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—
Chair

The Honourable Diane Marleau

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• (1535)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): I call this meeting to order and welcome the Minister of Public Works, Mr. Fortier. It's nice to see you again, as well as your deputy minister and Mr. McGrath and Mr. Hawkes. Welcome.

You know how it works; you've been here before. You have ten minutes or so. Feel free.

[Translation]

Hon. Michael Fortier (Minister of Public Works and Government Services): Thank you, Madam Chair.

Ladies and gentlemen members of the committee, good afternoon.

[English]

As you know, Madam Chair, I am always happy to appear before this committee to talk about our ongoing efforts at Public Works and Government Services Canada. Today I am particularly pleased to be here with regard to the main estimates for 2007-2008.

The department's main estimates for fiscal year 2007-2008 are \$2.5 billion, a decrease of approximately \$40 million from last year. Given the interest committee members have shown in my department's plans and activities related to real property, as well as its efforts to achieve savings through smarter purchasing of goods and services, I would like to focus my remarks on these areas.

[Translation]

But first, I would like to address another issue that I know is of great concern to this committee, as it is for myself—the matter of timely pay cheques for the employees of Public Works and Government Services Canada.

We take this matter very seriously. The department is working diligently to resolve all outstanding cases and has launched a series of initiatives to prevent such problems from arising again.

It has improved the service delivery model, launched a recruitment strategy for compensation advisors, revitalized the training program for new human resources recruits, and created 41 new positions in a satellite office in Matane, Quebec. As of today, no employee is delayed in getting the regular pay cheque and overtime is paid on time.

There are several cases where employees have temporarily filled jobs above their grade or received promotions and their paperwork has not been processed. Of the 2,000 outstanding promotions and acting payments recorded last December, more than 50% have

already been resolved and the remaining will be resolved over the next six to eight weeks.

If you are aware of any employees not having been paid, please urge them to come forward.

[English]

Turning to our real property activities, during my last appearance I talked about the study by outside real estate experts on how to most effectively and cost-efficiently manage 40 Crown-owned properties situated in urban areas across Canada. The context of this study, and our pressing concern, as you know, is the \$4.5 billion repair bill we face for upgrades to buildings across the department's real estate portfolio. As you know, before any sale occurs Public Works will obtain a fairness opinion. No building will be sold unless it makes financial sense over the long term.

As I've said before, many corporations and governments have successfully turned to leasing so that they can concentrate on their core functions. With respect, I don't believe most Canadians would consider real estate management to be a core function of the Government of Canada. I have asked here in the past, if we started from scratch today, would we really dream of owning as much in the way of bricks and mortar to deliver services to Canadians? I believe not.

As noted in Budget 2007, there will be continued effort on the part of departments to reduce procurement costs. As the government's chief procurement arm, my department is committed to work with suppliers and other departments to improve how the government buys goods and services and achieves cost efficiencies. Public Works is planning to achieve its own portion of savings through better procurement.

Considerable progress has already been made. To understand the government's spending patterns, Public Works has created a database of more than 24 million financial transactions from 55 departments. It has worked with eight departments, representing 60% of the government's spending on common goods and services, to develop plans for improvement and savings.

I have spoken to you before about our intensified efforts to help small and medium enterprises do business with the Government of Canada. This work is being led by Public Works' office of small and medium enterprises, which opened six regional offices across the country last year and has developed a range of strategies.

[Translation]

I cannot discuss procurement without talking about our policy on green procurement. In effect for one year now, it is having a noticeable impact. For example, hybrid four cylinder and E85 alternative fuel vehicles, now account for three quarters of the executive fleet as of February 2007, compared to only one quarter of the fleet as of November 2005. Another example, Madam Chair, deals with computers. Bidders will have to meet internationally recognized environmental standards for energy efficiency, environmental stewardship in the manufacturing process and packaging, recycling potential, and reduction in hazardous materials. By signaling to suppliers our commitment to the use of green products, my department can achieve savings and help the environment.

I know members are ready with questions, Madam Chair. Let me simply say that I believe the department is very much working in the right direction on all of these fronts, to the benefit of Canadian taxpayers, and I am confident that progress will continue.

Thank you very much.

• (1540)

The Chair: Thank you very much. I would like to especially thank you for having dealt with the pay cheque issue. I sincerely hope that the 50% of outstanding cases will be dealt with as quickly as possible given that this dates back to the month of September. We will continue to monitor the situation in this area very closely.

[English]

We will now go to our first questioner, Mr. Turner.

Hon. Garth Turner (Halton, Ind.): Thank you.

Minister, welcome to the committee. We appreciate your time here. Thank you, sir.

I'd like to ask you a couple of questions about the sale of public properties, the buildings that you've identified. You've given us a bit of a justification of the reason the government is doing this and the cost of having such a portfolio. Certainly questions have been raised about the process, and I'm hoping you can help lay some concerns to rest here at the committee.

The Royal Bank and the Bank of Montreal were asked to do an analysis and a report for you on this issue. My understanding is that the report was never tabled and has never been made public. Is there a particular reason for that?

Hon. Michael Fortier: The report was obviously tabled with the client. The client was Public Works. The reasons for the report not being tabled are that the report contains information—qualitative and, I would say, quantitative—with respect to the portfolio, which in the context of the decision we've made to go ahead with selling those nine buildings could obviously adversely affect, I would say, the type of proposals we might be getting from potential bidders.

Hon. Garth Turner: We have about \$1.5 billion worth of assets that the government is proposing to sell in this particular situation. Can you tell us what the Government of Canada has paid to have this report done? Is that public knowledge, or could it be?

Hon. Michael Fortier: What we've paid was \$150,000.

Hon. Garth Turner: So these two banks in total were paid...?

Mr. Tim McGrath (Acting Assistant Deputy Minister, Real Property Branch, Department of Public Works and Government Services): Each was paid—

Hon. Michael Fortier: Each was paid \$150,000. That's right.

Hon. Garth Turner: Each was paid \$150,000 to produce the report.

When these buildings are sold, presumably the sale will be commissionable. The commissions will be paid to whom?

Hon. Michael Fortier: Yes. The department has signed an engagement letter with the banks, which is typical in these cases, whereby the banks will get paid in the context of a successful transaction.

Hon. Garth Turner: Can you tell us what the payment is? Is it a percentage of the sale price?

Hon. Michael Fortier: It is based on the sale price; that's correct.

Hon. Garth Turner: Is it a sliding scale? Is it a percentage of the sale price?

Hon. Michael Fortier: Well, the department negotiated. I can let.... I'm not aware whether we can make this public or not.

Mr. McGrath?

Mr. Tim McGrath: Certainly the structure of the agreement is based on industry standards, and it was quite clear in the RFP that should the government decide to proceed with the marketing of the properties, a new engagement letter would be signed based on industry standards.

In the agreement, we have assured in certain clauses that we receive the lowest price possible and the lowest price they have negotiated ever with previous clients. We also have the right to audit the fee, if a successful transaction takes place.

Hon. Garth Turner: But is it a commission on the sale price, or is it a fixed price?

Hon. Michael Fortier: No, it's not a fixed price.

Mr. Tim McGrath: It's not a fixed price. It is based on industry standards, that is, a scale based on the proceeds.

Hon. Michael Fortier: In my experience with this type of transaction, we want the banks to be incentivised to deliver better results for taxpayers.

Hon. Garth Turner: Sure, as in any commercial real estate transaction, I understand that, but is there any particular reason you can't tell us what the percentage is? Is it 5%, 6%, 7%, 8%, 3%?

Hon. Michael Fortier: I don't think we can disclose that; there's a confidentiality agreement in the engagement letter.

But I'm turning to my officials—

Mr. Tim McGrath: Honestly, it's something we would have to check with the banks to see if they'd be willing to disclose it, but there are assurances in the agreement between us and the banks that it is the lowest fee they have negotiated with any of their preferred clients, and they cannot charge us more than the fee they charged their best customers.

•(1545)

Hon. Garth Turner: Right. It's not every day that someone comes along with \$1.5 billion in real estate to sell, so I would imagine you'd get a deal, but I am curious why it's not germane to the public to know the percentage of the sale price. It doesn't seem to be a big deal.

Mr. Tim McGrath: Again, percentages are usually based on a range of proceeds. Once you get into certain levels of proceeds, percentages change, so disclosing what the percentages are at this point would signal to the industry exactly the range of proceeds we would be expecting to achieve from the transaction.

Hon. Garth Turner: Okay, that answer completely mystifies me. I don't see how saying whether it's 3% or 4% or 5% is going to make that difference, but you're saying you're not going to tell us.

Hon. Michael Fortier: At this stage, no.

I will say this. I'd be happy to take it up with them, if we have a successful transaction, and see whether we can disclose it. Banks are usually very reluctant on M and A transactions to disclose their fees, for competitive reasons, and because of the confidentiality clause in the engagement letter—and I believe there is one—we'll have to see how we can deal with this, Mr. Turner.

Hon. Garth Turner: All right. It would be great to have an answer to that question, please.

Can you also tell us, when we sell the buildings and then lease them back, is there an additional commission on the lease?

Hon. Michael Fortier: No.

Hon. Garth Turner: Who's going to arrange that lease?

Mr. Tim McGrath: We are, Public Works and Government Services.

Hon. Garth Turner: You're not using any kind of leasing facility?

Hon. Michael Fortier: There's no broker, no intermediary.

Hon. Garth Turner: All right.

So there's no commission paid at all?

Hon. Michael Fortier: No.

Hon. Garth Turner: Are there any conditions on the sale of the building that will survive closing? In other words, are you selling 100% of your liability on those buildings when you close the deals?

Hon. Michael Fortier: Well, Mr. Turner, we don't have any liabilities on the building.

Hon. Garth Turner: There will be, depending on the terms and conditions of the sale.

Hon. Michael Fortier: We own them outright. It's not as though there's a mortgage with the Royal Bank on these buildings.

Hon. Garth Turner: No, but when you sell them, are there any conditions that survive closing? In other words, are you assuming any responsibility for structural conditions, for liability, for UFFI that's left in the building? Is there anything the government and the taxpayers of Canada are on the hook for, if this survives closing?

Mr. Tim McGrath: No. We've had environmental assessments carried out on all the properties. There's full disclosure in terms of

the conditions. All of the environmental conditions were cleaned up and rectified when we did the acquisitions of some of the assets, so nothing is left over from a liability perspective on environmental issues. Nothing is left over. The lease agreement calls for the superstructure to be the responsibility of the new owners.

Hon. Garth Turner: So you're telling us there's no liability at all that will survive closing.

Mr. Tim McGrath: That's correct.

Hon. Garth Turner: We're done, we're just—

The Chair: I'm sorry, Mr. Turner, but we'll have to go to the next turn.

Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Madam Chair. Minister, gentlemen, good afternoon.

I would like to come back to something you said in your presentation. I will then follow-up with a question. At the bottom of page 1 of your opening remarks you refer to a \$4 billion repair bill you are facing for upgrades to buildings across the department's real estate portfolio. What exactly does that \$4 billion sum represent?

Hon. Michael Fortier: The amount is actually \$4.5 billion. It is the estimated cost over the next 10 or 12 years of the upgrades that we need to undertake on our buildings. This work will be done across the real estate portfolio.

Ms. Diane Bourgeois: Do those buildings include the nine that you are about to sell?

Hon. Michael Fortier: Yes, they are. They are integrated into the group of buildings for which the \$4 billion are earmarked although, of course, the entire \$4 billion is—

Ms. Diane Bourgeois: —not only for them.

Hon. Michael Fortier: Exactly.

Ms. Diane Bourgeois: What do you hope to achieve by selling these nine buildings in particular.

Hon. Michael Fortier: We have several objectives, and the two main ones are as follows. Firstly, the government is not particularly well suited to property management. It is a highly specialized field. Those private sector companies that have succeeded in property management are experts in their field. They spend time on it and they recruit men and women with skills and expertise in property management. The second reason pertains to the government's priorities with regard to major renovations. The buildings in our portfolio are on average 45 years old, which basically means they are due for a mid-life upgrade. Our buildings are old and have been neglected for several decades. We do not invest enough in our buildings and we do not have the requisite expertise to management. At any rate, the government should not be in the business of managing buildings.

•(1550)

Ms. Diane Bourgeois: Minister, why have you chosen to sell these nine buildings in particular?

Hon. Michael Fortier: These nine buildings featured on a list of 40 facilities set up by the department as part of a study carried out in the fall.

Ms. Diane Bourgeois: Is it a matter of urgency? You said that you made a choice. You told me that selling buildings was a matter of urgency. Is it a matter of urgency that these particular buildings be sold?

Hon. Michael Fortier: No, it is not a matter of urgency; it is a matter of sound management of government assets.

Ms. Diane Bourgeois: Are you selling buildings that are of no use to the government?

Hon. Michael Fortier: No, quite the opposite. They are office buildings on which we intend to take out long-term leases.

Ms. Diane Bourgeois: If I understand you correctly, you are going to sell these buildings and then pay rent to use them—

Hon. Michael Fortier: Yes.

Ms. Diane Bourgeois: —because they are still in a usable state. The Auditor General told us that it is more beneficial for the government to own these buildings than rent them. Why do you think that your solution would be better for Canada? Why is it the best way to management these buildings?

Hon. Michael Fortier: Allow me to go back to my two initial comments. In absolute terms, objectively speaking, owning property always offers advantages. However, you also need to have staff with high-end expertise. We have some, but not enough, and in order to attract more, we would have to offer working conditions similar to the private sector. Furthermore, and I'm not being partisan, governments would have to agree to invest huge sums in upgrading the real estate portfolio, something that successive governments have always refused to do because real estate is not a key component of government services. You just have to look at what is being done in other Western countries. Let us take the example of banks: their goals is to make money and they have sold off most of their real estate around the country.

Ms. Diane Bourgeois: You said that there was 40 buildings which could be sold, of which you have chosen 9. Furthermore, the 9 chosen buildings are valued higher than the 31 others. You are asking us to support your decision to sell these nine over-valued buildings and then rent them, without having seen the terms and conditions and without knowing exactly what you are trying to do. You have to agree with me that it is all a little strange.

Hon. Michael Fortier: No, I do not agree with you. You can check the government books; we are not hiding the value of these buildings. I am trying to demystify the process for you; there are no secrets.

The nine buildings in question are office buildings. They are the sort of assets that could be of interest to the private sector. We will see if we are proven right, the process has just begun. I understand everybody might not agree with us, but I do not think that it is heresy to say that the government is not necessarily the best candidate for property management. I think we can agree in that. Furthermore, the records of our successive governments show that insufficient attention was paid to the whole portfolio, both in terms of human resources and financial resources.

• (1555)

Ms. Diane Bourgeois: Fine. Thank you very much.

The Chair: Thank you.

[*English*]

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): No, Mr. Poilievre.

The Chair: Oh, Mr. Poilievre.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): I'd like to ask questions directly to the deputy minister.

Thank you all for appearing.

Deputy Minister Marshall, I have some particular questions with regard to the TPG contract. How was the minister involved in contracting generally? We'll start with a general question.

Mr. David Marshall (Deputy Minister, Department of Public Works and Government Services): Mr. Poilievre, the minister is the general director of the department; he does not get involved in any individual contracting. He is typically informed only at the very end, when the department has made a recommendation.

Mr. Pierre Poilievre: Was the minister or any of his staff involved in the TPG contract?

Mr. David Marshall: Not in any way.

Mr. Pierre Poilievre: As a non-partisan public servant who's served under numerous governments of different party colours, are you satisfied that the TPG contracting issue was a fair and open process?

Mr. David Marshall: Yes, I am, Mr. Poilievre. We received three bids for this contract. The technical part was evaluated by five separate, individual evaluators, who did not talk to each other during the process. The financial part was evaluated by a lead evaluator and checked by a second one.

I was briefed after the process had progressed to a certain extent. I was not told who won the contract, but I asked my chief risk officer, since it was potentially a large one, to assure me after a review that all the proper processes had been followed; he did so.

The minister's office was informed in due course on March 14, much later, when it was getting ready to be sent over to Treasury Board.

I personally interviewed the evaluators, and they've assured me there was absolutely no interference from anybody, let alone the minister's office, so the evaluations were never changed.

Mr. Pierre Poilievre: The minister wasn't one of the evaluators?

Mr. David Marshall: No, he was not.

Mr. Pierre Poilievre: He wasn't in contact with any of the evaluators?

Mr. David Marshall: No, he was not. In my opinion, a fair and proper process took place, and the government should have full confidence in the result, as I do.

Mr. Pierre Poilievre: Did any of the evaluators complain about Minister Fortier's involvement in the contract?

Mr. David Marshall: Absolutely not, and I asked them that question point-blank.

Mr. Pierre Poilievre: You did, and they said there was no involvement from the minister?

Mr. David Marshall: Absolutely not.

Mr. Pierre Poilievre: Okay.

On the issue of the banks that have been retained to help the government pursue these real estate transformations, was the minister involved in the process of selecting the banks?

Mr. David Marshall: No. Once again, he had absolutely nothing to do with it. We had an independent committee. The invitation was published on MERX. In fact, not only banks applied; the accounting firm of KPMG also applied and was qualified and received an evaluation as well.

Mr. Pierre Poilievre: Did the minister have any part in selecting the committee that chose the two banks for the real estate study?

Mr. David Marshall: No, he did not. We asked him for suggestions for qualified people and we made our own selection of the committee.

Mr. Pierre Poilievre: Okay.

Minister, regarding the transformations that you are proposing to the government's real estate portfolio, can you tell us a little bit about the plans that had been in place that you learned about from the previous administration? Were they as ambitious as your own or were they more ambitious than your own?

Hon. Michael Fortier: I am afraid of using the word "ambitious", because where I come from, "ambitious" has a positive connotation. I'll just say this—

Mr. Pierre Poilievre: Were they more sweeping in scope?

Hon. Michael Fortier: They were certainly.... The ambit of the study that was being proposed that failed actually covered the entire portfolio. The request for proposals, the RFP, was several hundred pages long. I went through it, and if it had been successful, it could have led to a real estate investment trust for the entire portfolio.

Obviously that didn't go ahead because the whole thing collapsed because it was far too complex, but my conclusion was that in terms of the number of buildings and assets, there would have been many more of them involved in a privatization than we're considering at the current time.

• (1600)

Mr. Pierre Poilievre: So you were not in favour of the previous administration's plans to privatize almost all of the assets, the real estate assets of the government?

Hon. Michael Fortier: No, and I'll tell you why. Out of those 350, 360 buildings, they're not all office buildings. Some of them have other usage, if you want, and they're not necessarily of interest to the private sector.

I think that if we focus on the office buildings, which is what we're doing right now, that is a much more logical and efficient way forward in terms of transferring some of the risk to the private sector.

[Translation]

Mr. Pierre Poilievre: The procurement of goods and services is another matter altogether. Were there objectives and planned savings set out in the previous government's financial plan ever achieved?

Hon. Michael Fortier: Are you talking about procurement?

Mr. Pierre Poilievre: Yes.

Hon. Michael Fortier: I have already expressed my opinion on this to the committee. I believe that the figures that were put forward following studies carried out in 2004-2005, with all due respect for those who did them... When we hired consultants, rather than asking them to explain the various avenues that could be taken, we asked them to verify the figures, like we did with the real estate portfolio. Clearly, this had not been done with regard to procurement and, as a result, unfounded figures were being used.

This is something that I know because, since becoming minister, I have spent a lot of time with Mr. Marshall and his team trying to assess how much we could save with regard to procurement. Mr. Marshall and his team, together with Treasury Board, have worked very hard. Their work over the last year has allowed us to quantify exactly how much we could save.

The Chair: Thank you.

Ms. Nash, it's your turn.

[English]

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you, Madam Chair.

Good afternoon, Minister, and welcome to the other witnesses this afternoon.

I'd like to go back to the real estate issue, and of course you've discussed that with the committee before. We had asked you about it, and at that point obviously the arrangement wasn't as far along, so it was just in the works. It sounds now as though the decision has been made to sell these buildings and that is going to move ahead. Is that correct?

Hon. Michael Fortier: Well, the decision to mandate the banks to do this, yes, but the decision to sell will be made by cabinet. We'll have to see what offers are on the table, and we'll also seek a fairness opinion from a third party that will address the offer per se.

So we're not there yet, at this stage.

Ms. Peggy Nash: So it's still not finalized?

Hon. Michael Fortier: No, no.

Ms. Peggy Nash: Just reading media reports, what I can glean from what's been in the media, this is the largest government real estate deal in decades, \$1.5 billion over 25 years. There are two banks involved, the Royal Bank and the Bank of Montreal. The media is speculating that commissions could range from \$1 million to \$6 million. Those are some of the figures that have been thrown out, and that at this point there are nine buildings being considered out of 370.

I'd like to ask you, is the decision that is made about the sale of these buildings going to offer a way forward for the potential sale of these other 361 buildings?

•(1605)

Hon. Michael Fortier: As I said to Monsieur Poilievre, some of these buildings would never be sold in any event, just because of the nature of the buildings.

We've suggested this approach—a more modest approach in terms of what was being proposed by the Liberals prior—of why don't we just get this one done? If we get an interesting offer, and it makes financial sense for taxpayers, and it's blessed by cabinet and by a fairness opinion, then we'll do that deal.

I don't want to get ahead of myself and start talking about what we might do with the rest of the portfolio. I think we'll want to digest this, if it goes ahead, and see how it proceeds.

Ms. Peggy Nash: Okay. That seems reasonable, I think, from the perspective of those involved in this—from the banks' perspective, for example—to have these nine buildings at such a large amount and see the potential for future offerings. That's certainly quite attractive, and I would think something that could be quite lucrative, potentially, for the banks that are involved in this.

I raise this, Mr. Minister, because of course it's been raised in the media that one of the people involved in this, from the Bank of Montreal, is someone quite well known to you. He's a Conservative Party fundraiser, organizer, and former candidate. He supported your leadership when you ran for the leadership of the party, and supported the former Minister of Public Works. I think people wonder, then, about the details of the sale.

I guess the concern is that we don't have the study that was used to justify the sale in terms of it being a good deal for Canadians. That's still an open question. Because it is such a long-term lease, I guess it's a fair question: is it in the interest of Canadians? We don't have disclosure of the contract with the banks. We don't know what their gain will be. We don't know who chose these two banks to handle this deal. And while you're talking about a fairness assessment, we don't yet have that.

Which of these documents are we going to be able to get? Will we get the fairness assessment over time so that any and all questions about this will be answered?

Hon. Michael Fortier: Let me take this in sequence. There are many questions along the way.

By the way, Mr. Byers did not support me in 1998. I remember the names of the nine people who did—

Ms. Peggy Nash: I'm just going by media reports.

Hon. Michael Fortier: —and he wasn't one of them.

Okay, so we've dealt with that one.

I think the deputy minister dealt with the process.

As to how these banks were chosen, the banks were chosen through an independent process. I think the deputy has the names of the folks who were on the committee.

I really can't say any more than that. I come from that world. If I stand accused of having been a banker and a lawyer, I plead guilty. But I have conducted myself, Ms. Nash, you should know, with integrity. We're not on the same political side, but if you told me that

you wouldn't get involved, and your deputy would say you weren't involved, I'd believe you. I'm asking you to believe me.

I have no interest in who wins what. I want the sale to go ahead. I want taxpayers to get a good deal. Those are the only conditions under which we'll do the transaction. Who was hired didn't matter to me. I'd like you to accept that as really a fact, because it is.

With respect to the different documents, and the study that was prepared on the entire portfolio, if you go back to the RFP, which is public—I invite you to go on MERX and read the RFP that led to the hiring of the Bank of Montreal and the Royal Bank of Canada—we asked them to come to us with advice. We told them what our challenges were. We talked about the funding gap. We talked about the difficulties in certain urban areas, for example in Ottawa; we talked about swing space. We talked about a number of things.

They addressed these issues in the report and also addressed, among other issues, the possibility that we could dispose of buildings. I have explained to Mr. Turner why at this point I don't want to make that study public; it does contain information that I think would be detrimental to taxpayers.

•(1610)

Ms. Peggy Nash: I'll ask you one last question on this.

There was an issue about the valuing of these properties. The banks make their commission. We don't know the specifics of it, but their commission is based on the sale of the properties. As I understand it, the values placed on these properties are surprisingly high. Some of the figures have been reported through the media. For the Canada Place in Edmonton, the government is being advised by the banks that they can get \$265 million, even though the building was appraised at \$145 million just last year; \$250 million for the Harry Hays Building in Calgary, which was valued at \$87 million; \$200 million for the Skyline complex in Ottawa, which Ottawa bought for \$91 million in 2003. The question—

The Chair: Do you have a point? You are way over time.

Ms. Peggy Nash: I'll wrap up.

Are these valuations potentially high because of the 25-year leaseback, which is really not the norm, according to other reports? Does that impact on the fee the banks are getting for this?

The Chair: Madam Nash, you are way over your time. We'll have to go on to the next questioner.

Mr. Rodriguez.

[Translation]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you, Madam Chair. Good afternoon, minister.

On the 16th of April, I asked questions in the House about the infamous \$400 million-contract around which there is an apparent conflict of interest. In your absence, Mr. Moore replied that the contract had not been awarded.

The following day, the 17th of April, I came back to bat, asking another question about the same \$400 million-contract. Again, Mr. Moore said that there could not possibly be any scandal as no contract had been signed.

I would like to know what the status of the contract is today.

Hon. Michael Fortier: I believe—and I would ask the deputy minister, who is far more experienced than me, to confirm this—that the department does not comment on a contract until it has been awarded. That is my answer. We do not comment on contracts or go public in any way until the contract has been awarded.

Mr. Pablo Rodriguez: That is fine. We can therefore assume that the contract has not been awarded.

That brings me to my second question. The tendering process was announced on the 31st of May 2006. An initial technical evaluation was undertaken in mid-October 2006 and a financial evaluation was run at the end of October 2006. In other words, an evaluation was carried out about six months ago and almost a year has gone by since the tendering process was launched on May 31. Is that a standard timeframe?

Hon. Michael Fortier: With your permission, I will ask Mr. Marshall to answer your question.

[English]

Mr. David Marshall: Yes, Mr. Rodriguez, the process has been going on for a bit of time. There was an interruption because of the election and also our strategy for changing procurement reform programs. We wanted to make sure that things were lined up properly. This bid has taken a normal course and there's nothing unusual about it.

[Translation]

Mr. Pablo Rodriguez: But you do recognize that it has taken a bit long, don't you?

[English]

Mr. David Marshall: Yes. It takes a long time.

Mr. Pablo Rodriguez: It took a long time.

[Translation]

Was a technical evaluation carried out? Did you have to start part of the evaluation over again?

[English]

Mr. David Marshall: A technical evaluation was done. The evaluations are almost always done in two parts: the qualification on the technical basis and then the financial evaluation.

Mr. Pablo Rodriguez: One took place in mid-October and the other one at the end of October. Did you have two technical evaluations, or one?

Mr. David Marshall: Just one.

[Translation]

Mr. Pablo Rodriguez: I imagine that, eventually, somebody will have to sign and send this contract to the Treasury Board committee.

• (1615)

Hon. Michael Fortier: That is correct.

Mr. Pablo Rodriguez: Who is going to sign?

Hon. Michael Fortier: The minister.

Mr. Pablo Rodriguez: So you are going to sign it.

Hon. Michael Fortier: That is correct.

Mr. Pablo Rodriguez: Given the appearance of a conflict of interest, are you comfortable signing the contract?

Hon. Michael Fortier: Mr. Rodriguez, I do not agree with you; I do not think that there is any appearance of a conflict of interest. I have read what you said in the House of Commons and I am aware of the questions you asked my colleague, Mr. Moore. The deputy minister could not have been any clearer when he spoke about the process earlier. This is the way that we proceed for all contracts, Mr. Rodriguez, not just this one. The minister has no involvement in the process of awarding contracts.

Mr. Pablo Rodriguez: I agree with you, but I am not saying that there is an actual conflict of interest. Nevertheless, it is incumbent upon us to avoid any appearance of a conflict of interest. As you worked for Credit Suisse First Boston, a company which, in the past, has had important business relations with the company which has perhaps won the contract, there is an appearance of a conflict of interest. I am talking about the integrity of the whole process. Are you going to at least ensure that you do not participate in any way in this case?

Hon. Michael Fortier: As you know, after being evaluated, the contract will be approved by Treasury Board.

Mr. Pablo Rodriguez: Are you not a member of the Treasury Board committee?

Hon. Michael Fortier: Yes, I'm a member of the committee.

Mr. Pablo Rodriguez: Are you going to vote or you are going to recuse yourself?

Hon. Michael Fortier: I have no reason to recuse myself, Mr. Rodriguez. As you know, and I am not being partisan, there is a time and a place for questioning a minister's activities and behaviour. However, to my mind, it is neither necessary, nor in the interests of taxpayers, for the minister to recuse himself whenever somebody plants the seeds of suspicion at a press conference or in a press release in spite of the fact that the minister is conducting himself with absolute integrity and professionalism.

As you know, Mr. Rodriguez, the Federal Accountability Act provides public servants with extremely useful tools. Now public servants who witness wrongdoing by a minister or his employees are comfortable blowing the whistle. I think that the act provides enough protection to reassure you and everybody else.

Mr. Pablo Rodriguez: I think we will have to agree to disagree on that. I am not questioning your integrity, Mr. Fortier. I am simply trying to protect the integrity of the process.

When you worked at the bank, you had regular, direct contact, probably on a weekly basis, with the company that could well win the contract. You were involved in deals worth tens of—and sometimes hundreds of—millions of dollars with the company. I am not saying that you are favouring this company, but it could be construed as such. In order to preserve the integrity of the system, it would be preferable for you not to be involved in the process, even at its end stage. We shall see what happens.

Hon. Michael Fortier: I can only say, once again, that I do not agree with you. You have heard the deputy minister express his views on the matter unequivocally, I would say; he has explained to you how the department runs under my watch. With all due respect, I think you have been given all the information you need to put your mind at rest with regard to this issue.

Mr. Pablo Rodriguez: And with all due respect, I think you should recuse yourself from the Treasury Board committee.

The Chair: Thank you, Mr. Rodriguez.

Mr. Moore, you have the floor.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): I would like to ask my colleagues for unanimous consent. Ms. Thibault, one of our former colleagues, is here with us today. I would like to give her five minutes to ask questions. After she has finished, I understand that I would be able to use the remaining five minutes, is that correct?

The Chair: It is up to you, I have no problem with what you are suggesting. However, you each have three and a half minutes, not five minutes. Mr. Moore is free to give some of his time to Ms. Thibault. Would you like to use it, Ms. Thibault?

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Thank you very much. I will be very brief, Madam Chair.

I would like to thank Mr. Moore for his collegiality. It is a defining characteristic of this committee.

Minister, I would like to thank you and your officials for being here. When I saw the agenda I could not resist the temptation to come along, knowing that you would be following up on your recent testimony. I was not counting on asking you any questions, but I will ask you four.

Firstly, I am delighted to hear that the problems with the compensation system have been resolved. However, I wonder whether you will be able to keep the staff you assigned to resolve the problem. Departmental staff leave in the same way that hot buns fly off the shelves. We lose them because they go to work elsewhere.

My second question is as follows: will the proceeds from the sale of buildings automatically be put into the consolidated revenue fund or will you allocate some or all of the money elsewhere?

Now for my third question. Although I intend to read it, I have not yet read your report on plans and priorities; can you tell me whether it covers your responsibility with regard to heritage assets, a matter that we discussed at a previous meeting?

I will now ask my last question. You know that our regions are near and dear to my heart. With a few rare exceptions, costs are usually lower in the regions than in major urban centres. Is it therefore safe to assume that, regardless of what else happens in the context of your real estate strategy, the regions will keep their buildings—either as departmental property or as rental property—and that there will be no job reduction strategy? I am particularly thinking of the Quebec regions; that is where my interest lies.

• (1620)

Hon. Michael Fortier: May I answer? There seems to be something of a commotion—

The Chair: Go ahead.

Hon. Michael Fortier: The rebellion has not yet—

Mr. Pablo Rodriguez: We are elected to—

Hon. Michael Fortier: You're absolutely right, Mr. Rodriguez.

With regard to the employees affected by compensation problems, our work is not yet completed. I mentioned a six- to eight-week timeframe. Perhaps you could invite me to come back before the committee at that time. I hope that all delays will be resolved by then. I would like to thank you and Mr. Nadeau publicly. Mr. Nadeau came to see me with employees who had not been paid. It was helpful to meet with the people who were actually affected by the problem. They met with staff from my department and we stepped up our efforts.

You asked an excellent question about the consolidated revenue fund. Even if we manage to sell the nine buildings, we will still have a sizeable bill for upgrades and repairs. If the sale happens, I hope that we will be able to at least use the return on our investment to carry out repairs on the buildings that require work.

The Chair: Thank you, Mr. Fortier.

We will continue with Mr. Moore, who has three and a half minutes since he is sharing his time with Ms. Thibault.

Mr. James Moore: Five minutes divided by two equals three and a half minutes each? I don't have a problem with that.

The Chair: No, this is the seven-minute round.

[English]

Mr. James Moore: Mr. Fortier, I wanted to close the loop on the CGI contract issue. It's an interesting moment, I guess, in Canadian politics and maybe a sad moment that you get a banner headline in the *Ottawa Citizen* saying "\$400 million conflict of interest" over a contract that you didn't personally get involved in, in any way, directly or indirectly.

And Mr. Rodriguez mentioned, as well, that he's convinced that there is no conflict of interest, and never was one.

It's important that this point be driven home with regard to the process associated with this contract and how the minister himself, directly, does oversee projects within Public Works and how the contracting is done for these types of events. Mr. Marshall made mention of that.

Just to reaffirm, on this CGI contract and then on this issue, with regard to your involvement in this, can you just make it crystal clear to this committee and to Canadians that you were not involved in any way with regard to this contract, as Mr. Rodriguez has confirmed?

Hon. Michael Fortier: Thank you, Mr. Moore.

I have not directly or indirectly been involved in the selection, awarding of any contract—not just this contract—any contract since I was sworn in as Minister of Public Works in February 2006.

Mr. James Moore: Very good.

And the final point, because I have about four seconds left—

The Chair: A minute and a half.

Mr. James Moore: I'm going back now to buildings. There are no heritage buildings in the nine.

• (1625)

Hon. Michael Fortier: No.

Mr. James Moore: Will you confirm again that there will be no heritage buildings at all in the foreseeable future?

Hon. Michael Fortier: There is a heritage aspect to the Sinclair Centre. But in the offering documents, the owners will have to respect the heritage policies with respect to that building.

Mr. James Moore: Is there a broad timeline for...? Each of these nine buildings will be brought forward, as I understand, through its own RFP; they will be presented publicly, individually, one by one. What is the timeline for the first one to be coming forward?

Hon. Michael Fortier: I'll let Tim talk about this, but my understanding is that basically the banks will be out there seeking interest in all nine of them. I can't tell you today that they'll be sold to nine different people. They could go to the same consortium. It will depend on the types of offers we get for those buildings.

To answer your question, we are flexible—isn't that right, Tim? We're flexible on the type of offers. We're not going to be dogmatic about this—"You have to buy the nine, or else..."—because I think that's detrimental to taxpayers. We're going to try to get the best offers possible, whether for the nine or individually, for these buildings.

Mr. James Moore: Thank you.

[*Translation*]

The Chair: Mr. Simard.

Hon. Raymond Simard (Saint Boniface, Lib.): Thank you very much, Madam Chair.

I would like to welcome the minister and our guests.

Minister, this is the first time in 15 months that our paths have crossed. We know that in theory, you exist somewhere. You have a rather important portfolio. It is a good thing that we are able to meet with you today. Here is my first question.

[*English*]

Last week, Minister, we had the President of the Treasury Board here, and we established quite clearly that the Conservative government was spending at three times the rate of inflation, and as a matter of fact, on \$54 billion of the \$220 billion, spending at an increase of close to 12%.

When it comes to the proceeds of the sale of these buildings—if it's \$1.5 billion or \$1.6 billion—what do you plan to do with these funds? Are you planning to return them to the consolidated revenue fund? You can imagine that there's a bit of a concern on behalf of some members, I can say, that we don't need to add another \$1.5 billion to the dangerous spending that's going on already.

Hon. Michael Fortier: I won't speculate on the proceeds, so we'll see what these proceeds are and see whether we go ahead.

If we do go ahead, my hope, Monsieur Simard, is that we are able to earmark some of these funds for the balance of capital expenditures. We need to invest significant capital expenditures that are required on the balance of the portfolio.

Remember, it's just nine buildings. We are facing significant capital and significant structural challenges with respect to some of these buildings. If you've been around here in Ottawa—and I know you've been around for some time—you know some of these buildings are in really bad shape.

Hon. Raymond Simard: With respect to the "savings plan", I guess it was called when Mr. Poilievre asked you the question already, I want a clarification. You indicated that some consultants were hired to "confirm" numbers, as opposed to maybe "establish" numbers that were right.

If I'm not mistaken, according to some of our information here, the net savings to date were somewhere around \$250 million, and we're pretty well on target, if I'm not mistaken. By 2007, those savings were expected to be \$573 million.

Are those realistic? Are those the figures you're talking about? If the first ones were accurate, it seems to me the second ones should be accurate as well. Are you going to be able to reach those targets of \$573 million?

Hon. Michael Fortier: To the first part of your question, in the process as I understand it—I wasn't here then, but I've looked at the materials—it appears that the government chose an objective and then went out and hired experts to come into Public Works and to look at processes and areas for improvement.

With respect, I don't consider myself a great expert in this, but I believe that's sort of upside down. I would have hired the experts first to tell me exactly how I can improve my processes and where the savings are; then I would have figured out the savings over a five-year period. But we can disagree on this.

Hon. Raymond Simard: But they seemed to be right on for the first tranche—around \$250 million. Those savings were established.

Hon. Michael Fortier: Yes. Well, in the first two years, on the savings—I don't have the figures in front of me—the numbers are close to bull's eye. But the difficulty, Monsieur Simard, has always been in the back end, where it's like a hockey stick: basically you are going from a few hundred million dollars suddenly to several hundred million dollars in one clean swoop, and you need to introduce new RFSOs, new SOs. We went through this last year. We consulted industry, changed our ways in terms of approaching industry, and collapsed a number of open RFPs to much fewer RFPs.

So the new number now, just moving to the second part of your question.... As you know, the Minister of Finance in his budget indicated that the savings he's expecting from government over the next few years amount to \$2.7 billion.

• (1630)

Hon. Raymond Simard: Okay. I'll move on.

With regard to the sale of the government buildings, the analysis that you had done by the banks, I would assume that those two banks you hired did not analyze Public Works in terms of how it was as a landlord. Have we established if Public Works is a good or bad landlord? Otherwise, why are we selling these buildings? Obviously you must have established at some point that we are not doing a good job, that it could be better managed by the private sector. So is that report out?

Hon. Michael Fortier: Well, we don't have 19 reports. There was one study—

Hon. Raymond Simard: But how can we take you at your word? The two people who are analyzing this thing are the people who will be selling these properties, and they're telling us—I'm assuming they're telling us—that Public Works is not a good landlord. That's a huge conflict of interest, in my opinion.

Hon. Michael Fortier: No, no, please don't see another conflict of interest. There is—

Hon. Raymond Simard: Well, explain that to me.

Hon. Michael Fortier: Let me tell you. The decision to sell the buildings was not made by the experts. It was made by the government. They are not the government. We are. We made that decision.

Hon. Raymond Simard: I guess the question is, based on what information?

Hon. Michael Fortier: Well, based on information. But you know, it might come as a surprise to you, but there are a lot of people in cabinet who have private sector expertise and have a lot of common sense. And it came across to us, all of us, that being in bricks and mortar isn't necessarily something that we need to be as a government.

Hon. Raymond Simard: So you're telling me that it's based on a few private sector people who may have decided that Public Works was not a good landlord? Those are not your buildings; those are Canadian buildings. There's something wrong with this process.

The Chair: Thank you very much, Mr. Simard. Your time is up, and we're going to go to Monsieur Nadeau.

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Thank you, Madam Chair.

Good afternoon gentlemen, and Mr. Minister.

We have already met on a couple of occasions, and we are dealing here with an issue that directly affects people in my riding. It is the issue of the 25 to 75% ratio for jobs in Gatineau, on the other side of the Ottawa River, and jobs in Ottawa. I broached the issue with you last June and we have discussed the matter at least twice during our meetings. I have also discussed it with Mr. Baird and Mr. Toews.

The member of Pontiac, Mr. Cannon, announced last June that a policy would be established on the 25-75% ratio, and that made the front page of *Le Droit*. I want to know if that policy is already underway and if you can tell us about it.

Hon. Michael Fortier: I will repeat what I have already told you. We inherited a real estate imbalance. I am not playing on words, but

that is the truth. The Liberals left us with an imbalance that is about 77 to 23%, if I remember correctly.

To swing the pendulum towards the kind of balance you are suggesting, of course, would require major movements in terms of square meters. So that requires planning.

As regards our real estate footprint, be it for buildings or leased accommodations, I am committed and will always be committed to seeking out markets that are the least expensive for taxpayers. I am not an expert in the Greater Ottawa Region, but it seems to me that in Gatineau, on the other side of the river, it would be possible, in terms of the government's real estate footprint, if it were to expand into the Greater Ottawa Region, for us to find savings there.

Mr. McGrath is aware of that, of course, because he had also made that observation. So we are going to move in that direction with the policy, keeping in mind potential savings for taxpayers, and we will take steps to move closer to the principle of real estate balance that you mentioned earlier.

• (1635)

Mr. Richard Nadeau: Bear in mind as well that there must also be a balance in terms of jobs. Government employees, in other words public servants, will need to be transferred to achieve that balance on both sides of the river. In fact, we provided you with a report illustrating that.

Having said that, I would now like to raise another issue. In 2000, the federal government purchased about 0.5 of 1% of its goods and services on the Quebec side, compared to 99.5% from the Greater Ottawa Area. In 2004, we had reached 6 or 7% on the Quebec side. From the perspective of equity between the two, are steps being taken to ensure that more goods and services are being purchased on the Gatineau side?

I would like to tell you about a problem we are currently facing. Two examples come to mind, but I will not name anyone. There are cases where small- and medium-sized businesses have opened offices in Ottawa, but also in Gatineau. They bought two offices and opened branch offices. People go to see them in Ottawa, but not in Gatineau, even though they are selling the same product.

Could you tell me if the department has a plan for the procurement of goods and services from small- and medium-sized companies, one that respects the 25-75% balance between the two sides of the river?

Hon. Michael Fortier: I will ask Mr. Marshall to complete my answer.

We have done considerable work on the small- and medium-sized businesses. We have opened six offices throughout the country, because we want small- and medium-sized businesses to obtain more federal government contracts. On this issue, I can reassure you: it is going well. More and more small- and medium-sized businesses are showing interest in dealing with us. I see that in a very positive light.

As regards the region, I will give you a simple answer. The vast majority of contracts are awarded following a tender call. I am convinced that nothing in the department's policy involves encouraging companies to move to the Greater Ottawa Area and to consider them only when they are in Ottawa. If you have any examples—and I understand that you do not want to provide any names today—I invite you to come and see us, as you did the other day, and we will take a look at the situation. In fact, it would be unacceptable to force people to move, to change postal codes, in order to be taken into consideration.

The Chair: Thank you.

Mr. Poilievre.

[English]

Mr. Pierre Poilievre: On the question of the minister signing the project over to Treasury Board, Mr. Marshall, on the submission that he will be signing, will he see a list of competitors and then choose the winner?

Mr. David Marshall: No, absolutely not. The minister makes his recommendation based on a detailed recommendation from my office to him.

Mr. Pierre Poilievre: Right. So he will not be choosing winners and losers.

Mr. David Marshall: No.

Mr. Pierre Poilievre: He's merely signing the project to go forward to Treasury Board.

Mr. David Marshall: That is correct.

Mr. Pierre Poilievre: And that has always been the role of a minister sending a submission from his department.

Mr. David Marshall: That is correct.

Mr. Pierre Poilievre: Okay. Just to make clear, the minister is not going to be looking at a list of competitors and putting a check mark next to his favourite one.

Mr. David Marshall: That is correct.

Mr. Pierre Poilievre: Okay. Good. And when Treasury Board receives it, will they receive a list of competitors and be given the option to choose the one they like the best?

Mr. David Marshall: No, not at all.

• (1640)

Mr. Pierre Poilievre: Okay.

Mr. David Marshall: They will question us as to a proper process and do their own due diligence.

Mr. Pierre Poilievre: When the minister goes to Treasury Board, he will not be taking a list of competitors and putting a check mark next to his favourite one either.

Mr. David Marshall: No, and as a matter of fact, at the meeting of the Treasury Board it will be the Treasury Board Secretariat that will make the recommendation to the ministers based on their own due diligence.

Mr. Pierre Poilievre: And they're all non-partisan public servants as well.

Mr. David Marshall: That is correct.

Mr. Pierre Poilievre: Okay. I just want to make this clear so that there are no lingering questions. Based on what you have told us as a public servant, the minister will have no involvement in the selection of the winner when he signs the submission. He will have no involvement in the selection of the winner when he votes. He will merely be moving the project itself forward and not choosing winners or losers. Is that an accurate characterization?

Mr. David Marshall: That is correct.

Mr. Pierre Poilievre: Thank you.

That's all. I'll give the rest of my time to Mr. Kramp.

Mr. Daryl Kramp: Thank you.

The Chair: You have three minutes.

Mr. Daryl Kramp: Wonderful.

Minister, I'm right beside CFB Trenton, so quite naturally in regard to the military acquisitions that are under way and will be taking place in the future there's a great deal of interest in our local communities—I know certainly in my riding, and probably across the country—as to how you factor your approach as the purchasing agent for the government, PWGSC. Could you elaborate a little bit regarding the different approaches you would take in purchasing military equipment and particularly as it pertains to our air support?

Hon. Michael Fortier: Thank you for the question.

Because of the nature of the relationship and because the Department of National Defence has over the years obviously bought significant military equipment, Public Works has a number of employees who are embedded at the defence department. So there is a relationship where we come in as early as possible in the procurement stage. The Department of National Defence obviously needs to identify its needs, which I think is normal in the circumstances, and then we ensure that we prepare the bid so that there are as many bidders as possible for the piece of equipment that's being sought.

The concern I have had, Mr. Kramp, is the number of years.... When I became minister I was startled to see that in some cases it had taken 188 months for projects between the time when a need was identified within the Department of National Defence and the time that it took for this particular asset to find itself in the hands of National Defence.

So I think there has to be a better way of doing this, which is what I and Minister O'Connor and Minister Toews and our officials have been working on in terms of streamlining the procurement process, making sure that we always deliver the best deal possible for taxpayers, deliver the best equipment possible for our troops, but do it quicker than 188 months.

Mr. Daryl Kramp: Thank you. I have just a brief question then to finish off.

Mr. Nadeau had mentioned our small and medium-sized enterprises and the difficulties that some might have in being involved in the purchasing, particularly with regard to the fact that in government, of course, we are only dealing among the largest of contracts. I know there's been a particular emphasis on behalf of Public Works to make it much more accessible and make it much more effective.

Perhaps Mr. Marshall might even be able to give me some statistics as far as the success rate is concerned and what percentage of purchases are actually made and are completed by the ranks of the small and medium enterprises versus simply our large corporate accounts that deal with the government.

Would you have any of those statistics available?

Mr. David Marshall: Yes, we do. Our minister has been urging us to increase the involvement of small businesses, and we've been looking at our current pattern. About 85% of all procurements in terms of the number are done with small and medium enterprises. In terms of value, it's about one-third is done, about 35%.

Incidentally, that compares with the U.S. experience where they have a separate agency specifically for small and medium enterprise. The U.S. is reporting somewhere around 30%, so we are not doing too badly, although we have been urged to increase that. In any event, we do pay attention to it.

• (1645)

The Chair: Mr. Turner.

Hon. Garth Turner: Thank you.

Coming back to the real estate for a minute, I found the meeting today quite interesting, and the minister has provided some great information, so thank you.

Minister, in answer to my question before about transferring the risk, you were very clear about transferring the risk to the private sector with this sale. We are also selling assets that have significant value. As Ms. Nash said before, in reiterating what the value of these real estate assets has been, it has grown quite substantially.

For example, the Howard Green Building in Vancouver was purchased just five years ago for \$58 million, and now it's worth some \$105 million. A landmark building in Toronto, 4900 Yonge Street, I notice has also gone up substantially in value: a market assessment less than \$80 million in 2002, now \$180 million.

So we've seen a big appreciation in the value of these real estate assets. It comes back to the main point that Mr. Simard was making a few minutes ago, and that is the justification, because when we transfer the risks to the private sector, we're also transferring the asset to the private sector. We're entering into a 25-year lease to lease these buildings back, so that is a cost to us as a tenant over 25 years, and at the end of 25 years we have no asset.

We realize the gain in that asset, and 25 years later, what would that have been compared to the capital gain on that asset over that period of time, compared with the maintenance cost of it? It's a cost-benefit package, where one has to weigh very carefully whether the Government of Canada and the taxpayers are further ahead owning these assets at the end of a long period of time or not.

Experience has shown us to date that we've won in terms of capital gains on these buildings. That comes back to the necessity of seeing your justification. I don't know how we, as committee members, can really express an opinion on that until we have the same knowledge that you do, seeing the cost-benefit analysis of owning versus leasing.

How do you ever win when you sell an asset and lease it back, an asset that has shown tremendous capital gain appreciation, and all of a sudden you have no capital gain any more, and yet you incur the cost as a tenant? How do the taxpayers of Canada win by selling the family jewels?

Hon. Michael Fortier: I would disagree with you that we've won. To be honest, when you're facing a capital expenditure bill of \$4.5 billion—

Hon. Garth Turner: But that's in your whole portfolio, is it not?

Hon. Michael Fortier: No, no. Hold on.

It includes.... It doesn't matter, it's the behaviour here as an owner that I'm addressing. We have been terrible as building owners for decades. We were such bad owners that your own party—well, you weren't with them then, but the guys at the end of the table were—was thinking of actually disposing of the entire portfolio.

What we're proposing makes a lot of sense. We're saying that we're not in the business of owning buildings. Everybody is getting out of it; the banks are, and the governments in Europe and in Australia are getting out of it. What do we know that they don't know? The easy answer is nothing. We have neglected them, we haven't capitalized them properly, and we do not have the expertise to run such a large portfolio.

Now, we can disagree on this, but for you to suggest that there are no motives, or no business reasons, Mr. Turner—

Hon. Garth Turner: No, I didn't say that. I didn't say that, Minister, I did not—

Hon. Michael Fortier: —frankly I think is unfair to the process.

Hon. Garth Turner: Minister, do not put words in my mouth. I did not say that. I was simply saying that it's a cost-benefit question. Okay? You're asking us, hey, trust me, I'm the minister. You're a nice guy, but you know what? I'm not going to.

When I take a look at what we paid for these buildings and what their assessed value was four years ago, we've made almost \$500 million in capital gain. The capital gain is great to realize, but logic would dictate that if we're going to make that capital gain over that period of time, surely we can stand to make a capital gain over the next 15 years, and it might well outweigh the costs of maintaining these buildings. And then of course we wouldn't have to be tenants in our own buildings.

All I'm saying to you, sir, is that we need to see the numbers. Whatever convinced you should convince us, and then end of story. Why don't you table it?

Hon. Michael Fortier: We explained to you why we weren't going to table this. There are confidentiality agreements between us and the banks, and understandably so. You're from the private sector, and I'm sure you understand that. There is some information in there that would be detrimental to Canadian taxpayers, those same taxpayers who you actually want to protect as a result of this process.

•(1650)

Hon. Garth Turner: Why don't you borrow Mr. Flaherty's black marker that he used on the income trust documents—I'm sure it has some ink in it—and mark out what you don't want us to see and give us the rest?

Hon. Michael Fortier: I would suggest, respectfully, why don't you wait and see the offer that's on the table? There will be a fairness opinion from a third party, and rather than being scared of being scared and speculating on the value of the buildings, I would suggest that it's probably wiser to wait and see where we stand on the final offer.

Hon. Garth Turner: I don't think anybody is being scared, but it is \$1.5 billion worth of assets—

Hon. Michael Fortier: Those are your numbers. I don't know where you took those numbers from.

Hon. Garth Turner: —that are owned by my constituents, and maybe some day your constituents, if you're elected, and therefore it's important for us to really know that our constituents are getting value. That's all.

I'm sure it would be a great comfort to them, actually having seen the report, instead of a “trust me” from you.

Hon. Michael Fortier: All the materials will be made public if a transaction goes ahead, Mr. Turner.

The Chair: I want to add one little question. I've been the public works minister, and I know we lease buildings now. They're not necessarily well run. Actually, some of them are in terrible shape.

What guarantees will we have that just because we sell them to somebody who then leases back to us that they will be in better shape? I would even submit that they're in worse shape than most of the buildings that we own, some of the ones I've seen. That's a concern of mine, because after 25 years we'll have paid for that building, and then some, and we'll have nothing left but a lease that we have to renew, and heaven knows what condition the building will be in.

Hon. Michael Fortier: Well, not only that, but remember, these are structural repairs that we won't have to make. It's easy to forget the financial liability, Madame Marleau. Decades of neglect have brought us to this. If we had to start all over—

The Chair: Wouldn't we be better off to look after what we have and account for it differently and allow for capital expenditures on these buildings and capitalize?

Hon. Michael Fortier: I'm happy to do that with the balance of the portfolio. We're talking about nine buildings; the prior government was talking about 360.

The Chair: Well, that never went and I'm not sure it would have. So let's deal with the present, now, and what you're proposing to do. We want justification. We would have wanted justification from the last Parliament as well.

Hon. Michael Fortier: Can I address your point about the quality or the relationship with some of our landlords? I have been briefed on this, and I can tell you that they're few and far between. There are still some of those buildings that are of concern to me, but because of the experiences we've gained from this relationship with some landlords who actually haven't looked after the assets, we're going to

make sure in the context of this transaction that the lease we sign is going to ensure that we do not face those same issues.

The Chair: Anyway, thank you.

I'm going to go to Mr. Albrecht, for five minutes.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Thank you, Madam Chair.

Maybe I can just follow that up for 30 seconds in terms of the lease-back. Is there an option at the end of this long-term lease to purchase back? I know some leases have that. At the end of the term, you actually are the owner for a very small amount.

Hon. Michael Fortier: That's what we're hoping. This is part of our proposal. As I said, I want us to be able to entertain as many options as possible, but one of the options we'd like to see on the table is the ability to buy back the building for a nominal amount.

Mr. Harold Albrecht: Thank you.

I'd just like to follow up on a couple of things that have obviously come to the table today in terms of the great initiatives that Public Works and Government Services Canada has been taking in terms of increasing efficiency, reducing our losses, and increasing our accountability. That's obvious through the establishing of the small and medium-sized enterprises six regional offices across Canada. I think that's great.

There's one area that has been evolving over the last number of years in terms of information technology, and I see in the report that there seems to be a large variety of systems within government. It says in the report here that there are seven systems of financial and materials management and fourteen human resources management systems, and there doesn't seem to be a lot of integration. Is there is a plan to begin to at least integrate these systems?

Hon. Michael Fortier: That's a very good question. There are a lot of systems out there. Thankfully, the Treasury Board has an individual now who, without necessarily being called the government's chief technology officer, certainly has been given responsibility, I understand, from the Treasury Board to review all this infrastructure technology that's around here in Ottawa, to ensure that we have the right infrastructure and that systems can talk to one another and that we're not constantly replacing a system with another one without thinking of the impact on a third one that might need to interconnect with it. So I know efforts are being made in that respect through the Treasury Board.

•(1655)

Mr. Harold Albrecht: It would seem to me, Mr. Minister, that it's taken an awful long time. Information technology's been evolving quickly over these last number of years, and we're well into this phase and I would have thought we'd be further along in integrating these kinds of systems.

Hon. Michael Fortier: I agree with you. It's 2007, not 1997, and when we arrived in government last year, these deficiencies were noted.

One example that touches on us at Public Works is the claims reimbursement process. We're trying to implement a system where folks who need to see their expenses, or travel expenses, reimbursed can actually do this from their computer; there are still some people who can't. They actually have to fill out a form, send it to a superior, who then sends it to a third person, who then sends it to central office. This, frankly, is unacceptable.

Mr. Harold Albrecht: I agree.

Hon. Michael Fortier: So we're addressing this at Public Works, and hopefully we'll have systems in place to make sure we don't need to have so many people involved between the time one files a claim reimbursement form and the time one actually gets reimbursed.

Mr. Harold Albrecht: Another initiative of the Federal Accountability Act was the appointment of a procurement ombudsman. I'm wondering if you could just update us as to the progress on that and the timeline you envision.

Hon. Michael Fortier: I'll ask Mr. Marshall to address that.

Mr. David Marshall: There was a national advertisement for candidates and a number of good candidates came forward. Interviews have been conducted by a team that included the Privy Council Office, our office, and the Treasury Board. I believe a selection and offer will be made shortly, and hopefully the candidate will accept.

Mr. Harold Albrecht: Okay, thank you.

I have one last question on the theme of continuing to improve the efficiency of government. I know there's an initiative to reduce the amount of square footage for full-time-equivalent employees, and I believe the ultimate goal is 18 square metres. I know that's going to take some time to implement, to go from 21.4 square metres to 18 square metres, but could you update us as to what progress there has been on that initiative?

Mr. Tim McGrath: Actually it's been a very successful program. When we started the initiative, there was average use of 21.4 metres per full-time-equivalent, or FTE. We've since reduced that down to 19.8 square metres, which may not sound like much—a 1.6 square metre improvement in utilization—but when you consider the number of public servants we house, in excess of 240,000, it translates into an excess of 300,000 square metres of office accommodation saved. At \$300 a metre, the average price across the country, that's \$90 million a year we've saved from this initiative alone.

So it's been quite a successful initiative for us, and one that I would say the community at large has embraced, as we're getting good cooperation from all departments on this initiative.

Mr. Harold Albrecht: Absolutely. I can tell you that my constituents would be very pleased to hear about those savings.

Thank you.

The Chair: Thank you.

Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois: Thank you, Madam Chair.

I have one short question, and another one that is somewhat more complicated.

First of all, I assume that there are employees, Minister, who look after maintenance in these buildings. What will happen to them? Will they go to the private sector as well?

Hon. Michael Fortier: That depends. I do not know if the maintenance work has already been entrusted to a third party for the nine buildings that are part of this bid. I do know, however, that we have already done that for some buildings.

Therefore, the contract—

Ms. Diane Bourgeois: The sub-contract.

Hon. Michael Fortier: Yes. So the contract will follow the building.

However, if you are asking if we have already awarded a contract to someone for each of the nine buildings, Mr. McGrath could perhaps give you the details.

• (1700)

Ms. Diane Bourgeois: But the question must be asked, Minister, because in the end, you are also responsible for your department's employees.

Hon. Michael Fortier: Yes, absolutely.

Ms. Diane Bourgeois: So I am wondering what will happen to those people. Will they lose their jobs?

[*English*]

Mr. Tim McGrath: Madam Chair, eight of the nine buildings in question are already managed by our third-party management company, ProFac, so there's no impact. There's one building with PWGSC employees in it, who are just being reassigned to other assets, so there's absolutely no job loss associated with the potential sale of these assets.

[*Translation*]

Ms. Diane Bourgeois: I want to congratulate the people accompanying you. I suppose that they are the ones who produced this document? I assume the answer is yes, Mr. Marshall? Mr. Hawkes, is that your answer too? I see that it contains real strategic planning, which I have been calling for since I came to this committee. The document I received from the Treasury Board Secretariat is unclear and evasive. In your document, I see real planning, which means that I can more or less look at the main objectives, break them down somewhat and see what direction you are going in. That is much to your credit, but your planning lacks some measurable milestones over time, and I want to know why. As you know, when we receive a document like the one from Treasury Board, that is unclear, people and parliamentarians, who do not know much about this, have no idea where you are going. If we want to be in a position to follow you and to do our work as parliamentarians on behalf of the people and ask you good questions, we must receive strategic planning that will at least enable us to follow the action that you are taking.

First of all, why doesn't the document contain any measurable milestones? While you are at it, tell me how these two documents, both of which come from the federal government, can be so different.

Hon. Michael Fortier: May I answer that?

Ms. Diane Bourgeois: Yes, Minister. If you can answer, go ahead.

Hon. Michael Fortier: Well, you would need to clarify what you mean by measurable milestones. In what way? Are you talking about savings in terms of procurement, for example? In that regard, we answered the question earlier. The Minister of Finance, in his Budget 2007, clearly indicated that he wants to save \$2.7 billion over five years. We have a responsibility as part of that \$2.7 billion objective. We can give you a figure, in other words the savings that we will have to achieve as part of that exercise.

Ms. Diane Bourgeois: When I talk about measurable milestones, it could be in terms of transforming procurement, or in terms of real estate. It could be milestones in terms of timeframes, in terms of very precise objectives to be met. We do not necessarily have that information. As parliamentarians, it is very difficult for us to ask you questions, because nothing is clear. I think Mr. Marshall understands exactly what I am saying.

Hon. Michael Fortier: In my opinion, with all due respect, the amount of savings to be achieved, and not those that have already been achieved, constitute an important milestone.

Ms. Diane Bourgeois: That doesn't just represent milestones—

Hon. Michael Fortier: It is because—

Ms. Diane Bourgeois: That is one, but not necessarily what we need.

Hon. Michael Fortier: Achieving savings requires modifying procedures.

Ms. Diane Bourgeois: Minister, I just told you what I would have liked to have seen: milestones in terms of the timeframe, in terms of very specific aspects. Yes, it is true that there is talk about savings, but when are you going to achieve them? How much time are you going to give yourselves to achieve them?

Hon. Michael Fortier: That information is in the budget, Ms. Bourgeois.

Ms. Diane Bourgeois: I didn't see it.

Hon. Michael Fortier: We can give it to you.

Ms. Diane Bourgeois: Perhaps Mr. Marshall could respond, because he knows what I am getting at.

[English]

Mr. David Marshall: Madame, we will do our best to be more specific. One of the challenges we have is that we are also very dependent on many other parties for approvals and so forth, so there's a tendency to be cautious, but we're getting better.

If we controlled everything, then we could be much more definite about our commitments, but we try to do our best, yes.

[Translation]

Ms. Diane Bourgeois: My role is to ask questions. Thank you.

The Chair: Ms. Nash.

[English]

Ms. Peggy Nash: Mr. Minister, there were other questions about this, but I want to ask you again about this contract. TPG Technology Consulting Limited, which unsuccessfully bid for a \$400 million contract, has made some allegations of conflict of

interest. I'm not saying there is any wrongdoing—you seem like a very honourable person—but my question to you is will you be putting this matter before the Public Service Integrity Office to ensure that the air is cleared and there's complete accountability with respect to this matter?

• (1705)

Hon. Michael Fortier: No.

Ms. Peggy Nash: Can you tell us why?

Hon. Michael Fortier: I think it's clear why. I repeatedly indicated that I have had nothing to do with this contract directly or indirectly, nor any other contract. I think the deputy has been as clear in terms of the process. So this contract, when and if it is awarded, will be awarded by Treasury Board under the rules and regulations that govern the awarding of these types of contracts.

Ms. Peggy Nash: Thank you.

I want to go back to the real estate issue. Aren't you concerned that the government is making decisions based on analysis and a recommendation to sell, and an evaluation—some would say over-evaluation—and a recommendation of a 25-year lease-back all made by the same parties, and that these are the parties that stand to benefit enormously, not only from the sale of these nine buildings, but from potential future sales? They are the Royal Bank and the Bank of Montreal.

Hon. Michael Fortier: I don't share your concerns. As I stated earlier, the decision to conduct the process was taken by cabinet. It was not taken by banks. It was not taken by accounting firms. It was not taken by law firms. It was taken by the cabinet with due consideration to all sorts of views and opinions around the table.

I think you need to de-twin a study and a decision on the part of the government to look at nine buildings out of 360-something, de-twin that from the decision to sell. There was a study on a number of issues. We read the study, and for reasons I've stated several times already today and prior, we decided that we wanted to explore the possibility of selling these buildings, and we'll see.

You mentioned appraisals. Perhaps I'm misreading you, but there are no appraisals. We, the Government of Canada, in our books, in our financial statements, have actually attributed a value to each of these buildings, as any company would with respect to an asset. That's one thing, but I will not speculate today about the type of offer we'll get. If there are many people who come to the table, I suspect we'll get a different offer from what we would if nobody shows up.

Ms. Peggy Nash: On a couple of things, I understand the actual initial analysis that the cabinet based its decision on was done by the banks. The study was done by the banks and the decision by cabinet to sell then awards the handling of the sale, and ultimately the commission to be received, to the banks as well—the actual sale.

Hon. Michael Fortier: That was in the RFP when we hired the banks. It was clear last summer when they were hired by the department that if there was a second step, and we didn't know at the time what that second step would be, they would be retained for that second step.

Ms. Peggy Nash: They were retained for that step, and for which they could make—and we don't know, because the details aren't released—significant amounts of money.

The evaluations I'm referring to are reports—again we have no documents—in *The Globe and Mail* from March 19. It says, “According to the BMO and RBC advisors, the government can get...”, and then it lists a whole series of prices.

To wrap up my question on this, because we've been back and forth a few times, are we going to be able to get the fairness assessment of this whole process? Will this issue come back to this committee before the sale is finalized?

Hon. Michael Fortier: I can't promise you that this issue will come back. If you ask me to come back, I'll come back and we'll have the same discussion.

Ms. Peggy Nash: With some more details.

Hon. Michael Fortier: No, we'll make the details known if and when we go ahead. We have some commercial and contractual obligations vis-à-vis third parties. We can't breach confidentiality, but if we do go ahead, my undertaking to you is that we'll try to make as much of these studies and reports public as possible.

Obviously if we go ahead, I and the government will be happy to explain to Canadians the financial logic behind the transaction. I think a lot of people understand this. I don't think this is a partisan issue. A lot of people are asking how we did accumulate and get to own so many buildings and to neglect them as we have over the past years. Before we showed up the Liberals had obviously observed the same thing. I think it's just sound management. Let's wait and see where this takes us and how far the process goes. If there is a sale, we'll try to make as many of these documents public as possible.

Ms. Peggy Nash: Thanks. That will include a fairness assessment.

• (1710)

The Chair: Mr. Warkentin, please.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chair.

Thank you, Minister, for coming and thank you, gentlemen, for coming as well.

I have a couple of questions with regard to general leases that the government currently holds. Obviously we do have a number of leases with a number of different landlords. I'm wondering if you could identify a lease that you would see as a model for all leases, if there is such a thing. Could you give us a possible model that the government might want to follow in the future?

Hon. Michael Fortier: Do you want to take this one?

Mr. Tim McGrath: Sure.

The lease we modelled this transaction on is a lease we put in place with Morguard Development for the CBC building on Sparks Street. It was noted by credit agencies, by the financial industry, by the real estate industry at large, as one of the best leases the Government of Canada has ever done in terms of the proper balance of risk transfer and also making best use out of the creditworthiness of the Government of Canada resulting in very a low financing rate and rates that are approaching those that are equal to our treasury.

That's the type of commercial lease we're using on this type of transaction.

Mr. Chris Warkentin: That's helpful, and maybe it will answer the question Madam Chair has asked with regard to buildings falling into disrepair and landlords not coming to do the repairs.

I'm wondering if this type of lease would deal with that—the CBC lease, and possibly the one that would then be put onto these future buildings that may or may not be sold.

Mr. Tim McGrath: One of the biggest challenges we have when it comes to repairing assets is the superstructure itself, the facade, the roofing systems. As part of the agreement we have in place, it will be the landlord's responsibility for the maintenance and upkeep of that, with no cost pass-through to the Government of Canada.

The other thing we're doing with this transaction is we have identified the capital program work that has to be carried out by any potential owner, so for the next ten years it's their responsibility and obligation, again with no pass-through to the Government of Canada, to take on this significant amount of repair on these assets. We are addressing the concerns of a number of issues that have been raised today at committee.

Mr. Chris Warkentin: That's helpful.

The question did come up as well in terms of the capital gains that the government may or may not be able to capitalize down the road.

Could you give me some information with regard to the contract that was signed for the RCMP building? My understanding is that after 25 years the government has the option of buying back that building, including all capital gains, for one dollar. Is that correct, or do I misunderstand that?

Hon. Michael Fortier: First, on the capital gains, obviously this is pure fiction, as you know. If you don't look after your assets and you allow your assets to deteriorate, obviously this so-called gain disappears, and the government is not in the business of making a profit on the buildings. We have accumulated this over the years with I'm sure with the best of intentions, but we've neglected them. We don't have the proper resources and we can't attract the proper resources to run this and we are facing significant bills to repair the buildings. To suggest these are crown jewels.... Somebody has absolutely no idea of the type of portfolio we have, to suggest these are crown jewels.

The government has demonstrated over and over during the past several decades that it really isn't interested in running real estate, and the simple reason is that there are people out there who specialize in this. Again, the banks, whose lives really are to make profit—if there was money to be made in this, they'd be in it—have spun this off to a single-purpose entity to run real estate. Governments have done it, and I suggest to you that we are not smarter than those people, and we should get out of the real estate business. But first I will do this transaction and see if it goes ahead and try to get the best transaction, the best value, the best proceeds possible for taxpayers, because at the end of the day, this is what this is about. It's not to continue running billions and billions of dollars of structural bills and unpaid and unaddressed liabilities to pretend we have this great portfolio we're so proud of.

You need to address the portfolio like somebody who has good common sense and good business sense. We haven't done this over the past 30 years.

• (1715)

Mr. Chris Warkentin: The \$4.5 billion in deficit in terms of necessary repairs speaks for itself in terms of the Government of Canada not being good at property management, no matter what the political party. I suspect that's what led the previous minister, the Honourable Scott Brison, to put together an RFP. It's my understanding that over 300 buildings were going to be coming up for sale. Is that correct? If it is correct, I'm wondering, to help us in our deliberations, if you might make that available to our committee, or if it is available. I'm not sure if the RFP would be available.

Hon. Michael Fortier: The RFP? It's available. It was public.

Mr. Chris Warkentin: I'm wondering whether the studies the previous minister might have undertaken to ensure that this was the right thing to do might be available as well, if there is any such study.

Hon. Michael Fortier: Were there studies in the past? I don't know.

Mr. Tim McGrath: There are various studies that we have carried out that are public, and we've even shared them with the unions, in terms of the cost efficiency of the real property program, benchmarking ourselves against—and this is very important to understand—other corporate real estate entities, both in the private sector and more importantly at government levels, that show we basically have twice as many employees as other like organizations who manage the same type of property.

We also have another study, which has been carried out by CB Richard Ellis and Tiree Inc., that shows that the efficiency span within Public Works is approximately 20% higher than that of private sector entities.

Even when we outsourced our own property management to a third-party service provider, in the initial phase in 1996 we saved \$20 million. And then further, when we retendered, we saved an additional \$18.7 million per year, on an annual basis. So just through the efficiency of our own operations, we were able to pick up \$40 million just by outsourcing the property management to the private sector. Also, when you benchmark us against other like organizations, we have twice as many employees on a per metre basis.

Mr. Chris Warkentin: Thank you very much. I really appreciate the help.

The Chair: I'm going to go for one short, last question, because we will be voting shortly.

Mr. Simard.

Hon. Raymond Simard: That's cruel, Madam Chair.

An hon. member: Give him two.

Hon. Raymond Simard: I guess I'm going to try to fit it into one question, Mr. Minister.

I'm still very concerned about the decision that was taken to actually sell these buildings. It was based on what?

You're telling us that two banks were hired to bring back criteria the first time as to whether or not they should sell. If you have banks that can make 2%, 3%, 4%, or 5% of \$1.5 billion, did you really think they'd come back and say "No, you shouldn't sell"?

Secondly, the \$4.5 billion is only a scary number, unless you compare it with the private sector and the private sector is comparable.

What are we comparing with? Mr. McGrath, you just brought this information lately, and it was very valuable. Are our vacancy rates much higher than those of the private sector? Have we done a full comparison and said yes, Public Works is totally incompetent compared with the private sector, and this is why we're selling? I haven't heard that.

Hon. Michael Fortier: Well, I bring you back to your colleague, Scott Brison, who was going to sell the entire portfolio. I'm sure you had a discussion with him before he considered that.

Hon. Raymond Simard: And if you're planning on selling it now, we're asking you. You're the minister.

Hon. Michael Fortier: No, but I think this is a—

Hon. Raymond Simard: Mr. Brison was studying the portfolio.

Hon. Michael Fortier: I'm trying to answer your question.

Hon. Raymond Simard: No, I'm the questioner.

Mr. Brison was studying the portfolio. You are now planning on selling them.

Hon. Michael Fortier: No, no. He was planning to sell the entire portfolio, the entire nine.

This is very different. It's very focused, exactly like our government. We know exactly what we're doing. It's about saving money for taxpayers.

Hon. Raymond Simard: What are the decisions based on?

Hon. Michael Fortier: Basically, it's about managing the portfolio just as a normal person would, looking at this. We have neglected it over the years—I'm trying to make this a non-partisan issue—over decades, Monsieur Simard.

Hon. Raymond Simard: We would love to support you on this.

• (1720)

Hon. Michael Fortier: I'm not sure you would, because—

Hon. Raymond Simard: Would you be willing to table the document to this committee? We could look at it in camera. It's important for us. We're all members of Parliament, right? We're all sworn to secrecy.

It seems to me that I may want to support your initiative, but I don't have information to be able to support it. So would you table the documents here?

Hon. Michael Fortier: As many documents as possible will be made available, if and when we decide to go ahead. That's my undertaking.

Hon. Raymond Simard: So is that a yes or a no?

The Chair: Thank you very much.

We will, I'm sure, be hearing from you again. Thank you.

The meeting is adjourned.

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