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Chair

Mr. Merv Tweed

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• (0905)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, everyone. Welcome to the Standing Committee on Transport, Infrastructure, and Communities, meeting 23.

The orders of the day, pursuant to Standing Order 108(2): a study of the impact of the government's deadline of March 31, 2011, for infrastructure stimulus projects, and December 31, 2010, for the completion of projects under the recreational infrastructure Canada program, or RinC, and the water and waste-water pipeline renewal program, PRECO.

Joining us today from the Union of Quebec Municipalities are Gilles Vaillancourt, who is a member of the executive committee, president of the commission on fiscality and local finances, and mayor of the City of Laval; and Joël Bélanger, who is a policy adviser.

Welcome to our committee.

Mr. Bevington, on a point of order.

Mr. Dennis Bevington (Western Arctic, NDP): Before we get into the welcoming of the witnesses, regarding the motion that I brought forward the other day that failed, I wonder if the committee would permit me to bring that subject forward to the steering committee at the next opportunity so I can lay it out a little better for the members. Perhaps it needed a bit more explanation to bring that forward in a good fashion, and also bring forward the work that the natural resources committee is doing on this.

The Chair: Mr. Volpe.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Chairman, I note that we had started to have some reasonable discussion about this. It is a very urgent issue, it's imminent, and it's current. While I had some reservations, given the timetable that's unfolding very quickly before us, I thought at the very least we ought to be able to refer it over to the steering committee and establish a timeline for discussing it.

As I indicated the other day, it is very topical. The Minister of Transport, if he doesn't have the line responsibility, at the very least is implicated in all the decisions in establishing a plan. I think the committee would be remiss if it weren't seized of the importance of the matter, especially with respect to its environmental implications and its financial implications, which obviously will have a large impact on the economy, not only locally, but as we've seen from further down south, not only hemispherically but globally.

So I commend Mr. Bevington for bringing the issue back up again, and my apologies to our witnesses, who came here to speak about something else, but I think the motion should at least be entertained in steering committee. Obviously we can't do it today, so I'd support it going to steering committee.

The Chair: Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): I have no objection to this being discussed at the steering committee, but I ask that we please not reopen that debate today.

[English]

The Chair: Merci.

Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): First of all, I'd like to welcome Mr. Kennedy back here, twice in ten meetings, and twice in a row. It's nice. Thanks for gracing us with your presence again.

I think it would be most appropriate to deal with this in the steering committee if Mr. Bevington has more facts, but since the committee as a whole voted on it recently, I don't think any decisions should be made at steering committee without the blessing of the committee as a whole. But certainly if he has new facts, I think that's appropriate.

The Chair: I believe the subcommittee will address it and then bring it forward to the committee as a whole at that point.

Let's go back to where we were.

Oh, I'm sorry. Ms. Crombie, on a point of order.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Thank you, Mr. Chair.

I have met with the Great Lakes Pilotage Authority on an issue that has come to light that I wonder if we may put before our committee, or perhaps at least entertain at steering committee. Perhaps Mr. Laframboise may have some concerns as well.

The Marine Pilots' Association is concerned about proposed amendments to their regulations that may take away the Great Lakes Pilotage Authority's ability to issue the certificates for pilots. There's some great concern that this may actually go to the shipowners themselves. It's a matter of great concern to them.

I wonder whether there is anyone else who is concerned, perhaps on the Quebec side—the Bloc Québécois may be concerned about this issue as well—and whether it's something we may entertain at steering committee, perhaps to bring forward to this committee to study.

• (0910)

The Chair: Are there comments?

Mr. Volpe.

Hon. Joseph Volpe: I guess I would see whether the parliamentary secretary would respond to this. I think it's a very important issue as well.

Since it appears the transport ministry may in fact issue notices of regulations in the *Canada Gazette*, it would be appropriate for this committee to bring transport officials before it in order to go through with them what the intentions of those regulations would be so we could be proactive in this matter.

That's inasmuch as the Marine Pilots' Association is an integral part of the workings of the Great Lakes and seaway system, and of course obviously going over into the Atlantic. We could talk about the marine pilots on the Pacific coast as well, but the most immediate one is for the continental gateway that's represented by the St. Lawrence Seaway.

So if the parliamentary secretary would address Ms. Crombie's point of order, maybe we could talk about having the members of the department here, or if not, the minister, to address the issues of the impending regulations coming forward.

The Chair: Mr. Jean.

Mr. Brian Jean: Yes, Mr. Chair, and thank you.

First I'd like to say that I haven't been familiar with this issue in about a year. So it's the first time this morning that it's been brought up. Certainly I understand there are about 350 pilots across Canada, who each make approximately \$200,000 to \$250,000. These new regulations may impact them, I'm not certain, but I would ask the committee's indulgence in this particular case. Maybe Mrs. Crombie could talk to me afterwards, and I could find out the information from the department. And it might avoid the conclusion where we would have to spend time before the end of the session on something that, quite frankly, deals with 350 people compared with the 32 million people we're dealing with in this particular issue today.

So not to underscore the value of it, but I don't know what's.... Usually we talk about this outside of the committee, and we don't have to raise points of order. I'm more than happy to talk about it with her and arrange a briefing for her and for you, Mr. Volpe, or Monsieur Laframboise. But it's the first I've heard of it. So I don't want to commit the time of this committee and the valuable time of the committee members on something at this stage that really.... I don't know what Mrs. Crombie is referring to.

Not only that, we have the mayor of Laval here. They're gracing us with their presence at the last moment. I'd really like to hear from him and from those he represents. So I would like to move forward with that if I could. And if Ms. Crombie wants to talk to me about it afterwards, outside of their precious time being wasted, I'd be more than happy to do so.

The Chair: Mr. Bevington.

Mr. Dennis Bevington: I would like to see it go to the steering committee as well.

The Chair: Thank you.

I don't think we have to have a vote on it. We'll have outside discussion. It can be brought to the steering committee, for sure.

Thank you again. We appreciate your time being here. I understand you know that you're going to make roughly a ten-minute presentation and we'll then move to questions and answers. Thank you for being here.

Please proceed.

[Translation]

Mr. Gilles Vaillancourt (Member of the Executive Committee, President of the Commission on Fiscality and Local Finances and Mayor of the City of Laval, Union of Quebec Municipalities): Chair of the committee Tweed, Vice-Chairs Laframboise and Volpe, ladies and gentlemen members of the committee, the Union des municipalités du Québec eagerly accepted your invitation to take part in the committee's work regarding the impact of the March 31, 2011 deadline set by the government for the completion of infrastructure stimulus projects. This is an issue for all municipalities in Quebec, and particularly for members of the Union of Quebec Municipalities.

The UMQ represents municipalities of all sizes in every region of Quebec. Its mandate is to promote the fundamental role of municipalities in enhancing social and economic progress across the province, and to support its members in building democratic, innovative and competitive living environments. More than 5 million Quebecers are represented by the UMQ.

For Quebec municipalities, the pressures caused by the deadline have been made worse as a result of several factors, including the lengthy negotiations between the federal and provincial governments, which meant that measures were really only put in place several months after the announcement. This had the effect of slowing down municipal processes which must go forward before any work can begin.

In addition, municipal elections held in November of 2009 all across Quebec also slowed the pace at which projects got underway. Almost 50% of city and town halls saw changes to their elected officials, something which had a major impact.

Finally, Quebec municipalities have to deal with harsh winters, which means that there is no construction work being done between the end of November and the end of March under the Water and Wastewater Pipeline Renewal Program, or PRECO.

Taken together, these factors have resulted in increased pressures on Quebec municipalities as a result of schedules being shortened. Despite that, the municipalities have acted quickly and diligently to respond to requests from governments.

As we were frequently reminded by ministers of both the Government of Canada and the Government of Quebec, without quick action by municipalities to get major infrastructure projects underway, the effects of the economic crisis would have been far worse. We hope this partnership will continue.

Municipalities are currently doing everything possible to meet the tight deadline that has been imposed, which means important concessions on their part.

The City of Laval, for example, has stepped up the pace of its work to renew water and wastewater pipelines. In 2010, we are planning to carry out all the work approved under the PRECO, which represents an investment of almost \$45 million. However, factors beyond our control may result in part of the work not being completed on time.

Furthermore, engineering principles recommend that paving work be done in two stages, with a period of freezing/unfreezing between the first and second layers, in order to ensure a longer life. This standard cannot be followed if the deadline of December 31, 2010 is to be met.

However, the City of Laval is certainly not the only city to be facing these challenges and the work done by municipalities across Quebec is worthy of mention. That is the case for Sainte-Marie, Beauce, which has been commended for its efforts by elected members from the region, both federal and provincial.

In that specific case, the municipality only has 12 months to carry out work that would normally take almost twice as long. Despite the fact that it will not be able to meet the March 31, 2011 deadline, Sainte-Marie began work last March on the construction of a sports and multi-purpose complex at a cost of \$28 million. It is doing so in order to meet the pressing needs of its residents.

Moreover, in spite of the diligence they have demonstrated, municipalities have to contend with an administrative process that always extends over many months. For example, for a relatively simple project submitted on January 29, 2010, the deadline for committing projects under the stimulus measures, the municipal process will result in the work only beginning five or six months later, around the month of July or August, depending on contingencies.

●(0915)

First of all, at the same time that it proposes a project, the municipality moves forward with approval of its borrowing by-law, which takes approximately three months. In the meantime, the municipality will have received approval for the project from the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire.

This year, because of the large number of projects that came forward in January of 2010, most municipalities only received their memorandum of understanding in March, almost two months after submitting their project. Very often, it is only once that confirmation has been received that a municipality will begin preparing plans and estimates, something that may take two to three months, which brings us to the month of April. Once the plans have been completed and the borrowing by-law has been authorized, the municipality

issues a call for tenders and examines the bids approximately one month later, in June.

Based on this accelerated process, and assuming that the bids come in within the budget set by the municipality, it will only be possible to begin work in July, at the earliest. In the specific case of street infrastructure work funded through the PRECO, the deadline for the completion of work is December 31, 2010. Because the month of December is automatically out of the question because of the weather, that leaves only four or five months for the municipality to carry out its programming, whatever the magnitude of its projects.

This process, which is critical for proper municipal management, demonstrates the extent to which this deadline is simply unrealistic in a great many cases. It may result in higher construction costs than the municipalities will ultimately be in a position to absorb on their own. As was recently mentioned by Mr. Dany Lachance, President of the Quebec Municipal Engineers Association, imposing time constraints on a contractor generally results in higher costs. Without a deadline, no such constraint exists.

The Municipality of Matane experienced this with respect to its project to upgrade the local arena when it had to shorten the work schedule from 16 to 10 months in order to meet the deadline. The compressed timeline resulted in increased project costs of approximately \$1.7 million which it absorbed on its own, by passing a second borrowing by-law.

The other issue that the Union des municipalités du Québec would like to draw attention to today is the fact that many municipalities which have already begun this work may not be able to meet the March 31, 2011 deadline. That would mean they would be forced to incur 100% of the costs of all work completed after the deadline. I'm sure you will agree with me that this is contrary to the spirit of the partnership between governments and municipalities. This is a situation that several municipalities will face.

I would like to give you another example, because an example is worth a thousand words. The City of Saint-Hyacinthe has just begun construction work on a recreational/tourist complex. Initially, in 2006, this was expected to cost \$24 million. Since then, the City has lowered the cost to \$16 million, with a view to meeting the deadline. It went even further, by dividing the project into separate work packages in order to speed things up. According to estimates on March 21, 2011, only about 60% of the work is likely to have been completed, leaving the Municipality of Saint-Hyacinthe with a bill of about \$4 million that it will have to pay on its own.

The examples I have given of projects that are already underway through the stimulus funding are not the rule, however, because several municipalities are not able to run the risk of having to take on such a heavy financial burden. That is the case for the Municipality of La Pocatière, which has a population of less than 5,000. Faced with the possibility of not being able to complete the work in time, it decided to abandon a \$600,000 project under the PRECO to upgrade its water and wastewater pipelines, and believe me, it is in dire need of that work. Yet the project was approved by both levels of government. The municipality has assured us, however, that were the federal government to show some flexibility regarding the deadline for completing the work, it would roll up its sleeves and get the work done, because it is very important that the project be completed.

• (0920)

Although the March 31, 2011 deadline seems far away, municipalities are now having to make decisions, and it is now that they are in need of greater flexibility on the part of the federal government. All across Quebec, there are examples like the Municipality of La Pocatière. That illustrates the fact that, despite the monies earmarked for these economic measures having been committed—more than \$1 billion for Quebec—many projects will not go ahead, meaning that much of the stimulus money will remain unused.

In summary, the UMQ would like to remind members that factors such as the slow negotiations between Ottawa and Quebec, the provincial elections, and weather are totally beyond the control of municipalities. And yet, in the context of infrastructure stimulus projects, they are nonetheless suffering the consequences, as an unrealistic deadline is being imposed.

Municipalities which are unable to change or even cancel large-scale projects that improve residents' quality of life will therefore have to take full responsibility for all costs incurred after the deadline. That is contrary to the spirit of a partnership between governments and municipalities.

In closing, the UMQ is asking the federal government to demonstrate some flexibility in this regard and allow municipalities which have already begun construction work to complete it after the December 31, 2010 or December 31, 2011 deadlines, so as to fully benefit from the federal government's financial contribution.

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

• (0925)

[English]

The Chair: Merci, Monsieur Vaillancourt.

Mr. Volpe.

Hon. Joseph Volpe: Thank you very much, Mr. Chair.

[Translation]

I would like to welcome Mr. Vaillancourt and Mr. Bélanger. Please accept our apologies for delaying your presentation.

To begin with, I would like to establish a few principles. My role is not to defend the government. I very much appreciate the fact that you presented your position with diplomacy and elegance. However, for the benefit of Canadians all across the country, it is important there be a clear understanding of the rules or parameters for this program.

So, I would like to ask a question that may seem a little delicate. Did all the municipalities submit projects to take advantage of an opportunity or to meet a specific need?

Mr. Gilles Vaillancourt: Municipalities never propose projects just to take advantage of opportunities, but they certainly do to meet pressing and glaring needs among their residents. That is the case for all the projects I have seen. None of them could be considered hare-brained; all are essential projects that will upgrade the current infrastructure and, in some cases, develop infrastructure that does not

currently exist, which is needed and that the municipality might not have been in a position to build with its own financial resources.

Those are the two most frequent cases.

Hon. Joseph Volpe: Let's go over the facts again. The municipalities came to government in order to meet specific needs. This is critical work. The two governments, provincial and federal, were fully aware at the time of the need for these projects to go forward, as well as the problem with the deadline.

Mr. Gilles Vaillancourt: You say both governments were well aware of the deadline. I have never had the privilege of sitting in government in Ottawa or in Quebec, but I have had the privilege of working with both governments. I don't know whether it is accurate to say that governments are aware of all the issues.

I think it is important to point out that, if governments had not had the municipalities and if the municipalities had not made governments aware of their needs, you probably would not have found any projects to undertake, even with your own money. Even if you had set yourself up on a street corner with your own money, you probably would not have found any takers. You need the municipalities. The municipalities are the most critical level of government ever created by man. Indeed, it is that level of government that allows the other two to carry out their social or economic mandate. It is unthinkable that a hospital could be built in a field if there are no roads leading to it and no watermains and sewers to service it. The same applies to housing for the people who work in industry or in business.

Without the municipalities, your program would not have worked. There are some realities that you did not factor in when developing your timetable. The time it took for discussions between the federal and the various provincial governments, and particularly the Government of Quebec, cannot be attributed to us or subtracted from the time we need to complete the work.

The fact that elections would be held in Quebec in 2009 was known in advance. However, there were changes at the elected official level in more than 50% of municipalities. They began asking their own questions about the programs. And, it is natural for a new team to look at what the previous team has done and question whether or not it is the right decision. The majority of projects are going ahead, but that did create time-related issues.

With respect to the engineering work, in Quebec, asphaltting generally stops in late October. If you do it all at once, laying a single coat, you are contravening the proper practices recommended by engineers. That means that it has to be completed before the end of October, thereby jeopardizing the quality of the work.

It is critical that the money be used as effectively as possible. But not using the money effectively does not mean that you just keep telling people that they knew there was a deadline. Of course, people did know, as you have stated I don't know how many times. However, did you know it would be difficult to meet that deadline? That is what I am trying to explain.

• (0930)

Hon. Joseph Volpe: Mr. Vaillancourt, no one here would question the importance of the municipalities and the role they play in projects of this kind. We all agree with you; they are indispensable.

I would like to ask you the same question again, but from a different perspective. Do provincial authorities agree with your position?

Mr. Gilles Vaillancourt: I have yet to meet an elected member or minister who has contradicted us on this. They asked us to make our case in Ottawa. That's why we're here this morning, to talk with our federal government, which we respect.

Hon. Joseph Volpe: I have only 30 seconds left. I just want to repeat your position, in order to clarify the principles. We want to establish these principles in order to pressure the government and ensure there is some flexibility. That's why I asked the question about the government. There is another partner, and that dynamic must be clearly understood.

Mr. Gilles Vaillancourt: I appreciate the question. I would just like to say that it was perfectly logical for the government to impose a deadline, because otherwise, people would not have felt the urgency. We accepted the fact that both governments subscribed to a deadline. However, the same logic of accountability for the use of public money should now prevail, and the deadline should be extended. At the time, it was important—the federal government wanted to stimulate economic recovery and inject money into the economy, so that work could actually be carried out. That worked very well. However, municipalities should not be deprived. Ultimately, the ones who will end up funding economic recovery through various projects—some parts of which will not be subsidized—are the poor municipalities who, by the very fact of that, will be the only ones not to really enjoy the spinoffs.

[English]

The Chair: Merci.

Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: Thank you, Mr. Vaillancourt, for your eloquence in dealing with this important issue.

If I am not mistaken, the dynamic has now been reversed; it is not the same one that prevailed when this initiative was first launched. This is not about asking for new money. All these projects are already underway or about to begin. All we are asking is that the money the federal government expected to spend be paid out at the end, even if there are delays. Otherwise, what will happen to the money earmarked for Quebec?

You say that this is not an isolated case. There are several other similar cases in municipalities which are experiencing the problems you mentioned, and there will be an increasing number of them. Did I get that right?

Mr. Gilles Vaillancourt: Yes, you certainly did, Mr. Laframboise.

Some municipalities will be penalized by having to pick up the slack from the government, which wanted to stimulate the economy, and dip into municipal tax money in order to do so. However, municipal taxes, as opposed to money from the federal and provincial governments, are definitely not intended to be used to stimulate the economy.

Furthermore, some municipalities—as I said earlier, there are several of them, although we only mentioned a few—have had to

abandon their project, because they simply could not take on the financial risk they would have incurred after the deadline. This runs counter to the spirit of the initiative, which was intended to be a recovery plan. The municipalities became partners in this initiative—albeit, the smallest financial partners. And yet it is they who will ultimately be the most important financial partners in this economic recovery initiative, despite the fact that this is not the mandate of municipalities in Quebec or in the rest of Canada.

• (0935)

Mr. Mario Laframboise: Thank you.

Incidentally, I would like to convey special greetings to Mr. Fauteux, who advises the Minister in Quebec.

When the Minister appeared and presented the plan, we asked him questions about the deadline. The Minister then appeared again before the committee, once work had already begun. We already knew, because of municipal elections... The Minister told us that the City of Toronto already had a reserve fund. Are there reserve funds in Quebec?

Mr. Gilles Vaillancourt: No, there are no reserve funds in Quebec, unfortunately. The mechanism for funding municipalities in Quebec is completely different from the process in the other municipalities across Canada.

I always compare myself to my good friend, the young and dynamic Hazel McCallion, from Mississauga, who never seems to age. I am in charge of a city with a population of 400,000. Mississauga has a population of approximately 550,000. It is a city that is part of the Toronto suburbs, just as Laval is amalgamated with the Montreal region. The City of Mississauga has \$720 million in its investment fund and not a penny of debt. Even if the City of Laval were able to reduce its debt by \$160 million—and it would be the only large city in Quebec to have succeeded in doing that—I can assure you that it would still not have \$720 million of funding available to it. No municipality in Quebec—and I would say Laval is probably the one that is on the soundest financial footing of all the large cities—has investment funds in reserve and, in any case, no municipality would be able to dip into its investment fund for that purpose, even if the municipalities did have a lot of money.

One day the federal government decided to introduce economic stimulus, and allocated money for that purpose. I was the first to subscribe to the idea of a deadline. There must be deadlines so that people don't spend too much time thinking but actually carry out their projects. That is the fundamental objective of the recovery plan. Once projects are underway, everyone is working and all the partners are at work, everything is fine as far as you're concerned—you just write the cheques. It's not too difficult to write cheques. You expected to be doing that, the money is all allocated, and you just send out the cheques.

However, it's the municipalities that have to develop the projects, hire the engineers, supervise the tendering process, supervise the work, and deal with the realities associated with that work. So, you have to trust your partner right up until the end. That partner is honest and is working with governments. When the federal and provincial governments invest \$1, they quickly recover it—that is what all the OECD studies show. But the municipalities do not recover it—in fact, they pay taxes on top.

For all these reasons, I think it would be terribly unfair if the deadlines that were set to ensure the work would get started quickly—and that was perfectly appropriate; indeed, I subscribed to it—resulted in the municipalities having to bear the burden for part of the recovery plan, when they certainly don't have the capacity to do that—at least, not in Quebec.

I would just like to remind you, Mr. Chairman and members of the committee, that 84% of the debt load of Canadian municipalities is in Quebec municipalities. We would not be in a position to provide stimulus, even with the best will in the world.

Mr. Mario Laframboise: Yes, exactly. In terms of municipal elections, perhaps you could explain how they work. When elections are called, there is a period during which no decisions are made by municipalities. After that, because they take place in November, there are budgets to put together and discussions to be had. Quebec was the only province to be holding municipal elections when the stimulus plan was introduced. Perhaps you could explain what the impact of that was.

● (0940)

Mr. Gilles Vaillancourt: Previously, there were elections in one quarter of municipalities every year. I'm sure you remember that, Mr. Laframboise, from the time when you were mayor and President of the Union des municipalités du Québec. One day, the government changed the rules. Now all the elections are held at the same time in every municipality. In some cases, for 45 days prior to the elections, the municipal council cannot take any action whatsoever, except in emergencies. During the election period, no decisions are made.

When the new council is in place, even if the former council has been re-elected, a week or two is needed to count votes, as the case may be, swear in new council members and appoint new executive committee members in the large cities. All of that leads to delay. After that, the work starts up again. Overall, this makes for a period of between six and eight weeks which is not particularly useful. It is in terms of the democratic value of the process, but not as far as the conduct and continuation of programs are concerned. If that is not taken into account, Quebec will be penalized because it chose to hold elections in 2009. However, that was prescribed by legislation.

[English]

The Chair: Thank you, Monsieur Laframboise.

Mr. Bevington.

Mr. Dennis Bevington: Merci, Monsieur le Président.

Welcome, Mr. Mayor. It's a pleasure to have you with us and to have your excellent presentation in front of us on this particular subject. As an ex-mayor myself, and having dealt with many municipal projects, I understand the concern you have here. I really appreciate that you've articulated it in the fashion you have in front of the committee today.

I was very concerned about a year ago when I heard the finance minister say on television that he would take back some of the infrastructure money through the gas tax if projects weren't completed. That has been modified somewhat now, so we're just dealing with a situation where the government is suggesting that any work not completed, the remaining work, will be under that kind of duress. But your points are well taken that there are many

extenuating circumstances that can impact on projects in municipal works.

I think of a project I initiated as mayor to do some horizontal boring to put in a new water supply line in the community. The best company in the country with the best engineers did not understand the situation and failed in their attempt. We had to go back to the project the next year. So with all good intentions, projects at the municipal level—because they're dealing with many situations, and many factors affect how the project proceeds—need to have some flexibility.

Your presentation was excellent. I don't know how to add to what you've said here. Do you have any more anecdotal evidence that you'd like to bring forward at this time about projects in Quebec, so we can perhaps impress on the committee the type of situation...?

Mr. Gilles Vaillancourt: I can probably send you a list of projects that municipalities will have to support from their own money.

I just want to tell the members here that the federal government came out with an amount of money, saying

[Translation]

saying it was for economic recovery, to stimulate the recovery,

[English]

and we're going to use those funds for that purpose. In the end, if you don't give the municipalities their fair share, they'll be stuck with a part and will have to borrow. In Quebec they don't have reserve funds. They have to borrow that money.

I again stress the fact that 84% of municipal debt in Canada is in local municipalities in Quebec. We don't have the money to do it. In other words, the federal government would be saving some money, while stressing the debts of poor municipalities. What's the use, and what good is that for the country? Nothing good for the country comes out of that.

● (0945)

Mr. Dennis Bevington: I'm kind of curious about this government's attitude toward municipalities in this regard, because we are partners. We're all engaged in public government. We're all engaged in moving forward the plans and opportunities our citizens have to have a good life. That is what we're all about here.

I don't see this as an adversarial situation. This is not a case where one corporation is entering into a deal with another corporation. These are government-to-government relationships.

Does this fit with the mould or what we're used to for these types of arrangements?

[Translation]

Mr. Gilles Vaillancourt: First, I would like to thank the government for not cutting infrastructure programs and for actually creating new ones. Every government has its merits and this one has that particular merit.

What I am telling you today is that the money you don't give the municipalities, if you maintain too rigid a deadline, is money the municipalities will have to borrow. There is already an infrastructure deficit in Canada, as previous governments and the current government have acknowledged. Some Quebec municipalities will be deprived of the opportunity to maintain their infrastructure, thereby increasing their maintenance deficit.

I appeared before several committees, as President of the Coalition pour le renouvellement des infrastructures du Québec, to demonstrate that, in addition to the fiscal deficit that appears on the balance sheet, there is also an extremely significant maintenance deficit for infrastructure, bridges and roads. It's the same for hospitals and schools. This country does not have a very good maintenance culture. In fact, in that respect, we are not exactly a role model among OECD countries—quite the contrary.

Today I am here to ask what will be done with the money earmarked and announced under the stimulus program that is not given to municipalities because of the deadline. It may serve to ease the government's fiscal deficit, but it will also increase either the municipalities' debt or their infrastructure maintenance deficit. Job one is really to wipe out the infrastructure maintenance deficit much more quickly than we ever could, without the federal government's participation. If it doesn't participate and if it maintains this rigid deadline, it is the municipalities and the small taxpayers who will suffer, while the government recovers a few dollars which, in actual fact, when added on to the money from Quebec, would yield much better results if used for the economy, allowing it to access tax money more quickly.

We are partners, and this is the first time, as the government's partner, that I sense that the government does not understand the constraints under which we operate on a daily basis.

[English]

The Chair: Thank you.

Monsieur G n reux, welcome.

[Translation]

Mr. Bernard G n reux (Montmagny—L'Islet—Kamouraska—Rivi re-du-Loup, CPC): Thank you, Mr. Chairman.

Mr. Vaillancourt, I am really pleased to see you here today. Welcome to the committee.

First of all, with your permission, I would like to take a few minutes, on behalf of my colleagues, to commend you for your work, particularly as President of the Coalition pour le renouvellement des infrastructures. I recall that in 2005, when I became a member of the UMQ as Mayor of La Pocati re, you had made representations to UMQ mayors. You were very dynamic in ensuring that higher levels of government would invest in infrastructure. The results today, and what we are talking about now, have come about thanks to you in part, and also because you worked very hard. The

federal government, particularly ours, has invested billions of dollars in the last two years to renew this infrastructure. So, I want to thank you for the work you have done because all municipalities across Quebec have benefited and are now benefiting from that work.

With respect to your comments, you obviously know that this is a tripartite project or partnership with Quebec. We haven't talked much about Quebec, and we are in Ottawa today, of course, but as you know, with agreements—

● (0950)

Mr. Gilles Vaillancourt: Pardon me for interrupting you, but could you speak a little louder, please? There is some noise behind me and I am not able to hear everything you are saying.

Mr. Bernard G n reux: In the tripartite agreement which concerns us today, the third partner is Quebec. As you know, things are very often done a little differently in Quebec than elsewhere. I agree with you: the agreement between Canada and Quebec was slow to be signed.

I would like to come back to my own experience when I was the Mayor of La Pocati re. A little later, I will address the example you gave with respect to the PRECO. Previously, there was another program in place known as the Municipal Rural Infrastructure Fund, or MRIF, which had three components to it. There as well, there were delays.

Do you not agree that once you sign an agreement, you should abide by the terms and conditions of that agreement, despite the fact that other factors may come into play that interrupt the normal course of events? When the MRIF was in effect, there were also elections being held. In La Pocati re, I delivered more than \$20 million worth of projects during my four-year mandate. Dynamism is significant factor.

In terms of equity, what do you say now to the municipalities that decided not to apply because they felt they could not meet the March 31, 2011 deadline?

Mr. Gilles Vaillancourt: You should announce that you will provide the money if the work is underway before a specific date. If you say that, several municipalities that would like to put forward large-scale projects, but would not be in a position to finance them on their own, will have an opportunity to benefit from the program and make these projects a reality. That is the first thing—to let them know that the legal date no longer applies. Several municipalities have set aside their projects.

Mr. Bernard G n reux: They set them aside in many cases. There are probably as many municipalities as there are different cases. At the time, that is exactly what we did in La Pocati re. We decided not to submit certain projects under the MRIF because we would not have been able to meet the deadline. That was an administrative decision.

As you said earlier, the role of the mayor and municipal council is to be as close as possible to the people. We are careful about the money we spend. We are very prudent. When we decide to get involved in a project, we want to be sure we can complete it within the timeframe and in keeping with the terms and conditions set out at the beginning.

Mr. Gilles Vaillancourt: Mr. Généreux, what you say is perfectly logical. However, if you look at the overall infrastructure deficit and if you look at the programs that are out there, you will see that there are never enough to help the municipalities do everything they should be doing.

Mr. Bernard Généreux: I agree with you.

Mr. Gilles Vaillancourt: If you agree with me, then tell me why the final deadline should create a greater deficit. That's a simple question, Mr. Généreux. We both agree. You are a former mayor, and so you fully understand the reality and how things work. You say that you set aside certain projects because you knew you would not be able to carry them through. But just because you set them aside doesn't mean the problem is solved.

• (0955)

Mr. Bernard Généreux: I agree with you. At the same time, when you make the decision, as a municipal official, to support this or that program, based on the terms and conditions of that program, you are also choosing to abide by the preconditions of that program. Deciding not to participate is also a choice for a municipality, because elected officials may feel they are not in a position to abide by the criteria which have allowed others to avail themselves of the program. Do you understand what I mean?

Mr. Gilles Vaillancourt: Mr. Généreux, your way of seeing things is very concrete. It's easy; it's not complicated. However, if municipalities had not taken the risk of launching these projects, your program would not have worked.

Was the government's objective to say that it had designed a program but didn't want it to work? That is your decision. If you want it to work, you have to consider the reality.

Also, some had the courage to start projects thinking that they would take the risk and then negotiate with their government friends, who are their partners, and who are not there to make life difficult for them or treat them as though they're bad pupils. Without the municipalities, you would not have had a program. It would not have worked.

Now that we are appearing before you, please don't serve up the example of municipalities that did not participate in the program. Financially speaking, some municipalities simply could not take that risk. Others did. In all the cases I have cited today, the municipalities involved will have a larger debt and will have provided money to their federal and provincial governments for the economic recovery. That is the opposite of the way things should have worked, and that is not the municipalities' job; it's your job.

Today, I am appealing to your sense of fairness to ask that you recognize the good will your municipal partners have shown in taking these risks. You should not be penalizing them for the portion of the program with respect to which they placed their confidence in you. They were very good partners and invested their municipality's money.

Mr. Bernard Généreux: Mr. Vaillancourt, you're absolutely right. Partnership...

Mr. Gilles Vaillancourt: Thank you for acknowledging that.

Mr. Bernard Généreux: You have political experience which is very much to your credit, and I have a great deal of respect for you. However, I learn something new every day in Ottawa.

You said earlier that you have not had an opportunity to hold office at the federal or provincial level, but I, fortunately, have had that opportunity and I have also worked at the municipal level. I can tell you that the development and economic stimulus plan that Ottawa is rolling out now is extremely rigorous. What the government really wants to do now is put the economy back on track, and that seems to be well underway. Some 300,000 jobs have been created in the last year and a half, and that is continuing.

Mr. Gilles Vaillancourt: Mr. Généreux, I commend the government for what it has done and, with every budget, I have had an opportunity to express the Coalition's satisfaction with respect to the maintenance of infrastructure programs. I am not against the government. I am not here to criticize the government. I am simply here to say that, when it comes to your most critical partners on the ground—which is what the municipalities are—this strict deadline will mean that they are forced to participate at a level which would not have been feasible for them.

All I'm asking is that you show some consideration and compassion for the poor municipalities, even as you continue to be rigorous.

[English]

The Chair: Mr. Kennedy.

[Translation]

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Thank you, Mr. Chairman.

Welcome, Your Worship. Your perspective is a breath of fresh air. It is absolutely critical. This committee is the only one which has the responsibility to review the infrastructure program. The federal government has increased its own spending, but not necessarily its prospects of success. It is very important for there to be some practicality and common sense at the local level.

I would like to ask some specific questions about potential solutions. What timeframe would be needed by the municipalities to complete these projects, in a way that would be effective for both the country and the federal government?

Mr. Gilles Vaillancourt: In terms of the timeframe, it is difficult to express that in terms of dates because some municipalities may need six months. For example, there are cases where a second coat of asphalt could only be laid the following spring when asphalt plants are operating again across the country. Others may need a little more time because the work they are completing now is more complex. I am thinking, for example, of a number of projects involving cultural centres, libraries, etc.

In fact, the appropriate standard should be that those projects which are underway and have advanced to a certain stage should be recognized and subsidized.

If you were to announce today that all projects submitted between now and the end of the month will qualify and be subsidized right up until the work is completed, a great many small municipalities who cannot afford to take the risk of having to absorb the difference in cost on their own would start projects immediately. They were ready to do that, but decided against it because they could not meet the requirements. In fact, the government could easily do that and it would not cost any more money. It would not exceed its budget envelope, which would be fully used. And that is what it was established for to begin with—to stimulate economic recovery.

In any case, at some point we will have no choice but to wipe out the very significant deficit that now exists in Quebec and Canada with respect to infrastructure maintenance.

Mr. Gerard Kennedy: Has the association surveyed its members? How many municipalities are affected by the deadline issue? Can you tell me how many projects may have to be cancelled?

• (1000)

Mr. Gilles Vaillancourt: With the chair's permission, I would like to table a list of projects. This is not an exhaustive list, but it is sufficiently telling for you to realize there is a real problem. It includes municipalities of different sizes, such as Saint-Hilaire, La Pocatière, Trois-Pistoles, Beloeil, Saint-Hyacinthe, Matane, Sainte-Marie, Côte Saint-Luc, Saint-Jérôme, Saint-Eustache, Terrebonne, Salaberry-de-Valleyfield, Gatineau and Longueuil.

We could also forward additional lists for your consideration.

Mr. Gerard Kennedy: It is important for the committee to know how many projects could be cancelled, because of the concerns you highlighted. It is also important to know how many will be subject to much higher costs than expected, or at least higher than usual, and finally, how many will be scaled back or not completed. That is another possibility.

Mr. Gilles Vaillancourt: I did not understand the last part of your sentence, Mr. Kennedy.

Mr. Gerard Kennedy: There are three different possibilities. Some municipalities will have to scale back their projects, others will have to bear all the costs on their own, or some projects may not be completed or will undergo considerable change—

Mr. Gilles Vaillancourt: We will ask the Union des municipalités to contact members to provide that information, which we will forward to the committee as soon as possible.

Mr. Gerard Kennedy: That would be very helpful, because the Prime Minister has already stated that there will be no extension and that no flexibility is possible. I hope that, in light of your testimony and the committee's thoughts on this—it is still the only body with that responsibility—we can convince the government that it's all about success. For our party, this is truly a partnership, and we must be prepared to listen to what people have to say at all levels. There is no partnership if decisions are made unilaterally. Perhaps the government will recognize that.

[English]

The Chair: Thank you, Mr. Kennedy.

Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: Thank you, Mr. Chairman.

I would just like to provide some clarification. First of all, I would like to thank the Parliamentary Secretary, Mr. Jean, who gave us an opportunity to have this debate, and I also want to thank the Conservative Party. It's important to give credit where credit is due, and he was interested in finding out what was going on.

I would like to come back to some of Mr. Généreux's comments with respect to the MRIF. The MRIF is a completely different program. It was introduced by the Liberals, and the Conservatives then invested more money in it. But what we are talking about is a one-time, "canned" and time-limited program, whereas the MRIF was over five years. In that case, there were specific deliverables.

Obviously, asking for a contribution from Quebec municipalities, which are already carrying 84% of the municipal debt in Canada, in the midst of an economic crisis, is already asking for quite a lot. I understand that some municipalities just did not want to go into debt, but others did take risks because they had specific needs. It is no accident that there is an infrastructure coalition: there are needs in that area and Quebec municipalities have some of the oldest infrastructure in Canada, something we must not forget.

Your Worship, you mentioned that new projects could be started, but I don't think that will be possible. In any case, announcements have already been made. Municipalities which were part of the program found that out when the announcement was made. They learned of this in December and they now have to complete the work before December. They are ready to accept that, but the problem is that their engineers or contractors cannot guarantee the result. They went into action to get the economy going and because monies had been earmarked for Quebec. However, what could well happen now is that the money will go back into the government's coffers and the municipalities will end up with a larger debt. Is that correct?

Mr. Gilles Vaillancourt: Yes, you are absolutely right, Mr. Laframboise. The municipalities have always been the government's partners. I regularly recall with great satisfaction the fact that the federal and provincial governments finally understood that there was a problem with our infrastructure and created programs to deal with it. These programs are often difficult to manage and do not necessarily reflect our scheduling needs; instead, they consider principles. That being said, what you have described does reflect the current reality: municipalities agreed in good faith to participate in an economic stimulus plan, encountered difficulties along the way, and will now end up bearing the burden on their own, something which I consider to be completely unfair to the partners who are doing this work, and without which, no work would have gone ahead.

•(1005)

Mr. Mario Laframboise: It is worth recalling that, for a period of about eight weeks, Quebec municipalities were penalized. That's important, Mr. Généreux, and you know that. They were penalized. They were not able to take advantage of a two-month period, whereas other municipalities in the rest of Canada, with more money perhaps, were able to take advantage of it. I know that there are municipal elections in other provinces—the committee will be hearing from officials representing municipalities outside Quebec—but the fact remains that there can be snags and that this is a fixed program, which is fine. That's fine, except that cities should not be penalized for attempting in good faith to stimulate economic recovery.

Mr. Gilles Vaillancourt: Once again, they have proven that they are good partners for the government. They should not be penalized for that.

Mr. Mario Laframboise: Thank you.

[English]

The Chair: Mr. Mayes.

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

Your Worship, it's great to have you here today.

I also was a mayor, for eleven years, and a director of the Union of British Columbia Municipalities, so I understand some of the challenges municipalities have.

You mentioned there were three areas in which you felt Quebec was penalized with regard to the stimulus funding. One was the negotiations between Quebec and the Government of Canada. I know that British Columbia was the first to sign on, and we were the first out on the track, but Quebec wasn't that far behind. I don't think those negotiations were delayed any more than they were for some of the other provinces that have been successful in rolling out the stimulus money.

The other thing you mentioned was about municipal elections. As a former mayor, I can recall the transition from when I was first elected. I think the day after being sworn in I was signing a collective agreement with the union. There's a certain flow of responsibilities and decisions that go along even though there's a change in council.

I know that in the municipality I represented, we had a capital plan for roads and for upgrades of our infrastructure. Some of them were shelf-ready. There were various levels, but they were ready for funding, and we would hope we'd get some provincial or federal funding in the future.

I don't know if I, as a former mayor, particularly think the election disrupted that flow of decision-making and planning for infrastructure. The only thing I might buy a little bit is the weather, because I live in the California of Canada, and you get about two or three more weeks of winter here in the east. So I appreciate that.

One of the things our minister did as soon as he announced the stimulus funding was to tell all the members of Parliament to get out there and meet with their municipalities and sit down and find out what projects they had and how these moneys could apply. As a

former mayor, the first thing I did was to have meetings with all seven of the communities and municipalities in my constituency. I told them to take the stuff off the shelves they had been hoping to do for a number of years, and it was really interesting, because we were able to get the money out right away. In fact, the chair and I were in the top five as far as MPs who were rolling money out went. So it can be done, but there's a process you have to follow to get it done.

As far as projects and timelines go, we were interrupted in British Columbia because we had a provincial election. There were no capital funding announcements for about two and a half months as we had the government re-elected. The fact is, the ministries changed, so we had a delay too. We had a rollout on May 12, but we didn't have another rollout until after August. There are those challenges, and that's part of the system we live in.

I believe that in government, as far as municipal government goes, you have those plans in place, and you're waiting for money. I think it was great that our government came out with the stimulus. Quite frankly, because this money was needed in the economy, we found that the major projects in my constituency came in at lower than was budgeted. One highway project that the Government of Canada funded to \$12 million—it was a \$25-million project—came in \$3 million under budget. The second stage of that project came in at \$1.5 million under budget. A sewage treatment facility was \$1.5 million under budget. Because there was no investment by the private sector at that time, there was a capacity of engineers and contractors ready to go. We found we were able to get those projects up and going and get good prices on those projects.

I don't want to argue about the circumstances in Quebec compared to those in British Columbia, but I feel there is some responsibility upon the municipalities.

•(1010)

In most of the communities I had, there were projects on the shelf that they had reserved, set aside, so when the opportunity came up they could use those reserves to fund these projects. Is that not the system with the municipalities in Quebec, whereby they set aside reserves for future capital projects?

Mr. Gilles Vaillancourt: No, we don't have the same possibilities in Quebec to reserve capital funds. It's totally different.

[Translation]

First of all, I would like to thank the former mayor who is now a member of Parliament from British Columbia. As you were describing how you work in your area, I did feel a little envious.

That being said, we have no Conservative MP or minister in my city; nor is there a Conservative MP or minister from the Montreal region. The work that you did with your municipalities was not all done by the Minister. Mr. Paradis is a very nice man, very dedicated, and someone I really appreciate, but he has a lot on his plate and does not have time to visit the municipalities, other than calling them once on the phone to tell them to get things underway.

Furthermore, you can do all the analysis and make all the comparisons you want between your province and ours. Based on some criteria, you might turn out to be better in five years, but five years from now, we might also be better than you. I don't think we should be comparing what happened in British Columbia with what is occurring now in Quebec.

I don't know what the electoral tradition is in your area. I hope you followed events in the last municipal elections, particularly in the Montreal region. You would have seen for yourself that there was far more disruption than usual this time for town and city councils.

Having said that, I would just like to repeat that we are partners, and what we are asking is to be treated like partners. We acted in good faith, we submitted projects, we took all the appropriate steps to meet the deadline requirement. But now we are to be penalized for the good faith we, as partners, showed our government.

I would say—

[English]

If I may say it in English, great cities make great countries.

[Translation]

If you do what is needed to ensure that cities all across the country are healthy, then the country will be healthy as well. If Canadian cities are not healthy, you may think you have solved an accounting problem, but you will not have solved the country's problem.

The Chair: Thank you, Mr. Vaillancourt.

Mr. Kennedy.

Mr. Gerard Kennedy: Thank you, Mr. Chairman.

Thank you again for your testimony.

I would like to talk about the partnership again. Given that the associations showed flexibility in order to boost the economy, took risks and changed their priorities, the federal government should also show some flexibility, should it not?

• (1015)

Mr. Gilles Vaillancourt: That is the reason why I am here this morning. I say that we are partners. We are all working towards the same goal: economic recovery and improving the quality of life of every resident in every municipality all across the country.

I would just add that one of the partners feels that it has been adversely affected, despite the good faith shown by its willingness to support the economy along with its provincial and, particularly, federal governments. That partner is simply asking that consideration be given to the difficulties it has encountered, that the government accept the fact that it did show good faith in starting these projects and that it not be left to bear the burden alone for part of the effort, since this should be a shared effort by each of the partners.

Mr. Gerard Kennedy: Thank you.

Could you make the point, once again, that setting a deadline, without consulting the municipalities, once the infrastructure stimulus program had already begun, showed a lack of respect for the municipalities?

Mr. Gilles Vaillancourt: I would not say there was a lack of respect for the municipalities. Had I been the minister responsible, I would have launched the stimulus program with a date for completing the work. There obviously had to be one.

That said, I think it's important to consider afterwards who will be delivering the plan and what practical difficulties they may encounter from day to day in delivering it. And the reason I'm here this morning is to let you know that, in terms of the day-to-day delivery of the plan, even though we subscribed to a theoretical deadline for completion of the work, in practice, some of us simply will not be able to manage it. And that is the case even though there has been no bad faith and no laziness on anybody's part. We would basically be penalized for our good faith. I think it would be a cruel blow to the municipalities were they penalized for the good faith they showed, through their desire to support economic recovery and the fundamental goal that all governments must have, which is to provide a better quality of life to all citizens everywhere.

Mr. Gerard Kennedy: I have a specific question and I would like to ask it in English. It is a little more specific.

[English]

In regard to cost factors that you mentioned in the instance of Matane, for example, where \$1.7 million was added to the cost to try to get in by the deadline, can you give us an idea, when you go out in the marketplace with the construction industry and you say you must meet the deadline—I think you said 10 months versus 16 months—of what kind of increase in cost is there? I know you deal with these practical matters all the time. Can you perhaps enlighten the committee about what happens when you compress the time the way it has happened, in terms of cost?

Mr. Gilles Vaillancourt: If you ask any engineer, they will tell you that if you compress the time probably you will have to pay for it. It will increase the price. I gave you one example of one municipality that faced it, but I could send you examples of some other municipalities that faced the same situation concerning that.

Every time you compress the time too much, it results in an increase in the price. Thank God that in British Columbia it did not do that.

Mr. Gerard Kennedy: I will tell you that we will be hearing from British Columbia later on, and we've done a survey of British Columbia.

[Translation]

Despite the many Conservative MPs from that province, there is a problem there as well. Unfortunately, that is not a solution to these problems.

[English]

I'm very interested in hearing from your members on that idea of it costing more. I think value for Canadians is what we're trying to get. The government had originally promised it would get this money out in time to help last year. That didn't quite happen in most cases, so we want to at least get good value for this project. We're very interested, because we know that you, the municipalities, are the ones who know how to get the best value for a project.

[Translation]

Mr. Gilles Vaillancourt: It's the federal government's responsibility to stimulate the economy. And I want to thank it for doing that. Now that the program and the projects are underway, it must ensure that part of that responsibility is not transferred to the municipalities and, consequently, to municipal taxpayers.

In that respect, I think it would be very unfair for a national stimulus program to end up being subsidized in large part by the property taxes paid to municipalities all across the country. I don't think that is the goal. Indeed, I'd say that is the opposite of what the goal was.

• (1020)

[English]

The Chair: Thank you.

Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair.

Thank you very much for your attendance today.

You've mentioned "penalized" many times, and I have to say that the federal government, the provincial government of Quebec, and all the provinces made an agreement to finish by the end of March 2011. And every municipality actually signed an agreement as well to finish by March 31, 2011. I represent approximately geographically 30% of Alberta, but all my small municipalities told me bluntly they're not applying for some projects because they knew they couldn't finish. So it's not a penalty to fulfill the terms of an agreement. It's fulfilling the terms of an agreement that was well known, well documented, and agreed upon. So I just want to make sure that's on the record.

Now, there is another question I have for you, sir, and it will come after I talk about some things.

As part of this Conservative government's agenda, we have put forward \$936 million from the infrastructure stimulus fund for 875 projects in Quebec.

Mr. Gilles Vaillancourt: Yes.

Mr. Brian Jean: We have, in the green infrastructure fund, put forward over \$170 million for six projects across Quebec, and 106 projects for \$210 million through the economic action plan—a top-up, in fact, because we wanted to make sure we kept it going. We're watching the economy very closely. Through the Building Canada fund, another \$175 million in base funding to Quebec. Through the major projects component of the Building Canada plan, another \$1.5 billion to Quebec for 18 projects, and \$210 million for projects in communities with fewer than 100,000 people to make sure we got the large cities and the smaller populations. There's \$200 million for

communities with fewer than 100,000 people, for seven more projects.

In fact, if I may, this is the government that actually doubled the gas tax funding, and currently \$2.7 billion will be going to Quebec between the years 2007 and 2014. And this is the government that made that permanent, so that communities such as the ones you represent will have that continuous funding, and in fact we've doubled that funding.

So I just want to make that clear on the record, because I think it's very important to see that we have actually transformed as a government and as a country the funding mechanism for municipalities.

My question to you, sir, is have you ever seen so much money coming to municipalities and the provinces from the federal government for infrastructure funding? Have you ever seen this in the history? Because you've been here a long time, sir.

[Translation]

Mr. Gilles Vaillancourt: Thank you very much for your question. As president of the coalition, every time the government brought down a budget, I had an opportunity, through interviews or press releases, to express my considerable satisfaction at the fact that the federal government was taking steps to better respond to what municipalities across the country had been asking for. The funding you referred to is extremely important. It represents Quebec's share in relation to its population. So, I want to thank you. That extra effort that has been made by your government is remarkable.

Having said that, we are partners. Don't let a deadline taint—

[English]

Mr. Brian Jean: I understand that, and that's what I want to talk about. I only have five minutes, sir, I apologize.

Mr. Gilles Vaillancourt: Excuse me.

Mr. Brian Jean: Pardon me. I only have a few minutes, and the chair will cut me off just like that, so I want to make sure I get my questions in, if you don't mind.

Mr. Gilles Vaillancourt: Maybe the chair will cut off the program too, so let's make sure.

Voices: Oh, oh!

•(1025)

Mr. Brian Jean: Well, I have to tell you, sir, I had an opportunity to read the speech of the Prime Minister at the FCM conference, because of course he attended with Minister Baird. To be clear, I don't think there's going to be any extension. I'll tell you why I don't think there's going to be any extension. It's not an issue of the money, sir. You've never seen more money come to Quebec, or the provinces, or the municipalities by any government in the history of this country. You've never seen that.

But clearly this is not about the money, not about the amount of money. It's about timing. It's about fairness. I hope the government is fair to the communities I represent, just as I hope they're fair and treat Quebec communities exactly the same. I think what we've seen with this stimulus funding is exactly what we wanted to see. We've seen an economy bounce back. We've seen 300,000 jobs created in the last eight months. We've seen the strongest economy in the world being Canada. So I think the infrastructure stimulus fund is working, and that's what it's there for. It's there to make sure that we don't have rapid depletion of the economy, which means jobs.

I do want to say this, sir. I have seen in my municipalities the funding of these projects come in 30% under what they expected it to be. So the actual reality is that even though I have the lowest unemployment rate in the country, being from Fort McMurray, the municipalities in my area are able to complete the projects on time because those are the ones they applied for. They applied for ones they could do. So I think that's very important to be fair to all the communities and to make sure that this infrastructure stimulus package, the funding itself for the stimulus money, which is a small portion of the economic plan, is actually spent to do exactly what it's there for, and that is to create stimulus, to create jobs, but only do so for a certain period of time.

Now, you remember over-inflation, don't you, in the 1980s, 18%, 24%?

Mr. Gilles Vaillancourt: Let me tell you, sir, I think I should get the same kind of five minutes as you're getting now.

Mr. Brian Jean: You remember 18% to 24% interest payments at the bank in the 1980s. Do you remember that?

The Chair: I'm going to give you a chance to answer that. I have to move on.

Mr. Gilles Vaillancourt: Yes. I remember I had a certificate at 18.54% in 1981. I never got that back. I remember I paid my mortgage on a commercial building at 21%, and it was quite hurting.

Mr. Brian Jean: Exactly, and that's what we want to avoid.

The Chair: Thank you. I have to—

Mr. Gilles Vaillancourt: Mr. Chair, may I answer?

The Chair: Yes, you may, and then we'll move to another round.

Mr. Gilles Vaillancourt: Merci.

You said it's about time and fairness, and I totally agree with you. Everybody wanted to make sure we would satisfy the time limit the government was imposing on us, but I believe it would be fair to reconsider the fact that our municipalities started projects in good faith. Most of them, a large number of them, could satisfy the time. A number of them cannot satisfy the time. It should be fair that they

would not have to support the difference from their own money; it should be subsidized the same way.

That's all I have to say.

The Chair: Thank you.

Before I go to the next round, if I may, to take it one step further, what do we as members of Parliament tell our communities that didn't apply because they couldn't meet the deadlines? Do we ask the government to open up the application process again to let those people in? That's the challenge we have as people making decisions.

Mr. Gilles Vaillancourt: That would be one solution. We're always confronted with difficulties. Some municipalities were asking us, if we start the project now, could we have the guarantee from the government that we'll get the grants? You could say you could give a 30-day extension to the ones who want to submit projects and then qualify it. It won't change the envelope you have. As a matter of fact, it will simply use it more.

You could also say that the ones that have already started their projects could finish them and still get the grants. Otherwise, at the end, no matter how the contract was signed, good faith between partners should recognize the difficulties of one partner with the other partner.

The Chair: Without being too aggressive, I'd love to have you as my banker.

Mr. Kennedy, five minutes.

[*Translation*]

Mr. Gerard Kennedy: Thank you, Mr. Chairman.

I want to thank you for the neutrality you have shown.

It is important that the members of your association be fully aware of the fact that Mr. Flaherty, the Minister of Finance, promised that all the stimulus projects would begin at the end of May of last year. The municipalities' efficiency is not the only problem. There are a lot of problems here in Ottawa. I am still asking that this government apply the same standards to itself that it does to its partners. Speechmaking is not enough.

Personally, I have never been the mayor of a city, but my father was. I appreciate that contribution. It is very important not to accept the idea that there is more expertise here in Ottawa. During the 1960s, half of this country's infrastructure was the responsibility of the federal government. Today, it is 11%. The municipalities are the ones with the expertise, and it is very important to put to good use the billions of dollars that the government has requested from Parliament which may have to be paid back by our grandchildren and future generations. These days, there is another problem in Parliament with respect to a small lake in Toronto. There is already a great lake next to Toronto, but the government decided to create another one for the media. That's a fundamental issue. How do we benefit from that?

In terms of this situation, I hope the government has a clear understanding of the issues. I attended the meeting with the Canadian municipalities. I heard the Prime Minister say that there would be no extension. But the real issue is not the extension; rather, it is the fact that the deadline is inflexible and arbitrary. For me, that is an important point. For the Prime Minister, the Minister and committee members, it's a matter of determining which arrangement would benefit the country. This money does not belong either to the government currently in office or to our party. This is money that must be used effectively all across the country, now and in the future.

I do hope it will be possible to secure a recommendation from all committee members on this very practical issue. How can we ensure that the programs are a success? I have the feeling we will need more information in order to convince committee members. Maybe it would be possible to do a survey to have a precise idea of the consequences as a whole, in all the different communities across Quebec. We have a choice: to ensure that, between now and the end of March, 2011, these projects will be beneficial and achieve their objectives, or suffer one failure after the other. Why? Because this committee is afraid to take its responsibilities? I hope not.

Does someone have further comments that could guide this committee's deliberations? As I see it, this is not about a confrontation. It is about finding a way to work together to achieve the best possible outcome.

• (1030)

[English]

Mr. Gilles Vaillancourt: Am I allowed to conclude? *Je vous remercie, monsieur le président.*

One member of Parliament stated that it's about time and fairness. I agree about time and fairness. We, with very good faith, subscribed to the possibility of time. When we could match it, we were very happy, because we were strong supporters of our government in making the economy run better again, but I think it would be about fairness to recognize that with all the efforts we have done, we are not penalized at the end by time. I understand that it's a matter of time and fairness, but fairness, and to be treated with fairness, is as important as time.

Merci beaucoup.

[Translation]

The Chair: Mr. Laframboise.

Mr. Mario Laframboise: It's not over yet.

Thank you.

I know that my Conservative colleagues are well-intentioned. I have been following up with the committee and all of that. However, I would like you to realize that, for Quebec municipalities which are carrying 84% of municipal debt in Canada, participating in an economic stimulus plan requires a very significant effort.

• (1035)

Mr. Gilles Vaillancourt: And considerable risk.

Mr. Mario Laframboise: And considerable risk.

If the cities mentioned by Mr. Vaillancourt earlier—Longueuil, Gatineau, Saint-Hyacinthe, Matane and so on—do not participate, your stimulus plan will be a monumental failure. You are creating a dangerous precedent. In all the other programs, you have considered the cities to be your partners, both Liberal and Conservatives. But now, for the first time, you see them as suppliers who will ultimately be the ones to pay, and that is exactly what is going to happen. These projects will be completed, but in terms of the investments you mentioned earlier, Mr. Jean, some funding will not have been provided by the federal government. It will have been provided by the cities alone, because they will have to bear the burden of any costs incurred after the deadline. They joined the program.

Next time, you had better be careful, because this is serious. I know that your Prime Minister made a statement. However, the situation is not the same all across Canada. Cities in British Columbia and Ontario have reserve funds, but that is not the case for municipalities in the province of Quebec. You must be aware of the municipalities' financial circumstances. It is clear that you have made your choice, and they will be the ones to pay. You are going to punish them this time. But be careful, because the next time, it may be the Canadian government that ends up being punished. I must say that would benefit me greatly. We have always felt that there are two solitudes. And in this case, it seems to me you are missing a great opportunity to work with your partners.

[English]

The Chair: Mr. Bevington.

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

I am struck by the government's argument here that somehow fairness is what's guiding the path right now and that somehow municipalities are in adversarial roles here, as between one municipality and another, to—

The Chair: Mr. Jean, on a point of order.

Mr. Brian Jean: Just to be clear, Mr. Chair, it's about fairness to all municipalities and treating them all equally. It is not about having one compete against the other. We don't do that. We have partnerships with municipalities, the same as we have with provinces and territories. But it's about treating all of them the same. I want to make sure that point is made.

The Chair: It's a good point, but it's not a point of order.

Mr. Bevington.

Mr. Dennis Bevington: Was that part of my time, Mr. Chair?

I'll get back to my comments.

Because municipalities had to apply for these dollars—and certainly some of them would have to take into consideration that they may not have had capital programs identified in the regular stream they could put forward—there were municipalities that couldn't participate. But I think that within municipalities there is an understanding of the nature of the issues you have brought up here, and if the government were to poll the municipalities to see how they would handle this, I think they would be very supportive of an understanding or explanation by the various municipalities that are not able to complete their projects on time. With an explanation of the nature of the situation those municipalities were under, I think other municipalities would understand that type of behaviour and that type of solution to this particular issue, because municipalities are all the same across the country. They have to deal with these variables in programs. I think there would be a lot of understanding from other municipalities across the country.

You represent the association of municipalities in Quebec, so you're speaking on behalf of all of the municipalities of Quebec in asking for some understanding for the particular municipalities that have had problems. You wouldn't say what you're saying here today if you didn't have the support of all the municipalities of Quebec. Is that not correct?

• (1040)

Mr. Gilles Vaillancourt: You are right.

Mr. Dennis Bevington: So the government's argument about fairness only works so far. It only works in that other municipalities want to be fair to their fellow municipalities in doing the work that's before them. That's quite clear as well. So I think that argument is not as strong as the government wants to present it. It's an ethical argument that really doesn't have the boundaries they consider it has.

I'll leave that with you.

Mr. Gilles Vaillancourt: I come back to fairness. I believe that fairness is recognizing that the municipalities that did subscribe to the national plan for revamping the economy should not be penalized at the end and have to pay more than they would have had to pay if the time limit had been different. It's putting the responsibility for the time limit on the shoulders of municipalities alone. So many different factors are considered when you're going through a project, and the only factor now with a priority is the time limit.

I can understand that to launch a program you need a time limit, but I don't believe it is fair to make it so that municipalities have to cover the difference, because they did subscribe in very good faith to a program and did everything they could and didn't lose one minute, but at the end, they now have to pay more because they were good partners. We should have been bad partners, not done anything, and let the country go the way it was going.

[Translation]

The Chair: Mr. Généreux.

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

Mr. Vaillancourt, I would like to ask you to do some homework for me. Would it be possible for you to consult your members, possibly through the FQM—the Quebec Federation of Municipalities—to see which projects in Quebec that are currently underway

will not be completed or might go past the deadline, whatever the reason—

Mr. Gilles Vaillancourt: And the amounts of money that are at stake.

Mr. Bernard Généreux: Yes, and the amounts of money that are at stake. This is something the committee would probably—

Mr. Gilles Vaillancourt: It would be possible for us to do that, Mr. Généreux. We will provide it electronically. If you can give us two weeks, we will provide you with an overview for Quebec as a whole.

Mr. Bernard Généreux: We asked Quebec to provide it, but we are unable to get that information.

Also, in terms of your representations, are you preparing to make the same case to Quebec City, in order to put pressure on the province as well?

Mr. Gilles Vaillancourt: We are already doing that. In fact, the documents we are producing for the committee will also be produced for the Government of Quebec.

Mr. Bernard Généreux: I want to come back to the question of equity. I know that Gatineau, Drummondville, La Pocatière, and several towns and cities in Quebec, both small and large, are members of the UMQ.

What do you say to the mayors of Gatineau or Drummondville who received money and completed their projects within the specified period? What do you say to those mayors who will not bear these costs compared to others, who are making the same arguments? There were elections all across Quebec; everyone was affected by the elections. Yet some people were able to complete their projects within the specified period and under the expected circumstances, whereas others will not be able to. What do you say to them?

Mr. Gilles Vaillancourt: Thank you for raising that question; it's very important.

In my region, I was able to complete about 90% of the work on time. The only work I will have to pay out of my own budget are the projects under the PRECO because good practice dictates that we lay a first layer of asphalt, that we wait until the freezing and unfreezing process has taken place, and then put the final layer on only in the following season.

Mr. Bernard Généreux: Are you aware of the fact that even the Ministry of Transport does not follow that?

Mr. Gilles Vaillancourt: Pardon?

Mr. Bernard Généreux: Are you aware of the fact that even the Department of Transport does not follow that practice itself?

Mr. Gilles Vaillancourt: The Ministry of Transport may not follow it, but we are conscientious, responsible administrators, and we do.

Mr. Bernard Généreux: Are you saying that Quebec is not?

Mr. Gilles Vaillancourt: Either we do the work wrong, which is certainly not something the government would like to see us do, or you and your party will have to acknowledge that putting the second layer down in the spring is part of the same operation. We are not going to start opening up the asphalt plants in the middle of winter; we can't do that.

This is an obstacle that we simply cannot avoid and, whether you recognize it or not, that is the exact opposite of the equity principle you just referred to. As for the rest, we will be providing you with a complete list presenting an overview of the current situation, which will allow you to see things in the proper perspective.

Mr. Bernard Généreux: I don't have much time left, but I would like to address the project in La Pocatière. You stated earlier that some regions were luckier than others because they were aware of the projects. But I did my homework. And there are some PRECO projects that will be announced in the coming weeks—in fact, within the next two weeks—particularly in Rivière-du-Loup and La Pocatière.

The Town of La Pocatière had decided not to use the PRECO program. And it would never have heard about it if I had not made them aware of it. And if La Pocatière decided to apply under the PRECO in particular, it's because the project involves a national road, which is not deemed a priority under the program. It's pretty well impossible to match the PRECO with the Ministry of Transport's plans because priorities have been set. In fact, I was the one that set those priorities with the Ministry of Transport four years ago, and they are valid for the next six years. So, there are obviously deadlines to be met.

Even if we were to extend it for three or six months more, for instance, that would not resolve the problem for La Pocatière, in terms of the PRECO, because it's a national road.

• (1045)

Mr. Gilles Vaillancourt: That's possible, but my response to that is that the constraints imposed under these different programs constitute an impediment to proper management of the work. If you are interested in looking at the whole issue of the constraints imposed under both federal and provincial government programs, I would be very pleased to give you the benefit of our expertise and demonstrate that, acting in all good faith, and knowing the way municipalities operate—of course, since you were once a mayor yourself, you are aware of this, as are others—this is often the kind of difficulty we encounter.

In Quebec, before any other work can be contemplated, we first have to complete the watermain work. The bridges have to wait. We are not eligible to receive money for bridges until we have completed the water system work. Just try telling the bridges that they will have to hang in there a little longer because it's not their turn yet!

These programs were developed by governments on the basis of so-called “national” priorities. I could show you how governments' good will can turn out, on a day-to-day basis, to be the worst enemy of positive results. There are bridges in my city that need to be replaced. I cannot get any money for my bridges because the watermain work is not completed. So tell me how Parliament can pass legislation forcing my bridge to last longer until its turn comes,

once the watermain work is done? The two levels of government are the ones that impose this on us.

[English]

The Chair: Merci.

Go ahead, Mr. Jean, on a point of order.

Mr. Brian Jean: It's actually a point of clarification, Mr. Chair.

The witness has stated that he's not allowed to finish this until he's finished that. Is it the Province of Quebec—I just want to make sure—that is imposing that upon him?

Mr. Gilles Vaillancourt: In Quebec, we can only deal with the provincial government. It's the law. Every municipality has to satisfy the law. I'm only telling you that this agreement was signed between the federal government and the provincial government. But at the end, who's paying for it? Who's living with it? It's not the federal government, and it's not the provincial government; the mayor and the council are living with it.

The Chair: Merci.

Go ahead, Ms. Crombie.

Mrs. Bonnie Crombie: Thank you, Mr. Chairman.

I think the parliamentary secretary is being disingenuous, because at the end of the day, there is only one taxpayer. That's for the record.

I also think the parliamentary secretary is being disingenuous on his commitment, an ongoing commitment, to cities and municipalities. We know for a fact there wouldn't have been an infrastructure stimulus fund if the opposition parties hadn't gotten together and required them after the first prorogation. Let's put that on the record.

The fundamental issue here, as I see it, is the lack of openness and transparency, and we've talked a lot about fairness in the process. Largely, unrealistic timeframes were imposed. Clearly the only municipalities that benefited and that could benefit were those that had projects either under way or almost under way. Certainly those with severe weather issues or union problems were going to be penalized, and many other projects would be ineligible. Certainly projects that were in the vision stage or in the feasibility stage would be ineligible. Legacy projects such as the City of Toronto's subway completion were going to be ineligible. I think the infrastructure stimulus fund was a missed opportunity for a one-time legacy project. Here we have \$50 billion being invested. Did it go to a higher-speed rail or an LRT system? No, no, no. The moneys were used for roads, sewers, bridges, maintenance, etc.

You made reference to the City of Mississauga and Hazel McCallion. Of course I'm the member for Mississauga—Streetsville, very proudly, and we have a \$1.5 billion infrastructure deficit over the next 20 years, which is \$750 million annually. So the money we received, frankly, is a drop in the bucket.

You made reference to our reserve funds. Well, those reserve funds are dwindling. In fact, in 2012 we'll have only \$30 million available for infrastructure rehabilitation projects. We know from the FCM that the current needs of municipalities across Canada are \$123 billion, and as I said to begin with, there's only one taxpayer. The money has to come from somewhere.

Let me ask you this, Mr. Vaillancourt: how many of your projects were eligible and ineligible? Did you have projects lapse? If the timeframes weren't so punitive, what would you otherwise have used the funds for?

•(1050)

Mr. Gilles Vaillancourt: First I'll say that I don't consider the timeframe that punitive, but we started with the idea that we should do everything we could to satisfy the timeframe. Then we hoped that we could go to the government and on a fairness basis tell them that we were very good partners in that we submitted projects and realized the projects. At the end we wanted to be treated with fairness, and we didn't want a municipality to have to come up with its own fund in order to support the setback to the economy.

Mrs. Bonnie Crombie: Right. But clearly those were projects that were ongoing, and you had already done the feasibility studies for them and they were under way, and were going to be under way anyway. Otherwise how could you get them moving so quickly?

My objection is that there was no vision here, no legacy opportunity. It was just tinkering and maintenance. And yes, moneys are needed for road maintenance and sewers and bridges, but it was a lost opportunity, as well. And clearly the projects that you were fortunate enough to get completed were those that you would have otherwise begun and completed on your own, and you would have just searched for other venues to finance them.

[Translation]

Mr. Gilles Vaillancourt: Your assessment of the situation is correct. At the same time, had the stimulus program, under which we submitted our projects, never existed, we would have submitted them under other programs that would not have penalized us when the work was completed. Because we wanted to be part of the stimulus program and increase our investments, we end up with a greater financial burden because of deadlines we are unable to meet.

[English]

Mrs. Bonnie Crombie: If there had been an opportunity for a legacy project... For instance, the City of Toronto wanted a subway, and in Mississauga we want an LRT—

Mr. Gilles Vaillancourt: A lot of municipalities would have considered it. There are a lot of needs in public transportation. There are a lot of needs in many other objects, but we had to satisfy what was on the table.

The Chair: Mr. Watson, you have a couple of minutes. I'm sorry.

Mr. Jeff Watson (Essex, CPC): Mr. Chair, thank you very much.

And thank you to our witnesses for appearing. We certainly appreciate your presentation today.

Maybe I've misread your testimony here today, but in listening to you, here's what I have actually heard. It sounds to me as though your problem is actually with the Quebec government. A lot of requirements are put on you. They're not going to change the requirements, and you're saying if we move the deadline, you'll be able to comply with their requirements and complete the projects. Is that—

Mr. Gilles Vaillancourt: If I may correct you, that's in another program. That program did not have the same requirements,

although in Quebec it took a little more time to get the details for application than it did in other provinces.

Mr. Jeff Watson: I have a short time, so you've answered some of it here.

So we've provided, through the infrastructure stimulus fund money, a deadline, and requirements. We've also waived Navigable Waters Protection Act permits. We've waived Canadian environmental assessments on projects. We've done that to a considerable amount of criticism, mind you, from other parties, and we've done that to expedite projects to be completed. And I know the provinces offered delays in terms of negotiation and when their budgets are passed, etc., and programs are established. What barriers have they removed for you in order to be able to comply with deadlines?

Mr. Gilles Vaillancourt: Excuse me, I didn't get the last part of your question.

Mr. Jeff Watson: In order to comply with the deadline or the final date, what barriers has the province removed in terms of their processes to expedite projects?

Mr. Gilles Vaillancourt: There are barriers in Quebec that are a little different. In many parts around the country you can choose your engineers and your architects in a shorter period of time than we can do in Quebec. The law has been changed. We need more time in order to choose the engineers and the architect for the project that's needed than anywhere else around the country.

•(1055)

Mr. Jeff Watson: So they haven't waived any other processes for you?

Mr. Gilles Vaillancourt: That could not be considered by you because it's a local factor. The local election in Quebec could not be considered a factor, but it is a factor that we encountered.

Mr. Jeff Watson: I appreciate that.

If the deadline is not moved, can you quantify for us at this point what the rate of failure to comply with the deadline would be in Quebec?

Mr. Gilles Vaillancourt: I indicated previously that we will send you a list of municipal—

Mr. Jeff Watson: Okay. Have you begun any of that consultation yet, or is that...?

Mr. Gilles Vaillancourt: Yes, we did the consultation, but I want to make sure that everybody has a chance to answer and to give you the cleanest situation: the municipality, the type of project, and the amount.

Mr. Jeff Watson: Do you have a ballpark of what percentage failure rate you'd anticipate right now?

Mr. Gilles Vaillancourt: I don't have it with me. And I'd rather not give you a ballpark figure. I will give you the exact figure and very soon.

Mr. Jeff Watson: Okay. In fairness, Mr. Vaillancourt, you've come with a direct message that this needs to be done, but you can't substantiate or even estimate for us what you think the failure rate would be if we didn't do it.

Mr. Gilles Vaillancourt: It's because I didn't do it myself, and the people who did it are not with me. I will send you very shortly all pertinent information. We'll send it to your committee.

Mr. Jeff Watson: Okay, I appreciate that.

[*Translation*]

Mr. Gilles Vaillancourt: Yes, just as I promised to Mayor G n reux, who asked me to do that.

[*English*]

Mr. Jeff Watson: I have what may be more of a technical question for you on the sewer replacement. You're talking about sewer repair, as opposed to putting in new sewer lines for the specific project you were talking about. I wondered whether you'd considered—

Mr. Gilles Vaillancourt: No. The relation that I gave was in another project, not this one.

Mr. Jeff Watson: Okay. I was just wondering if trenchless sewer repair was considered as an option.

Mr. Gilles Vaillancourt: We have a project in Quebec where the money to repair a bridge is not eligible until you have finished the water and sewer job. This does not allow for the bridge to live longer.

Mr. Jeff Watson: Thank you, but it's not what I was asking.

The Chair: With that, we have another committee coming in, so I would thank you very much for your attendance today. I think it's been informational for us all. We appreciate your time. Thank you.

I have Mr. Kennedy on a point of order.

Mr. Gerard Kennedy: I have a brief point of order, Mr. Chair.

Mr. Gilles Vaillancourt: Allow me to thank the committee.

[*Translation*]

Thank you very much for allowing us to appear this morning.

[*English*]

I would like to remind you of one thing: great cities make great countries.

The Chair: Thank you very much. You're right.

Mr. Kennedy, on a point of order.

Mr. Gerard Kennedy: Thank you, Mr. Chair.

I had a chance in the interval since the last meeting to look at the motion that was passed that supports these hearings. I see in the motion it does not indicate that we exclude individual municipalities.

I'm just again appealing to the chair that there are several municipalities, some of whom feel quite strongly and would pay their own way to come here, and others who would hear by video testimony.... From the testimony that we've heard today, I think we can accept on the face of it that we have a serious problem. Can we not allow individual municipalities that wish to be here to either come.... And we have them from each province, from Alberta, British Columbia, Quebec. Could they not be allowed to be considered as witnesses? Up to now, they have been denied, and I think it's simply unfair and ineffective for us not to allow them to be heard. It's disrespectful.

The Chair: Mr. Jean, on the same point of order.

Mr. Brian Jean: First of all, Mr. Chair, I've read the press release—which unfortunately no newspaper has taken up—that Mr. Kennedy put out criticizing parts of this committee for blocking communities. I just find it, first of all, preposterous and totally incorrect. It's not correct, and it has nothing to do with this.

The steering committee can certainly deal with this issue if Mr. Kennedy wishes, as it does with all of the issues. And the opposition has a majority on it. I think that's the appropriate place to put it on. If Mr. Kennedy actually showed up at more meetings, he would know that is the process we'd go through.

The Chair: I will raise it with the steering committee, and I have to go to Mr. Watson on a point of order.

Mr. Jeff Watson: It's a different one, very briefly.

I've been recognized. Thank you, Mr. Kennedy. I raised a point of order and have been recognized.

Mr. Gerard Kennedy: On the same point of order, Mr. Chair.

The Chair: I've ruled on the point of order, and I have now moved on to Mr. Watson.

Mr. Jeff Watson: Thank you.

Mr. Gerard Kennedy: What was the ruling, Mr. Chair?

The Chair: The ruling was that I would deal with it with the subcommittee, and I stated that very clearly.

Mr. Watson.

Mr. Jeff Watson: Thank you, Mr. Chair.

Very briefly, in a question that Mr. Kennedy raised he asked for information that would be pertinent to our deliberations. He used the voice "our deliberations" as if this was his committee. I just want the record to show that he's not a member of the committee.

Thank you.

The Chair: Thank you.

The meeting is adjourned.

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