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

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**EVIDENCE**

**Tuesday, October 16, 2018**

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**Chair**

**The Honourable Judy A. Sgro**



## Standing Committee on Transport, Infrastructure and Communities

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• (0850)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I'm calling to order the 113th meeting of the Standing Committee on Transport, Infrastructure and Communities in this 42nd Parliament, first session. Pursuant to Standing Order 108(2), we are continuing our study of the Canadian transportation and logistics strategy.

We have as guests today a group of 27 graduate students from the Clayton H. Riddell graduate program in political management at Carleton University. They are joining us for our two-hour meeting. Welcome to all of you. I wish you lots of success in your program.

To all of our committee members, welcome back. I hope you all had a wonderful Thanksgiving. I know you're all happy to be back because everyone was early this morning.

We'll start off with our witnesses for the first portion of the program. From the Montreal Port Authority we have Sophie Roux, vice-president of public affairs, and Tony Boemi, vice-president of growth and development.

From the Mining Association of Canada we have Brendan Marshall, vice-president of economic and northern affairs.

Please keep your comments to five minutes so that the committee members have sufficient time for their questions.

**Ms. Sophie Roux (Vice-President, Public Affairs, Montreal Port Authority):** Thank you very much.

[Translation]

Madam Chair, ladies and gentlemen members of the committee, hello and thank you for having us this morning.

The Montreal Port Authority, or the MPA, also referred to as the Port of Montreal is Canada's second largest port and a diversified transshipment centre that handles all types of cargo, from dry bulk like grain, to liquid bulk and containerized and non-containerized general cargo. It is the only container port on the St. Lawrence River and the world's largest shipping lines serve it.

The Port of Montreal is also a unique intermodal hub in North America because it owns and operates its own rail network directly dockside, connecting it to the two national rail networks. The MPA also operates a cruise terminal.

Like Canada's other port authorities, the MPA is responsible for managing its port assets under the Canada Marine Act, but these assets must also support Canada in its growing commercial trade.

The Port of Montreal is the natural gateway to northern European markets, and we are already benefiting from the new Canada-European Union Comprehensive Economic and Trade Agreement, which came into force only a year ago. But Asian markets and emerging markets are also now significant parts of our container traffic, thanks to our diversification strategy that makes Canada more resilient to the vagaries of international trade.

Today, the port is connected to more than 140 countries and generates over 16,000 jobs and upwards of \$2 billion in annual economic benefits. Every year, over \$41 billion in cargo comes through our docks.

To be able to fully contribute to Canada's prosperity, port authorities must rely on: efficient transportation logistics chains; healthy infrastructure; innovation; and expanding their capacity. Our recommendations will cover those four themes.

For a port to be competitive and be able to grow, it must be supported by reliable and efficient land trade corridors. The Port of Montreal benefits from an intermodal chain that ensures fluidity in freight transport, but it's an ongoing effort. A great advantage of ours is the presence since 2013 of the only transportation and logistics industrial cluster in North America, CargoM, which brings together the top transport industry players to optimize Montreal's intermodal chain.

Here is our first recommendation: it is of paramount importance to protect and promote the optimization of land ties connecting a port to its markets. A port is nothing without road and rail access that make it possible to get cargo in and out fast.

[English]

I am now going to turn to my colleague, Mr. Boemi, to continue.

**Mr. Tony Boemi (Vice-President, Growth and Development, Montreal Port Authority):** Thank you, Sophie.

Good morning, everyone.

With regard to healthy infrastructure, all port authorities share the huge challenge of maintaining and optimizing aging infrastructure.

Maintaining docks and piers, optimizing our rail network and direct road access to the port, and developing new terminals are all projects that have been or must be carried out, and the investments required far exceed the revenues that we, as a port authority, can generate.

Financial assistance from private partners is mission critical, as it is from the various levels of government, except their assistance varies according to the programs in place.

We recommend the creation of a dedicated fund to optimize port infrastructures, attributable based on performance and environmental protection criteria.

With regard to innovation, the digital shift is happening globally and is forcing companies to adapt and innovate. Our role as a port authority puts us in a strategic position to provide digital solutions and to create value for our partners in their decision-making process.

The Port of Montreal already has several initiatives under way for this, and we can talk more about them later in our discussions.

We also recommend the creation of a national program and an innovation fund to help ports take the digital leap and give them the tools to do so. For ports to have a common strategy and to make Canada more competitive, dialogue and digital transformation must be managed as a whole.

Growing needs and market globalization stimulate trade, but they also raise port capacity issues. This is why, for example, we anticipate very soon the need to expand the port of Montreal by developing a new container terminal at Contrecoeur, Quebec. I'll give you some examples.

The port of Montreal currently has a capacity of roughly two million TEUs. We expect to finish this year at roughly 1.6 million. We anticipate, given the forecast, that we'll probably reach maximum capacity in roughly 2022 or 2023. From our perspective, it's really important that we have the infrastructure to maintain that continued growth. My boss likes to say that she doesn't want to put a "no vacancy" sign in front of the port of Montreal.

This is a major infrastructure project that will require more than \$750 million in financing. However, it is a vital project for the economy of Quebec and eastern Canada that will enable local companies to keep trading with the world for decades to come.

For any large-scale port expansion project, we recommend respecting ports' individual skills and having a regional, as well as a national, vision of port development for the benefit of the entire economy of Canada.

We'll answer your questions.

Thank you very much.

**The Chair:** Thank you very much, Mr. Boemi.

We'll move to the Mining Association of Canada.

Mr. Marshall, you have five minutes, please.

● (0855)

**Mr. Brendan Marshall (Vice-President, Economic and Northern Affairs, Mining Association of Canada):** Thank you for the opportunity to participate in this important process.

My name is Brendan Marshall. I'm the vice-president, economic and northern affairs, at the Mining Association of Canada.

MAC is the national voice of Canada's mining and mineral processing industry, representing more than 40 members engaged in exploration, mining, smelting and semi-fabrication across a host of commodities.

Mining is a significant economic driver for Canada. In 2017, direct and indirect industry contributions generated \$97 billion in GDP, 634,000 jobs and \$97 billion in exports—one-fifth of Canada's total overall value. A consequence of this international reach is the sector's reliance on road, rail, marine and aviation services to both bring product to market and supply operations with critical inputs, including workers, fuel and equipment.

Proportionally, the mining industry is the largest industrial employer of indigenous Canadians. Mining is also the largest private sector driver in Canada's Arctic, where the industry accounts for one in six jobs and 15% to 20% of territorial GDP. In recent years, mining companies have invested, are investing, or have committed to invest more than \$9 billion in the region.

The CTLS, Canadian transportation and logistics strategy, comes at a critical time. Domestic legislative and regulatory processes with implications for project permitting and costs persist, while recent supply chain failures have significantly damaged Canada's reputation as a reliable trade partner.

The impact of this uncertainty has been felt by Canada's mining industry, where investment has dropped more than 50%, or \$68 billion, since 2014. This drop is amidst a strong price rebound for many commodities over the last three years.

As the government seeks to bolster Canada's economic competitiveness, enhancing trade-enabling infrastructure to diversify market access and rebalancing the relationship between Canada's railways and their customers will be critical for success.

I have two recommendations.

The first is to address the remote and northern infrastructure deficit.

The future of Canada's mining industry lies increasingly in remote and northern regions. One of the largest factors influencing mineral investment decisions in Canada's north is heightened costs. Industry research in the "Levelling the Playing Field" report indicates that it costs two to two and a half times more to build the same base or precious metal mine off-grid in the north—

**The Chair:** Mr. Marshall, could you slow down a little bit. I appreciate your trying to get through it, but the interpreters are having trouble keeping up with you. Just go a little bit slower.

**Mr. Brendan Marshall:** They are? My apologies.

**The Chair:** It's not a problem.

**Mr. Brendan Marshall:** It costs two to two and a half times more to build the same base or precious metal mine off-grid in the north compared to the south. Seventy per cent of this northern cost premium is directly related to the regional infrastructure deficit.

To date, infrastructure investment decisions that recognize northern challenges and opportunities through the trade and transportation corridors initiative and the investing in Canada plan have been welcome, though the need is far greater than the funds allocated. MAC is aware the northern allocation of \$400 million under the TTCI was oversubscribed by greater than five times. Also concerning is that the Canada Infrastructure Bank may not recognize remote and northern realities, potentially limiting the utility of this institution to address northern priorities.

Enabling additional mining development in remote and northern Canada is inextricably linked to the government's indigenous reconciliation and climate change agendas, and the northern infrastructure deficit is the single largest barrier to mining development in the region. To address this, government should, as an immediate action, renew the TTCI in budget 2019, including the \$400-million northern allocation, and as a long-term dedicated solution, establish a unique stand-alone Arctic infrastructure investment fund based on the Alaska Industrial Development and Export Authority that recognizes Arctic realities.

Let's move on to the second recommendation, which is to rebalance the relationship between Canada's railways and its customers. Trade begins at home, and Canada's ability to compete against other countries requires a reliable and cost-effective transportation system to get our goods to market. As the largest corporate customer group of Canada's class I railways, accounting for more than 50% of rail freight revenue in 2017, mining is a major stakeholder to transportation policy.

Canada's rail freight system operates primarily as a dual monopoly, shared by CN and CP, Canada's only class I railways. Communities and businesses are often captive, served by only one of these companies, which gives rail customers little or no competitive choice, and the railways market power over their customers. At core, this market power creates an imbalance between shippers and railways in the rail freight market, which contributes to the ongoing protracted relationship between shippers and railways.

The number of rail service-related consultations and legislative measures in recent years reflect the persisting challenges that rail customers face, as well as the failure of these legislative attempts to curtail railway market power. Most recently, Bill C-49, the Transportation Modernization Act, the third legislative attempt to address reoccurring rail freight service challenges in six years, was enacted. While the package of reforms went further than those of Minister Gagneau's predecessors, like them, Bill C-49 fell short of rebalancing the position of railways and customers in the rail freight market.

On the backdrop of a costly and reputationally damaging supply chain disruption in winter 2018, the second such disruption in four years, MAC, in partnership with seven other resource shipping associations, advanced two recommendations to improve the bill. The first is agency own-motion powers, and the second is a shipper right to a costing assessment during the final offer arbitration process. One of those recommendations was watered down, and the second was rejected, and this despite the sober second thought of the Senate, twice over.

As of Friday of last week, I can report that none of the new bill's tools have been used since Bill C-49's enactment, despite their having been lauded by decision-makers as key solutions to the challenges that shippers face. Meanwhile, service challenges have been mounting in recent weeks, and shippers across the supply chain are growing increasingly concerned that costly and reputationally damaging supply chain disruption could occur again this winter, as occurred last.

• (0900)

**The Chair:** Mr. Marshall, have you completed your remarks?

**Mr. Brendan Marshall:** I have one final statement, if that's okay.

**The Chair:** Please, go ahead.

**Mr. Brendan Marshall:** To support greater balance in the rail freight market, in addition to revisiting the above two solutions, MAC recommends the committee support a robust, leading edge transportation data regime. Achieving this would not only enhance transparency in the transportation system, but also improve relations between shippers and transportation service providers, avoid unnecessary and costly disputes, and provide government with the tools necessary to identify, assess and resolve existing policy challenges.

Thank you for that extra time.

**The Chair:** Thank you very much, Mr. Marshall.

We're moving to Ms. Block for six minutes.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thank you very much, Madam Chair.

I want to welcome our witnesses here this morning.

I would also like to join our chair in welcoming the students who are here from the master's program in political management at Carleton University, as well as Professor Azzi. Thank you so much for joining us today. I hope you enjoy our deliberations this morning.

Mr. Marshall, thank you so much for joining us today. I appreciated your testimony. We had the opportunity of attending the Van Horne Institute Rail to Ports Conference last week, so many of the things that you have said this morning come as no surprise to me because I think we heard the same comments last Friday at the conference.

Before I ask my questions, I would like to also welcome our witnesses from the Montreal Port Authority. You have a champion at this table in Mr. Iacono. He has been urging us as a committee to get to the Port of Montreal to see your operations. It is my hope that we do manage to get there sometime during our study of the transportation logistics strategy.

Mr. Marshall, I want to give you just a little more time to talk about the impact of Bill C-49 on the mining industry in particular. You referenced two amendments that you had hoped would have been passed during our deliberations of Bill C-49, which we all know was a 10-year statutory review. Hearing what you've had to say is deeply concerning as we may not review that legislation for another 10 years if we follow the statutory cycle.

I'm wondering if you could provide us just a little more insight on that, and the robust, leading-edge data collection regime that you mentioned in your last statement. Perhaps, if you have some time, you could comment on Bill C-69 and the impact on the mining industry.

Thank you.

**Mr. Brendan Marshall:** Sure. I have just a couple of quick remarks on mining and rail generally. Too frequently, and recently especially, rail issues in this country have been falsely characterized as a dichotomy between grain shippers and the railways, and I think we need to move past that. The reality is that non-agricultural resources, minerals and metals specifically, represent over half of the total rail freight revenue, so if we see a precipitous decline in the volume of minerals and metals shipped, then the railways system itself will start to suffer. You would not be able to ship grain at the discounted rate at which it currently is shipped with the MRE without having a robust demand for traffic from other products, so we need to change that channel. That's the first thing I would say.

The second thing I would say is that there is an imbalance between shippers and railways in the rail freight market. I think that's a challenge with respect to the way in which some decision-makers approach addressing the issue. What I mean by that is this. Shippers are at an imbalance relative to the position that railways have in the rail freight market, so when you approach a piece of legislation to address an imbalance, you cannot take a balanced approach to the legislation.

I think in recent years, not just with respect to Bill C-49 but also with respect to previous attempts by the former government to address this issue, there has been this tendency that if we're going to do something for shippers, we also need to do something for

railways, and if we're going to do something for shippers in this respect, then we need to make sure we have a balanced outcome. If you have a balanced bill, you will persist in reinforcing the imbalance between shippers and railways in their relative positions in the rail freight market. In this respect, I think what is really needed to address this imbalance is a greater level of political will and courage. I think that's a really important piece.

You asked me for a bit of information about the data regime. You will hear shippers and railways make a great number of claims. Shippers will say that they are not getting the service they need and that they are consistently being dismissed. If they're a captive shipper, they will say their service is such.

The reality is that we don't have any means of assessing the veracity of those claims. Railways consistently year over year come out and say they are spending 20% or 22% of their revenue. Do you know if that's enough for those companies? Should it be more? Does the system demand, based on traffic requirements, a greater level of investment?

The reality is you don't know. We don't know. Transport Canada doesn't know either. The only way we are ever going to get a clear assessment of what's actually happening in the rail freight market is if we get a really robust data transparency regime that allows us to understand where the traffic is moving, at what time, and with what commodities; where the investments are going, and whether they are going into the U.S., into Canada, into new developments, or just into maintaining existing infrastructure. None of these questions will we be able to answer until we get a very clear, data-driven picture of what's actually happening in the rail freight market. That picture would inform decision-makers such as you with a greater ability to delve into specific solutions where they're needed.

● (0905)

**The Chair:** Thank you very much, Mr. Marshall. You were very clear on that.

Mr. Iacono, go ahead for six minutes.

[Translation]

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Madam Chair.

I thank my colleague for her nice comments regarding the Port of Montreal.

I also thank the witnesses and the students for joining us.

My question is for the Port of Montreal representatives.

We recently marked the first anniversary of the Canada-European Union Comprehensive Economic and Trade Agreement, CETA. Thanks to that agreement, we are strengthening our trade relationships, supporting our Canadian businesses and boosting our economy. For a player like the Port of Montreal, CETA means significant growth of marine transportation, so an increase in the number of ships and, in particular, the number of containers.

What measures has the Port of Montreal taken to meet the growing demand in terms of the logistics chain?

**Ms. Sophie Roux:** Thank you, Mr. Iacono.

Thank you for supporting us and allowing us to appear before the committee.

We clearly need to have the capacity and the port space needed to accommodate more vessels and containers or to have more cargo coming and going. In fact, the Port of Montreal is a balanced port in terms of imports and exports, with each of those two activities accounting for about 50% of trade. However, the intermodal chain must also follow suit.

Increasing direct access to the port is one of the strategies used by the Port of Montreal, which takes care of vessels, but of much more as well. It ensures the fluidity of the intermodal, since that is a key element of competition. In order to be a viable alternative to American ports, our intermodal chain must be able to get goods in and out quickly.

The addition of direct road access to the Port of Montreal is one of the strategies we have used. We now have direct access through Highway 25, from the north to the south and from the south to the north. In addition, we want to add another access by extending Souigny Avenue, in Montreal. Recently, we worked in close collaboration with our terminal operators to extend the hours of operation to accommodate trucks. That enabled us to manage the increased traffic over the past few months.

• (0910)

**Mr. Angelo Iacono:** You mentioned the intermodal chain. How long does that take, once the goods have arrived?

[English]

**Mr. Tony Boemi:** If you're referring to dwell times in terms of when vessels stay, on average we have roughly two days of dwell, by rail or by truck.

We had some difficulties in the first part of the year because of the surge in business we received. As a result of that, the partners got together, which is why we have extended gate hours now. Whereas before the gates were open from 7 a.m. to 3:30 p.m., today they're open Monday to Friday from 6 a.m. to 11 p.m. That has basically alleviated a lot of the congestion points.

We're also investing roughly \$50 million into our rail infrastructure. Again, when you look at the train consists today, they're coming in much longer, at 12,000 feet to 14,000 feet. We've also developed some tools in terms of providing transport companies with advance information so that we can eliminate or anticipate congestion points or bottlenecks. These are some of the factors, some of the work, that we've done to meet this demand.

I should say, to everybody's credit, that in terms of CETA, since that announcement came in, we have had the Maersk line, which introduced a brand new service into Europe. Hamburg Süd, known for their South American services, also introduced a new service into Montreal for Europe. We anticipate that other carriers as well will be joining that in terms of putting a focus on European trade.

**Mr. Angelo Iacono:** Thank you.

[Translation]

How will the Contrecoeur Terminal be able to meet the various expectations in terms of growth and development?

**Ms. Sophie Roux:** We currently have four terminals for international containers on Montreal Island. At optimal capacity, that enables us to receive 2.1 million TEU containers. Last year, we received 1.6 million containers. In 2016, we created the fourth and last container terminal we can develop on Montreal Island—the Viau Terminal. That terminal will be developed in two stages. The second stage will begin soon, as that terminal is being filled up much faster than anticipated.

The expansion of the Port of Montreal at Contrecoeur meets the need for additional capacity not only right now, but in the near future. We actually estimate that we will need additional space to receive containerized cargo as of the middle of the next decade, so around 2023-2024. The considerable reserve we have at Contrecoeur—468 hectares of land—will be developed in three stages. The Canadian Environmental Assessment Agency is currently conducting an environmental assessment of the first stage, which would give the Port of Montreal an additional capacity of 1.15 million TEU containers. We already estimate that the completion of a second stage and a third stage will allow us to reach the capacity to process 3.5 million additional containers.

The expansion of the Port of Montreal at Contrecoeur gives us capacity for decades to come.

**Mr. Angelo Iacono:** For the Port of Montreal to be the second largest, you must surely use technology to make it into a smart port.

[English]

**The Chair:** Be very brief, Mr. Iacono.

[Translation]

**Mr. Angelo Iacono:** How do you ensure that new technologies are being used there?

• (0915)

[English]

**Mr. Tony Boemi:** What's really important in port study—and it's not just Montreal; it's most ports—in our case we're dealing with a standard vessel with roughly 4,500 containers. What makes us distinct from other ports on the east coast, or even on the west coast, is that when a vessel comes into Montreal, it's a destination port. By that I mean, if I have a vessel coming in at 4,500, I discharge 4,500. This is very different from vessels that will come along the coast, for example, to Halifax, and continue to New York, New Jersey, and so on. As an example, Halifax is a deepwater port. I'm not a deepwater port. Because of my model, I do three times the amount of business that Halifax does.

**The Chair:** Thank you very much, Mr. Boemi. I'm sorry to cut you off. I have to get to Mr. Aubin.

[Translation]

**Mr. Robert Aubin (Trois-Rivières, NDP):** Thank you very much, Madam Chair.

Thank you, dear guests, for joining us this morning and sharing your expertise with us.

I also want to say hello to the students who have joined us.

I hope that those who are not bilingual are able to appreciate the amazing service interpreters provide to us on the Hill. That is a point of pride of Canada's legislation on official languages.

That said, let's come back to our discussion. I will begin with you, Ms. Roux.

Of course, no one is against the development of the Port of Montreal in any way. We are all aware of the port's significant economic contribution. The same goes, on a different level, for Trois-Rivières. I know that the collaboration between the two administrations is close and that it is bearing fruit.

I am still concerned about economic development and port expansion being able to align with the respect for or the protection of the environment. Yet, according to associate professor at the Institut des sciences de la mer de Rimouski, Émilien Pelletier, the dredging of the river bed may re-circulate contaminants that would have remained buried forever, and the contamination may extend all the way to Lake Saint-Pierre. So it affects my region.

My question is very simple. Does the Montreal Port Authority believe that river dredging is absolutely necessary in its Contrecoeur project?

**Ms. Sophie Roux:** The answer is no. Allow me to elaborate.

**Mr. Robert Aubin:** Thank you.

**Ms. Sophie Roux:** Obviously, to create a new container terminal at Contrecoeur, a dock needs to be cast and connected to the St. Lawrence ship channel. The river will need to be deepened to set up the approach area to the dock. That is the only dredging that will be done to expand the port of Montreal at Contrecoeur.

There is currently no St. Lawrence dredging project. We are still trying to increase the competitiveness of the St. Lawrence because it

is a blue highway. Goods have always entered that way. Our country and our province developed through marine freight.

**Mr. Robert Aubin:** Can container ships that arrive in your port operate at full capacity or must they reduce their capacity to 80% or 70%?

**Mr. Tony Boemi:** All container ships operate at a capacity of about 85%; that is the standard. No vessel enters the port at 100% of its capacity. The capacity of vessels that arrive in the port of Montreal is between 1,800 TEUs and 4,500 TEUs. Container ships operate at a capacity of 80% or 85%.

**Mr. Robert Aubin:** Okay.

I would now like to talk to you about relations with the local population.

During our early visits, especially in the Niagara region, we noted that various ports were lacking space to expand. That is an ongoing problem. I know that, in the case of your port, there is a problem related to the construction of an overpass, and that project has different implications for the population—let's put it that way.

I would like to know two things.

When it comes to the construction of that overpass, you are eager to proceed. Is that because you truly believe it to be the best solution or because you are a bit rushed because the subsidy for that construction is time-limited?

What do you think about the proposal by Marjolaine Boutin-Sweet's office to have the federal government acquire a number of non-public spaces south of the Hochelaga riding?

I am under the impression that all these issues are related and that you can enlighten me better than anyone else.

• (0920)

**Ms. Sophie Roux:** In November 2016, we implemented our fourth container terminal—the Viau Terminal. That was a three-part project. We received funding from the new Building Canada fund to set up the container terminal, to strengthen our docks in order to accommodate post-Panamax vessels, and to build an overpass that would connect us to the Souigny Avenue extension, along Assumption Boulevard.

As I said earlier, the port's activities start with a vessel, but then there are trucks or trains that make it possible for goods to move fluidly. That need for additional road access directly related to the port went hand in hand with the implementation of a new container terminal because we are concerned about reducing congestion on the local road network and Notre-Dame Street, and about having much faster access to the upper highway network.

It should be pointed out that the extension of Souigny Avenue has been under discussion for more than a decade. Before we decided where our overpass would be built, there was a long-term process with the City of Montreal and Quebec's Department of Transportation to establish the route of the Souigny Avenue extension.

As for considering other options, such as the possibility of the Government of Canada purchasing other land, we have invited Ms. Boutin-Sweet to discuss that with us further. We are building an overpass over our land, and our property plans do not anticipate the purchase of other land. It should also be pointed out that, before we decide to set up an overpass at a specific location, we must ensure to have the necessary clearance or encroachment.

[English]

**The Chair:** Thank you very much.

[Translation]

**Ms. Sophie Roux:** That has always been done along Souigny Avenue.

[English]

**The Chair:** Thank you very much.

Now we go to Mr. Badawey.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Madam Chair.

We have had the opportunity, the honour and privilege as a committee to really dive a bit deeper into Minister Gameau's mandate with respect to trade corridors, creating more fluidity as well as eliminating the bottlenecks throughout, not just your area at the port of Montreal, but across the whole nation and even going internationally. When I say internationally, I mean on the other side of the border to the south as well as into the EU.

I'm going to concentrate my questions on that. We've had discussions before, and by the way, thank you for coming today. It's great to have you as part of this whole process. We've had discussions in the past with your association, and we've spoken about both creating fluidity through integrating logistics and distribution and working together within our own regions, but more importantly, how those regions connect throughout the nation and even internationally.

With that, my question for you is, where do you see yourself participating in that overall trade corridor strategy? I want to concentrate as well, as a second question, on the St. Lawrence Seaway and the inability to create port capacity. It's now only operating at 50% capacity. How can you contribute to the overall system to bring that port capacity up to where it should be?

**Mr. Tony Boemi:** To answer your first question in terms of trade corridors, a lot of the work that we're doing today to eliminate those congestion points or bottlenecks.... I was saying earlier that when we have ships that come in at about 4,000 containers, they get discharged at once, so you can imagine the bottleneck that it feeds into the system.

Really what we're trying to do is work a lot with some tools that we're providing to the importers and exporters and the trucking companies so that we can provide them with advance information in terms of how to anticipate congestion points and best times of the day to come into the terminal. If you can imagine discharging 4,000 TEUs within a period of 24 and 36 hours, everybody comes in at the same time. That's some of the work we're doing.

In terms of the St. Lawrence Seaway, we've done some pilot projects on how we could increase activity between the St. Lawrence

River going in through the seaway, through the locks. It's still ongoing. We're trying to work as much as we can with the seaway to see how we can increase that kind of activity. It's not an easy sell, but it's something that we continually look at.

● (0925)

**Mr. Vance Badawey:** I don't think we can dismiss the fact of or underestimate the impact that CETA is going to have on our transportation system with respect to a lot of product going out and into the midwest in both countries. The St. Lawrence Seaway, as well as the port of Montreal, will be a key part of our overall transportation infrastructure.

With that said, as you know, we're going to hopefully put in place the trade corridors fund and other mechanisms to help you maintain or manage your asset up to a standard which it would be at 2018 and beyond, versus trying to play catch-up with regard to the infrastructure. It is important to have that overall strategy in an integrated fashion before those investments are made, so that we don't have to go backward, but we're moving forward.

You mentioned earlier about maintaining your asset, as well as integrating logistics and distribution nationally. Where do you see a lot of those strategic investments being made?

**Mr. Tony Boemi:** If you look at Montreal historically, the port of Montreal has always been a major gateway into the U.S. Midwest. When you look at our European business, roughly 30% of all the business that transits between Europe and Montreal into the Midwest goes through the port of Montreal. We compete very favourably with the ports of New York and New Jersey. We're all running at about 25% to 30%. In terms of our assets, which is our railway system, we own and operate our own short-line railway on port property. We manage roughly 100 kilometres of track. We have four engines. We hand off, or receive from both Canadian Pacific and Canadian National. From our perspective in terms of the fluidity, having access to those markets and the role that we play within that supply chain is really the type of activity that we can do at the port.

**Mr. Vance Badawey:** You mentioned bottleneck and/or capacity issues with so many containers coming into the port of Montreal. Is there opportunity down the road to look at partnering with both the seaway as well as the facilities along the seaway to take that bottleneck away down the system? I know a lot of it is rail right now and partly truck coming out of Halifax, or going into Halifax, Albany, Staten Island, Manhattan, and the ports go on. Are there opportunities going into the ports of Hamilton, Niagara, Oshawa, Cleveland, Toledo, Detroit and beyond that?

**Mr. Tony Boemi:** To that point, I'll just give you a bit of background. We worked on a pilot project. We were looking at sending eight ships into Monroe, Michigan, before the closure of the seaway. This would have been a novel idea. We met with the exporter and we met with all the stakeholders and we said, "As a pilot project what can we do?" As a port authority, we said it's a pilot project and we want to make this work, so for those eight ships we'll assess our wharfage—the fees that we normally assess—to zero. We spoke to the terminal operator and we asked what he could do to help out. He said, "When you look at the lift costs, so on and so forth, I'll do it at cost." We spoke to the St. Lawrence Seaway and they gave us a discount on the locks.

Even with all those steps, we weren't able to make it cost-effective to compete with the railways. That's really the big issue. When you look at the cost factors involved, when you're competing with the railways, it's a very tall hill to climb. At some point we've often said the St. Lawrence Seaway and the Great Lakes are very underutilized. We have the—

**The Chair:** I'm sorry, Mr. Boemi, but I have to cut you off again.

Mr. Bratina.

**Mr. Bob Bratina (Hamilton East—Stoney Creek, Lib.):** Thank you.

Mr. Marshall, most people would not generally be aware that we've been opening coal mines in the Tumbler Ridge area. I visited those mines prior to the reopening, and it struck me when I heard that approvals were given and the mines were operating again, that the rail infrastructure that previously served in years past had been removed.

Could you give me an idea of how that coal is moving from northern B.C. to its destination? Could you also give me an idea of the impact on the communities of the reopening of those mines?

● (0930)

**Mr. Brendan Marshall:** I am not intimately familiar with all coal operations in Canada and the reason is there is a separate association, the Coal Association of Canada, that represents thermal coal. One of our members, Teck Resources, is the largest net coal producer in Canada, so I can speak to its experience with the railways.

Generally speaking, when you see an operation go on to care and maintenance or close for a temporary period of time, that has a particularly devastating impact on the local community. The reason is that many mines are located in remote or more remote regions where that facility would be the major economic driver for that community. If it's the largest employer, and then that employment is dramatically reduced, you can imagine the domino effect through the local economy.

Having a site come back online, and having those people back to work would be something that, generally, I would imagine is a welcome sign for people who have operated or worked at that site for a long period of time.

On the rail side of things, Teck is a perfect example of a captive shipper. The only service it receives is from CP for the movement of its coal. It actually draws an interesting parallel to the conversation that just happened about container shipping. There is also a

significant amount of bulk volume that moves through the port of Montreal, but everybody is talking about containers, because if you don't move them, someone else will.

The corollary to that is, "Well, we'll just get that coal later", or "We'll just get that potash later", or "We'll just get that timber later." If you're a captive shipper, and you have no recourse or competitive access, then our view is—which, again, underscores why we need data desperately—that railways will allocate capacity to move other products above and beyond, or first, compared to ours.

It's a constant struggle to try to obtain a balanced relationship with a railway when you're a captive shipper.

**Mr. Bob Bratina:** With regard to the Montreal terminal and lands, we, in Hamilton, were the beneficiaries of the Bunge operation, the set-up of which was very large and expanded. But those lands were sold off privately in Montreal, I believe, the Bunge silos that are near Griffintown.

I am intrigued by the fact that you need land, and there are private lands that are being sold. Are you looking at that? Could you tell me again about the opportunities to acquire land?

**Ms. Sophie Roux:** On the island of Montreal, the territory that's under our jurisdiction, we used to have what we called the Old Port of Montreal. That was under our jurisdiction. At the end of the 1980s we retroceded that territory to the Société du Vieux-Port to develop the recreation tourist park that it has become.

As with the industrial revolution, we moved out eastbound on the shore land of the St. Lawrence River. The silo you are referring to is silo number five, which we retroceded at the end of the 1990s, which is also under the jurisdiction of the Société immobilière du Canada and the Société du Vieux-Port. They have a master plan of rethinking the vision of the Old Port of Montreal, version 2.0.

**Mr. Bob Bratina:** On the question of intermodal facilities, I know another one that opened in Valleyfield, and you may be referring to it, but I'm not quite sure, as you mentioned four. CSX built a large facility. Does that interface with your activity at all?

**Mr. Tony Boemi:** No, not at all. It was viewed as a competitive factor for the port of Montreal. Since then, it has been put up for sale now, and as we expected, it was a tough sell.

Regarding Contrecoeur, which is why we're going there, one of the big things people have to realize is that it's land we purchased about 35 years ago. It's already a bulk terminal. We do roughly 3.5 million tonnes, and we already have rail and road infrastructure.

When you're looking at ports in terms of the developing ports, those are the key elements in terms of the water, rail, and road, which all currently exist at Contrecoeur, which is one of the reasons we're going there, and why we picked that land.

● (0935)

**The Chair:** Thank you very much.

Next is Mr. Liepert.

**Mr. Ron Liepert (Calgary Signal Hill, CPC):** Madam Chair, before I ask my questions, I'd like to make a brief comment about our guests who are here today.

It's my understanding that they are part of the Clayton Riddell scholarship program at Carleton. Mr. Riddell was someone I knew very well in Calgary and was a long-time philanthropist. We're exceedingly happy to have them here. Unfortunately, we lost Mr. Riddell very recently.

Welcome, everybody. I just wanted to make that point.

Mr. Marshall, are the oil sands mining operations part of your association?

**Mr. Brendan Marshall:** Yes, they are. Well, several of them are.

**Mr. Ron Liepert:** Several of them, okay, but they are....

**Mr. Brendan Marshall:** Yes.

**Mr. Ron Liepert:** What impact does oil by rail have on the Mining Association's non oil sands members?

You mentioned earlier about your issue with the railways. Is oil by rail an issue?

**Mr. Brendan Marshall:** Well, it depends on how you look at it, right?

I mean, I think there's—

**Mr. Ron Liepert:** From a capacity standpoint—

**Mr. Brendan Marshall:** From a capacity standpoint, one stat that would be helpful for context is that I think in September, we were shipping, as a country, 85,000 barrels of oil a day—

**Mr. Ron Liepert:** No, it's 200,000.

**Mr. Brendan Marshall:** —and that's expected to ramp up to about 400,000 by Christmas, as I understand it.

**Mr. Ron Liepert:** Well, no, that's not quite right.

We were shipping about 200,000 last month, and I think there will be marginal ramp-up, only because the capacity isn't there to add more railcars.

However, has the Mining Association taken a position on pipelines?

**Mr. Brendan Marshall:** We were part of a broad competitiveness in Canada campaign, and signed a letter advancing—

**Mr. Ron Liepert:** Why aren't you taking a stronger position on the need for pipelines?

**Mr. Brendan Marshall:** We're very supportive of pipelines.

Generally speaking—

**Mr. Ron Liepert:** What about Bill—

**Mr. Brendan Marshall:** —Mr. Liepert, if I could, our members ask their respective associations to advance different priorities on their behalf. Traditionally, MAC has not been the lead organization on linear projects on behalf of our oil sands members.

While, of course, we support market access in principle, which I've enumerated very clearly in my talking points, the degree or vocalness of our support would be contingent, I guess, on how our members would seek for us to represent their views.

**Mr. Ron Liepert:** Okay.

Has your association taken any position on Bill C-69?

**Mr. Brendan Marshall:** Yes, we have.

**Mr. Ron Liepert:** What was it?

**Mr. Brendan Marshall:** We support the bill's passage, without amendment, at the Senate.

**Mr. Ron Liepert:** Wow, and why is that?

**Mr. Brendan Marshall:** Why is that? We don't have confidence that the bill could be amended without undue risk from the package that's been proposed as is.

For example, let me draw your attention to another bill, Bill C-68. It had a well-intentioned amendment at the House of Commons committee, which, through poor drafting, has resulted in a potential to compromise the entire Fisheries Act.

So when we're—

**Mr. Ron Liepert:** I'm going to stop you for a minute, because I want to ask the port authority folks a question.

When we were in Vancouver, the port authority folks said directly to us that if Bill C-69 had been in place over the past number of years, they would have not had the investment at the port they're having today...that's actually under construction.

Would you support that?

**Mr. Tony Boemi:** I can't speak to it.

**Mr. Ron Liepert:** Do you know what Bill C-69 is?

**Mr. Tony Boemi:** No.

**Mr. Ron Liepert:** Thank you.

It's unbelievable.

**The Chair:** Ms. Mihychuk.

**Hon. MaryAnn Mihychuk (Kildonan—St. Paul, Lib.):** Thank you so much. It's such a pleasure to be here as a visitor. Before I start, I want to recognize that we're on the unceded territory of the Algonquin people here in Ottawa. I'm the chair of the indigenous and northern committee, and it's important for us to move through truth and reconciliation, no matter in what aspect of government.

My questions are going to be directed to the Mining Association representative.

The first point is a statement. It is shocking and disappointing that investment has dropped by 50%, although we've seen a rebound in commodity prices. Canada must pay attention to this important sector that has been a key developer for a brighter future for most indigenous people.

I have two questions. One relates to the port of Churchill. What would it take to enhance the port facilities in Churchill so that the facility could handle metals and minerals? I am aware that we brought in, I believe, concentrate from Europe and tried to move refined metals through it. There were all kinds of complications because of the weight issues. Could you handle that?

Two, could you elaborate on the Alaska Arctic strategy?

We have only a couple of minutes, so I'll turn it over to you.

● (0940)

**Mr. Brendan Marshall:** With respect to the port of Churchill, I'm not sufficiently informed to be able to comment. What I can do for the committee, or for you, if that would be helpful, is speak to one of our members, Hudbay Minerals, which operates in northern Manitoba. It would be one of the closest mine refinery facilities proximate to that port. I could get a sense directly from them about their views on that.

**Hon. MaryAnn Mihychuk:** We have Hudbay Minerals, Vale... and Agnico Eagle Mines has a \$5-billion investment in Baker Lake and Rankin Inlet.

I'd appreciate that, for sure.

**Mr. Brendan Marshall:** Absolutely.

With respect to the Alaska Industrial Development and Export Authority, AIDEA, we support that institution's design as one that could work in the Canadian context.

AIDEA is basically the Alaskan version of what the current government has proposed to achieve via the Canada Infrastructure Bank. They leverage public dollars to try to attract private capital, but their emphasis is focused differently with respect to outcomes. They also have different tools.

For example, AIDEA can be the sole owner of a piece of infrastructure, which they are. For example, AIDEA owns both of Alaska's deep-sea ports. They lease for operation both of those institutions. In that sense, the State of Alaska is the owner of both of those deep-sea ports.

One example of a great success from AIDEA, which we think would be mirrored well within Canada, is the Red Dog mine. The Red Dog mine is one of the world's highest concentrate lead zinc mines. It was not viable without a road and a port. It received a flexible-type funding approach from AIDEA that had a number of different means for the company to repay that port and road investment over the course of the life of the mine, including a steady interest rate over the course of the 50-year payback period; escalators on the payback, based on commodity price; and AIDEA's permitting the company to postpone its repayments based on commodity price, because the sole purpose of AIDEA is to generate employment and economic development opportunities for Alaskans. In that sense, when you look at an investment outside the context of strictly return on investment, or ROI, and you look at it in terms of trying to generate employment and economic development for local communities, you're going to assess criteria differently.

The corollary to that is that in Nunavut, we have a very large lead zinc deposit. It also needs a port and a road. You may have heard of the Grays Bay road and port project from other participants or witnesses before your committee. We don't have the institution in place to help finance that.

Meanwhile, in Alaska the Red Dog mine has generated literally billions of dollars in economic developments, employing indigenous peoples. It's created indigenous businesses. It has employed local

Alaskans. It's paid dividends to communities across the entire state based on their resource revenue-sharing formula.

What's happening in Nunavut? Nothing. The company has backed out, basically saying that they'll need to reassess the project at another time.

In terms of having an Arctic-specific fund, we need to be able to assess what the regional realities are to have an institution that understands those to move projects forward.

● (0945)

**The Chair:** Thank you very much, Mr. Marshall.

That brings to a close the first segment of our meeting.

Thank you very much to the witnesses. We very much appreciated your information and contribution.

We will suspend for a moment while we change witnesses at the table.

Thank you.

● (0945)

\_\_\_\_\_ (Pause) \_\_\_\_\_

● (0950)

**The Chair:** I call the meeting back to order.

We have with us for this segment of our meeting, from the Atlantic Provinces Trucking Association, Jean-Marc Picard, executive director. By video conference from St. John's, Newfoundland and Labrador, from St. John's Board of Trade, we have Nancy Healey, chief executive officer. Welcome to you both.

Mr. Picard, would you like to start.

You have five minutes, please. I'll raise my hand and give you notice when your five minutes are up.

Thank you.

**Mr. Jean-Marc Picard (Executive Director, Atlantic Provinces Trucking Association):** You'll cut me off.

Thanks for having me here today. I do have a few points that I'd like to highlight before we get started with the question period.

Briefly, the Atlantic Provinces Trucking Association is, obviously, the voice of commercial trucking in Atlantic Canada, as well as the body that handles public affairs and government and media relations. It represents about 320 companies, including some of the largest carriers in Canada.

The trucking industry is the dominant mode of freight transportation in Atlantic Canada, responsible for the movement of 90% of all goods and two-thirds by value of Canada-U.S. trade. The for-hire trucking industry in Canada produces more than \$20 billion in GDP and is expected to hit \$24 billion in 2024. Taking into consideration expected labour productivity growth, this industry growth implies the need for 30,000 additional truck drivers by 2024, which in fact, could impact significantly the movement of goods in an efficient manner for years to come.

In terms of the overall Canadian economy, the importance of the role trucking plays cannot be overstated, with issues such as driver shortage, mandatory training, twinning of Highway 185 in Quebec, the Driver Inc. model, the mandatory electronic logging devices and trade barriers.

Some of our recommendations going forward were already presented in the pre-budget submission. The first recommendation would be to support key infrastructure projects to help facilitate Canadian trade. Twinning Highway 185, as I just mentioned, would be a great example of that. Also, the government needs to stop the widespread tax evasion in the trucking industry by addressing the new employment model known as Driver Inc. The government should restore federal excise tax rebates on certain GHG reduction technologies in the trucking industry, which were eliminated in budget 2016. It should mandate the e-logs or electronic logging devices, which needs to be done prior to January 1, 2020, so we are in line with the United States. It should expedite proposed modifications to the temporary foreign worker program. This is simply to enable us to access more foreign workers to address our driver shortage, which is at a crisis point at this time.

There are some details of all those recommendations in the few pages that follow, but I will end it here.

Thank you.

**The Chair:** Thank you, Mr. Picard.

Ms. Healey, you have five minutes, please.

**Ms. Nancy Healey (Chief Executive Officer, St. John's Board of Trade):** Thank you for providing me the opportunity to appear. I represent the largest business association in Newfoundland and Labrador. We have over 800 members in a province that has a very large and unique geography. It's an island and we have a remote access to Labrador. There are close to 30,000 kilometres of road in Newfoundland and Labrador. This province also is subject to some unique legislation like the Atlantic Accord. We already have over 90% of our energy coming from green sources, thanks to an abundance of hydroelectricity.

I want to speak to you about three topics: Bill C-69, the carbon tax and the pilot shortage. Each of these things, I think, has a unique impact on this province because of the things I have noted. With our large geography, everything has to float or fly to get to this province. We already have some regulatory arrangements with the Atlantic Accord and the Canada-Newfoundland and Labrador Offshore Petroleum Board, which also make us unique.

As for Bill C-69, we need to pause right now and get it right. There is too much uncertainty. It is very complicated and this is eroding both public and investor confidence. Newfoundland and Labrador's offshore is already a costly venture. We're about to go into some new territory, and now that we will be beyond the 200-mile limit, any offshore oil and gas project will be subject to UNCLOS, the United Nations Convention on the Law of the Sea.

Oil is a significant contributor to the economy of Newfoundland and Labrador. It's sometimes as low as 15% and it goes as high as 25% to 30%. We have a huge potential. We have a vision for our offshore to be producing 650,000 barrels a day by 2030. But this vision and this potential is threatened by the current uncertainty, the

onerous consultation that the new Bill C-69 is putting in jeopardy. Right now the environment minister, under these new rules, will have the ability to interfere. We need to have a hands-off approach to allow the regulators like the C-NLOPB to do their work. All decisions must be made in the public interest, but we need to have strong regulatory environment with certainty so that any players in the offshore oil and gas sector know exactly what the terms and conditions are upon which they have approval.

When it comes to a carbon tax, Newfoundland and Labrador has a minuscule amount of greenhouse gas emissions. As I noted, we have 90% green energy. Yet everything that comes here either floats or flies, so we are particularly vulnerable. We agree that we need to do something about carbon emissions, but we feel that a carbon tax should be revenue neutral. Like a tax on cigarettes or alcohol, the behaviour must be taxed but there should be incentives or a tax decrease in other areas to offset the cost of the carbon tax. Any proposal that comes from a province to bring in the carbon tax must be revenue neutral, like the one the federal government is proposing.

The last topic that I would like to talk about which has been brought to us by our member companies is the pilot shortage. It's particularly acute in Newfoundland and Labrador where air access is critically important to get to some of our more remote locations, especially in Labrador. I'm sure the committee is very familiar with the worldwide shortage in pilots. Pilot training is very costly and we believe there are barriers to pilot training in the cost and the way that the grants and loans system works. There were also some concerns brought to us by our members with respect to new regulations on flight crews. We urge the committee to ask Transport Canada to enhance its consultation in that regard.

I also share the concerns of our witness from the Atlantic Provinces Trucking Association with respect to driver shortage. Again, Newfoundland and Labrador has two ways of getting all of its goods in. One is Marine Atlantic and the other is OceanEx. We rely heavily upon the trucking community to get fresh produce. We have about a three-day supply of fresh produce in Newfoundland and Labrador, so we are very vulnerable.

Thank you for the opportunity and I welcome any questions.

● (0955)

**The Chair:** Thank you very much, Ms. Healey.

We'll go to Mr. Tilson.

**Mr. David Tilson (Dufferin—Caledon, CPC):** I have a question for both witnesses as to whether they have had an opportunity to review this new trade agreement, the USMCA, and whether they think it's having an effect on the trucking or transportation systems.

Perhaps we could start off with Mr. Picard.

●(1000)

**Mr. Jean-Marc Picard:** I had a chance to review it briefly. A truck crosses the border every three seconds, on average, so the agreement is very important to our industry and our community. For the first time in a long time, we saw some companies in Atlantic Canada stocking up on products from the U.S. in the last few months, which we haven't seen in years. It's usually on-time delivery. You don't sit on product or stockpile because it's too costly.

Then again, the new agreement relieves a lot of anxiety, and we're hopeful that goods will keep on moving without too many implications, too many delays, and too many tariffs. Right now, we don't hear that it's going to have a negative impact, so it's business as usual. The flow of goods keeps on moving.

**Mr. David Tilson:** Were you consulted?

**Mr. Jean-Marc Picard:** The Canadian Trucking Alliance was consulted.

**Mr. David Tilson:** Are there any provisions that were in the old agreement that aren't in the new one or vice versa?

**Mr. Jean-Marc Picard:** There are none that I'm aware of.

**Mr. David Tilson:** Ms. Healey.

**Ms. Nancy Healey:** I haven't had a chance to review the chapter with respect to trucking or transportation. I do take a lot of advice on these matters from the Canadian Chamber of Commerce, which is reviewing things in detail. I haven't been made aware of any concerns with respect to that. Certainly any hindrance to moving goods across the border would be of great concern.

**Mr. David Tilson:** With respect to your comments on the carbon tax, there's obviously going to be pressure on the Newfoundland and Labrador government to implement it. You have stated that you're opposing the carbon tax.

Has your group taken any action to persuade the government not to proceed?

**Ms. Nancy Healey:** Yes, we have, quite vehemently. We have met with the premier and several ministers to express our concerns with respect to the carbon tax. We have asked for the details as to what the province plans and what it is proposing to Ottawa as a solution, and that has not been provided to us. Subsequently, we submitted an access to information request to get that. If this is to be implemented on January 1, my members have less than two and a half months to prepare for what these changes are going to be.

We know from the research we've received that if we follow the Alberta model, every household can expect a \$750 to \$850 bill on top of what they already do.

We're concerned that this is a tax grab. I heard some speculation over the weekend from a former prime minister that since the government couldn't increase the HST, it's using a carbon tax as a way to generate revenue. I'd like to see a cost-benefit analysis for how much it expects GHG emissions to go down in this province for each \$10 per tonne it puts on. We don't have that information. As I said, we've met with the finance minister, the minister of natural resources, the minister of environment, and the premier, and unfortunately we do not have the details. We're quite disappointed. We need to look to the federal government now, which is reviewing

our province's plan, to assess the vulnerabilities in the Newfoundland and Labrador economy and how the carbon tax will impact it.

**Mr. David Tilson:** Has the provincial government given you any indication that it will provide you, with respect to the request you've made, information as to the effect of the carbon tax? Obviously—

**Ms. Nancy Healey:** So far the—

**Mr. David Tilson:** I'd like to just finish. I'm sorry. There is obviously going to be a time limit by the federal government. We'll be having an election some time next year, and there's no question that they're going to be putting pressure on the provincial government.

Have you had any indication as to whether the provincial government will provide you with the information you've quite reasonably requested?

**Ms. Nancy Healey:** No.

**Mr. David Tilson:** Thank you.

**The Chair:** Thank you, Mr. Tilson.

We'll go now to Mr. Badawey.

**Mr. Vance Badawey:** Thanks, Madam Chair. I do want to thank the witnesses for being here this morning.

First off, I want to make a comment with respect to the carbon pricing. I think we shouldn't make any mistake about it. Carbon taxes, or whatever you want to call them, already exist because the cost of pollution is already defaulted to the taxpayers throughout this nation. What this carbon pricing is attempting to do is actually alleviate the pressure on taxpayers by ensuring that those who create pollution pay for the creation of it.

With that said, my recommendation to the St. John's Board of Trade is to have that discussion with the province so the proper investments by the province, whether it be through a cash or infrastructure investment with respect to pollution-related costs, would be made.

However, that's not what we're here to talk about. We're here to talk about trade corridors. When we look at the fluidity of trade corridors, I have to ask Mr. Picard a question with respect to the movement of trade in your Atlantic part of the country.

We have been to the west, we are in the central, and we're trying to move out to the east ASAP. While you are here, I want to start that conversation now.

With respect to the bottlenecks, the first question is, where do you see bottlenecks? The second question is with respect to intermodal opportunities. I think you mentioned Highway 55.

●(1005)

**Mr. Jean-Marc Picard:** Highway 185.

**Mr. Vance Badawey:** You mentioned Highway 185.

What dialogue can happen with your intermodal partners to ensure the logistics and distribution system is further integrated? What investments do you see having to be made, besides that highway that you mentioned, to in fact ensure and/or encourage that?

**Mr. Jean-Marc Picard:** We meet regularly with the Port of Halifax, for example, which is in a growth mode right now. They have some serious issues with products moving out of that Halterm terminal. Probably 25% moves by truck, and it moves downtown probably for a dozen kilometres to the highway, so it's causing some major anxiety among city officials, obviously the communities, and all that, when they see 200, 300, 400 trucks going on the waterfront every day. That's number one.

They are investigating some options to alleviate that, whether it's to rail everything to a major yard, and then beyond there it's going to be trucked or railed again. They're looking at moving containers intermodally to Moncton and then trucking from there.

They are investigating those options today. We are part of those discussions to make sure that it's a fair and level playing field for everyone. That's the first part.

Highway 185 is probably key with all this because there are 41 kilometres that are not fully twinned.

**Mr. Vance Badawey:** Is that a Canadian national highway, or is it a binational highway where it goes into the States?

**Mr. Jean-Marc Picard:** No. It's in Quebec. It connects New Brunswick and Quebec. It's the only part of the highway that's not four lanes from Halifax to Toronto.

That small stretch stops us from moving long combination vehicles which are the 53-foot double trailers you see on the roads. Whenever you move those you have to de-buckle when you arrive at that first part of the highway and then re-buckle again to one trailer when you've done that 40 kilometres. It's very time-consuming, but carriers are doing it today because it's still more efficient than putting two trailers on the road from Halifax to Toronto.

Once that's fully twinned, the movement of goods is going to be changed dramatically, as is the landscape of our industry, to say the least.

Obviously, the only thing I can say about the containers out of Halifax is the bottleneck in the city is really the number one priority right now because Halterm, for example, wants to accommodate larger vessels, more volume, and they are going to have to find some solutions, especially from a truck standpoint.

From a rail standpoint, I don't think there are any issues. The rail service there has improved from CN Rail in the last few years. They have made some big investments there. There's a change of focus on eastern Canada, especially out of Halifax, so we're seeing some improvements there, and in Moncton as well.

**Mr. Vance Badawey:** That discussion is happening, Mr. Picard, with respect to the groups breaking out of their silos and working together to further integrate the distribution logistics regionally—

**Mr. Jean-Marc Picard:** Yes.

**Mr. Vance Badawey:** —but equally as important so that it is streamlined nationally.

**Mr. Jean-Marc Picard:** We've initiated a lot of those discussions with Quebec and Ontario with regard to Highway 185. For the port of Halifax, well, obviously Nova Scotia and New Brunswick have a huge interest in that as well, because a majority of the carriers handling the products out of Halifax are from New Brunswick or

Nova Scotia. We meet about four or five times a year to try to stay on top of this. At the same time, we have to stay focused on our other issues—driver shortage, e-logs and all those things.

So yes, all the premiers in eastern Canada have been aware of those initiatives and those concerns. Hopefully, we'll get things moving, especially for Highway 185.

• (1010)

**Mr. Vance Badawey:** Thank you, Mr. Picard.

**The Chair:** Thank you very much.

Mr. Aubin.

[*Translation*]

**Mr. Robert Aubin:** Thank you, Madam Chair.

I thank our guests for joining us.

I will begin with you, Mr. Picard.

Since the beginning of this study, thanks to the testimony heard and the visits we made, we have been able to see the pivotal role played by the trucking industry.

When each port proposes to make improvements to its infrastructure to be able to do more with it, it must be ensured that the chain continues all the way to the end. Yet, according to figures provided by the Canadian Trucking Alliance, the average age of truckers is about 48. As a result, by 2024, there could be a shortage of as many as 48,000 truckers in Canadian industry.

In this strategy to increase fluidity in the transportation of goods, what is the first problem that should be addressed? Is it the shortage of truckers? If there are no truckers and ports increase their capacity, gridlock will still arise.

**Mr. Jean-Marc Picard:** That doesn't only apply to ports.

The main issue has to do with drivers. I would say that their average age, in the Atlantic region, is closer to 52.

We are trying to develop strategies in collaboration with immigration officials. Our association hired a person in the past whose only role was to go to schools to talk to students about our industry, about available jobs and about places to get training to become a truck driver. We are trying to make it easier for people who would like to get that training in order to have a job in our industry. We are using all means available to resolve this issue, but progress is slow.

**Mr. Robert Aubin:** I don't doubt in the slightest that your industry is doing everything it can, considering that its growth depends on it.

The chamber of commerce representative talked about flying schools and the pilot shortage. Are there any specific measures you would like the federal government to take to help you address the labour shortage?

**Mr. Jean-Marc Picard:** If the federal government were to provide financial support for training or subsidize training courses to help us quickly create a pool of ready-to-hire workers, we certainly wouldn't be opposed to it.

It goes further than that, however. The trucking industry is unique, and the work isn't for everyone. Companies are beginning to adapt to the young people looking to join the industry by offering them accommodations, such as sending them on the road for less than two weeks at a time—two or three days, for instance. Wages are also starting to go up.

Some clients don't even ask carriers the rate they charge. Instead, they want to know whether the carrier has drivers available to transport their goods. They aren't even trying to negotiate the rate. The rate will be whatever it will be. What they really care about is whether the carrier has drivers available. That's where things stand right now. This is unprecedented in the industry.

Product costs will go up significantly if the industry isn't able to hire enough drivers.

**Mr. Robert Aubin:** Does this new approach to recruit workers include any measures that could help increase the percentage of women truckers?

**Mr. Jean-Marc Picard:** A lot is being done to try to attract women and young people to the industry. This is all new for us. We aren't turning anyone away. Our human resources council, in Nova Scotia, has some excellent programs to attract women to the industry. In our region, we are starting to see the numbers go up. I know efforts are being made nationally as well.

Our best drivers are 71-year-old males. That isn't reasonable. We really need a major change in the efforts to recruit new blood.

**Mr. Robert Aubin:** I hope, in the very short term, that you are able to find the answer or that we can help you find ways to address the worker shortage.

Now I'm going to switch topics.

With ports growing, the resulting increase in traffic will mean more trucks on the road. Does your industry have an environmental strategy? Quebec's Groupe Robert comes to mind. The company replaced its entire diesel fleet with natural gas-powered vehicles. Is that one of many initiatives, or has your association really committed to greener trucking?

• (1015)

**Mr. Jean-Marc Picard:** Groupe Robert set an excellent example by choosing natural gas for 150 of its trucks. The technology, however, isn't quite mature, so the return on investment isn't there yet. A natural gas-powered vehicle costs about \$85,000 more. A company has to have substantial savings to make that kind of investment.

For our part, we are at the mercy of manufacturers. All we can do is buy what they want to sell us, and right now, that's diesel engines. However, the industry has made a real effort to reduce diesel use. There are what we call

[English]

side skirts on a trailer.

[Translation]

At the back, there are

[English]

the auxiliary power units.

[Translation]

There are also wide-tread tires. All of those mechanisms help reduce diesel consumption by up to 10% in some cases.

There are also the long combination vehicles I mentioned earlier. If that last 40-kilometre stretch of the highway were twinned, we would see more long combination vehicles, or double-trailers. Using a long combination vehicle is equivalent to taking one whole truck off the road.

Those are steps we are taking, but they have a price tag. In order for us to make an investment, there has to be a return. That said, if manufacturers start producing something other than diesel engines, there is no doubt someone will test it out and we'll see if it works.

**Mr. Robert Aubin:** In that chain—

[English]

**The Chair:** I'm sorry, Mr. Aubin. Thank you very much.

Thank you very much, Mr. Picard.

We'll move to Mr. Iacono.

[Translation]

**Mr. Angelo Iacono:** Thank you, Madam Chair.

I'd like to thank the witnesses for being here this morning.

Mr. Picard, I have another question for you about the labour shortage. Is it due to the working conditions, especially the hours workers have to put in, or is it a wage issue?

**Mr. Jean-Marc Picard:** It's probably a combination of the two.

Right now, a truck driver in Atlantic Canada earns an average of \$55,000. That said, I do know some who make up to \$80,000 or \$90,000. Since drivers are paid by the mile, they have to drive a lot. The working conditions are beginning to change, though. It's the most discussed topic at our national meetings, which are held twice a year. Some carriers say they pay drivers over time, and others report paying them by the hour.

Companies are starting to change their practices, and with drivers looking for these new benefits, it helps companies keep their existing drivers. Recruiting workers is definitely a challenge, so offering new benefits helps companies keep the drivers they have. They're offering better pension plans, more benefits and considerable bonuses based on how drivers operate their vehicles. Whether they drive aggressively is taken into account, for instance, and if they achieve significant diesel savings, they get a bonus at the end of the month.

The working conditions are changing quite dramatically. Of course, not every carrier is making changes, but they are starting to be felt across the industry.

**Mr. Angelo Iacono:** How many hours a week do drivers work, on average?

**Mr. Jean-Marc Picard:** I would say 60 hours.

**Mr. Angelo Iacono:** Would you consider autonomous vehicles? Might that be a solution in your view?

**Mr. Jean-Marc Picard:** It's something we are considering, to be sure. We aren't expecting the vehicles to be completely self-driving. Already, in the industry, a driver can release the wheel for an hour at a time. The vehicle can stop and accelerate without driver intervention, given the number of sensors and cameras all the way around the truck. That really makes the driver's job easier. I play that up as an advantage in my efforts to recruit drivers, especially young people. The amount of technology trucks are equipped with today is incredible. All of those sensors and cameras make the trucks safer, by the way, which is also encouraging.

Advancements are happening quickly right now. Everything is changing, but we see that as very positive for the industry, not just because it improves safety, but also because it helps us recruit people.

**Mr. Angelo Iacono:** The Atlantic provinces released their transportation strategy, entitled "Charting the Course: Atlantic Canada Transportation Strategy 2008-2018". It underscores provincial interdependence, especially in the transportation sector.

Mr. Picard, where does that transportation interdependence stand and what progress have you seen?

• (1020)

**Mr. Jean-Marc Picard:** Our industry is somewhat unique in that every carrier is federally regulated but enforcement of those regulations falls on the provinces. That makes things tricky to manage. We all adhere to the national safety code and the hours of service rules, but the province is responsible for applying those rules to our fleets.

In that sense, we'd like to see more elements managed by the federal government, rather than the province. It would make for greater consistency. The provinces oversee the weights and dimensions rules, and that varies from one province to another. Just think about what that means when a vehicle crosses five provinces, for instance. Each province's regulations on weights and dimensions have to be taken into account. Making sense of that mix of information can be challenging, so that's why we'd like to see greater consistency at the national level in relation, first, to weights and dimensions and, second, to hours of service.

**Mr. Angelo Iacono:** You're recommending that the rules be harmonized. Is that correct?

**Mr. Jean-Marc Picard:** Yes. We have committees in place and we are working on certain issues, as we speak, but it's a long process and progress is slow. We are, however, making headway from one year to the next.

**Mr. Angelo Iacono:** Currently, what are the priorities in Atlantic Canada's trucking sector?

**Mr. Jean-Marc Picard:** I would say the driver shortage is our number one challenge, followed by the expansion of Highway 185 to four lanes. We are competing with western Canada for workers. Of course, we'd like to re-ignite the economy in Atlantic Canada, so this is definitely something our governments could help with.

The carbon tax is another issue we are looking at, but it's a bit of a grey area right now because we don't really know what's happening.

There was some progress made last year, but it seems as though it's not even being discussed anymore. We would have liked to see a national approach on that issue as well. That would have meant greater consistency, and the industry would've been better off. As mentioned earlier, a carbon tax must not have a negative impact on revenues and must give us the flexibility to invest in carbon-reducing technologies.

[English]

**The Chair:** Thank you very much.

We will move to Mr. Bratina.

**Mr. Bob Bratina:** Mr. Picard, thank you very much for your ringing endorsement of men over 70. I appreciate that.

**Mr. Jean-Marc Picard:** They're our best drivers.

**Mr. Bob Bratina:** By the way, I was well acquainted with the late John Donoval, who was attempting to get a Canadian Football League team in Halifax, the Atlantic Schooners. I don't know if you remember John.

**Mr. Jean-Marc Picard:** Yes.

**Mr. Bob Bratina:** Is anyone in the trucking business on the coast interested in doing the CFL?

**Mr. Jean-Marc Picard:** Not a chance.

**Mr. Bob Bratina:** You could move the footballs around in the trucks.

I'm curious about transportation infrastructure, which is a key issue for us. One of the things that keeps coming up is the way highways are constructed and things like roundabouts. Do you have any input or thoughts on things such as improving movement? Do you think it improves movement when you have a roundabout at an intersection?

**Mr. Jean-Marc Picard:** It does keep the traffic flowing. It's a bit trickier for the big commercial vehicles, specifically if you have a car that goes inside a roundabout with a truck. People need to be educated on roundabouts because we're seeing them pop up everywhere. I think they should be included in motor-vehicle training when someone gets their class five driver's licence. They should be aware of how to operate a car whenever there is a commercial vehicle in the roundabout.

The same goes for us. If roundabouts are constructed well and large enough, we don't have a problem. As I said, they keep the traffic flowing, but people need to be educated on these roundabouts.

• (1025)

**Mr. Bob Bratina:** The other problem that has arisen where I live, with residential growth and so on, is the reduction in available routes to transport very large equipment. Is that something that crops up in your world?

**Mr. Jean-Marc Picard:** Yes. In Europe, they build roundabouts so that a dimensional load can drive right through them. We'd like to see that in future designs, because right now we don't. The dimensional load is a concern whenever there is a roundabout. Some of them aren't large enough to handle those loads. I know municipalities all configure the same dimensions when they build roundabouts, but it probably should be revised to handle those dimensional loads.

**Mr. Bob Bratina:** Ms. Healey, could you comment on climate change as it relates to your part of the world? You're concerned about the price on carbon and pollution. I can understand that, but what about the fact of climate change and how it may affect your part of the world?

**Ms. Nancy Healey:** Right now, we're having 100 kilometre per hour winds and 40 to 50 millimetres of rain, which will all fall within a four- to five-hour time period. We will get more wind and rain in Newfoundland and Labrador. We've already experienced that. I have a roof that was damaged in the past year from damaging winds. I understand, and we understand, that the world is changing. We need to act now.

I would like to see the evidence to prove that a carbon tax is actually going to have an impact on lowering GHG emissions in Newfoundland and Labrador and in Atlantic Canada. We are already at 1990 levels for our emissions. One of our concerns is that there have already been negotiations with some of the larger, heavier industries in Newfoundland and Labrador to carve them out, leaving small and medium-sized businesses to pay the brunt of this. This is speculation, but it's from some of the information that we get.

Again, we are gravely concerned about not knowing the details regarding the carbon pricing that the Province of Newfoundland and Labrador wants to put in, and how much it really is going to reduce greenhouse gas emissions. When you look at in on a chart, Atlantic Canada, and Newfoundland and Labrador in particular, are very minuscule with respect to the emissions that we have.

I believe that we all have to do our part. As a global leader, Canada has to do its part and lead the way, but we all know the vast majority of GHGs are coming out of China and India. I don't know how much Canada's changing of behaviour is really going to impact the world. It cannot from a leadership perspective, but my fear is that this carbon tax is a cash grab. It's not going to necessarily change behaviours or reduce the GHGs that we need to have happen.

**Mr. Bob Bratina:** I believe, based on my experience, that very large, heavy industry can't make an instant changeover. It's kind of being phased in for them, and so we hear the complaint that the little guys pay everything but the big guys get a break. You would virtually destroy those heavy industries with the imposition of carbon pricing to a general extent.

Would you agree with that? If we are moving in that direction, very large concerns have other issues which are different from smaller concerns.

**Ms. Nancy Healey:** For sure, but what is a—

**The Chair:** We only have time for a short answer from whoever would like to answer that.

Mr. Picard, do you want to answer that?

**Mr. Jean-Marc Picard:** Absolutely, he's right. We're at the mercy of the manufacturers, and we're still trying to do our part by installing more technology on the trucks to reduce our fuel consumption. At the end of the day, is it a cash grab or is it really to change behaviour? We need to step back and look at our strategy when it comes to carbon pricing.

**The Chair:** We will go to Ms. Block.

**Mrs. Kelly Block:** Thank you very much, Madam Chair.

I want to welcome our witnesses here today. I've appreciated your testimony.

Ms. Healey, in your opening remarks and subsequent testimony, I think you've answered every question that I might have for you, so I'm going to direct my questions to Mr. Picard.

Both my son and my husband have class one licences and have been employed in the trucking industry in the past. I would have to say that we've had conversations about some of the challenges that the trucking industry is facing, but your stats with regard to the truck driver shortages are alarming.

I'll turn my thoughts to something that is top of mind for many of us since the tragic collision that took place involving the Humboldt Broncos. There have been repeated calls for governments to ensure that there is mandatory training in place for semi-trailer drivers. Not surprisingly, the Government of Saskatchewan responded almost immediately and announced that they would be looking to implement mandatory training for semi-trailer drivers.

I'm wondering if you could comment on whether or not your association, the trucking industry, believes that the federal government has a role in improving trucking safety and driver training.

● (1030)

**Mr. Jean-Marc Picard:** Currently we're heavily regulated from a safety standpoint, but again, it all comes down to enforcement. The number one thing I would say is to start with mandating training. I've met with all four of my governments for the past three years to try to get that done. We're still scratching to make it happen.

You can never have too much training, but the basic would be 12 weeks, which is offered today in the driving schools. Most carriers today, after the 12-week training in the schools, add on another four weeks of training to make sure the drivers are ready for the road. They put a coach in with them for another four weeks. From that standpoint, we're doing our due diligence.

Whenever there is an infraction, it impacts not only the company's record but the driver's record. It impacts a whole.... I mean, if you have too many, you're up for an audit. We're very heavily regulated from that standpoint, and we're watched closely. Obviously, I think companies that don't do enough or that don't have a safety department or a safety manager should. Most of them do, but there are still some that don't.

From the standpoint of the federal government doing more, I don't know if there's more to do. I think it relies a lot on the companies today and on the provinces. Personally, I like to see training being made mandatory as a first step forward and to make being a driver a skilled trade. Right now, it's not. Those people behind the wheel have tons of responsibilities, including the weights, the national safety code they need to follow and the inspections they need to do. It's never-ending. The fact that we're not a skilled trade boggles my mind; you can't get a haircut today without someone being a skilled hairdresser.

We don't want to see another incident like that. What I'm liking going forward is that there's a lot of technology that's going to help our industry, such as the cameras and the sensors. I've tested trucks myself where the driver was talking to me, a car stopped in front of us and the truck stopped on a dime because of the technology they had in the front of their vehicle. Maybe mandating some of that technology as well and saying that for any company that buys a new vehicle that technology is needed on the truck....

There are some good things coming, but as I said, a lot of that responsibility lies on the carriers and on the provinces. We're definitely not going to stop pushing the provincial governments in eastern Canada to mandate training, for sure.

**Mrs. Kelly Block:** I have one minute. I'll be really quick.

You mentioned the role of the provinces. Again, my son worked for a Saskatchewan trucking company, but he moved to British Columbia where he was responsible for the logistics at the port of Vancouver and even at the port of Seattle. I'm wondering if you could talk a bit about some of the issues for companies in traversing the country and having to deal with different rules and regulations in the various provinces, and if that creates challenges for your industry.

• (1035)

**Mr. Jean-Marc Picard:** Absolutely. We need to be more uniform as an industry when it comes to our weights and dimensions rules. On the national safety code, as I said, it's fairly regulated but enforced provincially, so it's a mishmash of regulations that we need to follow. For example, if we hire an immigrant who's not familiar with our country, he has to become familiar not only with the language and the roads but also with all the regulations in the different provinces that he's going to cross and in the U.S. It's very challenging. We hire people and that's all they do: make sure that all the t's are crossed and the i's are dotted from each province to make sure the goods get delivered.

**The Chair:** Thank you very much, Mr. Picard.

Ms. Mihychuk.

**Hon. MaryAnn Mihychuk:** Thank you very much.

I appreciate the opportunity to ask a couple of questions. Mine are going to be focused on the participation rates in the industry of indigenous individuals from Atlantic Canada and women. We know that the overall participation rate is quite low in Atlantic Canada.

Before we look to bring in foreign workers, our goal in Canada is to fully employ Canadians. I understand that about 3% of the drivers are females. What programs has your association undertaken to increase that participation rate?

**Mr. Jean-Marc Picard:** We partnered with the Trucking Human Resource Sector Council Atlantic out of Nova Scotia, which has a program to attract women to the industry. They have different strategies in place to attract women and they've made a lot of progress, I'll be honest. They hold a conference every year and they bring in new women drivers to speak, and so on. It's baby steps, but we're seeing progress. It's not easy. Then again, we need to do a better job to go to places that we haven't gone to before to talk to potential candidates.

The same goes for indigenous people. I actually approached a few representatives to come and sit at my board meeting to talk to the board and see how they can get involved more to attract their people.

Last year we had two full classes of 12 people for drivers, and they all graduated. I'm sure they're working somewhere today.

**Hon. MaryAnn Mihychuk:** I understand that in Nova Scotia there are close to 34,000 indigenous people. Of those, how many of them would be employed in the trucking industry?

**Mr. Jean-Marc Picard:** I don't have that number.

**Hon. MaryAnn Mihychuk:** Would it be quite low? What would be the percentage?

**Mr. Jean-Marc Picard:** It would probably be low.

**Hon. MaryAnn Mihychuk:** Has the industry identified the barriers?

In western Canada it's a criminal record and the fact that most do not have driver's licences; if they come from reserves that's not a requirement.

**Mr. Jean-Marc Picard:** Some of our barriers are obviously.... You need to get tested for drugs and alcohol and a criminal record. Most of them will go to the U.S., and they won't be able to cross the border. Most companies, 99%, will go to the U.S. because the bulk of their business is there. That's number one

Number two is getting funding for training. That's always a big barrier for anybody. We're working with our provincial government to try to eliminate that, or alleviate some of that burden by providing loans or bursaries, or things like that. In some cases that has worked.

The Trucking Human Resource Sector Council has done some really good things for supplying funding for some of those classes.

From that standpoint, it does create some limitations for people. It doesn't mean that we end it there. We continue to push, because as the lady said earlier, we're in desperate need of drivers.

**Hon. MaryAnn Mihychuk:** There's a whole opportunity for women and indigenous people to be drivers, if we can eliminate the barriers.

Thank you.

**Mr. Jean-Marc Picard:** I attended a conference not too long ago and they were all talking about mining and the oil sands and all of that. I got up and said that our industry is looking for drivers. I've created tons of contacts with indigenous communities that have called me directly to put people through their training classes.

We're doing what we can as an industry.

• (1040)

**The Chair:** Thank you very much.

We'll go to Mr. Liepert.

**Mr. Ron Liepert:** Thank you.

I've been given a chance to ask one question and I'll try and sneak in two. They should both require fairly short answers.

Earlier you were talking about technology that existed, and it was in response to my colleague's question, and it's related to the Humboldt crash.

Is there technology out there today with GPS that a driver could actually program into the truck that would look at the route and indicate where there are stop signs or the GPS would actually stop the truck?

**Mr. Jean-Marc Picard:** No.

**Mr. Ron Liepert:** Okay. Thank you.

Tomorrow is the official legal pot day.

**Mr. Jean-Marc Picard:** It's a big concern for us.

**Mr. Ron Liepert:** Expand a bit.

**Mr. Jean-Marc Picard:** Enforcement is a concern. There are 200,000 truck drivers in our country and maybe 50,000 mechanics who work on the trucks.

Most of our companies have drug and alcohol policies, because they've been doing it forever if they're crossing the border. But it doesn't really take into consideration marijuana. How are we going to test for it, and when are they impaired?

We've been talking about this in our meetings for the last two years now. It's a huge grey area. We brought in specialists, experts on the topic.

Some companies are taking a stand and saying, "We're going to test everybody. Whether it's the cleaning lady or the driver, if we find some in your system, you're not going to work here."

When you're looking at our crisis in labour, it makes it even more tough to manage.

**Mr. Ron Liepert:** Thank you.

**The Chair:** You have a minute remaining. Mr. Tilson has a question.

**Mr. David Tilson:** Just on that, I think it's the Toronto Police Service that announced that police officers can't use cannabis at all for 28 days. That's a month.

**Mr. Jean-Marc Picard:** It stays in your system for a month, apparently. That's why.

**Mr. David Tilson:** Yes, and obviously, that's good, particularly in the trucking business. Are you making any recommendations to companies, or are you going to make companies have similar requirements?

**Mr. Jean-Marc Picard:** We are. We are telling them to get some advice, whether it's from a lawyer or experts, on what sorts of policies they should have in place. We're really telling them to be extremely strict and extremely diligent in what they're going to impose as a policy.

Many have those policies in place today, but again, the other concern for us is enforcement and how that is going to unfold.

**Mr. David Tilson:** Have you philosophized on that? We were just talking about the terrible Humboldt collision, not that it was necessarily cannabis. I don't know anything about that. You can see potential problems down the line with the trucking business, just the public relations of it.

**Mr. Jean-Marc Picard:** Absolutely. We share our office with thousands of pedestrians and cars every day, so yes, we need to be very cognizant of that and make sure we have strict policies in place. Right now, we have to rely on the owners of these companies to put these policies in place.

**The Chair:** Thank you very much.

Thank you to our witnesses. Your information was very valuable today, and has certainly spurred a lot of interest from members for some additional questions.

Thank you to our students. I hope you enjoyed the two hours you were with us this morning.

The meeting is adjourned.







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