



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Government Operations and Estimates

OGGO • NUMBER 020 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, December 1, 2011

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Chair

Mr. Pat Martin

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• (1530)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): I call our meeting to order.

Welcome, everyone, to meeting 20 of the Standing Committee on Government Operations and Estimates. Today we will continue our study of the supplementary estimates (B).

We're pleased today that we have a panel of representatives from the Department of Industry to explain their requests for spending under supplementary estimates (B). Leading the delegation is the deputy minister, Mr. Richard Dicerni.

Welcome. I understand you have a brief presentation, and then we'll have one hour for questions from committee members, if you'd like to begin.

Mr. Richard Dicerni (Deputy Minister, Department of Industry): Thank you.

I'd like to introduce my colleagues: the senior associate deputy minister, Simon Kennedy; and Kelly Gillis, who's the CFO.

We have distributed the formal opening remarks, which are tabled for the committee's review. I would like to provide a brief synopsis of the supplementary estimates (B) that we're requesting.

It's about \$325 million, and 75% of that is re-profiling of the knowledge infrastructure program. The government extended the knowledge infrastructure program by about six months to permit x number of projects in universities and community colleges to be completed. Another 20% approximately is repayments from two programs. One is DIPP, the defence industry productivity program, and the other one is TPC, technology partnerships Canada.

The Government of Canada receives repayments based on previous contribution agreements made with x number of companies. Those repayments come in at various times of the year, more often than not during the last quarter; that is to say, the January to March period. That goes into the consolidated revenue fund and the government then reallocates. So about \$75 million of supplementary requests come from these repayment programs.

The third major bucket is a number of budget implementation measures that were in the last budget that are now before Parliament for approval, such as the cyclotron in Thunder Bay or the Canada Youth Business Foundation. So there are a few budgetary implementation issues.

Those are the three major buckets of expenditures.

[Translation]

After these short comments, we await your questions.

[English]

The Chair: Thank you for that helpful summary, Mr. Dicerni. I think that is probably more useful than just reading the presentation you've given us and leaves us more time for questions as well.

In the interests of time, we'll go right to our round of questioning. For the NDP, the first questioner is Denis Blanchette.

Denis, you have five minutes, please.

[Translation]

Mr. Denis Blanchette (Louis-Hébert, NDP): Greetings. Thank you for coming to meet with us and present your supplementary estimates.

We see a lot of new funds for the Community Access Program, involving Internet access for community centres. This is how I understand this.

I would like to know how this program differs from the Broadband Canada program meant to provide Internet access to remote communities. I would like you to explain this program to us in greater detail. What is its purpose? How does it differ from Broadband Canada?

Mr. Richard Dicerni: Broadband Canada is meant to develop the infrastructure and develop the network in partnership with third parties, often with companies. We want to develop and widen the network. This is the Broadband Canada program

The Community Access Program supports the existing networks. There are a certain number of centres to which a certain amount of financing is provided. These centres may be in remote parts of the country, in libraries or other points such as community centres, where the money may perhaps support the employment of someone to help people who stop in to try out a computer.

Therefore, this does help finance the infrastructure to a certain extent. One program develops the network while the other facilitates its use.

• (1535)

Mr. Denis Blanchette: This program is mainly for municipalities.

Have you harmonized this program with other programs that may exist in the provinces and municipalities?

Mr. Richard Dicerni: This program has existed for approximately 15 years. Fifteen years ago, it was much more important and useful since far fewer people had computers and very few people were connected to the Internet. Now 98.5% of the population has access to the Internet and is connected one way or another. The network has widened thanks to combined development by the private sector and by many provinces, enabling people to continue having access to the Internet.

Mr. Denis Blanchette: You also have funds for the Digital Technology Adoption Pilot Program. I believe this program is new. Could you tell us more about it?

Mr. Richard Dicerni: We are working together with many partners to develop a digital strategy including various components.

Mr. Denis Blanchette: This is therefore a component of the government's Digital Economy Strategy.

Mr. Richard Dicerni: Yes.

Mr. Denis Blanchette: In the main estimates the government earmarked an envelope of \$60 million, including the \$19 million we just discussed.

Could you list the other initiatives related to the Digital Economy Strategy presented in supplementary estimates (B)?

Mr. Richard Dicerni: The Digital Economy Strategy has many parts. There is a part meant to increase the adoption of digital technology throughout the country. It comprises two main types of intervention. The first type of intervention is meant to encourage small and medium-sized businesses to be more connected to the Internet. This first point is being addressed together with the Business Development Bank of Canada, which has created a special fund of approximately \$200 million. The second type of intervention is meant to make it easier for SMEs to adopt the Internet. This program has recently been announced by the government together with the National Research Council of Canada.

A second part, carried out together with the provinces, is meant to increase the number of people prepared to work in this field. Universities and colleges noted a drop in the number of people enrolling in these courses. Therefore, we work on increasing enrollment, and we are doing this together. Yesterday I had a telephone conversation with deputy ministers from various provinces to discuss this issue, among other things.

Mr. Denis Blanchette: You are talking about computer specialists.

Mr. Richard Dicerni: With companies such as CGI, for example.

The Chair: Thank you.

Mr. Richard Dicerni: I could tell you more about this later on.

[English]

The Chair: Yes, thank you. Your time has expired.

Denis, thank you.

For the Conservatives, first is Jacques Gourde.

Jacques, go ahead for five minutes, please.

[Translation]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you.

I thank the witnesses for being here today. Given that the Deputy Minister of Industry Canada is here, I will take this opportunity to ask him a question.

Statistics Canada announced that, in the last quarter, Canada's economy grew by 3.5%. As you know, employment and the economy continue to be the government's absolute priority.

Despite the fact that the world's economy remains very fragile, do you think that our country is positioned well for the future? What advantages do we have compared with other countries?

Mr. Mathieu Ravignat (Pontiac, NDP): Point of order, Mr. Chair.

I do not think that this question is relevant to supplementary estimates (B).

Mr. Jacques Gourde: We will let the deputy minister answer my question.

Mr. Mathieu Ravignat: I ask for the chair's opinion regarding my point of order.

[English]

The Chair: Well, yes, we did agree in a tacit kind of a way, as a committee, that we would limit our questions to items related to the supplementary estimates (B). If this budget line is found within supplementary estimates (B) then I presume it's an appropriate question.

I guess we can ask the deputy minister whether or not it's properly before us.

● (1540)

[Translation]

Mr. Richard Dicerni: Sometimes the difference between the political perspectives of various parties can be very narrow. However, I will still try to answer the question.

One of the elements is the Knowledge Infrastructure Program, for which the government asked for approval of approximately \$250 million. The Knowledge Infrastructure Program is a part of the Canada Economic Action Plan and contributed to the increased quality of the country's university and college infrastructure. It has also created a certain number of jobs and, in my opinion, contributed to the economic recovery.

Some other things have also been added—such as the grant for the Canadian Youth Business Foundation—meant to facilitate the economic recovery. Therefore some of the elements come close to the subject that you discussed.

Mr. Jacques Gourde: I would like to come back to this Canadian Youth Business Foundation. I believe it has a budget of \$10 million. Last year I had an opportunity to make an announcement regarding this fund. The fund offers significant support to young entrepreneurs. Could you explain how this fund works?

Mr. Richard Dicerni: This foundation is a third party providing help and encouragement to young entrepreneurs who do not have much experience but who have good business plans and need support to launch their businesses. It is well managed and it is an excellent organization. The government has been supporting it for the last three years. I must add that they also have funding from other sources. We are not the only ones supporting them.

Mr. Jacques Gourde: Therefore, young entrepreneurship is well supported.

Mr. Richard Dicerni: It is meant for young people. As I said, this is often the first bit of assistance they get. Once they get a bit more experience, they can contact the Business Development Bank of Canada, which may support them. When people are young, fresh out of university and need some support because they have good ideas, new companies are often launched thanks to this type of investment.

Mr. Jacques Gourde: Initially, the money spent on the knowledge infrastructure enables a variety of young people to acquire the skills that will permit them to be more competitive in the economic world. There is also the second initiative intended for young entrepreneurs and other people. As for the total envelope of \$250 million, how is it being distributed among Canadian universities?

Mr. Richard Dicerni: This federal government program totals approximately \$2 billion. The \$250 million is a part of supplementary estimates (B), which you have in front of you. It represents the last part devoted to the projects that had not been completed by the end of the fiscal year, in other words, March 31, 2011. These are projects that required an additional six months to be completed.

The breakdown was approximately 65% for universities and 35% for CEGEPs and community colleges. I should also add that the \$2 billion invested by the federal government contributed to collecting an additional \$2 billion to \$2.5 billion from other partners, especially the provinces. Therefore, as a result, there was a total investment of approximately \$4.5 billion in the post-secondary sector for infrastructure renewal.

• (1545)

[English]

The Chair: Thank you, Jacques. Your time is up.

[Translation]

Mr. Jacques Gourde: Mr. Chair, the answers to my questions were very pertinent.

[English]

The Chair: Merci.

On behalf of the NDP, then, Ève Pécelet. You have five minutes, Ève.

[Translation]

Ms. Ève Pécelet (La Pointe-de-l'Île, NDP): I would simply like to continue along the same lines, regarding the Knowledge Infrastructure Program that was created in 2009. No sum had been allocated at the time the budget was tabled. Why has the government now decided to ask for an injection of approximately \$243 million? Why was this fund not included in the main estimates, but rather in supplementary estimates (B)?

Mr. Richard Dicerni: I must go back. You mentioned Budget 2009, which contained this envelope of \$2 billion spread over two years, in other words, \$1 billion in the first year and \$1 billion in the second year.

The government decided to delay a part of these funds. It was part of the \$2 billion. It was a scheduling and timing issue. In fact, we had to determine the amounts necessary to complete these projects. Therefore, these are appropriations that had already been approved in the past, because they were a part of previous budgets. These unincurred expenditures were deferred because the universities, colleges and CEGEPs did not have enough time to complete all of their projects.

Ms. Ève Pécelet: You are talking about the \$2-billion amount that was allocated for this fund. You are requesting \$243 million. Does this mean that the \$2 billion has been spent since 2009?

Mr. Richard Dicerni: The \$243 million must be deducted from the \$2 billion.

Ms. Ève Pécelet: So a part of the money still remains.

Mr. Richard Dicerni: This money will be spent this year, between April 1 and October 30, because people could not complete a certain number of projects on time for a variety of reasons, for example, the floods in Manitoba. I think you will hear the same findings later on from the Department of Transport, Infrastructure and Communities officials since they faced the same problem.

Ms. Ève Pécelet: Do I still have time left?

[English]

The Chair: Yes, you have two and a half minutes.

[Translation]

Ms. Ève Pécelet: As for Technology Partnerships Canada and the Strategic Aerospace and Defence Initiative, once again, no amounts were allocated when the budget was tabled, in other words, in the main estimates. However, now the government has decided to inject \$21 million into the Technology Partnerships Canada and the Strategic Aerospace and Defence Initiative.

Could you tell us how the amounts will be distributed between the two parts of the program?

Mr. Richard Dicerni: The Strategic Aerospace and Defence Initiative is funded by two main sources. The first source of funding is the main estimates, which allocates approximately \$135 million or \$140 million, and the second source of funding consists of reimbursements from old programs, such as Technology Partnerships Canada.

On average, the department receives between \$100 million and \$110 million annually from projects funded in the past for which companies promised to pay us a return. We lend the money to these companies, and they repay us from their sales, such as engine sales. For example, Pratt & Whitney will repay us from its sales.

These amounts are partially reinvested in the program. The approximately \$20 million that you have in front of you for supplementary estimates (B) originates from the royalties that the companies pay to the government. We usually receive these amounts in the last quarter, that is, in January, February or March. Therefore, it is too late to include these amounts in the main estimates. This is why it is done in the supplementary estimates.

• (1550)

[English]

The Chair: Your five minutes are up now. Thank you very much.

Welcome to the committee, Mr. Chungsen Leung. You have five minutes.

Mr. Chungsen Leung (Willowdale, CPC): Thank you, Mr. Chair.

My question has to do more with the AECL. Why is there a budget for it when the company is being sold? Or is this the...?

Mr. Richard Dicerni: Is that AECL, sir?

Mr. Chungsen Leung: Yes. I noticed that there was a question in here.

Mr. Richard Dicerni: Which page is that?

Mr. Chungsen Leung: That's not under the budget.

Let me change the focus, on the digital technologies, to looking for how it helps the economy. What do you see as the long-term measuring stick for evaluating this program?

Mr. Richard Dicerni: There are a variety of measures. Canada has a very low adoption rate in regard to SMEs as compared to, for example, the United States. Much less of our economic commerce is done via technology. I know the industry committee has been having hearings on the issue of e-commerce, and I think will provide a report shortly.

Our adoption rate is approximately 76%, whereas in the U.S. it is in the high 80% range. According to analysts, to a large degree this could explain the difference in productivity between Canada and the U.S. So one of the measures we'd be looking at would be SME take-up of technology. Another one would be e-commerce, to ascertain how much additional business is done through the Internet. A third measure would be the number of students who actually register in various ICT programs at colleges and universities. A fourth factor would be the health of the overall ICT sector. We believe that the ICT sector is a very important one for a modern, mature economy like Canada's.

Those would be some of the indicators we would be looking at.

Mr. Chungsen Leung: Seneca College is in my riding of Willowdale. It has programs dedicated to the digital industry. We also have another company called ViXS, which apparently is also in that third or fourth generation of the digital economy. I have also been a director of a public company that is involved with software engineering.

Perhaps you could share your comments with regard to our trading patterns. Why do we have the development of these high-tech digital technologies and yet we cannot commercialize them as easily as would be the case in the United States, Japan, or China?

Mr. Richard Dicerni: I wish I had an answer to that conundrum. We've had a number of different people or bodies looking into the issue of commercialization. Some of the answers that have emerged are that Canadians, compared to Americans, for example, are not as taken with entrepreneurship. Canadians are slightly less risk-oriented than Americans are. That information is based on a report done by a group of business people who identified culture as one element.

Second is venture capital. In Canada there is not as much venture capital as you would find, obviously, in Silicon Valley or around Route 128 in Boston. We have not developed in this country a sustained venture capital industry to support entrepreneurs and to help them grow.

A third factor, if you look at small, medium, and large firms, is that we have a tremendous number of small firms getting larger, a decreasing number of medium-sized firms, and the same number of large firms.

With the BDC and with EDC, we have to work to increase the number of medium-sized firms, because that is where you get the R and D. That's where you can attract more capital. And that's where you can engender, on a sustained basis, more economic growth.

I don't think there's one specific answer to explain the situation you described. I've mentioned three or four factors.

• (1555)

The Chair: Thank you, Mr. Leung. That concludes your five minutes.

For the Liberals, we have Mr. John McCallum.

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

Thank you very much for being here.

My first question has to do with Genome Canada. I think the government has spoken very positively about that. I see that the contributions to Genome Canada are up \$9.4 million, whereas the grant to Genome Canada is down \$12.9 million, for a net drop of \$3.5 million. I wonder if you could explain what that is.

Mr. Richard Dicerni: I can provide some general comments and Kelly can give you the specifics.

To a large degree it's based on certain competitions that were not fully completed. They did not end up spending the money because their process did not yield an expenditure. Therefore the funds get reprofiled.

Ms. Kelly Gillis (Chief Financial Officer, Comptrollership and Administration Sector, Department of Industry): We see a grant and a contribution because previously under the transfer payment policy issued by Treasury Board it was considered a grant. In 2008 they actually changed the policy; so going forward, next year will be the last year you'll see grants. It will be transitioned out to continual contributions, which is better for the providing organization because there is more reporting and accountability back to the funds of a contribution versus a grant.

In 2008, where you see the decrease, it's moving the money actually to next year. It relates to the \$140 million from budget 2008. So it's not a decrease, it's just a cash flow, so the money will be paid out next year, versus the \$9.4 million, which relates to budget 2010-2011.

Hon. John McCallum: Thank you.

My second question has to do with strategic review savings. I've asked other departments this too, because the description in the budget is very vague, like "meeting the priorities of Canadians", etc.

I notice you have a \$5 million reduction in grants and contributions, and \$945,000 in operating. Are you able to tell us in a bit more detail what those grants and contribution reductions are?

Mr. Richard Dicerni: Not in as much detail as we will when we answer the parliamentary question that you have put on the order paper, which I think will provide an opportunity for a rather fulsome discussion and description of everything.

Hon. John McCallum: My last question is returning to the subject raised by Mr. Leung about commercialization and Canada's deficiencies in this area.

This recent report suggested that we have a bit of a shift in policy, that we focus less on tax credits, SR and ED, for example, and more on direct investments by the government, possibly through BDC. Do you think that's a good idea?

Mr. Richard Dicerni: The government has not come to a view as to which parts of the Jenkins panel report it will adopt. So as advisors to the government on this, we are at the stage where we don't have any thoughts.

Hon. John McCallum: Okay.

You may not have any thoughts on this either, but I'll try. In terms of BDC, I've heard conflicting views as to whether BDC would be effective in this area. Even assuming you wanted to go in the direction of more direct investment, some people think BDC is a bit bureaucratic and not terribly effective. Others say they've changed their culture and organization and they are effective.

Mr. Richard Dicerni: On that, I'll have a view.

I am a fan of the BDC. It's not easy dispensing and being stewards of public funds, and I think they do a very good job.

A few examples.... During the economic difficulties, the BDC increased its risk and put a lot more money out in the economy. It took greater risks and I think was successful—not in providing a loan to everybody and anybody.... Getting a loan from the BDC is not a charter right under section 15; people still have to meet certain obligations. I think BDC was very effective in that.

Second, they are improving their game in regard to venture capital. They've reorganized. They're going to focus on certain key areas.

When you're a government agency it's not easy to invest in venture capital, because the success of most is not very high. I think the board does a good job of balancing risk and reward.

• (1600)

Hon. John McCallum: Thank you very much.

The Chair: Thank you. Your time has just expired.

For the Conservatives, Kelly Block, for five minutes, please.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair.

I welcome you to the committee. It's good to be able to have the opportunity to ask you questions.

The first question I have is regarding the line "Funding to modernize BizPal...". Recently Minister Bernier announced that our government would make this program permanent. As a government, we seek to support small and medium-sized enterprises "by putting in place initiatives that enable them and entrepreneurs to continue to grow and create jobs".

Could you explain the BizPal program further? How does it help Canadian SMEs? How many provinces and municipalities are signed on to this program?

Mr. Richard Dicerni: At least nine provinces, and we are in discussion with one remaining province. I don't have the specific number of municipalities, but I can get that information to you through the committee.

Fundamentally, BizPal seeks to create a one-stop shop for entrepreneurs to have easy access to what is available in a given province, in a given municipality so that it can ease setting up a new business, getting a handle as to what the pertinent rules and regulations are in that municipality.

I think it has stood the test of time. There aren't that many programs that have been around that have constantly been recognized as making a contribution. BizPal is one. The IRAP program, from the NRC, is another. I think those make a very good contribution. I've appeared before many parliamentary committees—as I was mentioning to Mr. Braid, yesterday I was in front of the industry committee—and every time the BizPal program gets raised, it's always positive. I've been doing this for five and a half years, and I've never heard a negative comment about it, or IRAP, for that matter.

Mrs. Kelly Block: Thank you.

Our government also passed the Fairness at the Pumps Act. This act will ensure that customers get what they pay for. At least that was the intent. As you know, it seeks regular inspections for eight trade sectors, including the retail petroleum sector. This is a vital issue to consumers across Canada.

I'm wondering if you could just explain this to me. When I see this in the estimates and its funding for the implementation of the Fairness at the Pumps Act, what is involved in the implementation of an act like this? Then, could you tell me at what stage the consultations are at on this act?

Mr. Richard Dicerni: A key point is that we're going to have a few more inspectors. Another key point is that we are going to have many more serious fines if some of our inspectors find that someone is using measuring instruments that are flawed. And we will empower third parties to assist all of those sectors you mentioned to do the checking.

It is part, if you wish, of our consumer mandate that many people look at the Department of Industry and focus on the Jenkins report, or we can focus on digital strategy. But we also have a very active and aggressive consumer affairs *volet* to our activities. We have a consumer affairs bureau. The Competition Bureau is extraordinarily active. The spectrum policy we took on set-asides for options contributes to better prices, if you wish, for consumers who use cellphones. The Fairness at the Pumps Act is a further step to reinforce our consumer affairs responsibilities to Canadians.

The Department of Industry, when it was created in 1993, was an amalgamation of a number of departments, including the Department of Communications and the Department of Consumer and Corporate Affairs. This is one part of our mandate that doesn't get much of a profile but that we take quite seriously.

• (1605)

The Chair: That's your five minutes. Thank you.

Thank you very much. That concludes our first round of questioning. I think we'll have time for almost a complete second round.

In the interim, I'd like some clarification on a point you raised and where questions were asked. In the context of asking for authority for supplementary spending, you mentioned that the technology partnership program continues to yield some return on previous loans made. What is the percentage of payback of the technology partnership loans paid out compared with what's been paid back? I ask this because in the context of previous testimony we heard in the student loans program, 87% to 90% of all student loans are paid back in full and about 5% or 6% are written off. A few years ago—

Mr. Richard Dicerni: The only number I have in my head is the annual repayment that we receive. It's somewhere between—

The Chair: It's about \$110 million—

Mr. Richard Dicerni: It depends on how successful companies are at selling these products. TPC had a wide range of companies they got involved in. Some were IT companies. Some were environmental technologies. Some were aerospace. It's a diversified portfolio.

The Chair: I ask only because I know, in previous committees I've sat on, the figure came out that the payback was 2% of the tens of billions of dollars loaned out.

Mr. Richard Dicerni: No. I'll get back to you—

The Chair: Well, you're assuring us that this has changed. I'm actually pleased there's \$110 million worth of revenue coming in, especially during an economic downturn. But I'd like to know, statistically, how much money is being paid back. When a loan is not paid back, it's no longer a loan; it's a handout.

Mr. Richard Dicerni: The program was closed down, terminated, in 2006, and was in some ways replaced by the SADI program, strategic aerospace and defence initiative, which is uniquely focused on the aerospace sector. That program has not started any repayments because there's usually a five-year to seven-year R and D phase before they finish the development and start selling the product in the marketplace.

The two other programs, the two legacy programs, the DIPP and the TPC, are finished, but they're in the repayment stage. And we'll get back to you—

The Chair: Perhaps you could get back to us with that. I won't take any more time for now.

The next round of questioning is for the NDP, Mathieu Ravignat, or as you see fit.

Ms. Ève Pécelet: We're going to share.

The Chair: You're going to share.

Ève Pécelet.

[Translation]

Ms. Ève Pécelet: On page 89, the first point is entitled "Reinvestment of receipts from repayable contributions to support operating requirements". This refers to vote 1. You are asking for \$23.1 million. I would like to know how this amount will be broken down. What kind of expenses are these?

• (1610)

Mr. Richard Dicerni: These contributions are allocated to the department for its operations. They are not intended for any specific activity; they are simply part of our budgetary base. To run Industry Canada, we need approximately \$400 million a year, and 80% or 85% of this amount originates from the consolidated fund. Therefore, we obtain a transfer from Treasury Board. The rest comes from contributions and receipts originating from this program. This \$23 million is integrated into the department's operating base. It is not allocated to any specific activity.

Ms. Ève Pécelet: On page 90, the second point is entitled "Internal reallocation of resources - To support investments in various capital projects". This in fact refers to votes 1 and 5.

Once again, I would like to know how this amount would be broken down. In other words, what will this \$8 million will be used for?

Ms. Kelly Gillis: Approximately \$4 million out of the \$8.6 million will be spent on new spectrum management software. This is a very important software allowing us to manage our licenses. Another amount of approximately \$3.5 million is allocated to the infrastructure and small projects of the Communication Research Centre of the Shirleys Bay campus. The other amounts will be devoted to very small projects, such as the purchase of software, a server or other such things.

Ms. Ève Pécelet: I see.

Mr. Mathieu Ravignat: I have a more general question.

Reviewing the estimates of the other departments, I realized that the costs of outsourcing were increasing. I would like to know if this is also the case for you and where in the estimates we can find details regarding your use of outsourcing?

Mr. Richard Dicerni: Could you specify more clearly what you mean by outsourcing?

Mr. Mathieu Ravignat: I am referring to services you use and which are not offered by the department, but by the private sector, for example.

Mr. Richard Dicerni: I can respond that generally we reduce our outsourcing costs. This is one of the areas I targeted in order to reduce our operating costs. Generally I can tell you that now, we use outsourcing less as compared with yesterday or the day before yesterday.

Mr. Mathieu Ravignat: That is interesting. You are perhaps the only ones.

I would like to know why you targeted reductions in the area of outsourcing and in what sector they apply.

Mr. Richard Dicerni: There is more than one reason, and one of them is experience. I have a certain number of years of experience in management. In particular I remember one moment in my career. When I was president of the Canadian Newspaper Association, I had an opportunity to meet many owners. I also met a man by the name of David Radler who was the president under Mr. Black. He was responsible for all the newspapers of Southam Newspapers and Hollinger Inc. During our meeting, he told me about his management strategy. He told me he rarely spent a cent to hire consultants. If any of the newspapers had an editorial problem, he knew that another newspaper had an expert in that field and he could ask that person to explain to the less competent editor how to do the job. If there was a distribution problem, he did the same. He told me that in order to improve the performance of others, there were always people within his team who were equipped better than any consultant he might use and who would cost him an arm and a leg.

That comment struck me at the time and always remained a point of reference for me. I think that we have a good team at Industry Canada. In my opinion, internal help we provide to each other mutually is more effective than recourse to consultants.

• (1615)

[English]

The Chair: Thank you. Your time is up.

For the Conservatives, Peter Braid. Peter, welcome.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you, Mr. Chair.

I'll start with an observation.

Mr. Dicerni, you and your officials and I must be feeling a sense of déjà vu. Yesterday you were before the industry committee speaking to the supplementary estimates (B).

In this era of government's interest in government efficiency, avoiding duplication, and finding enhancements to how government operates, I wonder out loud how much sense it makes to have the same officials come to two different committees. You'd perhaps prefer to be back at your office helping to run your department, or perhaps even be at the dentist, rather than being here. In any event, now that you are here....

Yes?

Mr. Richard Dicerni: We are proud of our department and we are proud of the stewardship we have over these expenditures. We seek every platform possible to share that pride.

Mr. Peter Braid: I should have known that you wouldn't have missed that opportunity, Mr. Dicerni.

I have a couple of questions. One relates to an item in your introductory remarks, and then the second is a specific line item.

In your remarks you mentioned that on page 94 there are requests for \$23.1 million in repaid contributions from the defence industry productivity program. I was curious to know a bit more about what the DIPP is. So could you explain a little about that program, and how it results in repaid contributions back to the industry department, please?

Mr. Richard Dicerni: The Government of Canada has had a long history of partnership with the.... I'll focus on the aerospace industry. I think this goes back to WWII, when we were the manufacturing production house for the Allies.

The Government of Canada's commitment partnership has been sustained through a variety of programs over the decades. The DIPP program was one such partnership program between the Government of Canada and the aerospace industry. It ceased to exist in 1995. The government of the day abolished the program and one or two years later a bit of a successor program, called Technology Partnership Canada, was created, which ran from about 1996 or 1997 to 2006. That program, TPC, also came to an end, the successor program being the strategic aerospace and defence initiative.

The DIPP program was similar in some ways to TPC and SADI as a technology-enhancing partnership between the government and different companies. The repayments flow from contribution agreements that were entered into in the 1980s and 1990s prior to the program's termination. The previous year, I believe the Government of Canada received about \$60 million to \$65 million in repayments. This year it's down to perhaps about \$40 million to \$45 million, because these are old legacy initiatives that have been on the market for 15 to 20 years. So in some ways they have been lapped by other new projects, new elements.

The department's funding base comes from the consolidated revenue fund and partially from DIPP repayments. So this money that you have in the estimates contributes to the operating base of the department, and represents maybe 15% of the operating expenditures of the department. So that's DIPP.

• (1620)

The Chair: Thank you.

A very brief question, Peter.

Mr. Peter Braid: Will that 15% carry on into the future for a period of time, or at some point will it...?

Mr. Richard Dicerni: Well, at some point these repayments will continue to trickle down, because they are old. Take for example a Pratt and Whitney engine that was supported by this program. They have new engines on the market that are much more fuel-efficient, and therefore they're having a hard time selling the old engine, because we have supported them in the development of a new engine.

So in some ways we are cannibalizing the old programs in terms of their ability to be sold in the market.

The Chair: I'm afraid your time is up. Thank you.

We now have Denis Blanchette.

[Translation]

Mr. Denis Blanchette: Thank you Mr. Chair.

Earlier we briefly spoke about the labour needs in Canada and in all western countries in the field of information technology. You have the money and you want to invest in this area. I am curious to know why this area would fall within the competence of Industry Canada and not the Department of Human Resources and Skills Development.

Mr. Richard Dicerni: As for the digital strategy, I think that the interest of Industry Canada is obvious. The overall perspective will help increase the country's competitiveness. We work very closely with Human Resources and Skills Development Canada in this area.

However, there is another area where we are in a more central position. It is implemented through the science and engineering grants council. It has a part devoted to information technology, which is one of its priority sectors. This is a part of the Industry Canada portfolio.

Mr. Denis Blanchette: I see.

As you know, education, in the broad meaning of the term, is a provincial responsibility. Have you suggested to the provincial ministries of education that you coordinate your activities to establish an even more effective strategy?

Mr. Richard Dicerni: We discussed that question when we met with the representatives of the provinces. We held a meeting with the ministers and another one with the deputy ministers. The purpose was to ask my provincial counterparts to consult with their colleagues in the various education ministries or the departments responsible for post-secondary education. In my opinion, they are better equipped and much closer to the reality than us.

Mr. Denis Blanchette: Have you spoken with your industry counterparts?

Mr. Richard Dicerni: From economic development.

Mr. Denis Blanchette: Sometimes this can create some distortion.

Mr. Richard Dicerni: For some time, I was the deputy minister of education in Ontario for post-secondary and primary education. I know the limits. There are areas where the federal government should not go.

Mr. Denis Blanchette: Yes, I agree with you.

I am coming back to the computerization of SMEs. You have funds to spend on that and this is a sector where our SMEs are not up to date. I would like you to tell me what strategy the department wants to use, based on the pilot project, to address the fact that SMEs are behind when it comes to e-commerce.

•(1625)

Mr. Richard Dicerni: The Business Development Bank of Canada is our main intervener in this area. I will tell you about two of their initiatives.

The first one, which is in progress now, consists of increasing the number of consultants-experts available in this sector. That way, when SMEs come to see them to apply for a loan or obtain management-related advice, the consultants will be able to help them since they will have the appropriate skills in this field. The Business Development Bank of Canada addresses three areas: venture capital, loans and consulting services.

Secondly, it established a special fund of \$200 million intended to encourage SMEs to borrow in order to increase their capacities.

Thirdly, it offers internal training to many of the people responsible for loans in order to educate them regarding the importance of information technology. When entrepreneurs come to see them to ask for help, the bank's staff can educate them regarding the importance of the Internet and the ways it can help them grow their companies.

Mr. Denis Blanchette: Have any targets been established in terms of the computerization of SMEs and their Web presence? Was there any harmonization with the provinces, which are also interested in this aspect?

Mr. Richard Dicerni: I referred to a meeting I attended yesterday with other deputy ministers. We agreed to ask the BDC to present what it has done at the next federal-provincial meeting in order to inform all the provincial representatives.

[English]

The Chair: Thank you, Mr. Dicerni.

Thank you, Mr. Blanchette.

Our last questioner in this panel will be Bernard Trotter. Bernard, go ahead for five minutes, please.

Mr. Bernard Trotter (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chairman, and I want to salute your efforts during the month of November. You're looking a couple of years younger this morning.

Thank you to the people from the Ministry of Industry for coming in today and answering some of our questions.

I want to ask you about the knowledge infrastructure program. It's had a big impact. It was a \$2 billion program when it was originally announced. It had big impacts in my riding of Etobicoke—Lakeshore. Some investments were made at Humber College, for example, and at the Toronto Reference Library, which is used across the city of Toronto.

Could you just describe the knowledge infrastructure program? I noticed some extra supplementary estimates related to the program. How much of that was construction, versus investments in information technology? The rationale for some of the supplementary estimates was to take advantage of an extra construction project. How much of this was bricks and mortar construction and getting construction people to work as part of the stimulus program, versus IT types of investments or other types of investments?

Mr. Richard Dicerni: I have a couple of points.

First, you referenced getting more information about the knowledge infrastructure program. This is a bit unusual, but I would recommend to you the recent Auditor General's report, which spoke eloquently about how this program was managed and about what it achieved.

With regard to its substance, some of it was bricks and mortar. Some built a new campus facility. Others were more specific; they built a new lab. Others enhanced the library. It covered a wide range of endeavours. And it benefited from the oversight provincial governments brought to it, because 98% of this program was done in partnership with provincial and territorial governments.

Mr. Bernard Trottier: In some cases it was municipal, I think. The Toronto Reference Library is an example.

Mr. Richard Dicerni: That may have been done by the folks you're going to talk to in perhaps three minutes.

Mr. Bernard Trottier: All right. It was a good project, either way.

Mr. Richard Dicerni: I just thought I'd cue the new folks.

Mr. Bernard Trottier: It's good that you can set up that team.

Are we going to end at 4:30, Mr. Chair, or are we going to go on for a couple more minutes?

• (1630)

The Chair: Well, you have two and a half minutes left. You may as well conclude your five-minute turn.

Mr. Bernard Trottier: Okay.

I noticed some line items in the supplementary estimates related to intellectual property. There's the Canadian Intellectual Property Office revolving fund. I also see "Reinvestment of royalties from intellectual property". It has \$3 million in authorities to date.

When you talk about intellectual property in these estimates, is it related to things like patents? Is this copyright? Is it industrial design? Intellectual property encompasses a lot of different things.

Ms. Kelly Gillis: This particular item is royalties we receive from a system for name searches within Corporations Canada called NUANS. For those particular royalties, based on the repayments we had from the year before, we get to re-spend them in this year, but we actually have to draw them down through supplementary estimates after proof of repayment. It's not related to the Canadian Intellectual Property Office. That's a separate spending authority.

Mr. Bernard Trottier: I see. That's reinvestment of royalties from intellectual property.

Ms. Kelly Gillis: Yes.

Mr. Bernard Trottier: Okay, very good.

Is there anything in the Department of Industry that looks after copyright legislation? Is there anything in the supplementary estimates that deals with copyright?

Ms. Kelly Gillis: There is not in these supplementary estimates. It is in our main estimates.

Mr. Bernard Trottier: It is in the main estimates.

Can you just maybe comment briefly on Bill C-11, then, which is going to have some impact on spending related to intellectual property related to copyright?

Mr. Richard Dicerni: Do you mean the new copyright bill?

There's nothing, I think, in the estimates until the bill is actually passed. I think a committee is going to be set up in the new year between various committees. We don't have anything yet. But I would note that copyright is one of our pillar pieces of legislation for the digital economy. If you want to evolve towards a more digital economy, it's very important to ensure that people know what their rights are in terms of both the creators and the users. That's why the copyright bill is an important statutory linchpin for our digital economy strategy.

Mr. Bernard Trottier: Is that the time now?

The Chair: I'm afraid you've used up your complete five minutes, although you used them well. Thank you very much.

That actually concludes our second round of questioning, so we'll just say thank you to the deputy minister, Mr. Richard Dicerni, and Kelly Gillis and Simon Kennedy for being here. Thank you very much for a very useful and well-spent hour.

While the panels are changing and we welcome the Deputy Minister of Transport, I have an announcement I'd like to make to committee members.

Circumstances related to parliamentary procedure have made it such that our votes at the end of today, the votes regarding the supplementary estimates for Heritage, Privy Council, Public Works, and Treasury Board, are redundant, in that Monday has been declared the final supply day or opposition day. For these votes to have any effect, they have to take place three sitting days prior to the final opposition day, which was, in fact, yesterday. It's a little bit like the Department of Redundancy Department, in that we're studying something we can't vote on. But I think there's still merit in doing an analysis of the supplementary estimates.

These votes are deemed to have been accepted by Parliament.

The Clerk of the Committee (Mr. Marc-Olivier Girard): They are reported back without amendment.

The Chair: They are deemed to have been reported to Parliament without amendment. It would have happened whether we had these meetings or not, but I believe the exercise is useful as we examine the supplementary estimates so as to understand them better.

Are there any questions about the procedural change? I'm happy to explain it again.

We're good.

Mr. Mathieu Ravignat: It's unfortunate that because of such an announcement we cannot analyze and vote on the estimates in a more complete fashion.

The Chair: Yes. The purpose of our exercise was to be able to study the estimates and report them back to the House of Commons. No one could have foreseen that Monday would be assigned as the last supply day of this session. That just happened an hour or so ago. So the exercise is useful, but it won't have the votes at the end that it normally would.

Our next panel of witnesses from the Department of Transport is with us. We are very pleased to welcome Deputy Minister Yaprak Baltacioglu.

Thank you for being here again, Yaprak. It's nice to see you again. I'm going to let you introduce your fellow panel members and make a brief presentation, and then we'll begin the questioning process.

• (1635)

[Translation]

Ms. Yaprak Baltacioglu (Deputy Minister, Department of Transport): Good afternoon and thank you, Mr. Chair.

It is a great pleasure to be here today.

I am accompanied by representatives of two departments. First of all, I will introduce those from the Department of Transport. I am accompanied by Anita Biguzs, Associate Deputy Minister, and André Morency, Assistant Deputy Minister, Corporate Management.

Now I would like to introduce the representatives of Infrastructure Canada. I have with me John Forster, Associate Deputy Minister, and Su Dazé, Assistant Deputy Minister, Corporate Services. Ms. Dazé joined us only a month ago.

[English]

Mr. Chairman, we distributed our comments. I'm only going to touch upon a few paragraphs of our opening remarks. With your permission.... Do you not have our comments?

The Chair: I don't think we have anything circulated from your department.

Ms. Yaprak Baltacioglu: Okay, maybe it was for the translators. My apologies.

We would like to use a tiny bit of our time to cover the green infrastructure fund, which we had left out of our comments. That might be of interest to some of your members.

I'll start with a few words on transport. One of our fundamental goals is to ensure a modern and efficient, safe and secure transportation system that will serve Canada's current needs and help drive prosperity. In order to achieve those goals, Transport Canada is requesting \$76.2 million in net funding through these supplementary estimates. We also have our transportation-related crowns, and we are seeking \$1.5 million for Marine Atlantic, \$50 million for VIA Rail, and \$23.1 million for the Jacques Cartier and Champlain Bridges Incorporated.

[Translation]

Regarding the supplementary estimates of Infrastructure Canada, they include adjustments of some \$1.2 billion for voted expenditures and statutory expenditures. This brings our total funding to \$6.1 billion for 2011 and 2012.

Please note that 80% of these requests will bring in \$954 million from projects from last year under the economic action plan, for which an extension was granted until October 31, 2011.

The rest of the request consists of postponing funds from last year for projects granted using other funds. Infrastructure Canada promptly pays any construction costs.

This postponing of funds is necessary to meet the construction schedules of our provincial, territorial and municipal partners responsible for managing contracts and construction projects.

Now I will yield the floor to Mr. Foster, who will briefly discuss the Green Infrastructure Fund.

Mr. John Forster (Associate Deputy Minister, Infrastructure Canada): Thank you, Madam Deputy Minister and Mr. Chair.

[English]

I just want to take a couple of quick moments to provide a brief overview of the green infrastructure fund and to respond to a couple of questions raised earlier today.

First, an issue was raised about the pace of spending under the green infrastructure fund. It was announced in budget 2009 to provide \$1 billion for infrastructure projects that improve the quality of the environment. Although announced as part of the economic action plan, the fund is very different from the other infrastructure stimulus programs, which were designed to be completed in one or two years. The green fund was designed to support complex, larger projects to be built over five years.

The fund has announced 17 projects for \$617 million federally and the total of investment with partners is over \$2 billion. All these projects are for provincial, territorial, or municipal public infrastructure, such as hydro and transmission lines in northern and remote areas; waste-water treatment plants, particularly along the Great Lakes; and solid-waste management projects in Quebec. Some of those projects are under way, but some have yet to begin.

Large, complex infrastructure projects do take time to get started. They must be designed and engineered, and they must go through environmental approvals, first nation consultations, requests for proposals, and contracts before construction can begin.

I'd like to offer one example: the Winnipeg wet weather treatment project was announced in November 2009 with a contribution of \$11 million. Part way through the planning of the project, the province introduced new effluent regulations. As a result, the city is redesigning the project to meet the new provincial regulations, and they are now with the province for approval.

We haven't yet paid any claims on this project, but we did not withdraw or cancel our funding due to this delay. It is at times a fact of life for large infrastructure projects, but this is a very important project for the city and a very important project for Lake Winnipeg.

I would stress that we pay claims only for costs incurred as work progresses. We are working hard with our partners who are responsible for managing and contracting the projects to ensure they're completed in a timely manner and for improving financial forecasts of expenses.

The second issue raised today pertained to the reallocation of some of the funding from the program. To date, \$170 million of the fund has been reallocated to other departments for four other government priorities. In addition, \$45 million was reduced from the program as part of Infrastructure Canada's strategic review proposal announced in budget 2011.

These transfers were policy decisions of the government. They were approved by Treasury Board. The department identified these changes in the fund and in the program in its reports to Parliament.

I hope that explains the two issues regarding the green fund. We'll be happy to provide further detail and answer any questions.

Thank you.

• (1640)

The Chair: Thank you, Mr. Forster. That's very useful.

We'll go to questioning with Mathieu Ravnagat for the NDP.

[*Translation*]

Mr. Mathieu Ravnagat: Thank you, Mr. Chair. I would like to thank the witnesses for their presence and their presentations.

It will not be a surprise for you, but I will ask you a question regarding the Champlain Bridge. This should not surprise you since this is a very important question for the people from this region. I noted that, under the votes, Jacques Cartier and Champlain Bridges Inc. would receive additional funds of more than \$23 million, increasing its budgetary appropriation to approximately \$154 million, to cover its expenses related to the Honoré-Mercier and Champlain bridges in Montreal.

How would these funds solve the issue of renovating and rebuilding the Champlain Bridge?

[*English*]

Mrs. Anita Biguzs (Associate Deputy Minister, Department of Transport): Thank you very much for the question, Mr. Chair.

I can advise you that the funding included in these supplementary estimates for the Jacques Cartier Bridge and the Champlain Bridge is required essentially for repairs and deck replacement for the Honoré Mercier Bridge and the Champlain Bridge. This is part of a ten-year program to ensure the integrity and safety of the bridges.

The funds that are in these supplementary estimates have in fact been reprofiled from a previous year due to revised work plans and some delays in terms of contractor work. It took them longer to complete some of the work.

With regard to the first phase of the Honoré Mercier Bridge, I can certainly indicate that the work had been completed in the first part of the contract. The re-decking is continuing and will continue into the next year. This is part of the overall program to ensure the safety and integrity of the bridges. The intention is that this work will continue to ensure the integrity of the bridges.

Of course, the government and the Minister of Transport did announce in October the government's intention to build a new bridge to replace the Champlain Bridge. Work will take place, and there will certainly be consultation with all the appropriate stakeholders, and all the work required to actually be able to move forward with a new bridge will be done.

In the meantime, every effort and the resources are being put into this so that we can ensure the integrity and safety of the existing structures.

[*Translation*]

Mr. Mathieu Ravnagat: Thank you.

Can the changes you described be explained by the lack of clarity regarding the relationship between the public funds and the private sector involved in the project?

[*English*]

Mrs. Anita Biguzs: This is all federal funding that is being provided. Of course the Honoré Mercier Bridge also has a component, and funds are being provided by the provincial government, so as I said, this is being managed completely through work by the Jacques Cartier and Champlain Bridge Incorporated as part of their mandate and their responsibilities to ensure the maintenance and repairs of those bridges.

It's part of a government program. The government has invested significant funding to ensure the ongoing integrity and safety of the bridges, and those appropriations in terms of public moneys are there to support that work.

• (1645)

[*Translation*]

Mr. Mathieu Ravnagat: My next question refers to votes 40b and 45b.

The Department of Foreign Affairs and International Trade would receive \$97 million from Transport Canada, National Defence, and Public Works and Government Services as additional funding for its operating and capital expenditures.

Why was the National Capital Commission transferred to the portfolio of Foreign Affairs and International Trade?

Ms. Yaprak Baltacioglu: This was a government decision.

[*English*]

They decided to change the location of the agency. I can't tell you why that change was made. I believe that was done right after the election when the new cabinet was established.

The Chair: You have about 30 seconds, please, Mathieu.

[*Translation*]

Mr. Mathieu Ravnagat: I will move on to a general question regarding outsourcing.

We realized that some estimates referred to outsourcing. Have these amounts increased compared with other years?

Generally speaking, is the use of external consultants increasing in your departments?

[English]

Ms. Yaprak Baltacioglu: I don't have the exact numbers in terms of contracting, but we will get it to the committee, Mr. Chair.

Our contracting practices depend on the workload, and also the expertise that is required by the department. In transport we always end up going outside with certain contracts. For example, certain kinds of economic analysis for monitoring grain movements for transportation—those things are often contracted out because expertise exists outside.

As the budget reductions come in, we are going to be looking at what we contract out, and the best use of public money. We're always very careful about that, but we'll give you the trend for the past few years.

[Translation]

Mr. Mathieu Ravignat: That would be very useful. Thank you.

[English]

The Chair: That's great. Thank you very much, Mathieu.

Mr. Jacques Gourde, for the Conservatives.

[Translation]

Mr. Jacques Gourde: Thank you, Mr. Chair.

Thank you to the witnesses for being here this afternoon.

I would like to take this opportunity to clarify one thing. Today a member of our committee has accused our government of transferring money from the Green Infrastructure Fund without the House's consent.

Could you summarize the situation and explain the process to us?

[English]

Ms. Yaprak Baltacioglu: Let me say two things.

Number one is that because we run large funds in Infrastructure Canada, we're always very careful as to how they are managed. We always do reviews by our chief audit executive on our major programs. Our chief audit executive has done that kind of a review. It was presented to our departmental external audit committee November 1, where our review said that transfers from the green infrastructure funds to other initiatives are appropriately authorized by Treasury Board and are in compliance with departmental and Treasury Board policies, procedures, and legislation—e.g., the Financial Administration Act.

In terms of how the transfers have been documented, the government decided in June 2010 to transfer moneys out of the green infrastructure fund. On November 4, 2010, supplementary estimates (B) identified the \$25 million of transfer to Natural Resources Canada from the green infrastructure fund. The only reason why Natural Resources Canada was mentioned in the supplementary estimates was because they were the only department that needed the money in the year in the supplementary estimates.

After the elections the June main estimates were tabled, and Infrastructure Canada's numbers were netted according to what got transferred forward and what got taken out. At the same time, part III of the estimates, which is a report on plans and priorities, clearly outlines the explanation around the transfer. On pages 32 and 33 it

refers to \$170 million in transfers to other federal departments to support high-priority initiatives such as the forest industry transformation program managed by Natural Resources Canada and a temporary initiative for strengthening Quebec's forest economies managed by Canada Economic Development for Quebec regions.

The estimates were approved. It was in the summer that the process ran through the government operations committee. I don't believe we were asked to the committee. In November 2011 our departmental performance report, also part III B of the estimates, pages 12 and 14, says that \$170 million has been transferred out of this fund, plus we identify that \$45 million has been taken out for the strategic operating review exercise.

Right now, for another additional transfer that is required, we're in front of this committee to answer your questions.

• (1650)

[Translation]

Mr. Jacques Gourde: You could send all the documents related to your response to the clerk. That way, they will be included in the committee record.

[English]

Ms. Yaprak Baltacioglu: Maybe in a little bit more coherent fashion, sure.

[Translation]

Mr. Jacques Gourde: Thank you.

How many projects have been submitted to the Infrastructure Stimulus Fund of the Government of Canada in the last three years under the economic action plan?

[English]

Ms. Yaprak Baltacioglu: Under green or overall?

Mr. Jacques Gourde: Overall.

Mr. John Forster: I believe across all of the government there were over 23,000 projects. At Infrastructure Canada we managed about four or five different programs. It included the acceleration of the Building Canada fund. Since the action plan was announced in January 2009, we've announced over 6,000 projects, with a federal contribution of \$10 billion and a total value of \$30 billion for Infrastructure Canada. I'm not sure of the amount for the whole government.

The Chair: Your time has expired, Jacques. Thank you.

Madam Baltacioglu, I understood what you said about the movement of the money being properly accounted for and audited, but I don't understand the origin of the question.

Was there an accusation that money was improperly transferred out of the green infrastructure fund and allocated elsewhere without the authority to do so? I see. I missed that part. Perhaps we'll get to it in other questioning, I presume, if we don't run out of time. I was probably nodding off or something.

We'll leave it up to Monsieur Ravignat. You have five minutes, please.

[Translation]

Mr. Mathieu Ravignat: It is Denis' turn, I think.

[English]

The Chair: Denis Blanchette. I'm sorry.

[Translation]

Mr. Denis Blanchette: I would like to welcome our invited guests.

My first questions refer to the Economic Development Agency of Canada for the Regions of Quebec.

Within the new funds, an amount of \$16 million is earmarked to support construction activities related to recreational infrastructure. What does this mean exactly?

•(1655)

Mr. John Forster: Could you give me more details?

Mr. Denis Blanchette: In the part devoted to the Economic Development Agency of Canada for the Regions of Quebec, in the line entitled "Funding to support construction activities related to recreational infrastructure (horizontal item)", we see under vote 5 that \$16.5 million has been set aside for that purpose.

What is this exactly?

Mr. John Forster: We are not responsible for the Quebec department in charge of regional economic development. Those are the estimates of a different department.

Mr. Denis Blanchette: But this is still the department's responsibility.

Mr. John Forster: This is the same department, but the organization is not a part of the portfolio of the Department of Transport, Infrastructure and Communities

Mr. Denis Blanchette: This is not your responsibility, Madam Deputy Minister?

Ms. Yaprak Baltacioglu: I am the deputy minister of the Department of Transport, Infrastructure and Communities, but economic development agencies are not my responsibility.

Mr. Denis Blanchette: In that case, I am sorry. We will move on to other subjects.

Under the vote, we see that the total grant to VIA Rail increased by 10%. Could you give me some details regarding this increase and tell me if there is anything in progress now to improve the VIA Rail situation?

[English]

Mrs. Anita Biguzs: The \$50 million in the supplementary estimates for VIA Rail is intended to help deal with an operating shortfall. The operating shortfall is a result of lower revenues, the downturn in the economy, increases in fuel costs, and other charges in their train service agreements. The reference levels for VIA Rail were set back in 2008. That was before the downturn in the economy, so they don't necessarily reflect the requirements that VIA Rail has today.

In the 2011 budget, \$98 million was included for VIA Rail. The first part of that was for a shortfall in their pension plan, which was experiencing difficulties related to economic circumstances. So an

amount of \$48 million was authorized by Parliament in the first supplementary estimates for VIA Rail. This \$50 million is the second part of that budget announcement, which is provided to allow VIA to continue its operations and make sure that there is efficient passenger rail service for Canadians.

[Translation]

Mr. Denis Blanchette: Thank you very much.

Does the government—and therefore you, more specifically—have a strategy for the future of passenger railway transportation in Canada? Is there anything planned in that respect?

[English]

Ms. Yaprak Baltacioglu: We looked at this issue very carefully. VIA Rail, year after year, does need additions because of their operating costs. The rail traffic in Canada is not even. The most lucrative part is the Quebec-Windsor corridor. In the rest of the country, there are not always as many people.

We have done a study with Ontario and Quebec on high-speed rail. The cost of that is pretty high—\$18 billion to \$21 billion. What we have done to date is make capital investments of \$903 million. The passenger trains go on the freight track; they don't allow you to run them as fast. So improvements to the track will actually improve the service.

[Translation]

Mr. Denis Blanchette: Does that mean that you will implement a program to improve the railway situation so that passengers no longer come second to merchandise, as is the case now?

[English]

The Vice-Chair (Hon. John McCallum): Could we have a fairly brief answer, please?

Ms. Yaprak Baltacioglu: We're in the process of making those capital improvements right now. If you're asking about the future, this is something that's being looked at. This is all I can say.

The Vice-Chair (Hon. John McCallum): Merci.

Now it's the turn of Ron Cannan.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair, and my thanks to our witnesses.

I want to follow up on Jacques Gourde's question on the infrastructure stimulus program. He asked for the total number of projects. Do you have the ISF projects, the number that were completed?

•(1700)

Mr. John Forster: You mean the ones that were completed?

Mr. Ron Cannan: I was asking about the ones that were funded.

Mr. John Forster: There were 4,188 projects approved for funding under the \$4-billion fund.

Mr. Ron Cannan: How many of those needed an extension? The extension was granted until October 31, 2011. How many of those were extended?

Mr. John Forster: We have two big programs that were extended: the stimulus, and the top-up to the communities component of the Building Canada fund. Combined, those two funds, which were \$4.5 billion, approved 4,727 projects. About a third of those combined, 1,600 projects, needed extensions to the end of October to be completed.

Mr. Ron Cannan: Within the supplementary estimates (B), you had re-profiled some of the money for the infrastructure stimulus fund. Why was that necessary?

Mr. John Forster: When the funding was first approved, it was for a two-year period. Then the government agreed and the Prime Minister announced last December that they would provide municipalities and provinces with an extra construction season for those who needed it. So the money that we're transferring from last year, which is about \$954 million of our request in the supplementaries, is money transferred from last year into this year to allow for the extension of those projects.

Mr. Ron Cannan: That's excellent. I know that my communities in the Kelowna—Lake Country, in the Okanagan, benefited, as did communities across Canada.

I spent nine years on city council, and one of the things we fought for was long-term, predictable, stable funding for the gas tax. I'll give credit to Mr. McCallum. I was at the provincial association. Jack Layton was FCM president, and I served with him as a local government representative when we fought for that funding. I met with some FCM representatives yesterday, and I know they were excited to hear Minister Lebel's announcement about going beyond 2014 with the Building Canada fund. Maybe you could expand a bit more on the plans for that announcement from yesterday.

Mr. John Forster: As announced in budget 2011, even though there are two and a half years left in the Building Canada plan, the government wanted to begin discussions now with the provinces, the Federation of Canadian Municipalities, and other stakeholders on a long-term infrastructure plan that would come after the expiry of Building Canada. This week, Minister Lebel, with the FCM, announced a process to have consultations on that long-term plan for infrastructure for the country.

We'll be going through three phases of that work: identifying and analyzing what we've accomplished with the billions that have been recently invested, a second phase of where our priorities should be, and then a third phase about principles for a new plan to take effect after Building Canada.

Mr. Ron Cannan: That's very exciting, and I look forward to working with our provincial and municipal partners as we continue to move forward with building strong, stable communities across the country.

You were talking about bridges. The Champlain Bridge is very important. Another important bridge is the Detroit River international crossing project. I met with some fellows at dinner on Wednesday, and Monday I met with the U.S. ambassador, who mentioned that Detroit's government had indicated that the project is definitely going to go ahead.

Maybe you could share the department's actions on this file. What does it hold for us in the future? I know it's important for our trade.

We have a couple of trade committee members here. It's one of the busiest crossings in Canada.

Ms. Yaprak Baltacioglu: It definitely is the busiest crossing. The volume that bridge carries is a major issue for Canada. The government has been focused on this one. Many governments have been focused on this for many years. I believe this is one issue that unites everybody in Parliament. There has been a lot of investment on the Canadian side. Working with the Province of Ontario, money has been earmarked from both governments for the highway extension leading to the new bridge.

We have extended quite a lot of assistance to the Michigan government. Our ministers have met with Governor Snyder. While we are disappointed that the legislature hasn't finalized a vote, the governor is definitely focused on proceeding with this bridge. I believe that both federal and provincial governments are doing everything possible to make sure that this project goes ahead.

• (1705)

The Vice-Chair (Hon. John McCallum): Thank you very much.

Now it is my turn, in my regular spot, and the clerk will make sure that I don't exceed five minutes.

My concern has to do with the \$145 million transferred out of the green infrastructure fund. I guess my concern is a matter of timing. It's very clear in the Financial Administration Act that all expenditures require parliamentary approval, and my impression is that these did not get parliamentary approval, and that Parliament was not even informed until after the fact. So I guess one way to ask the question is, at what point was the \$145 million transferred, approximately what date? And what was the first date when parliamentarians were informed of this transfer?

Ms. Yaprak Baltacioglu: I think it's going to be really important to differentiate the government's decision to allocate money—re-allocate money—versus when the moneys would be approved by Parliament.

Sue or John, if you want to cover... Because there's more to come in future years.

The Vice-Chair (Hon. John McCallum): It's a simple question. There was a transfer of \$145 million. When was that \$145 million transferred? When was that decision made? When were parliamentarians informed? So I really just need two dates.

Mr. John Forster: There were two decisions by Treasury Board—approved by Treasury Board—to transfer money out of the green infrastructure fund, June 17 and September 30.

The first approval of June 17—

The Vice-Chair (Hon. John McCallum): *[Inaudible—Editor]*

Mr. John Forster: Oh, sorry—2010, Mr. Chair.

In November 2010, Parliament approved the first of those transfers, \$25 million out of the green infrastructure fund to Natural Resources Canada for their forest industry transformation program, \$25 million of about \$100 million.

The Vice-Chair (Hon. John McCallum): What happened to the \$145 million remaining?

Mr. John Forster: It's not all gone through Parliament yet. You, for example, in supplementary estimates (B) tabled this fall, included a transfer of \$4.5 million out of about \$22 million to Aboriginal and Northern Development Canada for environmental assessment work.

The Vice-Chair (Hon. John McCallum): But the decision by government....

Mr. John Forster: The government has taken a policy decision. The transfers will occur to Parliament in the main estimates or in supplementary estimates. In the main estimates, as Yaprak mentioned, there were transfers for this fiscal year approved in June. So there were re-profiling of the fund and some transfers out, the money needed for this fiscal year.

The Vice-Chair (Hon. John McCallum): So let me just clarify. The Treasury Board decisions in June and September of 2010 approved the transfers of the \$170 million.

Mr. John Forster: Yes, of \$170 million.

The Vice-Chair (Hon. John McCallum): Okay. And parliamentarians discovered that that had happened, in the case of \$25 million, in 2010, and we discovered that at some point in 2011—

Mr. John Forster: No, excuse me. The first phase of the money that needed to be transferred for the fiscal year 2010-2011 was \$25 million to Natural Resources Canada. That was in our supplementary estimates (B) last year, and that was voted and approved.

Not all of the \$145 million has been transferred through the estimates process.

The Vice-Chair (Hon. John McCallum): Has any of the \$145 million been transferred?

Mr. John Forster: Yes, the \$25 million for NRCan, and then in June, when Parliament approved the main estimates, there was an additional \$25 million again for this fiscal year to Natural Resources Canada and \$15 million to Economic Development Quebec for some of their projects. So you've now approved \$40 million in June on top of the \$25 million. That's \$65 million. In the supplementaries in November, we have asked Parliament for approval to transfer about \$5 million to Aboriginal Affairs and Northern Development Canada for the Beaufort, and that will be voted on and approved or rejected by Parliament.

The rest will be voted through the main estimates process each year on an annual basis.

In part III of our estimates in June, we identified the full cost of what was being proposed to be transferred out, and Parliament voted a first phase of that amount in the main estimates.

• (1710)

The Vice-Chair (Hon. John McCallum): My time is soon to expire.

Can I just ask you? I think you mentioned four departments. I think in public documents we can only identify two, those being NRCan and Quebec Economic Agency.

Mr. John Forster: No, there are four priorities and three departments.

The Vice-Chair (Hon. John McCallum): Can you tell us what the four departments are?

Mr. John Forster: Sure. There are three departments: Natural Resources Canada for their forest industry transformation program; there was Canada Economic Development for Quebec Regions for a forestry program and a pipeline project in Thetford Mines; and Aboriginal Affairs and Northern Development Canada for environmental assessment work in the Beaufort.

The Vice-Chair (Hon. John McCallum): Thank you very much. My time is up.

Scott Armstrong.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Thank you very much, Mr. Chair.

Thank you all for your presentations.

I'm the only member from Atlantic Canada on this committee, so my questions are going to focus a lot on the east coast.

First, on the green infrastructure fund, you talked about some projects that have already been approved and some that are under way. Are any of those projects that have been approved located in Atlantic Canada?

Mr. John Forster: We did have one project with the City of Moncton for district energy heating systems. We had approved it, but in the end the city council decided they couldn't actually afford to go ahead with it, so they withdrew the project. At this point, there are no others in Atlantic Canada.

Mr. Scott Armstrong: Have you had any applications for projects from municipalities or other bodies in Atlantic Canada?

Mr. John Forster: Yes. I couldn't give you a number or a listing, but I know for sure there were others.

Mr. Scott Armstrong: Can you maybe provide me with a couple of reasons why they might have been rejected? What would cause problems getting funding, or are there a variety of reasons?

Mr. John Forster: There are a variety of reasons. It's a merit-based program there. It's not like the Building Canada fund, for which there is an allocation of funds per capita to each province and then we sit down and negotiate with the province which projects would be supported.

Mr. Scott Armstrong: We have several projects. We have a tidal power project to put in some undersea cables. We have planned a massive hydro-power project from Lower Churchill Falls with undersea cables connecting Labrador to Newfoundland, and Newfoundland to Nova Scotia.

Has there been any contact with those bodies for funding from the green fund?

Mr. John Forster: I do not believe we've had any discussion around the Lower Churchill project, because the government had already extended loan guarantees for that project.

There was an early proposal for tidal power—

Mr. Scott Armstrong: That was from the Bay of Fundy.

Mr. John Forster: —as a demonstration project, but we weren't in the business of doing demonstration projects under this fund. It doesn't invest in trials of technology and demonstration. It needs things to be more proven.

Mr. Scott Armstrong: I'm quite familiar with the tidal project. When the tidal power project in the Bay of Fundy gets past the demonstration mode and they're actually looking to do some permanent things there, would that be the type of project the green infrastructure fund could fund? I'm not asking would you fund it, but could we look there for money?

Mr. John Forster: It could potentially be funded, but at this point there is very limited money left in the fund for any major new projects.

Mr. Scott Armstrong: So right now there is limited money left from the fund, and not one project went to Atlantic Canada, as far as we know.

Mr. John Forster: We had the one with Moncton but they withdrew.

Mr. Scott Armstrong: They had to back out. Okay. Thank you.

For Marine Atlantic you're asking for \$1.5 million. What's that money for?

Mrs. Anita Biguzs: The \$1.5 million is funding out of the infrastructure stimulus fund to complete the North Sydney alternate dock upgrade project. This is remaining work. An amount of \$9 million had been authorized out of the infrastructure stimulus fund for this project. Funds in the amount of \$260,000 had already been allocated in 2009-2010.

There have been some delays in terms of the project itself. They were 90% complete, so this \$1.5 million was actually reprofiled from the previous year and effectively allows them to complete the work and get that terminal upgraded as is needed.

Mr. Scott Armstrong: I know Marine Atlantic is looking to purchase some new ferries and some new boats. Have you heard of any applications coming for those?

Mrs. Anita Biguzs: Is that for the sale of the old vessels?

Mr. Scott Armstrong: Yes.

Mrs. Anita Biguzs: In fact Marine Atlantic went through an auction process. They went through a whole request for proposals process and in fact they did have a successful bidder, so those old vessels were sold through that process.

• (1715)

Mr. Scott Armstrong: What was the money that came from those sales applied to? Did that just go back to the department?

Mr. André Morency (Assistant Deputy Minister, Corporate Management and Crown Corporation Governance, Corporate Services, Department of Transport): It goes to the consolidated revenue fund.

Mr. Scott Armstrong: Okay, so it's used for other things. I understand.

In answer to an earlier question about the high-speed rail and the potential project between Ontario and Quebec, you said the estimated money from that project is about \$18 billion to \$21 billion. How many kilometres were they looking at doing?

Ms. Yaprak Baltacioglu: I can't tell you. Let me get you the answer.

Mr. Scott Armstrong: Could you get me that some time? You don't have any idea how much? Because different geography causes different costs. I understand that. But it's very—

Ms. Yaprak Baltacioglu: It depends on the terrain. We'll get you the study, and we'll get you the kilometres that will be part of that.

Mr. Scott Armstrong: It's very expensive, I understand that.

Ms. Yaprak Baltacioglu: It is expensive.

Mr. Scott Armstrong: Canada is a big country.

I think you mentioned \$617 million—

The Vice-Chair (Hon. John McCallum): You have five seconds left.

Mr. Scott Armstrong: Thanks very much.

The Vice-Chair (Hon. John McCallum): Sorry about that.

[Translation]

We will now hear from Ève Péclet.

Ms. Ève Péclet: I will share my floor time with my colleague.

Let us consider the government's strategic review of 2010. We see that the Office of Infrastructure of Canada made some \$48.4 million in cuts, almost reaching the strategic review target. However, we see here, in supplementary estimates (B) for 2011-2012, that given all the supplementary votes requested, the budgetary expenditures of the Office of Infrastructure increased by 25%, going from \$4.9 billion to \$6.1 billion.

I would simply like someone to explain to me which funds have been eliminated. What is the total of the paid contributions if we take into account the cutbacks and the increase of 25%? They say that the budget has decreased, but in reality, it has increased by 25%. There needs to be a balance between what has been reduced and what has been increased. Why was this amount reduced? Where was the money invested—the requested 25%?

[English]

Ms. Yaprak Baltacioglu: The strategic review target for Infrastructure Canada over three years is \$124.5 million.

The department has gotten \$5.4 million in the Building Canada fund communities component, \$4.9 million for the Building Canada fund major infrastructure administrative efficiencies, \$45 million from the green infrastructure fund, \$23 million from the municipal rural infrastructure fund, \$10.4 million from the border infrastructure fund—

Ms. Ève Péclet: Those are cuts?

Ms. Yaprak Baltacioglu: Yes, but over three years. The first cuts hit this year, but the cuts go for three years. Then there is \$37.5 million for economic analysis and research.

Now turning to the increases, because a lot of our programs.... First of all, the economic action plan was extended, so the money has to move in order for us to pay the bills. It's the nature of the infrastructure programs that we only pay when the bills come in. Given that the program has been extended, we have until January 31 to get the final bills, and that's when we pay the bills. That would be the increase.

Is there anything else to clarify?

[Translation]

Mr. Mathieu Ravignat: If we add up votes 1b, 5b and 10b, we see that Transport Canada received additional funds of more than \$76 million. The funding for agreements with first nations with respect to the development of the Port of Prince Rupert receives the highest amount under the supplementary estimates. Considering what we have learned recently regarding Attawapiskat, we know that we must remain skeptical regarding the use of money in such situations.

First of all, I would like to know the reason for and the content of the agreement with first nations regarding this subject.

• (1720)

[English]

Ms. Yaprak Baltacioglu: There are two entries in the estimates. One is \$16.2 million for grants and contributions, and there is \$50,000 for the department operating.

This one is that the port at Prince Rupert is doing expansion. In order to do the expansion, they have gone into negotiations with three first nations, and this one is the agreement with the first nations to pay the Government of Canada's commitment. The port of Prince Rupert is a very important port, and the expansion is necessary to accommodate the volumes they're experiencing. This initiative is very much part of the Asia Pacific gateway initiative that the government has.

[Translation]

The Vice-Chair (Hon. John McCallum): Mr. Trottier, the floor is yours.

[English]

Mr. Bernard Trottier: Thank you, Mr. Chair.

Thank you, witnesses, for coming in today and answering our questions. I wanted to ask some questions about the Building Canada fund, please.

Just for my own edification, are the Building Canada funds embedded in vote 55(b) of the Office of Infrastructure Canada? It's the big number of \$4.7 billion, with the \$990 million of supplemental estimates? Is that where Building Canada funds reside?

Mr. John Forster: Yes, vote 55 is our contribution vote, so it would include the range of programs we have: Building Canada; green infrastructure....

Mr. Bernard Trottier: Okay. I understand the need for Building Canada to resort to supplemental estimates, given its construction projects and the inherent variability in terms of the timing and expense amounts when it comes to construction projects. And it is always difficult to estimate exactly how much things are going to cost.

I'm sure the Auditor General has weighed in on the expenses related to the Building Canada expenditures in the last couple of years. Without getting into the detail, could you summarize, overall, the Auditor General's comments on the Building Canada expenditures, please?

Ms. Yaprak Baltacioglu: The Auditor General looked at the economic action plan. In two reports what has been tabled is that our department has done a very good job in terms of managing the program and ensuring that the costs were controlled, ensuring that appropriate management controls were put in place. We have done risk-based management of this program. I would probably say that in terms of the program administration, both the Auditor General's reports are very complimentary to the work of Infrastructure Canada, which I believe is a great little department.

Mr. Bernard Trottier: Let me ask something about the management controls, then. Were they in place before the announcement of stimulus projects? In other words, did Building Canada have its management controls in place long before some of the urgent announcements related to the stimulus program?

Ms. Yaprak Baltacioglu: Of course. Like all of the programs, we have management controls when you're running big amounts of money.

For the economic action plan, because the time was so tight and because there was a potential for making mistakes, the department took extra care, adding additional steps and controls. That's why all of our funds have been reviewed halfway. Our departmental audit committee has been involved in all of the program control gates, etc. I think for the economic action plan, more effort was put into it in terms of it was riskier, because as the time gets shorter, risk goes up.

Mr. Bernard Trottier: Okay. Yesterday the Minister of Transport made an announcement about a new approach, post-2014, for Building Canada. Could you describe how things might be different? You talked about the three-step process of an assessment phase, a prioritization phase, and then a more detailed planning phase. How will that be different from what you had previously with Building Canada? And what's that going to mean in terms of predictability and so on when it comes to future estimates?

• (1725)

Ms. Yaprak Baltacioglu: Well, it's a little too early to tell in terms of what the next program is going to look like. What the minister announced yesterday at the Federation of Canadian Municipalities was actually a process where, with the partners, we have the luxury of thinking about how best to spend the money, where the greatest needs of the country are. It's a collaborative process with the municipalities, provinces, and the federal government.

As to how different it is, in some ways it is a good signal that the Building Canada fund is going to be renewed. That brings stability. And the fact that we're going to work with all of the partners to design a program is also for us a very positive move, because money is not endless. You have to focus on what you're going to spend your money on. So I think that so far, from the provincial governments and from the municipalities, we've had very positive assessments.

Mr. Bernard Trottier: It sounds like I might have a bit more time left.

The Vice-Chair (Hon. John McCallum): Ten seconds.

Mr. Bernard Trottier: Well, thank you very much for coming today.

The Vice-Chair (Hon. John McCallum): The NDP has kindly allowed me to use its time for the last very few minutes, and I would like to return to where I was before.

The departmental performance report states: "...in 2010-11 the Government of Canada transferred \$170 million from the Green Infrastructure Fund to other federal departments to support high-priority initiatives". That is past tense, so that transfer occurred in the year 2010-11. We have looked very carefully through all the estimates from last year and we can only find the \$25 million that went to NRCan. Therefore, given that the \$145 million transfer did occur in 2010-11, according to this document, is it not the case that parliamentarians were informed of this only after that fiscal year was over?

Ms. Yaprak Baltacioglu: Mr. Chairman, you would remember these processes from your days as a minister. There are two parts to the equation. One is that cabinet and government make a decision and legal authority comes in with the estimates. So as my colleague explained, estimates only come in in the year they're needed. The \$170 million is profiled all the way to 2013 and 2014, so it's going to come into the estimates as the money is drawn down.

If we used the past tense we will have to be more careful about the way we use tenses. The government had made a decision, but Parliament's approval is coming through. These supplementary estimates have an entry about this particular \$170 million.

The Vice-Chair (Hon. John McCallum): I'm a bit confused—even though I was a minister once, that is correct. It strikes me that if you use the past tense it is a *fait accompli*, it's a done deal, and it strikes me that you're making it a done deal before you have parliamentary approval, which would strike me as questionable.

Ms. Yaprak Baltacioglu: I am in your hands, Mr. Chairman. I think governments can make policy decisions and make them public as they deem fit, so I don't think I can contribute anything to this as a public servant.

The Vice-Chair (Hon. John McCallum): Thank you.

I think our time is up. I think Mr. Forster has another meeting.

Mr. John Forster: No. I was just going to say as an example that when the budget in 2007 announced the Building Canada fund, \$30 billion over seven years, that money does not flow except on an annual basis when Parliament votes legal authority for the government to spend that money.

Until that vote takes place, the government may have decided something, but Parliament has to vote its approval and vote those funds. So as I mentioned before, Parliament voted the first \$25 million last fall. It voted another \$40 million in main estimates this spring. There is \$5 million in our supplementary estimates (B) right now, and the rest will come each year in the main estimates. And unless Parliament votes those estimates, that money does not get spent. I think that's what we're trying to explain.

● (1730)

The Vice-Chair (Hon. John McCallum): Thank you very much.

It being 5:30, we will thank our witnesses very much for appearing.

There is one small item of business for the committee to deal with. I think I can do this even though our witnesses have not left. I don't think it's very complicated. We have to approve a project budget for the study on Shared Services Canada. The budget total amounts to \$16,500.

Any discussion?

Mr. Ron Cannan: I have a question, Mr. Chair.

Why is it \$1,600 per person, coming from Mississauga? Is that correct?

The Vice-Chair (Hon. John McCallum): Maybe the clerk would know.

The Clerk: It is the standard price we use for witnesses who come from the Toronto region. It might be a lot less. In that case, as you know, we pay what the witnesses claim. What we save is returned to the general envelope of the Liaison Committee for other committee activities of the House of Commons.

Don't forget that some people might want to drive to get here. And sometimes, for instance, they will stay overnight in Ottawa. Basically, the \$1,600 should cover these possibilities.

The Vice-Chair (Hon. John McCallum): All in favour?

Some hon. members: Agreed.

The Vice-Chair (Hon. John McCallum): The meeting is adjourned.

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