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Chair

Mr. Bruce Stanton

Standing Committee on Aboriginal Affairs and Northern Development

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•(1530)

[English]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good afternoon, members.

Welcome, witnesses and guests.

This is meeting number 24 of the Standing Committee on Aboriginal Affairs and Northern Development.

Our order of the day, pursuant to Standing Order 108(2), is the study of northern territories economic development: barriers and solutions.

Members, you'll know that in the first hour we'll actually be resuming consideration on a specific subject that relates to what we used to know as the food mail program, and is now Nutrition North Canada. This was on agreement by the committee to consider this topic, and we've put it under the rubric of our study because it certainly is relevant. This was the motion by Monsieur Lévesque, I think. Monsieur Lévesque put the motion.

So we're going to go first to our officials here. We welcome back Patrick Borbey, from the Department of Indian Affairs and Northern Development. He is joined by Elizabeth Copland and Mr. James Tibbetts. Ms. Copland is the president of the Nutrition North Canada advisory board and Mr. Tibbetts is the director general for the devolution and territorial relations branch.

Mr. Borbey, we're going to go to you for opening comments from yourself and Madam Copland.

[Translation]

Mr. Lemay, you have a question?

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): There is a matter that I would like us to resolve immediately, Mr. Chair. You implied that our committee could continue its meeting until 6:00 p.m. in order to be able to submit our recommendations. I do not know whether you still want to do that. We could resolve this immediately.

Personally, I would agree that the meeting be extended until 6:00 p.m. if necessary, if that is still your intention, but we must at least be able to adjust our schedules by the end of the day.

The Chair: Yes, thank you. In fact, I proposed extending our meeting by 15 or 30 minutes; we were scheduled to conclude at 5:30 p.m.

[English]

I would want to dedicate the full two hours for the regular meeting, but I raise the possibility that if members were able we could consider the issue of providing instructions to the analysts on this subject area after the meeting, at 5:30. It may not take too long. You'll know that is the scheduled business for Thursday, but if members are agreeable we could begin that at 5:30 and see how we do. If we can get that completed, we would not be required to have our meeting on Thursday afternoon. I think members were notified of that possibility.

Would you like to proceed on that basis?

[Translation]

Mr. Marc Lemay: All right.

[English]

The Chair: Mr. Bevington.

Mr. Dennis Bevington (Western Arctic, NDP): I have a little trouble with that. It was scheduled for Thursday, and I really don't want to see that when in our work we put 40 or 50 meetings into the subject we don't take some decent time with the drafting. I would prefer to keep it on the Thursday.

The Chair: Okay.

Just to be sure, we wouldn't be looking at any drafts at this point. It would simply be a starting point, if you will, an outline, and likely some idea of the size and scope of the report. We can at least give the analysts some context to proceed from, and then, as they go into the summer break, the analysts will begin to prepare a draft report for consideration of the committee when we come back in the fall. So it wouldn't be really to do anything in terms of the content of the report, but mainly just looking at some of the key themes and sections, and possibly the size of the report, how comprehensive it would be. That would be about it.

If it's okay with you, Mr. Bevington, we seem to have agreement from most of the members. We could give it a try at 5:30. If there are legitimate things that we still need to discuss on Thursday, fine, if we can't get it done, but—

•(1535)

Mr. Dennis Bevington: What's the timeframe then at 5:30? I have an engagement. I can be here for about 15 minutes.

The Chair: Why don't we give it a try, and we'll see how we do.

Mr. Dennis Bevington: And if we're not satisfied, then we can continue on—

The Chair: By all means, yes.

Mr. Marc Lemay: We're stuck with him.

[*Translation*]

The Chair: Of course.

[*English*]

The Chair: Is everyone is agreeable to that? I didn't see any other hands up.

Mr. Borbey, thank you for your patience while we dealt with that little piece of committee business.

I appreciate Mr. Lemay bringing it up here this afternoon.

Let's go ahead with your presentation and Ms. Copland. Then we'll go to questions from members.

Mr. Patrick Borbey (Assistant Deputy Minister, Northern Affairs, Department of Indian Affairs and Northern Development): Thank you, Mr. Chair.

It is a pleasure, of course, to appear along with my colleagues here and to answer your questions to the best of my ability.

[*Translation*]

Indian and Northern Affairs Canada recently completed an extensive review of the Food Mail Program. During this review, Indian and Northern Affairs Canada officials held more than 70 engagement sessions across the country to collect the views of a wide range of consumers and stakeholders. INAC also worked extensively with subject matter experts to develop alternative models for the subsidy program. The results of this review showed that the existing program is not economically sustainable and that its 40-year-old design does not provide the most effective and efficient means of supporting access to nutritious food to residents of isolated northern communities.

One of the main issues of the Food Mail Program is its lack of financial sustainability. The program's annual base reference level of \$27.6 million had to be replenished every year through supplementary funding to operate the program which cost close to \$60 million during the last two fiscal years. In its most recent budget, the government announced an important investment to fund a new food subsidy program and nutrition and health promotion initiatives. This investment will provide stability to program funding by increasing its annual budget to \$60 million on an ongoing basis.

[*English*]

On May 21, 2010, Ministers Strahl and Aglukkaq announced the replacement of the food mail program as of April 1, 2011, by Nutrition North Canada, a new market-driven model that will be a sustainable, efficient, cost-effective, and transparent means of helping northerners access nutritious foods in eligible, isolated, northern communities. To complement the subsidy program, ministers also announced that Health Canada will invest new resources to promote healthy eating in eligible communities.

The new program model, which responds to the growth, development, and increased capacity of the north, will create an environment where market forces and competition will lead to a more effective and efficient means of transporting foods to eligible communities. The shortened food supply chain will reduce the handling of fresh foods destined for the north. This change will

improve the quality of food that is available to northerners and reduce costs associated with spoilage. Instead of funnelling the subsidy through Canada Post, INAC will provide the subsidy directly to retailers and wholesalers, who will make their own supply chain arrangements to ship food to eligible communities. This improvement will enable retailers and wholesalers to negotiate the best possible prices for their consumers and to maintain better quality control.

[*Translation*]

Under the Nutrition North Canada program, northern retailers and southern suppliers will make their own supply chain arrangements to ship eligible items to eligible communities, at their convenience and discretion, and pay the full shipping rate they have negotiated with the airline. Northern retailers and southern suppliers will then claim the subsidy from INAC for eligible items shipped by air, as per a pre-determined subsidy rate per kilogram basis, customized by community. The concept of entry points will not longer exist and the government will not intervene in shipping routes or schedule decisions.

A key aspect of Nutrition North Canada is that INAC will enter into formal arrangements with retailers and suppliers to enforce program requirements such as responsibilities tied to transparency of the subsidy, accountability, marketing, data reporting and audit. These arrangements will provide INAC with the leverage required to ensure that consumers benefit from the subsidy. None of this is possible under the existing model since neither INAC nor Canada Post has this kind of arrangement with retailers.

• (1540)

[*English*]

To ensure that smaller northern retailers can continue to have access to subsidized foods, these businesses will have the option of ordering eligible foods from southern suppliers who will be registered with the program and who will be able to claim the subsidy from the department.

Under the new program, personal orders will be retained to preserve a measure of competition for northern retailers and provide consumers with flexibilities related to special dietary needs. Individuals, establishments, and institutions will benefit from the subsidy by ordering from southern suppliers registered with the program.

[*Translation*]

As well, existing flat shipping rates will be replaced by subsidy rates per kilogram, customized by community. More remote communities with higher costs will have a higher subsidy rate than less remote communities.

Subsidy rates for the first year of the program will be similar to the level of subsidy currently provided by INAC under the Food Mail Program, and will be adjusted at least annually thereafter based on forecasts and food prices per community.

[English]

Another important element of Nutrition North Canada is the focus on the most nutritious perishable foods. To that effect, food of little nutritional value will be removed from the food mail program as of October 2010. In addition, to promote the use of the most efficient unsubsidized modes of transportation, such as the sealift and winter roads, non-perishable foods and non-food items will also become ineligible. Exceptions will be made for communities without any regular surface transportation access, such as Old Crow in the Yukon. Eligible perishable foods will be separated in two categories, and the category containing the most nutritious foods, such as fruits, vegetables, eggs, and milk, will receive a higher subsidy level than the other category.

Another new element of Nutrition North Canada is the subsidization of the transportation of commercially produced country foods. This will support increased access to these traditional foods, which are vital sources of nutrients for northerners. Minister Strahl has already indicated that he would like the advisory board to look at options to further develop the support for access to country food.

With respect to the external advisory board, as noted at the outset, Mrs. Elizabeth Copland agreed to act as the chairperson for this board. Her nomination is very recent, and other members of the board have yet to be appointed. Mrs. Copland can provide you with an overview on the role of the advisory board and how she thinks it can help this important program improve over time.

[Translation]

Mr. Chair, before giving the floor to Ms. Copland, I would like to say that Indian and Northern Affairs Canada believes that the implementation of the suite of changes and improvements I briefly described will lead to a program that is more cost-effective and that will ensure greater efficiency and transparency.

Thank you.

[English]

The Chair: Thank you, Mr. Borbey.

Now let's go to Ms. Copland, and welcome.

Ms. Elizabeth Copland (President, Nutrition North Canada Advisory Board, Department of Indian Affairs and Northern Development): [Witness speaks in Inuktitut]

Thank you very much. Thank you, Mr. Borbey.

Mr. Chairperson and committee members, my name is Elizabeth Copland, and I am from Arviat, in Nunavut, where I have lived most of my life and have spent more than two decades working for the people of my community. I have taken on a variety of roles in my community, from serving as Arviat's first female mayor, to coroner, to economic development officer. I am deeply committed to ensuring that northern communities like Arviat realize their true potential in terms of health and prosperity.

Recently, I was asked by Minister Strahl to chair the advisory board for the new Nutrition North Canada program. I welcome the opportunity to appear before this committee because I believe that the new advisory board will give northerners a direct voice in the

new program. So often government programs are developed in isolation from the communities they attempt to serve, but the new food subsidy program has been the product of extensive engagement with northerners, the people who will use the program. I look forward to continuing this engagement with Indian and Northern Affairs Canada during the transition from the current food mail program to Nutrition North Canada.

As I understand its role, the advisory board will provide a vital link between consumers and stakeholders and the decision-making process. The board will meet formally three times each year, alternating between on-site meetings and videoconference calls when possible; we will hold public sessions and invite presentations by stakeholders as well as by subject matter experts, academics, and government specialists. We will be asked to formulate our advice to the minister on a consensus basis so as to establish a broadly based agreement, but not necessarily unanimity among the board members.

At this time, I am the only member who has been named to the board. Over the summer, four to six additional members will be appointed by the Minister of Indian Affairs and Northern Development, in consultation with the Minister of Health. We will collectively represent a wide range of the primary perspectives, backgrounds, and interests of northern residents and communities. We will establish a work plan with particular attention to ministerial requests for consideration of priority issues. I understand that the minister has already suggested country food as one such priority issue when we have our first meeting in the fall.

Today is an opportunity for me to hear from you, the members of the aboriginal affairs and northern development committee. What do you see as the issues for the new program going forward? What are your views on the priorities for supporting affordable access to healthy food in northern communities?

As part of its advisory capacity, the board will have leeway to direct its focus to the most vital issues surrounding food security in the north. I would like to say also that I think the advisory board is an important oversight feature of the new program to ensure that it is truly responsive and accountable to the needs of those it is designed to serve.

I am pleased to have been asked to chair this board and I look forward to the important work we will do in the next ten months and beyond.

Matna.

Thank you.

• (1545)

The Chair: Thank you very much, Ms. Copland, and congratulations on your appointment.

Now we're going to go to questions from members. It's basically seven minutes for both the questions and the answers. We leave it to members to confine their questions within that zone. The more succinct you can keep your answers, the better.

Let's proceed with Mr. Bagnell for seven minutes. Mr. Bagnell, you have the floor.

Hon. Larry Bagnell (Yukon, Lib.): *Matna, nakurmiik*, thank you.

Ms. Copland, I'm delighted that you've been appointed to the advisory board. I'm glad there's a board. I think you'll be very helpful. As they try some new things, you can say whether or not they're working, and that will be great.

Patrick, I wonder if you could forward to the clerk this afternoon by e-mail your presentation. That would be very helpful.

Mr. Patrick Borbey: Yes, certainly. I thought it was already presented.

Hon. Larry Bagnell: Do we have it? Okay, that's perfect.

I'm going to talk mostly about your speech here. On page 2 in the third paragraph, you said it cost about \$60 million in each of the last two fiscal years. But when we did the estimates and we had the financial people here they said that last year it was \$66,200,000.

Mr. Patrick Borbey: The difference between the two is that this was an estimate based on the previous year's experience. That was at a time when fuel prices were going up, so we were experiencing a fairly steep increase in the cost of the program. During the course of the year, after the estimates were approved, we saw a levelling of fuel prices. As a result of that, the program right now is coming in at just below \$60 million for the last fiscal year. That will be in the public accounts.

Hon. Larry Bagnell: Okay, good. Thank you.

There was a big outrage, not about the minister's announcement, but on the possible recommendations that he could have announced. And fortunately, the good news is that he didn't make those recommendations. One of them would have eliminated the private orders. He has kept the private orders. But he presents the concept that entry points will no longer exist. I'm assuming this means that private orders can be made anywhere, that there are no specific entry points.

• (1550)

Mr. Patrick Borbey: For the private orders—or personal orders, as they call them—there are a number of suppliers right now. But most of the personal orders are probably concentrated among a small number of suppliers in southern Canada.

We're going to have to go through a process whereby we will be able to make those suppliers eligible. Of course, we can't have every single grocery store and supplier across Canada eligible. We'll have to make a list that people can use, because we'll have to have contribution agreements or arrangements with those suppliers.

Hon. Larry Bagnell: That doesn't make a lot of sense to me. Right now, they can go to any grocery store in my riding in Whitehorse—all the different specialty food stores, etc.—and it's administratively cheap for INAC, because they only have to pay Canada Post or Air North. Wherever they get it from, they have full choice.

If you told the people of Ottawa that you were only going to pick a number of stores they could buy from and that it was going to be

more complicated for the department, that wouldn't make a lot of sense to me. We'll see how it goes in the riding.

Mr. Patrick Borbey: There are approximately 40 suppliers right now, so it is not—

Hon. Larry Bagnell: Do you mean In Whitehorse?

Mr. Patrick Borbey: No, across the—

Hon. Larry Bagnell: Okay, well there are a whole bunch of stores in Whitehorse. That's only one of all sorts of cities that people buy from. Right now they can buy from anyone. You're limiting them to a few out of probably hundreds of stores that these people buy from, from all across Canada.

Mr. Patrick Borbey: I'm trying to answer your question. There are approximately 40 suppliers who right now are active under this program for personal orders across the country.

Hon. Larry Bagnell: But that doesn't include where they go in and buy. You wouldn't know, though, where they go into the store to buy them—

Mr. Patrick Borbey: No.

Hon. Larry Bagnell: —because they then take it to the post office and to the airline.

Mr. Patrick Borbey: No, that's not the way it works.

Hon. Larry Bagnell: That's the way it works in my riding.

Mr. Patrick Borbey: They have to arrange with Canada Post to have it shipped through Canada Post.

Hon. Larry Bagnell: Yes, they take it in to Canada Post, which is right at the airline, and they have it shipped. They have no idea what store they came from, because the person went to the store.

Anyway, I have more questions.

The similar level of subsidy you talk about... In the more remote communities there will be two levels of subsidies, or different levels of subsidies depending on how remote it is. I assume that for the more remote communities you're going to be raising the bar and giving them more; you're not going to be reducing it for the closer communities.

Mr. Patrick Borbey: No, we're going to basically take the level of subsidy that currently applies—we're calculating it community by community under the current program—and we're going to replicate that under the new program so that there won't be any gain or any losses for communities that are less remote or more remote.

Hon. Larry Bagnell: Oh, okay. I couldn't figure that out, from the way it's written here.

Also, in the two categories of most nutritious and less nutritious, once again the most nutritious is going to get a higher subsidy level, so I assume that it's going to go up, but the total subsidy will be the same. It's not as though the other one will just go down and...

Mr. Patrick Borbey: Based on the \$60 million that's available—because we have new elements to the program, such as the nutrition education program, such as more focus on accountability, the advisory board, the country foods—we'll have to be able to estimate how much more subsidy we can provide to the most nutritious. It will all have to balance out at the end of the day. We have \$60 million available for the program.

Hon. Larry Bagnell: How will the consumers know the subsidy has been passed on to them when they go to a store in...wherever?

Mr. Patrick Borbey: Maybe I could ask Mr. Tibbetts to say a couple of words about the whole area of accountability.

Do you want to say something?

Mr. Jamie Tibbetts (Director General, Devolution and Territorial Relations Branch, Department of Indian Affairs and Northern Development): We're still working out the details with Treasury Board on the arrangements and detail. However, under any contribution arrangement that is put into place by the Government of Canada, there is still the right of audit. There will be the requirement for information flowing from the recipient of the funds under the program, including the data on waybills and invoices on actual products shipped to each community, which we don't get right now, actually. As you said earlier, we do not know exactly what products are going up on airplanes through Canada Post. The new program will have that information, so we will be able to understand what is going on. There will also be point-of-sale information on the subsidy given at the community level, and we'll be doing in-store price surveys to complement the data that's coming in with the waybills and the reports from the retailers and wholesalers.

Hon. Larry Bagnell: The people from remote villages come in to Yellowknife or Whitehorse or Ottawa for their medical and dental and all that kind of stuff, then they do their shopping. They go into the grocery stores and shop, then send it home. Before, they got a reduced rate off Canada Post. How will they get the reduced rate now?

•(1555)

Mr. Jamie Tibbetts: The current food mail program is a transportation subsidy. The new program is a retail subsidy. Their practices may start shifting towards buying products in their communities and getting the subsidies at the store locally, as opposed to having to go remotely to get it.

Hon. Larry Bagnell: That's ridiculous, because that puts up the price dramatically.

The Chair: Sorry, Mr. Bagnell, that's all the time we have.

[*Translation*]

We now move to Mr. Lévesque, who has seven minutes.

Mr. Lévesque, go ahead.

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Thank you.

Ms. Copland, Mr. Borbey and Mr. Tibbetts, welcome.

I would like to talk first about the current program, the Food Mail Program which is managed by Canada Post. We must admit that over the many years that Canada Post has managed this program, the

corporation has acquired a certain experience and dexterity in obtaining the best prices and providing the best service possible.

Canada Post played the role of shipping inspector and had a presence in almost all Canadian communities. The corporation controlled the quality, handling, packaging and even the entry and arrival facilities. It conducted follow-ups and set maximum time limits for the loading and unloading of food, in order to ensure food freshness. Canada Post also had the advantage, when assigning contracts with shippers, of getting the best price possible.

As a crown corporation, and one which already operated within Canada, Canada Post ensured a framework and uniformity. The Nutrition North Canada model is based on retail trade, by excluding Canada Post from the process. Who will have those responsibilities under the new Nutrition North Canada program?

We know that there will be a financial control to ensure accountability. What will this accountability apply to? Will it concern the cost of food once it has reached its destination, minus the subsidy? Have you calculated the ability of each retailer to negotiate, compared to a wholesaler such as Canada Post, which asks for bids and has an ability to negotiate with shippers?

Has there also been an assessment of Canada Post's ability to transport food as close as possible by road, which made it a lot less expensive when loading onto a plane, in order to ship it to remote regions?

Is there a mechanism to guarantee all northern communities will have healthy foods, with a reasonable shelf life and at a more accessible price than at present?

Mr. Patrick Borbey: Mr. Chair, there are many questions and I do not have much time in which to answer. I will do my best.

Mr. Lévesque, I can tell you that we did review the program from top to bottom. We spoke to all the stakeholders, we held engagement sessions across the country, we conducted studies and we have already published a provisional report. We are currently finalizing the report, which should be published in the coming weeks.

Clearly, people across the board found that the current program was a problem. People complained about the quality of the food, Canada Post was unable to ensure satisfactory quality control upon arrival. Obviously, there was often bad weather. So, sometimes there were factors that were beyond anyone's control, but, essentially, people were not satisfied with the program.

We were told 40 years ago, when this program came into existence, that there was not a network of retailers as sophisticated as at present. There are three major retail chains in northern Canada, plus hundreds of independent retailers who have sophisticated distribution systems. We have been convinced that these retailers can do this job and that, instead of filling orders separately from Canada Post, they will fill all their orders at the same time at southern wholesalers, to ensure economies of scale.

Rather than receiving fruit on Tuesdays or Wednesdays only, and the rest of the products every day during the week, there will be a consolidation that could lead to savings. We have studied and listened to such recommendations. They have convinced us that a solution based more on decisions made by market stakeholders could improve the quality and efficiency of the program, and make it more profitable than it is now.

• (1600)

Mr. Yvon Lévesque: There is something that concerns me.

The Chair: You have two minutes remaining, Mr. Lévesque.

Mr. Yvon Lévesque: How many?

The Chair: You have two minutes left.

Mr. Yvon Lévesque: How can a retailer-shipper have the same weight and impact on transportation costs as a wholesaler such as Canada Post? It is all fine and well to provide a food subsidy, but how much will the food be worth upon arrival and at the time you do your checks? The shipping is no longer subsidized. You will directly subsidize the food items.

Also, are the small retailers, such as corner stores, not being penalized by such an approach?

Mr. Patrick Borbey: With regard to your first question on retailers, these foods covered by the subsidy represent a small portion of the overall orders. They are telling us that they could combine their orders and achieve economies of scale in this area. Consequently, they will be able to ensure greater efficiency, even if Canada Post has a well-established network.

As for the small retailers, we listened to their position. They will be able to have the same involvement as the large retailers, under the program, or they could use what we call personal orders. This will minimize the paperwork needed to get the subsidy. It will compensate for the subsidy to southern wholesalers. In this way, we have been able to minimize to some extent the burden that this could represent for small retailers.

The Chair: Thank you, Mr. Lévesque.

Now, we will move on to Ms. Ashton, who has seven minutes.

[*English*]

Ms. Niki Ashton (Churchill, NDP): Thank you very much.

Thank you for your presentations.

As the member of Parliament for Churchill, a riding that includes 22 isolated communities, 18 of which have no other option but to fly in, and of course have winter roads during the increasingly short season, I and my riding are greatly concerned with the food mail issue.

Last week I had a meeting with the grand chief of the MKO, the Manitoba Keewatinowi Okimakanak, the northern chiefs' political organization, and they're very concerned about these proposed changes to the food mail program.

Number one is the lack of consultation. They are familiar with the Dargo report, but in coming up with these proposed changes, there has been a lack of consultation with Manitoba first nations that are to be impacted, and Manitoba aboriginal organizations as well. They have concerns about some of the stipulations in the report, such as the exclusion of certain items—for example, toothpaste, something that is also overpriced in many of these remote first nations.

Perhaps the need for consultation would be the most critical in terms of who is now being given the responsibility for food mail, given that many of these first nations have only the North West Company in their communities. What they see now is that an important alternative, an access to more affordable foods, healthy foods, is being given to the company that already has a disastrous monopoly in these communities.

And you know the figures—\$14 for a jug of milk, \$40 for a bag of flour. We're not talking about luxury items here. We're talking about pieces that people need to get on with their lives. And the same company that is taking advantage of the lack of access in these remote first nations is now being given that responsibility. This is causing great concern.

Also, there is great concern among suppliers, suppliers in Winnipeg, suppliers that have great relationships with many of these first nations and are eager to hear this information.

I'll move on to the second point. After the lack of consultation, the concern revolves around the lack of information. Reading the report today, I'm seeing some pieces that were not known by first nations in my riding, first nations who depend on the food mail program. I would like to know and they would like to know, for example, if there will be the same ability for small northern retailers to deal with the program. Will there be technology transfer support for these retailers, given that they might be coming up against possible competition with the North West Company and Arctic Co-ops?

Also, there's a reference to regulation and transparency. I'd like to hear how that will be enforced, given that the North West Company, which is the sole body that deals with our region, is a private enterprise and currently benefits from the fact that many of these communities are remote and these kinds of prices that are imposed on communities do not come out in public.

Finally, I'd like to know who the board members are from Manitoba. What kind of consultation is taking place with the first nations that I represent and aboriginal organizations in Manitoba? And similarly, where are the other board members from? I hear six.

I know many of our regions depend on this vital program, and I'd really like to hear to what extent it's comprehensive.

•(1605)

The Chair: There's a fair bit there, I realize, Mr. Borbey. You've got about three minutes, and I'm sure you've got some notes.

Mr. Patrick Borbey: I'll try.

The Chair: Please, just go ahead and do your best.

Mr. Patrick Borbey: I'll try.

In terms of consultation, we can provide you with the information. There were 70 different sessions, including some with Manitoba first nations and organizations. This is a process that took about two years. There was plenty of opportunity—public disclosure of reports and opportunity for people to comment, to come and see us, visit us. It has been a very intense period of consultation, so we feel we've done a fairly good job in that area.

I did answer the question about small retailers just a little bit earlier. Small retailers will have the option of using the same process as big retailers, which is that they will supply us with their waybills and the subsidy will be applied against the waybills. It is not a process that's going to require a lot of technology. One of the options that was considered during the food mail review was a subsidy that would be applied directly at the till. That was rejected because the retailers do not have the technology. It would require a significant investment. We're trying to still capture the transparency associated with that idea by having the retailers put it on the bill so that as people leave the store they will be able to see how much subsidy they got.

So we're trying to compensate for that, but there are not going to be a lot of technology requirements.

The other option they have is to use the personal order mechanism, so they would not be the ones handling the paperwork with INAC. It would be the southern suppliers, the Winnipeg-based suppliers, who currently have, of course, great relationships with the north in terms of both personal orders with individuals and with institutions. In the case of Manitoba, for example, there are some food kitchen programs that benefit as a result of the personal order. That will not change.

So those are some preliminary answers. Yes, we are concerned about—

Ms. Niki Ashton: The board members...?

Mr. Patrick Borbey: Thank you for asking that question. The minister is open to all suggestions and would be very happy to receive your nominations. You can address them to me or Mr. Tibbetts. He certainly wants to have a board that's very representative of all the northern communities that depend on this program.

The Chair: I think Ms. Copland wants to get in on that as well.

Ms. Copland, go ahead.

Ms. Elizabeth Copland: Thank you.

I hear you, Ms. Ashton, because I'm from Arviat, just down from Churchill. My family has ordered from Winnipeg and we have also used the food mail program. I have also been very frustrated by high prices in our northern stores. So I do hear you, which is why I agreed

to try this new program. I'd like to help all of Nunavut very much to afford all these nutrients we need. I agree with you.

Thank you.

The Chair: Thank you, Ms. Ashton, Ms. Copland, and Mr. Borbey.

Now let's go to Mr. Duncan for seven minutes.

Mr. John Duncan (Vancouver Island North, CPC): Thank you very much.

My questions are along the same lines. We've moved from a transportation subsidy to a retail subsidy, and I understand that Mr. Bagnell has an issue. I'm not sure what the issue is, but I'm trying to tease out further information. According to the background information on the program, it says:

The personal orders process allows individuals and institutions to purchase eligible items directly from the south and benefit from the subsidy. DIAND states that the inclusion of personal orders will "allow a measure of competition in small northern markets and provide consumers with flexibility related to special dietary needs".

Is there anything in this program that's more restrictive on personal orders than what was in existence before with southern orders?

•(1610)

Mr. Jamie Tibbetts: No. We'll have to go through the process of wholesalers and retailers applying to get on the list to be able to supply people who want to buy through personal orders. For the small businesses, they can use that process to get products from a larger wholesaler, for instance, and we'll have an agreement with that larger wholesaler to pass the subsidy on to retailers or individuals in the north. It will work in a similar way.

Less than 10% of the \$58 million spent this year will go to the personal order processes. About 85% of the products that are subsidized through Canada Post go back through three or four of the larger wholesalers and distributors in the south that have stores in the north. I don't suspect that balance will change. We'll have to work with the smaller organizations and individuals to have a list of the stores, retailers, and wholesalers we have agreements with that you can get products from.

Mr. John Duncan: There's also an indication that there will be some funding, training, and coaching initiatives under the nutrition education component of the program. Can you further enlighten us about what that might entail?

Mr. Patrick Borbey: This is the part of the program that will be delivered by Health Canada. They're developing right now the terms and conditions on how that will be delivered. They are targeting interventions at each of the communities that will be eligible under the new program. That will include people hired locally to work with the community population on things such as cooking lessons, tips and advice on how to prepare nutritious goods, and the various calorie intakes and benefits of various foods. That's still under development with our colleagues from Health Canada.

Mr. John Duncan: When this committee was in the north we heard from the North West Company that they were opposed to a retail subsidy on the basis that it would add complexity and a burden. Since the program was announced, what kind of feedback have you had from the retail sector?

Mr. Patrick Borbey: Just to clarify, during the consultative process there were three options that were looked at in more detail. The point-of-sale subsidy is the option that was of concern to retailers. They were concerned that they did not have the technology to be able to implement that. There would be significant new costs, and it would add a significant amount of complexity. They supported more of a freight retail subsidy, under which the waybills would be submitted to the government and there would be compensation for the cost of the subsidy.

It's a simpler, less complex process. It does not require more technology than what currently exists. It does require that we invest in a process of verification and ensure accountability to make sure that the subsidy is being applied to the right goods. That's how we dealt with some of the concerns of retailers.

However, we also want the retailers to agree that they will implement the benefits that would be associated with a point-of-sale subsidy by putting the information on the bill after the consumer purchases the goods so that they can clearly see what the subsidy amounts to. So for the milk, the bananas, or the pineapples, here is the subsidy you've actually received. They've agreed to collaborate in implementing that kind of transparency, and we will be doing more surveying, more review, things that we can't do right now with the existing program.

•(1615)

Mr. John Duncan: So for auditing purposes, every purchase that's eligible should have an identified purchase price plus the subsidy on the invoice. Am I correct?

Mr. Jamie Tibbetts: That would be the point-of-sale technology. The amount of subsidy going to the community generally will be put on the sales receipt. And we'll be auditing the reports coming in from the wholesalers and retailers to ensure that it is passed onward.

We're under discussions right now with the larger... You mentioned the North West Company. I had discussions even yesterday about how we're going to work with them and develop a process of internal controls they can live with and we can live with to ensure that transparency and accountability are respected.

The Chair: Okay. Thank you, Mr. Duncan.

That will end our first round, and now we go to a five-minute round for the question and the response. We probably have time for three questions.

I think we'll begin with Mr. Russell, followed by Mr. Clarke and Monsieur Lemay.

Mr. Russell, go ahead.

Mr. Todd Russell (Labrador, Lib.): Thank you, Mr. Chair.

I thank each of you for being with us this afternoon.

This certainly is a vital program to many of the communities in Labrador, and particularly in northern Labrador.

I have just a couple of questions. If there's a retailer in Postville and a retailer in Nain—Postville is a little farther south and Nain's a little farther north—and they order the same goods, you're telling me the subsidy for the retailer in Nain will be different from that for the retailer in Postville if the shipping costs are higher for Nain than they are for Postville.

Mr. Patrick Borbey: If they're higher, that difference will be reflected in the cost through a higher subsidy in the case of the higher-cost community, yes.

Mr. Todd Russell: Then of course different goods will get a different subsidized rate, depending on the nutritional value of the goods.

Mr. Patrick Borbey: We'll have two categories. One will be the most nutritious goods, which will be things like milk, fruit, vegetables—the higher-rated foods. Then there will be a lower subsidy rate for those that are less nutritious, and we'll be working with the advice of Health Canada for that, as well as in consultation with the advisory board.

Mr. Todd Russell: There will be no different regime in place for the three large retailers as opposed to the smaller retailers. Is that right? They'll both have access to the same subsidy, the same type of programming and everything else?

Mr. Jamie Tibbetts: It will be the same rate.

Mr. Todd Russell: So that will all be equalized?

Mr. Jamie Tibbetts: Yes.

Mr. Todd Russell: This is an ongoing argument, but you say here in your notes that this increases the competition; it allows market forces to be more at play, and therefore, theoretically, we'll get cheaper goods, nutritious goods going into remote communities.

Mr. Patrick Borbey: Yes.

Mr. Todd Russell: Can you give me an example of how you figure that's going to play out?

Mr. Patrick Borbey: There are two factors at play here. First of all, in terms of the market forces, retailers will then be using the full power of their purchasing power to be able to order goods as a whole, rather than parcelling out their orders. So that's a more efficient way—

Mr. Todd Russell: But just to be clear, right now under the food mail program, if I'm a retailer I can order goods basically from anywhere, except that they have to come through a Canada Post entry point. But nothing prohibits me from buying from any retailer right now under our food mail program.

• (1620)

Mr. Patrick Borbey: That's right, and that won't change. But if you go into the grocery store, you will see that part of what's available in that store will be subsidized, but the majority of the goods that are for sale are not subsidized, they are ordered without a subsidy. So what the retailers will be able to do is consolidate their orders. As I said before, for fruits and vegetables, they may have to only get an order in on a certain day of the week because that's when Canada Post is able to put together the order. So they are going to be doing that logistics and that will be more efficient.

So that's the first way. The other way is that if you have a higher subsidy on the most nutritious goods, that means your milk, fruit, and vegetables should be less expensive than they are under the current regime.

Mr. Todd Russell: I suppose, if the retailer is willing to have a consistent mark-up, right? If you get a higher subsidy, you could technically mark it up higher.

Mr. Patrick Borbey: And that's why we need control to make sure the subsidy is passed on to the consumer. Right now we don't really have a mechanism by which we can ensure that this takes place. But with the verification of the waybills that are supplied to us, before payment is made, we will know that the subsidy has been applied against the goods.

Mr. Todd Russell: I don't think you'll have a problem with verifying that certain goods were shipped into a community, to a particular retailer at a certain rate and that they bought x amount, and then you apply a particular subsidy against them. How do you then verify the sale price? Are you going to have independent verification officers go into all these retail outlets?

Mr. Patrick Borbey: We'll have to do price surveys. We'll have to be able to see. That's sometimes fairly simple. You go into a store and you ask, "What does a pint of milk cost?" If it's \$4.99 or \$5.99, you know it's probably a subsidized rate. If it is \$7.99 or \$8.99, there's a problem. So we'll have to rely on spot surveys, and again, one of the roles in which the advisory board will be able to help us is to collect information from the communities, from their constituents, who can say, "Look, there's something wrong here. In this particular store, the price of milk is way out of whack compared to other stores."

Mr. Todd Russell: How do you penalize a retailer if they choose to mark it up 40% instead of 30%?

Mr. Patrick Borbey: We'll have to keep the retailers honest through the subsidy. If they want to be eligible for the subsidy, they'll have to play by the rules and make sure that the benefits are going to the consumers. If they're pocketing the subsidy and just jacking up the price of milk, then that subsidy has not been passed on to consumers.

The Chair: Okay, thank you, Mr. Russell.

Mr. Clarke, go ahead.

Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC): Thank you, Mr. Chair.

I'd like to thank the witnesses for coming in today. I'd like to thank Elizabeth for coming in here. It's quite a distance to travel for a short committee meeting here. I do really appreciate it.

In northern Saskatchewan, I do have a lot of remote communities as well. What I'm really kind of curious about, just in regard to the food mail program exactly, is the federal role. When you're looking at the provinces and the territorial areas, just how much partnership is involved with the food mail program, for one? What types of other programs are involved with provincial partners or programs?

Mr. Patrick Borbey: Thank you.

There are some small programs that have been put in place in Newfoundland and Labrador as well as in Quebec. They only subsidize a small number of goods. I think in the case of Quebec there are about 20 different products that are subsidized, so a flat price is guaranteed. It is not a program that is comparable to what we're talking about here, which is much broader, much wider, and much more complex.

Mr. Rob Clarke: I notice that you also have here the aboriginal head start program, the aboriginal diabetes initiative, and the Canadian prenatal nutrition program. What I see here now is basically getting away from the junk food of the pop and the chips that have basically become synonymous across my northern riding of Saskatchewan, where a lot of the kids or a lot of the adults are just turning to junk food, which is just contributing to diabetes.

From my understanding, the food mail program was increased substantially from the past. I believe it was \$25 million and it has been increased considerably.

Just with regard to the cost of actually the individual items, how much of a cost saving is going to happen in regard to the staples, like the milk, the eggs, the butter, and the vegetables? Do we have a breakdown of what the costs are going to be? Some of the items up north now are \$12 for a four-litre jug of milk.

• (1625)

Mr. Jamie Tibbetts: We know that it will be more affordable. That's the intent of the program. We'll be measuring that through the reports coming back from the suppliers.

Right now, though, under the current program, we subsidize a lot of non-perishable and non-food items, which would be part of the list you mentioned, which will no longer be subsidized. The money saved from that part of our spending will be redirected to subsidize those higher, most nutritious foods. We see four or five million moving from our current spending pattern to the subsidy of most nutritious foods. Some of that money will also be invested in those health programs and promotion programs, as well as toward that increased oversight.

Mr. Rob Clarke: What I've seen in a small community like Fond du Lac, one of my most northern communities, is that a jug of milk was \$12, and now it's being comparable to \$5 to purchase a 4-litre jug. But when we go to perishables, I see 80¢ a kilogram for the freight charge. With it going from community to community, from the most southern portion of the community to the farther north, and I see how it's been weighted... I'm not sure if I'm going to get this right or not, but just on the actual costs, how is it going to affect them? I see Canada Post is not involved any more and it's going right down to the distributors. Can you explain it?

Mr. Patrick Borbey: The 80¢ a kilogram is what people pay Canada Post, and we pay the difference. So if it costs \$10 a kilogram to ship a particular product, the subsidy covers all of that. We're now reversing that, where we are going to set a subsidy per community that will be very transparent. Right now, people don't know that. They only see the 80¢ that they pay. They don't know that maybe we're paying \$5, \$7, or \$8, or whatever it may be per kilogram.

The other thing is that it's extremely expensive to ship a lot of products by air. We talked about toothpaste a little earlier. It is extremely expensive to ship toothpaste by air when it's a non-perishable that could be stored and shipped through annual sealift or winter roads. At the end of the day, the consumer is going to benefit, because even with a high subsidy on those items you still end up paying more at the retail level than if it were shipped through sealift or road.

The Chair: Thank you, Mr. Clarke.

[Translation]

Mr. Lemay, you have five minutes.

Mr. Marc Lemay: Mr. Borbey, I know you well. I am more interested in speaking with Ms. Copland. Let me tell you why. It is rare for an individual appearing before the committee to ask us two questions in their brief. I note that my colleagues have asked you questions, but you have asked us two and I will try to respond to them.

First what are the issues related to this new program? I will respond to you, Ms. Copland. Take care not to be had by the department. Make sure that you create a real advisory board, which will consult not only the department, but also those who should benefit from this program, meaning your people, and not only the southern merchants who will want to fill their pockets. You also asked the following question, "What do you believe are the priorities to ensure that northern communities have access to healthy affordable food?" It's not very complicated. You should be cautious and ensure that your committee is composed of individuals who are knowledgeable about the northern reality, and who do not want to fill their pockets, in the south. There are many of those.

I can assure you that all the committee members will watch you closely. I will probably be the last to speak. We will see each other again in a year's time. I will ask for a report by next year in order to determine how this has been implemented. I come from a region that supplied the north. I don't know how this will work over the next year, but I am very afraid that things will be centralized and that there will only be two or three major suppliers. This causes me great concern for you, in the north.

Furthermore with regard to the program objective, I think that you are right, Mr. Borbey. We need to be able to provide food and milk to the north as in the south. I would suggest that you consider the possibility of having, somewhere, warehouses to store non-perishable items. They could be stockpiled because there are planes that aren't full. Other products could be added, but the time to deal with them is lacking. You could verify this with your committee. I hope that it will be comprised of good individuals who are familiar with the issue, and not just people who want to put this on their resumé.

I suggest that you follow this extremely closely, and not only for Nunavut or the Northwest Territories. I have nothing against Yukon, but also watch northern Quebec, where there are some interesting examples.

I will not go on at length, but we will meet again. Let's promise to see each other in a year's time when the program is underway. You will start it off slowly. I want to wish you good luck, and above all, madam, please take care not to get the short end of the stick.

Thank you.

• (1630)

[English]

The Chair: We'll leave that as a comment.

Ms. Copland, did you want to respond briefly?

Ms. Elizabeth Copland: [Witness speaks in Inuktitut.]

Thank you very much for your comments.

As I said, I agreed to try this new program because I have been frustrated with high prices. I live in the north and I understand how it is. I'll be accountable to all of northern Canada, not just Kivalliq or Baffin or Kitikmeot or northern Quebec, but to a lot of communities that are looking for affordable milk and eggs. As you said, I'm just the first member of the board, but over the summer other members will be nominated or appointed by the Minister of Indian Affairs and Northern Development. But I hope these members will feel the same way I do.

Of course we'll be back in one year, and like you, I am looking forward to seeing how it's going to run.

Thank you.

[Translation]

Mr. Marc Lemay: Thank you.

The Chair: Thank you, Mr. Lemay.

[English]

I don't want to disappoint Mr. Lemay, but I did have a couple of follow-up items, if I could, before we finish this section.

First, the notion that because more nutritious food is going to be subsidized and will be at lower cost, have you anticipated that the demand for those items is going to move upwards and thereby create a greater subsidy a year or two or five down the road?

Secondly, in terms of the differences between the old food mail program and the new Nutrition North program, to a point that you made, Mr. Borbey, there were problems in terms of the customer complaints and so on. What benefits does Nutrition North give the customer in terms of being able to express complaints and project changes to improve the service?

Those are the two points. If you could just comment on those that would be great.

Mr. Patrick Borbey: Thank you.

On the second, in terms of the consumer, obviously the advisory board will be an important mechanism by which that feedback can be relayed to us, although the department will also be there to listen and do some surveys to be able to see what the consumers are collecting. Health Canada will have a presence in the communities, so they will be able to help us monitor as well.

In terms of if the price is reduced for the most nutritious goods and if that consumption goes up, I think that would be a factor for success of the program. On the cost of the program, where we're putting pressure on the program because people are eating more nutritious goods, I think that as a public servant I would be better positioned to go to my minister and say that we need more resources than we have had in the past; that we've been seeing increased costs, no accountability, no certainty as to whether at the end of the day the benefits are being directed to the right people. Without pre-judging what Parliament and ministers would do, I think if that happened I would feel better about my position than I do now.

• (1635)

The Chair: Of course I can't speak for all the members, but I'm sure you'd get resounding support for that trend around this table as well, because that would be a great success.

I would like to thank you for this.

Members, we're going to take a brief suspension while we change the table over and begin our second hour.

Again, Ms. Copland, all the best in your new post, and we wish you well in this new program and the responsibilities that have come your way.

Ms. Elizabeth Copland: Thank you.

The Chair: All right, we'll suspend for three minutes.

• _____ (Pause) _____
•

• (1640)

The Chair: Okay, members, we'll get back to our seats and resume consideration of our study.

This is our final hour of witness testimony on our long-standing study on northern economic development, which dates back to October 2009, when at that time, our first meeting on the study, we invited officials from Indian and Northern Affairs Canada and also from CanNor. So we're back to that today.

We're going to give you a brief moment to do an opening statement and then we'll go directly to questions. The purpose of this is to tie up any loose ends if members have any final questions before we get to the stage of preparing a draft report.

We have with us, of course, Mr. Borbey, the ADM for northern affairs, who continues along with us. He is joined by Paula Isaak, director general, natural resources and environment branch. From CanNor, we welcome Michel Robillard, vice-president, and also Michael Nadler, the director general, policy and planning.

I think we'll just go to opening statements. I understand you have brief opening statements, Mr. Borbey and Monsieur Robillard.

Mr. Borbey, go ahead.

Mr. Patrick Borbey: I'll be very, very short.

Thank you for the opportunity to speak to you today about northern economic development. My colleagues and I are looking forward to receiving the results of your study, as it draws to a conclusion in the coming months.

As you know, supporting economic and social development in the north is one of the major priorities under Canada's northern strategy. One of the key barriers to economic development is the cumbersome and unpredictable regulatory system that I think has been discussed at this meeting, and that you've heard about from witnesses in the past. That is why since the last time we appeared the minister has launched an action plan responding to the recommendations from the McCrank report as well as previous recommendations from the Auditor General.

This action plan is aimed at improving the north's regulatory regime. In fact we are very proud that the minister was able to table the first bill under that action plan, the Nunavut planning and project assessment act, Bill C-25, which I hope this committee will be studying very soon.

[*Translation*]

Mr. Yvon Lévesque: Could you slow down a little bit? The interpreters are having trouble following you.

[*English*]

Mr. Patrick Borbey: I'd like to remind members that the regulatory system is not the only barrier or the only challenge that the north has. We've heard a lot about the infrastructure requirements. I'm sure you've heard, as well, that there are many, many requirements for infrastructure development, whether for public or private purposes in the north.

There are also capacity issues with respect to the human resource skills required to support development and ensure that northerners, particularly aboriginal people, participate in the economic opportunities of the north. It's not just people flying in and out from southern Canada.

These are some of the other big categories. Again, I hope your study will be able to provide some insights in those areas.

We'd be pleased to answer any questions with respect to the work we've been doing, in order to help with your work.

[*Translation*]

On that note, I would like to pass the floor to my colleague Michel, who will talk a little bit about CanNor.

The Chair: Thank you.

You have the floor, Mr. Robillard.

[*English*]

Mr. Michel Robillard (Vice-President, Canadian Northern Economic Development Agency): Thank you.

On behalf of the agency I would like to thank the chair and members of the committee for the opportunity to speak with you today. This is my third opportunity to talk with members of the committee. I'm joined this time by Michael Nadler, director general of policy and planning.

Each time I have had the opportunity to speak with you I have been able to advise of new progress made by CanNor in achieving its goal to support a strong and diversified economy across the north. This visit is no different. We continue to make progress in establishing the agency and in delivering on our important mandate. Here are some examples.

● (1645)

[Translation]

As of March 2010, CanNor has supported 202 projects and invested over \$32 million in northern economic development and infrastructure. We have supported key sectors such as exploration and mining, tourism, fisheries, and arts and culture. We have also supported innovation by strengthening broadband access; by investing in geoscience; and by investing in key studies for the Baffin Island fishery.

As well, CanNor has helped communities to recover from the global economic downturn by leading the delivery of the Community Adjustment Fund and the Recreational Infrastructure Program across the north, creating jobs and opportunities in many communities.

On May 3, we launched the Northern Projects Management Office. Since the launch of the office, NPMO staff have undertaken engagement activities with industry, regulators, co-management boards, and government in all three territories. The NPMO is already working with interested clients, such as Canadian Zinc, Areva Canada and De Beers to help in regulatory path-finding for their projects.

[English]

Sustainable development in Canada's north is a vision that CanNor shares with many other organizations. The agency is working with many partners who share the same ambition for sustainable economic growth and prosperous communities across Canada's north. We are working with northerners, aboriginal people, business, and government toward the common goal of a dynamic economy in all three of Canada's territories.

I thank you again for your invitation to join you here today, and I welcome your questions regarding CanNor and economic development in Canada's north. My colleague and I will do our best to respond to your questions. However, should we not be able to give you an answer this afternoon, we will provide the clerk of the committee with a written response in the coming days.

Thank you, Mr. Chair.

The Chair: Thank you, Monsieur Robillard.

Now, members, if you're willing, instead of just going to the usual time format, I'll just keep the speaker list and we'll proceed, if that's agreeable. That way, members who have legitimate questions can just get on the list and we'll go one at a time until exhausted, as opposed to going with the usual seven-minute routine.

Are you okay with that? In other words, we'll keep a list. Okay?

Okay, so who would like to go first?

Mr. Bagnell.

Hon. Larry Bagnell: I have two short questions.

At CanNor, what are the new programs or new moneys that wouldn't just be transferred from other departments who have already done that—for example, infrastructure, or strategic economic development that came from INAC, etc.?

Secondly, when talking to the president of CanNor several times, I was emphasizing the need to have a whole different strategy for the rural areas from the very modern capital cities, Whitehorse, Iqaluit, and Yellowknife, and she said that CanNor was definitely taking that into consideration in having those different strategies. I'd just like to hear about what you're doing differently for the very depressed rural communities in the north.

Mr. Michel Robillard: Thank you, Mr. Bagnell.

In terms of your first question, when CanNor was created, SINED was a renewed SINED. From 2004 to 2009 we had the old-fashioned ways of administering SINED. When CanNor was created, the new renewed SINED was then transferred to CanNor. We considered this as being a renewed program. In addition to that, when CanNor was created we had already ended up with CAF, the community adjustment fund, which was also a new program, as well as RInC, the recreational infrastructure Canada program, which is another new program to support northern communities. These two programs were new. We started with the creation of CanNor, and SINED was a renewed program. In addition to that, we ended up with older programs such as ABC, Aboriginal Business Canada, and AED, aboriginal economic development, which are being renewed as we speak through the aboriginal economic development framework. It will probably be updated and upgraded in the next few months, after our consultation with northerners and aboriginals in the north.

With respect to the second one, over the last few months we have had many discussions within CanNor to create a new framework to deal with the kinds of issues we're facing—rural versus urban communities. My colleague Michael Nadler has been tasked with starting consultations first with our own offices and then doing a broader consultation with different stakeholders and partners to come up with a framework that will take into consideration these issues of urban versus rural communities. That means also looking at different ways of doing business in the north: supporting traditional economies and the social economy, looking at diversification, not only investing in the resource sector but also in tourism, developing a cultural industry, and supporting more and more traditional economies. In some remote communities, that's all they have, a traditional community. They're not near a resource sector or mines or so on.

So we need to look at these issues. Through our framework, we'll be addressing that.

● (1650)

The Chair: Okay.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: I will address Mr. Robillard, but Mr. Borbey can also respond.

We are completing our work and we will begin to give our analysts directions so that the drafting of the report can commence. I will share with you my feeling, and you can do with it whatever you want.

We have seen the arrival of CanNor as yet another administrative body. Many witnesses have come to talk to us about this. Don't ask me for their names. There have been so many of them, over the past few months, that I wouldn't be able to name them. I will not say that all the witnesses have talked about it. That would not be true. However, it happened on several occasions. For example, representatives from various mining exploration companies asked what you would do and what your role would be. Even with a little bit of perspective, they may not yet be able to see how you will integrate into an area such as the north.

To reassure all those fine people, could you give me an idea of what I could say to those who are telling us that, with regard to northern development, your organization is only an additional administrative layer and that they will have yet another obstacle in their way?

Mr. Michel Robillard: Thank you, Mr. Lemay. I will respond to your question by using an example and by talking about the mandate of the Canadian Northern Economic Development Agency. CanNor is an economic development organization with a unique mandate north of the 60th parallel. We are working to ensure sustainable economic development in the Canadian north. Our main issue is economic development. We devote all of our efforts to that goal, all the more so that we now have a deputy minister who champions various northern issues.

Mr. Marc Lemay: She can do no wrong, because she comes from my region.

Mr. Michel Robillard: Probably, I will let you be the judge of that.

The context is important. A deputy minister represents the people in the north, first nations, Inuit, and plays an important role in

[*English*]

an advocacy role and policy research.

[*Translation*]

That is a first answer.

Second, I would like to give a concrete example to show that the agency can have a real influence. There is a new Northern Projects Management Office and an economic sector. This is the only regional development agency in Canada with a Northern Projects Management and Economic Development Office.

A few months ago, we organized a working session with Avalon Rare Metals Inc. mine in the Yellowknife region and the four Dene nations to talk about business opportunities. This concerns the mining sector, working with the Northern Projects Management Office and connecting this to the economic development sector, in

order to be able to demonstrate to communities that will be affected by this budget that there are business opportunities, potential sources of funding and CanNor support in order to take utmost advantage of potential economic spinoffs. This was an overwhelming success. We expected 125 participants, there were over 200. Local jobs are being generated. We went to an aboriginal community, a first nation. So there are extremely positive results. This is a very innovative approach. This is an example of what CanNor can do in the north.

Furthermore, we act as a facilitator. We brought the stakeholders in the federal family together to create ties. We know that funds are rare and difficult to obtain. What can we do to use the money we have, to ensure that each dollar spent has an ever-greater impact? Our approach is to create synergies with Industry Canada, Human Resources and Skills Development Canada, and so on.

Today, you can see that even in our programs, two Human Resources and Skills Development Canada employees are part of CanNor and will work to develop synergies between their programs and ours.

These are quite telling examples of what the agency is doing differently, today, to ensure that the people in the north can benefit from potential economic spinoffs.

•(1655)

The Chair: Thank you.

[*English*]

Okay, now we have Mr. Bevington, and he'll be followed by Ms. Neville and Mr. Payne.

Mr. Bevington, go ahead.

Mr. Dennis Bevington: Thanks, Mr. Chair.

I note in your action plan on regulatory reform there are three main items. One thing we heard over and over again was the problems within Ottawa of the regulatory regime for the territories. The time and effort that went into the work in the north was then repeated in many cases in Ottawa with the different departments.

Where does this action plan deal with streamlining the regulatory system in Ottawa?

Ms. Paula Isaak (Director General, Natural Resources and Environment Branch, Department of Indian Affairs and Northern Development): Thank you for the question.

Yes, and that was something that was identified by a number of parties during all the consultations.

What the action plan is intended to do with its suite of regulatory amendments or changes is to include timelines for our minister as well as other ministers. So there is the intention of not only increasing timelines for proponents and consultation processes, but also for our internal approval processes as well. It's intended to be a large suite of timelines, which are evidenced in the NUPA Act that was just tabled in May. It includes timelines for all parties involved in the regulatory process.

Mr. Dennis Bevington: So these will be part of the legislative changes that you're proposing, or regulatory changes?

Ms. Paula Isaak: That's correct. It will be part of the legislative regimes.

Mr. Dennis Bevington: So those things won't be impacted by land claims. What about the change that you've been proposing to have single boards for the Northwest Territories? It would go against the basic makeup for the regulatory system that was agreed to under land claims agreements.

Ms. Paula Isaak: As you know, when the action plan was announced, the appointment of John Pollard as the chief federal negotiator was announced as well, and his mandate is to talk to all stakeholders—aboriginal groups, the Government of the Northwest Territories—to talk about restructuring, and his mandate does also include the need to respect the land claims that are in place now.

Mr. Dennis Bevington: And even though many of the groups, including the Government of the Northwest Territories, have said that this is not on the books, and did not ask for any restructuring of the boards, you're still proceeding in that direction?

Ms. Paula Isaak: Mr. Pollard will be talking to the government of the territories about that.

Mr. Dennis Bevington: Is your plan to proceed in that direction?

Ms. Paula Isaak: We can't pre-judge what Mr. Pollard will come to the minister with.

Mr. Dennis Bevington: So we have no plans to proceed in that direction? You're just waiting for advice from a consultant?

Mr. Patrick Borbey: I think the minister was clear that he thought that restructuring was required. And there's not just what Mr. McCrank said in his report; many others have said that the system is too cumbersome, needs streamlining, and that there are ways of being able to do that while still respecting the land claims.

• (1700)

Mr. Dennis Bevington: Are they respecting the land claims and the general feeling of the people in the north as evidenced by their public government in the presentations they have made on it?

Mr. Patrick Borbey: Again, as we said, Mr. Pollard is going to be talking to all stakeholders and coming back with his report and advice to the minister as to what scope there is for restructuring, and that will include certainly the views and opinions of the Government of the Northwest Territories.

The Chair: If you have more questions, we'll still have some time.

Go ahead, Ms. Neville.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you very much.

Thank you for being here. I've come into this study part way through, so I've missed some of your previous visits to the committee.

You talk in your presentation, Mr. Robillard, about the 202 projects and the investment of \$32 million. My questions are related to consultation. I'm curious to know what consultation took place as it related to those projects. Then on May 3 you talked about how, through the Northern Project Management Office, you've undertaken engagement activities with the industry regulators, etc. I'm interested in knowing about that consultation process.

Then the department announced in June, just a few days ago, that it will be holding national and regional consultations with key individuals to develop the framework for aboriginal economic development. Again, I'd like to know what the criteria for the consultations will be, and how you will determine who will or will not be consulted. So I'm interested in the whole consultation process, and—as I'm reminded by my colleague, which I should have remembered—what kind of gender analysis you're doing as well.

My final question to you is we've heard much here from various private sector bodies and others about the overriding need for educational attainment in order to foster economic development, and I'm interested to know whether you or your organization will have any role in skills development or partnering or leveraging in any way or any capacity whatsoever.

Mr. Michel Robillard: Thank you, madam.

There are three questions: one is regarding the consultation process with respect to economic development; the second one is on NPMO, and the gender analysis I will turn to my colleague, Michael Nadler; the third one is on the skills development.

First of all, in terms of economic development, I will take our flagship program, which is SINED, the strategic investments in northern economic development. We have a five-year investment plan. So this plan was developed in consultation with our partners and stakeholders from every territory. For instance, in Nunavut the Government of Nunavut was part of that through what we call the Nunavut Economic Forum. We had a broader consultation in terms of having all the key players around the table: GN, NTI, economic development institutions, and so on and so forth. We did the same process of consultation. At the end of the day we had an investment plan developed with all of our partners and stakeholders, and these investment plans are part of SINED now. They were approved by our minister last year.

Another example of consultation: last week I spent two days with NEDCIN, the National Economic Development Committee for Inuit Nunangat, which brings together the four groups of Inuit, Inuvialuit, Nunavut, Nunavik, and Nunatsiavut. Around the table you had NTI representatives; aboriginal financial institutions; ACOA; DEC; CanNor; and different representatives from CEDOs, the community economic development organizations. Again, we had a large consultation and we were dealing mainly with the renewal of the aboriginal economic development framework. I think this summer we'll do exactly the same in the Northwest Territories and in the Yukon. We're trying to involve, as much as we can, the key partners and key stakeholders when we're conducting these consultations.

With respect to NPMO, the same thing was done with the different partners and stakeholders: industry boards, our federal colleagues from different departments, the different territorial governments. We met with them, explained what NPMO was providing and so on and so forth. So again, there was a lot of consultation.

With respect to the skills development—

● (1705)

Hon. Anita Neville: If I can interrupt you for a moment, how are you establishing priorities, both with whom you consult and the topics of consultations? Are you establishing them? Are you doing it in cooperation with those you're consulting with? What's the process?

Mr. Michel Robillard: As an example, with respect to NEDCIN, INAC is leading the consultation nationally, but in the north we're part of this process. We're inviting all the key partners. We have discussions with them. So the process is quite clear in terms of who are the partners, who wants to be involved, and we're inviting them to be part of this consultation as well. That's the process we're more or less following to bring all the players together.

In the north, one of the challenges we have is that we have a few good strong partners and stakeholders, but it's small, it's not that big, so all the major players are normally part of the different consultation tables that we run with INAC.

With respect to the skills and development, CanNor signed an MOU with HRSDC about a month ago, and as we speak, this week my original director in Nunavut, Hagar Idlout-Sudlovenick, is meeting with HRSDC to organize a one- or two-day workshop with these people to understand their program, for them to understand our program, and start to create synergy between what they do and what we do. The goal is really to create synergies and have better control of the funding we spend on training and really target it, what is the best approach to skills development, and so on and so forth.

In addition to that, through our different programs we are also investing in skills development. A good example is in the Yukon lately, with \$2,250,000 to YMTA, Yukon Mine Training Association, with \$1.5 million for a mining simulator and \$750,000 for the curriculum of the YMTA.

Hon. Anita Neville: So are there any new dollars coming in under this memorandum of understanding, or is it using existing dollars?

Mr. Michel Robillard: Right now we are using existing dollars.

The Chair: Okay, we do need to move on.

Ms. Neville also asked about gender issues. I wonder if you could address that one. I'm just keeping an eye on the clock. We have a few more questioners. So we'll do the gender question, and then perhaps move on.

Mr. Michael Nadler (Director General, Policy and Planning, Canadian Northern Economic Development Agency): Sure. I can follow up.

Just to refine the response on skills development, one important role for CanNor in the north is as an advocate. This relationship with HRSDC does provide a window for advocacy and key programs, such as the aboriginal skills and employment program, that help adults who are without work in the Arctic develop the skills to participate in natural resource development or other major economic sectors. These are very critical programs. We have had some success, both of CanNor and within INAC, in advocating for certain projects in the Arctic, and we're getting considerable success both in the Northwest Territories and in Nunavut in this most recent tranche of the program.

On gender-based analysis, I agree it's in a very critical and important area. CanNor has just been recently established. We're building a suite of foundation policies that will be foundational or critical to our future, and gender-based analysis will be one of these.

In our own work and engagement with stakeholders, issues facing young entrepreneurs and women entrepreneurs have been raised as possible challenges for the future. That might be a target for interventions within the agency or for program development. So we are considering those two client groups as unique client groups, but there are others that have raised their hands as potential new areas of activity for the agency.

The one thing I'll observe is that women play a strong role in the business community in the north, particularly in the eastern Arctic, and particularly for small businesses. So not only would they be an important client, they're also opinion-shapers in the north, so a critical partner and advocate for the work of the agency in the Arctic.

● (1710)

Hon. Anita Neville: Thank you.

The Chair: Thank you, Ms. Neville.

We're going to go to Mr. Payne. That will be followed by Mr. Bevington and Monsieur Lévesque.

Mr. Payne, go ahead.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Chair.

I just wanted to do a follow-up. Unfortunately, our fellow member Monsieur Lemay is not here. I want to follow up on Canada's economic action plan and how that has impacted the north. In particular, I'd like to hear a few details around some community adjustment funds that have been placed in the north on those projects, as well as the RInC and how that has impacted the citizens of the north as well as the economic development.

Mr. Michel Robillard: Thank you.

With respect to the community adjustment fund, we have been working with the various communities in the north over the last eight months. We have spent roughly \$5 million in each territory, with respect to CAF. All the funding related to RInC, so far, has been spent. We had, I believe, 19 projects totalling \$1.7 million—all committed. It was the same with CAF. According to what project proponents are sharing with us, we have created 250 person-years under CAF and 16 person-years under RInC. Again, it's based on what project proponents are indicating in their PSR, project synopsis report. And it had a huge impact on the different communities.

A good example lately is we have invested \$1.6 million in Nunavut for the Baffin business community development to support small businesses. That's only one example. Another good example is Qulliq Energy in Nunavut. We have replaced eight generators in eight communities, reducing the use of diesel by 1.6 million litres every year. So it has a huge impact in terms of economic benefits for the various communities.

Mr. Patrick Borbey: I would add that we also have the Arctic research infrastructure fund, which is part of the action plan, and that's certainly generating significant economic benefits. There are 20 different projects across the north. These projects are not just in the territories; they also include projects in Manitoba, in Churchill, projects in northern Quebec, and projects in Labrador. Again, about \$85 million over two years is being invested. And again, those projects are all on track, notwithstanding the challenges of constructing or meeting construction timelines and costs in the north.

Mr. LaVar Payne: It sounds as if it's creating a lot of good employment—and a lot of action, as my friend says. I'm glad to hear that.

I'm wondering, Monsieur Robillard, if you could give us the current status of the agency's operations. And what are the specific goals over the next couple or three years?

Mr. Michel Robillard: Thank you for your question. Right now we have around 100 employees, of whom 67 are permanent employees. The rest are what we call our “transition team”, which is really casual employees and people who will be helping us to stand up the organization.

We have an office in the Yukon, and staffing is almost done. We are moving to our new accommodation in September, in downtown Whitehorse. In Yellowknife we are right now staffing the NPMO as well as the regional office, and we will be moving into our new accommodation around October.

In Iqaluit we have a plan to staff up to 51 positions over the next 20 months. You must understand that it's a phased approach, because we are still dealing with some challenges in terms of HR capacity, office accommodation, and housing. So you'll see our office moving from roughly 11 people up to 51 people in the next 20 months.

We have now a draft integrated business plan. We are currently working on our HR plan, including an Inuit employment plan, because we have specific challenges in the north.

If you read the RPP and the integrated business plan, you will see we have a clear objective over the next three years. Right now we are in phase one of the agency, which is the stand-up, and it will take another six months, I would say. Then after that we move to the

second phase. We are already working on the second phase in terms of objectives. For instance, this famous framework to support the sustainable economic development in the north is part of our objective in the next year or two. We are looking at new programming. Michael just mentioned young entrepreneur development and women and business, for instance.

So not only are we administering our current program, but we are also looking at new programming in the future. So that's only a few objectives that we have right now.

• (1715)

Mr. LaVar Payne: I have one final question. Mr. Borbey may also want to chime in on this.

What suggestion would you have for the committee in terms of where we should focus our northern economic development?

Mr. Michel Robillard: There are many challenges in the north, a multiplicity of challenges, a multiplicity of stakeholders and partners. I would say the three main challenges, based on my experience, are infrastructure, capacity building, and the cost of doing business in the north. There are many others.

For me, capacity building is a real issue, because you may have a lot of good infrastructure, which is quite important, but you also need the human capital to support these infrastructures. So it's important in the future to invest and to develop and to work on this capacity building as well. I think it's an important issue for us.

Mr. Patrick Borbey: If I could add, I think the model for development in the north is perhaps a bit different from what we've lived through in the south. We have to respect that. We have to respect the fact that people want to see balance. They want to see development happen but in a sustainable way, so we won't leave a legacy of contaminated sites, which we are now cleaning up. So I think it's very important to northerners that we acknowledge that and act accordingly.

On the capacity, I agree and reinforce that again. Graduation rates that are significantly below the national average just won't cut it. There are many people coming out of the schools in the north who don't have the functional literacy to work safely in the workplace. That means they can't read labels and they can't protect themselves against hazards in the workplace. We've got to find some solutions. I think everybody is conscious of that. But what are the solutions that are going to work in the north and allow northerners to be able to fully participate in the economic opportunities?

Mr. Michel Robillard: If I may, Mr. Chair, I would add that skill development will help us reach the goal of economic diversification in the north. It's not only investing in resource projects, which is quite important, but also developing cultural industries, developing tourism, developing the traditional economy, developing social economy, and so forth. So skill development will help us reach this goal of economic diversification as well.

The Acting Chair (Hon. Larry Bagnell): Thank you.

Mr. Bevington.

Mr. Dennis Bevington: Thank you, Mr. Chair.

Mr. Robillard, on the development of the infrastructure in the McKenzie Valley, you've put some money into the Tuk-Inuvik road. Is that correct?

Mr. Michel Robillard: We have provided funding up to \$4 million to the Dempster, Rigley, Tuk-Inuvik highway for the development of the PSR, the project synopsis report, which is a key step toward—

Mr. Dennis Bevington: Okay, but with the Rigley north connection in the McKenzie Valley, did the money that was announced come from CanNor?

Mr. Michel Robillard: Four million came from CanNor.

Mr. Dennis Bevington: No. You said that was for the Dempster part.

Mr. Michel Robillard: Yes, it's for the Dempster, Rigley, and Tuk-Inuvik.

Mr. Dennis Bevington: Okay, so you actually put the money into the Rigley. The Dempster is not part of that; it would be part of the McKenzie Highway.

Mr. Michael Nadler: It's a connection to the Dempster.

Mr. Michel Robillard: Yes.

Mr. Dennis Bevington: From Rigley to the Dempster highway, that's the connection you're talking about.

Mr. Michel Robillard: Yes.

Mr. Dennis Bevington: Okay.

We've heard evidence here in the last couple of meetings, especially from the aboriginal pipeline group, that there would be an enormous cost saving to see that highway precede the development of a pipeline. Do you anticipate that the money you've put into that will bring this closer in the very near future? We need some decision-making on that. What was announced was a three-year study. Can you give me some more details on a three-year study right now on a road that has been well studied over probably about 30 years?

• (1720)

Mr. Michel Robillard: I will try my best, but I can come up with a more thorough answer.

We know that this project synopsis report is a key document to go further in potentially getting other funding if the decision is made to go ahead with this highway. So we've really been funding this PSR. CanNor did that. I believe it's an important step toward a potential solution or not, depending on what the PSR will bring. That's what I can say for now, but I can come up with a more thorough answer to your question.

Mr. Dennis Bevington: Okay.

The Chair: Do you want to add anything there, Mr. Robillard?

Mr. Michel Robillard: No. We'll come back.

The Chair: Thanks, Mr. Bevington.

I'm watching the time here. We do have two more people on the list: Monsieur Lévesque and Monsieur Bagnell.

Monsieur Lévesque.

[*Translation*]

Mr. Yvon Lévesque: I will try to be brief, Mr. Chair.

Mr. Robillard, when the deputy minister last appeared before this committee, I think that your board had not yet been fully established and that you were having difficulty approving various individuals.

With regard to education—in order to train a skilled workforce—you lacked teaching staff and you were having difficulty finding people because you didn't have anywhere to house them. Is this still the case today?

Mr. Michel Robillard: Our management team is now trained and complete. We completed it over the last few months. With regard to our employees who work in various regional offices, as I mentioned earlier, we now have the office space we need in Whitehorse and Yellowknife. The staffing process is currently underway, including for the Northern Projects Management Office as well as for the regional economic development office. Staffing is underway and, to date, is working well.

In Iqaluit, we have a 20-month plan to fill positions and acquire the needed office space for a headquarters and a general office. So there are two aspects in Iqaluit: the regional office, which will serve Nunavut, and the headquarters, which is responsible for CanNor operations throughout the north. We only have a liaison office here in Ottawa, which will be staffed by 13 to 18 individuals, which includes support staff for our deputy minister.

With regard to Nunavut, we are currently working to obtain temporary office space. At the same time, we are working on obtaining permanent office space, because it takes a little longer, in Nunavut, because of the impact of the seasons on material delivery, etc. Various issues are more specific to Nunavut and must be integrated into our headquarters establishment plan. To date, the plan is going well. As I mentioned, it is a 20-month plan. There are issues, as is the case for all organizations operating in the north, but our plan is quite flexible in order to adjust to any problems. We always have a plan B and a plan C to deal with problems. So, setting up CanNor is going quite well.

Mr. Yvon Lévesque: Let us talk about education, in other words, staff training in the north. If I am not mistaken, this is part of your mandate. During our last meeting, you told us that there were companies wanting to undertake development in the north, but that there was a lack of skilled staff to train the workforce in the north. Is this still the case?

•(1725)

Mr. Michel Robillard: It is likely the case, but I will try to consult the transcripts of that discussion, because I cannot remember. I was not here in March, but I will be able to provide an answer to your question by consulting my colleagues. If you will allow me, I can ask our office staff to send you the answer to that question.

[English]

The Chair: Yes.

[Translation]

There are only five minutes remaining.

Mr. Yvon Lévesque: I would like to ask Mr. Borbey to send it to me in writing.

The Chair: Please be brief.

Mr. Yvon Lévesque: A little earlier, he mentioned that they were also investing in Quebec through CanNor. The last time, I had asked a question about this. I thought that CanNor was no longer doing business with Quebec.

Mr. Patrick Borbey: No, I was talking about research infrastructure improvement projects. In Quebec, we have various projects, namely the Kuujuaq Research Centre, which will soon open its doors. There is also the Northern Study Centre, which is a multi-faculty research centre for Laval University, and various facilities in northern Quebec.

I can send you the list of all the projects. I think that we have already sent it. It is called the Arctic Research Infrastructure Fund. I can certainly send it again.

[English]

The Chair: I was going to ask that anyway. You've committed to bring back written responses on any outstanding questions, and we'll bring them directly to the analysts to help inform the report.

Monsieur Robillard, you have another item to add.

Mr. Michel Robillard: Yes, it's in answer to the question about education from Mr. Lévesque.

[Translation]

As I mentioned, Mr. Lévesque, the question you are asking me should probably be addressed to Human Resources and Skills Development Canada. In fact, it has specific programs, and my colleagues who work in that area would be able to also answer that question. I just wanted to mention that. We will do some research, but perhaps the question concerns them more than it does us.

[English]

The Chair: Okay.

Mr. Borbey, you are right that we got a list earlier, but we note that the number of projects has changed. So if you have an up-to-date list on the 202 projects that were mentioned in your report to the committee, that would be helpful for the report.

Mr. Patrick Borbey: It's a different list. It's not a CanNor list; it's INAC.

The Chair: Okay.

Mr. Patrick Borbey: There are 20 projects under this fund, and we'll make sure you get the information.

The Chair: The same would go for CanNor and Monsieur Robillard, an up-to-date list of the actual projects, what they consisted of. That would be helpful for the report. You listed, you think, 202 for \$32 million.

[Translation]

As for the last question, I will give the floor to Mr. Bagnell, who has three minutes.

[English]

Hon. Larry Bagnell: I have just two short questions.

First, as you know, probably the two biggest potential economic development projects north of 60 are the Alaska Highway and the Mackenzie Valley Pipeline. I'm just wondering what CanNor is doing to move those forward and what they're prepared to do.

Second, when the stimulus money runs out, our committee heard—and I'm sure they'll all agree—there still are a lot of requests for infrastructure in the north. What are the priority projects you see, or maybe one project for each territory? If you don't have that priority, how will you choose that for next year and the year after?

Mr. Michel Robillard: With respect to the Mackenzie gas project, the Major Projects Management Office is working right now with the different partners and stakeholders on this project. On May 3, CanNor launched the NPMO, Northern Project Management Office, and the role we're playing right now is to attend meetings with MPMO, because MPMO is responsible for the Mackenzie gas project, so they may be in a much better position than I am right now to answer that question. We have worked with them to include CanNor NPMO in their discussions.

Mr. Patrick Borbey: I can also add that the department in the past and now CanNor have funded the Aboriginal Pipeline Group in NWT, so certainly we've been supportive that way. In Yukon in the past we've worked with NRCan to have capacity-building workshops with all the first nations along the proposed or planned pipeline route. That's something we're prepared to continue working on as the project continues to evolve.

•(1730)

Hon. Larry Bagnell: My second question.

Mr. Michel Robillard: Yes, Mr. Bagnell.

I can speak for our priorities in the north, and right now one of them is diversification of the economy. That's why I've been emphasizing at the committee that CanNor is investing in different sectors of the economy, because one of our main goals is diversification, and the traditional economy as well as tourism and cultural industry. That's CanNor's priority. I can speak for the other partners because we have normal consultation with them. We have, under SINED, a clear investment plan over the next five years, and our role is to implement this investment plan.

Just one last clarification, Mr. Chair...?

The Chair: Okay.

Mr. Michel Robillard: Many of the 202 projects that I spoke of are not yet announced, but I will share the list of projects approved and announced.

The Chair: That would be very helpful.

Thank you, members, for your indulgence and patience this afternoon.

Thank you to our witnesses for doing a wrap-up here for us on this report. It's been very helpful.

Members, we're now going to take a very brief suspension and then go in camera for our session. We'll be back at the table in two minutes, because we only have 15 minutes.

[Proceedings continue in camera]

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