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## **Standing Committee on Transport, Infrastructure and Communities**

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**EVIDENCE**

**Wednesday, December 7, 2011**

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**Chair**

**Mr. Merv Tweed**



## Standing Committee on Transport, Infrastructure and Communities

Wednesday, December 7, 2011

• (1530)

[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 17.

The orders of the day, pursuant to Standing Order 108(2), are the examination of departmental expenditure plans.

Joining us today is Yaprak Baltacioglu, deputy minister. I know that you have guests with you. If you'll introduce them, and then make your presentation, then we'll go to questions.

Again, welcome.

**Ms. Yaprak Baltacioglu (Deputy Minister, Department of Transport):** Thank you, Mr. Chairman.

[Translation]

I want to introduce the colleagues joining me: Anita Biguzs, Associate Deputy Minister at Transport Canada; André Morency, Assistant Deputy Minister, Corporate Management and Crown Corporation Governance; and Laureen Kinney, Associate Assistant Deputy Minister, Safety and Security Group. From Infrastructure Canada, joining us today are John Forster, Associate Deputy Minister, and Su Dazé, our new Assistant Deputy Minister at the Corporate Services Branch.

Unfortunately, we didn't get the opportunity to present our supplementary estimates (B) last week, but we did attend the meeting of the

[English]

government operations committee, so I think we had a bit of oversight over our estimates.

It's a great pleasure to be here. I heard from the clerk that you might be going for votes, so I'm going to skip our opening remarks so that you get to ask us questions.

I have just one little commentary. I think this is the first time since this committee has been established since the elections that we're officially in a larger group of officials coming to speak to you and to answer your questions. Let me just say it's going to be a pleasure working with you all. Some of you we have known from the past and some of you we don't, and we hope to get to know you. You can count on our cooperation in the years to come. It's a real pleasure. So why don't I stop talking so that you can start asking.

**The Chair:** Wonderful. Thank you very much, and welcome to our guests.

First up, I have Ms. Chow for seven minutes, please.

• (1535)

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Thank you very much.

On the Building Canada fund, is there any money left that is not committed? I believe there's about \$60 million left. Can you actually, in each of the funds, go down the list and say how much is left, how much is already committed? And are there any dollars left in each of the pockets? That would include the Building Canada fund, the rural fund, the green infrastructure fund—you know the list of them.

**Ms. Yaprak Baltacioglu:** The whole package.

**Ms. Olivia Chow:** Yes. Would you provide that, please?

**Ms. Yaprak Baltacioglu:** Absolutely.

Mr. Forster.

**Mr. John Forster (Associate Deputy Minister, Infrastructure Canada):** Do you want it today? Or would you like it in writing afterwards? It will take me a minute to find it.

**Ms. Yaprak Baltacioglu:** Maybe just give the highlights.

**Ms. Olivia Chow:** Perhaps you can highlight it, and I would love to have it in writing after. That's even better, given that I only have seven minutes.

**Mr. John Forster:** Yes, I don't want to take up your time. I'll look for it. In general, obviously, the gas tax fund flows every year, so that goes out—

**Ms. Olivia Chow:** I'm not worried about that one.

**Mr. John Forster:** All the stimulus funds have been committed and approved—

**Ms. Olivia Chow:** I'm talking about the Building Canada fund.

**Mr. John Forster:** There are two components to the Building Canada fund. The communities component, which is for towns under 100,000, is fully committed and approved. The other part of the Building Canada fund is for major projects, and I believe it's committed in some provinces. It varies by province. I just have to look for the exact number, if you want to move on and I'll come back—

**Ms. Olivia Chow:** I don't need to.

**Mr. John Forster:** Most of it is committed. I think there's about \$800 million left in various places, but I'll look for the number, and if you want to move on, I'll come back and we'll provide it to the committee.

**Ms. Olivia Chow:** Okay. The \$800 million that's left is not for projects that have been committed. It's free and still available for applications. Or has some of it already been committed?

**Mr. John Forster:** No, I'm talking about money that isn't committed or earmarked to projects already.

**Ms. Olivia Chow:** It's not. Okay. That would go from now to 2014, right?

**Mr. John Forster:** The official end date is 2014, but some projects will run over, and we'll be paying money past that date. So if a project isn't completed, it's not like stimulus; there will be some allowance for them to continue.

**Ms. Olivia Chow:** What about other projects? I believe the green infrastructure fund is a billion dollars over five years, and that includes the stimulus, so how much has been expended to date?

**Ms. Yaprak Baltacioglu:** On the green infrastructure fund, we have \$670 million committed to 17 projects, with \$170 million allocated to other priorities outside this program, where the funds are transferred out. This also includes a reduction of \$45 million for the strategic review. Then there are some projects that are under consideration, but they haven't been announced so I can't really give you the numbers around that.

**Ms. Olivia Chow:** I understand that. If you add up all of that, how much would be left in the green infrastructure fund?

**Mr. John Forster:** Earmarked or committed...?

**Ms. Olivia Chow:** No—that is free.

**Mr. John Forster:** At this point, it has virtually all been committed.

**Ms. Olivia Chow:** Okay.

**Mr. John Forster:** Sorry, but I have the exact number for you for Building Canada, the major infrastructure component: we have a free balance of about \$660 million.

**Ms. Olivia Chow:** Perfect. And would you be able to provide later on the \$170 million that has been reallocated elsewhere...?

**Ms. Yaprak Baltacioglu:** I can give you that. It's a short list: \$100 million to forest industry transformation; \$30 million to the Quebec forestry program managed by Quebec Economic Development; \$18 million to the Valley Junction-Thetford Mines pipeline; and \$22 million for Beaufort's regional environmental assessment. Also, \$45 million has been taken out for strategic review cuts.

**Ms. Olivia Chow:** Other than these two funds, are there other infrastructure funds left? There are rural funds. Is there any funding left in any of those?

**Mr. John Forster:** There is one other fund, which is the provincial-territorial base initiative. This was announced as part of the Building Canada plan. It gives \$25 million per year to each jurisdiction for seven years, regardless of size. The provinces and territories submit an annual capital...like a list. It has remaining in it about \$280 million still to be approved for projects. Again, it's based on the provinces submitting a list to us.

● (1540)

**Ms. Olivia Chow:** Isn't there a rural infrastructure fund?

**Mr. John Forster:** I beg your pardon?

**Ms. Yaprak Baltacioglu:** MRIF.

**Mr. John Forster:** MRIF is an old fund.

**Ms. Olivia Chow:** That's the old fund that's gone.

**Mr. John Forster:** It's a fully committed strategic infrastructure fund. It's fully committed, and it's an old fund as well.

**Ms. Olivia Chow:** So all in all, that's the total list of infrastructure funds that—

**Mr. John Forster:** That remain, that have a balance. The major part is Building Canada, \$660 million, with the PT base at about \$280 million, and then those must be the main funds left—and gas taxes, as I mentioned, at close to \$2 billion a year.

**Ms. Olivia Chow:** The P3 fund—is it under yours...?

**Mr. John Forster:** No. It's under P3 Canada, which is under the Minister of Finance.

**Ms. Olivia Chow:** Do I have any time left?

**The Chair:** You have a minute and 20 seconds.

**Ms. Olivia Chow:** In terms of the green infrastructure fund, the \$45 million, given that right now it's all committed and that \$45 million is being reduced from the supplementary budget, which we've already done, does this mean that no other applications will come in on this fund, given that there's no funding at all left?

Also, while I'm at it, on Beaufort, they've received \$22 million, but there's a cut of \$4.9 million. I'll get to that in the second part of this, but for the first part, are there not some applications under the green infrastructure funds that are still outstanding? If there are...

**Ms. Yaprak Baltacioglu:** There are some under consideration. We're counting those right now when we say there's not much money left. But there are some projects that are under consideration either in the department or for the minister's decision. Those are the ones we have in the department that are not announced, so once those are done, I would say that the fund is depleted.

**Ms. Olivia Chow:** It's gone, yes.

How much money is left in terms of that chunk that is now under consideration?

**Ms. Yaprak Baltacioglu:** I don't have the exact number right now. It's just an addition issue.

**The Chair:** Thank you.

I'll have to stop you there, Olivia. I'm sorry.

We'll go to Mr. Coderre.

[*Translation*]

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

I am one of the people who knew you in the past. I am very happy to see you in this position.

Since we have already discussed budgets, I will talk to you about matters more specifically related to your department, if I may.

The Supreme Court has already ruled that, in the case of establishing airports in Quebec, for instance, Transport Canada's authority takes precedence over the Quebec Land Use Planning and Development Act. There is currently a controversial case in Neuville, in the Quebec City region. People actually don't want an airport to be built.

Could you explain to us what the policy is? The minister has the authority to get involved in those kinds of cases. Is that how it works when it comes to the establishment of an airport?

What kind of guidelines can Transport Canada set if public consultations are to be held on this topic?

**Ms. Yaprak Baltacioglu:** Mr. Chair, I am very familiar with that case.

**Hon. Denis Coderre:** That is why I asked you the question.

**Ms. Yaprak Baltacioglu:** Thank you for that.

The minister, Mr. Lebel, asked us the exact same questions. We are currently working on that matter.

[*English*]

I'll do this in English, because I don't know the legal terms.

Under the Aeronautics Act, our mandate, our jurisdiction, is very broad, and it's all-encompassing.

The issue is airports, aerodromes, and airstrips. There are thousands of aerodromes in Canada. Some are licensed ones, such as airports. That's a big chunk. Then there are the registered ones. The registered ones would be those aerodromes that publicize that they are open for business so that others can use them. Then there are the non-registered aerodromes, which are for personal use, which we don't.... There are thousands and thousands of those.

Our mandate today, the way our department has interpreted it through our regulations, is mainly the safety elements. This particular case is more an issue of acceptance by a town. I understand that there are concerns in the community.

Our minister, the moment this issue came to his attention, asked us to look at it. I don't have a good enough answer for you or my minister yet, but we're working on it.

• (1545)

**Hon. Denis Coderre:** You're working on it.

**Ms. Yaprak Baltacioglu:** It's a priority for the minister.

**Hon. Denis Coderre:** Maybe you should explain to us, then, consultation. Frankly, I believe that he has the jurisdiction to do something about it.

**Ms. Yaprak Baltacioglu:** We have jurisdiction overall. The Aeronautics Act says yes, there is jurisdiction. Whether you have regulations to deal with a particular situation—

**Hon. Denis Coderre:** The devil is in the details.

**Ms. Yaprak Baltacioglu:** The devil is the details. Exactly.

**Hon. Denis Coderre:** What would be appropriate would be to explain to us what the role of Transport Canada should be, then, vis-à-vis the consultation. What would you do? Would you go there with your official or the minister? Would you talk with the constituents?

**Ms. Yaprak Baltacioglu:** As I said, our minister asked us to look into it. Clearly, we're looking at it, because I know quite a lot about this. I don't really have an answer for you yet, because I would like to speak to our minister.

**Hon. Denis Coderre:** I'm not asking specifically about that issue. I am asking about your role afterwards.

If, for example, you say that you have to do something about it, do you discuss it with the mayor or your official in a general manner? How do you manage? What's next?

**Ms. Yaprak Baltacioglu:** What's next is what we're working on.

**Hon. Denis Coderre:** That's it.

Okay.

[*Translation*]

I also want to talk about the inspectors working at Transport Canada. How many inspectors are there currently?

We heard about the infamous aircraft that have spent only 300 hours in the air and are being used to train inspectors. It's a matter of calibrating instruments and equipment.

How many inspectors are currently undergoing training?

**Ms. Yaprak Baltacioglu:** Thank you very much for the question.

[*English*]

We have 881 inspector positions in aviation safety.

**Hon. Denis Coderre:** Okay.

**Ms. Yaprak Baltacioglu:** Of those, 300 of them are what we called AOs, which is a classification for pilots, so 300 of our inspectors are pilots.

**Hon. Denis Coderre:** Okay, but when you train them, do you have to go through our own fleet—

**Ms. Yaprak Baltacioglu:** This question has...

**Hon. Denis Coderre:** —or it's just simulators?

**Ms. Yaprak Baltacioglu:** No. The proficiency of pilots is done in two ways. One of them is what we call the alternative, which is using the simulators, etc., and then the other one is in the planes. However we train our pilots, they still need to fly in an airplane every.... I don't know the interval, but a certain time. Just using a simulator won't be enough for them to keep their certification.

**Hon. Denis Coderre:** So what about those 300 hours? What are we doing with those...?

**Ms. Yaprak Baltacioglu:** I think that in Transport, because we have these planes and they have been using simulators when the inspector's job doesn't involve actual flying...they don't need that much; they'll keep it updated. But certain other inspectors fly to keep their licences. They also fly to the areas where the aerodromes are or to places you were talking about. They fly there and then they fly back, etc.

**Hon. Denis Coderre:** One of my concerns is that it's not the same thing to go through a simulator as through the real thing.

**Ms. Yaprak Baltacioglu:** That's what the inspectors say.

**Hon. Denis Coderre:** I agree with that. My concern is that people might play politics regarding the fleet, and I think those fleets are useful.

My question is do we use them enough? Is that 300 hours per year accurate, and if it's not enough, why can't we use them more?

**Ms. Yaprak Baltacioglu:** First of all, flying the planes has a cost. We're trying to balance the need of the inspectors so they can keep current, and also marry it with the actual work they have to do. I think what was in the media is that the planes were flying empty. We're in a difficult situation, because if you had other people going to the same location, if we put them on the plane.... But we have a policy that says they should fly commercial. Will it save the government more money? Probably, but it becomes a little complicated. So we're using it for our regulatory process.

• (1550)

**Hon. Denis Coderre:** It's safety and it's training, so if you have to use them for that, I think that's accurate.

**The Chair:** I have to stop you there, Monsieur Coderre.

**Ms. Yaprak Baltacioglu:** We're using them, but we sold some of ours in Ottawa because that wasn't used for that purpose.

**Hon. Denis Coderre:** It's not like helicopters.

**Ms. Yaprak Baltacioglu:** Helicopters too.

**The Chair:** Mr. Poilievre.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Thank you very much for coming.

I'm looking at the supplementary estimates (B) 2011-2012, pages 130 to 137. There is a budgetary summary, "Transport Infrastructure and Communities Portfolio". I want to go through each item in this table and seek a very brief explanation as to the changes in the amounts voted by Parliament to the department and its agencies.

On the whole, the department had a net change in authorities of \$76.2 million. That's a 5% change. Is there a summary of what caused that change?

**Ms. Yaprak Baltacioglu:** Sure. I'm not going to give you the line by line, but I'm going to give you the general summaries.

There's a big entry there about the Atlantic ferries. This money is needed to cover their operating expenses, the repairs, and there's a tiny bit of money for operations of Transport Canada.

Then there's money for first nations. This is for Prince Rupert, the port on the west coast. They are trying to expand the port activities, and in order to do that they had to negotiate with four first nations. This is the money for the settlement they have reached.

Next is regional and remote passenger rail services. This is Keewatin, in northern Manitoba; Algoma Central, in northwestern Ontario; and Tshiuetin, in northeast Quebec. This is an ongoing service the government gives money to. It is operating money for them.

With respect to contaminated sites, Transport Canada is eligible for \$52 million, and the \$13 million is this year's portion.

The marine shore power program is a really interesting program. When the boats dock they don't leave their engines on; they plug themselves in. Then you don't have greenhouse gases, etc.

The Port of Prince Rupert got \$3 million from us in 2010-11, but they had a problem with their cables. They couldn't replace the cables, so we're reprofiling the money.

The Oshawa Harbour port consolidation settlement between the city and the port authority was something about fencing and landscaping that couldn't be done in time.

**Mr. Pierre Poilievre:** Are you focusing now on costs that were absorbed in 2011-12 that would not typically be absorbed? I'm talking about the change in the authorization.

**Ms. Yaprak Baltacioglu:** These are things that are being moved forward, or this is the money needed for us to do all of these things.

**Mr. Pierre Poilievre:** Right, so are they one-time expenses?

**Ms. Yaprak Baltacioglu:** Some of them are, but some of them are not.

**Mr. Pierre Poilievre:** The change in the authority is the increase from year to year. I'm trying to find out what exactly led to a 5% increase this year over a previous year.

**Ms. Yaprak Baltacioglu:** I'll ask our CFO. Maybe I'm not answering it....

**Mr. André Morency (Assistant Deputy Minister, Corporate Management and Crown Corporation Governance, Corporate Services, Department of Transport):** In any fiscal year the budget is set early in the year, of course, and once the.... Actually the estimates are set before the budget is, but traditionally things are announced in the budget. During the course of the year we make adjustments to our budget based on things that have been announced in the budget. We go to the board and we get approval for spending on programs.

In any given year there could be a swing of 10%, 5%. In some years there could be no change in terms of—

•(1555)

**Mr. Pierre Poilievre:** I understand. I'm very familiar with the supplementary estimates process. I'm just trying to find out what exactly caused the swing this year. Were those the items that the—

**Mr. André Morency:** That were not included in the main estimates at the time the main estimates were set for the department because the process had yet to go through Treasury Board to get approval to spend that money.

**Mr. Pierre Poilievre:** All right.

I notice a very large decline, a change in net authorities for the National Capital Commission. To what does that decline relate?

**Ms. Yaprak Baltacioglu:** The National Capital Commission used to be in the transport, infrastructure, and communities portfolio. After the elections the government made a machinery-of-government decision and moved that organization under the Minister of Foreign Affairs. So the whole thing went from our portfolio and it was deposited in their portfolio.

**Mr. Pierre Poilievre:** Will it then be in DFAIT's estimates?

**Ms. Yaprak Baltacioglu:** It should be.

**Mr. Pierre Poilievre:** Okay. And with respect to the office of infrastructure, was the increase here due to the fulfilment of EAP invoices?

**Ms. Yaprak Baltacioglu:** You're right. Basically the program got extended, so we need this money carried forward so we can pay the bills.

**Mr. Pierre Poilievre:** Do the estimates show the costs of fulfilling the invoices for projects during the time when those invoices are honoured?

My question deals with the timing of the authority. For example, say you have a \$500-million project. If the invoice comes in October and is honoured in November, is it in that time slot that the authorization is granted? Tell me how the accounting works for projects and for fulfilling the invoices.

**Mr. John Forster:** For the stimulus fund, as you know, the original deadline was March 31. When we gave the extension, one of the conditions was that they would get all their bills in for last year by the end of April. So those were all charged to last year.

There's approximately \$980 million for this year, so costs incurred between April 1 and October 31 will be charged against this fiscal year. That will be based on the invoices that are due to us by the end of January.

**Mr. Pierre Poilievre:** The costs are incurred in the time period—

**Mr. John Forster:** For the stimulus fund? Yes.

**The Chair:** You have to wrap up.

**Mr. Pierre Poilievre:** I didn't get an answer to the question. I'm just curious.

Projects, as you know, take many years to complete.

**Mr. John Forster:** Yes.

**Mr. Pierre Poilievre:** When are they charged to the consolidated revenue account, and therefore when do they appear in the main

estimates? Do they appear when the invoice is honoured or when the project is announced?

**Mr. John Forster:** Generally, it will be when the invoice is received. That will be the year in which the costs are charged.

**The Chair:** Mr. Watson.

**Mr. Jeff Watson (Essex, CPC):** Thank you, Mr. Chair. Thank you to our witnesses.

I wanted to follow up on the provincial-territorial base funding. You said there was \$280 million left to be approved and the provinces provide the list. Of the \$280 million that's left, how much of that is Ontario's share? Do you know?

**Mr. John Forster:** There were a few projects approved. I don't have the net figure, but about \$150 million or so remains in Ontario.

**Mr. Jeff Watson:** Looking at vote 1(b) and vote 5(b), I note that in vote 1(b) there's a transfer from National Defence, vote 5, of just over \$16,000. I think that's \$16,000, if I read that properly.

In vote 5(b), there's another one from National Defence, vote 5, a transfer of \$150,000. I'm wondering if those transfers are related to some sort of responsibility that's been transferred from the Department of National Defence. If so, what?

**Ms. Yaprak Baltacioglu:** No, no...

**Mr. Jeff Watson:** Why are we getting a transfer from National Defence?

**Ms. Yaprak Baltacioglu:** One of them is that the Department of National Defence gave us money to look at a certain type of scanner used in transportation. I don't want to say nuclear, but I forgot the name of it... It's the chemical, biological, radiological, and nuclear research and technology initiative.

The other one is about search and rescue. DND has responsibility for search and rescue, and this is for personal flotation device research, because when you're trying to save people, they need...

•(1600)

**Mr. Jeff Watson:** Yes. Fair enough.

To the DRIC, the Detroit River international crossing, one of my favourite topics, obviously.

**Ms. Yaprak Baltacioglu:** Us too.

**Mr. Jeff Watson:** Very good.

I'm just wondering if you can give us an update on the proposed international crossing between Windsor and Detroit, and what activities you may be engaged in or where we're at in that process right now.

**Ms. Yaprak Baltacioglu:** Thank you very much.

This is a top priority for Canada because it's a major crossing. It's the lifeline of our economy. Most of the goods movement from Quebec and Ontario go through that bridge. Both governments—Ontario as well as the federal government—have done a lot, completing the environmental assessment to actually start building the highway that's going to go to the new bridge.

We were disappointed that the Michigan legislature hasn't been able to come up with a decision around this, but our various ministers from cabinet met with Governor Snyder. He was in town, I think, last month. Governor Snyder definitely is very determined that this is a top priority for him as well. We are right now working with our American partners. Basically, we will do whatever is required to make sure that we make progress on this bridge.

**Mr. Jeff Watson:** With respect to the infrastructure stimulus fund, how many projects required the extended deadline until October, and of those projects, how many of those met the deadline?

**Ms. Yaprak Baltacioglu:** We gave one-third of the projects—so 1,600 projects—the extension. We believe all but potentially 80-some, 87 or 88, may miss the deadline. We believe half of those 87 or 88 are expected to finish by December, and 51 would have used up all of their federal dollars.

**Mr. Jeff Watson:** Okay, so if they go to December, they can only invoice up to October 1, then?

**Ms. Yaprak Baltacioglu:** October 31.

**Mr. Jeff Watson:** Okay.

I don't know if any of my colleagues have a question. I'm finished with mine.

**The Chair:** Mr. Toet, you have two minutes, if you want to use it.

**Mr. Lawrence Toet (Elmwood—Transcona, CPC):** Yes, I do.

One of the things I would like to know about is in regard to what's included in these estimates for Marine Atlantic Incorporated. Could you give us a bit of a rundown on that?

**Ms. Anita Biguzs (Associate Deputy Minister, Department of Transport):** The supplementary estimates (B) include funds of \$1.5 million and they are for an alternate dock upgrade in North Sydney. These funds are actually funds that are being reprofiled from 2010-2011 to the current year. This is part of a \$9 million initiative that was announced in the 2009 budget from the infrastructure stimulus fund. This is basically to complete the work to demolish the administrative building, for some paving, and for some site remediation. As I said, this was part of the economic action plan announcement for dock repairs at the ferry terminal, which included adding a second level to the dock and some new fenders between the main dock and the alternate dock.

**Mr. Lawrence Toet:** Thank you.

I have one last item. Mr. Watson asked you about the Detroit River crossing. I wonder if you can also give us a bit of an update on the efforts in regard to the new bridge across the St. Lawrence in Montreal.

**Ms. Yaprak Baltacioglu:** Since the government made the announcement that a new bridge would be built over the St. Lawrence River, basically at the departmental level as well as the political level, our minister has met with various municipalities and the players around this bridge, including his provincial counterpart. We're doing the actual scoping of the work, because it's a big project. This is our top priority in Transport Canada.

Actually there are two top priorities. One is to make sure the current bridge is safe and that upkeep and repairs are being done by the bridge corporation, and number two is to proceed as fast as

possible in the construction of a new bridge. So we're doing the work for it right now.

•(1605)

**The Chair:** Thank you.

Mr. Nicholls.

**Mr. Jamie Nicholls (Vaudreuil-Soulanges, NDP):** Thank you, Mr. Chair.

Under vote 60(b), Jacques Cartier and Champlain Bridges Inc. is going to receive an additional \$23 million, raising its total budgetary allocation to \$154 million. Is any of that money allocated to the administration fees for the future P3? No?

**Ms. Anita Biguzs:** No. This \$23 million is basically covering three particular items.

An amount of \$4.6 million is for the Champlain Bridge, and again these are funds that are being reprofiled from the previous year. There were some delays in the work plan, so this is basically to be able to complete some of the pier rehabilitation work on the existing structure. This is part of the government's \$212 million plan over ten years for the safety of the existing structure.

Of that amount, \$17.6 million is for the Honoré-Mercier Bridge. Again, that was a project that was announced some time ago. These are funds that have been reprofiled from 2010-2011.

**Mr. Jamie Nicholls:** Just to interject, when is the decking of the Mercier Bridge expected to be completed?

**Ms. Anita Biguzs:** The first phase of the initiative has been completed, and that was the steel repairs and the deck replacement on the access ramp. So that was actually completed. The bridge redecking is expected to be finished this coming spring, 2012.

**Mr. Jamie Nicholls:** Has a value-for-money analysis for the new bridge across the St. Lawrence been given to the department at all?

**Ms. Anita Biguzs:** The department will be doing all the design work, as the deputy referred to. Certainly all the conceptual work, the consultations—it's a very significant project—will all be factored—

**Mr. Jamie Nicholls:** But the minister specifically mentioned that the project was going to go ahead as a P3. Has he delivered a value-for-money analysis to the department? Has P3 Canada done so?

**Ms. Anita Biguzs:** It's still very early days. All of this will be part of the work. We'll be looking at consulting with P3 Canada as part of the process, but as I said, it's still early days. We're consulting with various levels of government and stakeholders, working with experts, and we'll certainly very much be looking at all of this.

**Ms. Yaprak Baltacioglu:** Government had all the information that was required to make the decision around P3. Doing a P3 is very much a policy decision. That decision has been taken. Supporting actions and the action plans will be based on further work.



**Mr. Jamie Nicholls:** Right, but I'm trying to get a clear idea not only of whether a value-for-money analysis is in the hands of Transport Canada, but also the timeline of the project in general. Do we have a timeline laid out for the new bridge?

**Ms. Yaprak Baltacioglu:** We're working on the timeline. The original timeline in the Delcan report was a number of years. We heard from everyone, including the minister, that everything has to be done in terms of anything we could do to expedite the building, so we're working on that one.

**Mr. Jamie Nicholls:** Just to return to the question, Transport Canada does have P3 Canada's value-for-money analysis in its hands? It's been done?

**Ms. Yaprak Baltacioglu:** P3 Canada will give us advice as the project advances.

**Mr. Jamie Nicholls:** But they haven't done so yet?

**Ms. Yaprak Baltacioglu:** We're not at the details of the P3 arrangement right now.

**Mr. Jamie Nicholls:** Okay.

In terms of rural postal services in Quebec, I noticed line 15, payments to Canada Post Corporation for special purposes. Could you tell me why the cuts in Quebec amounted to approximately 53% of global cuts across Canada?

**Ms. Anita Biguzs:** Canada Post looks at the issue of hours of service of postal offices on a regular basis. It is looking at traffic patterns and post office use. This is very standard procedure for the post office. So if there are increases in terms of demand, then they will increase the hours of services. Where decreases occur, they have to make adjustments to the offices. So Quebec is not being singled out. They do this consistently across the country. Where there are fewer customers making fewer purchases, and traditional letter mail is declining—it's declined on average I think about 17%—they have to review the scheduled hours. The hours reflect the usage.

• (1610)

**The Chair:** I have to stop you there. I'm sorry.

Mr. Albas.

**Mr. Dan Albas (Okanagan—Coquihalla, CPC):** Thank you, Mr. Chair.

I appreciate the fact that our time is limited today, so I'm going to get right to it.

What is specifically included in these estimates for Jacques Cartier and Champlain Bridges Incorporated?

**Ms. Anita Biguzs:** Three items are included in these estimates, for a total of about \$23 million.

The first component, as I mentioned earlier, is for the Champlain Bridge in the amount of \$4.6 million. These funds have been re-profiled from the previous years to complete. There were revisions to the work plan as a result of some delays. The contractor needed more time to complete some of the pier rehabilitation work, so that was part of the government's \$212 million plan to ensure the safety and structural integrity of the bridge.

The second component is for the Honoré Mercier Bridge in the amount of \$17.6 million. These were funds re-profiled from 2010-11

to the current year to complete the work. As I mentioned, this is for the replacement of the federal portion of the access ramps, the redecking, and some steel repairs. There were some delays due to labour negotiations, in particular between the provincial government and the first nations. As I mentioned, I think the first phase of that work has been completed, and the redecking work will proceed and is expected to be completed next spring.

The third component of this is for contaminated-sites funding in the amount of about \$205,000, and that's funding for a joint project with Quebec to clean up contaminated soil along the Bonaventure Expressway. There were some delays in the tendering process in terms of being able to complete that, so this will finish that work.

**Mr. Dan Albas:** Thank you.

Moving along, I attended one of the receptions at the Federation of Canadian Municipalities, and even though in my local area there is a lot more interest in the gas tax being made permanent and seeing that there be more flexibility within that for light standards and what not, what I heard from a number of municipal representatives is that they wanted to talk about a new infrastructure plan.

I do know that last week Mr. Lebel made an important announcement about a new infrastructure plan for post-2014, when the Building Canada plan expires. Can you give us some more details in regard to what will lie ahead regarding that new plan?

**Ms. Yaprak Baltacioglu:** Sure. Mr. Forster was with the minister at the Federation of Canadian Municipalities.

This is an important step, because the intent to discuss with all the players what the country needs was made public before the program comes to an end. Actually, in some ways that is very novel, because we have a lot of time to work with the partners to determine what the next program will look like and what it will focus on. That is a very big deal in infrastructure.

John, do you want to elaborate on the steps?

**Mr. John Forster:** Sure, very quickly. The consultations will go in three phases. In the first phase we'll be looking at what the accomplishments have been and the results of the billions of dollars invested since Building Canada came out with stimulus and so on.

The second phase, next year, will be looking at where the gaps are and the priorities and where, as a country, we should be investing in the future.

A third phase, later next year, will be discussions with provinces, territories, and municipalities around principles, directions, for any kind of new programming after Building Canada expires.

**Mr. Dan Albas:** You would say this is a very proactive way of addressing the infrastructure needs that are out there.

**Mr. John Forster:** Yes. As the deputy was saying, it's very beneficial that we have signalled ahead of time that we want to go out and spend some time now to think about what the long-term priorities are for Canada with regard to infrastructure investments. It's a great opportunity to work with our partners to do that.

**Mr. Dan Albas:** You mentioned that the provinces are going to be involved specifically, because oftentimes we work hand-in-glove with them.

• (1615)

**Mr. John Forster:** Yes, the provincial and territorial governments. The minister has been in touch with all his colleagues in that regard concerning the roll-out as well as working very closely with the Federation of Canadian Municipalities and other stakeholders, such as the Canadian Construction Association and Engineers Canada.

**Mr. Dan Albas:** Were the consultations well received as being crucial for the next step?

**Mr. John Forster:** I can say yes, unanimously. All of the provincial and territorial governments are very enthusiastic about the process, as were the stakeholders, and in particular the Federation of Canadian Municipalities. They're sort of organizing themselves to have a lot of input into the process.

**Mr. Dan Albas:** Great, thank you very much.

**The Chair:** Thank you.

Mr. Sullivan.

**Mr. Mike Sullivan (York South—Weston, NDP):** The department recently went through an exercise to find savings by selling off assets, including small airports. Can you tell us what buildings and small airports you have identified to be sold to make money, and how this will affect rural transportation?

**Ms. Yaprak Baltacioglu:** First of all, we sold airplanes.

We have a port divestiture fund, and this is the one where we work with interested parties so they can take over certain ports, but that has been an ongoing program.

Did we sell any airports?

**A voice:** I'm not aware of that, no.

**Mr. Mike Sullivan:** Apparently you have plans to; it was announced today.

**Ms. Yaprak Baltacioglu:** I believe you're talking about the media report that was in—

**Mr. Mike Sullivan:** Bloomberg today.

**Ms. Yaprak Baltacioglu:** What the reporter refers to is an access-to-information request for the briefing books for incoming ministers. These things are four or five volumes. They tell the minister about the department, his duties, and the legislation. But along with that, this is one opportunity, a critical function of the public service, to look at policy options and ideas so that one can brief an incoming government and the ministers of the crown on the possibilities at their disposal. These were some of the ideas the department set down on paper; there have been no decisions to take action on these ideas.

Transport Canada holds immense amounts of assets, partly because we have to make sure we hold the land that's necessary—in ports, for example, so that they don't impede transportation or navigation. By the seaway we have huge amounts of land. We own vineyards, half a golf course, a cemetery. So that was the question: what is the role of Transport Canada as we look to the future, especially when the governments are looking at their assets? There's

been no decision on this. And this one was written in the public service, as the public service is expected to think through these things.

**Mr. Mike Sullivan:** Can you make these documents available to us?

**Ms. Yaprak Baltacioglu:** They were made available through access to information.

I will turn to the chair: is this the wish of the committee? I'm in your hands.

**The Chair:** If they're public access, then you can send them through me and out to the committee.

**Mr. Mike Sullivan:** My second question is on the green infrastructure fund. How was the decision made to transfer such a large amount of money out of the green infrastructure fund to another fund? And how do I find that in these documents? It doesn't seem to be apparent.

**Ms. Yaprak Baltacioglu:** The government makes a decision to allocate a certain amount of money—

**Mr. Mike Sullivan:** The government—do you mean the minister?

**Ms. Yaprak Baltacioglu:** This would be cabinet. Right?

**Mr. Mike Sullivan:** Okay.

**Ms. Yaprak Baltacioglu:** I'm referring to the executive branch. Then it goes to Parliament as part of the estimates, and Parliament votes in the money or approves the transfer. Where we have put out this particular transfer... Do you have the list?

**A voice:** Yes.

**Ms. Yaprak Baltacioglu:** If you look at the November 4, 2010, supplementary estimates—we'll give you the page numbers and everything—there is money for the forestry program.

If you look at the June 3, 2011, main estimates, there's an explanation, again, about the transfers.

The report on plans and priorities for 2011-12 and the departmental performance report for 2010-11 contain references that state, "Of the \$1 billion originally allocated to the Green Infrastructure Fund, \$170 million has been transferred to other federal departments to support high priority initiatives." This is from part III, A and B, of the estimates we reported to Parliament.

• (1620)

**The Chair:** I have to stop you there and go to Mr. Adler.

**Mr. Mark Adler (York Centre, CPC):** Thank you all for appearing today.

I have a question under funding for the border infrastructure fund. The fund is meant to reduce congestion, enhance infrastructure, etc. Could you elaborate on what made up that figure?

**Ms. Yaprak Baltacioglu:** Are you talking about the \$28.4 million?

**Mr. Mark Adler:** The \$743,000, page 135.

**Ms. Yaprak Baltacioglu:** There are two pieces to it. One is money to CBSA and the other is strategic review. But Mr. Forster is going to give you the details.

**Mr. John Forster:** If you're referring to the supplementary estimates, there's an amount in there for \$743,000. This includes \$700,000 to re-profile money that was not spent last year on border infrastructure projects. In particular, they'll need it for projects related to highways 35, 55, and 73 in Quebec. That will raise the total for this year to \$44 million for border infrastructure projects. The fund was originally set up to do infrastructure projects primarily at the six largest border crossings but also at smaller crossings in Canada.

**Mr. Mark Adler:** What's the status of the Peace Bridge? Has New York agreed to construct one, or have we and we have to get agreement on one side or the other about what's being constructed? There's an environmental assessment going on right now. What's the status of that?

**Ms. Yaprak Baltacioglu:** Our assistant deputy minister of operations is going to answer your specific program question.

**Ms. Helena Borges (Assistant Deputy Minister, Programs, Department of Transport):** With the Peace Bridge, they were in the process of conducting an environmental assessment on the American side—

**Mr. Mark Adler:** The American side, okay.

**Ms. Helena Borges:** —and they have not been successful in completing that environmental assessment, because there's been significant opposition with the communities on that side of the border. Until they got that assessment, they hadn't started the one in Canada. They're going back now and looking at whether they can remediate the challenges the community was raising. A lot of it is land-related. There are homes and parks there that people don't want to give up.

In the meantime, they're looking at improving the plaza the way it is today and trying to make it more efficient to get more traffic through there. In fact, the announcement that was made today by the Prime Minister and the President on the border has some initiatives that will help them achieve those efficiencies.

**Mr. Mark Adler:** Okay.

That's been going on for a while now, hasn't it, on the New York side?

**Ms. Helena Borges:** It has, and this was the second attempt, actually. They had started in the early nineties and spent almost nine years doing the environmental assessment, and then at that point one of the disadvantaged groups of the community—sort of low income—opposed this and took them to court and they stopped.

They restarted again in mid-2000 and they've been doing the EA now for a few years. Now it's really an issue more with the City of Buffalo and some of the properties that they own.

**Mr. Mark Adler:** There's a real residential area in there, isn't there, on the New York side?

**Ms. Helena Borges:** Yes, there is. There isn't a lot of space, so part of the discussions in the past have looked at whether we could accommodate some of the U.S. activity on the Canadian side, but there are other issues related to that.

**Mr. Mark Adler:** How about Queenston-Lewiston, are there any plans for that?

**Ms. Helena Borges:** Actually, the federal government is investing \$62 million for realigning and reconfiguring the plaza on the Canadian side to accommodate new customs buildings, CFIA, the food inspection agency, and more booths going through there. That work is nearing completion. The bridge corporation itself is putting in a lot of that money as well, in addition to the federal government, and they're making improvements on the U.S. side as well.

• (1625)

**Mr. Mark Adler:** Okay, and Whirlpool is still a NEXUS only?

**Ms. Helena Borges:** Yes, it's for passenger only.

**Mr. Mark Adler:** Are there any plans for anything...?

**Ms. Helena Borges:** I'm not aware that the bridge company has any big plans for it. They might have technology improvements and things to expedite the NEXUS traffic, but not any major infrastructure improvements.

**Mr. Mark Adler:** And Rainbow...?

**Ms. Helena Borges:** The same thing.

**Mr. Mark Adler:** The same thing. Okay.

Thank you.

**The Chair:** Mr. Sullivan.

**Mr. Mike Sullivan:** My question is for Ms. Borges. It has to do with the air-rail link. Recently one of my colleagues did an SO-43—is that the number I'm thinking of?

**Ms. Helena Borges:** Yes.

**Mr. Mike Sullivan:** He was looking for how much had been spent so far on the air-rail link in Toronto and was told \$15.7 million, but I know that lots more than that has been spent on the air-rail link. I'm wondering why the department doesn't know how much has been spent, since when this was first announced it wasn't to cost the taxpayer a single nickel, but now it's \$1.4 billion.

Can you explain why we're not being told how much is being spent?

**Ms. Helena Borges:** Actually, on the air-rail link the investments that have been made so far on that corridor are not related to the air-rail link. They're related to the GO transit service on the Georgetown line, and there have been improvements made there.

The environmental assessment for the air-rail link has just been completed recently, and there hasn't been work started yet specifically related to the air-rail link.

**The Chair:** I have to interrupt there, as we have the bells ringing in the House.

I'll thank our witnesses and guests for being here today. We appreciate your candid comments.

Watch your notices for the meeting on Monday.

The meeting is adjourned.





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