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Chair

Mr. Merv Tweed

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•(1105)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, everyone.

Welcome to meeting number 28 of the Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2), we are studying the impact of the Government of Canada's deadline of March 31, 2011, for the completion of projects under the infrastructure stimulus fund and the recreational infrastructure Canada program.

Joining us today from the Association of Manitoba Municipalities are Mr. Doug Dobrowolski, president, and Mr. Joe Masi, executive director.

Welcome to the committee, gentlemen. I'm sure you've been given the process that we go through. I know you have a presentation. I'll ask you to do that and then we'll go to the members for questions.

Please begin.

Mr. Doug Dobrowolski (President, Association of Manitoba Municipalities): Good morning and thank you.

On behalf of the Association of Manitoba Municipalities, which represents all 198 municipalities, we want to thank you for the opportunity to present here today.

Municipal government has played a huge role in Canada's stimulus plan. Manitoba municipalities have been working flat out to make it a success and want to ensure that every dollar is working to create jobs and build our rural and urban economies for a stronger province and stronger country.

As we all know, the recent economic crisis was one of the worst since the Great Depression. Research has shown that investing in infrastructure is the best way to create jobs and grow your economy. It has been shown that when it comes to fighting a recession, investing in infrastructure is twice as effective as tax cuts.

Weeks before the government even released its economic action plan, municipalities in Manitoba had compiled a list of many shovel-ready projects. Municipalities in Manitoba and right across this country were ready to go to work. In January 2009, we applauded the government's decision to make infrastructure a cornerstone of its economic action plan. In the following months, new funding was rolled out in record time, although there were some challenges.

It took time for the government to negotiate funding agreements, design programs, and approve projects in all provinces and

territories. That created time pressures, which we are still trying to manage. The Association of Manitoba Municipalities certainly welcomes the federal government's commitment to being fair and reasonable when it comes to the stimulus deadline.

A lot has been achieved in some 20 months in Manitoba, with 73 approved municipal projects with a total project cost of \$75.5 million. Under the Building Canada fund communities component top-up, there were 22 projects approved, for a total of \$54.4 million.

From the time all agreements in Manitoba were given the green light, Manitoba municipalities have been going flat out to ensure that those stimulus dollars are working in their communities. Infrastructure Canada has been working closely with Manitoba to monitor these projects and has found that vast majority are on track.

AMM has been in close contact with our members. From what they are telling us, projects are on or ahead of schedule in most places. However, there are also some communities in Manitoba where projects started unusually late. Through no fault of their own, Manitoba municipalities have had to deal with excessive rainfall, delay in provincial approvals, and late approvals in trying to meet the stimulus deadline. In Manitoba, out of 73 projects approved, four are at risk and one will not be completed. Out of the top-up of the 22 projects, two projects are at risk and one will not be completed.

In Manitoba, most budgets were done when the stimulus and Building Canada funds were announced, so expenditures were not in the municipal financial plans and therefore had to go to an additional municipal board hearing for borrowing approval and also public hearings, causing unfortunate delays.

That's one of the problems that we see in Manitoba: the provincial regulations and provincial delays. When there are time-sensitive deadlines, these really play into trying to get these projects completed, because even if you go to the municipal board for a borrowing bylaw, they have up to 90 days to make their decision, therefore delaying projects. It's an unknown for municipalities as to whether or not they will get their borrowing approved. In regard to provincial regulations like the highway traffic board environmental approvals, these are necessary steps in the process, but have also been shown to be barriers in regard to time-sensitive deadlines. That's what we were finding in Manitoba.

Working together, federal, provincial, and territorial governments have helped pull Canada through the darkest days of the recession. Things have not gone perfectly, nor will they ever, especially when you're responding to a global crisis. When it comes to the stimulus deadline, we welcome the federal government's promise to be fair and reasonable.

We have two specific recommendations to help the government live up to that commitment.

First, the government should commit immediately to showing flexibility wherever a community has worked hard to meet the deadline but, through no fault of its own, requires more time to finish a stimulus project. It should encourage the Province of Manitoba to do the same.

Second, the federal and Manitoba governments should direct the public service to start working on the individual communities to adjust project schedules as necessary.

In conclusion, up till now, the three stimulus partners—federal, provincial/territorial, and municipal—have shown flexibility where necessary. The federal government showed flexibility when it worked with each province and territory to design specific stimulus programs that met their regional needs.

• (1110)

Municipalities showed themselves to be flexible when they waited months, and sometimes as long as a year, for all levels of government to approve projects. Now, as we enter the home stretch of the stimulus plan, it is clear that continued flexibility is the key to continued success.

After stimulus, we cannot say that the problem is solved. We must look back at the stimulus program and the lessons learned so that we can work toward a long-term plan for investing in our infrastructure and our communities. We must use what we have learned to look at our longer-term infrastructure needs and to start designing the next generation of federal infrastructure programs. That way, when the fiscal outlook improves, we will be in a position to protect our recent gains and to build the infrastructure that Canada needs to thrive in the 21st century.

Thank you very much.

The Chair: Thank you very much.

We'll go to Mr. McCallum.

Hon. John McCallum (Markham—Unionville, Lib.): Thank you.

Thanks very much to both of you for being with us today.

First, when the government says that it will be “fair and reasonable”, that's sort of in the eye of the beholder. It's a little bit vague and I would have thought that it would create significant uncertainty for municipalities. Are you asking for a blanket extension for everyone or are you asking for it case by case? What is it that you are asking for?

Mr. Doug Dobrowolski: We're asking for a case-by-case look at the projects. I know that some are going to be well ahead of the targeted deadline, but there are some, as I said, that through no fault of their own.... We have had excessive moisture in Manitoba, a record amount of moisture, and there have been delays in getting the skilled labour to complete these projects, so you have to look at them on a case-by-case basis.

Hon. John McCallum: I have heard it said that since every municipality in the country is working to the same deadline, in some cases that in itself is creating shortages, or a bidding war, if you like, in terms of skilled labour and in terms of pipes and other materials. Is that an issue in Manitoba?

Mr. Doug Dobrowolski: There's no doubt that when you have an infrastructure program of this magnitude, there is that element. The contingency fees are higher. Pipe prices or prices for whatever materials seem to be higher. We are experiencing that in Manitoba.

Hon. John McCallum: Does that mean you have cost overruns?

Mr. Doug Dobrowolski: There are not huge cost overruns, I must say, but there are increased costs when they are going to tender. But in a lot of cases, tenders are coming in under the projected price.

Hon. John McCallum: In the event of cost overruns, who pays the additional cost?

Mr. Doug Dobrowolski: Well, the municipality has been paying. Where we're seeing the cost overruns is in the specialized equipment, such as equipment for water treatment or sewage treatment. That's where we're seeing it. For normal gravel, for that type of road construction, we don't seem to be seeing that. It seems to be for the specialized equipment and specialized labour that are needed to put these in place.

Hon. John McCallum: Well, I've suggested a blanket extension of a period such as six months, on the grounds that it would alleviate this bidding war, would not require the bureaucracy to go over each project, and would prevent the possibility of the government picking and choosing between its friends and its non-friends in terms of who gets an extension—and unemployment will still be high six months from March 31.

Would you support such a six-month extension across the board?

Mr. Doug Dobrowolski: Any extension is very welcome, and I think we have to look at that. Again, when you look at Manitoba in particular, we're on track, but there are going to be a few that are going to need some help. Once we get closer—such as January—we can monitor at what stage they are in the construction process to determine then how long a deadline extension is needed.

•(1115)

Hon. John McCallum: I used to live in Manitoba, and I know that the winter isn't very warm. Is there much construction possible between now and March 31?

Mr. Doug Dobrowolski: Yes, there are a lot of water treatment and sewage treatment plants that have the shells up, and they're working inside. Of course, road construction, as you know, cannot continue.

Hon. John McCallum: I have one last question. At the beginning of the infrastructure stimulus program, we said that we favoured a gas tax type of mechanism, because we already had a template for how that worked. The money could have been transferred faster and the shovels would have been in the ground faster. Do you agree with that?

Mr. Doug Dobrowolski: The gas tax fund is an excellent program, but in the case of the stimulus program, I think you needed a combination of both. You needed a base amount plus a per capita amount if you wanted that to work to get the money out.

Because even under the current gas tax fund, smaller communities, on a per capita basis, don't get a lot of money. This way, we just think the combination of a base amount plus a per capita amount would have gotten the money out really quickly. It has gone very well in Manitoba. We really don't have any complaints.

Hon. John McCallum: Maybe you can't tell us this, but you say that two projects won't be completed for sure: are you able to say which ones or where those are?

Mr. Doug Dobrowolski: Yes. One is at Elma, Manitoba. It's a water treatment plant, and water distribution, and that's because it's held up through the municipal board hearing process. There have been objections there. I'm not quite sure on the other one, on the top-up.

Hon. John McCallum: What was the first one again?

Mr. Doug Dobrowolski: It's the Elma water project. They're proposing a water treatment and water distribution through the municipality, but it's being opposed, and the municipal board is taking forever to make a decision on their borrowing bylaw. The municipality wants to go ahead with it, but they seem to be running into obstacles. There's legal action now.

Hon. John McCallum: Thank you very much.

The Chair: Mr. Dhaliwal, you have one minute and 20 seconds.

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

Thank you to our witnesses as well.

It is my understanding a pedestrian bridge project over Omand's Creek in Winnipeg was cancelled. Is that money lost to Manitoba or did the money go to another project?

Mr. Doug Dobrowolski: I'm not familiar with the project. I'm sorry. I cannot comment on that because I'm not familiar with it.

Mr. Sukh Dhaliwal: You have made a point that the government has made a political statement called "fair and reasonable", but they have not put a policy in place. They have not given certain criteria or deadlines for those projects that are not finished. The sword of finishing those projects on time, even though it may not be possible,

is hanging on their necks. Is this uncertainty creating any costs for those projects?

Mr. Doug Dobrowolski: No, I don't think so. As an association, we're in constant contact with our members and we're reminding them that they have to get these projects done by the stimulus deadline of March 31. Yes, there's some pressure to get it done. Again, I think the pressure comes from the lack of skilled labour in some of these specified areas and the fact that people are having to wait for these people to come in order to get their projects done.

But all in all, things have gone very well in Manitoba. I think we have to wait till January or February to reassess the process for these and where these projects are construction-wise. Then, I think, that's where the fairness and flexibility come in.

The Chair: I have to end it there. We'll come back.

Monsieur Guimond.

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Thank you, Mr. Chair.

Mr. Dobrowolski, you said you have two specific requests to make to the federal government. First, you are asking that the government show flexibility, and second, that both federal and provincial representatives meet with representatives of each of the municipalities to help them see what their schedule might be. In terms of flexibility, that's obvious. In any event, the Minister has replied, in the House, that the applications will be processed and the federal government would be flexible.

Can you give us some more explanation about your second request to the federal government?

•(1120)

[*English*]

Mr. Doug Dobrowolski: If you had asked me one month ago.... In Manitoba, as I mentioned earlier, we've had excessive rainfall. We've had a wonderful end of September and all of the month of October to catch up, and we did that, but a month ago it would have been a very serious situation, as it is in Saskatchewan, because we were experiencing the same wet conditions.

Infrastructure Canada has been working closely with the provincial government and municipalities to ensure they are on track, which we are in Manitoba. I just think that we need to keep the monitoring in place to ensure that we are on track and that we are going to meet these deadlines, so that there are no big cost overruns in the end. Again, it's working very well in Manitoba, and we're working well with the federal government.

[*Translation*]

Mr. Michel Guimond: Do you know what percentage of the projects can be completed by March 31, 2011? The people from the Manitoba government might be able to answer that question.

Tuesday, this week, people from the Canadian Federation of Municipalities appeared before us and told us they would not be able to complete 30% of the projects by March 31, 2011. I would like to know whether you have the figure for Manitoba.

[English]

Mr. Doug Dobrowolski: As I said in my presentation—

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

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): I'm not sure if the translation is right, but I heard 30%. What I heard from the FCM was 3%, so I'm just not sure.... Was that a proper translation?

The Chair: Monsieur Guimond.

Mr. Michel Guimond: When we had the Canadian Federation of Municipalities here, they mentioned that 30% of the projects will not be—

An hon. member: No. It was 3%.

An hon. member: Three per cent.

Mr. Michel Guimond: It was 30%. Thirty per cent, mainly in Quebec.

Mr. Brian Jean: I'm sorry. It was a point of order in relation to the translation. I just wasn't sure.

[Translation]

Mr. Michel Guimond: It's 30%, mainly in Quebec.

[English]

Mr. Brian Jean: Oh, in Quebec—I don't remember hearing that.

The Chair: I'm sorry. Please continue.

[Translation]

Mr. Michel Guimond: In any event, it was in the papers.

[English]

Mr. Doug Dobrowolski: I can only speak for Manitoba. Again, there have been challenges right across this country due to weather, but in Manitoba it's less than 5%. Again, under the stimulus fund, of 73 projects, four are at risk, and under the top-up of 22 projects, two projects are at risk. But if it weren't for the weather we got in September and October, we would have been up to that 30%, for sure, because a lot of projects in Manitoba were sewage lagoons, and a lot of earth-moving projects would not have been completed because we were so wet.

[Translation]

Mr. Michel Guimond: I can give Mr. Jean the information that in the advertising done by the Minister of Finance, he said the March 31 deadline would be observed in the case of 97% of the projects. I think that's where Mr. Jean got the 3% figure. In any event, we will be meeting with the people from the Union of Quebec Municipalities and the Fédération Québécoise des Municipalités a little later.

It may seem odd, but we are working on a lot of projects that relate to water mains and sewers. In Quebec, some projects can't be completed on time because the plants that produce the pipes for the water mains and sewers can't keep up with the demand. Do you have the same situation in Manitoba?

[English]

Mr. Doug Dobrowolski: No, we are not experiencing that in Manitoba. As far as I know, there hasn't been a shortage of the basic equipment. In my own municipality, we're doing a water treatment plant, and some of that specialized equipment has been delayed because only a few manufacturers make it. But overall, I can say there hasn't been a delay in that type of pipe for that type of thing.

[Translation]

Mr. Michel Guimond: If I still have time left, I will yield it to my colleague Mr. Gaudet.

The Chair: You have two minutes left.

• (1125)

Mr. Roger Gaudet (Montcalm, BQ): I hadn't read the paper that the Library of Parliament sent us. It says:

Under the terms and conditions of the Infrastructure Stimulus Fund, all projects are required to begin and materially end construction prior to 31 March 2011. The federal government will pay its share of costs incurred up to 31 March 2011 and will not provide any funding beyond this date. For projects that are not substantially completed by 31 March 2011, the Government of Canada shall have the right to cancel funding in whole or in part, and further the federal government shall have the right to be repaid any funding advanced for such projects, unless the funding recipient commits to completing the project at its own expense by 31 December 2011.

In most cases, the municipalities are not at fault. It's shortages or other factors, such as the weather, where I come from, that are the cause of the delay. If the municipalities have to give the money back to the government, that won't be a good thing. What do you think about this?

[English]

Mr. Doug Dobrowolski: Again, we are not experiencing the problem of shortage of materials in Manitoba. As an association, we have been reminding our members constantly that the deadline is in place. Right now, it's a firm deadline. We've been telling them that they must complete their projects, that otherwise it will cost them money. As an association, we have been very proactive in communicating to our members that this deadline is firm at this point. We want to make sure that Manitoba is a success story, which it seems to be, and we're working very well with all levels of government to try to get this done.

The Chair: *Merci, monsieur Gaudet.*

Mr. Bevington.

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

When this program was initiated, the municipalities were instructed to look for projects that were outside their normal capital project stream. You've mentioned a lot of sewer and water facilities. How did it work out over two years to bring on stream, through the engineering work and all the rest that would have to go with it, a capital project that wasn't identified in your capital programming? Was that a considerable effort on the part of many municipalities?

Mr. Doug Dobrowolski: Well, no. I can say that it wasn't. I'm very proud of the Manitoba municipalities. They are very good at planning. Yes, the projects might not have been on the financial plan, but they know their needs and have been planning for a while for those water and sewer needs. They know that at some point they have to replace this. It might not have been on their financial plan, but they've had those projects ready.

They've already started engineering, knowing that in the next year or two, even before any announcements, that they were going to have to do these projects anyway. This is a bonus that the federal government came through with this money to help them accelerate those projects and put them on the front burner, so to speak.

Mr. Dennis Bevington: So in reality these projects were planned ahead of time, but they just hadn't been identified in the financial stream. That's what you're saying?

Mr. Doug Dobrowolski: Yes.

Mr. Dennis Bevington: But they must have been identified in one way, because you wouldn't have been able to do the planning if you didn't have some pre-feasibility or feasibility money for these projects.

Mr. Doug Dobrowolski: I know that in a lot of cases in Manitoba you're talking about rural pipelines and smaller communities with sewers, which are easy to plan, in my opinion. Yes, obviously a lot of municipalities do have engineering and consulting advice, but again, it has been something they've been planning on for a while, and because this program came to light, it brought everything to the top.

Mr. Dennis Bevington: So it seems that there was a fair bit of flexibility in regard to that particular item, because I know that was something that was brought up at the beginning as being very important. These things are separate from the normal capital stream. So obviously the federal government has been pretty flexible about how to deal with that right from day one, is that correct?

Mr. Doug Dobrowolski: Yes.

Mr. Dennis Bevington: Okay. Good.

Now, you have 198 municipalities and 73 projects. How many municipalities are identified with those 73 projects?

Mr. Doug Dobrowolski: There were a lot more that applied than were accepted. I think everyone put in an application, but of course the problem was that a lot of them, because of the short timeline of getting your project in, could not come up with their third. As I mentioned, with the barriers of municipal board hearings and things like that, a lot of municipalities just don't have that third in the bank, so they have to go to a borrowing bylaw to get their one-third.

Mr. Dennis Bevington: But would the 73 projects be in 73 different communities—

Mr. Doug Dobrowolski: No.

Mr. Dennis Bevington: —or would they be lumped, like 10 in Winnipeg, or 20 or...?

Mr. Doug Dobrowolski: Yes.

Mr. Dennis Bevington: So how many actual municipalities would you say got stimulus money?

•(1130)

Mr. Doug Dobrowolski: There were 73 communities that got this.

Mr. Dennis Bevington: So Winnipeg only got one stimulus project?

Mr. Doug Dobrowolski: No. They had several, I believe.

Mr. Dennis Bevington: So it would be fewer than 73 communities that would have gotten stimulus projects.

Now, the government has been saying that if they gave some flexibility on the timeline, there's going to be some blowback on the part of the other municipalities, perhaps from the ones that didn't get a project or didn't try to get a project because they didn't feel they could complete it in the timeframe, or for one reason or the other.

Do you sense that there's any blowback in Manitoba if you extend a timeframe for communities to have projects?

Mr. Doug Dobrowolski: No, because as I mentioned earlier, Manitoba municipalities are very good at planning. They know their fiscal capacity, and they know—

Mr. Dennis Bevington: No, I meant the communities that didn't get a project, that maybe didn't apply because they recognized that within their planning process they didn't have the time to complete it. Do you think any of those municipalities are going to come back and say, "Look, how come you're extending the deadline here when we didn't know about this prior to the time...?"

Mr. Doug Dobrowolski: No, I believe not.

Mr. Dennis Bevington: Because that's really the argument the government's using here to say that we shouldn't be too flexible with this timeline: that it's unfair to the other communities. Do you get any sense like that at all?

Mr. Doug Dobrowolski: No.

Mr. Dennis Bevington: Okay. Thanks.

The Chair: Thank you.

Ms. Brown.

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

Thank you, Mr. Dobrowolski, for your testimony here this morning.

I want to start by saying that I have a little bit of sympathy for the construction industry, having at one time worked in an engineering office to put myself through school. I was low man on the totem pole in the drafting office, but I gained some conversancy with the process of putting jobs out to tender. The honourable member from Markham may be interested to know that I inspected most of the sewers of the east side of Markham and did a lot of the survey work out there. So I have some conversancy with the town of Markham as well.

I have a couple of questions for you that I hope we can explore. First of all, what did you see as the primary objective of the stimulus package when the government brought it forward?

Mr. Doug Dobrowolski: The primary objective, of course... As municipalities, we've been before the federal government before this stimulus package or any of this and we've always been saying that our infrastructure is aging. So again, we're glad that the federal government has seen this as a priority and has dealt with it.

Again, when you invest in infrastructure, you're investing in your future. I think it's great for all communities, whether you're rural or urban. It makes your community more competitive. It makes your community much better when you have good infrastructure. I think the federal government has recognized that, and we're very appreciative of the programs it has put forward.

Ms. Lois Brown: So would you agree that it has been working?

Mr. Doug Dobrowolski: Yes.

Ms. Lois Brown: Do you think that a deadline, in the first place, was a good idea?

Mr. Doug Dobrowolski: Well, with any program there's always uncertainty at first, because, again, you're negotiating agreements between provinces and you're negotiating agreements between all levels of government. Until those things are out of the way, of course there are those uncertainties, but you need to have a deadline. You can't simply let everything go on forever. It doesn't matter what program it is; there has to be an end somewhere. You have to draw a line in the sand where you're going to stop.

Ms. Lois Brown: When we said at the very beginning that it was timely, targeted, and temporary, everybody really bought into that, did they not?

Mr. Doug Dobrowolski: Yes.

Ms. Lois Brown: When I start to look at where the projects are at... I think you were saying to Mr. Bevington earlier that every municipality has a wish list of projects they really do want to undertake.

I know that in my own municipality there was a rather large project they had thought about putting forward for stimulus, but they knew that the engineering wasn't quite ready in order to get it done by the deadline. However, they had a number of other shovel-ready projects they could initiate, that their engineering departments had been working on, and in many cases applications were already in the works.

I recognize fully from my work that there are a significant number of agencies of government that you have to go through, but we did have the buy-in of our provincial governments on this to work together to see those things moved through much more quickly. That part of the package has worked really well, would you not agree?

• (1135)

Mr. Doug Dobrowolski: Yes.

Ms. Lois Brown: We've seen municipalities, provinces, and the federal government really come together. As I said to one of our other witnesses the other day, I think what I have heard out of all of this is that taxpayers are seeing all levels of government work together.

So here's my question. I guess this is the biggest concern for me. When we're looking at the request for flexibility, at the request for the federal government to be fair and flexible on this, if these

projects were already shovel-ready, meaning that much of the budgetary work had already been done, is there potential for any of these projects to be running over into other annual costs? Or are the budget allocations going to be finished with this budget year for the projects themselves?

Mr. Doug Dobrowolski: Yes, the budget allocations are going to be finished, but as you mentioned, you have a wish list, and you do your estimates and you do your numbers to see if you can even afford these projects. Again, the help of any of these federal programs brings things to light. Then you have to shift your priorities, because you were at one time looking at this but all of a sudden there's a program, so you shift your priorities: now this becomes more important because there are funds available for it. I think it has been working well.

Ms. Lois Brown: But if they were shovel-ready programs...? If we came to the federal government and the provincial government, fundamentally for those projects much of the background work in engineering and application had already been done. We're looking now at the construction costs that are being allocated.

Again, I guess my question is this: will those costs stay within the 2010-11 fiscal year? Because obviously that's what the federal government has done. We have said that these moneys are available until fiscal year-end March 31, 2011. If we're talking about this deadline, are you going to allocate those funds into the fiscal year?

Mr. Doug Dobrowolski: Yes.

Ms. Lois Brown: Okay.

Mr. Joe Masi (Executive Director, Association of Manitoba Municipalities): Mr. Chairman, may I make one comment?

The Chair: Of course, Mr. Masi.

Mr. Joe Masi: I just have one comment. I think what our presentation is saying, though, is that for all the good work that's taken place, there are some very special and unique cases. We mentioned the Elma case, and there are a few others, through no fault of the municipalities. They had no control where there was weather... We're asking for some consideration, because our fear is that some of these will be the ones that will be highlighted at the end as not being able to finish in time.

The Elma one is a very... I'm sure the chairman has heard about it. It was a very tense legal battle with the community. The residents didn't want to get... I mean, the municipality has had no control to meet that deadline.

So we're just asking for the four or whatever that we presented for some negotiation with Infrastructure Canada and the province.

The Chair: Thank you.

Monsieur Coderre.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Thank you, Mr. Chair.

I'm still finding it somewhat strange to be trying to assign the blame to the municipalities.

[*English*]

You've done your homework. I think we need to show some flexibility, period. It's a case-by-case issue, but I believe that because you've done your homework you deserve to have that flexibility.

[*Translation*]

I would like to ask a few questions.

[*English*]

We mentioned "fair and reasonable".

[*Translation*]

If you get this extension, it is certainly going to have an impact on the next year. If you don't get it, it will interfere somewhat with your planning for the next year. How are you planning to deal with all this? We have the impression, for good reason, that you are currently in a grey area. If you don't get any news, that you should go ahead and do the work and the work is not completed, it's going to have repercussions for work in the following years.

As an association of municipalities, how do you plan to meet the needs of your people? I always thought that municipalities were the ones closest to the people, as compared to other governments. In some cases, Ottawa is remote. You might not just be using the shovel, you might be getting it used on you.

[*English*]

Mr. Doug Dobrowolski: That's the case in any elected position: you find the wrath of the public. As you know, you never make the right decision.

Hon. Denis Coderre: I'm trying to be nice here.

• (1140)

Mr. Doug Dobrowolski: Again, I have pride in our municipalities in Manitoba, in their planning and their fiscal responsibility. I think they have allocated the funds. They realize the ones that are in trouble. If they know they are going to be tight, they are already doing it in that planning process to ensure the financial needs are there.

[*Translation*]

Hon. Denis Coderre: I would like to ask one more question and then yield the floor to my colleague Mr. Dhaliwal.

The Minister has sometimes suggested that things were going well in all provinces except Quebec, but I am increasingly realizing that this affects Canada as a whole. The province and the municipalities in Manitoba have their own decision-making process. As my colleague Mr. McCallum said, a six-month deadline would be desirable.

Do you have to comply with the many administrative formalities of the Canadian government? That factor alone would justify giving you extra time. It isn't just a question of costs; there is also the weather and the shortage of workers. There are also the heavy administrative demands you have suffered from.

[*English*]

Mr. Doug Dobrowolski: Again, municipalities have done their utmost to meet these deadlines. There have been adverse conditions this past summer. I guess when you have adverse conditions and things beyond your control, there are as well other costs that you cannot control. I think municipalities are doing their darndest to get this done. They know what the importance is to their communities. If they have to absorb a little bit of cost, whether it be administratively on their own as well, they're willing to do that because they know the importance that this infrastructure has to their—

Hon. Denis Coderre: I agree with that. My question was this. You were a bit of a victim of the red tape. It's a huge machine at the federal level and sometimes it takes more time. You have to deal with the province and then you have to deal with your own people, so basically you were a bit of a victim of that administration.

Mr. Doug Dobrowolski: Again, as I mentioned earlier, it doesn't matter what program you put in, until these agreements are signed, until you know some certainty, yes, there are a lot of things you have to do to get to that point.

Hon. Denis Coderre: Thank you.

Sukh.

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

I would like a short answer to this. How soon would you like to see the government make a decision to extend the deadline being that the "fair and reasonable" statement has been made? Do you want to wait until February or do you want to see it happening today?

Mr. Doug Dobrowolski: I think as soon as possible. Again, in Manitoba we've been working very well with Infrastructure Canada to monitor this all along, but it would be great to see it as soon as possible.

The Chair: Thank you.

Monsieur Gaudet.

[*Translation*]

Mr. Roger Gaudet: Thank you, Mr. Chair.

Mr. Dobrowolski, you have been proactive and I congratulate you. You said earlier that it was going well in Manitoba, that everything was as it should be on the municipalities' side, that you have been proactive and you have told the municipalities they had to finish everything by October 31. However, I would like to know what your assessment of this program would be today if there had been bad weather in August and September.

[*English*]

Mr. Doug Dobrowolski: Again, the municipalities are doing their best to cope. We were fortunate in Manitoba that we have had the weather to complete; otherwise it would have been a story that was a lot different story from what I'm reporting today. That's why we're asking for the flexibility in a deadline. It's for things that are not in the control of the municipalities, things on the outside, through no fault of their own.

[*Translation*]

Mr. Roger Gaudet: That answers my question. Thank you.

[English]

The Chair: Mr. Watson.

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

Thank you very much to our witnesses for appearing here today.

Let me first of all congratulate our municipal partners. For the last two years, I think they have done a considerable job in terms of their part in trying to make a stimulus a reality, to impact the economy in the window it needed to hit. I think that's the reason why we're not talking about problems across the board. It's certainly one of the variables in why we're not talking about across-the-board problems for municipalities with respect to these projects. We're having a high degree of success, so I want to congratulate our partners on that.

I also want to congratulate the associations for their part in reaffirming the importance of the deadline all the way along. Of course, that keeps a certain amount of drive moving forward to complete projects, so we appreciate that very much.

I do want to correct just one minor thing, if I may, Mr. Dobrowolski, with respect to the ISF and RInC projects. The primary focus isn't on dealing with the infrastructure deficit, but with stimulus and job creation as part of the recession that we've been in, and hitting that two-year timeframe in which to stimulate the economy. We happen to have the corollary benefit of addressing the infrastructure deficit.

We already had the BCF, a seven-year program to deal with long-term infrastructure deficit issues. That's why we introduced BCF and the permanent gas tax fund. I just wanted to be sure that we could be in agreement that the ISF and RInC projects were to deal with a global recession reality and Canada's part in getting jobs created in communities.

In terms of a background, just so I understand, how many municipalities are part of your association?

• (1145)

Mr. Doug Dobrowolski: All 198.

Mr. Jeff Watson: One hundred and ninety-eight: how many did you survey in terms of coming up with your position here for committee today, if I may ask?

Mr. Doug Dobrowolski: Well, on a constant basis, we're in communication with ours daily. We surveyed all of ours that had the stimulus funding.

Mr. Jeff Watson: Okay. I appreciate that.

The federal government, I think can we can agree, has been, first of all, quick, or relatively quick if you look at the history of how the federal government moves on programs. We had the earliest budget in Canada's history, the economic action plan, in January 2008. It was, I think, a considerable all-of-government response because of the need to stimulate the economy.

I do want to correct Monsieur Gaudet. In terms of being fair and flexible, we've already announced, long ago, that substantially complete projects will get pro-rated federal funding—not cancel the projects.

We're also working to re-scope projects in order to deliver fully funded on-time projects with municipalities. You've talked about how less than 5% of the projects may come up short in some degree. Is re-scoping helping or can re-scoping help these individual projects in Manitoba, to the best of your knowledge?

Mr. Doug Dobrowolski: Yes, I think it can.

Mr. Jeff Watson: Okay.

We also, as a federal government, waived a number of approval processes: the Navigable Waters Protection Act, the need for a Canadian environmental assessment where there were provincial ones, etc. The provincial government has its own processes and approvals. Did they waive any of them in the stimulus period? If so, which ones?

I don't know if it's necessary in Manitoba like it is Ontario, but the provincial government has to sign off for approval of projects. How timely were the approvals of projects to get them going?

Mr. Doug Dobrowolski: The approvals were timely, but again, it's the provincial process that seemed to be where the delays were, and it's those necessary steps that you have to do, but they became barriers because of the time constraints and length of time. Like I said, these boards come back with their decisions with a looming deadline ahead of you.

Mr. Jeff Watson: Municipalities also have a role, obviously. They choose the projects to start with. They choose both the scope of the project and what they will undertake. They also, therefore, have the responsibility for the choice of projects. They also have their own approvals and processes.

In Windsor, for example, I know they have an ambitious project. In Windsor, Ontario, it's a retention treatment basin, and they've put in place a bylaw allowing them to do do construction 24 hours a day, 7 days a week. They've waived noise bylaws, if you will, to ensure they could do construction around the clock.

Are there municipalities that you know of that have waived their own processes or taken their own steps to accelerate projects, and can you identify what some of those steps have been?

Mr. Doug Dobrowolski: I know municipalities have tried everything they can to streamline the processes that they have control of in order to get things done. We try to combine public hearings and we try to do everything to speed this process along. We keep reminding our municipalities to make sure they have their ducks in a row, whether it's engineering or consulting or whatever, so that they can keep moving forward and will not have to stop and gather information.

Mr. Jeff Watson: Okay.

Thank you, Mr. Chair, and thanks to our witnesses.

The Chair: Everybody's had an opportunity to present. Are there any more questions?

Go ahead, Mr. Jean. We have about two minutes—

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

The Chair: —or less.

Mr. Brian Jean: In relation to the blues from last time and the FCM, I'll wait until Monsieur Guimond is back. I just found the information.

I was wondering in particular if the department has been working with the municipalities, that you're aware of, to keep track of what's going on, and also to re-scope projects and reanalyze projects. Has the government been working with the municipalities in Manitoba to do that?

• (1150)

Mr. Doug Dobrowolski: Yes.

Mr. Brian Jean: Okay.

Are they doing so on a continuous basis or was it a one-off situation, if you're aware of that?

Mr. Doug Dobrowolski: No, it's on a continuous basis.

Mr. Brian Jean: Are your municipalities and the province cooperating fully to try to get these projects done on time?

Mr. Doug Dobrowolski: Yes.

Mr. Brian Jean: Okay. What percentage of projects would you say are finished up to date?

Mr. Doug Dobrowolski: I'd say a good 95% of them are getting done or are very close.

Mr. Brian Jean: About 14% are actually completed already. Is it fair to say that?

Mr. Doug Dobrowolski: Yes.

Mr. Brian Jean: Okay. In fact, somewhere in the neighbourhood of almost 80% will be completed by December 31. Is that fair to say?

Mr. Doug Dobrowolski: Yes, that's fair to say.

Mr. Brian Jean: Okay. Then we're talking about two or three projects out of quite a few.

Mr. Doug Dobrowolski: Yes.

Mr. Brian Jean: Is there anything else that we as a government can do to help move these projects forward, to help re-scope them? In essence we're talking about fewer than 5% of the projects in Manitoba. It's not an arbitrary deadline; it's a fiscal year-end deadline, and that's why it's there, obviously. Does it seem reasonable to move a deadline six months for fewer than 5% of the projects?

Mr. Doug Dobrowolski: If you had asked me that question a month ago, I would have said no, but fortunately we've had the weather to get these done. If we hadn't, it would be a totally different story in Manitoba.

You're just taking a snapshot of today. You have to take a snapshot right across this country, because it involves everyone, and everyone's at a different stage because of weather and things like that. I think you have to look at the big picture.

Mr. Brian Jean: It's fair to say as well that we have six months left. It's a two-year stimulus plan; we still have 25% left, and that 25% is the project completion portion of it. Is that fair to say?

Mr. Doug Dobrowolski: Yes.

Mr. Brian Jean: Thank you very much.

The Chair: Seeing no further questions, I will thank our guests for being here today.

I had the opportunity recently to attend an event with the AMM. Having a history as a municipal councillor and a provincial MLA as well, I would suggest that the municipalities don't get the credit they deserve for making these things happen.

We get the names on the signs, but you guys do all the work, so thank you very much.

We're going to take a recess of about five minutes to get the video set up.

For members, we have lunch at the back.

• (1150)

(Pause)

• (1205)

The Chair: Thank you. Welcome back. We appreciate your patience.

Joining us this afternoon for the second hour, from the Union of Quebec Municipalities, is Mr. Gilles Vaillancourt, member of the executive committee, president of the commission on fiscality and local finances, and mayor of the City of Laval. Joining him at the table is Mr. Joël Bélanger, policy adviser.

Joining us through video conference, from the Fédération Québécoise des Municipalités, is Mr. Bernard Généreux, president.

Bienvenue.

I know you've been here before, so we'll ask for your presentation and then we'll move right to questions.

Thank you.

[*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): Thank you, Mr. Chair, Deputy Chair, and members.

The Union of Quebec Municipalities was eager to accept the invitation to participate, again, in the work of the parliamentary committee on the impact of the deadline of March 31, 2011, for completion of infrastructure stimulus projects.

In my presentation to you in June, I cautioned the members of your committee about the various problems associated with keeping the March 31, 2011, deadline for Quebec municipalities.

Today, I can confirm that the fears expressed by the UQM in June were valid. If the government does not allow some flexibility on the deadline, many municipalities will be penalized and some projects will be jeopardized.

The mission of the UQM is to promote the fundamental role of municipalities in social and economic progress in every part of Quebec and to support its members in building democratic, innovative and competitive communities.

The UQM has recognized the importance of the government's economic action plan, and the investments and infrastructure that have made it possible to catch up on the municipal infrastructure deficit, estimated at over \$18 billion in 2003.

This issue has been a priority for the Union of Municipalities for several years. In light of the sixth economic report tabled by the Minister of Finance, the hon. Jim Flaherty, in September 2010, it is obvious that Canada's Economic Action Plan has benefited the economy and infrastructure.

It must be pointed out, however, as the ministers of the Government of Canada have noted on several occasions, that if municipalities had not acted quickly to get a number of infrastructure projects underway, the effects of the economic crisis would have been much more serious.

For economic stimulus measures alone, the municipalities of Quebec have undertaken nearly 1,000 projects, representing investments approaching a billion dollars. The municipalities' contribution to the success of the program is undeniable.

The municipalities were there when the plan was implemented. Today, they hope the Government of Canada will be there for them, by agreeing to their request for greater flexibility.

In a nutshell, we hope that the partnership that has started out so well will be able to continue on a congenial basis.

We must not be too impressed by the recent economic report that paints an extremely optimistic picture of the implementation of the economic action plan. The report states that 97% of the work begun under the action plan is underway or has been completed.

The picture is very different in Quebec, however. According to the figures collected by the ministère des Affaires municipales, as of August 30, only 38% of the work had been started and no funds in the funding envelopes had yet been refunded to the municipalities.

Under PRECO, 70% of the projects said to be at risk are at risk because of time shortages, since the second layer of asphalt has to be laid in two separate steps based on the freeze and thaw periods.

In fact, this is the main problem the city of Laval is facing, where some 15 projects will not meet the deadline, representing losses of several million dollars for the municipality.

After broad consultations with its members, the Union of Municipalities can confirm that the situation of Laval is not an isolated case, since the results of the survey show the same thing more or less everywhere in Quebec. The initial results show that more than 80 projects in some 40 municipalities are at risk of being completed after the deadline, thus jeopardizing an investment of a little over \$100 million in works.

The municipalities of Quebec are working hard to complete their projects, but they must not be penalized if they can't finish on time, for several reasons.

First, they have had delays caused by the lengthy negotiations between the governments of Canada and Quebec. Of the four Canada-Quebec framework agreements, two were signed as late as the end of January 2010, nearly a year after the economic action plan was adopted. That means that once the legal process for awarding contracts was completed, there were only a few months left for the municipalities to complete all of their projects.

● (1210)

Second, the municipalities are dealing with the heated construction industry, and this is exacerbated by the imposition of this deadline. It means that in some regions of Quebec, contractors are experiencing shortages of materials. In the Montreal metropolitan region, manhole covers are starting to be in short supply. Across Quebec, there is a shortage of temporary water supply pipes. Municipalities are victims of the shortages and are having to use other materials and other methods, and to absorb the extra costs and delays. This is the case in Beauharnois, for example.

Elsewhere, municipalities are suffering because contractors' order books are full and they sometimes have to issue new tender invitations because they haven't received bids on their projects. This is the case in Roberval, for example, which has had to deal with the lowest bidder in the first tender invitation withdrawing because it was overloaded and could not meet the deadline. Roberval was forced to issue a new tender invitation and it is now facing the fact that this time it has received no bids.

It is important to point out that PRECO, which is intended to rehabilitate water infrastructure, is a program unique to Quebec. It is therefore to be expected that these situations will arise only in Quebec. Adding a deadline has only exacerbated these problems.

Last, we would note that harsh winters reduce the period when road work can be done by several months more or less everywhere in Canada, of course, but we have no relief from this at all in Quebec.

The Union of Quebec Municipalities is bringing a message from its members today, municipalities of all sizes in all regions of Quebec, representing five million Quebecers. The Union of Quebec Municipalities is asking Mr. Flaherty, who said the government of Canada would be "fair and reasonable", for a much firmer commitment, to reassure Quebec municipalities.

The Government of Quebec has committed to continuing its financial contribution beyond March 31, 2011. In addition, the National Assembly has passed a motion supporting the municipalities' request in this matter. The Union hopes that these actions will inspire the Government of Canada.

In closing, the Union of Quebec Municipalities reiterates its request that the federal government allow municipalities that have already started their projects to complete them after the March 31 deadline and still receive the financial contribution the Government of Canada had promised. The Union believes this is a reasonable request, given the situations and the circumstances in which it is made. A positive response will help to consolidate the economic recovery in Quebec and Canada and will benefit all Canadians.

Thank you, Mr. Chair.

Thank you for your attention, gentlemen.

[English]

The Chair: Thank you, Monsieur Vaillancourt.

Monsieur Généreux, please proceed.

[Translation]

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): Good afternoon, gentlemen, Mr. Vaillancourt.

While I won't reiterate what Mr. Vaillancourt has said, I will say it is apparent that the fears expressed by the Fédération Québécoise des Municipalités at its last appearance unfortunately seem to have materialized.

With only a few weeks left until winter, when infrastructure work will be forced to stop, the municipalities are again, and still, having to deal with this famous deadline, which is becoming increasingly worrisome in terms of actual capacity to complete the projects announced.

I don't want to reiterate the figures given by Mr. Vaillancourt, but we note that fewer than 40% of the projects undertaken by the municipalities by September 16 had been completed. You will understand that concerns are obviously growing as time passes.

Circumstances are mounting up to hinder the capacity of the thousand members of the FQM to complete their projects. It almost amounts to subjecting the municipalities to mental cruelty, given that projects have been recognized and funding for them confirmed by agreements. We are increasingly facing the anxiety of the period imposed by the program ending, which will probably mean that hundreds of projects all across Quebec will not be completed, for all sorts of reasons. It may be a question of delays associated with completing these various projects, or authorizations that are needed from various departments, for example the ministère de l'Environnement, or from the Commission de la protection du territoire agricole, in the case of projects that affect those areas.

In the present overheated situation, where bids are often considerably higher than initial estimates, there are all sorts of situations that mean that in many cases municipalities are unfortunately having to conclude that it is impossible to complete these projects. That observation is also shared by the Canadian Federation of Independent Business, which has reached the same conclusions itself.

At present, municipalities are still calling for tenders. It is easy to understand how some bidders, given this inexplicable and unjustifiable deadline, are not risking bidding, given the risk of a major

penalty that some of them are facing. This means that the number of bids being submitted is low.

There is also the problem with materials, which is becoming a matter of growing concern. The overheating observed last spring has now hit head-on. Delivery delays, which have become common because materials are increasingly rare, are causing major stress and interfering with the capacity to complete projects.

In the circumstances, you will understand that the resolution passed by the Fédération Québécoise des Municipalités asking that this deadline be pushed back, which was adopted at the annual general meeting held at the end of December, is entirely appropriate.

We seem to be hearing that the economic crisis is behind us. When we see the difficulties in many of the regions and places in Quebec, we understand that the economic recovery has not always been on time. We still need this infrastructure program to stimulate the economy. The federal governments wants to make us believe the recession has ended. That is what it sees when it puts on its rose-coloured glasses, but we have to step back a bit.

● (1215)

Denis Lebel was also present for the opening presentation by the Fédération Québécoise des Municipalités. He took good note of the unanimous request by the members at the convention to postpone the deadline. Mr. Lebel also committed himself at the end of September to conveying the message stated very clearly by the Fédération Québécoise des Municipalités to his government, to lift the constraints associated with this program.

What we are asking, in fact, is that for all the projects that have been announced, 100% of the money announced be allowed to be spent beyond this famous deadline. Objectively, there is no justification for the deadline. When an agreement is submitted to a municipality and signed by the government, that money itself is set aside for the project. What would be the problem if the project were completed within a reasonable and acceptable time, rather than rushing projects through and having the quality risk being jeopardized? Impose requirements for completing these projects as soon as possible after the deadline, certainly. Look, we have a winter to get through here at the end of this program, and that winter is a major obstacle to being able to complete these projects.

More specifically, in my own municipality, I recently received an agreement signed for a recreation centre. It is a \$1.5 million project. You may say that's not much, but it's important to my community. I received the agreement on October 5, 2010, with the requirement that the project be completed by March 31. In objective terms, how do you expect me to start the process for borrowing and for the plans and specifications, to do the work in the winter, and have it all completed by March 31? What we're asking is that the money committed under the agreements be disbursed in full. It is unacceptable to leave amounts like that on the table. Several hundred million dollars could expire because of this obstinate insistence on a deadline.

The list of municipalities facing problems completing these projects might go on at quite some length. The 40% of projects authorized to date alone illustrates the gap we still have to close between projects undertaken and March 31. This burden absolutely has to be lifted as soon as possible.

Thank you for your attention.

•(1220)

[English]

The Chair: Thank you very much.

Monsieur Coderre.

[Translation]

Hon. Denis Coderre: Thank you, Mr. Chair.

Welcome to the committee, Mr. Généreux and Mr. Vaillancourt.

I have had the pleasure and the privilege of attending the conventions of both the Union of Quebec Municipalities and the Fédération Québécoise des Municipalités, and to begin, the first thing we should say is that you are asking not for charity but for flexibility. You are the government that is closest to the people. You know that you have a direct influence on people's quality of life. I think it is completely unacceptable to see a federal government close down this way and even, when questions are asked in the House, give the impression that Quebec is on one side and everything is fine elsewhere, as if we were whiners in Quebec, when that is not the case at all. The ministers are perfectly happy, however, to go to the inauguration ceremonies to cut the ribbons or to go and see you.

My first question is for Mr. Généreux, and perhaps Mr. Vaillancourt as well. The ministers are now talking about finding a fair and reasonable solution. That means a lot of things. Do you have any follow-up from the meeting with Mr. Lebel? Were you ultimately told that the main fault lay with the administrative labyrinth and bureaucracy, particularly at level of the Government of Canada? Have you followed up with the former mayor of Roberval, who should understand how a municipality operates, given that it is next to Saint-Félicien?

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): So far, we have had no news from Mr. Lebel regarding his commitment.

In fact, Mr. Coderre, you were present for the opening of the convention. Mr. Lebel even came forward on the stage to accept, in front of the assembly, the symbol that I displayed on a little sticky note—sticky notes are all the rage in Quebec—reminding him that a specific message was being sent for him. I think that for Mr. Lebel, appearing on stage and accepting that note amounted to saying he was going to advocate for our request to his government.

As we speak, we have had no news about this commitment. It is extremely important that a signal be given now. The countdown that determines the actual ability to initiate and complete the projects has started. We are asking for no less than 100% of the funds that were announced and signed for in the agreements involving the municipalities. The municipalities have done their job in preparing for these projects, which have been analyzed by the officials and authorized by the government. Now they have to be done.

The question is not just of the capacity to support economic development in our communities, but also the very word of the government, which committed to making money available to communities and municipalities to carry out infrastructure projects that are necessary to keep up our towns.

•(1225)

Hon. Denis Coderre: So today, October 21, at 12:25, there has still be no news from Mr. Lebel.

Mr. Vaillancourt, what do you think?

Mr. Gilles Vaillancourt: Thank you, Mr. Coderre.

First, I have to say that Mr. Lebel, whom I did not necessarily meet at a convention, but at another meeting, seemed to be very open. Quite recently, I met with Mr. Strahl, who said he was genuinely looking for a solution based on fairness.

We know what happened in Quebec: the negotiations were not between the municipalities and the federal government, as the law requires, but between the provincial government and the federal government. We did not receive the authorizations and we were not informed about the rules of the program until the end of January this year, in some cases. We can't do the impossible.

Trying to be fair raises a question. While 97% or 98% of the provinces have been able to meet the deadline, there is only one exception: Quebec. The reasons are easy to understand, and you know what they are. Why should Quebec municipalities have to make a larger contribution to their government's economic recovery, through property taxes? That would be very unfair.

So give us different deadlines, and make sure we are able to meet them. I reiterate that if the municipalities in Canada had not had projects, the recovery plan would probably have been a big failure. There have to be people who have infrastructure projects. Municipal government is always the one that is closest to the people and is, in fact, most essential in their everyday lives. There is no ill will. Quebec municipalities haven't wasted their time, but they aren't capable of making up the time that was wasted. They are here before you today to avoid being penalized, and to avoid property taxes becoming too high for Quebec taxpayers and Canadian taxpayers in other provinces to bear.

Hon. Denis Coderre: In any event, gentlemen, rest assured that the Liberal Party of Canada is totally in favour of this extension. When an agreement is signed, I don't see why it couldn't go past the deadlines, given that the projects have been begun.

Does the Canadian government recognize that it is unfortunately to blame in part, since time was spent signing the agreements?

Mr. Gilles Vaillancourt: The people in the Government of Canada would probably tell me that the negotiations with the Government of Quebec were very lengthy, while the people in the Government of Quebec would tell me that there were very lengthy negotiations with the Government of Canada.

Apart from that, we are taxpayers...

Hon. Denis Coderre: In any event, it's the date when it was signed.

Mr. Gilles Vaillancourt: We are Canadian citizens who pay our taxes. We are asking not to have to make a municipal contribution greater than what the partners in the other cities and provinces had to contribute. If they were able to solve all their problems within the time limits proposed, that's fine. I applaud the cities and governments that were able to make agreements and take action faster. It has to be acknowledged, however, that this was not the case in Quebec. I'm not here to point fingers. I can only reiterate: Mr. Strahl has shown openness very recently and is looking for a solution.

• (1230)

Hon. Denis Coderre: In any event, we have a good definition of what is fair and reasonable.

Le président: Thank you.

Mr. Guimond, over to you.

Mr. Michel Guimond: Thank you, Mr. Vaillancourt and Mr. Bélanger. I would also like to thank the only real Bernard Généreux I know. He is the mayor of Saint-Prime, that the magnificent Ticouapé River flows through. His member of Parliament is Denis Lebel. I thank you for reminding us of that anecdote about the attendance of Mr. Lebel, who committed himself. Committing is one thing, honouring commitments is another.

Today, the federal government is going to have to act in good faith. Since the opening of Parliament on September 20, I have questioned the government about this two or three times a week. In addition to what you have already said, Mr. Vaillancourt, we might talk about bids that have been put in at totally unreasonable prices. In my riding, a little municipality by the name of Saint-Pierre-de-l'Île-d'Orléans wants a recreation centre like the one Mr. Généreux was talking about. The cost had been estimated at about \$600,000. The lowest bid put in came to \$1.4 million. Some contractors are too overloaded to bid, but as well, the amounts of the bids submitted are unreasonable.

I would like to go back to your testimony, Mr. Vaillancourt. You referred to 80 projects, in the even that the deadline was not pushed back. That represents a hundred million dollars. Do those figures relate to municipalities as a whole, or just to your union? In the latter case, I would like to know what the situation is for the FQM.

Mr. Gilles Vaillancourt: That applies to the Union of Quebec Municipalities.

Mr. Michel Guimond: Is it the same thing for you, Mr. Généreux? Mr. Vaillancourt referred to 80 projects that represent about \$100 million.

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): The figures we're using to illustrate the delay are compiled by the ministère des Affaires municipales, des Régions et de l'Occupation du territoire. They probably include both municipalities that are members of our association and members of the UQM. However, we don't have an exhaustive, municipality by municipality list, because the information is not always available. I did a little survey around where I am. In the riding of Roberval alone, at least \$5 or \$10 million is currently in jeopardy for certain

projects. Those figures affect five or six municipalities. Across Quebec, you can imagine the extent of the disaster we are expecting.

Once again, I would say that this program is a good illustration of the desire to participate in upgrading our infrastructure. The extent to which Quebec and even Canada needed to catch up, in terms of infrastructure, probably extends beyond the period of this program. You may say that this is another discussion, but the fact that everybody was asked to complete the projects within the same very tight deadline is creating overheating and an explosion in costs. This explains in large part the lack of capacity to complete projects that the municipalities are facing.

On that point, we have many examples. In my own municipality, the cost of a project has risen by 53% over projections. That is unacceptable. These situations are occurring just as much in Roberval and in Saint-Félicien or Dolbeau. We are all collectively having to deal with this problem, which came out of thin air. At the start of the program, we asked that we be given more time, to avoid overheating in the sector, but we were told the situation was in hand. Today, we see that not much is in hand. In the worst case scenario, we are going to lose important infrastructure projects, projects that are necessary.

• (1235)

Mr. Michel Guimond: Mr. Vaillancourt, are you doing...

Mr. Gilles Vaillancourt: If I may, I'm going to give a supplementary answer.

The \$100 million in projects comes from a survey we did of our municipalities and it doesn't take into account what I call missed initiatives. A number of municipalities decided not to submit projects, because they felt completely unable to meet the deadline.

That amount represents projects the municipalities hoped to complete, but that can't be completed by the deadline because of unforeseen obstacles to completion.

Mr. Michel Guimond: The Bloc has been informed that if the deadline is not pushed back, the municipalities of Quebec are going to lose about \$200 million in projects. That's the figure we have been given.

Mr. Gilles Vaillancourt: I'm not questioning it, I'm just saying that the \$100 million figure we are giving comes from a survey of municipalities that are members of the Union of Municipalities.

Mr. Michel Guimond: Mr. Vaillancourt, does your union agree with what Mr. Généreux said, what they are asking the federal government for, flexibility?

I would note in passing that the Association of Manitoba Municipalities, whose representatives testified before you, is asking the federal government for flexibility, although the situation isn't the same. It's much less disastrous that what is happening in Quebec. So they are expecting that the deadline for all projects that were approved to be pushed back, to avoid having the projects fall off a cliff.

Mr. Gilles Vaillancourt: Mr. Guimond, when I came here last year and I testified before this committee, I said I understood there had to be a deadline in the case of a recovery plan. It has to get started, there has to be a pretty speedy beginning. However, when it comes to finishing the work, I said last year that it would be impossible for the municipalities of Quebec to agree to this completely and to do what was being done elsewhere, because we got the authorizations, the program criteria, later.

Is it \$100 million or \$200 million? It doesn't matter. In my opinion, the municipal taxpayers of Canada should not be penalized because there were delays in a province that cannot, in general, be attributed to the municipality. We should therefore not have to pay more municipal taxes than other municipalities under a national economic recovery plan.

The answer is very simple: the government simply has to extend the deadline and allow the ones that initiated the process in good faith, who have completed all the main steps, to receive the assistance on the same basis as all the other citizens of Canada.

[*English*]

The Chair: *Merci.*

Mr. Bevington.

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

Thank you, Mr. Vaillancourt, Mr. Bélanger, and our witness by video conference, which I think is a very good idea.

I'm interested in how this came about in terms of the federal-provincial negotiations only being completed in January of 2010. Was that it?

Mr. Gilles Vaillancourt: I can't tell you much about that, because we were not part of the negotiating team. Whether it's one government or the other that wanted to have things different, I don't know. One thing I know for sure is that we only got the green light at the end of January.

Mr. Dennis Bevington: So that would suggest... We know there are two parties at work here: the federal government and the provincial government. Both bear some responsibility for the failure to move this forward in a decent fashion—

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

Mr. Brian Jean: It's common information that the government signed a PRECO agreement with the Government of Quebec. The Government of Canada signed it in March of 2009 and signed all of the agreements by July of 2009, so the agreements were in place by that time. That's common knowledge.

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

Mr. Dennis Bevington: Do you have any comments on that point of order?

Mr. Gilles Vaillancourt: I don't know if I can make a point of order—

Voices: Oh, oh!

Mr. Gilles Vaillancourt: —but at least two of the agreements were signed just in January. Some were signed before that, but the two last ones were signed only in January.

Mr. Dennis Bevington: Okay. So—

Mr. Brian Jean: With the province and the municipalities—

Mr. Dennis Bevington: Now, this is the relationship between the federal government and the Province of Quebec. We've also had some evidence from my colleague, Mr. Trost, who talked about the fact he had received comments from other municipalities in Saskatchewan, which have an agreement that is quite separate from the one with Quebec. They were concerned about the fairness of allowing an extension. Is there any thought in Quebec, with any of the municipalities, that there is any problem with the fairness of allowing the municipalities to have an extension?

• (1240)

Mr. Gilles Vaillancourt: I don't think so, because all municipalities could apply. Certain municipalities decided not to, probably because they were afraid they would enter into expenses that they would have to support more by themselves—that we will never know—but there was no fairness argument developed against the fact that there will be a prolongation of the program for the ones who have already decided to apply and to subscribe to the program.

Mr. Dennis Bevington: The Manitoba association indicated to me that they had actually approved projects in Manitoba that had prior engineering work; they were obviously slated into their capital programs. Is it the same situation in Quebec, where the Province of Quebec allowed the municipality to use projects that were already in the chute for engineering and development?

[*Translation*]

Mr. Gilles Vaillancourt: Some projects could be completed because they were already included in the municipalities' investment programs. New programs were also set up, like PRECO, and called for a different analysis and different priorities to be set by municipalities. The good faith on the part of municipalities, in Quebec or elsewhere in Canada, seems obvious to me.

We have had problems, and we are here to tell you that the problems we have experienced are going to cost taxpayers more money. What would be unfair is precisely for the municipalities of Quebec to have to bear a larger share of the Government of Canada's economic recovery plan, through their property taxes.

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): If I may, I would like to say that, once again, I am wondering how it would change the government's budget not to honour the commitment signed in the agreements for projects agreed to, which were analyzed by the government and confirmed to the municipalities.

We don't want to be penalized for delays caused by the negotiations between Quebec City and Ottawa about implementation of these infrastructure programs. It's a fact that the negotiations took longer in Quebec than elsewhere. Nonetheless, projects worth hundreds of millions of dollars were submitted, analyzed and recognized. What would it change, for the federal government, if the funds committed were allocated after the deadline set, to allow these projects to be completed?

According to the figures I have, there are currently 152 projects at risk. That doesn't mean they will all be in danger. According to the figures from the ministère des Affaires municipales, des Régions et de l'Occupation du territoire, there are 152 projects at risk, worth \$31 million in federal money that is also at risk. Because funding for these programs is split three ways, we can imagine that what is actually at stake is \$120 million.

The main reasons cited for the projects that are at risk is the question of the time needed for completing most of the projects, the issue of paving, because of the fact that asphalt plants are going to shut down in a few days, and the issue of bids that were too high and caused the overheating we spoke about earlier. There are also several other reasons. And in addition there is the constraint of a deadline that is creating both overheating and a real inability to complete the work, because weather conditions don't allow it.

[English]

Mr. Dennis Bevington: I appreciate all of that. Quite clearly as well, I think, what we're going to have here if this kind of situation is allowed to continue, if we don't provide the flexibility to Quebec, is that we're going to have a loss of faith in the ability of federal-provincial agreements to be worked out in good faith between jurisdictions in order to accomplish the work of Canada.

To me, this is a point in time when we should really wake up and say, "Look, we want this to be a success in all areas". Yes, we have to be flexible. We can't afford to have the cost of....

•(1245)

[Translation]

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): Yes, you are entirely correct.

[English]

Mr. Dennis Bevington: The loss of good faith is going to be more than the dollars that are going to be lost to the federal government.

The Chair: I have to stop it there.

I'll go to Monsieur Généreux.

[Translation]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Thank you, Mr. Chair.

Good afternoon, Mr. Vaillancourt and Mr. Généreux.

I am very happy to be speaking to the real Mr. Généreux—I wasn't aware I was a fake. Pleased to meet you at last.

I will not comment on Mr. Guimond's silly remarks. It isn't even worth the trouble.

The federal government has invested in \$1 billion worth of projects in Quebec. To our knowledge, and Mr. Généreux was just speaking about this, in terms of the amounts at risk, we are nowhere near the \$200 million figure the Bloc Québécois put forward two months ago. We're talking about \$120 million and there are still almost five and a half months until the deadline set.

Mr. Généreux or Mr. Vaillancourt, can you estimate what the actual amounts at risk will be when the program ends? This is October; it isn't January or February.

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): Listen, I think we can...

Mr. Vaillancourt, go ahead.

Mr. Gilles Vaillancourt: The \$100 million figure you were given, about \$30 million of which is coming from the federal government, represents the value of the work not completed by the deadline. It isn't work that remains to be done in the next five months. It is really what would be at risk of not being refunded. It represents about \$30 million in money from the federal government.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Généreux, you don't seem to necessarily have the same figures.

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): Listen...

Mr. Gilles Vaillancourt: You will recall that I said we had done a survey of our member municipalities. We have a lot of members and we probably represent the ones with the greatest volume of work, because they are large cities. We came in with a figure of about \$100 million in work.

That doesn't mean there isn't a little as well in the small towns and that it wouldn't come to \$120 or \$130 million. In any event, whether it's \$100 or \$120 million, we're talking about \$30 to \$40 million coming from the federal economic recovery plan. We aren't talking about \$300 or \$400 million from the federal government.

But you have to understand that this \$30 to \$40 million represents an extra municipal tax burden for the same Canadian taxpayers who want to support the recovery plan.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Vaillancourt, how do you think relations are at present...

Mr. Gilles Vaillancourt: I think they are very good.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): ...between the federal government and, for example, all of the municipalities in Canada and Quebec, obviously?

Mr. Gilles Vaillancourt: First, I would like to tell you that Canada's Economic Action Plan has been a very good thing for municipalities. I said that last year, when I AME here. I have repeated it in several forums. It was the right decision to make. So bravo and congratulations for that.

Last year, I told you I understood that there had to be a deadline right away, to make sure that everyone clearly understands there is an end and they have to reach the finish line.

This morning, I came here to tell you that in my opinion, we need some flexibility. Mr. Strahl, with whom I have met, seemed to agree. We need to find a solution that is fair and is ultimately acceptable to everyone.

Mr. Généreux, while the program has worked very well in 97% of cases, the ones who have been able to achieve that could not say today that they are dissatisfied. For example, in the case of all the projects carried out where I come from and for which the requirements have been met, I am completely happy.

For some \$30 or maybe \$40 million, why not find the flexibility needed so as not to have to pay that \$30 or \$40 million out of the municipal pocket?

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): I don't know whether you have had an opportunity to see debates in the House in recent years, but the government has always talked about being fair and flexible.

If you had been told no, or if they had said no in the House, that it's March 31 and that's it, that it was finished and they wouldn't talk about it any further, what would you have understood? That it meant no?

• (1250)

Mr. Gilles Vaillancourt: Mr. Généreux, if I had felt that there was no openness on the part of the government, I would not have come here to the parliamentary committee...

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): There you are.

Mr. Gilles Vaillancourt: ... and I would probably have spoken out against the government's attitudes in other forums.

The reason I am here is that I recognize that there is a degree of openness and I am appealing to all members to exhibit the flexibility that is needed and help us not to be penalized. That's all.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Chair, if I may, I would like to talk to my doppelgänger about the possibility of an incredible disaster next spring if the projects are not completed. Mr. Guimond is working at talking about a disaster.

What would have been much more disastrous for Quebec and for Canada, particularly for Quebec, in the case that concerns us, is for all of the opposition parties to have done what the Bloc Québécois did and vote against the measures in the Economic Action Plan. That would have been disastrous for Quebec.

Voices: Oh, oh.

A voice: If he wants to play politics...

[English]

The Chair: Order, please. I'm just waiting for the translation.

Monsieur Guimond, on a point of order.

[Translation]

Mr. Michel Guimond: I'm not the one speaking, but if he is asking Mr. Généreux a question, he should ask it. This is the first time he has taken part in this committee. It has always functioned well. I am committed to this continuing to be the case in future. But if pointless comments like Mr. Généreux's continue to be made, we are going to have to alter our approach, which is based on harmony.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Chair, my objective...

[English]

The Chair: Is it on the same point of order? No? Then I would just suggest that we direct our questions directly to our witnesses, please.

[Translation]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Chair, in terms of honouring the municipalities' commitments, I would like to ask Mr. Généreux, who is a mayor at the present time, a very simple question. I was myself a mayor for four years. When tenders are invited, you have to set a deadline, usually at about 2:00 p.m., to give everyone time to get there. You set a very precise date and time to make sure that people have an equal opportunity to participate. The people who choose to submit an offer of services to a municipality have to abide by the date.

Mr. Généreux, when the people go past the date, they come in two minutes or even one minute after the time set, what happens?

Mr. Bernard Généreux (President, Fédération Québécoise des Municipalités): It's too late. The rule says that deadlines for submitting offers of service... But that isn't what we're talking about here. I would like to ask you a specific question and get a specific answer.

They're saying they are looking for a solution, but I have the impression they are not going to find one, that the deadlines are not going to be met and that is going to leave situations like the one in Saint-Léonard d'Aston out in the cold, where we're talking about \$4 million but no bidder, since everyone is carrying out projects at the same time. We are going to leave situations like the one in Roberval out in the cold, where the amount in issue is \$1 million, but there is no bidder; the one in East Angus, where \$675,000 in funding was promised but hasn't arrived. In Martinville, where there also is no bidder, and we're talking about \$800,000. So this is a program that probably has bad points equal to its good points.

From the perspective of finding a fair solution, are you prepared to commit yourself to allowing the money that has been authorized to be spent, even if it meant not meeting the deadline? I think that's a specific question.

[English]

The Chair: Thank you.

I have to go to Monsieur Coderre.

[Translation]

Hon. Denis Coderre: Mr. Chair, my role is not the same as my colleague Mr. Généreux's, who was the mayor of La Pocatière. He is trying to say that the government has done a good job, but the goal is to find a solution. The fact is that we have in front of us a government that has committed certain moneys. It took time for the agreements to be signed, and some municipalities are facing problems because the Conservative government does not understand the situation on the ground at present.

We don't think this is complicated. If the money was committed and the agreements signed too late, because the money has already been spent, what is the problem in allowing extra time, for example six months, to make sure that people's quality of life is taken directly into account? That is the real question. Nobody will be asking whether you voted for the Conservatives in the last election or whether you're a nice person. They want to know whether it's possible to find a solution.

The plan was a good one. In fact, the infrastructure programs were so good that they were originated by the Liberal Party in 1993. A journalist is present, so as long as we're doing the recovery, we could record clips and make the news. But that is not our objective today. We want to find a solution without playing politics, to contribute to people's quality of life.

Mr. Vaillancourt and Mr. Généreux, what do you think?

• (1255)

Mr. Gilles Vaillancourt: You can do it, as parliamentarians. You need to persuade the government to allow us a little flexibility in assigning us a deadline. That's the only thing we're asking for. Simply to allow the people who signed up for the program in good faith and have experienced delays that are not necessarily their fault to qualify, without being forced to bear a larger share than other municipal taxpayers for the economic recovery plan.

I am speaking to all of the parliamentarians around this table. You have to understand that 84% of all municipal debt in Canada is owed by Quebec municipalities. Every dollar in subsidies that they lose and have to absorb themselves will be a very high penalty.

[English]

The Chair: Thank you.

Monsieur Guimond, have you any more comments?

We have about two minutes left for each party.

Monsieur Gaudet.

[Translation]

Mr. Roger Gaudet: I would have liked Mr. Généreux to answer the other Mr. Généreux, but one of them isn't here. So I have no questions to ask.

Mr. Michel Guimond: I have a question.

On PRECO, the program you alluded to, the answer I got to the questions I put to both Mr. Strahl and Mr. Paradis was that it was the Government of Quebec that had imposed the December 31 deadline, and it was accepted.

Are you aware of that situation? Also, do you think the municipalities should be penalized because of that deadline?

Mr. Gilles Vaillancourt: No. I have been informed that the date was agreed to by the Government of Quebec. However, I have to tell you that since then, the Government of Quebec and the other parties in the National Assembly have changed their minds and supported a resolution asking for the deadlines to be extended. So in spite of that initial intention, one of the seems to have changed its original position, since it agreed to a resolution in the National Assembly calling for an extension of the deadlines.

Mr. Michel Guimond: You are in touch with the Minister of Municipal Affairs, Regions and Land Occupancy of Quebec or with members of his office, or even with the office of Premier Charest. To your knowledge, is the Government of Quebec making efforts to ensure that the municipalities' voice is heard in Ottawa?

Mr. Gilles Vaillancourt: The Government of Quebec has in fact spoken through the National Assembly, and it was unanimous. It can't be argued that the government is not part of the National Assembly, or the National Assembly doesn't include the government.

[English]

The Chair: Thank you. I have to stop it there.

[Translation]

Mr. Gilles Vaillancourt: They have spoken very clearly about this. They have supported what the Union of Quebec Municipalities is asking for.

[English]

The Chair: *Merci.*

Mr. Jean, you have two minutes.

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

Thank you very much for coming here today. It's great to see you here again; you were here in June. I have good news for everybody. The government has listened. The policy is that we're going to be fair and flexible and very reasonable. That's great news. I'm very pleased to hear it.

I do agree with you in relation to your submission with regard to the \$100 million that's at risk, because of course that's the information we've received from the Government of Quebec in working with them, so we do agree with that. In that \$100 million, the \$30 million, of course, is the federal component, correct?

Mr. Gilles Vaillancourt: Yes.

Mr. Brian Jean: Of that \$30 million, the projects—somewhere around 15, possibly—might be at risk, but if those municipalities get 90% of that work done they actually receive 90% of that money, correct...? That is correct, actually.

• (1300)

Mr. Gilles Vaillancourt: It's not that clear, but it might be correct.

Mr. Brian Jean: It is correct. In fact, this is the agreement that the Government of Canada has come up with in this case: that as much as you get done by that deadline of March 31, that's the amount you receive. So if these municipalities get 90% of that done, they get everything but \$3 million.

I'm coming to the point—

Mr. Gilles Vaillancourt: But I understand that your question is always preceded by an "if".

Mr. Brian Jean: I beg your pardon?

Mr. Gilles Vaillancourt: It is "if" they get it done—

Mr. Brian Jean: I understand, and I'm getting to my point.

Mr. Gilles Vaillancourt: Why should you put more pressure on municipalities that are trying to do their best? We do not control the climate. We don't know when the asphalt plants are going to close—

Mr. Brian Jean: I am getting to my point, sir. I only have two minutes, so I just want to make sure. I just want to clarify for you and for the people listening that if 90% of that project is done, then the Government of Canada will fund 90% of that, so there would be \$3 million left on the table. My understanding, in fact, is that at this stage it looks like over 70% of those projects will be done, so 70% would be finished and 70% would be funded, and that leaves about to \$6 million to \$7 million on the table.

I'm getting to my point. I only have two minutes and the chair is going to cut me off very quickly. What I'm trying to say is, first of all, that we signed our agreement with the Government of Quebec for PRECO in March 2009, so everything was taken care of from the federal government side at that time. All the rest of the agreements were signed by July 2009.

You have stated that the municipalities didn't get approval until January of 2010—

Mr. Gilles Vaillancourt: Yes—

The Chair: I have to interrupt there.

Mr. Brian Jean: —but that was between Quebec and the municipalities. Is that correct?

The Chair: I'll give Mr. Vaillancourt the chance to answer and then—

Mr. Gilles Vaillancourt: On certain programs, yes.

Mr. Brian Jean: Thank you.

Thank you, Mr. Chair.

The Chair: Thank you.

I thank—

Mr. Gilles Vaillancourt: If I may answer the gentleman—

The Chair: You have about 40 seconds.

[*Translation*]

Mr. Gilles Vaillancourt: I am going to speak in French because it's easier.

You are assuming that these projects, which cost \$100 million to complete, could be 90% completed. According to the survey of our members, it is actually the case that projects worth \$100 million would not be completed. So we can't talk about a partial completion factor. You're saying that it's \$30 million at stake. We aren't talking about \$3 million, we're talking about \$30 million. The survey we did was not about that. The other projects, for which 90% might be paid, were not included in the projects costing \$100 million.

[*English*]

The Chair: Thank you.

With that, I'll—

Mr. Brian Jean: My numbers are from the Government of Quebec, so the numbers I'm using and the information I have are from there.

The Chair: I'll have to interject there.

I thank our guests for being here today. We do appreciate your time and your comments.

For the committee, on October 26 we're going to start with Bill C-509, the Canada Post libraries bill. If we have time, we will start on Bill C-20. I am going to suggest to the committee members that if they have amendments to either of those bills they please have them to the clerk's office by Friday. Before we start Bill C-20, we will be discussing a motion to suggest that the evidence considered in the previous session for Bill C-37 be a part of the Bill C-20 study.

Thank you.

This meeting is adjourned.

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