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Chair

Mr. Merv Tweed

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• (1535)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good afternoon, everyone. Welcome to the Standing Committee on Transport, Infrastructure and Communities, meeting number 27.

Pursuant to Standing Order 108(2), our orders of the day are the study of high-speed rail in Canada.

Joining us by video conference from Vancouver, on behalf of the Greater Vancouver Transportation Authority, TransLink, is Mr. Robert Paddon, vice-president of corporate and public affairs.

I hope you can hear me.

Mr. Robert Paddon (Vice-President, Corporate and Public Affairs, Greater Vancouver Transportation Authority (TransLink)): I can hear you fine, thank you, Mr. Chair.

The Chair: Thank you.

We have another guest, who is running a few minutes late, but I would like to ask you to start and make your presentation. Hopefully our other guest will be here. If not, we'll go to questions, and then refer back to our other guest when he gets here.

Please begin.

Mr. Robert Paddon: It would be my pleasure.

Thank you, Mr. Chair. It's my pleasure to be here. I'd like to thank the committee for the opportunity to speak to you today.

As noted, I represent TransLink. We are the public transportation authority for metro Vancouver, which represents approximately 2.3 million people in British Columbia.

We're pleased to have an opportunity to comment today on the matter before you, high-speed rail. First I'll give you some context.

While our mandate is specific to public transportation in our region—including public transit, cycling, walking, and also our major roads—we have an interest, and a strong interest, in seeing the development of rail connections in the area that we refer to out here as Cascadia.

Cascadia is known as sort of the growing super-region that connects Portland, Oregon, through Seattle, to Vancouver, British Columbia. As of 2000, the population of Cascadia was almost eight million people. It's estimated that it will be over 10 million people by 2025. In addition to that, we're anticipating the growth of Vancouver over the next 20 to 30 years to add an additional million people.

One of the challenges that we face in our region—and certainly what British Columbia is trying to tackle—is reducing our carbon footprint, reducing greenhouse gas emissions. We see rail connectivity through Cascadia as an important contribution to that. We have, over the years, worked to try to develop increased rail service. We worked a number of years ago to have the second train come into Vancouver, and we're very supportive of that. In addition, we support the efforts of the City of Vancouver, which has undertaken a memorandum with Portland and is working with other municipalities in Cascadia to connect.

Now, that's a bit of the background and a bit about our interest in high-speed rail. In terms of looking at greater Vancouver, we have looked at some models of how to develop. First, we have been very fortunate, with the support of the Government of Canada, to have significant investments into our region. We'll be opening the Canada rapid transit line later this summer, which will be in addition to our SkyTrain system, and we are very pleased with the commitments the Government of Canada has made for another rapid transit project, Evergreen Line. In addition to that, through the gas tax transfer program we've been able to expand our bus fleet by about 48% over the past five to six years. Our ridership is up by 38%.

We've set goals for ourselves into the future, where, by 2040, more than half the population, more than half of the trips taken by people of this region, will be by transport, public transportation, walking, or cycling. Today, that's about 25%.

So we're looking to models in North America. Probably the closest would be the metropolitan New York area. We're also looking at European cities and asking ourselves what some of the requirements are for us to change the way we move about.

In order for us to be a significant economic power in western Canada, our connections to the U.S. are important. High-tech industries are important to Vancouver. Connections to Seattle, with Microsoft, and to Portland, with some of the other high-tech industries and companies there, are vital parts of our economy.

We see that in the distant future dependence on carbon-based air travel will start to become a problem, as the cost of fuel will probably increase significantly and the availability and the way to connect through air travel will likely be diminished. When that happens, we will need alternatives.

We see a future in which a business person in Vancouver can hop on a high-speed rail system, go to Seattle or Portland, do their business, and when they get off there can use their smart card transit pass from Vancouver in a cooperative agreement with that city to use their public transportation system. So we see the relationship as being important.

We do not look at it as an either/or situation. We think it's important to continue to develop the public transportation systems of our urban regions in Canada. We appreciate the support of the Government of Canada there.

We also think it's important to begin to look into the long term to see what we can do to build on high-speed rail. We're pleased to see the United States moving in that direction. There are some opportunities, I believe, for Canada to take advantage of the infrastructure money that the United States will spend on the Cascadia corridor. We hope there will be an opportunity to see some support here in Canada to make those connections.

• (1540)

Mr. Chair, I'll conclude my remarks there. I'd be pleased at any opportunity to respond to questions that you or the committee members may have.

Thank you.

The Chair: Thank you very much.

Mr. Volpe.

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

Welcome, even though you're far away.

I'm going to ask my colleague from British Columbia to take this section of the questions, if you don't mind.

Mr. Dhaliwal.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Thank you, Mr. Volpe.

Welcome, Mr. Robert Paddon, all the way from British Columbia.

You mentioned the Cascadia region. Should the rail service between Vancouver and Seattle go directly to downtown Vancouver, or should it connect to SkyTrain in Surrey?

Mr. Robert Paddon: In terms of the specific details of what the appropriate alignment would be coming into the metro Vancouver area, I think we need to study that very carefully. We're not, at this position, recommending a specific alignment.

Looking into the future, we know that the city of Surrey will be growing significantly. It's anticipated that by 2040 the population of the city of Surrey will be larger than that of the city of Vancouver.

So if we decide to move forward with this initiative in Canada, I think we'll need to work with the municipalities of metro Vancouver to try to see if we can develop an alignment for high-speed rail that would create the best economic benefits for our region as a whole.

Mr. Sukh Dhaliwal: There are issues with the New Westminster swing bridge. Could upgrading this bridge help improve the transit system in metro Vancouver?

Mr. Robert Paddon: With regard to intercity connectivity, certainly the rail crossing of the Fraser River is well over a hundred years old now. I know in the discussions we've had over the years with the rail providers, just working on trying to bring the second Amtrak train into Vancouver, that has been identified as a long-term infrastructure challenge that we'll have to address.

I can't speak directly to it in terms of how best to approach that, but one of the things that we're going to be looking at is replacing in Vancouver an aging bridge, which we own through TransLink, called the Patello bridge. I know you know it well. It is over 70 years old. We have to replace that bridge.

One of the things we will undertake in the study of the replacement of that bridge is whether or not there are some benefits to considering a combined railroad bridge for our region. I can't say that this may be an outcome, but we're certainly going to look at it.

In any event, in terms of well into the future for any rail connectivity to the south, be it high-speed or regular train, I believe we'll need to address that rail bridge.

Mr. Sukh Dhaliwal: On another issue, you say that Surrey is going to be one of the largest municipalities soon. The portion of that old interurban rail line that runs through my riding of Newton—North Delta and beyond, to Cloverdale and Langley, now connects some of the densest communities south of the Fraser. TransLink has said that it seeks to preserve this route for the future.

I'm wondering, given the current bus ridership and the continued growth of those communities, if it would make more sense to investigate the viability of the return of passenger rail to this route now as well.

• (1545)

Mr. Robert Paddon: As TransLink, we believe it's important, wherever there are rail corridors in place, to maintain those and keep those for the potential for moving people and having more commuter rail options in our region. One of the challenges is that once a rail corridor is gone, it's very hard to create a new one or to bring one back. So we're certainly supporters of that.

With regard to how best to service the growing city of Surrey, and also Langley farther east, we are undertaking studies at this time. We will be looking specifically at rapid transit in Surrey and potential extensions.

One of the studies we're also undertaking, in cooperation with the Government of British Columbia, is to look at the interurban and the viability of parts that corridor, if not all of it, for potential for public transport into the future.

We haven't completed that work yet, but there certainly is potential there, and we want to be investigating it.

Mr. Sukh Dhaliwal: On another issue, when the federal government contributes to these projects in transportation, do you see that this funding should be application-based, just as we're doing it now, or would the increased resources of the gas tax improve the long-term local planning? Which would you prefer?

Mr. Robert Paddon: There are merits to having both procedures in place. For example, when we look at high-cost major infrastructure projects, we believe it is important to have a rigorous technical review so that all of the options are considered, that we have detailed analysis to determine ultimately what the best route would be—or the alignment, as we call it in the industry—as well as the technologies that should be employed, and that this large project can stand on its own.

With regard to the gas tax transfer program, we have really benefited from that in the region. We have been able to use the gas tax transfer program to acquire well over 250 new buses in our region. Many of these are electric-diesel hybrids, so we're reducing our GHG emissions as well as other pollutants. We're also utilizing some of the money in building the infrastructure to support the bus system, for bus depots and this sort of thing, and we are acquiring new SkyTrain cars through the program.

The gas tax program has significant requirements as well, but we see it as being an excellent tool to work with when you need the flexibility to make bus orders that come up from time to time and to do less expensive infrastructure.

Both programs, we believe, are needed, but I would say that when you move to a very large infrastructure project, and when we're talking about rapid transit, you're moving into the billion-dollar range or close to it... Even for rapid bus, you're getting into hundreds of millions of dollars. We think it's important to have a program that would look at the specifics of the project at that level.

The Chair: Thank you.

I would now like to introduce Mario Iacobacci. He's the director of transportation and infrastructure policy for the Conference Board of Canada.

We appreciate you making time to be here. We're going to give you your opportunity and then we'll proceed with more questions.

Mr. Mario Iacobacci (Director, Transportation and Infrastructure Policy, Conference Board of Canada): Thank you very much, Mr. Tweed.

Thank you for giving us the opportunity to address you today.

We at the Conference Board believe the time is right to move forward on the development of high-speed rail in Canada on the different corridors that we've been talking about: Calgary-Edmonton, as well as Quebec City-Windsor. If we look at the European and the Japanese experience, it indicates that it's possible to design a service that is both attractive and competitive relative to the other modes.

What I want to focus on today is really the aspect of how we evaluate the high-speed rail options that are before us, because it's important to realize that these options cannot be evaluated in terms of commercial or financial benefits alone. There is, in fact, no high-speed rail service in the world—that I'm aware of—that covers its costs through the fare box. Maybe the Japanese one does, given that the infrastructure is already all depreciated, but that's about as close as you'd come.

The reason we can't use those evaluation measures alone is that there are important public benefits at stake: environmental benefits, social benefits in terms of accident savings, and economic

development benefits as well. What drives these public benefits? We like to think of it in two ways.

There are two things that happen when you introduce a major improvement in a rail service. You have a potential switch from other modes, and this mode-shift effect drives a lot of the savings, both in terms of reduced accidents for those shifting from road and in terms of reduced GHG emissions for shifts from road and from air as well. So on the one hand, you have the mode-shift benefits that are very important and speak to a lot of the overall environmental and social cost savings.

The second set of benefits is made up of those that are driven by the additional passengers. The fact that we're actually introducing a service that improves mobility between two or more points means that you're likely to see a very substantial increase in overall traffic.

By way of comparison, if you look at the introduction of low-cost airlines on a number of routes, whether it's here or in Europe, those routes often saw a doubling of traffic because the service was both improved and much more cost-competitive. If we are able to introduce a much more competitive service, I wouldn't be surprised to see that order of magnitude of improvement in rail traffic between Montreal and Toronto, for example.

It is these latter benefits, the new trips, that drive the economic development impacts of this kind of infrastructure. Here we're talking about impacts that are driven by the fact that we can do these trips and reduce journey time, but these are impacts that drive how labour markets work, because they are able to make labour markets work much more effectively by ensuring, essentially, that people can get to and from their places of work more easily and so on.

They also drive trade and investment opportunities, which rely on people being mobile. This is not something we talk about very often, but it is a very real effect of improving connectivity.

To summarize, we believe that when you look at the public benefits of some of these projects, it is these that actually justify the public investment—that is, the government spending that will be required in any of the options that are evaluated going forward.

I would just end by saying that we are looking forward to the current study that's reviewing or updating the Quebec City-Windsor studies of 1994-95. We're looking forward to those results, but we'd like to say that continued delays in improving this infrastructure are unlikely to improve our capability to deliver on this vision. In fact, it's actually quite the opposite. Over the last 20 years or 10 years, what we've seen is a cost escalation—a construction costs escalation. There's a dip now possibly due to the recession, but this is a long-term effect that you're likely to see continue to evolve, and that works against these kinds of infrastructure projects.

•(1550)

Second, as we see communities continue to develop within the rights of way we're talking about, it makes the environmental assessment processes for these options also a lot more difficult to get through over time. This is particularly relevant, for example, for the Calgary-Edmonton corridor. These are all factors that potentially work against us if we delay further.

I'd like to leave any other questions for you.

The Chair: Thank you very much.

Monsieur Laframboise.

[Translation]

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

Mr. Paddon, my first question goes to you. It is my understanding that, as a representative of TransLink, you do much the same as the Agence métropolitaine de transport does in Montreal. Am I correct to say that you are a counterpart of the AMT?

•(1555)

[English]

Mr. Robert Paddon: Yes, sir. It's very similar.

[Translation]

Mr. Mario Laframboise: If we go with the concept of high speed rail linked with public transit...Airport representatives and officials from Toronto Airport have come to the committee to say, among other things, that we now have to see the airports as destinations for high speed trains.

I have had the opportunity to go to Vancouver. Would the idea of bringing high speed trains to the airport allow integration with the public transit systems and lead to the development of the transportation network as a whole?

[English]

Mr. Robert Paddon: That's a very good question. One of the things we are looking at is that many people in the industry no longer see that there's competition between the modes—air versus rail versus rapid transit. We will be opening Canada Line, which will give us rapid transit connection to the Vancouver airport. There certainly is potential as we move forward on this initiative to look at the study to see what the benefits would be. As I mentioned earlier in response to a question on high-speed rail, one of the challenges of it is that you would not have a lot of different stops, and you'd have to determine where best to terminate that rail service. There could be the potential to examine the airport, or to look at moving into the downtown core. It might also be a matter for many business travellers of ultimately trying to get into, for the most part, the downtown business district. We would have to determine how best to do that with the technology coming forward, but there would be merit in exploring that concept.

[Translation]

Mr. Mario Laframboise: Thank you.

Mr. Iacobacci, let me continue along the same lines. In your presentation, you told us that this will mean that airports do not need

to be expanded. Great. What we also want is for the airports to survive.

From your analysis, if we were to develop the concept of bringing high speed rail to airports, would the airline industry be able to survive and would we save money on highways and on airports too? Have you looked at that question?

[English]

Mr. Mario Iacobacci: I can't say that we've studied the impact of any particular option on the airports or airlines. We haven't. But what I can say is that it is extremely important to ensure very good connectivity with the key hubs and the key modes. In fact, I think that probably the viability of a lot of the options that you may be considering eventually will depend on where we're able to get traffic. If we're able to have good connections with particularly the inter-city services within the greater metropolitan regions, such as the services of the AMT in Montreal, or the equivalent services in the Vancouver area, or GO Transit, and potentially we can even provide services for some of that market, say Oshawa to Toronto, as an inter-city service, we could potentially service that by high-speed rail. If we were able to pick up some of that traffic, it would actually make the overall high-speed service much more viable. So that's why it's important to ensure very good connectivity.

The way we measure connectivity is to look at the ease—and not just the speed—of transferring from one to the other. People travel with bags and everything else, so the more the hub is designed to facilitate that transfer, the more attractive it is from a passenger perspective. I think it's actually one of the essential ingredients of a good option.

•(1600)

[Translation]

Mr. Mario Laframboise: My next question goes to Mr. Paddon. It is about the Cascadia Corridor. Are you interested in it at the moment? Who is working on it? Have you analyzed the possibilities for high speed rail? Have the Americans been asking for it? Could you give us a little summary, please?

[English]

Mr. Robert Paddon: We have worked closely with a number of stakeholders in the corridor. I've been involved with this now for probably seven or eight years in terms of looking at rail connectivity. There's a stakeholder group out of Seattle, the Discovery Institute, that has put a lot of time into it. As well, there are some non-profit organizations here in Vancouver that have looked at Cascadia.

Of interest to stakeholders is that we see potential in what is emerging as one of the major industries, in what we call in the States the Pacific Northwest, or which we're now referring to as Cascadia. We have today some challenges, and certainly will over the balance of this decade, with the border thickening, as we say. It has become harder to make physical contact, to be able to travel as business people to and from the cities, although that still continues. As we look into the future, we would like to see a situation in which we would be able to perhaps address that issue, and we believe high-speed rail has an important potential to do it.

In addition to that, the environmental matters that we face in the Pacific Northwest are important to many of the stakeholders here. While we all know that we will depend on air travel well into the future, we're increasingly starting to see that there would be some options, ideally for a high-speed rail system that would be electrified. One of the benefits here and in the Pacific Northwest is being able to rely primarily on hydroelectric energy, which is very low in terms of emissions.

We can see the potential of improving our business connectivity, and of doing so in a way that is very environmentally beneficial. We think this is something that has been worth pursuing.

It is my own personal observation that there is much interest, both within municipalities and at the state level and within the non-governmental organizations, in really seeing some movement in this direction. I would not anticipate significant resistance to this going forward into the future.

The Chair: Mr. Bevington.

Mr. Dennis Bevington (Western Arctic, NDP): Thanks, Mr. Chair.

Welcome to the guests and witnesses here.

We've been at this high-speed rail discussion for a while now, and certainly one of the key issues seems to be approaching it from a visionary sense of where you want transportation to go in a particular corridor.

Mr. Iacobacci, when we talk about the Quebec-Windsor corridor, we're talking about a pretty complex transportation corridor that already has huge investments in a variety of transportation forms. In the absence of a very coherent vision for this region, how do you see moving ahead with a new transportation system like high-speed rail with dedicated lines? It is a very significant investment of \$20 billion to \$50 billion, as we've heard, when we already have put such an emphasis on other systems.

Maybe I could just get your comments on how you see going forward without that kind of visionary exercise.

Mr. Mario Iacobacci: Thank you.

I'm not sure we are in a situation where there isn't a vision. First of all, just factually, we have the continental gateway initiative, which is currently coming up to its results. This fall they will announce the results of this strategy that brings together Ontario, Quebec, and the federal government.

You also have, for the first time in a long time, a groundswell in favour of passenger rail, something we haven't seen in a very long time here in Canada and in the U.S., so there is an opportunity there. Will we need a vision? Yes. Will we need leadership? I agree with you. Will this be achieved through one big bang? I personally don't think so.

If we look at some other jurisdictions and how they have achieved it, my sense is that if we try to push this agenda forward then we have a chance to do so, and we may be able to do so in the way that Britain did. I say that because Britain went through a very long period of underinvestment in their rail infrastructure. This was an infrastructure that was used primarily for passengers, not for freight

such as we have. Following that period of underinvestment, beginning in the 1980s there were a lot of initiatives that were undertaken, and the system improved. So passenger service improved dramatically in terms of journey time within the country, and it has continued to do so. These have been incremental, but they have been significant, and they have finally now connected in a real way to the high-speed rail system on the continent. It wasn't a big bang. It happened over a 20-year period.

Given the sums of money involved, other constraints, and requirements on governments, I would say that would not be a bad path if we could follow it.

• (1605)

Mr. Dennis Bevington: For instance, if we're reinvesting in the automotive industry on the basis that they are going to produce smaller, more fuel-efficient, perhaps even electric vehicles, in a big sense, if we make smaller vehicles, if we bring them around to using different fuels or more acceptable fuels, does that change the equation as well? We have a transportation system in place already that delivers people from their home to their business directly with that type of freedom.

On the one hand, are we continuing to develop an automotive industry that will do that for people in a clean and acceptable fashion, and then trying to layer on a high-speed rail system that will take them out of those vehicles and put them into a different mode of transportation where they will be at both ends reliant on interconnections, reliant on a number of things to get them to the high-speed rail and return?

That's why I say the vision seems to be a little scattered as yet.

Mr. Mario Iacobacci: I have two comments on that.

First of all, your point is excellent. That's why we believe that the vision's important but the evaluation of the option is critical, right? An evaluation takes account of what the alternatives are and what we expect the alternatives to be for passengers. That is essential. We wouldn't for one moment suggest that we move away from that fact-based approach.

The second point, however, is that we need to consider how the playing field is currently set between the modes. This is also important when we look at the European experience and the European successes underlying high-speed rail.

For example, in France, people refer to it as the great success story, and indeed it is, but on the first line from Paris to Lyons, if you decide to travel that by motorway, you face considerable tolls. That's not the case here in Canada. It's not the case in the U.S. In the U.S., you may face heavy congestion from L.A. to San Diego, but you will not face tolls.

So the playing field is not quite the same as it is in Europe, and that is something that we do need to consider here in going forward. If we just look at Transport Canada's own results since the year 2000, they conducted a full cost investigation for every mode. For road, when you take into account gas taxes and all the other fees that are imposed on users, users pay about 40% of the cost of using that infrastructure. For air, they actually cover 100% of the cost, including that of environmental emissions.

So that's actually an important part of the puzzle when you look at the viability of high-speed rail. If we continue to have the current kind of playing field, it clearly is more difficult to have a viable option. That's the second point.

• (1610)

The Chair: Mr. Paddon, do you have a comment?

Mr. Robert Paddon: Yes. Thank you, Mr. Chair. I appreciate the opportunity to add a comment on this.

As we have developed our long-range strategy, what we've tried to focus on is analyzing the situation as it is today, which is our starting point, and then we look forward and ask where we want to be in the future.

While I've mentioned primarily environmental benefits and some of the economic benefits, one of the things that we have concluded, and one of the reasons we're moving in the direction of more public transport in our region, is that we will be unable—or it will be extremely expensive—to meet the mobility needs of a million more people. We're estimating that with a million more people could come another 600,000 to 700,000 vehicles, if that is their primary mode of travel.

We recognize that the automobile will always be needed. What we're looking at is saying, however, that it's not necessarily needed for all trips. Ultimately, we would like to see zero emissions—to reduce to smaller and zero emissions—but what we're looking at it for is for longer trips, for longer commutes, in our case, or for inter-city travel. Do you want to pour more money into highways, which are extremely expensive to build and have a very large footprint when you put them in place, or would you like to try to move people to a tighter, narrower footprint and something that may be more economical in the long term, whereby the automobile becomes something that you utilize for shorter trips?

You won't necessarily change what people are doing today, but if we are looking out 10, 20, and 30 years—and I think that at a minimum we need to be looking two decades and beyond for truly realizing the benefits if we are to move into investments into high-speed rail—then we'd have to say that we have things today, but perhaps we can build and change the direction we move in, not displacing what we have or impacting some of our industries, but complementing them as we move forward.

The Chair: Thank you.

Mr. Mayes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

Welcome to the witnesses. I appreciate your taking the time.

As a member from the interior of British Columbia, I'm going to direct some questions to Mr. Paddon.

I spent my youth in Vancouver, so I experienced the building of the freeway out to Hope. That was a big challenge for Vancouver at the time. That was many years ago, so you can get an idea of how old I am.

First of all, thank you for acknowledging our government for the investment in the Canada Line and also, of course, the Evergreen

Line. We are committed to Vancouver and those transportation needs, so thank you for mentioning that.

One of the challenges that I think we're facing in that corridor between Seattle and Vancouver is the fact that we could be hurting another mode of transportation: YVR, Vancouver International Airport. Our B.C. caucus met with the cruise ship lines, and of course they're moving half their business out of Vancouver down to Seattle. The reason they're doing it is that some of their passengers can fly into Seattle \$300 cheaper than flying into YVR. That is a challenge.

If all of a sudden there is this cheap high-speed rail from Seattle to Vancouver, do you think it would compromise YVR in terms of some of the residents in the Fraser Valley travelling to Seattle to use their airport? Also, would it further compromise maybe the cruise ship lines into moving all their operations there?

Mr. Robert Paddon: That's an excellent question.

I certainly can't speak on behalf of YVR, but I am somewhat familiar with some of their challenges. We work closely with them, and have been on the development of the Canada Line.

I think there are some specific issues they're facing with the cruise industry and how that works with air travel. I'm not sure that high-speed rail....

I can't imagine, even if we were to say today, definitively, "Let's move on it", that we would see anything even in place for a decade. It takes pretty much a decade just to build a 15- or 16-kilometre rapid transit line, so you're talking a significant infrastructure project.

So you're very likely looking at, from the point in time that you make a decision to go forward, ten years at a minimum, possibly twenty, before you'd see it come online. That said, I think over that timeframe, you would have an opportunity to work with....

One of the things you want to look at is working with those industries and those sectors that could be negatively impacted by this to see how you could develop some things that would complement it.

My own experience today with greater Vancouver is that although I can't speak to the number of people going from here to Seattle to use the airport, I know that the Abbotsford airport has been growing quite significantly. We're seeing a future where YVR and Abbotsford will become two significant points of entry for air travel in our region.

Unfortunately, I really don't feel I can speak to the details of the cruise industry and what's happening right now. I know that there are some complications with flights and some of the other barriers that are in place in bringing people in. We've heard that from a number of people.

Longer term, I think we could develop high-speed rail in a manner that would not compete with the market that YVR is pursuing today, or Abbotsford for that matter. I think we could work some of that out.

● (1615)

Mr. Colin Mayes: Would it be practical to put a high-speed rail from Hope, let's say, or Chilliwack into downtown Vancouver? It's not a great distance. It's maybe 120 or 150 kilometres.

Mr. Robert Paddon: When we look at that distance, I'm not sure a high-speed rail would, given the cost of high-speed rail.... You're looking at heavy rail, so you're going to need a lot of infrastructure there. I'm not sure that would be probably the best area to pursue a project there.

I think incrementally where we're going to see ourselves moving.... We've already commenced discussions with the City of Abbotsford. We'll potentially talk to others in the Fraser Valley. They are looking for options to the automobile today to be able to move. We're pleased we just opened a new major bridge in our region on the weekend, but even with some of these investments and where things are going with the Port Mann, in time, people want alternatives.

For example, on the Port Mann, we're going to be working with the province and others to put in high-speed bus corridors. The buses will have large park-and-rides and quick access, and will be able to move much faster than you'd be looking at for cars.

In the next 20 years or so, I don't know that there would be a market large enough between Hope and Vancouver that could support the infrastructure costs of moving to high-speed rail. Now, maybe at the end of the century that could all change. I think the first step, though, is building public transport or an alternative to the automobile. Once you have corridors in place, once you build some of those behaviours, then you can increase or change your technology to meet growing market needs.

That would be my perspective on that, at this point, between Hope and Vancouver.

Mr. Colin Mayes: Our B.C. caucus met with five of the mayors from the greater Vancouver regional district to discuss transportation and TransLink. Our government has doubled the amount of gas tax funding to municipalities. The message we got from the mayors was that they receive over \$100 million a year from the gas tax funding, and they've bought all the buses they need, and they feel that their capital expenditures are great, but the operation and maintenance is what's hindering the further build-out of their transportation system. Can you comment on that? Is it because you're not charging enough in fees for the use of transit, or are there some other challenges that need to be met?

Mr. Robert Paddon: First, I'd like to comment again that it has been very helpful to have the support of the gas tax program for purchasing buses. We purchased well over 200. We're getting close to 300, and we'll need more. Our forecast into the future—and we're literally working on this right now; we're consulting with the public this month, and we'll be making some decisions this summer—is that we will need more buses. We have anticipated that into the future, through the gas tax program—which coming up next year will be close to \$120 million and will be growing in the next decade over

that—we will fully use all of that to acquire the buses we need. We estimate we will need 400 more new buses just in the next decade alone.

The challenge we have with buses is that the purchase price of a bus is about 10% to 15% of the total cost of a bus over its life. It varies depending on whether it's electric trolley or diesel—you'll get a few more years off a trolley—but when you purchase a bus, you have to then bring on operators. If it's diesel, you have fuel costs. You have maintenance costs. You have to rebuild the engines.

For example, to purchase a hybrid diesel today costs about \$650,000. Today about 80% of the purchase price is coming off the gas tax transfer program, so it helps us a lot to reduce our capital cost. We know we're making a commitment of about \$6.5 million for that vehicle over its lifespan, which we hope will be about 13 years, or maybe we could push it to 15 years before we had to replace it. So those are significant costs.

We have moved over the past five years to increase our bus fee quite significantly, and as I mentioned, we've increased service by 43%. That's only been possible with a lot of new buses. We get very positive feedback from our customers. They love the new vehicles. They're moving to it. We have found in this region we can't keep up to demand. Every time we add a new service, it fills up. People are demanding more.

We have the challenge of finding local sources to cover the costs. In our region, the fare box covers about 52% of the transit costs. That is very high. There are very few cities in North America that come close to that. In most cities in the U.S. it's 25% or 30% at best, setting aside New York or Chicago. So we intend to maintain that cost recovery. Ultimately, your bus service is going to be a subsidized service. So our challenge locally is how we will support that and how we will be able to take advantage of the capital programs that have been proposed by the Government of British Columbia, with support from Canada, to be able to meet the vision that most people over here have—which I know is shared by senior government—to become a region in which you don't need your car to get around, where you can make your trips, have mobility and have a clean environment, and ensure that as we become seniors we can get around.

I hope that addresses your question, sir.

● (1620)

The Chair: Thank you.

Mr. Rae.

Hon. Bob Rae (Toronto Centre, Lib.): Thank you, Mr. Chairman.

One of the realities of life is that I have memories of this discussion from a very different movie. One of the great things is it seems to me we have more cooperation today between levels of government than we had at that particular conjuncture.

I take it, though, that the sense is if we're talking about real high-speed rail, we're talking about a new dedicated track, as opposed to simply upgrading the existing track. We've had some estimation from Mr. Paddon about the length of time this kind of decision can take. With respect to the Quebec-Windsor corridor, which I'm more familiar with, what sort of timeframe would it require? Clearly it requires a point of decision. From the point of decision to actually getting on the train, what sort of time do you think we're thinking of?

Mr. Iacobacci or Mr. Paddon, go ahead.

Mr. Robert Paddon: In our experience in this region—and I'm looking at it just in a large urban region—it has taken us close to ten years. You can do it in about seven years, but it takes closer to ten years to work through the complexities. The actual construction is probably the shortest part of that timeframe. The most difficult part is agreeing on where should it best go and then doing the analysis that you have to do there, and then working through the various competing interests that may be there and trying to resolve how to land on a corridor.

From our experience here just on rapid transit, or even on.... Well, Golden Ears Bridge is a good example. That's a bridge everybody wanted. Please get on with it, they said, and build it as quickly as you can. That took us about seven years from start to finish. That's a project that was an easy route. We moved it quickly.

In looking at this with high-speed rail, you'd need to do an assessment of your existing tracks and what you have. When you move to high-speed rail and the type of technology you're after, certainly with the experience in Japan when they first introduced it, they just created a whole new corridor to bring it in and to have the technology work. I think that would be one of the very early decisions: is there merit in looking at the actual alignment where the tracks are, or do you really want a change and look at a different corridor?

High-speed rail is a very different type of transport from the current rail service we have today, which in many cases is trying to service many communities in a corridor. There's a need for that, but when you move to high-speed rail, the real economics of that are being able to get it up to speed and move large distances quickly with relatively few stops. At that point within the corridor, we'd very likely be looking at very different alignments as to where you'd want to go and study that.

But, sir, I can't imagine that you could do anything from start to finish in much under ten years to bring this on and to put people on.

• (1625)

Hon. Bob Rae: Mr. Iacobacci.

Mr. Mario Iacobacci: I would agree with Mr. Paddon. I don't think I have anything to add to that.

Hon. Bob Rae: But have you done any work on the question of upgrading the existing track and trying to apply new technologies to that existing track, as opposed to the classic high-speed rail in Japan, France, and Germany?

Mr. Mario Iacobacci: We haven't done any work in that area. I personally come at the issue from a kind of commercial or economics angle, so I wouldn't be able to comment on the technical issues.

My comment from a commercial angle is that the obstacles of making this big leap are enormous. I think they've just been summarized. If we try to make that full leap, we may never make it, which is why it's important to make substantial leaps based on the infrastructure we currently have. Some things are already happening. There are small investments being made on VIA right now to improve it by half an hour. Half an hour is significant. And I'm sure there are more improvements to be had.

I think that incremental avenue is worth pursuing, just given that there are many fewer obstacles to pushing that forward. We can test whether improvements in the service actually attract more traffic. They should. In principle, it should work. Last year, I think VIA had an increase in traffic of 9%. That's historically great.

I think the vision's important, but at the same time, because we're not likely to make this kind of big decision for a few years to come, I think we need to push ahead incrementally as well. I doubt that it would be a waste of funds to do that.

The Chair: Mr. Jean, do you have any final comments?

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, no, Mr. Chair. I appreciate that.

The Chair: Is there anyone else with a small comment? We have about three minutes.

Mr. Bevington.

Mr. Dennis Bevington: Mr. Paddon, a number of years ago I joined in with the City of Vancouver when they were doing an exercise on the future. I can't remember the precise name of it. It was part of an international competition on how Vancouver would look. Do you use that in the work you're doing now and in the way you approach the transportation system in Vancouver?

Mr. Robert Paddon: I believe that study was the city's initiative. It was sponsored by the International Gas Association and looked out 100 years. Yes, we have reviewed that documentation, and we stay in touch with many of the stakeholders that have participated in its development.

Our horizon at this point has been very focused on the next 30 years. We're working very closely with the metro Vancouver regional district, which is also developing, concurrent with our transportation plan for the region, a land use plan and a growth management strategy that will match. It's also looking out 30 years. I believe these are very complementary in terms of where we could be going in the future.

Mr. Dennis Bevington: Thanks.

The Chair: Mr. Dhaliwal, you have the final question.

Mr. Sukh Dhaliwal: Thank you, Mr. Chair.

I have a question for Mr. Paddon.

As Mr. Mayes mentioned, the cruise lines are moving out of Vancouver to Seattle just for \$300 a passenger. When we talk about the second train that you mentioned from Seattle to Vancouver and CBSA, this government is going to charge \$1,200 a train. Amtrak is putting a lot of money on their side. What is your opinion? Do you think that \$1,200 should be waived to encourage that second train goal?

• (1630)

Mr. Robert Paddon: It's not my place to comment on how government agencies should do their cost recovery.

Having said that, it is clearly an obstacle from Amtrak's perspective today. Many years ago we were able to bring some interest to the table. The BNSF Railway invested its capital into the Colebrook siding, which was the first step in terms of making it possible even to have a second train come into our region. There was some other support from the provincial government into that project at that time.

I will leave those negotiations between the border service and others, but I just think for a cost of that level to be a barrier to being able to put in place a train service.... We would very much like to have that service for the Olympics next year. We would like to minimize the number of automobiles coming into our region, as we hope to make these the sustainable games. We know if there isn't an alternative, people will bring their cars, and once they bring their cars, they will use their cars. They are going to have a hard time using their cars in this region during the Olympics. We would like to see that second rail service in place.

Again, sir, I can't speak to and I would not want to comment on how those negotiations are going. I hope they can be resolved, but clearly it seems to be a challenge for Amtrak to be able to address that financial challenge.

The Chair: Thank you.

Mr. Iacobacci, do you have you any final comment?

Okay. I thank you both for being here and being there. We appreciate your input to our committee's deliberations, and we look forward to studying it continually and hopefully coming up with a resolution that serves all Canadians.

Thank you very much.

For the committee, we are going to take a one-minute break while we clear the room, because we're going to go in camera to finish our discussions from Tuesday.

Mr. Volpe, on a point of order.

Hon. Joseph Volpe: I have a motion on the table that I would like to have raised. I gave notice of it last week.

The Chair: We need the attention of all committee members. We have a motion on the floor.

Hon. Joseph Volpe: It's a motion that I raised last week about our dealing with the Mint and officials and the minister from the Mint. I think you are getting a copy of that motion as we speak, and while you are getting it, I'd like to read it to you.

[*Translation*]

Given that over the course of the last week, the integrity of the Royal Canadian Mint and Canada's international reputation has been damaged by inconsistent and contradictory information by the Royal Canadian Mint...

[*English*]

It sounds as though it was written by a lawyer.

Are there any lawyers present? No. Okay, nobody took the bait on that.

[*Translation*]

Let me continue:

...the chairman of the Royal Canadian Mint, and the minister of state regarding the apparent loss of a significant amount of gold, silver, platinum and palladium; be it resolved that the minister of state, the chairman of the board of directors of the Royal Canadian Mint and its president and CEO appear before the committee at the earliest opportunity to clarify the state of the investigation and the directions going forward.

[*English*]

Mr. Brian Jean: Was this motion presented now?

Hon. Joseph Volpe: No, that's the one I gave you about a week ago.

Mr. Brian Jean: I just wasn't sure if it was the same motion or not.

The Chair: I'll advise the committee that the motion is out of order in the sense that a motion should not contain any objectionable or irregular wording. It should not be argumentative or written in the style of a speech. We can, with agreement from the committee, eliminate the preamble and move from "be it resolved".

Mr. Jean.

Mr. Brian Jean: I'm wondering, Mr. Chair, if the mover of this motion would be prepared to leave the motion tabled with the committee and make changes as necessary to conform with orders. However, at this stage there is an RCMP investigation ongoing in the Mint, and I would suggest that any evidence we would receive from those people would in fact be out of order, given the nature of the RCMP investigation. Why don't we let the RCMP do the work they're hired to do and that they're so competent at doing, and then deal with this matter in the fall?

My issue is twofold. The first part is that, quite frankly, there's an ongoing investigation, so what we would find would be limited if nothing else. Secondly, we have a short period of time in which to discuss how we would like the analyst to finalize this report, being that it's extremely likely this is the last meeting we will be having before the session ends. That is my concern.

I know Mr. Volpe has to leave right after five, and it would be my desire to have his input during the entire discussion just because he has been one of the few committee members—in fact I think the only Liberal member sitting on that side today—who has been here for every single meeting except for half a meeting one day. I mean no disrespect to Mr. Dhaliwal, and of course Mr. Rae is not here full-time, but certainly Mr. Volpe's participation in that discussion would be very helpful.

I would suggest that we move to deal with this motion at the end or deal with it at the next meeting or when we reconvene in the fall. Maybe it could be written in the proper order at that time to conform with the rules. Then we can get on with the purpose of this meeting.

•(1635)

The Chair: I just have to say that the debate cannot continue until Mr. Volpe determines whether he wants to remove the preamble to the motion. If he does, then I'll open the floor up for debate; if not, I will rule it out of order.

Mr. Volpe.

Hon. Joseph Volpe: I suppose just to keep it going, I would say I would remove the argumentative part, but I accept the argument that we won't be able to meet until September, so I'll defer my decision until then. I'll keep it on the table until the first meeting in September and make my decision about what adjustments I'd like to make.

The Chair: That sounds good. So we'll move into other committee business.

[Proceedings continue in camera]

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