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Chair

Mr. James Bezan

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• (1120)

[English]

The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)): I will bring this meeting to order. We are starting late because of the votes in the House. I apologize, although I have no control over those things.

We are going to study today, pursuant to Standing Order 81(5), supplementary estimates (B), votes 1b, 5b, 10b, 15b, and 25b under Environment.

We want to welcome to the table today the Honourable Jim Prentice, Minister of the Environment. We welcome him here along with Ian Shugart, who's the deputy minister, and of course Michael Martin, who is the chief negotiator in the climate change negotiations office.

We welcome all of you to the table.

We have a point of order from Mr. Trudeau.

Mr. Justin Trudeau (Papineau, Lib.): I just want to bring it forward that the normal practice is that meetings with a minister are televised. We would very much have liked for this to be televised today as well.

The Chair: I understand that, but at the same time, as I've said from the chair many times, if you guys wish to have meetings televised, move a motion. As such, as it says in the book, and I will go to the new book....

You guys should actually read the new O'Brien and Bosc. It's a fantastic writing.

On page 1098, in chapter 20, it says, "The decision to televise a committee meeting may take the form of a committee motion to that effect, or may be made by the Chair with the implied consent of the members".

I didn't believe I had that consent, so I didn't arrange for television.

With that, Mr. Prentice, could you bring us your opening comments?

Hon. Jim Prentice (Minister of the Environment): Thank you very much, Mr. Chair, and members of the committee.

This is the third or fourth time I've been to committee, as I recall. It's always a pleasure. Thank you for the invitation to speak.

As you're aware, joining me today are Ian Shugart, my deputy minister, and Michael Martin, who is our ambassador on climate change.

I will address with the committee, first, the supplementary estimates (B), and second, in the time we have, other issues. My officials are prepared to remain afterwards to respond to questions, which I know the committee members will have, relative to the details of the supplementary estimates.

This has been a pivotal year for this portfolio at Environment Canada and also for Parks Canada and the Canadian Environmental Assessment Agency. We are making progress on major files.

For Environment Canada, the \$34 million in supplementary requests arise from, first, \$25.2 million to support the regulatory activities under the clean air regulatory agenda, which we can speak to; \$6.4 million to modernize six Environment Canada laboratories and wildlife centres as part of the initiatives under the economic action plan; \$5 million to support the Mackenzie gas project in the NWT; and \$3.1 million to help implement the Canada-United States clean energy dialogue.

Environment Canada is also facing reductions amounting to some \$8 million related to updated estimates of moneys needed for things such as the assessment, management, and remediation of contaminated sites that are under Environment Canada's control.

The supplementary requisition for Parks Canada of \$13.1 million arises from a number of measures: \$9 million for the assessment, management, and remediation of federal contaminated sites; and \$3 million for programs to advertise Canada's national parks during this important year for Canadian tourism as we welcome the world to Canada's Olympic Games.

The Canadian Environmental Assessment Agency has a supplementary requisition in the amount of \$215,000 to support the Mackenzie gas project in the Northwest Territories.

• (1125)

[Translation]

Mr. Chair, I referred to this as a pivotal year for Environment Canada, Parks Canada and the Canadian Environmental Assessment Agency. The spending included in these supplementary estimates will push ahead several of the important projects on which we have been gathering momentum since I last met with the committee in February.

I would like to remind the committee of the important progress already made this past year on a number of fronts. Last April, we announced a notice of intent to regulate vehicle tailpipe emissions under CEPA. We will regulate in a manner that is equivalent to U.S. fuel economy standards for the 2011 model year and match U.S. tailpipe standards for the 2012-2016 model years. The result is a set of ambitious standards that are harmonized in North America with the United States.

A significant achievement this year was that Parliament gave unanimous consent to the expansion of the Nahanni National Park Reserve to six times its previous size—a contiguous protected area that is about the size of Belgium. This is in addition to the six additional wildlife areas that we will create in the Northwest Territories.

[English]

Another example is the action on waste water. For four years, Environment Canada worked with provincial and territorial governments to develop a Canada-wide strategy on the management of municipal waste water effluent. Last February, ministers approved this Canada-wide strategy. Federal regulations under the Fisheries Act will set national performance standards, timelines, and monitoring and reporting requirements.

We've also made progress in our efforts to extend protection of the polar bear population in the Arctic. Earlier this year, shortly after becoming the minister, I hosted a national round table on polar bears. In October, following that and at the recommendation of the round table, we signed an agreement with Greenland, and last month the Canada-United States polar bear oversight committee met. All along we have seen an unprecedented level of effort from aboriginal peoples and all levels of government to conserve and manage polar bear populations in Canada, particularly those we share with Greenland.

This year we've also made significant progress on the world-leading chemicals management plan, which we introduced in 2006. In total we have published a proposed risk management approach for 29 substances found to be potentially harmful to human health and/or the environment.

Mr. Chairman, as one more example, I would cite the new Environmental Enforcement Act, passed last June, which increases fines and provides new enforcement tools. I'm also looking forward to working with this committee on the important review of the Canadian Environmental Assessment Act, which is scheduled to start next year. I know that many members of the committee have points of view on this. I also look forward to receiving your report on the review of SARA, which the committee began last spring.

I think it's fair to say, Mr. Chairman, when it comes to the environment portfolio, the top-of-mind concern for the committee and for Canadians is climate change.

Last week the United States President announced a reduction target of minus 17% of their 2005 base by 2020. The Canadian policy for the past two years has been reductions of minus 20% of the 2006 Canadian base by 2020. These targets are virtually identical, and we will make whatever minor adjustments are necessary to make them identical, ultimately with the same baseline.

To achieve real environmental and economic benefits for Canadians, we have been acting on three different tracks—domestic, continental, and international. On the domestic track, we will continue to invest in green technology and R and D, and will introduce a regulatory system for our industries that is harmonized with that of the United States.

As part of our commitment to a North American cap and trade system, we will continue to work together with the United States in that regard.

Our country is also committed to the goal of having 90% of Canada's electricity provided by non-emitting sources such as hydro, nuclear, clean coal, or wind power by 2020.

This continental approach includes such initiatives as the clean energy dialogue as well as the harmonization of our measures with those of our neighbour and our largest trading partner.

I am also pleased to report that a month or so ago, at the WILD9 conference in Mexico, Canada signed a historic agreement with the United States and Mexico to build resilient, well-connected networks of protected areas as a legacy for the future.

● (1130)

[Translation]

On the international level, we will remain a full and effective partner in the multilateral negotiations. The United Nations climate change conference in Copenhagen, which begins next week, provides a historic opportunity to achieve a global consensus on a fair, environmentally effective and comprehensive climate change agreement.

In Canada's view, this agreement should include comparable economy-wide emission reduction commitments by developed countries for the 2013-2021 period. It should include significant mitigation actions by the major developing countries, led by China. A Copenhagen agreement should enhance global action to assist the poorest and most vulnerable countries to adapt to the adverse effects of climate change.

At the Commonwealth Heads of Government Meeting this past weekend, the Prime Minister joined with other leaders to underline their firm political commitment to a successful outcome in Copenhagen. They endorsed the establishment, as part of a comprehensive agreement, of a fund of up to \$10 billion per year by 2012 to support adaptation in the most vulnerable countries, research, development and deployment of clean technologies, and action to reduce deforestation in developing countries.

[English]

Mr. Chairman, I would, in closing, just like to also briefly touch on a speech that was recently given by the Leader of the Opposition, in which he listed—

The Chair: Mr. McGuinty on a point of order.

Mr. David McGuinty (Ottawa South, Lib.): Excuse me, Mr. Minister.

On a point of order, Mr. Chair, can you help Canadians understand how the minister's responding to a speech from the Leader of the Opposition is related to supplementary estimates (B)?

The Chair: In testimony given by witnesses, including ministers, at committee, they are allowed to give their opening statements. They don't have to be as relevant as we would want.

I'm not going to rule it out of order. I'm going through the new O'Brien and Bosc, and under "Testimony" it says:

Witnesses appearing before committees are usually asked to make a brief opening statement, summarizing their views or the views of the organization they represent, on the subject of the committee's inquiry.

Then you're allowed to answer questions.

So if Minister Prentice feels this is important as it relates to our overall study of the estimates and the work the department has undertaken, then I'm going to allow him to bring that forward.

• (1135)

Mr. David McGuinty: So, Mr. Chair, if I could, presumably you're going to accord the same latitude to members of this committee.

The Chair: Because it's in his opening statement it's open to questions.

Mr. David McGuinty: Thank you, sir.

The Chair: Minister Prentice.

Hon. Jim Prentice: Thank you, Mr. Chair.

The Leader of the Opposition listed his party's agenda on the environment. While much of what is on that list are initiatives that the government has already taken action on, there lies a danger in Leader of the Opposition's thinking that I'd like to draw your attention to. It is germane to what is happening right now, at Copenhagen and elsewhere.

The Leader of the Opposition reinforces this government's strategy for a national cap and trade system that will include absolute caps, put a price on carbon, and be structured so it can be harmonized with a future United States system. However, the Liberal leader at the same time has adopted the European baseline of 1990 rather than the North American targets that have been adopted by both this government and the Obama administration. Throughout the speech, the Leader of the Opposition indicated the need for harmonization with the United States, but insisted on diverting from the North American targets that both countries have identified, which are virtually identical and would permit harmonization.

The Liberal leader has called for a clean energy act that would adopt the toughest vehicle emissions in North America. I think this is one where I believe the leader of the Liberal Party does not

appreciate the importance of harmonizing our standards with those of the United States. Our economies are integrated, and our environments are integrated as well. We need to harmonize our regulatory approaches.

Our goal should be to integrate with the national standards of the United States—not to try to implement the toughest standards on the continent, but rather to have a harmonized North American standard. We need regulations that keep our borders open to trade and encourage a North American-wide approach to addressing climate change.

Mr. Chairman, we will continue to work with the United States towards a common North American approach for regulating greenhouse gas emissions from vehicles, which will benefit the environment, industry, and consumers.

It is crucial that a plan for the environment take into consideration Canada's entire geographic, economic, and industrial realities. To ignore them would lead to continental isolation and economic hardships—two things that this government will not allow.

When we meet again, I believe we'll be able to point to further examples of how, in this pivotal time for the environment and the economy, Canada has made real progress.

I welcome the committee's questions.

The Chair: Thank you, Minister. I'd like to thank you for staying under the time limit as well.

Because we have a tight timeframe, I want to ask committee members if they agree to having reduced opening rounds so that everybody has a chance to speak. Do I have a consensus?

Mr. McGuinty.

Mr. David McGuinty: I'm hoping the minister will accommodate a ten-minute delay or so. I'm sure I can't speak for his schedule, but I'm hoping that 12:15 will be a satisfactory time. That would allow a good seven to ten minutes for all parties.

The Chair: I won't give any flexibility beyond seven minutes because of our tight timeframe. I'll let the minister decide whether he can stay longer or not. It's his schedule and I have to respect that.

Mr. Warawa has a point of order.

Mr. Mark Warawa (Langley, CPC): I'm looking at the time. We have 22 minutes left and the minister is scheduled to leave at 12. We won't even get four seven-minute rounds. That will allow a maximum of five rounds—one five-minute round each.

The Chair: I'm going to suggest we go with six minutes so we can get all four parties on the record.

Minister, if we go over 12 o'clock by a couple minutes, is that all right? Can you stay an extra few minutes so that everybody gets a chance to ask a question?

Hon. Jim Prentice: Certainly.

The Chair: We'll go with seven minutes, but I'm going to cut you off right at seven minutes so that everybody has a fair chance.

Mr. McGuinty, let's get going.

•(1140)

Mr. David McGuinty: Thank you very much, Mr. Chair.

Thank you, Minister, for being here.

I want to pick up on your comments from page 6 of your brief, where you talk about integration with the United States and a “plan”—your language—for the environment.

Well, I think it's really important to point out a few things for Canadians.

Here in front of me, Minister, I have a copy of the Waxman-Markey bill, and—

The Chair: There's a point of order—I'm stopping the clock—from Mr. Warawa.

Mr. Mark Warawa: On a point of order, Mr. Chair, Mr. McGuinty may not be aware of the rules, but under the rules of order and decorum, we're not to be using props. On page 612 of O'Brien and Bosc, it's clearly laid out that we're not to be using props.

Also, in the spirit of being environmentally friendly, for him to use a prop with that much paper is definitely not environmentally friendly.

The Chair: According to rules of Parliament, we don't make use of props. You wouldn't be able to bring that and put that on your desk and refer to it while you were speaking in the House, so it's definitely not—

Mr. David McGuinty: Mr. Chair, these are my reference materials for my questioning today.

This is a statute.

The Chair: It's not a Canadian statute.

Mr. David McGuinty: Who cares if it's a Canadian statute? If it was a thousand pages of European material, we would still want to hear from them—

The Chair: Mr. McGuinty, I'm going to rule in favour of Mr. Warawa.

Mr. David McGuinty: So what are you saying, Mr. Chair?

The Chair: I'm saying don't be referencing it—

Mr. David McGuinty: Don't be referencing American legislation?

The Chair: Well, don't be referencing your prop.

Mr. David McGuinty: Fine.

The Chair: Mr. McGuinty, you have the floor, and you have six and a half minutes left.

Mr. David McGuinty: Right. *Voyons donc*, as they say.

Mr. Minister, the Waxman-Markey bill, which was introduced less than five months ago in the American Senate, is a 1,428-page plan for the United States.

I've done a complete search of that bill, sir, and there's not a single reference to the word “Canada” in 1,428 pages.

To my knowledge, there's not a single reference to the word “Mexico” in 1,428 pages.

Sir, we've had 33 witnesses come to this committee and speak to us on Bill C-311, which is linked to your energy dialogue in supplementary estimates (B) because you keep talking about a dialogue. We've asked all 33 witnesses on Bill C-311 whether they have in their possession a plan, have seen a plan, could share a plan. Thirty-two of those witnesses have categorically stated there is no plan.

The only witness who has stated there's a plan was your employee, who came here and said that one-page statement was a plan—

The Chair: There's a point of order from Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Chairman, if Mr. McGuinty is going to pursue this line of questioning, he should at least be forthright. I specifically remember the member from the Pembina Institute indicating clearly—

Mr. David McGuinty: That's not a point of order.

Mr. Blaine Calkins: —that he had in his possession a plan tabled by the Government of Canada.

The Chair: That isn't a point of order. It is a question of facts. You can correct that later on, when it's your turn.

You have five and half minutes left.

Mr. David McGuinty: Terrific. Thank you, sir.

Mr. Minister, at least three American Senate committees are completely and utterly seized with this bill, with the United States plan. It's an extremely detailed plan. Allocation, energy efficiency, technology, targets, carbon pricing—it's there.

I need to understand, and Canadians need to understand, that the plan—and I quote—“To create clean energy jobs, achieve energy independence, reduce global warming pollution and transition to a clean energy economy”, is the American plan.

Canadians need to know: why it is that we have no plan?

You once said publicly you're a negotiator. Well, I'm a former corporate lawyer and negotiator, and I never recall entering negotiations without a plan. I never recall negotiating from a blank sheet of paper.

The Mexican government, sir, has 86 specific goals in a climate change plan tabled in June. That's 86 specific goals on how they'll slow the growth of carbon emissions now at about 700 megatonnes a year.

By my accounting, that is about 85 more specific goals than you have. The only thing you keep repeating is that you have a target of 20% by 2020, but you have absolutely no plan to backstop that.

Can you help us understand? Is the United States going to factor in Canada's environment and Canada's economy as they design their plan through this bill? Are they going to be looking at the Mexican situation, sir?

How are we supposed to believe that we're supposed to wait for the 1,428-page plan before we can go here, ourselves, in Canada?

• (1145)

Hon. Jim Prentice: I think there's a question in there somewhere. I can't speak to the honourable member's experience as a lawyer, what he might have experienced negotiating, what he did, or how he comported himself.

There is a Canadian plan. We are approaching this. You referred to the previous testimony of an "employee" of mine, to use your words. Michael Martin is not an employee of mine. He is Canada's climate change ambassador, and he is one of the most respected people in the Department of Foreign Affairs and the Canadian civil service.

Mr. David McGuinty: No doubt, sir; no doubt.

Hon. Jim Prentice: I think he was quite clear, in his testimony with you, in outlining the position that Canada has put forward at Copenhagen relative to our mid-term emission reduction commitments and the approach that we are taking in going about that. I'm happy to come back to that and to walk through it with you.

As for legislative developments in the United States, just to clarify a couple of points that you made, the Senate committee is not seized with the Waxman-Markey bill, as you indicated. The Waxman-Markey legislation was passed in the U.S. House of Representatives. The legislation that has been put before the Senate is entirely different. It is the Kerry-Boxer bill, and it is quite a different piece of legislation. I don't know if you've actually read Waxman-Markey or not. I have. You might want to focus your attention on Kerry-Boxer, because it is the current state of play in the United States.

That piece of legislation proposed a cap and trade system. It is unclear at this point whether it will pass the United States Senate. It is unclear when it will pass the United States Senate. It is unclear what form it may take.

In addition, with respect to the United States and our desire to harmonize, as this relates to our trade-exposed industrial sector, which comprises the base of the Canadian economy, there's also action being undertaken in the U.S. by the Environmental Protection Agency—

Mr. David McGuinty: You'll forgive me, Minister, but my time is short.

Hon. Jim Prentice: The Environmental Protection Agency has brought forward a regulatory approach.

Mr. David McGuinty: I understand that there are elements you'd like to see in a plan. But after 47 months, sir, and three environment ministers, you have no plan, do you?

Hon. Jim Prentice: I just described it to you.

Mr. David McGuinty: Where is it?

Hon. Jim Prentice: We do have a plan.

Mr. David McGuinty: Where is it?

Hon. Jim Prentice: I'm responding to your question.

The plan is what you've seen before from Michael Martin in terms of mid-term quantified emission reductions—

Mr. David McGuinty: Where's the legislation you promised three years ago?

Hon. Jim Prentice: Mr. Chairman, if I might have the floor...

The Chair: You have the floor, Minister.

Hon. Jim Prentice: I'm pleased to be here. I'm quite prepared to respond to questions. I'm not prepared to be harangued.

Mr. David McGuinty: But I need an answer. Do you have a plan? Where's the plan? Can you produce the plan for us here today, sir?

Hon. Jim Prentice: I have answered that question three times already today. Mr. Martin appeared before you. He laid out in considerable detail in a two-page summary—

Mr. David McGuinty: A two-page summary.

Hon. Jim Prentice: —of what Canada is proceeding on in terms of our stated commitment to reduce Canada's greenhouse gas emissions by 20% by 2020, from a 2006 level. That is Canada's domestic target. That is the target that we are taking forward to Copenhagen.

I'm quite happy to outline to you the basis upon which that target was arrived at, why we consider the target to be realistic, and the specific manner in which we intend to go about harmonizing with the United States to achieve it. One has to have regard to all of the sources of emissions in the Canadian economy.

The point I was making earlier is that in the United States, they have not yet decided if they are going to proceed with a cap and trade system, or, failing action by the U.S. Senate, whether the executive branch of their government will proceed with a regulatory approach. That is a critical distinction, because they are quite different ways of regulating the North American economy.

The Chair: Thank you, Minister.

Time has expired, so we'll move right along to *Monsieur Bigras, s'il vous plaît.*

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you, Mr. Chair.

I want to thank the minister for accepting our invitation.

I am not surprised this morning, but I see that you are aligning yourself with the argument that has been made in this Parliament for nearly the past 12 years, that we need to implement absolute greenhouse gas emissions caps. It is the first time I have heard you say this publicly. I have been led to understand, based on that statement, that you are dropping emissions intensity targets in favour of absolute targets, meaning a real cap-and-trade system. However, you insist on sticking to 2006, not 1990, as the base year.

But a common front on climate change is being created in Canada. This initiative, led by the provinces, sets out the following reduction targets, based on 1990: 20% for Quebec, 15% for Ontario and 14% for British Columbia. Given those conditions, you realize that, in addition to being isolated internationally, you run the risk of also being isolated within Canada?

• (1150)

Hon. Jim Prentice: I will respond in English, if I may.

[English]

There certainly has been a great deal of work done with the provinces. You referred to a common front. Certainly, as you are aware, in order to prepare for Copenhagen, I've met with every single premier and every single environment minister over the close of the summer, in essentially face-to-face discussions.

My sense, based on that, is that there is actually quite a degree of commonality among Canadian provinces relative to climate change. I think there's a general acceptance that there is a need for a national climate change approach, one that respects the jurisdictions and roles of the provinces. There is a view that the approach should be fair and equitable and that there should be credit for early action. In particular, it should be an approach that is harmonized with the United States.

I think it's fair to say that this was something that was mentioned to me by every single premier with whom I met, the importance of harmonizing our efforts relative to greenhouse gases on a continental basis. Of course, that's entirely consistent with the government's policy objectives. Our approach to climate change must be harmonized on a continental basis.

Frankly, the concern that we have with Bill C-311 is that it does exactly the opposite. Bill C-311 proposes targets that are entirely discordant with the United States, making it extremely difficult—if not impossible—to implement on a North American basis. We are talking about a continentalized cap and trade system that involves absolute emission reductions, not intensity targets.

So to correct you, there is no suggestion that we are talking about the kinds of intensity targets that you might have seen in *Turning the Corner*. We are speaking about a cap and trade system.

[Translation]

Mr. Bernard Bigras: I understand what you are telling us. You are moving towards caps. However, 1990 is fundamental, not only for environmental groups and companies that have taken steps in the past, but also for provinces that have action plans based on 1990.

Ultimately, do you have a proposal for all those who decided to take steps in the past? Do you intend to establish a program with offset credits that would enable the provinces, companies, and everyone else who has taken steps to obtain their fair share of the credits, so that they can participate in this continental cap-and-trade market?

Without a compensation program, Quebec companies that have reduced their greenhouse gas emissions will be penalized and a considerable advantage will go to a single sector of the Canadian economy: the petroleum sector. Do you have a proposal for those provinces that have decided to go ahead and develop plans?

[English]

Hon. Jim Prentice: As per my previous comment, we have met with all of the provinces and premiers. One of the items of consensus was that there should be recognition of early action and that there should not be penalties imposed on any industry or any province by reason of them having been leaders and taking action—

Mr. Bernard Bigras: *Non, mais—*

Hon. Jim Prentice: That was your question; I'm just responding.

In terms of how one would go about that in a continentalized cap and trade system, there would essentially be caps established for each industry and for each source of emissions. They would not be caps that are established and allocated on a provincial basis. They would be set on an industry basis.

And just to respond again to one of your points, there is no intent

[Translation]

Mr. Bernard Bigras: Mr. Chair, I do not have much time, and I understand what the minister is saying.

However, there does not seem to be consensus around the Canadian Council of Ministers of the Environment's table. Minister Beauchamp stated: "It is clear... that Quebec's ambition... must not be used as a free pass to enable other provinces to increase their emissions!"

I do not know what consensus the minister is talking about, but it is clearly not a consensus endorsed by the Quebec Minister of the Environment last week. You are talking about a consensus, but I feel that Ottawa and several Canadian provinces that want to take action are simply not listening to each other.

• (1155)

[English]

Hon. Jim Prentice: I've had repeated meetings with Minister Beauchamp. She has made that position very clear to me. I simply say to you that there's no suggestion before anyone that the system we are working on, harmonized with the United States, will penalize any particular Canadian province to the detriment of itself, or favour any other.

Under any cap and trade system, however, the architecture has to define the caps, the allowances, and the structure for each industry. These targets are not set on a provincial basis. They are set on a national basis and then implemented through industrial sector-by-sector caps.

In that context, those provinces and industries that have moved more quickly will be in a preferable position to achieve their objectives. They will be in a preferable position to sell offsets and allowances. Those who have not taken action will essentially be punished in the marketplace because they will be required to buy allowances from others who are early actors.

[Translation]

Mr. Bernard Bigras: I understand, but your—

The Chair: Your time is up, thank you very much.

[English]

Ms. Duncan, you have the floor.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Thank you, Mr. Bezan.

Thank you, Mr. Minister, for coming. We were advised that you would not be available. I very much appreciate you adjusting your schedule to accede to our request.

Mr. Minister, I'm going to ask you a couple of questions together, and then you can give me a fulsome reply.

Do you support the principle that federal environmental standards should be founded in science? I'd like just a yes or no to that, but I have a couple of questions that go with that.

We heard from a number of senior scientists, Canadian scientists, including scientists working for your own department. Overall, probably 100%, their testimony was that they stood by the international panel targets and the need to address those. We also heard from quite a number of scientists, including the scientist who prepared the report commissioned by the federal government, talking about the impacts we're already seeing in Canada, the impacts we may in the future see from climate change, and specific impacts to agriculture, the north, and so forth. Given that, it's all the more necessary that we stick to the international targets.

You've spoken a lot about the need to harmonize. I know this common refrain from Alberta, because I hear this all the time from the Alberta government, that they need to balance the environment and the economy. Given my first question about making sure that our standards are founded in solid science, I wonder where the environment is in these targets.

Coupled with that, as a minister of the crown and as an officer of the Government of Canada, you take your responsibilities very seriously, I know, and I appreciate that, but I wonder how you would rationalize your clear intent to violate the internationally binding targets under Kyoto. I wonder if the blockage in meeting the more necessary science-founded targets is the insistence by Alberta to stabilize at 58% above the 1990 levels.

Hon. Jim Prentice: That's a long question, but I'll do my best to respond.

Firstly, I am not a scientist; as you know, I'm a lawyer, as are you. But I'm a passionate believer in science and I'm a passionate believer in empiricism as the basis of sound public policy. I spoke about a month ago to all the employees of Environment Canada in an open forum and emphasized exactly that, that their responsibility as scientists is to produce results based on observation and analysis that has integrity. The integrity of science is extremely important; we all succumb simply to orthodoxy in its absence.

So from my perspective, yes, science is important, and our positions relative to climate change need to be based on science. Canada has been quite clear in this regard. I was personally quite clear in saying early on in the major economies forum, struck by President Obama, that we should be embracing the concept that we should limit emissions to a temperature increase of two degrees above pre-industrial levels, that this should be the target that we agree on. Of course, in the time that has followed, the G-8 has taken exactly that approach, as has the Commonwealth, and certainly that's the basis of what's taking place at the UNFCCC.

There are a number of things implicit within that if you adopt that science. One is the recognition that, in the developed world, emissions must have either peaked or be peaking quite quickly and beginning a downward trajectory. I think it's fair to say that's happening, but there's also the requirement that in the developing world we need to see significant abatement of what are projected to be the business-as-usual emissions.

Stated simply, the problem with the Kyoto Protocol is twofold. Firstly, the Americans did not ratify it—

• (1200)

Ms. Linda Duncan: But we did, Mr. Minister.

Hon. Jim Prentice: —and therefore 25% of the world's carbon emissions were not covered the treaty.

The second problem is that Brazil, India, China, and the so-called G77 did not have any emission reduction obligations under the treaty. So Kyoto essentially never *could* work as a construct.

What we need at Copenhagen is an approach that brings in all the principal emitters and contains obligations for all of them. It needs to be an approach that the United States is prepared to ratify so that we can all get about the serious business of reducing emissions in an orderly way and, frankly, in a real way. That is something that Kyoto has never achieved.

Ms. Linda Duncan: You haven't answered my final question, but I'll give you something to go with that.

Your official, Mr. Martin, appeared before us previously and presented to us the two-page summary of the presentation, the essence of what Canada is standing by before the international negotiation table.

In that document, he presented that Canada's position was that coal-fired power is being phased out in Canada. I had expressed some dismay with that, given the fact that coal-fired power plants are, as we speak, being built in Alberta and with every intention of expanding those.

I had asked the question about Alberta, and I would appreciate clarification. We look at the commitments by the provinces across Canada, many of which are clearly committing to the science-based targets. The one that is way out of line is Alberta. Coal-fired power, as I understand, is the highest if not equal to the highest source, and the tar sands come in closely. So...what about Alberta?

Hon. Jim Prentice: Let me try to speak to that.

The Chair: A quick answer, and then time will expire. You have one minute.

Hon. Jim Prentice: One minute?

First, I'm glad that Mr. Martin has graduated from my "employee" to my "official". I'm sure he'll continue that upward trajectory.

Reducing carbon emissions in the atmosphere is largely about coal; 41% of the carbon in the atmosphere came from burning coal. Canada actually burns much less coal than anybody else. One of the achievements we have as a country is that 73% of our electricity stock is non-emitting. This is a Canadian achievement about which not enough is said. To be clear, a lot of credit goes to those provinces that have developed extensive hydro and nuclear systems.

All in all, some provinces are still very dependent on coal. In our country, about 16% of our electricity system is dependent on coal burning—in contrast, I would emphasize, to the United States, where over 50% of their electricity stock continues to burn coal.

If one examines the capital stock in the Canadian electricity sector—I'll close with this, Mr. Chairman—you will find that many of the existing coal-burning units reach the end of their useful life in the time around 2020 to 2025. This provides a public policy opportunity for Canada to continue to clean up our electricity system, I hope to achieve a 90% non-emitting status.

The Chair: Thank you, Mr. Minister.

Mr. Warawa, last round of questions to you.

Mr. Mark Warawa: Thank you, Mr. Chairman.

Mr. Minister, I want to thank you for being here. You've already been thanked, but not a lot of people realize how busy you are. I do. I realize you had to adjust your very busy schedule.

The committee has been listening to witnesses on Bill C-311, the NDP bill. We heard from every witness that the approach to having a continental, harmonized North American approach was bang on. They all recommended that. There was discussion on the targets, and if you accept a harmonized continental approach, is it realistic to have different targets from the U.S.?

We heard from industry with our last group of witnesses that it could kill our economy, particularly our economic recovery. Everybody said harmonized approach.

I would like you to share a little bit of what has happened since the visit to Canada by President Obama, meeting with our Prime Minister. What has happened since that February visit? Things have changed. There's been a lot of progress. I'm particularly interested in the priority of developing and deploying clean energy technologies. Canada is really excited about what we're doing on carbon capture and storage. Could you elaborate a little bit on that?

The other priority is building a more efficient electricity grid based on cleaner renewable generation and expanding clean energy research and development. How important is that?

These are all important to the world. When I was in Copenhagen five weeks ago and in Berlin a year and a half ago, we heard how the world is depending on Canada to develop and commercialize carbon capture and storage. We are a world leader.

Per capita, what kind of contribution is Canada making compared to the rest of the world in some of these incredible technologies the world is relying on? How important is having a harmonized approach, and what is happening? Could you update us on that?

• (1205)

Hon. Jim Prentice: Thank you very much.

Let me deal with that in a couple of ways. I will come to the clean energy dialogue. As you know, at the last visit on the part of the Prime Minister and me and Minister Cannon and others to Washington, the Secretary of Energy in the United States, Steven Chu, and I provided a report detailing what has been done under the clean energy dialogue.

Let me go back to the essential issue of whether the targets and the approach that Canada is following are sufficiently ambitious. I know that this committee has been wrestling with Bill C-311 and will continue to, and I would just emphasize that given the structure of our economy, our climate, our geography, and the nature of our industrial base, we need to have targets that are aligned with our major trading partner and we need an approach, as represented by the clean energy dialogue, that is aligned with our major trading partner.

If you look at what's taken place around the world in terms of the targets that other countries are agreeing to, Canada's target is, in fact, very ambitious. Our 2020 target is to reduce emissions by 20% by 2020 from a 2006 baseline. If you compare that to President Obama's provisional target—and it is provisional upon Senate action in the United States, and provisional on an international binding agreement that applies to all major emitters—the United States is talking about minus 17%. So we are consistent.

If you look at what the European Union is proposing, their targets are equivalent, essentially, to minus 14% from a 2005 level. So again the targets that we are talking about in Canada are quite consistent.

What Bill C-311 puts forward is the notion that Canada would double our reduction targets for 2020 to what is essentially minus 39% below 2005. If our country did that—and I caution the members of the committee on this, because I know you're dealing with this bill—our target would be completely out of line with the targets of all of the other major industrial democracies with whom we compete. This could be done only at an exceedingly high economic cost that is completely out of line with the cost that other countries have found to be acceptable.

If you look even at the most recent Pembina Institute-David Suzuki report, they quantified the cost as being up to 3.2% of GDP. Look at the analysis in the United States. What the United States is prepared to take on as an economic cost is something in the order of 1% of GDP. The European Union targets are in the order of 1% of GDP. All of this is chronicled and detailed in economic analyses in those jurisdictions.

What's being proposed in Bill C-311—the committee needs to know this before you vote on it—is that Canada would take on economic costs that no other industrial country is taking on at the climate change table in Copenhagen. So be careful with this. These targets are completely incompatible with the principles of U.S. harmonization, with which, frankly, everyone I speak with in this country is, broadly speaking, in accord.

All of the premiers support this. All of the environment ministers are consistently talking about the importance of harmonization with the United States, not damaging our economy. Industry is in agreement, and the NGOs have been in agreement with how we go about that. So that's a caution on that.

In terms of the clean energy dialogue, my friend points out that carbon capture and storage is a critical part of this. We are working together with the United States on carbon capture and storage, the definition and building of a smart grid for the electricity system. These are two extremely important initiatives.

Carbon capture and storage holds the promise of reducing emissions from coal-burning thermal plants. In the next 25 years there will be over 2,000 new coal-burning thermal plants built on the planet—that's 2,000. Some of those will replace existing stock, but reducing our emissions into the atmosphere is largely about constraining coal emissions. CCS is the only known technology that can reduce those emissions, and Canada should lead the way.

And on a per capita basis, no one in the world is investing more in carbon capture and storage than the Canadian federal and provincial governments together.

● (1210)

The Chair: Thank you, Mr. Prentice.

With that, I do appreciate, Minister, you extending your time. I know you have a busy schedule.

Mr. Shugart, Minister Prentice, and Mr. Martin, thank you very much for coming to committee today.

We're going to suspend briefly while we allow officials to come to the table.

● _____ (Pause) _____
●

The Chair: We are back in order. We're moving on to our second panel of people from the Department of the Environment.

We have Basia Ruta, the assistant deputy minister and chief financial officer, who is no stranger here; Cynthia Wright, acting assistant deputy minister for environmental stewardship; and Mike Beale, who is the acting associate assistant to the deputy minister. Michael Keenan is not here, but he'll be joining us. He is the assistant deputy minister for strategic policy.

From the Canadian Environmental Assessment Agency we have Daniel Nadeau, who is the director general of corporate services, and from Parks Canada Agency we have Céline Gaulin, who is from the office of the chief administrative officer.

Welcome, all of you, to the table.

Before we start off, I like to always remind committee members that when we have public servants at the table, we want to pay particular attention to the rules. I'll quote from O'Brien and Bosc, page 1068, chapter 20:

Particular attention is paid to the questioning of public servants. The obligation of a witness to answer all questions put by the committee must be balanced against the role that public servants play in providing confidential advice to their Ministers. The role of the public servant has traditionally been viewed in relation to the implementation and administration of government policy, rather than the determination of what that policy should be. Consequently, public servants have been excused from commenting on the policy decisions made by the government. In addition, committees ordinarily accept the reasons that a public servant gives for declining to answer a specific question or series of questions which involve the giving of a legal opinion, which may be perceived as a conflict with the witness' responsibility to the Minister, which are outside of their own area of responsibility, or which might affect business transactions.

I just ask that everyone keep that in mind. I will be excusing witnesses from making those types of comments.

With that, I'll kick it off with a five-minute round, starting with Mr. Scarpaleggia.

● (1215)

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you very much, Chair.

Thank you to all the officials for being here.

We now have a number of provinces that have come out with targets. Has anyone added up the equation, added up those targets, to see if they are consistent, on a Canada-wide basis, with the short-term targets the government is proposing? If so, does it all add up? Are some provinces out of line with what the federal government is proposing, and if so, which ones?

Ms. Basia Ruta (Assistant Deputy Minister and Chief Financial Officer, Finance and Corporate Branch, Department of the Environment): Mr. Chair, I will ask Mr. Keenan to answer this question, please.

Mr. Michael Keenan (Assistant Deputy Minister, Strategic Policy Branch, Department of the Environment): Mr. Chair, I would say, as the honourable member has indicated, that a number of provinces have laid out a number of targets. The interpretation of how they align and their consistency is actually a matter of policy, which I believe the minister spoke to in his opening remarks.

Mr. Francis Scarpaleggia: Interpretation is one thing, but you can convert everything to a common year for the purpose of contrasting and comparing. Whether it be 2005 or 1990, it doesn't matter. I would think that, as officials, you would have been tasked at some point with doing those calculations. I'd really like to know if they add up. And if they don't add up, who's going to have to make up the slack?

Mr. Michael Keenan: Mr. Chair, in terms of how provincial targets add up, if you go across the country they add up to a number that would differ from the Canadian number. I don't have the actual megatonnes here. In some cases, they're quite close; in some cases, they vary significantly.

For example, in the case of Quebec, Quebec's emissions in 1990 and 2006, as reported to the UNFCCC, were virtually identical. So in that case, the 20% reduction from 1990 is also a 20% reduction for 2006, and it equals the Canadian target.

In other provinces, it varies significantly.

Mr. Francis Scarpaleggia: So when the minister says there's a consensus, there isn't, because the numbers just don't add up. There's no real consensus across provinces.

Did I understand correctly that intensity targets are out now? That plan has gone by the wayside, along with all the other plans the government promised over the last four years. That's out now. They've realized the error of their ways, and we're going to hard caps by industrial sector. Is that true?

Mr. Mike Beale (Acting Associate Assistant Deputy Minister, Department of the Environment): I think the minister made it clear that we're moving to a North American cap and trade system.

Mr. Francis Scarpaleggia: It is hard caps by industrial sector.

He also made it clear that it is very possible that the bills currently before the U.S. Senate might not pass. If they don't pass, that essentially means that the U.S. doesn't have a real target. What then happens to the 20% by 2020 that is the Canadian target? I guess we'll have to drop that next year. Is that something else that's going to have to change because then we'll be out of line, and we won't be harmonized anymore?

• (1220)

Mr. Mike Beale: I don't think that's something we can speculate on.

Mr. Francis Scarpaleggia: Okay.

In terms of municipal waste water effluent regulations, I believe that in the summer, the minister made an announcement that we'd have regulations before the end of the year. Is that going to happen?

Mrs. Cynthia Wright (Acting Assistant Deputy Minister, Environmental Stewardship Branch, Department of the Environment): I can take that, Mr. Chair.

Environment Canada is still working very hard on those regulations. As you can imagine, they're quite complex. They cover 4,000 different systems. We will probably slip a couple of months, but we're still aiming to finalize the regulations in part II of the *Gazette* by the end of 2010, so we're not changing our end target date.

Mr. Francis Scarpaleggia: Okay, but they were supposed to be announced in December. That's what the minister said in his speech in July, I think it was, in Saint John, New Brunswick. Again we're missing another deadline, which the minister himself was able to choose, and yet he's missing his own deadline again.

My next question has to do with the water situation at Shannon, in Quebec City. You mentioned that in the supplementary estimates there's a certain amount of money for assessment management and remediation of federal contaminated sites. Would that money relate to the work the government is doing at Shannon?

Is the environment department involved in that, or is that just purely the Department of National Defence?

Mrs. Cynthia Wright: The lead for that is the Department of National Defence. Environment Canada has provided some technical information in the past, but it really does not need to do so because Defence has quite a lot of expertise in this area.

The Chair: The time has expired.

Mr. Woodworth, you have the floor.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

I want to thank the very considerable contingent that we have for the expertise it brings to our committee today.

I was thinking about the kinds of things that our government has done in its very young history, right from the Environmental Enforcement Act to the clean air regulatory agenda, the management of contaminated sites, and the unprecedented expansion of Canadian national parks, which in fact represent an unparalleled global carbon sink. There have been many accomplishments and many remarkable environmental achievements over the last few years.

I imagine those have kept you folks all pretty busy, so I want to thank you for your service.

I noticed that in the minister's remarks, there was mention of \$25.2 million in the supplementary requests, which is requested in support of regulatory activities under the clean air regulatory agenda. I must confess to not knowing a lot of the details of that particular accomplishment of this government, so I would like to ask some questions. I have the feeling that perhaps Mr. Beale could tell me a bit about the policy considerations here.

Can you tell the committee how the clean air regulatory agenda funding will be used in order to improve the air quality for Canadians?

Mr. Mike Beale: Thank you.

The clean air regulatory agenda funding is the core support for our work on air pollution and on greenhouse gases. It supports the science that will underlie our advancement in air quality and air pollution. It underlies the policy analysis, and it underlies the regulatory development.

To give one example of some of the science funding, our clean air regulatory agenda funding on science for air quality provides support for 32 background air quality monitoring sites across Canada. In addition, through a series of MOUs with provincial governments, it provides support for 184 air quality monitoring sites in urban areas so that we can have a good picture of what is happening to Canadian air quality.

In addition, it provides support for policy development. One of the initiatives that's been taking up a lot of the work of my group, but also of all provinces and stakeholders, is a multi-stakeholder and federal-provincial initiative to develop an approach to air pollution in Canada. This has been a very time-intensive and resource-intensive exercise, as it's been going on now for a little bit over a year.

There was a report of the Canadian Council of Ministers of the Environment just last month on the progress that has been made. The ministers agreed to give the group another few months, so around the end of March there will be a report to ministers on a path forward on a policy approach for air pollution in Canada.

• (1225)

Mr. Stephen Woodworth: Thank you very much.

You mentioned that it's a core support approach regarding greenhouse gases. I don't know whether or not the air quality monitoring sites you've mentioned are simply monitoring for pollutants, or if some monitoring, measuring, and reporting of GHGs is being done, either at those sites or in some other fashion under the clean air regulatory agenda.

Could you tell us a little about how the greenhouse gases are being monitored and measured?

Mr. Mike Beale: Thank you.

Those air quality sites are primarily for air pollution and monitoring ambient levels of air pollution in Canada. But one of the initiatives that is being funded out of the most recent CARA funding is scientific analysis of the interaction between climate change and air pollution. This is really some path-breaking analysis that's going on internationally. We're working closely with our international partners in both the U.S. and Europe to examine how the projections of global warming are going to affect air pollution.

This work is at its early stages, but it's promising to be quite significant.

The Chair: Thank you.

Monsieur Ouellet, cinq minutes, s'il vous plaît.

[Translation]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Thank you, Mr. Chair.

Thank you for being here today. I think you will be able to answer some of my questions.

I would like to go back to the 20% reduction target. At present, it is a target; it is not yet a plan. Nevertheless, I assume that you can help us understand where the most significant reductions will take place.

We know that the tar sands—I love that name—emit more greenhouse gases than any other kind of production in Canada.

Do you know if the 20% reduction target is based on the current 3 million barrels per day, on the desired 5 million, or on 7 million barrels per day? Is that foreseeable?

[English]

Mr. Mike Beale: The 2020 target is a requirement for what Canada's total emissions will be in 2020 relative to that 2006 baseline. So that's an absolute emissions target that we need to attain.

As we develop our policies for how to attain that, we need to factor in the growth that we're expecting in different sectors. For example, the expected growth in oil sands is one of the factors that we take into account.

I need to point out that the oil sands is currently not the largest source of emissions; it's actually not nearly the largest source of emissions. The electricity-generating sector accounts for about 17% of Canada's total greenhouse gas emissions, and the transportation sector accounts for about 25%.

The issue is that oil sands are growing, and therefore we need to factor into our plan the projected growth in the economy and the jobs that represents, balanced with the emissions that will be coming from it.

• (1230)

[Translation]

Mr. Christian Ouellet: But in terms of energy produced, it still generates the most pollution per barrel. It is worse than electricity and coal.

I would like to go back to nuclear energy. A little earlier, the minister said that we would produce 90% of our electricity using

clean sources. I hope you were not the one who wrote his speech, because nuclear energy is dangerous and generates a lot of pollution. It does not emit greenhouse gases, agreed, but that is not what he said in his remarks.

The request for supplementary funding does not include an allocation for the nuclear sector. Is that because not all of the money was spent this year? Last year, there was an increase. Given that the minister intends to increase efforts in the nuclear sector, where are we at? Where was all the money in the nuclear sector spent this year?

[English]

Mr. Mike Beale: None of this funding goes to support the nuclear sector in Canada.

[Translation]

Mr. Christian Ouellet: Do you know what this year's budget for the nuclear sector is?

Ms. Basia Ruta: I think that a significant part of the funding can be found in the budgets of the Department of Natural Resources and the Canadian Nuclear Safety Commission. So it is not part of our budget.

Mr. Christian Ouellet: It is in the Department of Natural Resources' budget.

Ms. Basia Ruta: That is correct.

I am not 100% sure, but we are not responsible for it.

Mr. Christian Ouellet: I saw that there were transfers to the Department of Natural Resources. If that is included in the Department of the Environment's policies, I wonder why there were no transfers for the nuclear sector? Perhaps it is because the entire budget goes to the Department of Natural Resources, which is quite plausible.

Do I have any time left, Mr. Chair?

[English]

The Chair: *C'est fini. Merci beaucoup.*

Mr. Calkins, you have the floor.

Mr. Blaine Calkins: Thank you, Mr. Chair.

Thank you to our witnesses for being here today.

I have a bit of a keen interest in national parks, so I am going to ask questions along those lines.

The minister talked about \$13.1 million for national parks, \$9 million for contaminated sites, and \$3 million for the advertising campaign. Could you provide the committee with some insight on the contaminated sites that are the priorities for the government at this time? Which national parks are they located in? Which contaminated sites will be taken care of with this \$9-million investment?

Ms. Céline Gaulin (Chief Administrative Officer, Parks Canada Agency): Thank you for the question, Chair.

I do have some information on the contaminated sites program, which I'd be happy to share with you. I will not be able to provide the level of detail you are asking for today, but I can give you examples of where investments are being made over the coming year.

You are right that we received \$9 million in funding this year for this important program. It's part of a \$25-million investment over the next two years to address the numerous remediation and assessment challenges we face in national parks across the country. We have those same challenges in some of our national historic sites. In many instances they also were industrial sites where that kind of work took place.

There are examples in recent media releases of initiatives that are under way in Jasper National Park. For instance, there is \$2 million being spent this year and next year to assess petroleum hydrocarbon contamination at three warden stations. Another announcement that was recently made related to the Lachine canal, where remediation work is under way for about \$4.6 million this year and next. Again, that is hydrocarbon but also heavy metal contamination. These are two former industrial sites along the canal. There is also work in Ivvavik that is under way at this time.

I believe there are a total of 53 assessment projects planned, as well as 64 remediation and risk management projects. I don't have the list with me, but I'd be happy to share that information with you.

• (1235)

Mr. Blaine Calkins: For clarification, is this part of the stimulus funding or is it part of regular base funding?

Ms. Céline Gaulin: There are two streams of funding for the contaminated sites program this year. We received, in supplementary estimates (B), \$5.9 million, and we had also received a little earlier this year \$3.1 million through an advance supply from the board.

So there is some money related to the stimulus program and there is also money under the five-year program that we're funded under.

Mr. Blaine Calkins: Just as a matter of interest, I used to be a national park warden in Jasper, so I am very pleased to hear that some of the warden stations and sites are being cleaned up. That's great news.

I probably only have time for one more question. On the \$3.1 million the minister mentioned with regard to the clean energy dialogue, could you give the committee a sense of where those moneys are being spent, and break that down into the priorities that money will cover?

Ms. Basia Ruta: Thank you, Mr. Chair.

I will provide a short perspective and ask my colleagues to provide more information.

Essentially it really is to, under the clean air agenda, international actions to implement the Canada clean energy dialogue. The initiative calls for both domestic and international actions to improve air quality and reduce greenhouse gas emissions. It respects a significant commitment towards establishing a low carbon economy in North America to encourage the development and deployment of clean energy that will ultimately reduce greenhouse gas emissions and concomitant climate change.

There are working groups that have been developed, and a lot of this funding is for this. There is some funding in this \$3 million that will also be extended to Natural Resources Canada as well as DFAIT.

Mr. Keenan might like to comment further on that.

Mr. Michael Keenan: Thank you, Mr. Chair.

As my colleague indicated, a portion of the resources has been transferred to NRCan, and a small portion to Foreign Affairs.

There are three main project areas in the clean energy dialogue that were established by President Obama and Prime Minister Harper. The first is to advance collaborative work on carbon capture and storage. The second is toward a more efficient electricity grid based on the provision of clean and renewable sources of power. The third is on research and development around new technologies on clean energy, with a focus on building a common North American innovation road map for clean energy technology.

The resources are going to a wide range of types of activities. There are joint workshops between Canadian and American officials. There are some small-scale R and D projects. There's a lot of work in terms of pulling together a common information base. An atlas of CCS in North America is one example. There's work in terms of working out what you could describe as common North American rules of the road for CCS so that both countries have the same kind of regulatory policy on this important technology.

The Chair: Thank you. The time has expired.

Mr. Trudeau, you have the floor.

Mr. Justin Trudeau: Thank you, Mr. Chair.

When talking about the 20% reduction by 2020 from 2006 levels, we have to look at the issue of early adoption. We had a number of major industries in here in the last session—chemical companies, steel refineries, petroleum refineries—that indicated they've managed to reduce their greenhouse gas emissions by anything from 12% to, in the case of the chemical companies, almost 65% since 1990.

I asked how they thought they were going to be able to do on the 2006 reduction levels by 2020 and whether they were going to be able to hit the 20% reduction from 2006 levels given that, since 1990, they did as much reducing as they had for many different reasons and in many different ways.

They reached the low-hanging fruit on that and they indicated it was going to be much more difficult for them to hit the 20% reductions by 2020 from 2006 levels because the obvious things had very much been done early on from 1990 levels.

I asked them about the kind of support, guidance, encouragement, and direction they were being given from this government to help them reach those 20% reductions from 2006 levels by 2020. Their response was that it was not all that much.

As our chair mentioned, the public service is responsible for implementing policy. How are we doing on implementing the only policy the government seems to have, which is the target of 20% reductions from 2006 levels?

• (1240)

Mr. Mike Beale: The 20% target, as you know, is a national target. One of the issues the government will be seized with is how that target gets distributed across all the Canadian emissions, which are not just industrial emissions. Industrial emissions account for roughly 47% of Canada's total.

Clearly, to reach a target like that, all sectors and sources of emissions are going to contribute. How that will be done exactly has not yet been detailed. As the cap and trade system is brought to implementation, that will be through a series of regulations that will set out the details of what each industrial sector is expected to do.

Mr. Justin Trudeau: I understand that industrial sectors represent, as you said, about 40% of greenhouse gas emissions, which is obviously not all of it but is a big chunk and something of a unitary chunk. It's an important thing to address.

The fact there hasn't been a clear direction given to those companies in the past four years is something we hear every time we meet with industry stakeholders that need to know how they're going to reach the reductions that not just Canada but the world markets are demanding of the various industries.

It seems to me this is the first thing we should be looking at, but if the government hasn't got around to talking to the major industries and giving them tools for reduction, what is the government doing about major reductions on the 60% side, the other areas where we can reduce? How are the concrete steps we're going to take to reach that 20% from 2006 levels coming in?

Mr. Mike Beale: One very clear way in which we are doing this, and I think the minister referred to it in his remarks, is through our regulation of greenhouse gas emissions from vehicles. Canada has led the way in North America by moving to a tailpipe approach towards regulating emissions from vehicles. The minister announced this in April. We're currently developing the regulations. Those will be harmonized with the United States.

Mr. Justin Trudeau: Is that with the California levels?

Mr. Mike Beale: With the federal standards that President Obama has recently set out in September, which California has deemed to be equivalent to their own standards.

Mr. Justin Trudeau: There have been areas and states that have regulated tailpipe emissions for a long time now. We're still not there, and the clock is ticking.

Is there anything that we have done over the past few years that has actually been implemented that is moving us towards reaching that 20% reduction target?

Mr. Mike Beale: As I said, these regulations are under development.

Another example is the biofuel regulations, which are currently under development.

Another concrete example of actions that have already been triggered is some of the funding for the clean energy projects that

Natural Resources Canada has been leading, and some recent announcements this summer of investments in carbon capture and storage projects, which are expected to lead to real and verifiable reductions as early as 2015.

• (1245)

The Chair: Thank you very much. Your time has expired.

Mr. Braid, you have the floor.

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

I appreciate the opportunity not to close today. My arm was starting to get sore, as the closer.

I thank all of our officials for being here this afternoon.

I wonder if I could start with a question from the supplementary estimates. There is an amount of \$184,000, I believe, with respect to funding for the environmental damages fund. I have a couple of questions with respect to that amount and the fund itself.

Could you start by clarifying what the \$184,000 funding is for? Could you update us and clarify whether this is the new Bill C-16 version of the fund that is now in effect here? Third, have any fines been assessed under Bill C-16 as of this point?

Mrs. Cynthia Wright: I can take that, Mr. Chair.

As the member is aware, with regard to the environmental damages fund more acts will now require payment into that fund when Bill C-16 is brought into force. We're aiming to bring that part of Bill C-16 into force in the spring of 2010. That will bring into force the changing of the actual fines and direction into the environmental damages fund, and some of the other measures that were passed as part of Bill C-16. The part that is yet to come is the part dealing with the creation of the alternative measures, which is another piece of legislation that has to be developed as part of that.

With respect to the funds that are in the supplementary estimates, there are some pieces of legislation that already direct funds into the environmental damages fund, notably under the Migratory Birds Convention Act. It's an authority that can be used under other acts, but the Migratory Birds Convention Act does direct to that fund.

This fund under supplementary estimates (B) is primarily for staffing people to improve the management of the fund. With the increase in fines and more acts using the environmental damages fund, we expect to have a larger fund to manage. This is to put the people in place and make sure they're trained to manage contribution agreements and to do marketing and awareness about it.

We're already doing a lot of work, not only with our own staff enforcement officers but with the judiciary in raising their awareness so that they are aware of what's coming in terms in higher fines and the direction into the environmental damages fund. The \$150,000 is mostly directed at people and the training of those people.

This is a four-year funding and it will be ongoing past the four years at about a half-million dollars. The first four years is about \$1.6 million. This is the beginning, for hiring the people, training them, etc. We'll be adding more people as we get to the ongoing level at about a half-million dollars.

Mr. Peter Braid: Thank you very much, Ms. Wright, for that update, and for the progress that is being made with respect to that fund.

Just above that line item, again in supplementary estimates (B), is about \$230,000 for funding related to the assessment, management, and remediation of federal contaminated sites.

Could you please provide me with a bit of background on that particular line item? Does that flow from a commitment from the economic action plan?

Ms. Basia Ruta: Thank you, Mr. Chair.

Indeed it does flow from the economic action plan as one of the activities. This \$230,000 item is really a net amount. The actual amount that we're putting forward in an accelerated manner amounts to about \$2.2 million. The economic action plan did accelerate work in this whole area of contaminated sites, but we had already been receiving funding to do work on contaminated sites for a few years previously.

As the minister mentioned in his opening address, we had an estimate for reductions to work in some areas, so the \$230,000 is the net amount going towards this fiscal year.

Mr. Peter Braid: On the same topic, could you provide a little clarity on how those reductions arose?

Ms. Basia Ruta: Every year, any federal departments that have had lands or units contaminated can access certain funding that has been put aside. Several years ago, there was about \$3.5 billion, I think, set aside for the cleanup of contaminated sites. There's a process whereby you put an estimate in the plan, and it goes through criteria and scrutiny. These forecasts and estimates are updated based on certain work that's done to understand whether or not the timing and the costs are appropriate.

The \$8-million reduction was an updated estimate of what was required to do work relative to one site, which would have to be deferred for a number of reasons, so it had to be removed from our funding base for this year.

• (1250)

The Chair: Mr. Watson, you're the closer.

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

I'll advise you up front that I don't have very many questions. If I have any balance of time remaining, I'll be sharing that with Mr. Woodworth.

I think my colleague referenced the economic action plan.

Ms. Ruta, how much funding did Environment Canada get under the economic action plan?

Ms. Basia Ruta: We're not big players under the economic action plan, but over two years—2009-2010 and 2010-2011—if these supplementary estimates get approved, there will be about \$36 million. That would deal with the Canadian environmental

sustainability indicators program. There'd be about \$6.2 million coming to Environment Canada, with about \$3 million more going to two other departments.

For the federal contaminated sites, as I just mentioned, the \$2.2 million would be before we put in the offsetting reduction. Modernizing federal laboratories would get about \$13.7 million over two years. You have an item in the supplementary estimates that brings you up to about \$6.4 million for this year, and that really targets six of our labs. Promoting energy development in the north has about \$10.4 million, and through supplementary estimates (A) we already received funding of about \$4 million. This is the next instalment for this year.

Mr. Jeff Watson: With supplementary estimates (B), how much funding does Environment Canada have cumulatively this year? I think we've just gone from two-year numbers. What do we have coming up?

Ms. Basia Ruta: In terms of our overall funding, that would place us at about \$1.1 billion, which is similar to the total supply that we received last year. This is with supplementary estimates (B). Again, supplementary estimates (C) have not come by. There may be some other technical adjustments, but we seem to be relatively on the same level.

Mr. Jeff Watson: Okay.

Mr. Chair, if I may, I'll give the rest of my time to Mr. Woodworth.

Mr. Stephen Woodworth: Thank you very much, Mr. Watson.

My researchers came across a website that dealt with the opportunity for commercial enterprises to register carbon offsets on an early basis. The website even went so far as to say that projects might be eligible as early as January 2010.

I'm curious to know if that was a preliminary website, or if that in fact is up and running. If it is not, will it be? Will this offset system play into the ultimate cap and trade system, which we're aiming to develop?

Mr. Mike Beale: Mr. Chair, I can take that question.

The offset system is really an important complementary mechanism for our cap and trade approach. The minister, in the summer, announced that he is moving forward with an offset system. He published two of three remaining guides that will set out the rules of that system.

We invited public comments, and those comments were received in the late summer. We're currently briefing the minister on the content. He will then decide on the final rules of the system.

The offset system works as a way of generating reductions from sectors that would be outside the regulations. So it's a way of achieving reductions in sectors such as agriculture, or in municipal landfill sites.

Yes, we will have...once the system has been fully implemented, which will likely be at some point in 2010. An investor will be able to bring forward a project, register that project, indicate the amount of emissions reductions that is expected to generate, and then, once those reductions have been verified by an independent verifier, the minister will issue credits to that project developer. Those credits will have value, and the project developer will then be able to sell those credits on the open marketplace. It's really a market-based way of achieving reductions that will contribute to our 2020 target.

• (1255)

Mr. Stephen Woodworth: That's an excellent part of our government's plan to reduce greenhouse gases, and I'm very glad that we heard about it.

Thank you.

The Chair: Thank you, Mr. Woodworth. Time has just expired.

I want to thank all the witnesses for coming.

As you know, we've now considered the estimates. I don't see us having another meeting on this before it's deemed to be reported back because of our ongoing work on Bill C-311 next week....

Order! Order, guys; come on.

What I'd like to do is call the votes that are before us for consideration. You have the documents in front of you.

ENVIRONMENT

Department

Vote 1b—Operating expenditures.....\$25,497,566

Vote 5b—Capital expenditures.....\$8,451,500

Vote 10b—The grants listed in the Estimates and contributions.....\$1,257,625

Canadian Environmental Assessment Agency

Vote 15b—Program expenditures.....\$215,250

Parks Canada Agency

Vote 25b—Program expenditures.....\$3,008,979

(Votes 1b, 5b, 10b, 15b, and 25b agreed to on division)

The Chair: Shall the chair report votes 1b, 5b, 10b, 15b, and 25b, under Environment, to the House?

Some hon. members: Agreed.

The Chair: Okay.

I have a notice of motion from Mr. Scarpaleggia.

Mr. Francis Scarpaleggia: Thank you, Chair.

I would like to give notice that I will be presenting a motion on Tuesday—namely, that the Standing Committee on Environment and Sustainable Development extend sitting hours in order to ensure completion of clause-by-clause on Bill C-311 before the deadline for reporting the bill back to the House.

The Chair: We'll consider that on Tuesday.

With that, I'll entertain a motion to adjourn.

Mr. Jeff Watson: So moved.

The Chair: We're out of here.

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