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Chair

Mr. Merv Tweed

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• (1535)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Thank you, and good afternoon everyone. Welcome to the Standing Committee on Transport, Infrastructure and Communities, meeting number 14.

Pursuant to Standing Order 81(4), we are considering the main estimates for 2009-2010, votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, and 75 under Transport, referred to the committee on Thursday, February 26, 2009.

Joining us today we have the Honourable John Baird, Minister of Transport, Infrastructure and Communities; and the Honourable Rob Merrifield, Minister of State for Transport. Also joining us at the table, from the Department of Transport, are Mr. Marc Grégoire, assistant deputy minister of safety and security; Mr. André Morency, assistant deputy minister of corporate services; and Mr. Louis Ranger, deputy minister. Also joining us, from Infrastructure Canada, are Mr. David Cluff, assistant deputy minister in the corporate services branch and chief financial officer; and Mr. John Forster, assistant deputy minister of the policy and communications branch.

As I stated, we're here to talk about the estimates, so I will open the floor.

Mr. Volpé, you have a point of order.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Thank you, Mr. Chairman.

You know we have a time-honoured tradition in committee where to go first, but first let me welcome the minister back. I understand he has had some medical issues over the course of last week. And I welcome the other minister, Mr. Merrifield. I thank them both.

Since we're very accustomed to meeting the two of them and know them well, I'm wondering whether both ministers would agree to simply go to questions and answers on the issues, and forgo the opportunity to regale us with an introductory speech.

The Chair: Mr. Baird?

Hon. John Baird (Minister of Transport, Infrastructure and Communities): I'd be pleased if you want to go from 90 minutes to 80. I would be pleased to acquiesce.

Hon. Joseph Volpe: We've already gone from two hours to an hour and a half, so let's go.

Hon. John Baird: You'd get a great speech.

The Chair: We'll open the floor to Mr. Baird for his opening comments, and then immediately go to the questions.

Hon. Joseph Volpe: Starting now.

The Chair: Starting now.

Hon. John Baird: Thank you very much, Mr. Chair.

Committee members, I'm very pleased to be here today with my cabinet colleague, Rob Merrifield. You've already done me the pleasure of introducing our officials from both Transport Canada and Infrastructure Canada.

I also want to tell you that we're looking into the Brandon airport project, which I know you've been working hard on.

I want to begin by thanking the committee for its work over the past several months. A number of important pieces of legislation, such as Bill C-9, the Transportation of Dangerous Goods Act, and Bill C-3, the Arctic Waters Pollution Prevention Act, have progressed through this committee since February of this year. I appreciate the time and effort each of you has put into this achievement.

We're here to facilitate discussion and to help answer any questions you may have regarding the main estimates for both Transport Canada and Infrastructure Canada.

The actions taken by our government through the spending outlined in the estimates are contributing to cleaner air and water, to safer roads, and to more prosperous and livable communities. We are focusing our efforts on key actions and key infrastructure investments that will stimulate the economy, create jobs, and support Canadian families.

The 2009-2010 main estimates show significant investments through Transport Canada and Infrastructure Canada in the upcoming year, when our economy will need them the most. And we are working collaboratively with provincial, territorial, and municipal governments to help ensure there is three times more money flowing into the economy for more projects and more jobs.

We have accomplished a great deal since the meeting of first ministers in January. At that meeting, we agreed to a five-point action plan to accelerate infrastructure investments.

In keeping with this plan, we have amended the Navigable Waters Protection Act, reduced duplication of federal and provincial environmental assessments, and streamlined our own federal approval processes.

Our government, led by Prime Minister Stephen Harper, is also delivering on our economic action plan to stimulate economic growth, create jobs, and support Canadian families.

Within weeks of the budget being tabled, we approved more than 500 projects, valued at \$1.5 billion, in small communities in various parts of Canada. We announced major projects, with a total federal contribution of almost \$1 billion—\$980 million to be exact—including the Evergreen Transit Line in the great city of Vancouver; the Edmonton southwest ring road; GO Transit improvements in the province of Ontario; and the expansion of a drinking water facility in Lévis, Quebec. And we have flowed over \$307 million to provinces and territories under the provincial-territorial base initiative.

I would also note that when this new fiscal year began, we accelerated the first payments to cities of the federal gas revenue transfer. The first payment was issued within days of the start of the fiscal year. We will flow another \$1 billion to municipalities later this year, because, I am proud to say, this fund has now doubled to \$2 billion per year. It will remain at that level beyond 2014, when it becomes a permanent measure. Municipalities across the country will benefit from this additional funding now and for years to come.

The Federation of Canadian Municipalities recently noted that “The Government of Canada and all parliamentarians deserve recognition and thanks for their ongoing support...and the working partnership they have forged with Canada's municipalities.”

Our economic action plan made available nearly \$12 billion in federal money for new infrastructure stimulus funding over two years. This includes infrastructure funds for which I am responsible: the \$4 billion infrastructure stimulus fund and the \$1 billion green infrastructure fund, and accelerated payments under the provincial-territorial base fund.

I have to tell you that we are working incredibly well with our provincial partners to help maximize those investments; I cannot put too fine a point on this. Premier McGuinty of Ontario, Premier Gordon Campbell of British Columbia, Premier Gary Doer of Manitoba, and Premier Charest are among those who are showing leadership in Canada's collective response to the global economic crisis. They are responding to the call for governments to put aside partisanship and political games and to work collectively for the benefit of Canadians and job creation in our economy.

There are several examples I would like to cite. Recently, my Ontario counterpart, Minister George Smitherman, and I sent a joint letter to Ontario municipalities, outlining our non-partisan approach to infrastructure development and the importance of these significant investments as a stimulus to our economy. We are working in lockstep to fully allocate funding for the communities component under the Building Canada fund. Strong provincial partnerships also allow us to put the infrastructure stimulus fund into action. We're providing more than \$100 million from this fund to British Columbia's community infrastructure projects.

• (1540)

[Translation]

In the province of Quebec, we invested \$700 million in a program to address water quality and repair sewers.

[English]

Mayors across Ontario are quickly preparing their stimulus fund applications, which are due by the end of this week.

Under our Building Canada plan, the provincial-territorial base fund was established to provide predictable funding of \$25 million over seven years, with a total of \$175 million per jurisdiction by 2014. We will be accelerating this funding where provinces and territories can match it by working to provide \$175 million over the next two years. We have great pickup from that around the country. I'm also happy to say that several are taking advantage of this and investing more money in the economy as a whole.

Another major priority of this portfolio is to ensure that our transportation system is safe and secure. I'm pleased to report to the committee that, following the most recent Auditor General's report and the chapter on national security, an agreement was signed between Transport Canada and the RCMP. This will expand criminal background checks for transportation and security clearance applicants to include more intelligence data from more sources. This will allow us to better beat back criminals who may attempt to infiltrate our airports and will allow us to keep Canadian travellers secure.

Canada is a trading nation, and the importance of ensuring that Canada has an economically effective and efficient transportation system cannot be understated. We're focused on ensuring that this is the case while we work to ensure that the stimulus projects can be implemented quickly to get shovels in the ground and jobs created. These strategic and targeted investments will provide a much-needed shot in the arm for the Canadian economy.

The main estimates before us are directly linked to addressing the economic challenges that confront our nation and indeed all nations.

I look forward to chatting with you today. I'll turn it over to Minister Merrifield.

Hon. Rob Merrifield (Minister of State (Transport)): I'll keep my comments very short because you are indeed looking forward to questions. I have spent a considerable amount of time on committees and I know full well what work you do and how important it is to Canadians and on behalf of Parliament.

I just want to reinforce with you my part of the responsibility in the transportation portfolio. We have the 15 crown corporations, including everything from Canada Post to VIA Rail, Marine Atlantic, and many others. I'm not going to name all 15 corporations. I think you're familiar with them.

Within the portfolio, I also assist Minister Baird more directly on the infrastructure file, in charge of Alberta and Saskatchewan, and work very closely with the provinces to get the money going, get Canadians working, and make sure that we get shovel-ready projects that are indeed going to contribute to our long-term infrastructure for the country.

We're here to talk about the estimates today and I also want to make note of our action plan and some of the significant numbers of dollars that you'll see in the fall estimates. It's important for you to consider this as we discuss some of the issues this afternoon.

For CATSA, there is \$282 million in our action plan over two years to improve air traffic and air safety. On the safety of travel in Canada, we're looking forward to implementing this initiative by the government very, very quickly.

VIA Rail is at \$407 million. I believe that the last time we were here we talked about that a little with regard to making sure that we keep our rolling stock safe but also contribute to the speedy and efficient use of the VIA system across this country. I also want to highlight rail safety. Significantly, the number of dollars is at \$72 million for rail safety and grade-crossing improvements, as well as enhanced regulatory oversight and enforcement. We are looking forward to implementing that \$72 million as well.

On Marine Atlantic, I was able to be in Atlantic Canada to officially launch a new vessel, the *Atlantic Vision*, and you might want to take note of how that will improve service there in the long term.

So we're really about keeping Canadians safe, whether it's air, rail or bridges, stimulating our economy, and working on behalf of Canadians. We're looking forward to any questions you might have.

• (1545)

The Chair: Thank you.

Mr. Volpe, you have seven minutes.

Hon. Joseph Volpe: Thank you, Mr. Chairman. I'm going to share my time with Mr. Kennedy.

Minister Baird, I'm wondering if we can turn our attention to the estimates. I noticed that under the airports capital assistance program, the amount of funds available has actually dropped from \$49 million to \$36 million. In a period where we're trying to create jobs, as you so determined in your presentation, how would you justify cutting about 256 jobs with this reduction?

Mr. Baird.

Hon. John Baird: I'll tell you that we are funding \$4 billion under the economic stimulus fund, and under the Building Canada program, airports are eligible categories. I'm happy to ask my deputy to respond to the specific nature of your question with respect to the airports capital assistance program.

Hon. Joseph Volpe: But he's not responsible for answering questions in the House, so I'm wondering if I can just focus on you. Would you mind?

Hon. John Baird: We're not in the House.

Hon. Joseph Volpe: How do you justify the loss of 256 jobs with this cut?

Hon. John Baird: Go ahead, Mr. Ranger.

Mr. Louis Ranger (Deputy Minister, Department of Transport): If I may, this is a five-year program. It's fully funded. It varies from one year to another just because of the variations in demand, but over time, we average the full amount of \$38 million a year. There might be some slight fluctuations, but we certainly spend the full amount, and frankly, the program is always over-subscribed. We manage to stage the work so that it eventually gets done.

Hon. Joseph Volpe: Let me try a second question on the same theme. Part of your presentation talked about security, yet I notice, again, in the estimates, that the marine security contribution program is collapsed by a further \$16 million this year. So does that mean we're not as concerned about security? And what about those other 300 jobs that go with it?

Hon. John Baird: I can tell you that there are obviously significant responsibilities the federal government has with respect to marine security. There are also a significant number of responsibilities the private sector has in for-profit operations with respect to their requirement that they operate in a secure environment. We have provided some support, and the department has, particularly over the last six and a half to seven years. But there also are responsibilities the private sector has.

I can ask my assistant deputy minister for safety and security, Marc Grégoire, to respond specifically to the question you have with respect to the allocation on marine security.

Hon. Joseph Volpe: I'm wondering if he can wait for a moment for me, because the third theme you touched on was the clean air program. The clean air program, I notice, has gone from \$205 million in the last budget to \$34 million in these estimates.

You were the Minister of the Environment when the allocation was \$205 million. Now you're the Minister of Transport, and we've reduced that to \$34 million and to \$25 million in this next year. Has that become less significant for you now that you're the Minister of Transport?

Hon. John Baird: I strongly believe in the "polluter pays" principle. I don't think taxpayers should have to subsidize industry to clean up its act. I believe that the polluters, those people who are profiting from polluting our environment, should be accepting responsibility for their actions, and they, rather than middle class families, should have to pay to clean the air. So we have provided—

Hon. Joseph Volpe: That means that you have a list of those polluters you've identified, because you were able to cut the funds from \$205 million to \$34 million, knowing who the polluters were. Are you going to provide that for this committee?

Hon. John Baird: Every registered marine vehicle, every registered aeronautic—

Hon. Joseph Volpe: So they're all polluters.

Hon. John Baird: Everything that emits carbon is a polluter, yes.

Hon. Joseph Volpe: Do we have regulations in place to start collecting that money?

Hon. John Baird: The government doesn't have to take money into the consolidated revenue fund. We can, through a variety of means—through regulation, through memoranda of understanding, through agreements—facilitate action. I just don't think that every single action has to come from the consolidated revenue fund.

I believe in polluter pays. When I was Minister of the Environment, it was one of the things we tried to do. For example, one of the things we did was eliminate the tax subsidies the previous Liberal government had given to the oil sands. Rather than us giving it to the oil sands, they have to clean up their own act.

• (1550)

Hon. Joseph Volpe: If we could go back to the estimates, Mr. Baird, I notice here that you have a great interest in transit strategy. And there's a line here for contributions to the Regional Municipality of Durham for a long-term transit strategy, but it's only for \$1.881 million. Does that indicate that some members around the cabinet table have greater weight than others?

Hon. John Baird: Certainly—

Hon. Joseph Volpe: That was the Minister of Finance who probably put that in, was it not?

Hon. John Baird: It could have been the Minister of International Cooperation.

I can tell you that we provide a variety of support to municipal transit authorities. We generally are not in the business of operational funding. By and large, it's capital funding. We are working—

Hon. Joseph Volpe: All what's happening right now is simply a consultation period for the next 50 years. It's \$2 million for the Minister of Finance's riding.

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

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): This is the third time, with respect, that Mr. Volpe has cut off the minister during an answer. I would ask that if he's going to ask the question, he at least wait for the answer.

The Chair: Thank you for that comment.

Hon. Joseph Volpe: I'm sorry, usually—

The Chair: I won't penalize your time, but I think you have to give the minister....

Hon. Joseph Volpe: I'm usually very courteous, so what I'll do is apologize for being discourteous.

Let me go immediately to the very next question, then, Mr. Baird, because we're talking about putting shovels in the ground and doing the work that needs to be done. You asked the House for approval to spend money. The House gave you the authority, especially under vote 35, which allows you to circumvent the usual process. How many times did you use vote 35 in allocating the funds required for the programs you outlined, and which ones were they?

Hon. John Baird: I'd encourage you to speak with the President of the Treasury Board. He administers vote 35, as you know.

Hon. Joseph Volpe: So you don't have a list? And you've never used it?

Hon. John Baird: I would encourage you to speak to the President of the Treasury Board, who would be better able to define that.

One of things we are doing, at Parliament's request, is reporting back, as we did in March. We'll be reporting back in June and in December, and we'll certainly honour the commitment we made to Parliament to do just that.

Hon. Joseph Volpe: So we'll have that list then—is that what you're saying?

Hon. John Baird: You bet.

Hon. Joseph Volpe: Okay.

Thank you.

The Chair: Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you, Mr. Chair.

Minister, you have faithfully appeared before the committee whenever you were asked to do so. That is why we thought that you were ill last week. I hope that you feel better, and thank you for being here.

My first question is for Mr. Merrifield.

Earlier you said that you were a manager and that you deal with Canada Post. In terms of budget transactions and the amounts allocated by the Government of Canada, there has been very little progress with Canada Post. You ordered a strategic review of the Canada Post Corporation and told the House of Commons that you would make the results of that review or the report available.

Have you decided on a date, or can you commit to submitting the document to this committee?

[*English*]

Hon. Rob Merrifield: Thank you for the question.

It was three very distinguished Canadians who followed through on the request for the strategic review. I prefer to call it a corporate review, because that more closely defines exactly what it is. We have examined it closely and are very close to having it go public. I've committed to make sure that once it goes public we consult with all the users, including the unions, so as to be able to deal with a response to it.

The report isn't as critical as what we do coming out of the report. We'll be looking forward, very shortly, to being able to come forward so that Canadians know exactly where we're going.

I'm very thankful to the individuals who followed through on this corporate plan or strategic review at Canada Post.

[*Translation*]

Mr. Mario Laframboise: Is it too early to say whether there will be any budget implications, that is, whether the government will have to set aside money to help Canada Post? If I understand correctly, there is nothing set aside as of yet, and as long as it is not made public, you will not do anything.

[English]

Hon. Rob Merrifield: It's premature at this stage. Let's get the report out, let's get the reaction and do the consultation with Canadians, as well as all people involved, and then step by step move forward in making sure that Canada Post is sustainable long-term and can compete internationally and nationally into the future in the 21st century.

• (1555)

[Translation]

Mr. Mario Laframboise: Mr. Baird, nothing is set aside for NAV CANADA. I know that it is an autonomous self-supporting organization, but, Minister, as you no doubt know, NAV CANADA is in the process of conducting impact assessments in a number of airports. In Quebec, the Rouyn-Noranda, Val-d'Or and Lower North Shore airports have been notified that NAV CANADA could conduct a service analysis. That could lead to significant economic losses for these communities. Air ambulances need NAV CANADA's services. Some regions have been told that if service changes were made, their air ambulance service would likely stop.

Have you set aside money for cases where NAV CANADA is short on funds, or will you intervene in the process that NAV CANADA is currently conducting in various communities that use its services?

Hon. John Baird: As I am sure you know, the previous government privatized NAV CANADA. It is not a government agency, but a private corporation responsible for its own operations. I must, however, point out that the Government of Canada has allocated \$25 million to NAV CANADA in light of the Vancouver Olympic Games and the numerous security issues surrounding the event.

Sometimes, these proposals give rise to concerns, as in northern New Brunswick and in Quebec. I am always willing to work with communities and their respective members, and to listen to their concerns, even when that member is a Liberal, as in the case of New Brunswick. I am also willing to talk about policies with NAV CANADA's people. Of course, sometimes, with a private corporation, economic concerns have to be balanced with the public interest. It is my job to work with communities and my colleagues, no matter what their political stripe, on issues that concern them.

I am always willing to work with people and communities. I did so in northern New Brunswick. There will still be concerns, whether economic or safety-related, as with the air ambulances, where the public interest is at stake. But it is not just NAV CANADA's responsibility. Sometimes, it is the government's responsibility when the public interest is concerned. Ultimately, we are responsible for addressing all of these concerns.

Mr. Mario Laframboise: My next question is about high-speed rail.

Minister, you are aware that the American administration has decided to launch a high-speed rail project. They are analyzing the situation in order to better connect communities across the U.S. by means of a high-speed rail system. The first statements in the government's proposal included a link between Montreal and other Canadian cities. We have not gotten the sense that your government

wants to pursue this high-speed rail project, which would go a long way toward reducing greenhouse gases.

As you know, the premiers of Ontario and Quebec, Mr. McGuinty and Mr. Charest, want to conduct a study on high-speed rail. I know that you will be participating, but just barely. Will you really assert the Government of Canada's desire to be involved in this major North American project so that Quebec, Montreal, Ontario and the rest of the provinces will be well connected? We would have to express our interest to the American government immediately.

• (1600)

Hon. John Baird: I must clarify that we have not received a specific proposal from the U.S. The Obama administration has made a few comments or suggestions regarding [Editor's Note: Inaudible]. As far as I know, nothing will move forward in the next two or three years. On our end, we have built a solid partnership with the Ontario and Quebec governments. We are absorbing a third of the cost of a study to assess proposals that were made 16 years ago, I believe. It is a matter of studying the numbers and seeing what they represent today. I expect that, 15 years ago, the cost was approximately \$20 billion. Whatever the number, we are working with Ontario and Quebec. We are waiting for the results of the study. We want to figure out what the best solutions are. It is not just about reducing greenhouse gases, improving air quality—one of our highest priorities—or establishing a new mode of transportation. We also have to determine what the best investments that we can make are. Twenty billion dollars is a lot of money. In fact, the number may be closer to \$30 billion today. Does public transit in big cities represent the best investments? Are the best investments those made by Ontario and Quebec? Is there a way that we can work with the Americans? Can Canadians afford to pay for a high-speed rail system? It will be a lot more expensive than in the case of VIA Rail—as we have seen in Europe and Japan.

[English]

The Chair: Thank you.

Mr. Bevington.

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

Welcome to Minister Baird and Secretary of State Merrifield. I'm pleased that you could join us today. Over the years I've noted, Minister Baird, that you're readily available in committees, and I think that's an admirable trait.

Concerning the Building Canada and infrastructure stimulation funds, many questions are still out there about their proposed way of working. Municipal leaders across the country are very concerned as well about some of the conditions attached to them.

In your letter to the mayor of Toronto, you said that “proponents will be required to attest that the projects would not have been built over the next two construction seasons without the federal and provincial funding.”

Their concerns lie with projects identified in these capital plans not being eligible for funding. That's certainly going to put an extra burden on municipalities in bringing forward projects. As well, projects need to be completely finished by 2011, under your proposed rules. This will present difficulties to municipalities in coming forward with plans and projects of a type that is going to be acceptable and will not, as your finance minister..., be clawed back from municipalities through the gas tax in years to come, if they don't follow the regulations.

Perhaps you could give us a bit of an understanding of how the stimulus money for these new projects is being handled.

Hon. John Baird: Certainly.

I'll just underline very quickly the gas tax rebate, the GST rebate, and under Building Canada the base funding. Under Building Canada, there is great flexibility as far as timing is concerned.

In the design of the approximately \$12 billion worth of stimulus funds, we wanted to basically stimulate economic growth, stimulate job creation in the short term. We have three fundamental principles. They're not complicated. Some object; some are not in agreement. I would be dishonest if I didn't say that.

One is that we want it to be a new project. We don't want to say, if city X was already going to do something this year or next, that they simply take out some of their money and put in other money, because then we wouldn't be creating any new jobs. We want to create new jobs, so we want it to be a new project, something that otherwise wouldn't be going ahead anyway.

Two, we want to create jobs over the next 24 months with this program. We know from the past 25 years that there can be great... particularly with big projects. Even in building a subway it can take two years from the time you get the yes on the money to when you get the shovel in the ground. We don't want to simply say to the unemployed that they have to wait two years, so we're looking for projects that would start this year and be completed by the end of next fiscal year, which is March 2011, 23 or 24 months away.

The third fundamental point is that we get matching funds whenever possible. We won't get them in every case, but if we can take \$12 million and turn it into \$24 million or into as much as \$36 million by going one third, one third, one third with the provinces and municipalities, we can create up to three times as many jobs and up to three times as much economic spinoff.

Many municipalities that are having concerns... I'll give you an example. As of noon today in Ontario, we've received 474 project proposals from 69 municipalities, totalling about half a billion dollars. That shows that a lot of municipalities are ready to go, have funds matched, and can meet the criteria.

Building Canada is also on the table for those projects that would be longer-term, that would go beyond March 2011.

•(1605)

Mr. Dennis Bevington: But what you've outlined is that it's going to weigh heavily on municipalities when they can't match up projects to that kind of description. You're starting now. You're not likely to see many of these projects go ahead this year, if you consider the full cycle that a municipality has to bring a capital program forward, one

that didn't exist two months ago. A whole series of events takes place around getting that forward and into the market.

You need to find some ways to make this program more accessible.

Hon. John Baird: I'm going to, with great respect, disagree with you. Municipalities are up to this challenge. They have hundreds of projects right across this country for which they have the money, they have the projects, and they are going to be able to go this year and complete them by next year. We will have to turn municipalities down, they are so ready to go in this regard.

But it's not all municipalities. Under the stimulus fund, the YMCA can apply, the United Way can apply. We can also spend it on federal action.

Mr. Dennis Bevington: Certainly, Mr. Minister, some of the announcements you made in my riding.... The Minister of Health announced the Kakisa River Bridge project, but that bridge was started two years ago.

Hon. John Baird: That's under the base funding.

Mr. Dennis Bevington: When are you going to make the announcements on these new projects?

Hon. John Baird: That's under the base funding, which is quite permissible.

Mr. Dennis Bevington: Yes.

The Chair: You have a minute left.

Hon. John Baird: I'll be meeting with the minister from the Northwest Territories either later this week or next week.

Mr. Dennis Bevington: Many of the northern and rural communities face capacity challenges, funding limits, and limits to construction seasons. Are you considering giving these types of communities a little more leeway on what you're proposing to do? If these communities find they can't complete the project in two years, are you then going to take the money back in terms of reducing their gas tax allocation?

Hon. John Baird: No. It's not their money; it's the taxpayers' money. We are asking for projects that can go forward in the next 24 months. I am confident that we'll be able to get more than enough projects around the country that can meet these criteria. I would be dishonest if I didn't say that some projects are on a provincial asset, like GO Transit or a provincial highway, where it's 50-50. There will be the odd project where it's 100% federal if it's in a port or airport that is eligible for the funds. The overwhelming number will be a third, a third, a third.

I'll give you an example. The United Way in Toronto has a great proposal with respect to youth community hubs. Roy McMurtry and Frances Lankin have been lobbying hard on that. They can raise a third, and they're approaching the province and us. I think we're going to have lots of proposals.

I just got one from your colleague from Thunder Bay—Rainy River, who's got a great project that will help Toronto and his riding, and it's currently under consideration.

We will have a surplus of requests, which shows you how dynamic, flexible, agile, and eager municipalities are to help create jobs.

The Chair: Mr. Mayes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you to the minister for being here today.

First, before I start with some questions, as the member for Okanagan—Shuswap, hearing this from my staff, I just want to ask the minister to pass on to his staff the great cooperation and communication they've had with my riding. It's been very successful and informative. We've had timely response and we've had some great results, so thank you very much for the work that's being done.

One of the challenges of getting infrastructure money out, of course, is partnership, cooperation, and not only from the local governments, but also the provincial and federal governments. I don't know if it's just because of the pending election in British Columbia, but I'm happy to say the Province of British Columbia has really stepped up to the plate and moved forward quickly to get these announcements out.

I just want to tell you a little bit about the ground successes of what's happened in our community. Highway 97 and 220 kilometres of the Trans-Canada Highway run right through my constituency. We have signs up all over, projects have started, people are at work. In what I call the triangle of Kamloops, Revelstoke, and Kelowna, we have about \$200 million worth of highway construction, which is something we've been waiting for for some time, and this is very timely. It's going to have some great benefits in the future for my constituency, so thank you very much for that.

One of the things the Province of British Columbia has done is worked with the ministry and also with their local communities. They've split out the towns of populations of 100,000 or less or 15,000 or less and they've set up what they call Towns for Tomorrow and Locomotion. What they're trying to do is just what my colleague, Mr. Bevington, mentioned about the one third, one third, one third. Some of the smaller communities have challenges bringing up that one third, so the Province of British Columbia, in cooperation with the federal government, has allowed for 80% funding for communities under 100,000, and then 100% funding for communities under 15,000. You can appreciate if a small town as I have in Lumby, with a population of about 2,000 people, raises the taxes 1%, they only get \$10,000, and that doesn't buy a lot of infrastructure. So they are now building an \$800,000 bridge because of the work we're doing as the federal government and the province of British Columbia.

Those are great success stories on the ground that are happening in my constituency, so I think it is working.

In that respect, are any of the other provinces moving forward with innovative ideas on how we can get this money out and helping local government, especially the smaller communities, not the larger communities?

• (1610)

Hon. John Baird: They are. Some of the smaller communities do have challenges. They can use the gas tax money or their GST rebates, among other initiatives.

Some provinces have been incredibly quick. I have to say, British Columbia, Gordon Campbell's government, is a pleasure to work with. They move very quickly, and I think that serves people in

British Columbia well. Gary Doer's government and his Minister Ron Lemieux work incredibly well with the federal government. I can say that we've had a great relationship with Minister Normandeau in the province of Quebec. We're moving quickly.

We've managed to put aside politics in Ontario, where I was the critic of the infrastructure minister only three and a half years ago. In the Ontario legislature, we're getting things done. We have seen a significant number of examples where people really are responding to the challenge and moving quickly.

Shawn Graham's government in New Brunswick came out with an infrastructure stimulus plan in December and are great partners with us.

So I think this economically challenging time is certainly bringing the best out in people.

We do have programs for municipalities as well, with respect to some very low-interest loans, which Minister Finley announced.

Obviously we don't have much money federally either. We're borrowing money. So are most provinces. Maybe not socialist Manitoba, where they are running a surplus, but most provinces are running deficits. We do have a program that can provide some low-interest loans to municipalities, which provides another measure of help, which is, I think, good news.

Hon. Rob Merrifield: I could report on where Alberta and Saskatchewan are with that. Particularly in Alberta, we're seeing a considerable amount of interest by the municipalities, and actually what Mr. Bevington has suggested is not what I'm seeing in Alberta. In our first round of opening up in the community component, there has been over \$400 million applied for. This is money municipalities are stepping up with, and they are prepared to put their money into projects. We're getting all set to roll out a significant number of those dollars into communities right across the province.

In Saskatchewan there is the same sort of thing. There will certainly be many more applications than there is money to be able to fill them.

• (1615)

Mr. Colin Mayes: I have a question as far as the municipal rural infrastructure fund goes, for instance. It's one third, one third, one third. A local government has the opportunity to also piggyback Building Canada funds on that. Is that correct? Can you just explain that?

Hon. John Baird: That's correct.

Mr. Colin Mayes: Okay. Because there is kind of a misconception that when you're in the MRIF program, municipal rural infrastructure fund, you have to come up with the full one-third. But if the municipality capacity is only a smaller portion, then they can add some Building Canada fund money to that and make a significant project out of it.

Hon. John Baird: Some provincial governments—and obviously municipalities are creatures of the province—are giving more. For example, in Toronto the Ontario government has done a lot in public transit, far beyond the one-third as is *leur compétence*, so they're certainly allowed to do that.

With respect to the Towns for Tomorrow program, which you did mention, the province is picking up additional funds. We're still doing a third, but the province is going further, as it's in their jurisdiction, which is fantastic. We're putting in \$21 million, and I think they're putting in \$42 million, so it's very flexible. We're certainly open to being creative, though we want to maintain some fundamental integrity to the program.

The Chair: Thank you.

Mr. Kennedy.

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Mr. Minister, can you tell me how many jobs you've created so far with the infrastructure stimulus fund?

Hon. John Baird: We'll be reporting back to Parliament in June on that.

Mr. Gerard Kennedy: How many is it as of today, though? You're here as the minister, and we've had a month of activity. Can you tell us approximately, to the best of your knowledge as a minister, how many jobs you've created?

Hon. John Baird: Definitely in the thousands. We'll be reporting back to Parliament—

Mr. Gerard Kennedy: Thousands is a very vague number. Is there something more precise? People would be happy to have just your best knowledge on this.

Hon. John Baird: Parliament would be happy to have it in June when they ask for it, and we'll certainly—

Mr. Gerard Kennedy: This is Parliament, Mr. Minister. This is Parliament in committee. And you said that there would be dollars flowing. Your Minister of Finance said that there would be in fact a need to have the construction season utilized. I think it's a fair question. There are documents that could be tabled if you don't have them in front of you.

Can you tell us first of all roughly how many jobs through the infrastructure stimulus fund—the new authority the government sought and got to spend money—have been created? And can we get a list tabled with this committee?

Hon. John Baird: If you want to talk about vote 35, as I said to your colleague, Mr. Volpe—

Mr. Gerard Kennedy: I'm not talking about vote 35, Mr. Minister. I'm sorry if it's in any way unclear.

You have something you've called the infrastructure stimulus fund. It's valued at \$2 billion this year and \$2 billion next year. I'm asking you how many of those dollars you have gotten out. But more importantly, how many jobs have you created this fiscal year with that fund?

Hon. John Baird: I'm going to mark you down as dissatisfied with my response.

We'll be reporting back to Parliament in June. We're working aggressively on project approvals, aggressively on getting cheques out—

Mr. Gerard Kennedy: May I ask, Mr. Minister, is your reluctance built around the fact that you haven't created any jobs yet with that fund?

Hon. John Baird: My reluctance is out of respect for what Parliament said, and they want us to report back in June.

If you want weekly reports—

Mr. Gerard Kennedy: I think that's a deadline, Mr. Minister, and I think Parliament would be happy if you had information sooner.

If you don't have information, I think it's fair to say you have not yet created jobs and you might give us a time by which we could expect you to create jobs.

Hon. John Baird: I don't accept your—

Mr. Gerard Kennedy: Well, there's only one way to disprove it, Mr. Minister. You're the minister. You have these dollars at your disposal, and you're telling us it's not your place to tell us ahead of some deadline that you've done anything with the dollars.

Hon. John Baird: I'm saying we're working aggressively on project approvals. We're working aggressively on relationships with provinces. And we'll be reporting—

Mr. Gerard Kennedy: Okay. Has that aggression resulted in jobs? That's the only thing I—

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

Mr. Brian Jean: With respect, I would suggest that Mr. Kennedy is becoming quite aggressive with the minister and not allowing him to answer the questions—

Mr. Gerard Kennedy: With the greatest of parliamentary respect—

The Chair: I'm listening to the point of order.

Mr. Jean, on a point of order, please

Mr. Brian Jean: I would suggest that the minister has come here at every opportunity that we have asked him. He has answered the questions directly, when he's had an opportunity to answer the questions. In this particular case he's not getting an opportunity to give full and final answer to Mr. Kennedy's question. I would suggest it would be the polite thing to let him have the opportunity to answer.

Mr. Gerard Kennedy: Mr. Chair, I'm not appealing to the member opposite as chair. I respect that the chair's job is to mediate this meeting, not the parliamentary secretary.

I'm asking for an answer, and I ask it respectfully. With all respect, Mr. Chair, if through some power of understanding you discern an answer there, I'd be happy to go with that. I haven't got the answer. The only reason for my repeating the question is to ascertain an answer.

I think it's a fair question. I don't ask it disrespectfully. I'm using my job as a parliamentarian for my constituents. And this is the role I have for Parliament, as an opposition critic, to fulfill. This is the only place I get to fulfill it.

With the greatest of respect to Mr. Jean, I have the minister for a very few minutes, and this has been the only time since the program started. I think it's an appropriate question asked in an appropriate manner, and I rely on the chair to uphold my ability to do that.

•(1620)

The Chair: I'm going to rule that it's not a point of order, but I do think the minister should have adequate time to answer the question.

From the chair's perspective, the answer I am hearing is that he is responsible to report to Parliament in June with those numbers, and he has said that very clearly.

I'll allow questions to continue.

Mr. Gerard Kennedy: Okay. Mr. Chair.

I'd also like to ask, then, whether you have created any jobs with the green infrastructure fund as of yet that you can share with this committee.

Hon. John Baird: That's a five-year program, and we'll be reporting to Parliament in June about that.

One of the things we have done at Infrastructure Canada is put an edict in place. We have all hands on deck to work with provinces and municipalities on project approvals, to reduce the red tape—

Mr. Gerard Kennedy: With the greatest respect—

Hon. John Baird: —and the administration. I'm not going to pull people off to report on a day-to-day basis.

Parliament passed our budget and expressed confidence in the government. Then Parliament asked that we report back in March, which we did. And then they asked that we report back in June, and we're committed to doing just that.

Mr. Gerard Kennedy: Mr. Minister—

Hon. John Baird: June is in a matter of a few weeks, and—

Mr. Gerard Kennedy: With all respect—

Hon. John Baird: —we'll be doing that.

Mr. Gerard Kennedy: Mr. Chair, it's a simple question, and I guess there is no simple answer.

I'll forgo the community components fund, as I anticipate it will be the same answer.

Parliament has every right to seek due diligence on dollars, and part of the due diligence, Mr. Chair, is having the minister at the committee.

Mr. Minister, I'd also like to ask if you can tell us where you are in terms of the recreation fund. We understood you were to profile it and then put that out, with guidelines and applications and so on, and then get that out to your regional development agencies.

I am wondering if you could table today the criteria for the recreation fund and any documents that support its progress. It's also a fairly sizeable fund that has been put out there. I understood your department told us in briefing that they were going to profile it and then when the rules were established put it out to the regional development agencies. Can you table any documents today to show us where that's at?

Hon. John Baird: We'd be pleased to respond through the chair to that request. It's quite reasonable.

Mr. Gerard Kennedy: And is that fund ready to take applications? Is that where it's at today?

Hon. John Baird: It's being administrated, but we came up with the overview and the policy parameters. It's now in the hands of the regional economic development agencies, which would be very pleased to provide all the information you requested.

Mr. Gerard Kennedy: Mr. Minister, you spoke of your people working quite hard. Certainly, from each contact I've had with them, there's every evidence of that.

But I just want to ask you how you see your staff being able to do their due diligence on this particular task, which is more than double the projected spending and perhaps triple the actual spending that you achieved, but at least double, with roughly the same amount of staff. In the main estimates you speak of having 19 extra staff. There's a different article in *The Hill Times* today, but here you're seeking 19 staff compared to two years ago, and I'm wondering how you are able to get the job done and what corners may have to be cut if you don't have adequate staff.

If there is a plan that you could share with us on the deployment to make sure that we get due diligence for all these extra dollars with no increase in staff, that would be very helpful.

Hon. John Baird: We are getting additional resources with respect to staff at Infrastructure Canada. We have come forward with our five-point action plan with respect to reducing red tape, which can be an awfully heavy paper burden, a heavy administrative burden on my department.

I think one of the approaches we take—and I don't apologize for in some respects being a provincialist—whether it comes to our friends in the Bloc Québécois, or whether it comes to, for example, the province in which I represent a riding in the House of Commons, is that it is not the federal government's job to micromanage the provinces.

Premier McGuinty brought forward to the first ministers conference a binder of some five or six inches of a business case they were required to do with respect to Infrastructure Canada and the federal rules and red tape. The Province of Ontario does not work for me. They do not work for Infrastructure Canada. Our job is to be a funding partner.

I think we can have a fair balance between the gas tax, of which I know you were a big advocate, where you just give the money as a blank cheque, versus having two years' worth of paperwork and administration where we try to micromanage things that are not our responsibility. So I think we're coming up with a reasonable balance.

What we want to do is identify projects in concert with municipalities and provinces. We want to ensure that they eligible and we want to respect jurisdiction.

I have no intention of trying to micromanage George Smitherman and Infrastructure Ontario, because I think they're quite capable of doing it themselves, and they are responsible and accountable to their provincial legislature, to their provincial auditor general. They're not responsible to this Parliament. They're not responsible to me. They're not responsible to the Auditor General of Canada.

• (1625)

The Chair: Okay, Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: Thank you very much, Mr. Chair.

Minister, my next question has to do with infrastructure. I agree with you: It took a long time before Quebec would negotiate with you. The agreement is now signed. So it would be normal for the jobs to be created in the next few months. The agreement with Quebec had to be signed, and now it is.

In addition, you signed a letter with the president of the Canadian Federation of Municipalities. It was addressed to all of the cities, and in it, you mentioned that Ottawa had programs that were available to the cities. That letter was addressed to all of Canada. In Quebec, however, under some programs, cities apply to the Ministère des Affaires municipales. Is there a way to know which programs municipalities will have to apply to Quebec for and which ones they will have to apply to Ottawa for? Are they identified separately, Mr. Ranger?

Hon. John Baird: I have to tell you that the president of the Federation of Canadian Municipalities is a Quebecker from the same riding as the premier of Quebec. We kept in mind Quebec law and the fact that municipalities are under provincial jurisdiction. I already mentioned that during the question period and during a previous appearance before this committee.

In my opinion, it is absolutely essential to work with Quebec's Minister of Municipal Affairs, the Minister of Finance, the President of the Treasury Board, who was in charge of the infrastructure file, and the Prime Minister's Office. We work well with all of them, and we respect provincial jurisdiction. Of course, Quebec's municipalities say that we have money and programs in the budget for them, but I am certain that they kept Quebec law very much in mind in that respect.

I am not someone who likes to spend a lot of time and energy on administrative agreements. We worked very hard with Quebec, we signed an agreement, and we have an agreement that we can use for each of the projects. The new one was almost exactly the same as the last, so we were able to cut through some red tape. With these new initiatives, we can move much more quickly, but I must say that I am pleased with the commitment that Quebec and Canada have shown in terms of moving things along. We have also seen that we can invest in federally regulated infrastructure, without Quebec's support, even if just in a harbour. We will probably only do so in the case of harbours.

My goal, my top priority, is to do as much as we can with Quebec and its municipalities, because that is how we will create the most jobs. A few Bloc Québécois members have told me about projects in their municipalities. So, occasionally, they are happy to share their priorities with me, and that is a good thing; it is their job. I know,

however, that I must work with the provincial government because it has to support the project; otherwise, we cannot get things done.

Mr. Mario Laframboise: Before the agreement was signed, we recommended to our members that they send you their projects. And that gave you an idea of the vision for Quebec, and that was good. But now, we have an agreement...

Hon. John Baird: Good. I am always open to working with all of the members in Canada.

Mr. Mario Laframboise: Since the agreement was signed, things have been going well in Quebec. The municipalities are happy. Keep it up.

Hon. John Baird: I found that things were moving along faster.

Mr. Mario Laframboise: Yes, they are.

Hon. John Baird: Everywhere.

Mr. Mario Laframboise: Excellent.

• (1630)

Hon. John Baird: It is not just in Quebec, but also in Ontario and British Columbia. Everywhere.

Mr. Mario Laframboise: If I still have time, my next question has to do with safety and security, which you mentioned earlier. You know that airlines are rumoured to be putting pressure on your department to change the ratio of flight attendants to passengers in aircraft carrying 50 passengers or more. You also know that we have already studied that issue in committee. It is not the first time that we have talked about it, but the third. Our party's position is still the same: for safety reasons, the ratio of flight attendants to passengers should not be changed.

Do you intend to revisit that law or not?

Hon. John Baird: I have not decided to change it. I cannot say whether that will change in the future, but that issue is not on my plate right now. I have many more important priorities. If that changes, you will...

Mr. Mario Laframboise: No, that is okay. We are fine with that. As I was saying earlier, Minister, there is the important issue of VIA Rail. In your answer, you said that you were waiting for the results of the VIA Rail study that Quebec and Ontario are conducting and that you are paying for. You said that you had read about what the Obama administration wants to do. Do you not want to contact them to see what they are planning and to work with them directly? Would you not prefer to speak with them, rather than wait?

Hon. John Baird: In my answer to a previous question, I said that the Obama administration had made speeches and put forward ideas on high-speed rail. There are no specific proposals. I have already met with my counterpart in Washington regarding a number of infrastructure projects. We agreed that we were ready to work together. In my view, it is critical that we complete our study with Quebec and Ontario. We have already formed a partnership. We cannot lose sight of that work. I am absolutely certain that our neighbours had to do the same research on their side of the border, but we have established a good relationship. The U.S. Secretary of Transportation, a former member of Congress, is a Republican.

[English]

The Chair: Thank you.

Ms. Brown.

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

I'd like to thank both of you for being here today. As you know, this is National Rail Safety Week, so my question eventually will be for the Minister of State for Transport. I've had the opportunity this week to have some meetings with representatives of our railways, and quite frankly, I don't think I had been aware quite how comprehensive the cobweb of rail system is in Canada.

Being a GTA member of Parliament, I have the advantage of being able to use our railway system regularly in my transport back and forth between here and Toronto and consider myself very fortunate to have that opportunity. It is a wonderful service we have.

I'm very pleased with the investment that is being made in the rehabilitation of the Go Transit bridge at the south end of Aurora. I live in a community that is dependent on service to Toronto, and Go Transit provides the service between Newmarket and Union Station for my constituents. So the rehabilitation of that bridge is going to really improve the ability of Go Transit to provide service to my constituency and, really, to the constituencies of all of York region. I've also had the opportunity to speak with our regional chair, Bill Fish, who is very pleased with that investment in particular and with other investments in transportation that are coming into York region.

I wonder, though, if you could speak specifically to other investments that are being made—and this is to our Minister of State—to improve safety on our railways. So like this rehabilitation that is going into the Go Transit bridge, there must be other projects that are going on across Canada to improve rail safety, and I wonder if you could speak to that for us.

Hon. Rob Merrifield: Sure. I would agree with you that the amount of money in infrastructure on the VIA side of our railway system is very significant, and that will enhance not only service, but certainly new railway lines being put in place, new locomotives, and more efficient operation. Actually, I think the goal is to close the time between Montreal and Toronto by a half hour.

But your question is more on the safety side, where we are doing something very significant. On the safety, \$72 million was put into this action plan budget to deal with the safety of our rail system and make sure we have a five-year plan, regulations oversight, and enforcement to make sure those cars, the freight, and the people who are being transported across this country are very safe. Some of this money is going to be for grade-crossing improvements as well as the regulatory oversight. This is significant. We'll be laying out the plan this government has over this next year. We'll be aggressively pursuing this and making sure we put those dollars to very good use and we can be assured we have safety as we travel on the rail, either by passenger or by freight.

One of the reasons I have a personal interest in this is what has happened in Wabamun, in my area. Wabamun Lake was polluted. It wasn't passenger, but it was freight, and it certainly caused a tremendous amount of disruption. It's an issue I think all Canadians are very concerned about. Environmental concerns are there, and we need to do whatever we can to make sure these kinds of incidents don't repeat themselves.

● (1635)

Ms. Lois Brown: I'd like to ask a second question, if I may, for the Minister of State. Last year there was a program introduced in July specifically for our veterans. Many of the veterans in my area were able to take advantage of that program, and I wonder if you could talk about how that program is being extended again this year, how we made the decision to do that, and how many people have taken advantage of it. I don't know if I even have those numbers, but I'd be pleased to hear about that program that's in place for our railway system.

Hon. Rob Merrifield: Last year was the first time the program was initiated, and its success was really quite striking. It was only for the month of July, and allowed our veterans and active Canadian service people to ride on the rail free of charge. I believe they could bring up to three other family members at a 50% rate.

Sixty thousand of our Canadian Forces people accessed this service. I've been around the country talking to some of these servicemen, and they are thrilled by the opportunity to see this country in July—it's a great time to travel. This is an extraordinary thing that VIA Rail has offered, and they are repeating it this year.

We're also extending it to Marine Atlantic, which will allow free access for servicemen's vehicles carrying up to five family members each. This will not only contribute to the families, but will allow them to travel across to Newfoundland and back to Sydney. This is extraordinary, because it applies not only for July, but from May 1 to October 31. So this is a phenomenal opportunity for our veterans and our Canadian Forces individuals to see Newfoundland and enhance tourism. It's just one of the tangible ways that we as Canadians can say thank you very much for the great work our men and women do.

The Chair: Thank you.

Mr. Dhaliwal.

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

Thank you to the ministers for coming to this meeting. I'm going to be short and quick with questions here.

If the federal government had included a stimulus plan in its November economic statement, wouldn't more projects be under way by now?

Hon. John Baird: Certainly the long history in Canada among successive governments is that we give a fall financial update, but the new expenditures normally follow in the budget. I think we're going to be much further ahead with infrastructure because we brought in a budget early in January. Frankly, we also did a significant amount of work to speed up the existing infrastructure programs far before the beginning of the fiscal year.

One thing I'll promise you is that with these new infrastructure programs the rubber is hitting the road and will hit the road quicker and faster—by a factor of at least ten—than any other infrastructure program in the history of this country in the modern era. We're not going to take two or three years to sign contribution agreements. We're not going to waste a lot of time. It won't be immediate or instantaneous, but it will be ten times quicker than any government in the modern era, from the moment it's announced until the moment we see action on a case-by-case basis. I'm pleased with that. It's not perfect, but it will be ten times better than anything ever done in the history of this country.

• (1640)

Mr. Sukh Dhaliwal: You say it will be ten times faster. Can you tell me how many projects under this new funding have started so far?

Hon. John Baird: In the province of British Columbia we announced more than a quarter of a billion dollars worth of projects where the green light is happening. Whether it's Highway 4 west of Port Alberni, Highway 97 from Cody Road to Australian, the Surrey-Bridgeview sewer system, engineering consultants, architects, or contractors, there's a lot of action, and as every day goes by there'll be more action.

I want my officials, my office, and my department to have all hands on deck to identify with provinces and municipalities, give the green light to federal projects, and push through the paperwork so the provinces and municipalities that hold the shovels in about 95% of cases can do their work.

I am not going to take officials off the job to have a tote board. We respect the fact that Parliament asked for an update in June, and they'll get one. The Government of Canada must maintain the confidence of the House of Commons every single day in order to do that, and thus far we've been doing that for more than three years.

Mr. Sukh Dhaliwal: Minister, you mentioned British Columbia. I would like to provide you with a quote from your predecessor last year in regard to P3s, public-private partnership projects.

Just this year, as you know, I'm sure the P3 funding for the Port Mann bridge in British Columbia has collapsed. Here is Minister Cannon's quote:

...we are seeking public funds, of course, but we're also seeking a mechanism through which we can leverage private funds to be able to complete it.

We have examples. I've noted in my comments the Confederation Bridge, for instance, 30% of which is owned by a pension fund in this country. It is a private initiative whereby there is a leveraging of funds to be able to help and support and sustain new infrastructure in the country. Philosophically speaking, that is the direction and the intent that this government wants to take. We believe that's the right course of action.

Given what we have seen happen with the economy over the last year and what we saw with the Port Mann bridge, in particular, I wondered if you could comment in regard to whether your government still sees this as a viable course of action.

Hon. John Baird: I can tell you I certainly don't have any problem with private sector and alternate financing for infrastructure projects.

You brought up a specific infrastructure project in the province of British Columbia. I visited and saw the construction on that project

not a few weeks ago, and I can guarantee you that if you were to phone the Premier of British Columbia or the Minister of Transportation and Infrastructure of the Province of British Columbia, he'll say that we have moved mountains in responding to this economic action plan. They have never seen the federal government move so quickly on infrastructure. And they are not just happy; if you were to ask the Province of British Columbia, they would tell you, I say to you my friend, that they're very, very pleased with this, and that's a Liberal government—

Mr. Sukh Dhaliwal: I don't have to ask anyone. I can see the example of this P3. It's clear that the public-private partnership funding has collapsed in British Columbia. I also talked to the municipalities when I was travelling through your Prime Minister's home province. I can tell you that we talked about the Building Canada fund, specifically those at the municipal level that will possibly benefit from this money.

It is not working because they told me that the fund, as it stands, rewards bad behaviour. If you are a municipality that did the right thing over the years by investing in good sewer systems, good drainage systems, and good roads, and now you want to build, effectively, a good infrastructure so you can then attract the residential developers—swimming pools, for instance—you are locked out.

Can you tell me what the solution is so that those municipalities have access to this Building Canada fund?

Hon. Rob Merrifield: I can tell you where we're at in Alberta on infrastructure. There are some phenomenal things actually happening.

You asked—

• (1645)

Mr. Sukh Dhaliwal: Specifically to this Building Canada fund, how is it that you have locked out those communities that have planned in the past with good planning? Now they're looking for money for their recreation facilities and they're locked out.

Hon. Rob Merrifield: Let me tell you exactly what has happened. Since the last time I was at this committee—and we're just talking about the Building Canada portion, not the stimulus portion and not the PT base portion—we're talking about \$200 million of announcements.

Actually, of these ones that have been announced, I can just go through a list, if you like. There's \$40 million to a science centre in Calgary; there's \$9 million to a heritage park. By the way, on this one—

Mr. Sukh Dhaliwal: Mr. Chairman, the minister is not answering the question I asked.

Hon. Rob Merrifield: On the science centre, the contribution is done. The science centre is actually in construction. On the \$100-million ring road around Edmonton that we actually announced in March, the shovels were in the ground on April 1. It gives you an idea of how it is working.

That's what your question was, on the Building Canada fund. Is it being effective? Are we creating jobs? Are we getting shovels in the ground? I can tell you we are.

The Chair: Mr. Jean.

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

Thank you, ministers, for appearing today. I want to assure you that in my meetings with mayors and reeves and provincial ministers throughout the country, they are telling me exactly what you have said here today, that this government is getting results, and getting results quickly, positive results.

I want to thank you, Minister Merrifield, in relation to one particular announcement. I see that this government is moving forward, not just in investing for today's jobs but for tomorrow's jobs. Really, I believe what we are doing as a government is creating productivity for our future. Among those investments that we're making, key investments, are the Windsor corridor, for instance, where a huge portion of Canada's trade is taken to the United States, and the many jobs there, not just for today but tomorrow.

There's also my own area of Fort McMurray, which produces somewhere in the neighbourhood of 6% of the gross domestic product of this country. There was a recent announcement of some \$53 million for two overpasses and a widening of a road where, on a daily basis, there's a four-hour delay in traffic that should only take somewhere under an hour to get back and forth from plant sites.

People seem to think I'm pushing my own agenda here, for my own constituents, but the reality is that 35,000 to 50,000 people who work in that area are from other parts of the country, and actually return that money home to other parts, including Newfoundland, most of Atlantic Canada, and Ontario. Some 85,000 jobs two years ago were directly or indirectly from Ontario, and 30,000 were from the province of Quebec. This money goes back directly to the provinces, and to the communities and the homes, in all parts of Canada.

So I think those investments were absolutely critical, and I'd like to compliment whoever made that decision. Those two overpasses were a safety concern. They were causing deaths and they were causing tremendous delays. So my compliments in relation to that.

I'm not sure if you'd like to add anything further in relation to that particular investment.

Hon. Rob Merrifield: I think way too much is made of whether infrastructure projects happen in specific ridings or not. What I'm consumed with is making sure that the infrastructure projects announced are ones that are needed, that are bought into by municipalities, if possible, and provinces for sure, so that they're not politically interfered with.

The project you've described is a significant amount of money in a riding. But it's a riding where, as you've described, people come to work from all across this country. It's very important that infrastructure is kept up for the benefit of the country. I believe Fort McMurray is around 5% of GDP, or a little over. That's a pretty significant amount of GDP from one little area.

Not only that, you talked about the Windsor area and the Windsor corridor. You're talking potentially \$1 billion of trade a day going

across that border at peak times. That's significant. Minister Baird and I were able to talk to Secretary LaHood with regard to making sure that we do what we can to be able to move traffic along cross-border as well.

This has nothing to do with politics, right, left, or anywhere in between. This is about building Canada to be able to compete in the 21st century. Nobody likes to go into debt, but if we do it right, we will be able to come out of this, when the economy turns around, much stronger, much better, more able to compete internationally. In my view, that's the way to succeed into the 21st century.

Mr. Brian Jean: Thank you, Minister Merrifield.

I also am interested in what's happening in Atlantic Canada. Many of my constituents are, quite frankly, from Atlantic Canada, and return there. I'm interested in Marine Atlantic in particular, and some of the capital possibilities.

Is this government looking at, or potentially investigating, capital funding in Marine Atlantic and some of the expansion of facilities there for the people of Atlantic Canada?

• (1650)

Hon. Rob Merrifield: I was just to Atlantic Canada, visiting Sydney. Actually, I've been there twice. I went there once earlier to sort of kick the tires of Marine Atlantic. It's part of my portfolio to understand a little bit of their difficulties. This last year.... I'll be honest with you; when you only have a 10% success rate in being on time, that's not good enough, as far as I'm concerned. It has to be changed.

So we were over, looking at how we can improve the service for the people of Newfoundland and North Sydney. We are pleased to announce that we were able to launch a new vessel. This new vessel has 40% more capacity. It's a tremendous vessel that should be the pride of their fleet for sure, and the pride of Canada. It really is a phenomenal vessel that will give us an opportunity to be able to enhance service in that area and really make a significant difference. The captain of the ship tells me that it goes through the ice much better than any of the vessels in the fleet. It's performing above their expectation.

But Marine Atlantic does need some infrastructure work, on both shores, in North Sydney as well as the Newfoundland side, Port aux Basques and some other areas. I'm not trying to underplay in terms of what the ship will do; it does need some more attention. We're hoping that we'll be able to work hand in glove with Marine Atlantic. I know that the board is really working hard to try to provide the service.

Mr. Brian Jean: Mr. Chair, I only have a minute, but would I be able to turn it over to Mr. Watson for a question? He did have one in particular that he wanted to ask.

The Chair: There's 20 seconds if he can get it done.

Mr. Jeff Watson (Essex, CPC): Very briefly, the budget talked about upgrades to the VIA Rail station in Windsor. Obviously there's some negotiation around that. Are we getting close to some agreement and moving forward on that particular issue?

Hon. Rob Merrifield: Mr. Watson's trying to pre-empt an announcement or something.

I can tell you that there's \$407 million for enhancing the rail service, and we'll be doing improvements all along the line there. I can't tell you at the present time specifically what we're doing in that station, but I can say that I believe Canadians should be very proud of what we're doing to enhance service in that area. You'll probably be very pleased as well.

The Chair: Thank you. That does complete the round.

I have a question, if I may. I've heard this raised from members of this committee and other members of Parliament.

With the \$2 billion fund that's set up to assist, I'm assuming, smaller municipalities and jurisdictions, if I'm a municipality that's been approved for the Building Canada fund but I'm short on my third, is there an application process, or is that done prior to your approval at Building Canada?

Hon. John Baird: Diane Finley, the Minister of Human Resources, who's responsible for CMHC, takes the lead responsibility for that. I would encourage you to contact her and she'll give you all the details that you or the municipalities in your constituency would need.

One of the things that the Prime Minister did was to ensure that HRSDC is doing a significant amount of work on the stimulus. So too are Industry Canada, our department, and the regional economic development agencies to ensure that we can spread the workload and make sure that we can get the job done. I think that was a wise decision. For example, Minister Finley does significant investment in housing. Minister Clement and Minister Goodyear are doing significant investments in post-secondary education capital, which is good.

The Chair: I should talk to Madam Finley.

We are wrapping up, but I'm going to go around the table again and offer three minutes to each party. Then we'll see where the clock is.

Mr. Kennedy.

Mr. Gerard Kennedy: Thanks, Mr. Chair.

Mr. Minister, with respect to the year finished and referenced in the estimates, what tally of jobs do you have? We know that you underspent last year by about \$1.3 billion based on your estimates, but in terms of jobs, can you tell us what you created in terms of actual jobs? And how much of that could you table with us today in terms of the outcomes of those? That's not the infrastructure stimulus fund—you sort of responded to that—but on the other programs. I guess they're all emanating from the 2007 budget.

•(1655)

Hon. John Baird: Certainly anything we have we'd be happy to table with the committee.

Mr. Gerard Kennedy: Is there anything you can discuss with us today?

Again, this is for expenditures that are already finished, and I guess we would have a better handle on that than the ones that haven't been spent yet.

Hon. John Baird: I guess for Building Canada the first objective was infrastructure. For the stimulus, the first objective is short-term job creation, so they're obviously a different mix.

Mr. Gerard Kennedy: I understand, but I'm saying that money was spent and you're looking for more. We're supposed to concur here, or not, on the estimates. We're looking for outcomes here. We know you underspent. That's one outcome. But of the money you did spend, surely you have a handle on what it did generate. Could we get the jobs? Also, would it be possible to table the stages?

We've had a number of projects announced, but there is a stage where there is an actual contract—or as you call it, an agreement—with the entity, whether it's a province, municipality, and so on. Then there's a stage in which they actually start construction and then there's the stage in which they invoice you and money actually flows.

I think everyone knows that only 5% of the money from your new programs flowed last year. I think it's fairly essential on a due diligence part—not to interfere with the operations—if you can generate a list for us. Your staff referenced in committee that such a thing was possible to tell us where the projects are at, where they've been announced politically or in a news release, and when the actual agreements were signed and can therefore go ahead. Then they could tell us when the actual project is in progress and when you're starting to pay on that project. This would be a standard for all funds.

Obviously you've underspent quite a bit in the last few years, and it would be helpful for the public to see the stages Infrastructure Canada projects are at, both for proposed extensions of the existing programs and the new programs that are here for the stimulus. Is that possible?

Hon. John Baird: I'm confused, because you said we only spent 5% of the money for the new programs.

Mr. Gerard Kennedy: Your accountability document showed last year... If you look at the new programs promised under the budget, only 5% of the programs your government promised, as opposed to the continuation of previous ones, actually were spent. So the Building Canada fund, the border crossings fund, and so on... We discussed this in a previous committee, Minister, and I'm not the least bit offended that you don't remember, but it is what your accountability document shows, if you separate that out.

Hon. John Baird: But the new programs are effective in the 2009-2010 fiscal year, so obviously we couldn't spend... It would be zero—

Mr. Gerard Kennedy: No, no. The Building Canada fund had 2008-2009, and you spent either nothing, or \$300 million of it was supposed to be spent on the new program—

Hon. John Baird: When you said the new programs, did you mean the old programs like Building Canada—

Mr. Gerard Kennedy: The ones you announced in the 2007 budget, and because of that fact, that they were underspent—

Hon. John Baird: They weren't—

Mr. Gerard Kennedy: You have made announcements. Could we see the difference?

Hon. John Baird: Anything we have on the shelf we'd certainly be happy to provide to the committee.

Mr. Gerard Kennedy: But again, Mr. Minister, I'm asking for a reasonable accountability here; that is, how much money have you promised? How much money is tied down with actual agreements? There is a big difference, we've found. Then finally, how many projects are actually under way? I think that's a delivery, an actual accomplishment.

Minister, I simply want to ask, are you saying you can't or won't provide that?

Hon. John Baird: I've provided everything we've gotten. We have 13 agreements with every province and territory under Building Canada. I think for most of them we have federal-provincial-territorial base funding agreements. Anything the committee requires—

Mr. Gerard Kennedy: Actual projects, Mr. Minister—are you prepared to provide us the details—

Hon. John Baird: We're prepared to provide everything we have.

Mr. Gerard Kennedy: —a detailed actual project list?

Hon. John Baird: We're certainly pleased to get you everything we have on the shelf.

The Chair: I have to go to M. Godin.

Hon. John Baird: I'm not going to take people off the job ahead of the June deadline, but we'd be very pleased to provide you everything we have available.

The Chair: Monsieur Gaudet.

[Translation]

Mr. Roger Gaudet (Montcalm, BQ): Thank you, Mr. Chair.

Hello, gentlemen.

Minister, during a previous appearance before this committee, you mentioned that each of the three levels of government has to contribute one third. Since small communities have less money than larger ones, I had asked you whether the federal government could contribute 50%, the province, 35%, and the municipality, 15%.

I then talked to an economist, who told me that of the 35%, the federal government received 18% in taxes and the province, 17%. Could you change your distribution method? Instead of each level of government contributing a third, how about 40-40-20 or 50-35-15, in order to help smaller communities. Remember that it is always the same people who pay. Whether it is a loan to the federal, provincial or municipal government, it always comes out of the same pockets.

• (1700)

[English]

Hon. John Baird: I'm pleased to report to you many provinces—for example, Newfoundland, Ontario, British Columbia—are paying more than their third, because it's a provincial jurisdiction, and we respect provincial jurisdiction.

[Translation]

I am sure that we received requests for more money than we had to give and that municipalities had the money to pay their third of the cost and were willing to take action. If the provinces want to pay more than a third, it is up to them. It is within their jurisdiction to do so, and we respect that.

My goal is to create as many jobs as possible. We all know that the federal government has no money. It had to run a deficit to achieve that goal, just like Quebec. We set up a funding program to help municipalities fund their projects. That is another example of how we are trying to work with municipalities.

Many small and large municipalities across Canada are willing to contribute their third. For those that cannot, the gas rebate, the GST rebate and the loans granted by a federal government agency are designed to help. It is under the province's jurisdiction. In British Columbia, the provincial government was willing to do more for municipalities with less than 15,000 inhabitants, which was good for them.

Mr. Roger Gaudet: Thank you.

[English]

The Chair: We'll go to Mr. Bevington.

Mr. Dennis Bevington: Thanks, Mr. Chair.

Going back to the northern and rural communities that have capacity challenges, funding limitations, and a limited construction season, we need the economic stimulus, as well, throughout those regions.

Shouldn't you consider looking at a special stimulus fund to aid these communities right across the whole country to make sure that they get a proportion of the stimulus funding that is going out at this time?

Hon. John Baird: I'll tell you that our big cities—Toronto, Ottawa, Montreal, Vancouver—are tremendously important. Big municipalities have huge needs. But I can tell you, and I underline the fact, that small municipalities in rural Canada and northern Canada have important needs as well, and we are very committed to ensuring that there's an equitable distribution of funds.

I can tell you that when it comes to the north, I will put our Prime Minister's record with respect to infrastructure in northern Canada up against anyone, any government, at any time in this country's history. You know—

Mr. Dennis Bevington: Well then, maybe I can—

Hon. John Baird: Let's follow the leadership of John Diefenbaker, and I think any independent analysis—

Mr. Dennis Bevington: Oh, I know that.

Hon. John Baird: —would say that up north there is so much infrastructure money, they can't spend it fast enough.

Mr. Dennis Bevington: Okay, then perhaps you could take a look at the Mackenzie Valley Highway, which is a project that is really required in northern Canada. Would you consider investing in the development of that highway, say perhaps with a project that is shovel-ready, like the Great Bear River bridge?

Hon. John Baird: We want to make an equitable distribution of resources. I think if you look at the north, it certainly got more than an equitable share. It's worth investing in. It's important. It's a priority for the Prime Minister, and it's a priority for me. I think that when you look at the infrastructure spending we're doing in the three territories, particularly, it will compare very favourably.

I have Premier Fentie lobbying hard for a green infrastructure project. They have a great project that will reduce greenhouse gas emissions and reduce air pollution with the electricity grid in Yukon.

If you look at what we're doing in the Northwest Territories on infrastructure, I'm meeting with the minister, I think later this week or next. We have a great relationship with Premier Roland. If you look at the new government in Nunavut, it's moving aggressively.

I appreciate not just the construction season being shorter but also that you have to get the materials there with different forms of transport, and we'll obviously take a common sense approach to dealing with any specific concerns.

The Chair: Thank you, Minister, both ministers, for attending today with your staff. I appreciate all the input you've given us today.

I think we're just going to take a brief two-minute break while our guests depart, and then I have a question with regard to Thursday's meeting.

We'll recess for two minutes.

- _____ (Pause) _____
-
- (1705)

The Chair: Thank you. We're back very briefly.

I want to quickly review the upcoming schedule.

I do know there are some committees that are not meeting on Thursday, to allow members to travel to their national convention. I'm looking for direction from this committee for the Thursday meeting. We do have witnesses who have been contacted. We're waiting to advise them. They will come Thursday or they will come another day if we so choose. I put that out there. What is the will of the committee? Are there any thoughts?

Mr. Brian Jean: If I may, Mr. Chair, I think we should hear first from Mr. Volpe, his position on it.

- (1710)

The Chair: Okay.

Hon. Joseph Volpe: I thank the parliamentary secretary for reverting to type. He got a little uptight at the last intervention, and it probably happened because he thought the minister couldn't handle things on his own. Entering into a partisan political debate and then relying on the parliamentary secretary is not.... Monsieur Laframboise, you know that's a parliamentary secretary's duty, so we give him our benediction, but he shouldn't do it any more.

Anyway, I thank the committee for even thinking about this for a moment or two. We have a convention in Vancouver, and I think some people in other committees have looked at it and said that maybe to facilitate the travel of others they should put the meeting off to a subsequent date.

I'm in the enviable position of being able to be here on Thursday, inasmuch as my duties call for my presence physically, so if you guys want to meet and talk to just me, that's great. But in the interest of my other colleagues, if the rest of you are amenable, then sure, we'd welcome your flexibility in turning Thursday into a research day for the entire committee as the rest of the group goes out and

does what constitutionally allows them to represent their parties and citizens.

The Chair: Comments?

Mr. Dhaliwal.

Mr. Sukh Dhaliwal: I thank the government members for their input, and in fact I'm willing to be here on Thursday as well, as Mr. Volpe said. But certainly if it's the will of the committee, we thank the other members as well.

The Chair: I have Monsieur Laframboise, and then Mr. Jean.

[*Translation*]

Mr. Mario Laframboise: If all of the Liberal members can be here on Thursday, that is fine with me. If you can all be here, the committee can meet. But I have no objections if not. I know that party conventions are a time for important decision making. I do not object to the committee not meeting on Thursday afternoon.

I will conclude by saying that we have a good parliamentary secretary. I remember some of the parliamentary secretaries during the Liberal era. You did a good job, Brian.

Mr. Brian Jean: Thank you very much.

[*English*]

The Chair: I have Mr. Jean and then Mr. Bevington.

Mr. Brian Jean: I would like to say that we have a very good parliamentary secretary here as well. But in all seriousness, Mr. Volpe, with respect, I've always admired your work greatly, but I had a hard time keeping up with you and Mr. Kennedy in relation to the questions and answers to the ministers. Maybe that's because I'm a little slower than the rest of you, but I really did have difficulty following the line of questioning and understanding what the point was.

I would like to say, though, if you're prepared to be here, I'm prepared to be here. I'd like to get this next bill out. I would like to work, hear the witnesses, and get it done as quickly as possible. With all members being present, especially given regard to the bill itself and the possibility of having it through the House the next week, I think we should meet, hear the witnesses, and get this job done.

The Chair: Mr. Bevington.

Mr. Dennis Bevington: I'll only deal with one matter here, and that's not the parliamentary secretary.

If I sensed some urgency in having to cancel this meeting, I'd be fine with it. I really rely on my Liberal colleagues in identifying that. If not, we can continue with the business, because of course one thing I have learned on this transport committee is there is a great volume of work to be done, and there isn't a great amount of meeting time. So if our Liberal members are fine with that, that's good. If they feel some urgency in having to leave, then I would support their doing that.

The Chair: Having heard all of the comments, I think we'll proceed with the meeting on Thursday. We will have the Tourism Industry Association of Canada, the Canadian Maritime Law Association, and Wilderness Tours. Then we will hopefully be looking at doing clause-by-clause on May 5.

If that's suitable to everybody, then I'll see you on Thursday.

The meeting is adjourned.

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