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Chair

The Honourable Judy A. Sgro

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• (0845)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling the meeting to order of the Standing Committee on Transport, Infrastructure and Communities, pursuant to Standing Order 108(2).

We are continuing to do a study of the Canadian transportation and logistics strategy. Welcome to everyone this morning, and to our witnesses.

We have from the Buffalo and Fort Erie Public Bridge Authority, Debbie Zimmerman, a board member. From the Detroit International Bridge Company, we have Stan Korosec, Director, Canadian government relations, Ambassador Bridge, and from the town of Labrador City, we have Nick McGrath, a councillor.

Thank you very much.

Ms. Zimmerman, would you like to go first, please?

Ms. Debbie Zimmerman (Board Member, Buffalo and Fort Erie Public Bridge Authority): Thank you very much.

Good morning to everyone, and thank you for inviting me to speak with you today.

I am the CEO of the Grape Growers of Ontario and also sit on the board of directors for the Buffalo and Fort Erie Peace Bridge Authority, which owns and operates the Peace Bridge and the customs plazas in both Canada and the United States. Previous to these roles I was a regional councillor for the Town of Grimsby, and also served two terms as head of regional government as chair from 1997 to 2003, which actually seems a very long time ago.

The QEW, or the Queen Elizabeth Way, is currently the only trade and tourism corridor through Niagara and serves four international bridges between Canada and the United States: the Peace Bridge, the Lewiston-Queenston Bridge, the Rainbow Bridge and the Whirlpool Bridge. In 2017 the QEW ranked second in Canada in terms of commercial volume and passenger vehicles, with cars totalling almost 10 million crossings and commercial trucks totalling almost two million crossings.

Approximately 85% of all goods traded between the U.S. and Canada moves by land transport modes—trucking or rail—and 54% of all U.S.-Canada trade is transported by truck. The QEW corridor accounts for 37% of that trucking volume into Canada and an estimated \$80 billion in two-way trade annually.

The commodity mix on the QEW is much more diverse than other trade corridors due to the Queen Elizabeth Way being a commuter highway as well, and the primary tourism conduit connecting the GTA—the greater Toronto area—with the attractions of Niagara Falls, of course our wineries in the Niagara region, the beaches of Port Colborne, Fort Erie, as well as western New York and the Buffalo region.

In order to relieve this congestion, we—and I—have long been a proponent of a concept called the mid-peninsula trade corridor. It has been discussed for many years. In 2001, the Province of Ontario completed a draft Niagara Peninsula transportation needs assessment to examine the current and future transportation issues, opportunities and alternatives. The assessment concluded that significant additional transportation capacity would be required through the peninsula into the GTA, and would link southern Ontario with the eastern United States, including Boston and Washington.

In Niagara, we are one day's drive to over 44% of what we call the BosNYWash area in the United States. It's the annual trade we do each year that we need to consider as part of this. The 2006 growth plan for the greater Golden Horseshoe indicated that future transportation corridors connecting the Niagara region to the GTA are essential to support the long-term vision of the province.

The majority of trade-related goods between Canada and the U.S. travel by rail and truck with the QEW being the primary route linking Niagara and the GTA. The movement of goods on this trade corridor is expected to grow by 3% to 6% per annum, increasing the strain on this existing highway. The efficiency of the transportation system is critical for international trade through Niagara and to the economic health of these communities, the province and the country. In fact, I can't recall in the last 15 years where we have built a highway in Canada, anywhere. I think it's this lack of transportation that gives us what I think is a disadvantage to the rest of our trading partners.

A trade corridor would not only remove the strain from the QEW and alleviate bottlenecks at the border crossings, but attract new businesses and jobs between Niagara, Hamilton and the GTA. Niagara, as we know, is a key tourist attraction, especially Niagara Falls. I would have to digress to suggest that, being in the wine business, it's our wineries as well. We are also a key agri-tourism sector, including the wine industry, which continues to grow. We're almost strangled by our success.

• (0850)

More importantly, what we have in Niagara are land, rail, air and road opportunities. In fact, the land that surrounds the Welland Canal creates this fluidity. It's part of a land trade corridor, an intermodal hub that creates huge economic opportunity just by the existence of the land base around the canal.

Every year the number of tourists visiting Niagara increases. In fact, according to a recent report, there were 2.4 million visitors to Niagara wineries alone in 2015. In addition to visiting the wineries, the majority of tourists stay at a local hotel or bed and breakfast, and visit the area's restaurants, shops and landmarks, generating \$847 million annually in tourism-related economic impact for the province.

The national grape and wine industry contributes over \$9 billion annually in economic impact. During a recent round table with the provincial minister of tourism, it was noted by the grape and wine industry stakeholders that infrastructure and transportation congestion continue to be the barriers for success for tourism in Niagara. As a trade and tourism economy, investment in Niagara's highway infrastructure is critical.

One of the things that has struck me as you sit and reflect on your country's growth is that the last time we could actually go out and celebrate was when we had a golden spike for the railway. Quite honestly, I think since that time we have not seen the kind of infrastructure investment we need in new roads, rail and, more importantly, the connection of those for the future. In Niagara we are very blessed to have the Welland Canal.

I hope these comments will be helpful to you in your deliberations for the trade corridors for the future.

Thank you so much.

The Chair: Thank you, Ms. Zimmerman.

Now we go to Mr. Korosec.

Mr. Stan Korosec (Director, Canadian Government Relations, Ambassador Bridge, Detroit International Bridge Company): Good morning, Madam Chair, and members of the committee. I appreciate the opportunity to speak to you this morning.

As you know, the Ambassador Bridge is the busiest international border crossing on the Canada-U.S. border. In calendar year 2017, over 4.3 million cars and 2.5 million trucks crossed in both directions. Although that may seem impressive, total traffic at our bridge is down 44% compared with the year 2000.

I'll say a little bit about me. I was born and raised in Windsor, Ontario, and graduated from the University of Windsor with a bachelor of commerce degree. I worked two years as an immigration officer, 18 years with the Ontario Provincial Police, and 10 years as vice-president of operations at the Blue Water Bridge in Sarnia, and the last five years in my current role. You can see that the border and transportation have been a big part of my working life. I have seen and experienced many events that have affected our transportation system and border.

For those watching at home, I will skip to the next page.

I want to bring to you an issue here. As you are aware, in September 2017 we were issued a permit under the International Bridges and Tunnels Act to construct a new six-lane span adjacent to the existing Ambassador Bridge. This approximately \$500-million private investment is in addition to about \$500 million already spent in preparation for the project.

The permit we received was loaded with 28 conditions. One condition I want to talk about, and I mentioned it in Niagara Falls briefly, we find to be extraordinarily onerous. That condition is that we must gain all the necessary permits to demolish the existing Ambassador Bridge prior to commencing construction on our new bridge. Once the new bridge is open, we must begin demolishing the old bridge within five years.

The condition came as quite a shock to us as this had never been an issue during the entire environmental assessment process or through the IBTA process. In our submission, it was always our plan to rehabilitate the current bridge once the new span was open. In fact, that was reflected in the order in council. It says:

Whereas the Canadian Transit Company proposes that, once the new six-lane international bridge is constructed and open to traffic, the Ambassador Bridge be closed to traffic and used in limited circumstances and for system redundancy....

The next paragraph then states that, once the new span is open to traffic, "the Ambassador Bridge will not be required in order to meet traffic demand or for system redundancy". The next paragraph goes on, "Whereas a bridge that is not required and is underutilized could create risks, including risks related to safety, security and the environment".

System redundancy was a major justification for the Gordie Howe international bridge, but now it's being considered a risk. Should an incident shut down any one of the two bridges, including the Gordie Howe bridge, wouldn't it be prudent to have sufficient capacity on a bridge two miles away at this important trade crossing?

Our existing bridge will be connected to the new span. As such, it will be subject to the same safety, security and environmental standards as the new span and the Gordie Howe international bridge.

Additionally, this demolition condition was issued as part of the permit in September 2017. However, in March 2016, the Detroit International Bridge Company received United States Coast Guard approval for the new six-lane span. It came with a condition that the permittee—us—shall comply with stipulations in the memorandum of agreement among the United States Coast Guard, the Michigan State Historic Preservation Officer, the Advisory Council on Historic Preservation and the Detroit International Bridge Company for the purpose of keeping impacts on the historic bridge to a minimum. It further goes on to say the existing Ambassador Bridge will continue to be maintained in accordance with all relevant permits issued by the Coast Guard. DIBC shall maintain the bridge in compliance with the provision of any other law or regulation.

The Coast Guard also based its approval on the Detroit International Bridge Company and Michigan Department of Transportation contract, which governs the maintenance and operation of the existing bridge “for the purposes of keeping the Bridge reasonably fit and safe for public travel and requires DIBC... to inspect the structure in accordance with standards”.

The Coast Guard approval document was provided to Transport Canada as part of the IBTA approval process, and the conditions to maintain the existing bridge were known to Canadian federal officials prior to the issuance of the IBTA permit and the condition to demolish the bridge.

We're ready to proceed with construction. We've invested hundreds of millions of dollars in the Windsor area. This will ensure that this important trade corridor continues to facilitate trade and travel between the United States and Canada, provides redundancy and creates jobs. This demolition condition stands in the way of that. We are asking the Government of Canada to remove this contradictory condition and let us start building infrastructure, instead of tearing down infrastructure.

●(0855)

Thank you very much.

The Chair: Thank you, Mr. Korosec.

We move on to Mr. McGrath.

Mr. Nick McGrath (Councillor, Town of Labrador City): Thank you very much, Madam Chair. Again, I'd like to thank everyone for the opportunity to come this morning and speak to you.

I'm from Labrador West, and I've been there for 40 years now. I've been in my own private business there for about 25 years. I served as a councillor back in 2009, and in 2011 I went to provincial government where I served as minister of several portfolios, one of them being transportation and works.

I want to speak today about the economy in Labrador West and its relationship and partnership with the Port of Sept-Îles in Quebec. Labrador West is well known for its iron ore production. The Labrador trough runs through most of western Labrador and the northwestern part of Quebec. We have several mines there, the Iron Ore Company of Canada being the largest and producing very high-quality, high-grade iron ore. We have the Wabush Mines, which is presently taken over by Tacora and is in the process of being reopened. Alderon is also another mine that's about to open, and the Quebec Cartier mine. We also have Vale Inco on the north shore of Labrador.

All of these mines are landlocked, all very much inland, and our main source of transportation is by railway and then from the Port of Sept-Îles throughout the world. It's very important to us, as government has in the past made investments in the Port of Sept-Îles, that this port continue to be an investment for the government for the jobs that are created through the Labrador mining, which accumulates to right now probably about 10,000 jobs. The population in all of Labrador, though its mass geography is huge, is only 27,000 people, and about 35% to 40% of those who live in Labrador alone are involved in the mining industry. Then in Quebec there are about another 15,000 who are directly involved in the mining industry.

The iron ore mining is starting to rebound. There certainly was a collapse in the industry in the last five to seven years. It's starting to rebound now with China and India being on the market. They're looking for very high-quality ore, which is what we produce in Labrador West. The grades are the best in North America, actually. It's through the Port of Sept-Îles that we need to make the transportation great there, so I'd appreciate it if you would consider continuing to invest in that port. There's quite a bit of work that's been done in the port in the last few years, but still some to be done.

Thank you very much.

●(0900)

The Chair: Thank you very much.

We move on to questioning from the committee, and Mr. Tilson.

Mr. David Tilson (Dufferin—Caledon, CPC): Thank you, Madam Chair, and thank you, the three of you, for coming to brief the committee on your respective issues.

I'd like to ask Mr. Korosec a question with respect to the Gordie Howe bridge, which was announced by Prime Minister Harper and Governor Snyder in 2015. Three years later it's only now just getting under way. The private owner of the Ambassador Bridge has had multiple legal challenges with respect to the bridge and has indeed even publicly appealed to President Trump to revoke a presidential permit that President Obama granted to green-light construction.

Is one of the reasons for the three-year delay the legal proceedings brought on by the private owner of the Ambassador Bridge?

Mr. Stan Korosec: I don't think that any of those actions or litigations from my reading of it, and not knowing the inner workings of the Gordie Howe bridge... From what I read in the press, they had delays in the RFP process. I think there was about a six-month delay that they had announced, so I don't know if any actions that our owners took delayed the process. I think the process itself, like many big projects, had inherent delays in getting the RFP out for the contracts. They started what they call early works anyway on both sides of the border, mainly on the Canadian side, preparing the plaza and everything, so I don't think any actions by our owners delayed that. This has been going on... I think it was first in about the early 2000s that the whole idea of this second crossing was brought up.

Mr. David Tilson: Do you foresee more obstacles, political or legal, as the construction proceeds with respect to the Gordie Howe bridge?

Mr. Stan Korosec: I think there is still what's called a condemnation case on the U.S. side that may be appealed by our owners. I don't know that for sure.

We own property where the Gordie Howe bridge is to land, so there was a condemnation court case filed and I don't know where we are, if that's going to be appealed or not. I couldn't rule it out.

●(0905)

Mr. David Tilson: Okay.

I'd like to ask a question to all of the witnesses with respect to this issue that just surfaced yesterday: cannabis.

Some time ago the trucking businesses across the country were concerned about delays at border crossings to the United States over inspections to their vehicles. As I understand it, that was alleviated somewhat by inspections being made off-site, which therefore stopped the delays that were occurring.

Starting with Ms. Zimmerman, what effect in your opinion has Canada's legalization of cannabis had in terms of congestion and wait times for traffic, specifically with truck traffic?

Ms. Debbie Zimmerman: We're not experiencing any of that at the Peace Bridge. These are very early days and there has been very good—

Mr. David Tilson: What do you anticipate, though?

Ms. Debbie Zimmerman: We are in the very early days. There has been good communication between Canada and the U.S. Obviously this is a commercial corridor, so any impediments would be certainly things that we have taken into consideration. We're not anticipating any issues that will evolve from the cannabis.

We've had good discussions with our U.S. partners and also we're a bridge authority made up of five Canadians and five Americans. It's a compact that was created by Lester Pearson. Quite honestly, it's probably one of the best ways in which to manage a bridge, because you have to get consensus.

The issues we're dealing with, we've had—

Mr. David Tilson: There will be no inspections...?

Ms. Debbie Zimmerman: There are always inspections and we have to do our due diligence and be prudent, but I think the question you asked me was "What is the impact?" and to date there has not been one.

Mr. David Tilson: It's just started.

Ms. Debbie Zimmerman: Exactly, so your question, probably... I could come back and you could ask me in a year's time, but today—

Mr. David Tilson: I assume you are all preparing for that.

Ms. Debbie Zimmerman: We absolutely are.

Mr. David Tilson: Mr. Korosec, do you have any comments on this?

Mr. Stan Korosec: Yes, from my role in my previous life, I agree with Debbie. It's too early to tell.

We've been in touch with the Ontario Trucking Association and they have put out all kinds of information to their members and they represent thousands and thousands of drivers, and hundreds of companies.

I think it's out there. I think some concerns have probably been overblown, that yesterday the whole world would turn into zombies or something. We haven't seen any impact at the border yet.

Mr. David Tilson: No zombies.

The Chair: Thank you.

I'm sorry, Mr. Tilson, your time is up.

We will move on to Mr. Iacono.

[*Translation*]

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

My thanks to the witnesses for joining us today.

Mr. McGrath, you said that things are going very well, especially between Labrador West and Sept-Îles. You are asking us to invest, but what exactly are the problems that arise for you?

[*English*]

Mr. Nick McGrath: Thank you very much.

The biggest issue is the amount of traffic that would be flowing through Sept-Îles, Quebec, from a transportation perspective.

We're hoping to see the Alderon mine go into production probably by 2020, as well as the Tacora mines, which is the former Cliffs Wabush Mines. That was just acquired by Tacora and they will be going into production. Bloom Lake, which went into production about eight years ago by Thompson Consolidated, closed. That has now been reopened so they are now producing and already shipping ore.

The amount of ore that is going to be shipped through the Port of Sept-Îles, we're expecting severely significant increases in that.

The rail line runs from Labrador, west to Sept-Îles, Quebec. I know that Wabush Mines, as well as the Iron Ore Company of Canada, have a very large presence in Sept-Îles, Quebec, where they actually have plants right on the port. If the industry keeps moving the way it's moving now, the amount of traffic and ore that is going to need to be shipped through Sept-Îles, Quebec, is going to increase significantly. Therefore, I know that there were investments made to increase the size and the depth of the port in Sept-Îles to make it a deepwater port. We'd like to see more investments there to see improvements in that so that it can—

● (0910)

[*Translation*]

Mr. Angelo Iacono: Thank you.

I do not want to repeat myself, but I would just like to have some more clarification. In your opinion, what role should the federal government play? You say that there should be more investments, but to do what exactly?

[*English*]

Mr. Nick McGrath: I think the biggest role that we will be looking for from the federal government will be financial investments, in partnerships with provincial governments, which may be the Newfoundland and Labrador government as well as the Quebec government, to see that the iron ore industry does remain viable and, through the three levels of government, the industry keeps going strong.

[*Translation*]

Mr. Angelo Iacono: Thank you.

Ms. Zimmerman, what are the priorities for the Buffalo and Fort Erie Public Bridge Authority?

[English]

Ms. Debbie Zimmerman: It's trade—the ability for two countries to have access to those economies is the importance of that—as well as tourism. There are huge tourism opportunities when you have Niagara Falls on both sides of the bridge. You have the American falls; you have the Canadian falls.

That trade corridor, as I mentioned earlier, was set up through a compact through the federal government by Lester Pearson, and it created an opportunity for the two countries to...and that's why they called it the Peace Bridge. It was an opportunity to share the work, or rather to share the trade of the two countries, the economies, more importantly. That's probably the better way of putting it.

The bridge is not at capacity. It could be at capacity with the opportunity to build on the access to what we call the Boston-Washington area for trade opportunities, especially with the new USMCA trade agreement. In our business—the wine business, the grape and wine industry—we're struggling to bring tourism into Niagara from both the American and the Canadian side, because of the capacity of the QEW. It was a major highway that was built to facilitate the opportunities of trade connecting to the Peace Bridge, as well as into Toronto, but the growth is suffocating us and we need an alternative for truck traffic, in particular, for the Peace Bridge.

[Translation]

Mr. Angelo Iacono: Thank you.

I will leave the rest of my time for Mr. Sikand.

[English]

The Chair: Yes.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Thank you to our witnesses for being here.

I'm going to move quickly, because I have limited time.

Mr. McGrath, we had somebody come in talking about the mines and what the bottlenecks are. I'm curious to know if climate change affects the feasibility of the mines where you come from.

Mr. Nick McGrath: It will, yes. Climate change will have a big effect eventually.

Mr. Gagan Sikand: Thank you.

Ms. Zimmerman, when you were giving those facts and figures of the tourism dollars, does that include U.S. dollars coming into Canada?

Ms. Debbie Zimmerman: That's the impact on the Canadian side, yes.

Mr. Gagan Sikand: Just the Canadian side...?

Ms. Debbie Zimmerman: Just the Canadian side, yes.

Mr. Gagan Sikand: Okay.

I represent a Mississauga riding. I grew up there. I can attest to the traffic going into Niagara Falls. The impact study from the province that you were talking about, could you elaborate on it?

Ms. Debbie Zimmerman: That was an assessment—what we would call a preliminary assessment—of the feasibility of the mid-peninsula corridor. There was so much pressure locally. We were able to get, in my previous political life, locally, an assessment of the

potential of the highway. Of course, that would take in all the environmental concerns, as well as location and a number of other things, but since that time the process has been stalled for a number of reasons. Jurisdictionally, it will take federal, provincial and municipal governments' willingness to move forward with what we believe is an alternative to using just the QEW for truck traffic.

The Chair: Thank you very much.

We'll move on to Mr. Aubin

[Translation]

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

Thank you for joining us this morning, ladies and gentlemen, and for sharing your expertise with us.

My first question goes to you, Mr. McGrath. In a number of the studies that the Standing Committee on Transportation, Infrastructure and Communities has done in the past, particularly on shipping grain in the west, we have often been told about problems with rail delivery, because of the particularly harsh winters. I imagine that you are well aware of the harshness of the winters between Labrador West and Sept-Îles. Are you seeing any problems that are directly related to the winter conditions in delivering or shipping your freight by rail?

• (0915)

[English]

Mr. Nick McGrath: We do have very harsh winters, minus 50 and normally lots of snow. It's a very high-grade railway system, the Quebec north shore railway system that runs from Labrador West right to Sept-Îles, Quebec, and in 40 years in Labrador West I've never known, outside of a derailment, winter conditions to have had an effect on the transportation.

[Translation]

Mr. Robert Aubin: Are there enough cars to ship all of Labrador West's production to the Port of Sept-Îles?

[English]

Mr. Nick McGrath: The number of railcars changes by the amount of oil that's being shipped. As I stated in my earlier comments, right now there are two very active and busy mines. Bloom Lake has just come back on again. Each one of these companies supplies their own railcars.

The rail line runs 24 hours a day, seven days a week, and as each company increases its production it also increases the amount of cars. For example, Bloom Lake, which just came back online, has about 250 extra railcars on the line right now.

[Translation]

Mr. Robert Aubin: Okay.

So each company is self-sufficient, to some extent, and if production were to increase or if new mines were to open, the Port of Sept-Îles will have to increase its capacity. Is that correct?

Right now, is the Port of Sept-Îles operating at full capacity?

[English]

Mr. Nick McGrath: As I stated earlier, there were expansions done to the Port of Sept-Îles. Right now, they are working at capacity and working very efficiently, but if the increases continue, there will need to be improvements to the rail line at the port as well as to the port itself.

[Translation]

Mr. Robert Aubin: So I gather from your remarks that the investments you want to receive from the federal government would be used more for the port facilities than the railway facilities.

I will now move to Ms. Zimmerman.

In your preliminary remarks, you said that you do not remember how long it has been since a highway was last built. You seem to have said that the Queen Elizabeth Way is at saturation point.

What is the solution? Do we have to build a new highway which, if I understand correctly, would be used exclusively for freight? If we did that, would it not create a bottleneck at the border, because everyone ends up at the same bridge, however they get there?

[English]

Ms. Debbie Zimmerman: Thank you very much.

I think what I was referring to was part of the mid-peninsula corridor. When I refer to it as a “corridor”, I’m referring to the opportunities for a mode of transportation that could be road, rail and, in our case, the Welland Canal. The opportunity is to blend, I think, and to look at that mode of transportation and create a transportation strategy for the area.

Currently our bridge is underutilized, so the truck traffic, even on the bridge today, is underutilized. I would agree with you that if we were thinking only in terms of moving transportation through trucks, you would end up with the same kind of bottleneck.

What we’re asking, because we’re having a problem with tourism and also a problem with commuter traffic on the QEW, is to look at that transportation corridor that is called the mid-peninsula corridor, which has that potential. The very preliminary studies that were referred to earlier through the EA show the potential for us to be more intermodal and more multimodal. Why not today, when we have that ability for air, rail and water? Certainly, with the road that we currently have with the QEW, taking that pressure off the QEW and building a new transportation strategy around it is what we’ve been talking about for years.

• (0920)

[Translation]

Mr. Robert Aubin: If the bridge is not used at full capacity at the moment, can I deduce from that there is little or no wait to cross the border? If there is a wait, even though the bridge is not used to its full capacity, what will happen if there is an additional route coming to increase the traffic?

[English]

Ms. Debbie Zimmerman: There are always delays on our bridge due to construction, accidents, inspections—all sorts of things. We have—

[Translation]

Mr. Robert Aubin: I was talking mostly about—

[English]

The Chair: I’m sorry, Mr. Aubin.

Ms. Zimmerman, if you want to try to finish...?

Ms. Debbie Zimmerman: I was going to say that we have pre-clearance for trucking so there’s a lot less delay when it comes to the trucks on our Peace Bridge.

Thank you.

The Chair: Thank you very much.

Mr. Badawey.

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

We heard from the Port of Montreal at our last meeting. Some of the comments they made are aligning with some of the comments that you folks are making. I’m quoting from their words to us, under “Efficient transportation logistics chain”, where they said, “For a port to be competitive and able to grow, it must be supported by reliable and efficient land trade corridors.”

You used those words verbatim: “land trade corridors”. We’ve seen that in our trip down to Niagara with the land that is adjacent to the Welland Canal, and of course with rail, air and road.

Under healthy infrastructure, they said, “All port authorities share the huge challenge of maintaining and optimizing aging infrastructure.” We noted that with aging infrastructure at the Welland Canal. Some docks can’t even be docked on in order to do business or to create an economy.

They also made another point—and you made the same point—about innovation in recommending that we create a national program and innovation fund to bring these assets, and of course the strength that these assets have for the area economically, up to 2018, versus a 1930 QEW, for example.

Last, they talked about improving port capacity, whether it be a bridge, water, rail or road, as you mentioned, and to in fact invest in those capacity issues.

We currently have the Highway 401 Windsor-to-Quebec trade corridor road, which doesn’t really attach to any other intermodal capacities except for rail, possibly, in some areas of the GTA, but the mid-peninsula corridor adds to a north-south trade corridor from Sarnia down to Niagara, which does in fact add an intermodal capacity to it, including the Welland Canal and main and short-line rail spurs, as well as road and air. With the Munro airport being underutilized, the Peace Bridge being underutilized, and the Welland Canal and the St. Lawrence Seaway being at only 50% capacity, we’re seeing a trend here. Our strengths are being underutilized.

My question is for all three of you. Along with the recommendations that the Port of Montreal made, what recommendations do you have to in fact create more fluidity to bring capacity up with respect to the strengths and the assets that we have? Especially with CETA, CPTPP and now the USMCA coming on line, in the anticipation that more trade is going to be travelling through both countries and internationally, what recommendations do you have to in fact add to that fluidity in order to take full advantage of the strengths we have in terms of our assets?

Ms. Debbie Zimmerman: It goes back to some of the history of this country. What connected us initially was rail. The railway took us from one end of the country to the other. In between, we have built highways and airports. We have the Welland Canal, which dates back to the early twenties. We have an ability, I think, to connect the infrastructure, but as you've suggested, I think we need to improve that infrastructure.

What we're failing to do is to make the connection between all of those modes of transportation. That's what the mid-peninsula corridor is as a concept: to use the Munro airport, which is clearly underutilized, to connect up to Windsor to the new bridges that are going to be built and to ensure that traffic moves freely. Time is money in business. That's what we're failing to understand. It's affecting our business every single day. When we can't get tourists to our wineries to buy the wine in my business, which is the grape-growing side and to continue that.... We're small and medium-sized businesses in Canada, particularly in Ontario, but we have access to a huge market potential in the U.S. and we're not taking advantage of it.

I think—

Mr. Vance Badawey: Sorry, Ms. Zimmerman.

Mr. Korosec.

Ms. Debbie Zimmerman: I'm taking up too much of your time.

Voices: Oh, oh!

Mr. Stan Korosec: I agree with a lot of what Deb is saying here. At the borders, as you heard from us, we're doing all we can to improve the infrastructure. We work with U.S. Customs and Canada Customs in trying to make things at the border more efficient. I sit on two task forces, one with the U.S. Customs and one with Canada Customs. We learn how we can shave seconds off inspection times.

We're piloting a new thing with CBSA at the Ambassador Bridge. It's called the "secure corridor concept" and it's for trusted travellers such as that same Fiat Chrysler driver who crosses our bridge maybe six or seven times a day. Right now, we're testing a procedure whereby this truck will clear in about 23 seconds as opposed to a minute or two minutes. That's huge when you're doing 12,000 trucks a day.

At the borders, working with the border operators and customs, we're trying to speed things up, but when you're talking about transborder shipments, the border starts at the loading dock and ends at the unloading dock, and it's that piece in between that sometimes.... In my days with the OPP, when the highways were jammed, either through just pure volumes or.... When a truck spends more time trying to get through Toronto or the QEW to get to the Peace Bridge, for example, than it takes him or her to transit the

bridge.... It's far greater. They sit for hours there, and there are hours-of-service regulations for truck drivers. Like Deb said, time is money. It's that piece that's really critical: getting to and getting away from the borders.

• (0925)

The Chair: Thank you very much, Mr. Badawey.

We'll move on to Mr. Sikand.

Mr. Gagan Sikand: My question is for Mr. Korosec.

I used to live in Sarnia for a number of years, just off of London Road. I've done that trip down the Highway 402 a number of times, hit the construction at night and had to go through the farmland. I've seen the multi-car pileups in the winter.

Mr. Stan Korosec: I've been in them.

Mr. Gagan Sikand: So have I.

Mr. Stan Korosec: As a police officer, though, not as a driver.

Mr. Gagan Sikand: I've helped push people out of the snow.

Some thoughts that I've had on that long drive are that this is our only artery to that bridge. When it gets shut down, we have no alternative route. We also don't have any highways going up towards Goderich or any of that space up there.

I'd welcome any thoughts on anything I just said.

Mr. Stan Korosec: Having spent many scary times out on the 402, especially in the wintertime, there's nothing you can do about the weather. It's there. It's a snowbelt area. I know, provincially, the MTO is working on some windbreaks along there, because in the open areas when the wind really blows, it's a real concern, and also on giving advance warning.

There are opportunities there. When the 402 was shut down for about a week several years ago, the Blue Water Bridge was still open but you couldn't get to it, so traffic was diverting down to the Ambassador Bridge. Now with Blue Water Bridge traffic, about 70% of it generates from an hour or so away from the border, so from London east. Whereas with the Ambassador Bridge, about 60% of traffic is local stuff, so trucks can divert. We talk amongst bridge operators about what's going on, along with MTO and the U.S. side so they'll have extra customs officers working.

As a matter of experience, there's a way we can manage traffic like that. The 402 is a good highway, and I would say it's not at capacity. I can give you some stats. All the border operators were not at capacity at our crossings.

It's a matter of just keeping up and looking toward the future. Using IT, there's some exciting stuff out there to warn drivers of hazards.

Mr. Gagan Sikand: Ms. Zimmerman, similar to what I asked, have there been any impact studies or assessments of any alternatives routes that you know of?

Ms. Debbie Zimmerman: Yes. I think there was a broader provincial transportation review that was done, I believe at the same time that the mid-peninsula corridor review was under way.

Again, I'm not sure about the status of those studies.

Mr. Gagan Sikand: Thank you.

The Chair: Mr. Badawey, you have three minutes.

Mr. Vance Badawey: Thank you, Madam Chair.

I have to say when I hear that it's not at capacity, there's a reason for that. I won't say that the reason is demand. I'll say the reason is the bottlenecks that are contained within especially roadways. They're actually bypassing and going through Ohio into Michigan or Indiana and Illinois, versus going through Ontario like it used to be when the highway was first built in 1930. It's 2018, and obviously the day has come where, first, we note the congestion—the bottlenecks—but second, we also note the lack of optimization of land ties connecting a port to its markets.

That's what I want to drill down on.

Ms. Zimmerman, you're from Niagara. You're at one side of southwestern Ontario, the Peace Bridge. Mr. Korosec, you're from Windsor-Detroit, from the other side of that trade cluster, that economic cluster that is west of southwestern Ontario.

We talked with the Port of Montreal about fluidity, and not just fluidity within certain regions. This is why we're talking about trade corridors nationally. It's the fluidity, essentially from the Asia-Pacific, especially now with CETA, into the Midwest and then into the Great Lakes through Thunder Bay, Churchill as well, and into Montreal as well, and out to the EU and those markets that we're going to be participating with well into the future with respect to our trade.

In your area, between one bridge to the other—multimodal—how do we add to the fluidity of national trade and then participate in international trade?

● (0930)

Ms. Debbie Zimmerman: We have four bridges feeding into one highway. That's the challenge. From there, the transportation... Niagara is down to a single rail line, other than the TH&B line, which doesn't have a huge capacity.

I think it's the coordination. As you mentioned, it's the coordination between what's going on and where we want to get to: the Asia-Pacific and all the way back.

Maybe it's me, but I think we need to have a broader strategy beyond where we are today. Niagara is just one element of that. We have the capacity at the canal that's underutilized, the capacity on the bridge that's underutilized, but the overcapacity of a single major functional highway called the QEW, which was never built to take on high volumes of truck traffic for the future. Then, we have the problem of getting out of Niagara and beyond with our trade.

As I said, we're being strangled by our own success.

Mr. Vance Badawey: Mr. Korosec.

The Chair: Please be very short.

Mr. Stan Korosec: It's no surprise that QEW congestion affects traffic crossing our bridge. There is a lot of what we call "in-transit" truck movement between New York and Michigan that comes right through Peace Bridge or the Queenston-Lewiston, crossing at Blue Water or down at Detroit-Windsor. What happens way back there affects us over here too.

The Chair: Thank you, Mr. Korosec.

Ms. Block.

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

To all of our witnesses, thank you for being here. I have appreciated your testimony.

I have some questions for Mr. McGrath, but first I do feel the need to make an observation and get this on the record. I think this is in response to one of our witness's answers to my colleague's question in regard to marijuana.

You know, Mr. Korosec, just this past summer the National Post reported that a poll suggested that 55% of Canadians wanted the legalization of cannabis delayed, with the majority of people in this country deeply concerned that we were not ready to deal with impaired drivers. Just earlier this week, we heard from the Atlantic Provinces Trucking Association that this is of great concern to them, so our questions come from I think an understanding that many, many Canadians are concerned, which associations across the country have highlighted to us, and from just wanting to find out from your organizations if in fact you had done anything in preparation for this. I think when you make the those kinds of comments, it belittles not only our questions but the concerns of a majority of Canadians.

Having said that, I would like to ask Mr. McGrath a couple of questions.

Knowing that Labrador City is quite remote and that there are perhaps many challenges facing the businesses and residents in Labrador City, I'm wondering if you could define some of those for us with respect to transportation. Then perhaps you can comment on what impact the carbon tax may have for you.

Mr. Nick McGrath: First of all, with regard to Labrador City, we don't use the word "remote" anymore. We very pleased to see the Trans-Labrador Highway finally open. That highway was built over the last decade, and it was a long time coming. It took away a lot of the remoteness. I know that when I moved to Labrador 40 years ago, for all of our goods we relied on the railway to bring them in. The trucking industry has now taken over a lot of that. The rail line, as I mentioned earlier, is open 12 months of the year. It runs very efficiently, but if the economy continues to improve the way it is improving now.... The rate of use on that rail line is certainly making a big difference.

The carbon tax will have a certain effect on the economy in Labrador West. As I was saying to Ms. Jones' assistant when we were waiting for the session to start, I listened to an interview of a lady who did a conference last week in St. John's, Newfoundland and Labrador. She made the very valid point that the government has probably made a mistake in using the word "tax". Perhaps we should be looking at it as carbon "insurance" rather than as a carbon tax. I think it would be much more acceptable by the people.

It will have an effect. I think it will have a negative and a positive effect, because I think the carbon tax is necessary to a certain degree but I don't think we should be looking at it as a tax. We need to be looking at it as insurance in terms of the effect it will have in improving global climate change.

● (0935)

Mrs. Kelly Block: Just in follow-up to that, we know that the Liberal government indirectly admitted that their carbon tax will have a negative impact on the three territories when they exempted the carbon tax on aviation fuel used in those territories. Do you think the federal government should exempt this tax from all aviation fuel used in remote regions—perhaps even in your area, even though you no longer identify as being remote?

Mr. Nick McGrath: I don't think I'd be out of line to say that there are parts of Labrador that depend on air service to get to their communities, especially on the north coast of Labrador. The aviation tax will have a major effect in those areas where in those communities, if they don't have the air service, they do not get out. From the perspective of Labrador West, we have the road now, so it does make a difference, but for other parts of Labrador, it should certainly be considered.

Mrs. Kelly Block: I have just one final question in response to your perspective on the carbon tax. We've also had the Minister of Environment indicate that many large emitters are also going to be exempt from the carbon tax.

I'm just wondering how you square that circle with saying it's necessary, yet we're going to be omitting a majority of the largest emitters in this country.

Mr. Nick McGrath: Again, I think it's something that's going to be a work in progress constantly.

I think by having the carbon tax there—and I hate using the word “tax”—we're forcing a lot of these large industrial companies to look at better, more efficient ways to produce their products.

Mrs. Kelly Block: But we're exempting them.

Okay, thank you.

The Chair: I gather Mr. Badawey is sharing a minute or two of his time with Ms. Jones?

Go ahead, Ms. Jones.

Ms. Yvonne Jones (Labrador, Lib.): Thank you, Madam Chair.

Thank you, panellists, for being here this morning.

Obviously this is an issue that is very close to the hearts of many Canadians in terms of the direction government will take. I'm a member of Parliament from Labrador, so I'm very pleased to see Councillor McGrath here this morning.

I'd like to direct my questions to him around the northern transportation issues, and some of the things that he feels we need to be focusing more on in northern regions in Canada.

We live in a huge mining area, employing thousands of people, but are landlocked when it comes to expanding our operations to get ore to markets and to be able to export appropriately.

If you were to make recommendations to the committee today on where the Government of Canada should be going in opening up those trade corridors and allowing more access to markets for industry, what would be some of those recommendations that you feel would work in the northern Labrador region that you live in?

● (0940)

Mr. Nick McGrath: I stated earlier, and you just used the word again that I used, that we are landlocked in Labrador when it comes to our mining industry. We depend on the rail line. I spoke about the Port of Sept-Îles, earlier. It's very important that it be efficient. If we have stockpiles of ore sitting on the ground because the ships can't get into the port, then they're not making money. It's not making money sitting there in a yard in Sept-Îles. That's one of the biggest concerns we have with the economy rebounding the way it is right now in Labrador and northern Quebec.

If the ore is sitting in the yard in Sept-Îles because the ships cannot efficiently move back and forth, that's not making money. The shareholders of those large companies, at the end of the day, sit and say, “Here's our production, but we're not getting our product to market. Why?”

This is why it's so important that the port in Sept-Îles continue to be efficient. Also, as I said before, investments have been made in it, but I think it's very important that the federal government continue to look at that so that we can continue that production.

Ms. Yvonne Jones: Thank you.

The Chair: We go back to Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

Thank you, Ms. Jones, for that question. That is so relevant to our discussions with respect to the trade corridors on a national basis.

What I find from having heard the witnesses for the past two weeks, across the entire country, is the same theme. What's most frustrating is when I hear the words “capacity availability”, or “at 50% capacity”. What's more interesting is what's causing that. It's surely not the market, because the market's there. It's the infrastructure. It's the fluidity or lack thereof.

One of the things I've been looking forward to with this process, with all the partners, right from Labrador all the way down to Vancouver, is to try to gain that proper vision for 2018 looking 30 or 50 years forward with regard to how we can best have that fluidity to move trade throughout the domestic market as well as internationally.

I want to thank you folks for being here today, because you're going to add to that overall—as you call it, Ms. Zimmerman—strategy, that overall blueprint, through which we can bring the nation with respect to our trade corridors. That will allow us to perform better on the global trade market, with more strength. You folks are all going to be a part of that. This discussion doesn't end today. This is going to be ongoing for some time, and I look forward to you folks being participants in that in the overall dialogue.

Thank you.

The Chair: Thank you, Mr. Badawey.

Mr. Liepert, go ahead for one minute.

Mr. Ron Liepert (Calgary Signal Hill, CPC): I just want to clarify something, Madam Chairman. [English]

Ms. Zimmerman, in your presentation, did I hear you say that no new major highway construction has happened in Canada in the last 10 years?

Ms. Debbie Zimmerman: No, I said in the last 15 years. I had understood that it was in the last 15 years, but I've now been corrected—by my colleague to the left of me—that it was 10 years.

I was looking at particularly in Ontario. Other than the 407—

Mr. Ron Liepert: I wanted to correct this for the record, Madam Chair. The Canadian borders do not end at Ontario.

Ms. Debbie Zimmerman: Absolutely not.

Mr. Ron Liepert: For the record, if the previous Ontario government hasn't invested in infrastructure over the last 10 years, I don't want it to be left on the record that....

In Alberta alone in the last 10 years, some \$3 billion in infrastructure has taken place on ring roads around Edmonton and Calgary. I would suggest that this is as much a provincial issue as it is a federal issue. If the previous provincial government in Ontario hasn't invested in road infrastructure, I don't want it to be left on the record that this hasn't been happening elsewhere in Canada.

Thank you.

The Chair: Thank you very much, Mr. Liepert.

I want to thank our witnesses very much for being here. We had a wonderful visit. We know all about the mid-peninsula and all of the requirements out there as well.

Mr. McGrath, thank you very much for taking the time to be with us today.

We will suspend for a short period of time.

• _____ (Pause) _____

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• (0955)

The Chair: With us now, we have the Canadian Airports Council with Daniel-Robert Gooch, President. We also have Gabriolans Against Freighter Anchorages Society, represented by Chris Straw, President; and by video conference, which we were able to get together really quickly, we have Ken Veldman, Director of Public Affairs with the Prince Rupert Port Authority.

We will start with Mr. Gooch.

[Translation]

Mr. Daniel-Robert Gooch (President, Canadian Airports Council): Thank you, Madam Chair.

Good morning to all the committee members.

I am pleased to be with you this morning. My name is Daniel-Robert Gooch and I am the president of the Canadian Airports Council.

The CAC represents 53 airport operators, including the 21 privately operated national airports system authorities, and 32 regional airports.

We're experiencing strong growth in passenger traffic. For the first eight months of the year, Canadian air travellers were up by 5% domestically, 6% to the U.S. and 8.4% to overseas, international destinations. This is tremendously good news, reflected in the record number of global tourists Canada saw in 2017, but industry and government must move quickly to manage this growth, as 75 million more passengers are expected at Canada's airports in 10 years.

Canada's airports model enables airports to respond. Many are surprised to learn that 21 of Canada's largest airport operators are private, with full responsibility for operations and capital investment at their airports. All financial surpluses are reinvested into the airport.

Over the 26 years since transfer began, NAS airports have invested \$25 billion into their infrastructure. In consultation with stakeholders, including air carriers, some airports have moved up capital plans to manage millions of travellers arriving at our airports much earlier than anyone anticipated. Many of the airports you see today were built with self-generated funds or user fees, which has been great for taxpayers.

The national trade corridors fund is a new tool the federal government can use to help Canadian airports be more competitive by taking the pressure off airport users to fund improvements. As the first national infrastructure program open to NAS airports, the NTCF has already helped six of our member airports. Other airports are submitting projects under this program, which is designed to alleviate transportation bottlenecks throughout our transportation system.

Many airports are as concerned with bottlenecks on the ground, land-side, as they are within the airport, on the air side. Several airports will have light rail links coming into their airports in the near future. This improves service to travellers and airport workers, but it also frees up valuable space on roads, which can be used for the transportation of goods. On airport, some of the greatest bottlenecks are at federal government services, specifically security screening by CATSA and border services by CBSA.

If waits are long and unpleasant today, without change they will only get worse in years to come. We must set internationally competitive service standards and more nimbly fund these services. Government investment is required in people, technology and process improvements, to ensure the best experience for travellers in Canadian airports.

With respect to our shared border with the United States, the CAC is part of the Beyond Preclearance Coalition, which aims to develop a new long-term vision for the Canada-U.S. border. U.S. pre-clearance has proven to be an efficient way to process travellers and their bags. Pre-clearance of cargo holds great promise as well.

However, the coalition projects a shortfall of some 38,000 additional agents for security screening and border services needed across North America in 10 years' time to support expected demand. We simply must innovate. This is why Canada's airports are pleased to see Transport Minister Marc Garneau play a leadership role on the global development of known traveller digital identity. This is just one piece in a suite of innovations, including biometrics, with tremendous promise to improve the flow of travellers and goods across international borders while improving security. Airports in the U.S. have already begun facial recognition trials in border processes and aircraft boarding, with tremendous results.

Let's simply make sure Canadian government officials are fully mandated and supported to participate in this work now, so that our travellers and shippers are able to benefit early. Airports are ready to implement pilot projects for biometrics in passenger processing, cargo pre-clearance, new ways to provide CBSA border services at small airports and more.

For my final comments, I'd like to speak specifically to challenges in smaller communities. Canada's airports support the motion your colleague, Mr. Stephen Fuhr of Kelowna-Lake Country tabled on flight training earlier this week. The pilot shortage is an industry concern already being felt in regional air service, and a study by you on this topic would be welcome.

Another challenge is infrastructure. Airports are by their nature expensive to maintain. There are many smaller airports with low traffic volumes that can sustain the cost of operations perhaps, but have a challenge paying to rehabilitate aging infrastructure and fulfill changing regulatory requirements. For about 170 regional airports with fewer than 525,000 passengers per year, the airports capital assistance program provides tremendously valuable funding for safety and security-related infrastructure. These airports tend to serve remote communities where air transport is especially vital.

Unfortunately, program funding hasn't increased in 18 years while construction costs have gone up significantly. We see new regulatory requirements for things like runways end safety areas, which are estimated to add about \$165 million in costs to small airports that will have to comply over the next few years.

• (1000)

The CAC is working beyond our own members with Canada's regional airport associations to improve infrastructure funding options for smaller airports. As you consider your recommendations, we ask that you keep in mind this vital part of our sector.

I'm pleased to answer any questions you may have, and I hope to see many of you at our information breakfast in Centre Block on November 20.

Thank you.

The Chair: Thank you very much.

Mr. Straw, you have five minutes.

Mr. Chris Straw (President, Gabriolans Against Freighter Anchorages Society): Thank you, Madam Chair, and good morning to members of the committee.

I represent a group of residents from Gabriola Island, which is near Nanaimo, British Columbia. My comments today reflect the concerns not only of my community but also of those other community groups throughout the south coast region of British Columbia that oppose the increasing use of our local waterways as an industrial parking lot for ships awaiting berths in the port of Vancouver.

To be clear, we fully understand the importance of shipping to the Canadian economy. We recognize that the efficient flow of commercial freighters in and out of the port of Vancouver plays a vital role in Canada's participation in the global economy.

Much of our work as community groups is focused on the many harmful environmental and safety impacts this activity brings to our waterways, but for the purposes of this committee, I will focus my comments today on economic factors.

From our viewpoint, the west coast freighter anchorage system is out of control, especially the 34 anchorage sites throughout the bays and channels of the southeast coast of British Columbia. Let me cite a few statistics from our own analysis of nearly 120,000 files over 10 years, provided by the Pacific Pilotage Authority.

First of all, by our calculation, 92% of all freighter anchorage usage is by bulk carriers coming to the port of Vancouver to load grain, coal and other bulk commodities. Over the past decade, according to the port of Vancouver's annual reports, the export of bulk commodities has increased by approximately 40%. Over that same period, anchorage usage has increased by a startling 400%. Further, we see that while container ships rarely anchor for any length of time, some 60% of anchorage usage by bulk carriers can be attributed to ships that stay for 10 or more days per port visit. Those stays and wait times can be up to 50 days or more. Also, at least 75% of all anchoring occurs prior to the first visit to a berth inside the port of Vancouver. We believe much of this is excessive and unnecessary.

Here's the problem. Anchored ships are unproductive ships. They're not moving cargo. They're simply burning fuel and incurring overhead charges, which are undoubtedly passed along to the suppliers of their eventual cargo. While we accept that bulk shipping may never achieve the smooth efficiency of the container system through the port of Vancouver, ships sitting at anchor for such long periods of time are a clear indicator of an insufficient supply chain.

Don't just take my word for it. Robert Lewis-Manning, president of the Chamber of Shipping, who appeared before this committee not long ago, wrote to Transport Canada in 2017 that the current framework for anchorage operations in the south coast of British Columbia is not optimized for efficient commercial operations, and that it results in unnecessary costs, delays, unpredictability and impacts on coastal communities.

Mr. Lewis-Manning also referenced this issue in his remarks to the committee last month in Vancouver when he acknowledged that the anchorage issue is having negative impacts on coastal communities. In fact, there are several negative impacts. They include excessive noise and light as well as threats to safety, the environment and local tourism.

I'll focus on the economic implications.

Bulk carriers anchoring in the Gulf Islands travel on average about eight hours more than they would if they went straight to the port and straight back out to sea, as most container ships do. By our calculations, they burn about 30,000 tonnes more fuel every year because of this extra travel. This is not only costly to a ship's bottom line but also degrades air quality and aggravates global warming, which, as we all know, is already having direct economic consequences. Bulk carriers pay hefty pilotage fees for each extra trip they make to and from Gulf Islands anchorages. These fees are passed on to the suppliers of cargo, such as Canadian prairie farmers.

In its 2012 report, the Quorum Corporation, which monitors the handling of grain, found that as the number of vessels waiting increased, average loading time grew. This is evidence that the congestion resulting from an increase in anchorage uses actually reduces productivity. Allowing freighters to anchor for free in the Gulf Islands for as long as they want provides unaffordable wiggle room so that otherwise necessary improvements to the port supply chain can be ignored or postponed.

Finally, about half of the extra travel, or more than 6,000 hours per year, is through southern resident killer whale foraging areas, which contributes to the dire situation, of which we're all aware, that threatens the species.

We believe that all of these factors should compel the port of Vancouver and its many partners in the shipping industry to show discipline around the use of freighter anchorages and to work to curtail this activity.

• (1005)

We believe that the Vancouver Fraser Port Authority, with direction from Transport Canada, is particularly well positioned, both in terms of resources and capacity, to take a lead role in finding the necessary solutions to this problem, but for now the reality seems to be that instead of limiting anchorage usage we hear about requests for even more anchorages, despite the fact that if you added a hundred more anchorages it would still not result in moving a single tonne more cargo through the port.

Thank you.

The Chair: Thank you very much, Mr. Straw.

We now have Mr. Veldman from the Prince Rupert Port Authority.

Thank you very much for joining us today, Mr. Veldman. You have five minutes.

Mr. Ken Veldman (Director, Public Affairs, Prince Rupert Port Authority): Thank you, Madam Chair and committee members. I appreciate the invitation.

I want to make two impressions on you today.

Number one is that Prince Rupert's development is based on many unparalleled strategic attributes that make it a very competitive gateway for trade, but it's our focus on building mutually beneficial relationships that allows us to develop a deeper understanding of shipper needs and to provide innovative, proactive supply chain solutions. We like to think that we're not in the transportation business. We're actually in the business of adding value, and we're hyper-focused on that.

Adding value to Canadian trade is achieved best by ensuring we are supplying flexible supply chains with the right capacity, resiliency and capabilities as they are needed by our shippers and our communities, as opposed to responding to capacity crises after they occur. To do that, we need robust corridor planning and the right strategic partners, including the Government of Canada.

The port of Prince Rupert has five terminals that facilitate trade through intermodal containers, dry and liquid bulk and cruise facilities. In 2017 the port increased volume by another 28% to 24 million tonnes of cargo, with a current capacity of 40 million tonnes. Our volume represents 35 billion dollars' worth of trade, making it the third-largest port in Canada by that value. For an historical comparison, this represents a significant increase in trade from less than five million tonnes as recently as 2005. We are forecasting growth to an excess of 50 million tonnes over the next decade, and we have a long-term trajectory to go to over 100 million tonnes.

Prince Rupert's success has been based on a model that represents both innovation and investment risk and requires full alignment and commitment from its partners: CN, terminal operators, logistics and supply chain operators, labour, marine carriers, our shipping customers and the Governments of Canada and B.C.

Perhaps most significantly, we have achieved alignment with local first nations communities and have enabled significant participation for them in the gateway economy. We share a valuable common vision and common interest in ensuring we continue to improve port efficiencies, build port services and expand port capacity.

Prince Rupert's continued development is integral to Canada's Asia-Pacific trade agenda. In 2017 over 80% of the port's trade was imported or exported through Asian countries such as China, Korea and Japan. From a trade facilitation and efficiency perspective, our current development plan reflects the importance of considering common infrastructure and land use planning that enables both new and expanded terminal capacities without compromising the actual speed, fluidity and reliability that are at the heart of our value proposition.

This future-looking approach will ensure the port's ability to avoid future congestion issues and the mitigation solutions that would otherwise require very high capital expenditures to add only incremental improvements in fluidity. In order to be successful and to be able to generate tangible results benefiting the broad range of community and industry players we serve, a future Canadian transportation and logistics strategy should reflect the importance of the following recommendations.

Number one, the Government of Canada should continue to support the proactive planning and timely development of major port infrastructure projects aimed at viable future trade opportunities through infrastructure funding programs and policy, including those focused on enabling green infrastructure projects.

Number two, being in a small northern town is an advantage for us, but it also creates challenges in the context of supporting fast growth. The Government of Canada should consider a more proactive role in providing direct financial assistance to ports and gateway municipalities for increased capital infrastructure and, importantly for us, labour force needs that are related to the impacts from national trade moving through local gateways.

Number three, the Government of Canada should implement formal trade corridor initiatives to really hardwire infrastructure policy and marketing co-ordination and collaboration between governments and marine, rail, truck, terminal and other direct stakeholders in gateway supply chains.

Number four, the Government of Canada should continue to play a leadership role in data visibility initiatives. This would lead to improved trade flow forecasting, as well as improved real-time visibility of cargo movement.

By taking these actions as recommended, the federal government will be taking important steps forward to more fully enable Canada's key trade corridors, in particular the Asia-Pacific gateway, and will ensure that we as a country are well positioned to seize future and expanded trade opportunities for the benefit of all.

I look forward to your questions.

• (1010)

The Chair: Thank you very much, Mr. Veldman.

We're on to Mr. Liepert for five minutes.

Mr. Ron Liepert: Thank you, Madam Chair.

I want to take a few minutes as part of my presentation to make sure that members around this table are informed as to the crisis happening on the Prairies today. Unfortunately, of the official members of this committee, my colleague is the most westerly of the members, besides Ms. Block and me. I think it's important that everybody understands what the Prairies are going through today.

We've had a fall where half of the harvest is under snow. Only in the last couple of days are farmers back on the field and able to harvest. Then they'll have the problem of trying to ship by rail to get their product to market because it's not a product that is going to be of high quality.

Then, we have the situation with what's called the "price differential" in our oil. I want to put this in perspective so that

everyone around this table understands it. Brent oil, or the world price, is trading at somewhere around \$80 a barrel. U.S. West Texas oil is trading at somewhere around \$70 a barrel. Alberta oil, and to a degree Saskatchewan oil, is trading today at \$20 a barrel. There is a \$50-per-barrel differential that the U.S. is taking, because we only have one market, which is the United States, through Keystone pipeline and others.

I want to put that in perspective. What does that work out to? In Canada, we, as Canadians, are missing out on one new school a day and one new hospital a week because we are not getting a good price for our natural resources.

Let me put it in another perspective for those who are very familiar with the Ontario economy. Let's say that a car is built in Mr. Oliver's riding of Oakville, and it sells for \$70,000. When it's shipped across the border to the United States, the Americans say thank you very much and we'll give you \$20,000 for it. We wouldn't stand for that if that happened to the auto industry, but that's what's happening on the Prairies today.

I'd like to direct a question to our guest from Prince Rupert.

One of the options that I believe is underutilized is the Prince Rupert port. Under the former Conservative government, the northern gateway pipeline was approved, and had construction started, it would have been at the point of almost flowing oil through your port today.

Are you underutilized in Prince Rupert? Do you have the capacity to bring more oil through your port for the Asian markets?

• (1015)

Mr. Ken Veldman: First, I'll make a point of clarification. The northern gateway project was to flow through Kitimat as opposed to Prince Rupert, so that would not be a part of our operations.

However, let me speak more broadly to utilization.

Mr. Ron Liepert: To be clear, it could have been deviated to Prince Rupert. That was one of the options they were looking at. Because of environmental regulations around Kitimat, it could have been deviated to Prince Rupert.

Mr. Ken Veldman: Potentially, but let me point to utilization. I wouldn't say we're underutilized in terms of what we have right now. In fact, we've been on a very strong growth curve, as I demonstrated.

Right now, we're looking at trying to take advantage of the opportunities we do have. A good example of this is AltaGas. It is just completing a propane export terminal to ship liquid propane to Asian markets. We have a proponent by the name of Vopak, which is advancing an open access liquid bulk terminal that would have the ability to ship a combination of liquids. This would include everything from methanol to value-added petroleum products to LPGs.

These are all areas where we find we can add value. We have the capacity on rail to be able to bring those products in. We have a proponent that's advancing that project through an environmental assessment process right now. That's a focus where we have a very good understanding of shipper needs, and we're moving that forward.

The Chair: Thank you very much, Mr. Liepert. It's always important we recognize and understand all parts of Canada.

Mr. Iacono is next, for five minutes.

Mr. Angelo Iacono: Madam Chair, I'll give my time to Mr. Sikand, to go first. I'll go in his place.

Mr. Gagan Sikand: Thank you.

My questions are going to be directed to Mr. Gooch.

As you know, I represent a riding in Mississauga, right beside Pearson airport. I was wondering if I could get your opinions on having another airport open up in Pickering, maybe as a relief airport or just a stand-alone in the future.

Mr. Daniel-Robert Gooch: That's not really something our organization has taken a position on. I will say, though, that there are quite a few airports in the greater Toronto area. My colleagues, our members and other airports in the region have been collaborating quite closely through the Southern Ontario Airport Network.

They're looking at the needs of the southern Ontario region over the next decade and seeing how airports—Toronto Pearson in particular—are getting quite full. They're looking at creative ways the other airports in the region could be better utilized to take pressure off that growth. A lot of work is going on through that organization, and they're looking at all the options.

Mr. Gagan Sikand: I fly through Pearson twice a week and am really happy with the CATSA Plus. I think it's working, and I welcome your comments on that.

You were also talking about the biometrics, though. Often, when you have such sensitive data, there's a balancing act between security and giving up that much information. I'd like to know what has been done or what will be implemented on the security side of preserving the data points for all those biometric options.

That's in addition to your comments on CATSA Plus.

• (1020)

Mr. Daniel-Robert Gooch: A lot of work is going on in government on facial recognition. As I said, in the U.S., the CBP, working with TSA, the Transportation Security Administration, which does screening there, just announced how they are going to use facial recognition in the screening process.

I can't really speak to what they do in terms of the back end of security, but I was just at a conference in Vancouver over two days where we talked about this. How do we use the latest technology, facial recognition being one of the big ones there, to improve the flow of legitimate travellers and goods across the border and across security screening? That was a big topic of discussion.

Everybody knows that for this to move forward, the public and government need to have confidence that the information is going to be safeguarded, so it's really front of mind as this moves forward. There won't be progress on this unless everybody's confident that we can do so safely and securely.

Mr. Gagan Sikand: Again, I'm right beside Pearson, so I always use this as my benchmark. They're underutilized and they have that gap of screening officers, border officers. Is this a norm throughout all the airports, or is it just specific to that airport?

Mr. Daniel-Robert Gooch: You asked about CATSA Plus. We are seeing growing wait times around the country. I understand that last summer was fairly good, but it's a constant effort to stay ahead of the growth.

We are seeing CATSA Plus. CATSA Plus is an improved lane. It's not necessarily the latest technology. It's actually applying technology that's been used in other parts of the world for a few years now. If you travel through Paris Charles de Gaulle or Schiphol in Amsterdam, you'll recognize CATSA Plus. However, it gets people through the lines more quickly, and it also takes the pressure off the next person in line to take all their stuff off, because you have four individuals unpacking. Where it's been deployed, it's actually dramatically improving the experience for travellers.

That's where the challenge is, though. It's been deployed on a limited basis at the four busiest airports, which were having some of the biggest problems. It's now being deployed into Halifax and Edmonton, but investment has essentially stopped. We're looking to the next budget to see whether we are going to get funding for CATSA Plus to be deployed more broadly, because there are other airports that could use it. It's not going to go everywhere necessarily. It's certainly having a big impact at high-volume checkpoints, but there's only limited deployment.

Mr. Gagan Sikand: When that was implemented, did it exceed your expectations or have the results been pretty much as expected?

Mr. Daniel-Robert Gooch: I'd say it's probably been a bit of a mixed reaction. Most of the airports I have spoken to say it's been really good for them, but there are two sides to it. For CATSA Plus, there's the equipment side, but it also requires officers as well—screening agents. There really is a shortage of screening hours available to CATSA, so if you're using a piece of equipment that is optimal with a certain number of screeners but you have fewer people on it, then it's understandable that you might not get the same performance.

There is some of that, but generally it's being well received.

The Chair: Thank you very much.

We will move on to Ms. Malcolmson.

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Thank you, Chair.

This concerns Chris Straw and the GAFA group. Just two weeks ago I hosted a round table with member of Parliament, Alistair MacGregor. We had four first nations and maybe a dozen community organizations right down to the U.S. border: local governments, concerned citizens and rate-payers groups. There were a lot of solutions proposed to address this problem you've identified where bulk commodity exports have gone up 40%, yet anchorage use and the time of anchorage use has gone up 400%. It's certainly pointing to some kind of supply problem.

Can you give us a sense of the recommendations to the committee that would alleviate that bottleneck?

Mr. Chris Straw: We're not experts in this area, but we have been having conversations with the Chamber of Shipping and Transport Canada officials. The primary thing we would like to see addressed is the early arrival times. It's not only studying them and understanding what is causing them. We believe it's really just that there's no restriction on early arrivals at this point. We need to understand that and provide some disincentives for it.

We feel it is important to look at the contracting situations that are allowing huge gaps in what appears to be the time between a ship's readiness to load in the terminal and the time it actually goes to a terminal. We believe there are infrastructure improvements inside the port that would add to their current capacity to anchor more ships within the port jurisdiction, and we believe that many aspects of the supply chain were referenced regarding the rail situation and the impediments to delivering Canadian grain on time. These are improvements to the infrastructure itself that would reduce bottlenecks and hopefully alleviate the situation.

• (1025)

Ms. Sheila Malcolmson: Some of the pieces I've heard you talk about before are foul weather loading facilities at terminals, use of fixed mooring buoys inside the port to help alleviate the need for external anchorages, expansion of digital tools such as blockchain and other supply chain management applications to increase the scheduling efficiency and increase—

Mr. Chris Straw: That's right. These are all recommendations we're making. The weather situation is interesting. Grain suffers from moisture and dampness, yet we all know it rains all the time on the west coast of Canada. We feel that there should be adequate infrastructure that could allow for that to happen, even when it's raining, which happens a lot.

Ms. Sheila Malcolmson: This is a government that's willing to spend on infrastructure but hasn't necessarily done so in those areas, so that's a good ask.

The oceans protection plan's anchorages initiative is something that has been announced and it's looking at this very situation. What are your impressions of that program's effectiveness?

Mr. Chris Straw: Our key focus of engagement with Transport Canada is through the anchorages initiative. I will point out that when it was announced we were surprised that the overall budget allocated for this three-year review of the entire anchorage system across the country was only \$500,000. I think members of this committee would know you can't do much studying of anything for that amount. Our main concern is that the study actually takes a

detailed look at the situation to not only investigate all the available options but also to figure out exactly what's going on.

With respect to the economic side, there's also the impact that they're having, and the anchorages initiative has agreed that it should be looking at the environmental, social and health impacts of these anchorages as well. Our concerns are that they're not well placed to be able to do that with the resources they have, and we're finding that they're already way behind in the timelines that have been proposed.

Ms. Sheila Malcolmson: Another initiative of Transport Canada was an interim protocol for the use of southern B.C. anchorages, which was, I think, announced in February last year. Recently, they surprised us with a one-year extension. Can you talk about what the impacts of that program have been from your community's perspective?

Mr. Chris Straw: This is a voluntary protocol that was extended for another year, and it has two components. The first component is that the port of Vancouver is actually reassigning or allocating ships to different anchorages. Before the protocol was in place, ships would just arrive and they could go to whatever anchorage they wanted. As a voluntary measure, the port of Vancouver agreed to move the ships around at some sort of an equal pacing, but there's no control for the number of ships coming or the amount of time they're waiting. It has really just spread the problem around to even more communities and has added to the impact on communities.

The other component is to ask ships to voluntarily consider local residents and to try to keep the volume down for the noise they generate and the number of lights they have on display. We're finding that ships have to run generators 24-7, because that's how they keep the oil circulating and power all their equipment, so there is actually not a lot that can be done. Some ships seem to comply more than others.

I receive copies of complaint emails from communities across the country and it seems bizarre to me the way this situation is being managed. Someone has to write to the port of Vancouver and ask them to tell this ship to turn down their lights or try to mitigate the noise, and then they have to wait for a possible answer in a voluntary system. We think it should be regulated.

The Chair: Thank you very much.

We're on to Mr. Badawey for five minutes.

Mr. Vance Badawey: Thank you, Madam Chair.

I have to give kudos and appreciation to Minister Garneau for establishing a process that is all about strategic government versus strategic politics. That said, I appreciate the comments made by Mr. Veldman with respect to strategic corridor planning, which is in fact what we're trying to establish here.

I also want to mention that we just got back from Vancouver and seeing the port of Vancouver and the port of Seattle, and we tried to get to Prince Rupert but we ran out of time. It would have been nice, because I know how successful you folks are and how much you're adding to the overall supply chain.

I have a question for you, Mr. Veldman. We have CETA, the CPTPP and the USMCA all coming online as we speak. Besides the Asia-Pacific market, I'm looking at product that's coming to and from the midwest and going through Prince Rupert. Where do you see that going? How do you see yourselves participating in that supply chain now with those trade agreements in place?

• (1030)

Mr. Ken Veldman: Obviously those trade agreements certainly open up opportunity. For us, as I mentioned, over 80% of our goods right now are related to Asian countries. We expect that we're probably going to see a further expansion into the more emerging economies within Asia. We're reaching into the southeast a bit more. Overall, I think they're also seeing some shift in manufacturing centres in Asia.

It's going to be a very dynamic region as we go forward. I think it has significant opportunity for all sorts of sectors in Canada when it comes to an export level. It's important to know from a supply chain perspective that, even though we seem a very long way away, we have a very direct connection with the midwest both in Canada and the U.S., and as we see exporters taking advantage of those opportunities, we think the world will continue to see increases in volume.

We also see that coming the other way, as is the nature of free trade, and we believe there's very much a win-win to be had there. Certainly we've experienced that primarily with the growth in China over the last decade. We think that serves as a pretty good case study as to what we can see in other markets as they continue to grow and as the opportunities continue to grow for Canadian business in particular.

Mr. Vance Badawey: Thank you.

I'd like to go now to Mr. Gooch with the airports. We heard from the Port of Montreal yesterday, and we heard from some witnesses today from Niagara and Labrador with respect to land, rail and road. How do you see air fitting into the overall supply chain in terms of the movement of goods?

The Port of Montreal stated yesterday that to grow, it must be supported by reliable and efficient land trade corridors. What are your comments on that in terms of where you see airports in Canada fitting into that overall supply chain and the movement of goods, not just domestically but also internationally?

Mr. Daniel-Robert Gooch: I can answer in a few different ways. From a revenue perspective, airports make most of their money from passenger traffic, but here is where the economic development mandate that airports have as non-share capital corporations comes in. Cargo is tremendously important for many regions. Even though it may represent a little bit of revenue, it represents big dollars in terms of goods shipped. Atlantic Canada presents a good case. Shipping lobsters out of Nova Scotia and New Brunswick, for example, is tremendously important for the region.

When you get into the larger centres, it may be a little less obvious. I spoke to the role of light rail. We now have a light rail link that connects Toronto Pearson to downtown Union Station. There's one in Vancouver that's been in place for quite a few years, and other airports are working on it. Ottawa and Montreal have something

coming, and it's in the long-term vision for Calgary and other airports.

What this does is, when we get people out of cars, whether they be travellers or workers, and onto transit to come into airports that way, it opens up space on the roads. Goods that need to be shipped by road have more capacity for shipment by road because more passengers have been displaced and are coming into the airport by rail.

The Chair: Thank you very much.

Mr. Vance Badawey: Thank you, Madam Chair.

The Chair: Mr. Iacono.

Mr. Angelo Iacono: Thank you, Madam Chair.

I have a question for you, Mr. Gooch. You mentioned the national trade corridors fund in your opening remarks. Can you elaborate on the investments that have been made in the six airports?

Mr. Daniel-Robert Gooch: You may recall that our airports worked for quite a few years on the unique funding challenges faced by the six smallest NAS airports in terms of their traffic volumes. There were six airports on the lower end of the volume spectrum that were designated as NAS airports but did not have access to ACAP for similar-sized airports. As a result of that work, the national trade corridors fund was opened up to NAS airports for the first time. A component of that was set aside—I'm probably not speaking in technical terms, but it was at least virtually set aside—to meet the needs of those six smallest NAS airports.

We understand that it's intended to be a one-off. Those airports in another decade, when it comes time to look at their infrastructure again, might find themselves in the same situation if their traffic volumes haven't gone up. The program was designed to alleviate traffic bottlenecks, so that particular situation didn't really apply, but the money was set aside.

Our other airports are applying for funds through that program. My understanding is that there was some money put on road access to Calgary International Airport. There was a project in Iqaluit, I believe. Some of the other programs did not get approved for funding, but there are other projects that airports are looking at that are perhaps more consistent with how the program was designed in terms of alleviating traffic bottlenecks.

• (1035)

[*Translation*]

Mr. Angelo Iacono: My next question goes to Mr. Veldman.

To come back to innovation, officials from the Port of Montreal talked about the need to make the digital shift.

What is the impact of the digital technology supercluster on the development of the Port of Prince Rupert?

[English]

Mr. Ken Veldman: I'm not familiar with the term "*supergrappe*", but what I can say is that the availability of data is incredibly important to the supply chain. As I mentioned in my opening remarks, whether you want to call it a digital revolution or to refer to blockchain, at the end of the day this comes to availability of data and how we use it.

There are two significantly important aspects to this. One is forecasting. I mentioned that we are expecting to get to 55 million tonnes over the next decade. That directly relates back to the previous question in terms of where we see growth in Asia-Pacific markets and how that ties back to particularly Canadian growth. Our ability to forecast that only grows with better data, and being able to have access to more data and analyze it properly is key to that.

Also important is real-time availability to data. I talked about adding value for shippers. Shippers are demanding more and more flexibility within their supply chains. They view supply chains as moving warehouses, if you will. From a moving warehouse perspective, often a shipper will have goods leave Asia or go towards Asia without even knowing its final destination yet. They demand the flexibility to be able to divert that cargo to its final destination based on real-time needs.

If they don't have visibility as to where their cargo is and what their ability is to adapt within the supply chain, we aren't able to add the value that they require. If we can't add the value, we lose the competitive edge. Within the west coast there are many gateways and options, and it's certainly important for Canadian ports to be able to take advantage of that. That's where the importance of digital data really comes home to roost.

Mr. Angelo Iacono: How can we better that?

Mr. Ken Veldman: I think there are many examples, but certainly one is to take a look at CBSA. CBSA is an organization that's been set up very much as a security and regulatory body. The reality is that it's very much the holder of key information as it relates to international trade. Being able to open up that data and use CBSA as an economic instrument in terms of being able to create a common data portal that still respects security concerns but also makes it something that supply chains can access would be a significant step in the right direction. It would require a real look at the mandate and regulations that surround that agency, for example.

The Chair: Thank you very much, Mr. Veldman.

We'll go to Ms. Block for five minutes.

Mrs. Kelly Block: Thank you very much, Madam Chair, and I do appreciate hearing from our witnesses today.

I am going to use my time to introduce a motion that I put on notice back on September 18. Lest this action of putting this motion forward during my time compel any of my colleagues on the other side of the table to apologize for me after the fact, I would like to provide some rationale as to why I feel it's important that I put this motion forward today.

The motion states:

That the Committee undertake a study of no less than three meetings on the impact of transportation moratoriums on the investment climate in Canada and that the Committee call on the Minister of Transport to appear.

I will provide some rationale. There is a quote that was made famous by the head of the L.A. Fire Department or was attributed to that individual and then made famous by the president at Ford. It says, "Culture eats Strategy for breakfast". While we are in the midst of a transportation corridor and logistics study, I believe it is important that we understand how government policy and subsequent legislation impact on a strategy. It is one thing for us to undertake a study looking at the challenges and the opportunities that we have in our transportation system. I know this is an irritant for my colleagues when we raise things like a tanker ban, legislation like Bill C-69 or a carbon tax, but I think it's important for us to marry the two when it comes to looking at challenges and opportunities.

In fact, the president at Ford would go on to say that any company disconnecting the two are putting their success at risk. In fact, I understand that my colleagues, when they were touring the port of Vancouver, would have heard this time and time again in regard to Bill C-69 and the impact it would have had on the growth in that port had it been in place.

That's one of the reasons why I think it's important that we consider this motion at this time during this study. I think we have to have a really good understanding of the impact that these policies and this legislation are having on our ability to do the very thing that we're studying.

● (1040)

The Chair: Ms. Block has moved the motion:

That the Committee undertake a study of no less than three meetings on the impact of transportation moratoriums on the investment climate in Canada and that the Committee call on the Minister of Transport to appear.

Mrs. Kelly Block: Madam Chair, can we have a recorded vote, please?

(Motion negatived: nays 6; yeas 3)

The Chair: Ms. Block, you have a minute or so left.

Mrs. Kelly Block: On a point of order, is Mr. Oliver a parliamentary secretary? He's not the parliamentary secretary here. Okay, thank you.

I would follow up with a question for the folks at the port of Prince Rupert and just ask for a comment on the potential impact of a tanker ban, the moratorium on tanker traffic, and the impact on the port of Prince Rupert.

Mr. Ken Veldman: I guess the most obvious answer is that it eliminates the ability to ship the products that are impacted by the moratorium.

As I mentioned earlier, we're hyper-focused on adding value to Canadian exports. Right now, that moratorium essentially precludes conversations within that cargo sector, but we remain focused on other products within the petroleum sector that are facing the same economic challenges and the same price gaps that were earlier referenced, whether they be methanol, LPG, or refined products such as diesels and gasolines. Those products are still able to flow. We're trying to ensure that we have the right infrastructure and the right services, which are able to deliver value to those sectors and those cargoes within a time frame that makes sense.

•(1045)

I will now adjourn the meeting.

The Chair: Thank you to our witnesses for the valuable information.

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