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# Standing Committee on Transport, Infrastructure and Communities

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Chair: Mr. Vance Badawey





## Standing Committee on Transport, Infrastructure and Communities

Thursday, February 27, 2020

• (1530)

[English]

**The Chair (Mr. Vance Badawey (Niagara Centre, Lib.)):** I call this meeting to order.

Members, it's a privilege today to have the Honourable Marc Garneau, the Minister of Transport, with us.

Minister Garneau, welcome. It's great to have you here, as well as your team.

We'll start off with your presentation. You have 10 minutes, and we'll be following that with questions.

Mr. Garneau.

**Hon. Marc Garneau (Minister of Transport):** Thank you, Mr. Chair, and thank you to the committee for inviting me to speak. It's a new committee for me, and I look forward to speaking to you on future occasions.

[Translation]

Thank you, Mr. Chair, for the invitation to meet with the committee.

I am joined today by several of my colleagues: Michael Keenan, deputy minister; Anuradha Marisetti, assistant deputy minister; and Kevin Brosseau, assistant deputy minister.

[English]

When I can't answer a question, I'm sure that, with their expertise, they will be able to pipe up and help.

[Translation]

It is my great pleasure to once again appear before this committee to talk about the excellent work being done across the federal transportation portfolio in support of my recent mandate letter from the Prime Minister.

We are taking steps to make Canada's transportation system safer, more secure, more efficient, and more environmentally responsible. And we are committed to doing it with sound fiscal management and solid stewardship of government resources. Needless to say, I consider the commitments in my mandate letter to be my highest priorities.

As such, I would like to outline a few of them for you today. Among others, these commitments include improving rail transportation, improving trade corridors to increase access to global markets, and helping to protect Canada's waters and coastlines.

It's important to note that the Prime Minister has directed me to undertake this work in the spirit of partnership with all levels of government and our indigenous partners.

[English]

As I've often said, rail safety remains my top priority.

That is why, immediately following the derailment in Saskatchewan, near Guernsey, earlier this month, I issued a ministerial order to slow down trains carrying a significant amount of dangerous goods. This was only the latest of many steps that we have taken to enhance rail safety.

It's why, in response to the Railway Safety Act review panel's report, Transport Canada continues to fund support for grade crossing improvements and public education through the rail safety improvement program. We have also worked to increase transparency on Canada's grade crossings by publishing a risk-ranked grade crossings inventory on the Government of Canada's open data portal.

In light of recent incidents, I would like to stress that I believe that the right to protest and freedom of expression are important parts of Canada's democracy. The Prime Minister has been very clear that one of my most important tasks is supporting indigenous self-determination, building on the progress the Government of Canada has made with first nations, Inuit, and Métis peoples. I believe it's critical for all parties to engage in open and respectful dialogue on transportation issues of mutual interest.

However, in terms of the blockades, tampering with railway lines, rail cars or signalling systems is an act that is illegal and dangerous. In addition to putting themselves at risk, people who engage in such actions are endangering railway workers and train passengers, as well as the communities around them.

Another important mandate commitment is supporting infrastructure projects that contribute most to Canada's success in international markets. This includes investments through the national trade corridors fund to ensure that the transportation system continues to provide the global market access that Canadian businesses need to compete and grow. To date, more than 80 projects have been announced across the country, and more than 50 of these either are already under construction or have been completed.

[*Translation*]

The transportation system is an area of shared jurisdiction, so I'm pleased to say that I met recently with my provincial and territorial counterparts to discuss our shared priorities. We discussed our common goals, which include enhancing road safety—with an emphasis on school buses and improved training for commercial train conductors—and reducing international and interprovincial trade barriers.

I am happy to report that we also agreed to collaborate on the pan-Canadian competitive trade corridor initiative. This initiative will focus on how we can work together to help Canada's transportation system support trade, and identify areas that we can improve.

The focus will be on strengthening competitiveness, accommodating future growth, and finding ways to make our infrastructure more resilient to climate change.

● (1535)

One of the initiative's objectives is to strengthen Canada's standing as a reliable trading partner, supported by a competitive transportation system. We want to, where possible, reduce physical and regulatory barriers to the efficient movement of international commerce in the transportation system.

As I stated earlier, these measures support the commitments outlined in my mandate letter and reflect the Government of Canada's commitment to transportation policies and programs that promote safe, secure, efficient and environmentally responsible transportation.

As I continue to implement Transportation 2030, the Government of Canada's strategic plan for the future of transportation in Canada, I am working with the Minister of Infrastructure and Communities to create high frequency rail between Toronto and Quebec City. This work includes investing in dedicated tracks exclusively for VIA Rail's passenger service. This would make service more frequent, faster and more reliable.

Right now, VIA Rail shares tracks with other train traffic. This can negatively affect timing and scheduling, making passenger trains a less attractive option for travellers.

I am looking forward to seeing this project's progress soon.

[*English*]

Canada is a maritime nation, with more coastline than any other country in the world. Canadians expect our marine safety system to protect these coasts while supporting the shipping that provides thousands of jobs and is critical to our economy. This is why the Government of Canada has been implementing over 50 measures under Canada's oceans protection plan since 2016.

We are working to deliver around-the-clock emergency response to marine incidents, to increase on-scene environmental response capacity and to develop near real-time information on marine traffic with indigenous and coastal communities, among other things. I stand before you today confident in saying that thanks to the oceans protection plan, our marine safety system is stronger today and our coastal ecosystems are better protected than ever before.

In support of our coasts and waterways, Transport Canada also runs the national aerial surveillance program. The program monitors shipping activities for pollution prevention and environmental protection, as well as ice reconnaissance and other conditions that could affect marine safety and security. Each national aerial surveillance program aircraft is equipped with a specialized maritime surveillance system. Through the whales initiative, a Dash 8 aircraft is being added to the program's fleet. With this additional aircraft, the program can increase its ability to observe and protect Canadian waters, especially whales and other marine mammals in those waters.

We're making progress, and Transport Canada officials are working to develop strategies for implementing the commitments I've mentioned here. I intend to begin publicly reporting on progress by mid-summer 2020, in line with the time frames from the Privy Council Office.

With that, Mr. Chair, I conclude my opening remarks. If the committee has any questions, I would be pleased to answer them.

**The Chair:** Thank you, Minister Garneau.

Mr. Doherty.

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Thank you, Chair.

Minister, we have just undertaken as a committee the study of the 737 Max recertification process. Can we get your commitment today that you'll return to this committee for the purpose of answering questions on the 737 Max?

**Hon. Marc Garneau:** You have my commitment that I will return. I'm going to return specifically because I welcome the opportunity to clarify—

**Mr. Todd Doherty:** That's good. That's all.

**Hon. Marc Garneau:** —a number of things that are not well understood by a lot of people. And so—

**Mr. Todd Doherty:** Minister, I'm going to cut you off.

**Hon. Marc Garneau:** —you name the date and I'll be there.

**Mr. Todd Doherty:** That's perfect.

Minister, I'm going to be very short and cut you off. It's my time. I have a short period of time. It's not out of lack of respect, but I need to get as many questions in as I can.

Minister, in light of the illegal rail blockades that have crippled our economy and damaged our reputation as a reliable trading partner on the world stage, you issued a statement on February 17, 2020, on unsafe behaviour around railways. Specifically, you stated that you wanted “to remind Canadians that tampering with rail lines, rail cars or signalling systems is illegal and extremely dangerous.” Why did you issue that statement?

• (1540)

**Hon. Marc Garneau:** It's because I'm very preoccupied with the possibility that somebody's going to get hurt.

**Mr. Todd Doherty:** Did you have evidence of that tampering?

**Hon. Marc Garneau:** As you know, in this country over 50 people died being struck by trains last year—

**Mr. Todd Doherty:** But, Minister, did you have evidence at that time of tampering to the rail system?

**Hon. Marc Garneau:** I became aware of tampering—

**Mr. Todd Doherty:** Okay, thank you. That's it.

**Hon. Marc Garneau:** —recently and—

**Mr. Todd Doherty:** Minister, can you confirm to all Canadians that rail lines and crossings across Canada are safe and haven't been tampered with?

**Hon. Marc Garneau:** We have 41,000 kilometres of railroad in this country. We also have—

**Mr. Todd Doherty:** I'm well aware of the stats.

**Hon. Marc Garneau:** Would you let me finish, please, Mr. Doherty? If you want my answer, you're going to have to listen. I'm sorry.

**Mr. Todd Doherty:** Minister, it's my time.

**Hon. Marc Garneau:** All right. I'll stop. You won't get my answer.

**Mr. Todd Doherty:** All right.

Minister, will you prosecute offenders under the Railway Safety Act?

**Hon. Marc Garneau:** Are you going to give me time to answer the question?

**Mr. Todd Doherty:** Please answer the question.

**Hon. Marc Garneau:** All right. In Canada, the CP police and the CN police monitor the railroads. They are responsible for ensuring that the property of the railroad is respected, and they have the ability to prosecute.

**Mr. Todd Doherty:** Minister, recently we saw derailments in Guernsey, Saskatchewan, only kilometres apart and mere months apart.

What have you found in terms of your investigation of those two derailments?

**Hon. Marc Garneau:** That investigation is under way. In the interim, I have imposed a ministerial order, which reduces the speed of both key trains and high-risk key trains.

**Mr. Todd Doherty:** Minister, in terms of the impacts of the blockades and things like what we have seen recently in the latest rail strike, what tools does Transport Canada have at its disposal to

report to Parliament and Canadians, through our committee, the hard costs on the Canadian economy?

**Hon. Marc Garneau:** That's something we monitor, and we get information from the shippers. We get information from the railroad companies themselves.

However, having said that, it's a very complex thing to analyze. As I said yesterday, it will take probably about six months to fully analyze the impacts. They are bigger than most people think, due to the blockades that have slowed down our system. We will be looking at those numbers.

**Mr. Todd Doherty:** Does Transport Canada have concrete data on that, or is that proprietary information specifically for CN and CP?

**Hon. Marc Garneau:** We only get the information if they provide it to us. It is not something that we typically follow.

**Mr. Todd Doherty:** How is it that the railways are the only entities in Canada that know what's actually happening in the rail freight market? Based on your answer, it seems that the department is relying on anecdotal input from stakeholders. In the age of big data, this doesn't seem right. Do you feel that this is good enough?

**Hon. Marc Garneau:** We talked to CN and CP and asked them for costing data, for example about the consequences of the current blockade, and they are very willingly providing us with that data.

**Mr. Todd Doherty:** What are the consequences of a duopoly or monopoly of our rail system on our shippers, which are at the whim and the whimsy of our two rail carriers?

**Hon. Marc Garneau:** That's a very big question. We could talk about that for quite a while. In some cases it does mean that certain shippers have access only to one railroad. That is one of the reasons I brought in Bill C-49; it was to provide the option of interswitching in a fair manner to shippers.

**Mr. Todd Doherty:** Where are we with that right now?

**Hon. Marc Garneau:** It's in effect. It has been in effect since the summer of 2018, I believe.

**Mr. Todd Doherty:** With that, I'm going to transfer my remaining minute to my colleague Luc Berthold.

[Translation]

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Thank you very much.

Good day, Minister Garneau.

On February 5, we learned that CN's rail traffic control centre in Montreal would be shutting down in October. This tragic news is causing a great deal of concern about rail safety. As for loss of expertise, it is estimated that only 15% of controllers will be moving on to work in the other centre.

Does your government intend to ask CN to stay that decision?

**Hon. Marc Garneau:** The answer is no.

CN has made its decision. The railway is well aware of the need for safe rail traffic control across Canada. That's why it has decided to transfer—

**Mr. Luc Berthold:** Are you aware that there may be issues in terms of official languages, that new controllers will be hired to replace those in Montreal and that there will be resulting safety issues?

CN is doing the risk assessment. Will Transport Canada inspectors ensure that the appropriate safety measures are in place?

There are a lot of concerns at this time. Unfortunately, the workers that have reached out to you have not gotten a response.

• (1545)

**Hon. Marc Garneau:** That is a question that was raised. Safety is very important.

Regarding official languages, CN assures us that it is important for people working at the control centre to be able to communicate in French with train conductors in Quebec. That is a service that will be ensured.

CN is very aware of its obligations with regard to official languages, as they are closely related to operational safety.

[English]

**The Chair:** Thank you, Minister. Thank you, Mr. Berthold.

Mr. Rogers.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Welcome, Minister, and welcome to members of your staff, as well. It's good to see you here today answering questions for the committee.

The first question I have, Minister, is in regard to supplementary estimates (B). Can you elaborate on the \$7.1 million in additional funding that's going towards protection of the North Atlantic right whales? I understand that the money is being used in part to acquire another Dash 8 airplane for surveillance.

Why did we need this additional capacity? What type of work will they be doing, and how does it serve to protect or help protect the whales?

**Hon. Marc Garneau:** Thank you for the question.

In fact, earlier today, Minister Jordan and I announced this year's measures with respect to the protection of North Atlantic right whales. A very important part of that is for us to be able to do surveillance over the area in question, in this case the Gulf of St. Lawrence, and particularly the lanes where we allow ships to go faster on the condition of not having any North Atlantic right

whales in those lanes. If we spot one, we impose a speed restriction limit of 10 knots for 15 days after that.

Our interest, of course, is to protect North Atlantic right whales from collisions with ships. Therefore, we needed this additional aircraft to be able to do literally hundreds of hours of surveillance over the gulf during the summer period.

**Mr. Churence Rogers:** What will be the frequency of the surveillance? Is it something that will be ongoing?

**Hon. Marc Garneau:** It is something that is ongoing. Last year, we really became aware of the fact that we were short an asset because we had to fly out, sometimes twice a day, if I'm not mistaken, over the gulf. The only times we restricted ourselves was when certain weather conditions would not permit us to do that.

We take the job very seriously, and it's important for us to provide the information so that everyone who's out there in the gulf—I'm talking about maritime shipping, ferries, cruise lines and fishermen—is aware of where the North Atlantic right whales are located so they can take that into consideration as they go about their operations or if they're transiting the area.

**Mr. Churence Rogers:** Thank you for that. I'd agree. I think it's crucially important to protect the whales with this kind of service.

In your speech, you also mentioned that you want to reduce physical and regulatory barriers to the efficient movement of international commerce in the transportation system. Can you elaborate on the types of barriers you're talking about and what could be done to reduce some of those?

**Hon. Marc Garneau:** Simply put, Canada is a trading nation. We trade with the rest of the world, and it doesn't matter if we have great products and great trade treaties with other countries: If we cannot get our goods to them in a reliable and efficient manner—and we are experiencing a challenge right now—then they're going to look elsewhere to get their products. It's a world where other options are available to them.

Through the national trade corridors fund, which is a \$2-billion program that was put in place two years ago, we've already approved 80 projects. These are focused on removing physical barriers to the flow of trade across the country, primarily trains going to our ports and then on to foreign destinations, but trucking as well. It's so that we can get rid of bottlenecks where they do exist in the country. There are a lot of bottlenecks. We're the second-largest country on earth, and it also includes things like the St. Lawrence Seaway, which is an important trade corridor. That program is focused on trying to remove physical barriers to the efficient movement of goods.

You mentioned the regulatory side. The regulatory side is another impediment that exists in this country, and both the Conservatives and the Liberals have recognized this. We want to remove some of those barriers between provinces. It's not a straightforward thing, for example, for a truck leaving Halifax to be able to respect all the regulations in each of the provinces if it's on its way to the other end of the country, because there are different provincial regulations. Wherever we can harmonize regulations interprovincially in order to move goods more efficiently, that also helps with the reliability of our trade.

• (1550)

**Mr. Churence Rogers:** Some of the comments you're making are in response to some of the great work the transport committee did last spring on the trade corridors study, and some of the things we submitted in a report. That's good to hear.

We also did a study last spring on bus safety. In your speech, you mentioned common goals for enhancing road safety, with an emphasis on school buses and improved training. I'm particularly interested in school buses. What kinds of improvements have we made for them?

**Hon. Marc Garneau:** I meet with my provincial and territorial counterparts about once a year. We met about a year ago, in January, and we all agreed that we were going to strike a task force to look at how we can improve the safety of school buses. As it is right now, school buses are by far the safest way for children to get to school—much safer than getting in the car with their parents. But there's always room for improvement.

This task force submitted its report, which is available online now, and they did an excellent job of pointing out some things we can do.

The fatality rate from school bus accidents is very low. Most of them, 80%, occur outside the bus. There are measures the task force proposed, four of them specifically for outside the bus, that are aimed at making it safer when the child leaves the bus or is getting ready to get on the bus, particularly if there is oncoming traffic.

We also looked at the question of seat belts. Seat belts are a complicated issue. It sounds like a no-brainer to put a seat belt in a bus, but it's more complicated than that. As a result, we agreed with the provinces and territories to do two pilot projects this coming year to look at the issue in all of its dimensions.

**The Chair:** Thank you, Minister, and thank you, Mr. Rogers.

Mr. Barsalou-Duval.

[*Translation*]

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you very much, Mr. Chair.

I would like to come back to the issue of the relocation of CN's rail traffic controllers. You made a commitment to rail safety in your speech just then. My colleague also asked you an interesting question on that subject.

You stated that the decision to consolidate CN's controllers in a single centre in Alberta was CN's to make. You don't seem particularly concerned about the issue. When the issue of the high-profile

protests being held on rail lines came up, you said that it was a provincial matter. You didn't really do much in that respect.

If you were asked to do so, would you be willing to look into the issue of controllers being relocated in Alberta?

**Hon. Marc Garneau:** I said that the decision was made by a private company, CN. I never said I wasn't concerned about it. We've looked into it on our end because we're well aware of the importance of making sure that there won't be any risks to the safety of our railways.

Since you've been here for quite a while, you already heard me state that rail safety is my top priority. We've been in contact with CN, who, as a private company, is entitled to make those kinds of decisions. That said, it has assured us that there will be no impact on rail traffic control. As you know, we're living in the 21st century, and as such, rail traffic control can be done at a distance, from anywhere. The important thing is that rail traffic control be carried out in the proper language, and in this area, I am satisfied.

**Mr. Xavier Barsalou-Duval:** Based on what the controllers have told us, CN hadn't even completed its risk assessment when it made the decision to relocate its operations. Have you carried out your own independent risk assessment?

**Hon. Marc Garneau:** After speaking with CN officials, we're satisfied that they will ensure that rail safety won't be impacted.

• (1555)

**Mr. Xavier Barsalou-Duval:** Do you intend to do your own risk assessment related to this decision?

**Hon. Marc Garneau:** No.

**Mr. Xavier Barsalou-Duval:** No. Okay.

I have a question for you on another topic.

You've spoken a great deal about trade corridors. As you know, this is an issue that is very important to me because of the Port of Montreal's project to build a new container terminal in Contrecoeur, in my riding.

We've been waiting on funding announcements for a while, now. Quebec is getting a raw deal as part of the national trade corridors fund. Barely 10% of the funds will be going to Quebec.

The project in Contrecoeur is really worthwhile. First, I would like to know why the investment hasn't been announced yet. And second, is there an explanation for the delay?

**Hon. Marc Garneau:** As I've mentioned before, it was originally a \$2-billion fund. We've already approved about 80 projects worth a total of \$1.7 billion. It's an incredibly popular program. As I've mentioned, one of the funding criteria is that projects need to make transportation corridors as efficient as possible with the least amount of congestion. It all comes down to each project's individual merits. There is no predetermined proportion of the funds allocated to each province.

**Mr. Xavier Barsalou-Duval:** In your opinion, then, the project in Contrecoeur lacks merit?

**Hon. Marc Garneau:** You were there when the Infrastructure Bank announced a \$300-million investment, contingent on an environmental assessment. That's not bad at all.

**Mr. Xavier Barsalou-Duval:** I agree with you, the Infrastructure Bank's investment is a good thing, but it would be nice if the national trade corridors fund could invest in the project, as well.

**Hon. Marc Garneau:** We've already invested in the port of Sept-Îles, in the port of Montreal and in the port of Trois-Rivières. So we've been supporting ports.

There have been two investments in the port of Sept-Îles, which has announced an all-time record volume of trade this year.

**Mr. Xavier Barsalou-Duval:** I understand that investments have been made in Quebec, but the fact remains that 10% of the funds is woefully inadequate. I would've expected you to be of the opinion that Quebec deserves to get a significant proportion of the fund, at least relative to its population.

**Hon. Marc Garneau:** We're listening, and we're accepting proposals. Every time a proposal is submitted, we assess it in order to determine its value and usefulness. If the criteria are met, then we're willing to go forward.

**Mr. Xavier Barsalou-Duval:** In your speech earlier, you mentioned environmentally responsible transportation, especially as regards marine transportation. You also talked about the oceans protection plan that you're working on with Fisheries and Oceans Canada.

I'm worried that, on the one hand, Canada claims to want to protect oceans, and on the other, it allows oil development in protected areas. Does that make sense to you?

**Hon. Marc Garneau:** The first thing I would bring to your attention is Canada's recent decision to support a ban on heavy fuel oil used in ships navigating north of the 60th parallel. Indeed, we're concerned about the environmental impact this would have in the north.

**Mr. Xavier Barsalou-Duval:** I'm talking about oil development in protected areas.

**Hon. Marc Garneau:** Which protected area are you referring to, exactly?

**Mr. Xavier Barsalou-Duval:** This is about your own government's marine protection rules allowing oil development in marine protected areas.

**Hon. Marc Garneau:** I would suggest asking the Minister of Natural Resources. The development of our natural resources falls outside my jurisdiction.

**Mr. Xavier Barsalou-Duval:** I completely understand, but you did say earlier that your mandate letter mentions the oceans protection plan, which is why I brought it up.

Still on the topic of the environment as it relates to transportation, there is an issue that has me very concerned in my riding, that of bank erosion along the St. Lawrence River. Does your government intend to take concrete action to protect the river banks?

**Hon. Marc Garneau:** I believe we've already talked about this. This is a challenge that we all need to address, but on several levels, involving the federal and provincial governments and several departments. It's an important issue. On the transportation side of things, we're monitoring water levels and we've imposed speed restrictions to avoid ship generated waves from reaching the river banks.

As you know, there are several other factors, including climate change, increased precipitation and other environmental factors, that contribute to bank erosion. We are all well aware of them.

When there was flooding in Laval last year, I was down there, shovelling along with everyone else.

• (1600)

[English]

**The Chair:** Thank you, Minister. Thank you, Mr. Barsalou-Duval.

Ms. Ashton.

**Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP):** Thank you, Minister, for being here.

First, I do want to signal our concern that despite your introductory comments today committing to more work on rail safety, your mandate letter unfortunately does not actually refer to rail safety this time. A growing number of Canadians are increasingly impacted by unsafe situations on their rail lines—as proven by recent incidents—and we believe this should be clearly highlighted, as you did in your comments, by the Prime Minister and your government.

My first question is about justice for the derailment that killed Dylan Paradis, Andrew Dockrell and Daniel Waldenberger-Bulmer on February 4, 2019. Recently we've come to know, as a result of some in-depth investigative work done by *The Fifth Estate*, that there are some serious questions about what happened to these three workers. The rail company has absolved itself. The TSB cannot direct a criminal investigation, but you and your government have a responsibility to get to the bottom of this on behalf of not just the workers who are no longer with us, but also the families that are clearly seeking answers and justice for their loved ones.

Will you, as minister, commit to investigating—including a criminal investigation—these three deaths?



**Hon. Marc Garneau:** Ms. Ashton, it is in my mandate letter, contrary to what you said at the beginning. It says, “Continue to improve the safety of Canada’s transportation sector”.

Second, you made the comment that CP has absolved itself. I think that’s a rather imprudent comment to make. You know the reality of this situation. When a tragic accident like this happens, a series of actions need to happen with respect to investigations.

**Ms. Niki Ashton:** I’m wondering about your role. I’m not interested in CP’s position.

**Hon. Marc Garneau:** Transport Canada’s role, in this particular case, is to conduct an occupational health and safety evaluation. The big evaluation is being done by the Transportation Safety Board. This is the body—and as you know, it is independent from Transport Canada—that is called in to investigate whenever a transportation accident or incident occurs, and it is busy doing that.

I can assure you that TSB is a very professional organization. At the end of this, based on the gathering of all the necessary information and speaking to all the required people, it will conclude what the cause was and will follow that with recommendations. Those recommendations could come to Transport Canada, to CP or to a number of other organizations.

**Ms. Niki Ashton:** We do look forward to that, but the piece around the need for a criminal investigation was—

**Hon. Marc Garneau:** I can speak on that.

**Ms. Niki Ashton:** I’d like a yes or no answer on whether you’re willing to take that on.

**Hon. Marc Garneau:** A criminal investigation is decided by the local police authority. That’s how it’s done. Transport Canada can’t come in and say, “We want a criminal investigation.”

**Ms. Niki Ashton:** Given the questions that are lingering, and the fact that TSB is not mandated, we want to see answers being given, not just for the families, but also to prevent a tragedy like this from ever happening again. We will be looking forward to TSB’s report, but we believe, given the questions being asked, that a criminal investigation must be pursued.

I want to move on to another major topic. Your government announced, with great fanfare, the implementation of the air passenger bill of rights. Many were very hopeful about this. The reality is that Canadian consumers are being taken advantage of, day in and day out, by airlines in this country. As we’ve seen over the last number of months, there are some egregious loopholes that have emerged. This has led to honeymoons being ruined, families not being able to be reunited for important events, and one member of a couple being treated differently than the other, even though they were on the same flight—some truly bizarre, but very problematic scenarios that shouldn’t be happening with an air passenger bill of rights.

This stands in sharp contrast to Europe, where the passenger bill of rights allows for advocates, allows for rewards in cases of delays due to weather and maintenance, and is far stronger when it comes to accountability. Do you feel that the air passenger bill of rights goes far enough, or does your government need to move forward in response to the gaps and loopholes the airlines are finding?

• (1605)

**The Chair:** You have 40 seconds, Minister.

**Hon. Marc Garneau:** I’ll answer that.

First of all, I mentioned that Transport Canada is doing an occupational health and safety investigation. That’s under the labour code, and my deputy minister told me that it could result in charges in the case of the tragic accident in Field, B.C.

I’m very happy that we came forward with passenger protection, because people have been asking us for 10 years—as long as I’ve been a politician—for that. There’s a period when people begin to say, “Well, look, I wasn’t treated properly. According to my interpretation of the rules, I should have been compensated”, and the airlines say, “No, that’s not what we think.” In that case, as you know, many are going to the Canadian Transportation Agency, which will arbitrate.

I would call this the kind of shakedown that needs to happen when the airlines and the passengers have different interpretations. I think we’re going to come out of this with a much clearer understanding, and there will be a lot fewer of the situations you’ve described.

**The Chair:** Thank you, Minister. Thank you, Ms. Ashton.

Mr. Baldinelli, you have five minutes.

**Mr. Tony Baldinelli (Niagara Falls, CPC):** Thank you, Chair.

Thank you, Minister and officials, for being here this afternoon.

Minister, your mandate letter says, “Canadians require a transportation system that is safe and reliable, that facilitates trade and the movement of people and goods”. Yesterday, you were quoted in an article in the *National Post*. You said, “Even if the barricades all came down tomorrow and the trains worked very hard to get back up to speed, some of these effects are going to be felt for weeks and months to come.”

I think you would agree that these rail blockades have cost the Canadian economy billions of dollars over the three-week period. They have caused thousands of layoffs and have risked supply shortages of critical goods in certain regions of the country. Do you agree that these protests, the blockages, are damaging and have damaged the Canadian economy, yes or no?

**Hon. Marc Garneau:** Yes, I do. I said so yesterday. I'm not prepared to say "billions", because I don't have the expertise yet to do so, but there are certainly very serious impacts. There's no question about it.

Not only do we hear about layoffs, but about products that can't be put on the trains to be brought to the ports, and about the ports that can't load them on the ships, and about large numbers of ships at anchorage. It doesn't take much to realize that this has a very important impact on a country that is a trading nation and that moves a lot of goods continuously. More than 300 billion dollars' worth of freight per year moves by train in this country.

It is having an effect. What's important to realize is that even if we start tomorrow and have all the barricades down, it takes weeks, perhaps months, to get back up to speed.

**Mr. Tony Baldinelli:** Thank you, Minister.

I'd like to go on to trade corridors. Thank you for including some of the statistics within your remarks about the more than 80 projects, 50 funded so far.

My honourable colleague mentioned the report from last year. I believe it was tabled one year ago this month. It talked about a mid-peninsula corridor. There was a case example and a case study review that included the Niagara region. It talked about not only the mid-peninsula corridor, but the greater use of marine transport and using expansion of industrial lands, primarily located in south Niagara, for economic growth.

Minister, are you and your colleagues committed to reviewing and advancing that idea?

**Hon. Marc Garneau:** We have received an enormous number of project proposals under the national trade corridors fund. It's extremely popular, if I can put it that way, and we have to make difficult decisions. There are many very meritorious projects, but we have to look at it from the point of view of which ones are the most urgent at the moment and are those that we feel will have the greatest effect.

This is not to take away from any other projects, but we don't have an unlimited amount of money. I'd like to do all sorts of projects to make things move more smoothly.

There have been projects that were not picked up in the first submission but were picked up in the second submission. It doesn't mean that if a project doesn't get it when they want it, they're not going to get it.

• (1610)

**Mr. Tony Baldinelli:** Thank you, Minister.

Here is something that hasn't been touched upon yet. It concerns the airport authority. One of your priorities within the mandate letter was the transfer of the Canadian Air Transport Security Authority to a non-profit entity.

I believe that transfer, when originally announced, was to occur by April of this year. Is that still the deadline?

**Hon. Marc Garneau:** We need to give it more time, because it's taking a little bit longer. In the meantime, CATSA will continue to

operate as is, but that transfer will definitely happen. The planning for it is under way at the moment, and the transition will take place.

**Mr. Tony Baldinelli:** Am I correct in saying that as part of that planning, the funding provided to CATSA is included in the ticket price the consumer pays, under the air travellers security charge from 2002?

How much is that annually? What is CATSA's budget?

**Hon. Marc Garneau:** I'd have to get back to you with the specific numbers, but the air travellers security charge—the ATSC that you referred to—is collected by the airlines and is given to the Government of Canada. It goes into general revenue, and then the Government of Canada gives money back to CATSA for its operations.

That will be changed under the new arrangement.

**Mr. Tony Baldinelli:** Thank you.

Will that full funding—that full price that CATSA is getting now—be transferred to this non-profit entity?

Second, will the successor rights of employees be built into your plans, so that their contractual benefits, salaries and pension plans are protected?

**Hon. Marc Garneau:** I'll pass it to the deputy minister.

**Mr. Michael Keenan (Deputy Minister, Department of Transport):** Thank you.

There is a transition period during which the Government of Canada, for an initial period, will transfer the funding for CATSA to the not-for-profit private sector entity that is being set up to run it.

After the transfer period, that entity would directly collect the ATSC from passengers, so the money will no longer come into the government and go back out. It will go directly from passengers, through the ticket, to the new entity. At that point, precisely 100% of what is collected will go to the entity. In time, the government will transfer to the entity what it is currently providing to CATSA to maintain operations, with the regular escalation for volume, etc.

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

Thank you, Mr. Baldinelli.

Mr. Sidhu.

**Mr. Maninder Sidhu (Brampton East, Lib.):** Mr. Chair, I would like to split my time with my colleague Mr. Bittle.

First, I'll thank you, Minister, for taking the time to be here today.

Minister, transportation is one of the largest sources of greenhouse gas emissions, and there's no doubt that zero-emission vehicles help fight climate change. In my riding of Brampton East, in the city of Brampton, we have quite a few constituents who commute one to two hours a day using their personal vehicles.

Minister, can you please tell us what your ministry is doing to make zero-emissions vehicles more affordable?

**Hon. Marc Garneau:** Thank you for the question.

You're right. Transportation accounts for about a quarter of all greenhouse gases, and half of that quarter is due to motor vehicles, light duty vehicles, which is cars. They definitely play a major role in contributing to greenhouse gases.

One thing we brought into place was the federal incentive last year. It was for \$5,000 for an all-electric vehicle below a certain price, and \$2,500 for a hybrid rechargeable, again under a certain price. There were also arrangements for people who lease cars, that kind of thing.

The program has been incredibly successful. As a result of that—I have the statistics here—between May 1, when it kicked in last year, and December 31, sales of all zero-emission vehicles in Canada were up 30%, compared with the same period last year.

In fact, we're spending the \$300-million allocation of this program faster than we had anticipated, because of its popularity. It is beginning to have an effect, particularly in provinces like B.C. and Quebec, which also have provincial incentives.

• (1615)

**Mr. Maninder Sidhu:** Thank you.

**The Chair:** Mr. Bittle.

**Mr. Chris Bittle (St. Catharines, Lib.):** Thank you so much.

I know there's some St. Lawrence Seaway land in Mr. Baldinelli's riding in Niagara-on-the-Lake. With regard to the supplementary estimates, could you talk about what properties we're talking about, to whom they were sold and what the proceeds will be used for with respect to those seaway lands?

**Hon. Marc Garneau:** I am just getting that information out here.

There is a Treasury Board directive that exists for the sale of surplus real property, and there was this property in the St. Lawrence Seaway that was not required by the seaway. What happens is that it goes to Canada Lands, and then there's a sale process that happens.

Niagara-on-the-Lake and La Prairie, Quebec were two areas where excess land was being divested to the private sector. The properties in Niagara-on-the-Lake were identified as surplus to the operations of the seaway in 2013, along with a large number of properties in Quebec and Ontario. These properties were being leased to farmers, many of whom had been on these lands for at least 25 years. The department sought authority to direct sales of the properties in Niagara-on-the-Lake to the existing tenant farmers, and it has been completing these sales since 2017. These sales will conclude this fiscal year. They had been renting the land and they were given the option of buying it, so now they own it.

**Mr. Chris Bittle:** Thank you so much.

Can you explain Transport Canada's role in the deal we have heard about between CN and CP with respect to sharing the tracks during these blockades?

**Hon. Marc Garneau:** There have been cases in the past where CN and CP have worked voluntarily together and co-operated. They've made deals because they are the two main lines. Sometimes, in certain parts of the country, if, for whatever reason, one part of one company's line is down because of natural disasters, typically, or things like that, they have come to arrangements to share the other company's line.

That's worked. It doesn't happen very often; they are competitors. In this particular instance, the government felt that it was important to speak to CP and see, because its operations between Montreal and Toronto had not been impacted by the blockades at Tyendinaga, which are on the CN line. To CP's credit, they were willing. They had some capacity to allow some CN trains to join onto their lines, and this helped to keep certain products moving, which was very good. We didn't want to publicize it, and they certainly didn't want to publicize it, but I think it gave us a little extra time.

**Mr. Chris Bittle:** Thank you.

**The Chair:** Thank you, Minister. Thank you, Mr. Bittle.

Mr. Doherty.

**Mr. Todd Doherty:** Minister, you've been tasked with implementing measures to strengthen transparency, accountability and efficiency at Canadian airports. Can you confirm with this committee that you have been consulting with airports?

**Hon. Marc Garneau:** The answer is yes.

**Mr. Todd Doherty:** Can you confirm with this committee which airports you have been consulting with?

**Hon. Marc Garneau:** No. We're looking particularly at seeing whether there are certain things we need to do with our airport authorities—I'm talking about the larger airports—because we really have not changed the model under which the Canadian airport authorities work, and there are some things they have asked for and that we're asking for. Transparency is one of those things, so that there's greater visibility with respect to some aspects of their operations.

**Mr. Todd Doherty:** Minister, small airports with low passenger volumes have a particularly tough time covering the costs of ongoing infrastructure, maintenance and upkeep. You're well aware of that. Your government has recently introduced new rules for travellers with disabilities and has said it will soon introduce new regulations on runway safety areas such as RESA.

Can you please share with this committee what plans you have to help small airports meet these new regulatory requirements and maintain their infrastructure?

**Hon. Marc Garneau:** In some cases they are entitled to the ACAP funding. That is something that is extremely popular in this country. Typically, it's about \$40 million a year.

• (1620)

**Mr. Todd Doherty:** You and I both know there are airports that fall outside of that ACAP funding.

**Hon. Marc Garneau:** Yes.

**Mr. Todd Doherty:** Airports repeatedly have come to your ministry to ask for further funding.

**Hon. Marc Garneau:** Yes, that includes Prince George, and we have found a way to fund them...and others like Charlottetown and others that fall between the cracks.

**Mr. Todd Doherty:** That's right.

**Hon. Marc Garneau:** I would say that we found a good way to do this through the national trade corridors fund.

**Mr. Todd Doherty:** Minister, Taiwan is an important transportation hub in Asia and should be included in the WHO and ICAO to fight against the coronavirus. The ICAO has yet to include Taiwan in its apparatus. This is unacceptable and detrimental to the global effort to contain the ongoing novel coronavirus outbreak.

Will you support Taiwan's meaningful participation in ICAO?

**Hon. Marc Garneau:** On that one, I would refer you to Global Affairs.

**Mr. Todd Doherty:** Minister, can you confirm to us how many arrests have been made and how many charges have been levied with respect to the damages? Yesterday we saw fires being lit, tires being thrown, wilful damage, wilful acts of violence and vandalism on our railways.

Would you confirm to us how many arrests and how many charges have been levied in the last three weeks?

**Hon. Marc Garneau:** I don't have that at my fingertips. There have been arrests, there's no question. I don't know what else.... It is something that's decided by the provincial authorities, the provincial police—the OPP, as an example—or the RCMP in B.C., because there have been blockades taken down there.

I would have to inquire with those provincial authorities.

**Mr. Todd Doherty:** Minister, during the validation of the 737 Max, the Transport Canada test pilot working on the file had questions about the maneuvering characteristics augmentation system, MCAS, prompted by the stabilizer trim running in the simulator as the MCAS activated and the test pilot not knowing why. The test pilot at that time wrote a concern paper. Are you aware of that concern paper?

**Hon. Marc Garneau:** No, I'm not. I would have to dig into what you have just talked about. I don't have sufficient context or knowledge of when this happened in the simulator.

**Mr. Todd Doherty:** You wouldn't know whether TC referred to that concern paper following the second accident, the Ethiopian accident.

**Hon. Marc Garneau:** They may have. I'm not with them intimately every single day. I have a very capable team. I think you spoke to Nick Robinson and David Turnbull earlier this week, possibly, and I hope they were able to answer your questions. They are immersed in this in a very serious manner, and I hope they were able to convey to you all of the work we are doing to satisfy ourselves that we're going to make sure this airplane doesn't fly again until it's fit to fly.

**The Chair:** Thank you, Minister.

Mr. Berthold.

[*Translation*]

**Mr. Luc Berthold:** Minister Garneau, I would be remiss if I didn't mention the rail bypass in Lac-Mégantic.

Are you able to give people a more specific time frame on this file? Certain things are always changing and people are starting to worry about the timeline of the whole project.

**Hon. Marc Garneau:** I hope they're not worried. We've indeed committed to building a rail bypass, which I'm very proud of, given how much work had to be done to get us to where we are today. I would like to thank the Province of Quebec, which has been collaborating on this project.

As far as I know, the negotiations to acquire the lands that will be used for the rail bypass are being led by another department; it will be up to that department to set a reasonable price.

**Mr. Luc Berthold:** Have you determined who will be the principal contractor in this file?

[*English*]

**The Chair:** Mr. Berthold, your time's up.

Minister, I'll give you 30 seconds.

[*Translation*]

**Hon. Marc Garneau:** We intend to begin with plans and quotes later this year. The Central Maine & Quebec Railway, the CMQR, continues to be involved, even though it has been bought by Canadian Pacific.

[*English*]

**The Chair:** Thank you, Minister. Thank you, Mr. Berthold.

Mr. El-Khoury.

[*Translation*]

**Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.):** Thank you, Mr. Minister, for being here. I'd also like to thank you for the work and effort made by your department to improve and modernize our transportation system. The construction of the Champlain Bridge, which is a source of national and international pride, comes to mind. Again, thank you.

With respect to the supplementary estimates, as I understand it, part of the funds from the sale of Transport Canada's surplus properties will be used to ensure that the former owners of lands expropriated in Mirabel in 1969 will have the opportunity to buy back those lands.

Could you explain in further detail why it is important for your department and the Government of Canada to offer these people the opportunity to buy back the lands in question?

• (1625)

**Hon. Marc Garneau:** Thank you for your question.

I went to Mirabel last May. At that time, our colleague Ms. Joly also held discussions on this issue. In a way, it is a matter of righting a wrong. Many people had been hard hit by the expropriations at Mirabel. At the end of it all, there was still a wooded area. We wanted to ensure that the descendants of the people who were expropriated at the time would have first choice. This gesture cannot fix everything, but at least it indicates that we recognize that what was done should not have been done.

**Mr. Fayçal El-Khoury:** Thank you.

Mr. Minister, one of the objectives is to strengthen Canada's reputation internationally, which is in your mandate letter. You're saying that physical obstacles are hindering this progress.

Could you tell us what action you're currently taking to reduce or eliminate those obstacles?

**Hon. Marc Garneau:** In this regard, the Trade and Transportation Corridors Initiative plays an extremely important role. Take the port of Vancouver on the west coast as an example. It receives a lot of ships from Japan, which imports a lot of grain from Canada. The Japanese companies insist—and this is normal—that their ships be allowed to go to the terminal when they arrive, that they be filled and then they leave. For these companies, the quality of the product—about which there is no doubt—is important, but so is its availability, given that they have to meet very tight deadlines.

In Canada, we sometimes face challenges in the transportation of grain, which comes primarily from the west. About 20% of grain comes from the east, but the remaining 80% comes from the west. There are mountains, floods, rains, avalanches and a lot of those kinds of things, but there are also challenges when trains are slowed down by road traffic. Fifty or 100 years ago, trains dominated transportation, but now the cities and towns slow down their traffic, especially when they come into the area known as the Lower Mainland. We're trying to remove barriers so that trains can get to the port more quickly, because we're trying to be efficient. That's one example.

**Mr. Fayçal El-Khoury:** Thank you.

Mr. Minister, you say that you're working to improve rail transportation and trade corridors. Last week, I had a visit from Port of Quebec authorities. They told me about expansion to build storage facilities for containers.

Does such a project, which will stimulate the Quebec economy and create jobs in the region, fit with trade corridors?

**Hon. Marc Garneau:** That could be the case. It would be necessary to consider in detail what the project entails. If the result of the project is to get more material to other destinations more quickly, it should be seriously considered.

A large part of the funds allocated is aimed at intermodality. For example, when a ship arrives, the containers that are unloaded are sometimes put on trains. In this case, however, a train needs to have a railroad that allows it to leave quickly, full of containers.

Also, many trucks deliver containers to the port of Montreal. Ideally, in terms of efficiency, the trucks enter the port to have their containers unloaded and put almost immediately into the ship. This is the ideal situation, but sometimes there are traffic challenges, such as congestion due to having to cross the city. All of this slows down the process. But, as is often said, time is money.

This is what we try to solve through the projects we accept. Perhaps this project is eligible.

• (1630)

[*English*]

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

Thank you, Mr. El-Khoury.

Mr. Barsalou-Duval.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

I'd like to come back to the issue of the shoreline erosion of the St. Lawrence. We weren't able to talk much about it earlier.

In 2019, I came with some citizens—we had warned your office—to ask to meet with you. We also tabled a petition on this issue. However, your office did not grant our request to meet with you, and you never responded to the petition. That was in May and there was a 45-day deadline, which would have given you ample time to respond before Parliament was dissolved.

I'd like to know why you refused to meet with the group and why you didn't respond to the petition.

**Hon. Marc Garneau:** As I mentioned, shoreline erosion is not just caused by the passage of ships, which is the responsibility of Transport Canada. It's a complex phenomenon. You know all the other reasons. We would support working with a lot of other groups. It's not an issue that only Transport Canada needs to address. We need to make sure that we minimize shoreline erosion, in terms of vessel speed, but we also recognize the importance of efficient marine transportation.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Garneau.

**Hon. Marc Garneau:** You should communicate with Fisheries and Oceans Canada and the Canadian Coast Guard, which has direct responsibility.

**Mr. Xavier Barsalou-Duval:** I understand your position.

I would now like to turn to the issue of the transfer of the Canadian Air Transport Security Authority, which is a not-for-profit organization. In the past, when we privatized such an organization, such as NAV CANADA, there were significant reductions in service. This was the case in Mont-Joli, Quebec City, Rouyn-Noranda and Sept-Îles. You say that it was supposed to improve efficiency, reduce costs, and so on.

Can you guarantee, on the one hand, that small municipalities and small airports in the regions of Quebec will not pay the price of this privatization in terms of reduced services?

On the other hand, the tax imposed on the airline ticket is uniform everywhere nowadays, whether you come from the United States, Canada or anywhere else on the planet. We know very well that it is not in small regional airports that people arrive from China or other countries from abroad. Most flights come from within the country, yet these small airports have to pay the same tax as others.

Can you also assure me that these airports will not be penalized for the application of the future tax?

[*English*]

**The Chair:** Could we have a short answer, Minister?

[*Translation*]

**Hon. Marc Garneau:** Actually, the tax varies based on whether the flights are international or national. We could discuss that further.

In the case of NAV CANADA, it is responsible for the safe control of Canadian airspace. That is its job, its responsibility. At one time it belonged to Transport Canada. We were responsible for regulating it. To regulate an organization that already belongs to us is not a good thing. That kind of independence is necessary.

Having said that, I want to point out that NAV CANADA is recognized worldwide for the quality of its work when it comes to air traffic control.

[*English*]

**The Chair:** Thank you, Minister.

Thank you, Mr. Barsalou-Duval.

Ms. Ashton.

**Ms. Niki Ashton:** Minister, on February 18, two days after you lifted your ministerial order, a CN train went off the tracks just south of Emo, Ontario. A total of 31 rail cars went off the tracks, 26 of which were tankers, and five leaked crude oil. This is according to the safety board.

People in Emo were very frightened by what happened. People in communities across the country, including those in Saskatchewan, are asking, why not make permanent what you made temporary? As we know, only two days later, the derailment in Emo took place, a derailment that could have been much worse.

• (1635)

**Hon. Marc Garneau:** The ministerial order that I put in place only goes to March 31, and during that period of time we are working with CN and CP on a whole bunch of other safety-related measures, which will come into application starting on April 1.

What you have seen with respect to lower speeds is only part of the whole thing. I am very concerned that there are too many derailments in this country, and that is the discussion we are having with CN and CP.

**Ms. Niki Ashton:** I appreciate that you're taking measures on this front. We certainly hope that urgent action is taken.

Also on the point of rail safety, one of the crashes in Saskatchewan involved, I believe, entirely the new TC-117 cars. They derailed and exploded. Canadians were told that these cars were safe. Obviously they are not. What is your government doing in reaction to this very troubling news?

**Hon. Marc Garneau:** We did not say they were safe. We said they were safer; there's a difference. If in your car you drive at 60 miles per hour into a wall, you're not going to—

**Ms. Niki Ashton:** In terms of action, I'm looking to hear—

**Hon. Marc Garneau:** Okay. What we did was accelerate the transition from the older DOT-111s to the new TC-117 model. The trains go at a certain speed, and there cannot be a guarantee that you're not going to have a puncture or a leak at certain speeds. They are, though, safer than the old ones, and that is definitely a move in the right direction.

**The Chair:** Thank you, Minister.

Thank you, Ms. Ashton.

Minister Garneau, thank you for your time today. We appreciate as well your team's being here with the committee.

**Hon. Marc Garneau:** It's my pleasure.

**The Chair:** Members, we're now going to suspend.

• (1635)

(Pause)

• (1640)

**The Chair:** Members, I shall reconvene.

Minister McKenna, welcome to the committee.

**Hon. Catherine McKenna (Minister of Infrastructure and Communities):** Hello.

**The Chair:** I appreciate your making time today. I know you have a tight schedule, and I hear yours is the only plane that actually made it into Ottawa today.

**Hon. Catherine McKenna:** Mine was the one plane. It was amazing.

I'm going to talk to the Minister of Environment, because the weather has failed.

**The Chair:** Ms. Gillis, thank you for being here as well. It's good to have the team out.

Minister McKenna, you have 20 minutes. The floor is yours.

**Hon. Catherine McKenna:** Thank you very much. I'm thrilled to be here.

This is my first appearance before the Standing Committee on Transport, Infrastructure and Communities as the Minister of Infrastructure and Communities.

I'd like to start by congratulating the newly elected chair and vice-chairs and thanking all of you for your efforts on behalf of Canadians.

I'm here with my excellent deputy, Kelly Gillis, whom I've leaned on heavily as I've been getting up to speed in this important portfolio.

As you all know, infrastructure impacts every single Canadian every single day—the way we work, do business, live, play; it determines how much time we're able to spend with our families, how we manage a sustainable way of life and what type of communities we leave to our children and grandchildren.

*[Translation]*

I'm here today to speak with you and answer your questions about the progress we have made in delivering the government's historic investing in Canada plan.

*[English]*

When we first took office in 2015, we recognized that our country faced a historic challenge and opportunity, an opportunity to use low interest rates, strong federal finances and the challenge of the energy transition at a time of climate change to invest in transformative projects like public transit, high-speed broadband and renewable energy.

Countless studies have pointed to clean and low-carbon infrastructure investments as one of the best ways to prepare for the economy of the future, and the finance minister's economic advisory council identified infrastructure as the most powerful driver for growth and productivity, both in the short term and in the long term.

The flip side, presented by groups such as the Federation of Canadian Municipalities and the Insurance Bureau of Canada, is that significant investments in resilient infrastructure can save us billions of dollars.

*[Translation]*

We spoke with Canadians in communities across the country. We spoke with indigenous partners, provincial, territorial and municipal leaders, and countless stakeholders.

They told us what they needed for their communities and their residents to be successful, and we listened. It was with this important feedback in mind that we designed the investing in Canada plan.

The plan includes big cities and smaller communities, suburban, rural and northern, and it's designed to create good jobs and grow the economy, invest in cleaner air and water, modern and reliable public transit, resilient infrastructure, and sustainable communities. And we are making tremendous progress.

The Government of Canada has already committed over \$65.1 billion in federal funding through the investing in Canada plan, funding more than 52,000 projects, most of which are either under way or completed.

• (1645)

*[English]*

*[Translation]*

We have invested \$2.2 million in clean drinking water infrastructure in Plessisville, in your riding, Mr. Berthold. Federal funding has been invested in a pumping station and wastewater upgrades in Vercheres, in your riding, Mr. Barsalou-Duval.

*[English]*

There is also the \$12 million invested in Prince Rupert's drinking water system in your riding, Mr. Bachrach.

Our government has been investing in projects that are creating good jobs and supporting our nation's ongoing transition to a clean-growth economy, and that was just the beginning, which brings us to today.

Our investments focus on five main priorities. These are public transit, green, social, trade and transportation, and rural and northern communities' infrastructure. The goal is to improve Canadians' quality of life.

*[Translation]*

That's why we're committed to working with provinces and territories to purchase 5,000 zero-emission school and transit buses over the next five years, and it's why all new public transit funding will be zero-emission options by 2023.

We are very fortunate to have Canadian companies who are world leaders in electric buses, like Nova Bus and New Flyer.

[English]

With the capacity and the know-how to build those electric buses right here in Canada, this is a win-win.

Since 2015, Canadians have created approximately 80,000 jobs in the infrastructure sector, which has contributed significantly to the million-plus jobs created across Canada on our government's watch.

[Translation]

In fact, I'd like to see us promote Canadian companies that use low-carbon building materials, such as CarbonCure Technologies from Dartmouth, Nova Scotia, or cross-laminated timber from Chantiers Chibougamau in Quebec, or carbon-free aluminium from Elysis, a Montreal-based joint venture.

Just like infrastructure and the economy go together, so too, do infrastructure and the environment.

Through bilateral agreements with each of the provinces and territories, we are investing over \$33 billion across the country.

And we're encouraging them to work closely with their municipalities, their communities, and their municipal associations to bring projects forward quickly for federal approvals so no one misses a construction season.

We want Canadians to see and feel the benefits of these projects as quickly as possible.

• (1650)

[English]

In addition to my provincial and territorial counterparts, as well as indigenous leaders, I met recently with the Federation of Canadian Municipalities, the big city mayors' caucus, TransLink mayors in British Columbia and many other stakeholders across the country to hear about how we can improve their communities, to listen to their priorities and to see the impact our investments are having. The progress is real, such as the 88 on-reserve long-term drinking water advisories that we have eliminated across Canada, or the more than 900 rural and remote communities that are now benefiting from improved high-speed Internet access.

Consider the new Gordie Howe International Bridge, which will connect Windsor to Detroit, Michigan in 2024, vastly improving Canada's single busiest trade artery, which handles about a quarter of all Canada-U.S. bilateral trade every year.

[Translation]

Or the new Samuel De Champlain Bridge in Montreal that connects commuters, cyclists, pedestrians and tourists, not to mention providing a modern link that allows for \$20 billion of international trade each year.

[English]

The list goes on, but the work doesn't stop. For example, we are committed to moving forward on clean power to help support rural and remote communities transition from diesel power to clean, renewable and reliable energy. We're also working with the Canada Infrastructure Bank and others to deliver high-speed Internet access

to every home and business across the country by 2030, and we will support major nation-building projects through a national infrastructure fund, projects that connect people and businesses and help raise the standard of living for Canadians in significant and long-lasting ways.

Thinking long-term, we recognize that it's much cheaper to build now for a changing climate than to deal with the impacts later. That's the goal of our disaster mitigation and adaptation fund. When natural disasters strike, sending out our military to sandbag after flooding or to put out fires is far less effective than investing to mitigate the effects of disasters before they even happen. The return on investment from disaster mitigation has been estimated to range anywhere from six dollars of savings for every dollar invested to as much as \$14.

I have three key priorities: to work with partners to get projects built quickly; to leverage the power of infrastructure to grow our economy, create jobs and boost productivity; and to ensure that our projects help build a more resilient, low-carbon future.

[Translation]

The bottom line is that I see infrastructure not only as a fantastic nation-building exercise, but also as our chance to build the strong, prosperous Canada of tomorrow. When Canada builds, Canada grows.

[English]

I'd like to thank the members of the committee for the opportunity to update you on the important work we are doing to benefit Canadians. I'm pleased to answer any questions you might have.

Thank you.

**The Chair:** Thank you, Minister.

Mr. Berthold.

[Translation]

**Mr. Luc Berthold:** Thank you very much, Mr. Chair.

Good afternoon, Madam Minister. It is a pleasure to see you. First, let me congratulate you on your French. It is always nice to hear you answer questions in French.



Madam Minister, your mandate letter seems to be very elaborate. There are many things, many objectives and, unfortunately, many slogans. However, it does not have many tangible actions and measures showing how you are going to achieve all that. That seems a bit contradictory to me because, in terms of infrastructure, what you have managed to do as a government since 2015 does not necessarily measure up to the promises made, particularly during the 2015 election campaign.

In your mandate letter, one thing concerns me in particular. You say that: “Funds that are not designated for specific approved projects by the end of 2021 will be reinvested directly in communities through a top up of the federal Gas Tax Fund.”

Is that not an acknowledgement that your government has failed, because you are not able to carry out projects and agree with the provinces to ensure that the money goes directly to where it is supposed to go?

**Hon. Catherine McKenna:** Thank you very much for your question, which is very important.

We have already invested in 52,000 projects.

**Mr. Luc Berthold:** You have mentioned all those figures before, Ms. McKenna.

**Hon. Catherine McKenna:** I want to answer your question.

**Mr. Luc Berthold:** My question is whether this is an admission of failure. Is it because you don't think you are able to work with the provinces?

You were forced to threaten, to include this measure in your mandate letter.

**Hon. Catherine McKenna:** Personally, I would very much like to see more projects from the provinces. Only three provinces have submitted 10% of the projects that represent money.

**Mr. Luc Berthold:** That shows that you are not able to work with the provinces.

**Hon. Catherine McKenna:** We are trying to work with the provinces. We have the money. In my view, what Canadians, the people we represent, should be worried about is investments in infrastructure that grow our economy and create good jobs.

• (1655)

**Mr. Luc Berthold:** So—

**Hon. Catherine McKenna:** However, if we do not get projects from the provinces, there is nothing we can do. Otherwise, things would be better.

**Mr. Luc Berthold:** Let's talk about it. So, from what I understand, the provinces are to blame if there are no projects.

**Hon. Catherine McKenna:** So we—

**Mr. Luc Berthold:** I wanted to ask you a question, Ms. McKenna.

The Parliamentary Budget Officer was very clear. Unfortunately, when the federal government invests in the provinces, the provinces no longer invest.

The purpose of all the nice plans and their improvised implementation was to increase the gross domestic product by 0.3%. Unfortunately, that did not happen.

How do you explain the government's failure to achieve that result?

**Hon. Catherine McKenna:** As I said, we already have 52,000 projects. If we compare that to the Harper government, which you know—

**Mr. Luc Berthold:** I want to go back to my riding—

**Hon. Catherine McKenna:** —there are four times more projects than under the Harper government—

[English]

**The Chair:** Mr. Berthold.

[Translation]

**Hon. Catherine McKenna:** —during the same period.

[English]

**The Chair:** Mr. Berthold.

[Translation]

**Mr. Luc Berthold:** This is my time, Mr. Chair.

Ms. McKenna, that's very clear. You pointed out that \$2.2 million has been invested in Plessisville, in my riding. Thank you very much. Under the Harper government, \$100 million was invested in projects in my riding.

Investing in the regions and in infrastructure is not something new or something that the Liberal government invented.

The Parliamentary Budget Officer is very clear in his comments, which were quite harsh. He said that there were no plans, no plans that he could follow up on.

How many organizations and agencies are responsible for the government's \$188 billion infrastructure plan?

**Hon. Catherine McKenna:** We have a lot of departments working together. We have 14 of them.

What's interesting is that, on the one hand, you talk about the importance of being careful with the money and investing it appropriately, but, on the other hand, you seem to be saying that we should rush and spend the money.

We must do our job. Actually, I want to acknowledge the work of the department because they have two months for regular projects, and six months for major projects.

**Mr. Luc Berthold:** To the tune of how much?

**Hon. Catherine McKenna:** That's very tight. We have to be careful with taxpayers' money and we have to invest. Your election campaign plan was to cut—

**Mr. Luc Berthold:** Ms. McKenna—

**Hon. Catherine McKenna:** —investments in infrastructure.

**Mr. Luc Berthold:** Ms. McKenna, let me come back... That was not at all the point of my question.

**Hon. Catherine McKenna:** So what projects were you going to cut?

**Mr. Luc Berthold:** That is not at all the point of my question. First, we announced that we would not cancel any projects. You have to stop saying that. That is not true. You are making up stories.

Ms. McKenna, what I wanted to know is this. As a government, you promised to increase the gross domestic product. It hasn't worked. Why has it not worked?

**Hon. Catherine McKenna:** I'd like to correct the record. You said that you wanted to slash \$18 billion from our infrastructure investments. I don't know which projects you wanted to cut—

**Mr. Luc Berthold:** That isn't true, Minister McKenna.

**Hon. Catherine McKenna:** —but it was in your program.

**Mr. Luc Berthold:** That's not true.

**Hon. Catherine McKenna:** It was—

**Mr. Luc Berthold:** That's not true. We said that we were going to defer—

**Hon. Catherine McKenna:** It was in your platform.

**Mr. Luc Berthold:** We said that we were going to defer investments, we never said that we would cut them. You keep repeating the same thing.

In any case, I'm not the one answering questions, you are.

[*English*]

**The Chair:** You have one minute, Mr. Berthold.

[*Translation*]

**Mr. Luc Berthold:** So what I'm hearing, since you don't want to answer my question, is a confirmation on your part that the Liberal government's investment plans have no effect on gross domestic product growth in Canada.

Thank you.

**Hon. Catherine McKenna:** Do I have any time left? Yes?

I'm sorry, but I'm not familiar with some of the words that were used.

**Mr. Luc Berthold:** I'm talking about the GDP, or *PIB* in French.

**Hon. Catherine McKenna:** In that case, there's no doubt. When we measure our economic growth, we've created over a million jobs.

**Mr. Luc Berthold:** How many of those are directly linked to infrastructure investments?

**Hon. Catherine McKenna:** It's—

**Mr. Luc Berthold:** It's what the Parliamentary Budget Officer claims. What we want to know are the impacts of infrastructure investments.

Did the money that the federal government invest really go to infrastructure projects?

Wherever I went during your first term, people told me they weren't seeing projects being carried out. So there hasn't been as much job creation as you're suggesting. It is completely untrue to

say that a million jobs have been created because of an infrastructure plan.

**Hon. Catherine McKenna:** Let me clarify one thing. The Office of the Parliamentary Budget Officer said that the delays and the inability to get projects were because we have a program—you are from Quebec—and we have to work with the provinces. We are still waiting for proposals from the provinces. If we don't get requests from them, how can we make announcements?

We must not make announcements without the provinces. I think you agree with that.

Is that your position?

**Mr. Luc Berthold:** You announced a program—

[*English*]

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

Thank you, Minister.

[*Translation*]

**Mr. Luc Berthold:** Clearly, it is the provinces' fault.

[*English*]

**The Chair:** Mr. Rogers has the floor.

• (1700)

**Mr. Churence Rogers:** Thank you, Mr. Chair.

Welcome, Minister, and welcome to Ms. Gillis as well.

Minister, do we in government, and I mean all orders of government—federal, provincial, municipal or indigenous groups—have a clear understanding of this country's infrastructure needs? I know that access today can be a challenge sometimes, especially at the municipal level, where resources are scarce, but also for indigenous governments and others.

Does this concern you, and do we have adequate information to fully understand the country's infrastructure needs and priorities?

**Hon. Catherine McKenna:** That's a very good question. It actually responds to the previous member's question, so he may be interested.

Clearly we've indicated the areas of priority, whether in green infrastructure, in public transit or rural and northern, but I think we do need to better understand our infrastructure investments.

I was in the U.K. They have a national infrastructure assessment that sets out very clearly to 2050 what the long-term goals are. I agree that to get the maximum benefit for the dollars... Infrastructure investment is the largest driver of GDP. It is a huge opportunity, with a declining population. Municipalities obviously want public transit, and so do we, but we need to be making sure we're getting the long-term benefits and are able to quantify them.

We absolutely have a sense of all the projects we've done and can see the impacts in terms of jobs, but I think we need to be mapping out now where we want to be in 2050, as we make these historical investments, which we know are creating jobs.

We know we're growing the economy and we know we're improving lives. This all helps to transition us to a cleaner future, but I think we can do a better job of mapping it out by learning best practices from other countries. The U.K. has done it, Australia has done it, New Zealand has done it.

We have some road maps already. We have the economic adviser's report to the finance minister; we have the pan-Canadian framework on climate change; we have the national housing strategy. I think, though, that we have to be very focused on outcomes.

**Mr. Churence Rogers:** Thank you, Minister.

You mentioned the disaster mitigation and adaptation fund, which I understand was immensely popular and in fact was oversubscribed when it was rolled out in 2017. It's a 10-year program with \$2 billion in funding, but it's already pretty much fully used up. Will there be another opportunity for communities to propose projects? I've heard concerns, from smaller communities especially, that the \$20-million project threshold shut out a lot of excellent but low-cost projects. Can we expect to see this disaster mitigation and adaptation fund continue?

To add to that, in my riding, which is a very coastal riding, we've seen immense damages to infrastructure caused by this winter's storms. These communities are looking for help and looking to this kind of fund.

**Hon. Catherine McKenna:** You're absolutely right. We're all seeing the impacts of climate change across the country, and it is creating huge costs. Costs have gone from \$400 million to more than \$1 billion per year—those are insured costs, not costs that aren't insured—and we need to be taking action.

The program has been hugely oversubscribed. The good news is that I have had a discussion with the finance minister. I know that the Federation of Canadian Municipalities has talked about how incredibly important it is. To put it in dollar terms, every one dollar invested in adaptation is worth six dollars of return. You're going to pay in some way, and it's better to pay up front to build resilience.

There's a huge opportunity. I've talked to folks, including many of you, I believe, and I think the threshold of \$20 million is extremely high. There are smaller communities that have very good projects to help build resilience to deal with disaster mitigation. We're looking at how we can lower the threshold. How do we make the projects really work for communities on the ground?

**Mr. Churence Rogers:** Thank you very much, Minister.

I have one final question. I can't leave without asking you this one. Is it possible that you would comment on the proposal to work on a fixed link to the island of Newfoundland from Labrador? This is a recommendation submitted in a previous transport committee report last spring to the House of Commons and identified in your mandate letter.

**Hon. Catherine McKenna:** My mandate letter did include reference to a national infrastructure fund, which I think is incredibly

important, and it included the fixed link. We will be having a look, doing a feasibility study to make sure that it makes economic sense and that it's going to have the return on the investment. I know there is a lot of interest in that.

• (1705)

**Mr. Churence Rogers:** I have one final comment in regard to the municipalities. I know there have been bilateral agreements signed by provinces with the federal government on infrastructure programs and so on. One of the questions I've always asked is why municipalities are never really given the opportunity to have some input into that agreement before it's officially signed. What I'm talking about specifically is how provinces sometimes alter the cost-shared ratios to meet their needs.

**Hon. Catherine McKenna:** I think that the goal, and I mean this truthfully, is to work with provinces as well as municipalities. The way our integrated bilateral agreements are structured is that provinces talk to municipalities. They develop lists of projects and submit them to our department for review in different categories. I think there have been some challenges for municipalities and I've talked to the FCM.

The Federation of Canadian Municipalities has raised concerns that some of the projects are not making it to the project lists, or provinces may not be taking advantage of the opportunity of the infrastructure investments that are there. That is the reason why, if the money is not allocated by provinces by 2022, we would be going directly to municipalities.

That is not the goal. The goal is that we all work together, because otherwise it's a wasted opportunity. When you look at the opportunity to drive GDP, to create jobs, to make transformative change, you see that it's the investments in infrastructure, especially when you have low interest rates and a growing economy.

**The Chair:** Thank you, Minister.

Mr. Barsalou-Duval.

[Translation]

**Mr. Xavier Barsalou-Duval:** Thank you very much, Mr. Chair.

Since I'm from Quebec, I think it is important for Quebec to always get its share of federal infrastructure investments. Clearly, the province has not gone after its share of the funding because, during the first phase of the infrastructure plan, we see that Quebec received only 12% of the amounts invested in infrastructure, even though it is home to 23% of the population.

Your mandate letter states the following: "Your focus must be on the successful, timely delivery of our... investments...". That is an excerpt, but it's one of the things it says.

Is this an admission of failure in terms of your ability to fund infrastructure?

**Hon. Catherine McKenna:** I think we work quite well with Quebec. In public transit, 50% of the funds are already earmarked.

As far as Quebec is concerned, the amounts are sometimes a little disappointing, because we only pay for infrastructure projects when we receive the receipts from Quebec. Sometimes, projects are already completed. So it may not seem like we have spent any money, but things are definitely moving forward.

I think there's great potential. I recently spoke to the minister—

**Mr. Xavier Barsalou-Duval:** Thank you for your answer, Ms. McKenna.

Minister, I'm trying to wrap my mind around the fact that Quebec has received only 12% of the funding right now, when we should be receiving at least 23%. That does not seem to me to be a great job or a great achievement. What are you going to do to ensure that we receive our fair share of infrastructure funding in Quebec?

What we are hearing from the municipalities and the Government of Quebec is that you are setting a lot of conditions. It is a form of blackmail when it is our money, and the federal government imposes all its conditions. So we have to agree and negotiate. That means we don't get our money. How are you going to ensure that Quebec receives its money?

**Hon. Catherine McKenna:** The money is there for Quebec. We have had discussions and negotiations regarding the program. Quebec, the provinces and the municipalities wanted to see investments in public transit, in green infrastructure, in communities and in recreation.

**Mr. Xavier Barsalou-Duval:** Thank you, but that really doesn't answer my question, Minister.

Let me go on by telling you that we have a solution for you that would allow the money to be used very quickly. We propose that you transfer the money as a lump sum, with no strings attached, to the Government of Quebec.

Could you do that?

**Hon. Catherine McKenna:** No, Mr. Barsalou-Duval.

We have a program and we have results. We have to have—

**Mr. Xavier Barsalou-Duval:** You have answered my question, and the answer is no, period.

I have other questions about a project that seems to be a major part of your mandate letter. It's about "supporting the Newfoundland-Labrador fixed transportation link."

Basically, the idea is to have an electric transportation line. In fact, the Muskrat Falls project cost more than double than it was originally supposed to cost, and was backed by the federal government. The government decided to provide a loan guarantee to that project. So we are the ones who may end up paying the bill.

The province of Newfoundland is pretty much bankrupt right now. While Hydro-Québec has never received a cent from the federal government to help with its projects, its competitor is being funded.

Don't you have enough on your plate without adding to it? In fact, the result in Muskrat Falls is tragic and horrible.

• (1710)

**Hon. Catherine McKenna:** Personally, I am here to work with all the provinces and territories. I met with Minister Bonnardel this week. He told me about the link between Labrador and Quebec. I believe it is connected to highway 138. So I think you want to get the required money.

**Mr. Xavier Barsalou-Duval:** That is what I am trying to understand.

In fact, the project mentioned in your document, for the time being, is not a link between Labrador and Quebec, but a link between Labrador and New Brunswick that would go across the Gulf of St. Lawrence, the open sea. That will cost a fortune, and the Muskrat Falls project has already cost a fortune.

If Newfoundland has to go bankrupt, will Canada also go bankrupt? We are the ones paying for that, and that worries me a great deal, especially since Hydro-Québec does not receive any money from the federal government.

**Hon. Catherine McKenna:** I don't really have an answer. I am here because Canadians want us to invest in infrastructure, whether it is in Newfoundland, Quebec or anywhere else in the country.

I think Canada is better when we work together. Investments create jobs and grow the economy. We see that investments make a big difference.

Take the Samuel De Champlain Bridge in Quebec, which makes a big difference. I think you would be able to say that it's a good investment, correct?

**Mr. Xavier Barsalou-Duval:** I wonder whether your government is controlling costs. A project that was supposed to cost \$6 billion at the outset is now reaching \$13 billion, and it is not even finished yet. It has just cost twice as much as it was supposed to cost, even though it is being approved for funding as such.

Why is it that we are not even monitoring the bottom line? At the end of the day, Quebeckers are the ones who will have to pay.

**Hon. Catherine McKenna:** I think we have to be very careful with taxpayers' money. That is why we have this program and why we have reports. We want the Auditor General to assess our program. That's why we want a national infrastructure assessment, to conclude that what we're doing is helping to grow our economy. That is going to put us in a good position 25 years from now.

**Mr. Xavier Barsalou-Duval:** In fact, isn't this funding just political funding, not economic funding?

[English]

**The Chair:** Thank you, Mr. Barsalou-Duval.

Thank you, Minister.

Mr. Bachrach.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair.

Thank you, Minister, for being with us today.

An important part of your mandate is the funding of public transit projects. As we all know, there are important transit priorities in communities across the country, things such as the LRT in Hamilton, Vancouver's Broadway and Langley SkyTrain expansions, and extensions to the blue and orange lines in Montreal. It's really positive to see that your government has committed funding to some of these projects. We're hopeful that more funding will be available for Hamilton and for the second stage of Vancouver's Broadway extension to UBC.

However, we've also heard concern about how federal funding is getting spent. With regard to the LRT here in Ottawa, the federal government has provided \$762 million toward stage 1 and over \$1 billion toward stage 2. We saw multiple delays during construction, and since it has opened, users have suffered constant delays, missing trains, and replacement buses. There are real concerns about how public-private partnerships are being used to build and manage transit systems such as Ottawa's LRT.

Are you concerned that handing over control to private corporations denies the accountability for service that transit users here in Ottawa deserve and expect?

**Hon. Catherine McKenna:** I know it has been hard for folks in Ottawa. I live here in Ottawa and I see the impacts.

Look, any project has to deliver on what it's supposed to deliver on, whether it's a private-public partnership or fully funded by levels of government. That's something that does concern me, and making sure that all levels of government are accountable for taxpayer dollars is extremely important.

That said, when you look at the infrastructure needs across the country, they're huge. We talked about one stream, disaster mitigation, with 10 times the interest, but that's across the board. The public transit projects that are getting proposed to me in your province are extremely significant.

We do need to look at opportunities to work with the private sector, but of course, being mindful of outcomes and making sure that when projects are built they deliver what was expected, and that they are done in a timely way and are mindful of taxpayer dollars.

• (1715)

**Mr. Taylor Bachrach:** Minister, when it comes to stage 2 of the LRT here in Ottawa and the billion-dollar commitment that the federal government has made, are you concerned by reports that the technical submission associated with the winning bid made by SNC-Lavalin was seriously flawed? Are you concerned that, by allowing corporations to undercut each other in the bidding process, we're going to be building infrastructure that is not up to the standards that Canadian citizens expect?

**Hon. Catherine McKenna:** I'm not going to talk about particular projects, but of course, we need to make sure, absolutely, that when projects are done they achieve the outcomes that are expected, and that they're done in a timely way and are done within the budget that is there. That is extremely important. That is something that I will be focused on. I think there are concerns in regard to Ottawa's LRT. That is fair, and as we reflect on how we move forward with infrastructure investments, we need to be delivering for Cana-

dians, and all levels of government need to be working together to do that.

**Mr. Taylor Bachrach:** Is your government committed to creating a permanent fund for transit projects, and if so, what amount would this fund provide annually?

**Hon. Catherine McKenna:** In my mandate letter, I'm tasked with creating a permanent fund, \$3 billion per year from 2028 onward. That was actually received extremely positively by municipalities, because the infrastructure needs, in particular public transit needs, are great. Also, these are very long-term projects, and being able to plan in the longer term is extremely important.

**Mr. Taylor Bachrach:** The Canada Infrastructure Bank is spending \$20 million to privatize the water management system in Mapleton, Ontario. In its recent end-of-year report, the bank hailed the project as a pilot to demonstrate the potential of privatizing water in communities across Canada, yet what we've seen when this privatization has occurred in places such as Hamilton is that the cost of services goes up for citizens and the overall service delivery goes down.

Should public money through the Canada Infrastructure Bank be used to incentivize private corporations to take over the provision of vital services such as drinking water?

**Hon. Catherine McKenna:** The Canada Infrastructure Bank is independent and it needs to look at opportunities, but if your overall question is whether we should be making sure that the drinking water is safe for Canadians, that's absolutely the case. This is a project they are looking at, but overall, the Infrastructure Bank is looking at a whole range of different projects so that we can expand our infrastructure dollars. The federal government simply does not have enough money, but whether a particular project is appropriate is something that the bank looks at very carefully.

**Mr. Taylor Bachrach:** Do I have time for one more question? Thanks very much.

I notice in your mandate letter that there's a commitment to electric buses, not just for public transit but also for school buses. What is the delivery pathway for those electric school buses going to be? How is the funding going to get to the school boards that manage those fleets?

Then, more broadly, could you speak to the fact that school boards across the country manage large portfolios of infrastructure and have opportunities to reduce greenhouse gas emissions? Many school boards have made climate emergency declarations. Is your government considering how to get infrastructure dollars to school boards in order to meet climate targets?

**The Chair:** Minister, could we have a short answer?

**Hon. Catherine McKenna:** There are many aspects to that. Starting with the electric buses, we've committed to 5,000 of those. That's a huge opportunity, not just with school boards, but with transit systems. We are looking at how we will do that.

I am looking first for the budget. The budget will be an important milestone, but I've heard across the board about the real opportunity. You're absolutely right that kids expect us to be taking action. Many school boards have declared climate emergencies. So have cities. Actually, as a reminder to everyone, so did Parliament here. We need to be looking across the board at how we support everyone to take action to reduce emissions, whether it's in the transportation sector or the built environment.

**The Chair:** Thank you, Minister.

Thank you, Mr. Bachrach.

Mr. Davidson.

**Mr. Scot Davidson (York—Simcoe, CPC):** Thank you, Chair.

Thank you, Minister.

I can't believe you didn't mention my riding in your opening.

**Hon. Catherine McKenna:** Do you know what? I'm ready to do that.

**Mr. Scot Davidson:** It's \$7 million; I have it here. To the south, for Newmarket—Aurora, there is \$60 million; for Markham—Stouffville, it's \$72 million.

Last week in the House of Commons, you announced in your new role as Minister of Infrastructure that just one single stormwater management project has been funded for the Lake Simcoe area through Infrastructure Canada's green fund as part of your mandate.

In comparison, the \$60-million Lake Simcoe cleanup fund, which you yourself cancelled as environment minister, supported over 200 community-based projects, including more than 110 stormwater retrofits and the creation of the stormwater management master plan.

In the last three years, there has been a record number of phosphorus level increases in the lake, and it's threatening its health. These small and individual federal investments are not enough, including this most recent green fund project.

Today, Minister, will you work with your cabinet colleagues and keep your Liberal government's electoral promise to restore the Lake Simcoe cleanup fund?

• (1720)

**Hon. Catherine McKenna:** Well, it's hard to talk about particular funds, although I will just say that, for Ontario, I have the green infrastructure stream, which I am responsible for. It is 100% unallocated for Ontario. You could work with the Province of Ontario to submit a project if it is relevant to that stream.

**Mr. Scot Davidson:** But will you support the Lake Simcoe cleanup fund that your government mandated?

**Hon. Catherine McKenna:** I am happy to chat with you to see what fund it might be suitable to apply under.

**Mr. Scot Davidson:** Environment and infrastructure go together.

As well, today you said you have made progress on eliminating long-term boil water advisories on first nation reserves.

In my community, the Chippewas of Georgina Island have been living without access to clean water for far too long. An Infrastructure Canada investment was made through the clean water fund to provide service to the south and east sides of the island. That project has already been completed and the long-term advisory is supposed to be lifted this month. These parts of the island still remain on a boil water advisory today.

Will my family and my neighbours no longer be on a boil water advisory on Georgina Island? When will that be, Minister?

**Hon. Catherine McKenna:** While I can't personally commit here to a particular day, I'll tell you that it's a top priority of our government. It is unacceptable that there are places in this country where, in particular, indigenous communities do not have access to clean drinking water. We have made significant progress with 87 long-term drinking water advisories that have been eliminated, but there is clearly work to do.

The good news is that we are making the investments. We are working with communities and we need to make progress, because this is all about making sure that indigenous peoples have access to the same quality of life as everyone else.

**Mr. Scot Davidson:** Yes, I am saying specifically here that you're reporting that it's going to be dealt with there, but half the island is still not going to have water service with the investment that's made.

**Hon. Catherine McKenna:** I can't provide you specifics on that particular project. If you want to come to us.... It's not directly under me, but I agree with you that we need to be looking at how we can have clean drinking water across the country.

**Mr. Scot Davidson:** I just want Canadians to be confident that they know that when something has been lifted, it has actually been lifted.

I'm going to turn my remaining time over to Mr. Doherty.

**Mr. Todd Doherty:** Minister, are first nations eligible for the gas tax fund?

**Hon. Catherine McKenna:** Yes, but I am going to pass it over to my deputy because she is going to have a way better answer.

**Ms. Kelly Gillis (Deputy Minister, Infrastructure and Communities, Office of Infrastructure of Canada):** Yes, first nations are eligible for the gas tax fund, although it flows through Indigenous Services Canada, through the first nation infrastructure fund.

**Mr. Todd Doherty:** Are you sure that first nations are aware of this? Last year the Semiahmoo band was not aware. They were the band under the most long-standing boil water advisory, and they were not aware that they were eligible for that fund.

**Ms. Kelly Gillis:** Since 2014, through 2018, there has been \$139 million allocated to 255 reserves through the gas tax fund.

**Mr. Todd Doherty:** Minister, your government committed over \$1 billion to stage 2 of the poorly managed project of the Ottawa LRT. SNC-Lavalin's bid to get the contract for the Trillium Line had the lowest technical score, yet they were successful. How is this possible?

**Hon. Catherine McKenna:** That's a good question. That decision was made, and these decisions are made, at the local level, but I agree that is of concern.

**Mr. Todd Doherty:** Minister, you don't have answers for this, but do you commit to investigating how the weakest proposal won this, and taking action on it?

**Hon. Catherine McKenna:** Overall, I think we need to make sure that our infrastructure dollars—and I've said this previously—have the intended impact. The way the program is structured, which is the way it was decided with the provinces—

**Mr. Todd Doherty:** But Minister—

**Hon. Catherine McKenna:** —was that the decisions would be made at the local level—

**The Chair:** Mr. Doherty.

**Mr. Todd Doherty:** Minister, given—

**Mr. Todd Doherty:** —the government's history with SNC over the last 24 months, do you not find this a bit sketchy? Canadians deserve the right to know how the lowest technical score won the bid for the Ottawa LRT.

**Hon. Catherine McKenna:** My understanding is that there is an investigation being done by the city. It was a contract with them.

I do think, though, that overall your question is the right question. As we spend taxpayer dollars, we need to be mindful. While the way it's arranged is that provinces present projects and the projects are done, most of the time, at the municipal level, I think we need to be making sure that they actually have the intended impact.

I know a lot of people have been impacted by the LRT. It isn't functioning well in Ottawa.

• (1725)

**The Chair:** Thank you, Minister.

Thank you, Mr. Doherty.

Ms. Jaczek.

**Ms. Helena Jaczek (Markham—Stouffville, Lib.):** Thank you, Mr. Chair.

Thank you, Minister McKenna, for being here.

Obviously, with your previous portfolio as minister of environment and climate change, you bring a certain expertise to what we read in your mandate letter. There was one particular item in your mandate letter that I'd like you to elaborate on:

Finalize the creation of an additional infrastructure fund by 2020-2021 to support priority projects and economic diversification for communities transitioning from fossil fuels.

Could you give us some more details of what that entails and what we could actually see on the ground?

**Hon. Catherine McKenna:** That's a really important question. We are still in the process of getting the details and of developing that fund. In my previous portfolio, when we announced that we were phasing out coal by 2030, we had a just transition task force. This was potentially the first case in the world in which we had a task force that went to communities, including communities in Saskatchewan, and listened to people in those communities.

Hundreds would come out—maybe 600 people in the community—to talk about the impacts of the coal phase-out and what it would mean for their communities. They talked about what investments they would like to see so that they could transition, so that there could be other opportunities, not only for workers, but also for communities.

I think this is incredibly important. We are going to be working on it very closely with provinces, with communities, with business and with labour, because it is an opportunity to support communities, to support the transition to a cleaner future and make sure that everyone is part of it.

Everyone has to be part of it. People deserve good jobs, but we also need to make sure that we're doing our part to take action, including action on climate change.

**Ms. Helena Jaczek:** Thank you.

There has been a great deal of interest in these 5,000 zero-emission school and transit buses over the next five years. All 10 MPs from the region of York, including Mr. Davidson, attended a very interesting session on their priorities. They were extremely interested in the potential for moving toward zero-emission transit buses in particular.

You talked a little bit about the process. I'm optimistic that Mr. Davidson will be conferring with his provincial counterpart, who happens to be Minister of Transportation Caroline Mulroney, on her hopeful enthusiasm for this particular project.

Could you just explain a little bit, because the region of York is ready to put its application in, what exactly the process is and when applications can be made, so that municipalities can start in on this project?

**Hon. Catherine McKenna:** We've already started looking at how best to design the intake and do it in a way that will facilitate getting buses out as soon as possible.

The first thing we need is money through the budget, so if you want to make that point...because it's a huge opportunity.

As I mentioned, we have Canadian companies that are leaders in the world in providing electric buses: the New Flyer bus company out of Winnipeg, which I visited recently, and Nova Bus out of Quebec, which I'll be visiting next week.

The good thing about buses.... I've learned a lot about buses. Communities and cities procure on an annual basis, so you can actually get a list from them about the number of buses they would be able to procure. There is a cost differential: It's about 100% more for an electric bus, although there is a life-cycle benefit. Over time, you will pay less. Obviously, there will be fewer health impacts and less pollution as well.

There's a way to design this. We need to take a bit of time, but we also need to make sure that we understand that the money is available.

Having said that, I made an announcement in Guelph not long ago for 65 electric buses and charging infrastructure. Under the green infrastructure fund, there are opportunities already, under existing programs.

**Ms. Helena Jaczek:** Thank you.

My other enthusiasm relates to rural economic development, because my riding has a very large rural area as well.

I noticed that, in supplementary estimates (B), there is an addition for some \$3 million to support the rural economic development portfolio. Can you elaborate on what those funds will be used for?

• (1730)

**Hon. Catherine McKenna:** This is for Minister Monsef, but it is to set up a new secretariat to do exactly that. My deputy may want to say something more.

**Ms. Kelly Gillis:** With the creation of a minister of rural economic development, housed within Infrastructure Canada we have some temporary funding to set up the secretariat for two years to support that office in looking at the ongoing management of the way we support rural investment over time.

**The Chair:** Thank you Ms. Gillis.

Mr. Berthold.

[*Translation*]

**Mr. Luc Berthold:** Thank you very much, Mr. Chair.

Before I ask the minister one last question, I would just like to remind you that there was an agreement to move a motion for the ministers to appear on March 12. That is the motion I sent to all committee members. I just want to make sure that all committee members agree.

The motion reads as follows: "That, pursuant to Standing Order 108(2), the committee invite the Minister of Transport and the Minister of Infrastructure and Communities to appear about the Supplementary Budget Estimates, for one hour each, that this meeting be held on Thursday March 12, 2020, and that the meeting be televised."

[*English*]

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

That will go on the next meeting's docket, as it is now being presented to the committee. It's not permissible to be dealt with today, because this is not according to the business that we're dealing with today—

[*Translation*]

**Mr. Luc Berthold:** Mr. Chair, given that—

[*English*]

**The Chair:** Perhaps I can finish, Mr. Berthold—nor has it been given to the committee 48 hours in advance, and so we can deal with this at the next meeting.

Go ahead.

[*Translation*]

**Mr. Luc Berthold:** So I gather that you are even refusing to let us talk about it, despite the fact that we had an agreement for me to send you this motion yesterday. The agreements that we come to therefore have little significant value. That is what I have just gathered. Thank you very much.

Madam Minister, what I tried to find out just now is important.

We are talking about a lot of money. We are talking about \$188 billion of federal investment in infrastructure. Unfortunately, the provinces have not followed the lead. The provinces do not have the money that is supposed to be used for creating jobs and moving the country's economy forward. Unfortunately, we have not seen it on the ground because the provinces have not followed the lead.

That is why, just now, I was criticizing the haphazard way the plan was put in place from the outset.

Are you able to give us precise figures? To what extent have the provinces reduced their investment so much that the feds are occupying a place that was previously taken?

**Hon. Catherine McKenna:** My deputy minister can give you figures. We want to work with the provinces and they certainly have a major role to play. We want...

**Mr. Luc Berthold:** The Parliamentary Budget Officer has very precise figures showing that the provinces have invested less since the federal government put this plan in place. The effects you promised for the economy, the effects you promised for job creation, have therefore not materialized.

**Hon. Catherine McKenna:** The plan lasts for 10 years. We cannot evaluate it in only two years, given that we have not even received all the projects. We cannot do that kind of analysis. We certainly do not want to replace money from the provinces. We are going to invest more. In Quebec, there are projects like the light rail in Gatineau and a lot of public transit projects.

**Mr. Luc Berthold:** I understand...

**Hon. Catherine McKenna:** A lot of money is required, so we have to work together. We need the three levels of government.

**Mr. Luc Berthold:** I understand, Madam Minister.



I just wanted to remind you, as you did yourself just now in your opening remarks, that the Liberals' promises in 2015 to invest in infrastructure, to run small deficits—\$10 billion, then \$10 billion, \$6 billion and then back to a balanced budget at the end of the last mandate—in order to invest directly and create jobs in Canada, have not materialized. That is why we asked the Auditor General to investigate, that is why we are asking the Auditor General to tell us what has not worked in those two first years and the reason why money has not reached the front lines. What is not working, Madam Minister?

Moreover, the Auditor General of Canada has asked the Standing Committee on Public Accounts for more money in order to be able to conduct an investigation into Canada's infrastructure plan. We are still talking about \$186 billion. Is the cabinet going to support that request so that the Auditor General has the money he needs to conduct his investigation?

**Hon. Catherine McKenna:** Yes. Personally, I want us to be responsible in what we do.

My deputy minister made a good comment. We have already created 77,000 jobs in infrastructure since 2015. A lot of jobs have been created. Perhaps, in your community, there are not even enough workers to build what you want to build.

The projects are coming into us. We are working well with the provinces. Yes, we need more projects from the provinces. When we announce projects, jobs are created.

• (1735)

**Mr. Luc Berthold:** That is why I am asking the question. The message is clear.

How can we believe that things will materialize in the coming years if, in the first three or four years, we have not been able to achieve the objectives? Grand promises were made in all communities, saying that things were going to be fixed. Unfortunately, that has not happened.

It is important to know whether you really have a plan for those things to happen. In your mandate letter, there are so many things that no human could believe that they will come about.

[*English*]

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

Minister, perhaps I can have a short answer, please.

[*Translation*]

**Hon. Catherine McKenna:** We have already announced 52,000 projects and we have created 77,000 jobs. It is working. It takes time to get projects from the provinces and territories, but we are moving forward. It is a 10-year plan. We certainly have already seen its effects. That will continue; we must work with the provinces and municipalities to prepare projects.

It is already changing a lot of things in people's lives. There are projects like autoroute 35. Is that not a good project in your constituency?

**Mr. Luc Berthold:** No, it is not really a good project.

**Hon. Catherine McKenna:** You have green infrastructures in your constituency.

**Mr. Luc Berthold:** Ms. McKenna, you do not need to give me a list of the projects. There are 52,000 of them. We have enough for the entire evening.

[*English*]

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

Members, we've run out of time. We're actually five minutes over time.

Minister McKenna, I want to thank you for being here, you and your team. Ms. Gillis, thank you for being here. Thank you for answering the questions of the committee members. It was very informative for us all. It was a great job today.

I now adjourn the meeting.





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