three meetings as a beginning, keeping in mind that we always have as a first priority any legislation that comes before us. Those meetings can be moved as the legislation comes to us. It moves down the road.

We could set those out now. Then, after we have had our initial meetings, we might be able to focus our minds on where we go next and what kind of recommendation we'd want to put forward, if any.

Is that fair enough?

[*Translation*]

Do you agree, Mr. Laframboise? How about you, Mr. Bevington?

So I suggest Tuesday 28, Friday 30 and Tuesday 5. Those are possible dates, but if we have other things to do, we can always move them.

[*English*]

Is that okay? We can always move them.

The Chair: The only concern I have—

An hon. member: Is legislation.

Hon. Joseph Volpe: No, I said that if there's legislation, that moves everything back.

The Chair: But the only concern I have with establishing that date is that we're going to invite people to come and then we may tell them not to come. Then we may invite them to come again.

We are going to—

• (1640)

Hon. Joseph Volpe: The first people are our own officials, so they're here. I think that if we can get them at the very first meeting, by then we will have a sense of what our timetable will be with respect to our parliamentary obligations and we can give people a sufficient amount of time.

To follow up on what Monsieur Laframboise says about the Canadian companies, we might alert them to the fact that we will begin a pre-study of this matter and ask them to prepare themselves for a call within, let's say, a couple of weeks. That gives them enough lead time, and that way we won't discomfort them too much. If we tell them now, they'll have a month.

The Chair: Right. I'm more just looking forward. Having looked at Bill C-7, which we will be dealing with on the Tuesday because we're having the minister come on the Thursday for estimates, may I propose that we keep April 28 and April 30 available for Bill C-7, and try to book them for May 5 and May 7?

We know Bill C-7 is here. We know that we're going to deal with it first.

If that's suitable, it just gives us time to finish that legislation. I'm not even sure if that's going to be enough time, but we're hoping.

Hon. Joseph Volpe: You're saying we'll deal with Bill C-7 on April 28 and April 30.

The Chair: The guests we would invite for May 5 would be from the department and would give us the overview. If you think of any other guests over the next week or 10 days, give us a heads-up to get them here. *D'accord?*

Monsieur Laframboise, are you okay with the schedule? Okay.

Go ahead, Mr. Bevington.

Mr. Dennis Bevington: One other issue that I'd like to see us consider looking at right now is the issue of Air Canada.

We're in a situation in which our major carrier is potentially into bankruptcy protection. We've heard the minister say that he wants to keep a close watch on this. I think we need to be a bit proactive in terms of understanding the situation with this very large component of our airline industry, so I'd like to see us have an opportunity in the next month or so to bring forward witnesses and get a report on that issue.

The Chair: Comments?

Mr. Jean.

Mr. Brian Jean: My first comment would be that this is a private company that operates at arm's length and it's a serious company and it's a Canadian carrier and we're all concerned with it. But what kind of study are you proposing—to see if it's viable that they're going to go into bankruptcy? They aren't going to share sensitive commercial data. They're not going to share their financial statements or other things that are privy only to them. Even the public ones will not give us a clear indication of what their financial position is.

Mr. Dennis Bevington: Is it that we'll need to actually look at the industry as a whole, then? They would be part of that examination to see whether this recession that we're going through changes what the condition of the industry is and what the likely futures of the private companies within the industry are going to be.

The Chair: Mr. Laframboise.

[*Translation*]

Mr. Mario Laframboise: The Air Canada situation is very worrying. Mr. Jean is partly right; it is a private company.

The problem is that all the pension funds of all the employees and former employees are in danger of becoming unstable. Is it up to the Standing Committee on Transport, Infrastructure and Communities to deal with that?

I am very sensitive to this. It is frightening. If the crisis continues, pension funds will probably be attacked in other companies. This is not easy for people who have already retired: they are seeing their income reduced and they may even lose a part of it. These are very serious situations.

The Air Canada situation has lasted longer than the crisis. It has been going on for several years. Is our committee in the best position to discuss pension funds? We should look at that and discuss it at some stage because it is very worrying for Air Canada's employees and former employees.

[*English*]

The Chair: Mr. Jean.

Mr. Brian Jean: Thank you for that.

I was going to address that as well, because I think this is obviously an extremely sensitive issue that we have to deal with. For me, from what I've seen of the file, though, it comes back to a lot of management issues. They hedged options at \$1.10 a barrel of oil, and oil was only up past \$1.10 for a brief period of time and yet they bought a lot of options on that, which didn't make a lot of sense to me from a business perspective, given the volatility in the market.

The pension plan and the realities of the pension plan are currently being investigated with the Minister of Finance, and the parliamentary secretary has that specific file to try to find a solution to it. So if we go and study that and step on their toes, I'm concerned about that being an issue that doesn't get to what's in the best interests of the people who are in the pension.

I'm very concerned with Air Canada. I probably fly more than anybody in this room, I would suggest, and I'm very concerned about it. But at this stage, I do believe that whatever is going to happen in the industry is going to happen well before we study this. And there might be a shake-down just like there was a shake-down back in the eighties and nineties, and just like Australia changed their...They probably have the best and most productive airline industry in the world right now because it's deregulated and it's working quite effectively. Canada is going to have a shake-up and Air Canada's going to be one of those companies shaken up. Although I'm very sensitive to it and I think this committee should be very sensitive to it, it is a private company, and no matter what we study and no matter what we find out, we're not going to be changing anything.

If we're going to study pensions, I think that's a finance issue, and they should study pensions. They're already doing it and the parliamentary secretary is well ahead of the game in that.

What are we going to find out—that they're going to be bankrupt? Well, we're not going to change that. The reality is that I'm concerned about the employees who have pension plans there. That's what I'm really concerned about, and the viability. Just like the auto sector; I'm very concerned about that, because that's not fair to those people who have pension plans that are going to fold.

So I think from that perspective that's a finance issue; that's not a transport issue; it's not an infrastructure issue; it's a finance issue. We should let finance deal with that.

• (1645)

The Chair: Comments?

Mr. Volpe.

Hon. Joseph Volpe: Monsieur Laframboise and I were around when there was the last shake-up. This committee dealt with Air Canada and Canadian Airlines at the time, although obviously the circumstances were a little different from those today.

In part Mr. Jean is absolutely right, that this is a completely private company and there's not a restructuring of the transportation system like that which occurred in the 1990s with Canadian and Air Canada. So we're not in danger of losing the infrastructure of transportation, but we are in the position that—at least for those of us on this side, and I hear the government side agreeing—with those workers dependent on a pension scheme they bought into and contributed to, if we now go belly up, this is something the Government of Canada will have to deal with. Whether it affects us as a transportation committee is another matter. It will affect us all as members of Parliament.

The second issue is that all of us are concerned that there are 23,000 employees who may be looking for an alternate company to employ them, if this is what happens. I don't want to be one of those who will scaremonger everybody into a place we shouldn't go to, and I'm quite capable of pointing the finger at those greedy people who took \$2 billion and gave it to shareholders instead of topping up the pension system, as they were—I guess some people would say—obliged to do.

I would like us, notwithstanding the fact that the parliamentary secretary for the finance minister is looking at this, to keep ourselves open. I see that we might have some room on April 30 or whenever. If it comes to the point that we're close to seeing the kind of shake-up Mr. Jean suggests, then it becomes not just a finance issue but a transportation issue. We would at the very least be able to get some of the players around the room.

It's a question of informing members of Parliament, rather than anything else. We no longer have any legislative role to play; we do still have regulatory oversight. We shouldn't lose sight of the fact that Transport Canada is the regulatory body, whether they're private sector or public sector, and we shouldn't give up that particular jurisdiction.

I propose that we keep ourselves open for this, and as I said earlier with regard to high-speed train travel, we have a moving schedule and we have put in an extra day for Bill C-7, so if it comes to it, we would make the adjustment.

I don't know whether Mr. Bevington is okay with that, or Mr. Laframboise. If Mr. Jean is okay, then I think we can keep everybody happy about where to go next.

•(1650)

The Chair: Ms. Brown.

Ms. Lois Brown (Newmarket—Aurora, CPC): Thank you, Mr. Chair.

I want to concur with what Mr. Jean was saying earlier, that the Department of Finance is undertaking a very extensive review of the pensions at the moment. I would hazard to suggest that it might be a conflict of interest for our committee to be taking this on at the same time.

The parliamentary secretary has been across the country in the last three weeks—in fact, he had meetings in Toronto within the last two weeks—and I think his report might be of interest to this committee at some point later on, but I suggest that we would be duplicating efforts. In the interest of being efficient in this committee, I would suggest that we leave that pension discussion with the Department of Finance.

The Chair: Let me suggest that I'll make a connection with the parliamentary secretary to the finance minister suggesting that we may request him to appear before the committee to update us once he has finished his review. I think he has one more week, and then he's done.

Mr. Bevington.

Mr. Dennis Bevington: I think that's a good plan on your part. I'm not convinced that the only issue we're dealing with here is the pension issue. I think it goes beyond that, as Mr. Volpe pointed out. We might agree to consider what other issues may be involved with the airline industry right now, so that we understand whether the current financial crisis in the world and the downturn in the economy are going to lead to different measures within the airline industry. I think we have to be cognizant of that question.

Certainly we should hear from the industry about whether there's anything within the transportation system that it would be appropriate to do to alleviate some of the problems these companies are going to experience. I think it's incumbent upon us to take a look at that.

Yes, the pension plan is one problem. I hear it's being handled by the parliamentary secretary to the Department of Finance, but I would feel much more comforted to hear the industry say that there are no other issues we should be approaching right now.

The Chair: Go ahead, Mr. Jean.

Mr. Brian Jean: I just want to make two points. First, we have two national carriers. One is very profitable and competes in the same environment as Air Canada. That's WestJet. It has had a huge growth rate and has no competitive advantage. In fact, it has competitive disadvantages. I just want to make that point.

This is an issue of management, in my opinion, and that is maybe why we had a resignation. The issue is about people who are unemployed, in my mind, or are soon going to be, and their pensions and ability to continue to live and subsist on something they carried forward. I just want to make that point.

I also want to say something else, which is that there are other things we can study. In terms of the high-speed rail study, if we have high-speed rail just from Quebec City to Toronto, what's that going to do to the airline industry? These are two competing industries. If we put in high-speed rail, we're going to cut the throat of Air Canada in many of its major profitable centres. Let's be clear.

Just be aware of some of the things we're asking for the same study, which is actually a competitive—

Hon. Joseph Volpe: Nobody's prejudging the outcome, so I wouldn't draw that conclusion. I'd still like to have the study.

Mr. Brian Jean: I understand that, but I'm drawing the conclusion that if it is successful, it's going to change the airline industry again. That's what I'm suggesting, Mr. Volpe. With respect, I'm just saying that these are the issues.

We have some other things that I would like to see studied. For instance, during my time on this committee, short sea shipping is something we could look at—the port of Montreal, the St. Lawrence, Windsor. I mean, these are things that can actually create a competitive advantage for us versus the Americans. That's something I would like to see studied that we could actually make some legislative changes on.

What happens to Air Canada won't be changed in terms of regulations and what happens in the country for two or three or four or five years, after we're well and gone, or out of this committee, I would suggest—although I might still be here, carrying a cane.

Let's look at some things that... For instance, Air Canada is going to be falling out by that period of time, I would suggest. Short sea shipping is something we could see changes with. We could do something. There's also brownfield redevelopment. Let's look at that. Broadband Internet in smaller communities across the country—how would that change the face of rural Canada?

Those are some things on which we can actually make recommendations to the minister. They are things we can change, rather than just react to. Air Canada, to my mind, is a reaction to a competitive industry in which one company is thriving and one is in a bad state.

With respect, Mr. Bevington, quite frankly to me it's not logical, because anything we find in our study we can't change anyway. Ultimately, if the industry is going to change, it is going to change dramatically, and we won't be there to carry the bucket. There are some other studies I'd like to get involved with, things on which we can actually make a difference as a committee and on which we can make recommendations to the minister and make recommendations for the budget.

We've been successful on navigable waterways and rail safety. We've done great things in this committee. Let's not just react to something that's happening and really do nothing that's going to have any impact on the future. I don't think it will. With respect, I don't think it can, just because of the narrow window.

I could see that we could do something about pensions because we could make recommendations, but Air Canada? This issue has been studied to death in terms of the kind of model we should have for our airline industry in Canada. Maybe things will change as far as Air Canada goes, but I'd like to see us study some of the things I've proposed, such as brownfield redevelopment. How many people would like to change the scope of Montreal and Toronto? I would like to see those things happen.

• (1655)

The Chair: Ms. Hoepfner.

Ms. Candice Hoepfner (Portage—Lisgar, CPC): I'm concerned with the same thing. Being a new member on the committee, I think there have probably been a lot of issues that have already been studied—maybe over-studied—and my concern is that there are things that are happening right now in our communities that we can have an impact on. Mr. Jean mentioned broadband expansion in rural areas. With the economy in the state it's in, we need to be looking at issues we can actually have an impact on.

I'm not really sure what the process is, Mr. Chair. Maybe you can advise me. I'm on other committees where there's a process for determining topics. We actually vote on it. I'm not sure, Mr. Chair; what is the process?

The Chair: That is actually what the subcommittee does. I've made it a collective group today. I think we've probably run into...

We can't come back to the committee, because we all have an opinion. I think it creates a difficulty. I probably created that one myself.

Mr. Volpe.

Hon. Joseph Volpe: With all due respect, we have already agreed by consensus on a timetable that includes Bill C-7 on April 21, estimates on the 23rd, Bill C-7 on the 28th and the 30th as well. But we've built in flexibility for two other issues: high-speed train travel on the 5th, the 7th, and the 12th.

We have not filled out the rest of the timetable, and that doesn't preclude us thinking about those things today, but we've also said we would have a possibility of a subcommittee that would flow from further study. The parliamentary secretary has just proposed at least

two other areas of study, so there are at least two, and we have three days before the summer recess left for this committee.

I propose we leave those three meeting dates open until we have come, at the very least, to the conclusion of Bill C-7, whereupon we can have another steering committee to fill out the rest of the timetable. We would take into consideration some of the issues that have been raised.

I acknowledge the fact that the parliamentary secretary has accepted that the Canadian government—Transport and by extension this committee—still has oversight responsibility, regulatory responsibility, for the airline industry, and we ought to leave ourselves with a little flexibility in the event that we might be engaged. We have that with those three days.

I like the idea of short sea shipping. That's not a problem. But why don't we look at filling out the rest of the timetable after we have concluded Bill C-7?

Mr. Brian Jean: Mr. Chair, might I suggest this—

The Chair: I am going to go to Mr. Laframboise.

[Translation]

Mr. Mario Laframboise: I partly agree. In fact, Mr. Chair, I like your proposal to write to the Parliamentary Secretary to the Minister of Finance asking for the report on the pension fund study. We would then be able to have those people appear and to hear what they have to say.

[English]

The Chair: Good.

Everybody is comfortable, then? We basically have the next six to seven meetings determined. I would ask that members get their witness lists put forward for Bill C-7, which we will be dealing with on Tuesday the 21st with the minister and staff. We would like to give those people a heads-up.

Mr. Jean.

• (1700)

Mr. Brian Jean: I would like some response in relation to my proposals on those studies, or at least keep them in the slot.

The Chair: Absolutely, yes.

Mr. Brian Jean: No disrespect to high-speed rail, because I think that's important, but short sea shipping is something that... And I'm fully prepared to do it—even in other meetings, to put it bluntly—but from my perspective, short sea shipping could change the face of our transportation industry in the country and our economy, and brownfield redevelopments could change what happened yesterday to a new future.

Those are things I would like to see move forward instead.

The Chair: We'll keep them on the list for future discussion by the subcommittee.

The meeting is adjourned.

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