

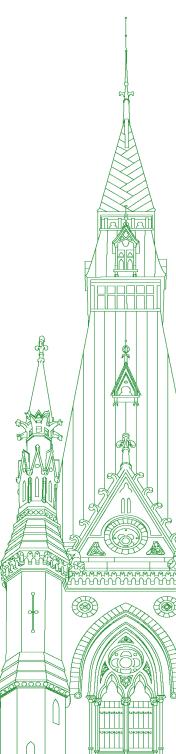
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Chair: Mr. Peter Schiefke

Standing Committee on Transport, Infrastructure and Communities

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• (1555)

[English]

The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)): I call this meeting to order.

Welcome to meeting number 87 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, March 7, 2023, the committee is meeting to continue its study on high-frequency rail in Canada.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I wish to inform the committee that all witnesses have been tested for sound and interpretation, and have passed the test.

Members, appearing before us today as witnesses, we have, from the Canadian Urban Transit Association, Mr. Marco D'Angelo, president and chief executive officer. Welcome, sir.

[Translation]

Virtually, from the Chamber of Commerce of Montreal, we have its president, Mr. Michel Leblanc.

Welcome.

[English]

From Unifor, we have Jennifer Murray, director for the Atlantic region, and Graham Cox, national representative, both by video conference. Welcome.

From Via Rail Canada, we have Mario Péloquin, president and chief executive officer, as well as Rita Toporowski, chief service delivery officer. Welcome to you both.

[Translation]

And lastly, from the city of Trois-Rivières, we have the mayor, Mr. Jean Lamarche.

Welcome to you as well.

[English]

We will begin with opening remarks. For that, I will turn the floor over to you, Mr. D'Angelo.

You have five minutes, sir.

[Translation]

Mr. Marco D'Angelo (President and Chief Executive Officer, Canadian Urban Transit Association): Thank you, Mr. Chair.

[English]

Good afternoon.

It's great to be here this afternoon. Thanks for the opportunity.

[Translation]

Via Rail's high-frequency rail project is more than just a transportation initiative; it's a revolution that has the power to redefine how Canadians travel, meet one another and fulfil their potential.

[English]

The HFR will connect Canada's largest corridor, Quebec City to Windsor. With almost 20 million people already living in the region, and plans for another five million to move there, having options that are sufficient, frequent and reliable to connect Canadians affordably and quickly is paramount.

[Translation]

The high-frequency rail system will set off from the station near the port of Old Quebec City, travel through the central part of la Belle Province, cross Ontario, the greater Toronto area and stops at the Windsor-Detroit border, the crossing point for millions of people and billions of dollars in goods from everywhere in Canada. It's a major corridor, and current transportation capacity is inadequate.

[English]

CUTA recognizes that the success of HFR relies on accepting the challenge and the promise of connecting people. That means connecting with Canadians and consulting with transit authorities throughout the various project phases, and doing that early and often.

It's great that the HFR team has already been meeting with local transit systems like the TTC and others to have these important discussions. Maintaining a focus on the connections between the intracity HFR and intercity public transit is essential.

From the design and development through to day one of operations and beyond, we have before us an opportunity to build a connected travel experience in an era when more car traffic and shorthaul planes will miss out on creating value by saving Canadians time and money and building on our productivity.

[Translation]

High-frequency rail is more than just a transportation project; it will reduce our carbon footprint, help combat climate change and improve quality of life for all Canadians.

[English]

Moreover, we have other programs coming online that will help us build transit more quickly. I think about the permanent public transit fund. The importance of this cannot be overstated in this context. The \$3-billion annual fund, beginning in April 2026, will play a crucial role in providing the financial resources needed to support the transformational projects that will complement things like high-frequency rail.

These expenditures are also investments, more importantly, and they're investments in our nation's future. Continued support for the permanent transit fund and for transit systems will lead to a wide array of collective public benefits.

[Translation]

HFR also has some social benefits, such as making it easier for Canadians to visit their friends and relatives, enhancing access for people with reduced mobility and contributing to social cohesion through more frequent contacts between Canadians.

The economic benefits are just as important, because the project will create jobs, boost local economies and foster innovation in the transportation sector.

[English]

Let me briefly turn to transit-oriented development and communities. These offer sustainable and high-density living options that are accessible through public transit. By fostering TODs, we can reduce car dependency, lower our emissions and create vibrant communities.

The time to act, we believe, is now, as Canada's population is expected to reach 45 or 50 million people in the coming years. To-day's transit systems are designed for about 25 million. We know there's a demand for over five million homes by 2030. We need those to adequately address our nation's housing supply requirements. CUTA released a housing and transit paper here in Parliament just a few weeks ago. I think the report will be helpful for the committee members as you progress through your study.

Transformational projects that will be funded through the permanent transit fund, again, can advance these aims, keeping in mind that HFR makes the links between our corridor cities real.

(1600)

[Translation]

The HFR project is also a major and unique opportunity that can redefine how we travel and live in Canada. It will strengthen our biggest economic corridor, link our communities more readily and contribute to a better future for all Canadians.

Thank you for your attention. I'll be glad to answer any questions you may have about this key project.

The Chair: Thank you very much, Mr. D'Angelo.

Mr. Leblanc, you have five minutes for your opening address.

Mr. Michel Leblanc (President and Chief Executive Officer, Chamber of Commerce of Metropolitan Montreal): Good afternoon, Mr. Chair and members of the Standing Committee on Transport, Infrastructure and Communities. Thank you for inviting the Chamber of Commerce of Metropolitan Montreal to testify today.

First of all, I would say that the planned rail link between Quebec City and Windsor has been supported by the business community for at least 15 years. Business interests wanted to bring about a policy decision. The chamber of commerce is certain, and this has been corroborated by its analyses, that some of its clients would like to see the project go ahead and that they would use the train.

It is still being called an HFR, or "high-frequency rail" project. But the first thing I would like to tell you is that in the business community, there was a lot of wavering over whether to support a high-frequency or a high-speed rail project, and it has still not settled

When we ask our clients, they tell us that the first factor that would determine the extent to which they would travel by train would be how fast they can get between Montreal and Quebec City, Montreal and Ottawa, and Montreal and Toronto. Schedule reliability and frequency of service come next. My view is that the committee should always keep these three variables in mind, and I would encourage you to think of them in that order.

From the business standpoint, this means that the first consideration in calls for proposals has to be how many of the segments would be high-speed. That should be the determining factor in project acceptability, because the cost is likely to be high.

Another factor that has become very important—it wasn't only 10 years ago—is the environmental impact of the project. It has been known for a long time that electric rail transport is an environmentally sound solution, but with the rapid transition, and the goals being pursued by governments and the population, electric high-frequency and high-speed rail is considered an essential part of the strategy for the greening of our economy.

Given this context, there has been strong support for down-town-to-downtown links. If you have to take other forms of transportation to get to the station, that weakens part of what we want to do, which is to generalize the use of trains to and from city centres to avoid the use of additional means of transportation.

Another issue has gained in importance over the past few years and that's the workforce shortage. Business people have understood that high-speed rail would extend city recruitment pools, not only for big cities, but also other towns and cities in between. That's considered a major advantage. The possibility of having employees who live in Trois-Rivières and work in Montreal, or vice versa, is considered by the business community to be a good solution for making the labour market more fluid. That's an additional argument in favour of rail links. However, once again, speed of travel is a key factor.

I would add that business people who travel a lot are very much aware of the fact that Canada, for at least 15 years, has a reputation of having neither high-speed nor high-frequency trains, whereas there are links of that kind elsewhere around the world. Business people have told me that Canada needs a high-speed train to demonstrate that it is a competitive economy with efficient transportation infrastructures, if only to counter the impression that Canada doesn't have the means or the vision necessary to do so. Some people point out that there was a time when it was generally felt that only two or three airports would be needed in Canada, while everywhere else in the world there was an airport in every major city. Today, rail links are considered an indicator of a green society that has adopted the proper tools.

Something else came up in our consultations, and that was the major economic benefits. Investing in infrastructures of this kind is so important because of the benefits for Canadian businesses and suppliers. We have to ensure that these economic benefits occur in high value-added business sectors. Simply pointing out that economic benefits are generated because the trains are maintained in Canada is not enough. Much more than that is required.

• (1605)

We can look at the United States and how it is deploying the Inflation Reduction Act as a regulatory and legal tool to strengthen the American economy. Similarly, high-frequency rail should strengthen Canada's economy; we need to forge ahead.

I'll conclude by saying that the business community is very skeptical when there is public debate without any transparent discussion of costs. No faith whatever is placed in numbers like \$10 billion for high-frequency rail, or \$65 billion for high-speed rail, both of which are figures that have been mentioned. The business community believes that unless actual costs are identified from the very outset, that there will be problems later on in terms of social acceptability and credibility.

As for tender calls, message number one is that accurate costs need to be spelled out.

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

[English]

Next we have Ms. Murray and Graham Cox.

I will turn the floor over to both of you for your opening remarks. You have five minutes, please.

Ms. Jennifer Murray (Director, Atlantic Region, Unifor): Thank you.

My name is Jennifer Murray. I am the Atlantic regional director at Unifor.

Thank you to the committee for allowing us to contribute to your study of the Via Rail high-frequency rail project.

I come from a family of railway workers. My grandfather was a locomotive engineer with CN; my dad worked at CN; my brother is a Via Rail employee; and I have been a proud employee of Via Rail for 27 years, starting out at the train station in Sackville, New Brunswick, which unfortunately is now closed, along with many other stations across Canada.

Unifor represents the incredible hard workers who have built, maintained and serviced Via Rail's infrastructure, including those working face to face with the travelling public, since before it became a Crown company through the privatization of CN Rail and an order in council, which would have actually been better served as a legislated Via Rail act.

To start, let me say that we are very supportive of investments in passenger rail in Canada. Unifor and our predecessor unions have long advocated for massive investments in higher-speed and dedicated intercity passenger rail services. We believe that public passenger rail has always been an obvious and necessary solution to the unique weather and geographic conditions in Canada.

However, Unifor is very concerned about the use of public-private partnerships, especially when it comes to transport. No matter how many attempts there are to call these structures "modern", they are simply subsidies to commercial interests that end up costing taxpayers more money to get a service rather than doing it in-house. Report after report has shown this, and yet here we are again saying it will be different this time. P3s for operations are a leftover from the previous era of ideologically driven privatization. Decades of failures of this model show there is no magic to be found and no actual competition resulting in higher-quality services, because transport like this is a natural monopoly.

Unifor has a lot of experience dealing with railway employers, public and private. We know first-hand how tight the grip on these operations needs to be or they extract a huge price. We also know that Canadians were promised, and deserve, a passenger rail system that is accessible, reliable and affordable. All that is going to happen here is further fragmentation of the rail system, making it even harder to achieve a common vision for green transportation of the future. This fragmentation of HFR and Via already shows that the focus of providing service to the entire Canadian public has been undermined. These services cannot be determined in isolation. Quality public transport should not just be between current economic centres. It is about expanding the potential of all Canadians, no matter where they live, a comment we have heard from municipal leaders across this country.

Interest in commercial investments in one part of the system cannot be allowed to cannibalize needed investments in the rest of the system, a false division created by the plans for partial privatization. Are we really to believe that we do not have the expertise needed to run the corridor but we do have it for the rest of the system? Either the government is saying they don't have any intention to develop the rest of the system, or the excuse for HFR is not valid. The fact that the RFP involves two state-owned European rail companies just shows how ridiculous the notion that we need private sector expertise is.

We see the current process as a delay tactic, as a way to involve more consultants, repeating the studies that have already been done, to build something we already know how to build, a delay because it is an expensive project and there is a constant fear of spending big money. You don't build big things without spending big money, and a delay of true investment now means even more spending.

Constant delays have already had an impact on the rest of the rail system. Underinvestment in the rest of the passenger rail system relegates much of our intercity passenger rail to enthusiasts, history buffs and communities of people who rely on Via Rail to get to where they need to be. The lack of proper planning for a functioning public passenger rail system is the cause. Studies and consultations are carried out and then shelved, as if the goal were the study itself, as if the ideas will result in someone else building it. But passenger rail systems do not work that way. They are built and supported with public money. They must be regulated and refined constantly to facilitate upgrades. This is a costly endeavour, like all transport systems. In fact, if we look to other countries, including just south of the border, they can be a model of how proper investment in a public passenger rail system is done and beneficial.

Because they are costly, we must also make sure the wealth created by building and operating these systems stays right here. Rail is about nation building and economic development—not just the products and people who roll across the tracks, but the building, maintenance and work done to keep it going. If we continue to privatize these services to companies outside of Canada, or anywhere, we forgo a significant part of the economic benefits of building rail and further divide our rail system.

• (1610)

Unifor recommends that the government review the HFR structure and take some bold steps in investing in a real public passenger rail system, one the whole nation can be proud of.

Thank you.

The Chair: Thank you very much, Ms. Murray.

[Translation]

I am now giving the floor to Mr. Péloquin and Ms. Toporowski for five minutes.

Mr. Mario Péloquin (President and Chief Executive Officer, VIA Rail Canada Inc.): Thank you, Mr. Chair.

I am pleased to have this opportunity to address you on behalf of Via Rail. With me is my colleague Ms. Rita Toporowski, Chief Service Delivery Officer.

[English]

As you know, I started as CEO in June. It is an honour to join Via Rail at such an extraordinary time.

Passenger rail in Canada started about 200 years ago. It had a very humble beginning. Since then, of course, the industry has progressed in leaps and bounds. Today, people are recognizing train travel's vast potential. It is sustainable, it connects communities, and it benefits both the economy and the planet.

[Translation]

Via Rail was created as a Crown corporation in the 1970s. Today, it is an innovative and efficient leader in passenger transportation. We've been connecting Canadians for over 45 years.

At Via Rail, we put the customer first and connect communities across Canada. Our people and corporate culture prioritize diversity, equity, and inclusion in everything we do. We are an environmentally responsible mode of transportation, and we continue to innovate to become even better. Our approach promotes sustainability, both strategically and financially. And, of course, our focus is always on safety and security.

Via Rail is not only an expert in passenger rail transport in Canada, but also an innovative, environmentally responsible company committed to connecting communities. Our services are also often crucial for indigenous communities, where travel without trains is sometimes very difficult, if not impossible.

[English]

As I'm sure you know, we are currently receiving state-of-the-art trains for our corridor operations. These modern, accessible and even more environmentally friendly trains are bringing Via Rail into the 21st century, putting us on par with passenger rail transporters all over the world.

[Translation]

Since Via Rail owns only 3% of the tracks we use, our trains often have to wait behind freight and commuter trains, which unfortunately makes them chronically late. For example, on the Montreal-Ottawa line, where we have complete control of the tracks, our trains are on time more than 90% of the time, while on the rest of the network, where we run trains on other host railroads, we struggle to achieve 60% punctuality. This is very frustrating for passengers and for our company.

• (1615)

[English]

The dramatic increase in freight transport is great for the country's economy, but it's quite literally pushing passenger rail to the sidelines as the increase in traffic is easier to handle than the mix of trains of different speeds.

With all that in mind, of course Via Rail will always support better, faster, more efficient passenger rail service to connect more Canadians and give priority to passenger service. The impact will be dramatic.

In fact, the current high-frequency rail project in the Quebec City to Windsor corridor was conceived and planned by Via Rail. Higher speeds and more frequent passenger train service in the Quebec City-Toronto and the Edmonton, Calgary and Banff regions would be of great benefit economically and socially to a larger segment of our population.

That is a vision Via Rail supports and can be a key partner in creating.

[Translation]

All Canadians deserve a modern passenger rail service that is comfortable, efficient, accessible, safe, and environmentally friendly. For Via Rail, this must start with the renewal of Canada's long-distance and regional trains, since the eventual arrival of a new service in the corridor does not affect the fact that we must continue to serve off-corridor routes, including northern regions, and our current rolling stock is very old by any standards.

[English]

Our 45 years of experience and expertise should assure you that our team has the skills to support any expansion of HFR and HSR services. As we have the most experience in the field of passenger rail transportation over long distances, we must be a key partner in passenger rail projects across Canada so that we continue to connect Canadians in every region of the country and offer them the passenger rail service they deserve.

[Translation]

We're happy to take your questions now.

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

The next speaker is Mayor Jean Lamarche.

Mr. Lamarche, you have the floor for five minutes.

Mr. Jean Lamarche (Mayor, Ville de Trois-Rivières): Thank you very much, Mr. Chair.

Members of the committee, good afternoon.

When I attend meetings to promote my city, I often say that what the most beautiful cities in the world have in common is the combined presence of an airport, a port, a train station and a university worthy of the name.

Thanks to the Canadian government in particular, Trois-Rivières will soon find itself in the company of these cities. All it needs now are facilities for high-frequency rail.

Why should HFR go through Trois-Rivières?

I believe that Trois-Rivières, as the capital of the Mauricie region, is a major strategic hub. It is also near regions like Lanau-dière, Centre-du-Québec, Capitale-Nationale, and Saguenay—Lac-Saint-Jean, to be sure, but also territories like Wemotaci, Manawan, Obedjiwan, Wôlinak and Odanak.

With Trois-Rivières so close to all these places, it is highly accessible from the regional standpoint. It is also ideally suited to an intermodal approach. In fact, the highway 55 system, which links northern and southern Quebec, and highway 40, which does approximately the same thing from east to west, puts us in a favourable position.

The redevelopment and repair work currently being done at the Trois-Rivières airport, with federal government and other funding, provides rapid rail links to air transportation, and to work sites in places like northern Quebec.

I am now going to talk about healthy economic growth in the Trois-Rivières ecosystem.

As you know, with the introduction of the Vallée de la Transition énergétique—energy transition valley—project for the cities of Shawinigan, Bécancour and Trois-Rivières, we will have to be travelling to the various head offices that are going to set up shop nearby. We will also, as Mr. Leblanc mentioned, have to be able to deal with employee travel to Montreal, as well as places like Trois-Rivières and Bécancour.

Within the Vallée de la Transition énergétique, Trois-Rivières, as you know, will be handling the key decarbonization file. Greenhouse gas emissions can be reduced in various ways, but it must be made clearly visible to people. We can do just that through rail passenger transportation.

Some challenges and a degree of skepticism still remain, even in the city of Trois-Rivières. For example, people are still wondering where the train station will be located. We would like to know that as soon as possible. We would like the location to be central, but even before that, we want to know that the station will indeed be located here. When the time comes, we'll be ready to discuss matters and offer our collaboration.

When high-frequency trains are being discussed, people naturally ask me some questions. They want to know just how frequent the trains will be. They wonder what high-frequency rail means. I'm convinced that effective communication will be important and contribute to the project's social acceptability.

The final question is what rails our high-frequency trains will be travelling on?

We naturally hope that they will not be the lines being used by freight trains, to ensure that everything can run efficiently without affecting our city's economic growth and development, which depend, among other things, on the transportation of goods to and from the port of Trois-Rivières.

In short, this is a major project. It's the biggest Canadian infrastructure project, and Trois-Rivières will become the flagship of its regional vision. That's why I would like to thank you and offer my support.

I'll be happy to answer your questions to the best of my ability.

• (1620)

The Chair: Thank you, Mr. Mayor.

[English]

We'll begin our line of questioning today with Dr. Lewis.

Dr. Lewis, I'll turn the floor over to you. You have six minutes, please.

Ms. Leslyn Lewis (Haldimand—Norfolk, CPC): Thank you, and I thank the witnesses for coming today. This is a very important initiative and we're looking forward to your testimony on this matter.

When it comes to building public transit, there have been a number of high-profile failures. In Toronto, there has been much delay in the Eglinton Crosstown LRT. In Ottawa, we've seen ongoing problems with the light rail system from the beginning.

What steps do you think the government needs to take to ensure that the VIA HFR project does not fall behind schedule, does not go over budget or isn't simply an unreliable project? What steps does the government need to take to make sure that we're not seeing that?

Perhaps Mr. Péloquin could answer that question.

Mr. Mario Péloquin: Thank you for the question.

There was an order in council, in March 2022, that created a new subsidiary called Via HFR, which is to be run at arm's length from Via Rail Canada. For obvious reasons, they'll focus on the new project, while we focus on continuing to transport Canadians from coast to coast to coast. That being the case, the approach and the method to ensure on-time performance and on-budget performance will rest solely with the Via HFR organization.

Ms. Leslyn Lewis: I think you gave some evidence about the delays that are experienced. Imposing a new project.... It will be running on the same lines at different speeds. Is that correct?

Mr. Mario Péloquin: Thank you for the clarification question.

My understanding at this point—keeping in mind that Via HFR is going to run the analysis and the decisions on alignment and how it's going to be run—is that there would be a dual service: the corridor would continue operating and at the same time there would be a new alignment or a new service, called the Via HFR service, which could be independent from the existing tracks today or supplementary.

Again, that question is better posed to the Via HFR team.

Ms. Leslyn Lewis: So you don't have any information about what kinds of changes would need to be made in order to create some compatibility in the systems and about the impact they would have on the types of services that are delivered by your organization.

Mr. Mario Péloquin: Thank you for the question.

Look, we're experts in passenger rail service in Canada. We understand the complexities of operating passenger rail on freight tracks and commuter lines. That's what we do across the country. That being the case, we do know certain aspects of what could be done in order to increase our on-time performance, which I believe is where the question is going. However, we don't own the infrastructure, so we have very few levers we can use in order to change the infrastructure and so on.

• (1625)

Ms. Leslyn Lewis: My next question is for Mr. D'Angelo.

I'm curious about the delays. We know the HFR project is scheduled for 2030. That's almost 10 years from now and more than 20 years from the original date on which it was scheduled to close. How realistic is this 2030 timeline?

Mr. Marco D'Angelo: We can look at the cost of inaction and delaying. We're really excited that HFR has gotten as far as it has. Where it goes next we think can be done in an affordable, responsible way, as the HFR CEO talked about when he presented last time.

I'm also happy to report that across Canada, while there are many challenges facing urban rail projects, in the city of Edmonton, the Valley Line Southeast was opened over the weekend, and that was fantastic; the REM project is continuing its construction while it has opened the new service from Gare Centrale to Brossard; and, of course, we were very excited to read in the throne speech in Alberta Premier Smith's commitment to exploring a Banff-to-Calgary link to the airport, but also looking ahead to Calgary, Red Deer and Edmonton.

There are governments across Canada that are putting best practices together to make sure we build a rail future for Canadian travellers.

Ms. Leslyn Lewis: I've had experience with one project. It was a public-private partnership that basically shut down because of inflationary projections. They had not projected for inflation. Do you see any risk of that in this project?

Mr. Marco D'Angelo: Well, I don't have the exact project you're thinking of, but it's—

Ms. Leslyn Lewis: Fortis was the name.

Mr. Marco D'Angelo: In the transit space, the City of Edmonton utilized a P3 model to open the Valley Line, similar to what was done with Vancouver's Canada Line before the Olympics and also in the region of Waterloo, delivering transit across Kitchener, which is being done through different P3 models. There are ways they can work to add value and to deliver transit to Canadians when they need it most, which is yesterday or as soon as possible, so we can reach them and they can connect around their communities.

Ms. Leslyn Lewis: Is it normal to have cost analyses that have inflationary projections included in the project so that we're not faced with wasting taxpayer dollars when people are going to food banks and don't have enough food to eat?

Mr. Marco D'Angelo: If you take a look at the Ontario budget for this past year, the Ontario government was reserving, previously to the budget, about \$70 billion over the next decade. Because of inflation, that number was changed to about \$70.7 billion over the decade, cognizant of inflation.

The Chair: Thank you very much, Mr. D'Angelo.

Thank you, Dr. Lewis.

Next we have Ms. Koutrakis.

Ms. Koutrakis, the floor is yours for six minutes, please.

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair.

Thank you to all of our witnesses for being here this afternoon with us. Your testimony and your expertise are very much appreciated.

[Translation]

My first question is for Mr. Leblanc and Mr. Lamarche.

The 850 km corridor between Quebec City and Toronto has 12 million people and the two largest metropolitan areas in Canada, two provincial capitals and the national capital, not to mention many smaller cities.

Professor Richard Florida at the University of Toronto has written in detail about the fact that projects like this would essentially create a more competitive "super metropolis" owing to its four distinct metropolitan areas and many smaller ones, like Trois-Rivières, making travel much more efficient than anything we have today in terms of work, education, business, tourism or even simply visits to see family and friends.

Do you agree with him?

Mr. Michel Leblanc: As you mentioned my name first, I'll make a start at answering you. The mayor can then pick up where I leave off.

We are familiar with Richard Florida's views, and we fully agree with him.

For a metropolis like Montreal, links with Toronto are very fluid; that's also the case for Trois-Rivières and Quebec City. A high-frequency train, if it's very fast—and hence my comment about high-speed rail—would consolidate business talent and projects. We believe that it would have a significant impact on Canadian GDP. That's why we unequivocally support the project.

• (1630)

Ms. Annie Koutrakis: Thank you.

Mr. Mayor, what do you think?

Mr. Jean Lamarche: I am of course in agreement with the President of the Chamber of Commerce of Metropolitan Montreal.

I attempted in my opening address to show that that its influence would extend beyond Trois-Rivières. Indeed, the whole region would be linked more closely to places like Montreal, Toronto and Quebec City. It would have a social, economic and environmental impact.

Ms. Annie Koutrakis: Thank you very much.

As I am the new parliamentary secretary to the Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, my question will be about tourism.

Our government's goal is to double the contribution of tourism to Canada's GDP by 2033. To achieve this, we will have to make sure that tourists, Canadians and foreigners alike, can readily get to their destinations.

Will the building of high-speed trains contribute to growth in the tourism sector by enabling visitors to easily get to Canada's four largest cities and many of its smaller ones?

Mr. Péloquin, how can Via Rail contribute to growth in tourism?

Mr. Mario Péloquin: Mr. Chair, I thank the member for her question.

A completely separate entity will be analyzing the project, making the decisions and conducting operations, but Via Rail will collaborate with them. We are not the ones who will be deciding on the coverage and services that are to be made available.

Logically then, faster and more frequent service will help tourism, because tourists like to be able to travel readily from one location to another.

[English]

Ms. Annie Koutrakis: My next question is for Mr. D'Angelo.

As we've heard here today, reliability is a big plus of HFR and even high-speed rail because they operate on dedicated passenger tracks. Via operates on some of its own track but mostly on host railways like CN.

Very roughly, what is the difference in reliability and on-time performance between the two? Can a passenger railway be truly successful on other people's tracks, competing with their trains? I would like to hear your opinion, and perhaps Mr. Péloquin can weigh in.

Mr. Marco D'Angelo: I'll answer briefly, then.

Certainly, having your own right of way facilitates travel. It reduces travel time because you don't encounter large freight trains. The rails that are owned by CN or CP have a radio centre that's owned by those freight companies, so they are managing their own traffic.

We want passengers to come first, and that's what clients expect in their modes of travel. Whether it's by car, plane or other modes, they expect that people come before goods. That can only really happen with dedicated right of way. There are good examples of that, even in Florida with the travel times on the Brightline between Orlando and Miami.

Really, having a dedicated right of way is quite helpful. [*Translation*]

Mr. Mario Péloquin: Thank you for your question.

The increased frequency of freight trains in Canada is very good for the Canadian economy. The railway companies that transport goods do more business, which generates more economic benefits for Canada. As all freight trains operate at approximately the same speed, it's easier to add another train to the schedule; it's like dominoes, and hence relatively easy.

When you start to use trains that travel at different speeds on the same tracks, such as Via Rail trains that can travel 40 miles an hour faster than a freight train—in the railway industry, unfortunately, it's still miles per hour—it becomes very complex for both to run on the same tracks. That's what complicates matters. As Marco D'Angelo pointed out, a separate line is needed.

• (1635)

The Chair: Thank you, Mr. Péloquin.

Unfortunately, there's no time left.

Thank you, Ms. Koutrakis.

Mr. Barsalou-Duval, you have the floor for six minutes.

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

I'd like to thank the witnesses for being here with us today.

I don't have much time for the questions I would like to ask the many witnesses. I apologize in advance to any of you I won't get the opportunity to question.

Mr. Leblanc, I very much liked your opening statement earlier. You talked about priorities that appeared to come out of the consultations held with members of the Chamber of Commerce of Metropolitan Montreal. You mentioned speed as the top priority, followed by reliability and, finally, frequency.

In public discussion of high-speed and high-frequency rail, the following questions often come up: why would we give up using cars to take the train? What would lead people to willingly take the train, compared to what we see now?

Most people mention trip time. The public estimates we have at the moment indicate that it would take 2 hours and 50 minutes for a high-frequency train. Based on what your members have told you, is that fast enough for people to switch from driving or from taking a plane?

Mr. Michel Leblanc: Thank you for your question.

When you say 2 hours and 50 minutes, I would imagine you're referring to a trip from Montreal to Quebec City.

Mr. Xavier Barsalou-Duval: I am.

Mr. Michel Leblanc: That's definitely not fast enough.

That's why, when we talk about HFR in a business context, I say that's not what would lead people to switch to a train rather than driving or flying between Montreal and Quebec City, as you suggested. Speed is the key factor, and I would add that the emphasis should be on travel from downtown to downtown.

For Montreal and the other cities, downtown to downtown high-frequency, and particularly high-speed rail might well lead to expropriations, which would require a lot of work.

If there is to be a modal transfer, I would suggest factoring in downtown to downtown travel time.

Mr. Xavier Barsalou-Duval: Thank you for your suggestion. That's what I wanted to hear from you. I wanted to raise the issue of downtown to downtown travel.

There's been a lot of talk about a possible connection in North Montreal or the middle of Montreal Island. That worries me somewhat. I can't see tourists or business people arriving in North Montreal and then having to hop on the Metro orange line to get to their downtown appointment. We were told that there might be other possibilities.

I'd like to hear your definition of downtown. When we pushed for an answer, we were sometimes told that there might occasionally be a downtown connection.

What are the boundaries of downtown, exactly? It would be interesting to know. I wouldn't think that downtown includes the whole island. It's not really that big. Am I right?

Mr. Michel Leblanc: Your question deserves a nuanced answer. I'm talking about the travel time from one city centre to another. There might be a scenario in which a decision would be made to drill another tunnel under the mountain to get downtown. The mountain wouldn't disappear. There's only one tunnel. Are we condemned for eternity?

The second option would be to have an intermodal station connected to the REM, the Réseau express métropolitain, in the northern part of Mount Royal. There are examples of this in Europe, like Paris, where there are several train stations. Some cities have several train stations and connections between them are highly efficient.

I would suggest not necessarily looking into the possibility of locating the train station downtown. I would instead suggest estimating how much time it would take to get downtown to the HFR and to use it.

Mr. Xavier Barsalou-Duval: Thank you for these details. That is in fact a good argument. You feel that the priority is the time it would take to get from one city centre to another. For example, Montreal to Quebec City might be a very short trip, but unless their downtowns are linked, it might prove to be difficult. So the idea is to link them with due regard to the time it takes, even with a modal transfer.

You also raised the issue of local benefits.

That truly interest me, but it doesn't appear to be a priority yet in the government's plans. From your standpoint, how can we factor in economic benefits for businesses while complying with international agreements?

Mr. Michel Leblanc: In the United States, there is very clear intent to use the Inflation Reduction Act to ensure that the American economy benefits from the tens or hundreds of billions of dollars that are going to be spent.

The Americans found solutions. Let's learn from them. Let's arrange for builders, engineering firms and equipment suppliers, among others, to commit to investments in Canada that are commensurate with project expenditures. There are ways of getting that done. It would take too long to talk about it here, but we have to find a way to create benefits in Canada, just as it has been done elsewhere.

(1640)

Mr. Xavier Barsalou-Duval: My understanding of it then is that it would take political will to succeed.

The final subject I would like to hear you talk about is cost transparency. I've done some research.

For example, just recently, an HST project covering the 955 km between Madrid and Levante in Spain, was completed for 12.5 billion euros, or \$18.3 billion Canadian. That amounts to a cost of \$19 million dollars per kilometre for HST. In Canada, Via HFT is talking about a total of \$65 billion, or approximately \$75 million per kilometre.

How can an estimate like that be considered credible, when it's three to four times more than similar costs elsewhere? How can we get reliable data? Do you feel that we can rely on the current data, in view of international comparisons like that?

The Chair: Unfortunately, you've run out of time. We'll have to wait for the next round for an answer.

[English]

Next, we have Mr. Bachrach.

I'll turn the floor over to you. You have six minutes, sir.

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

Thank you to all of our witnesses for joining us.

Mr. Péloquin, congratulations on your new role. I think you said in your intro remarks, "It is an honour to join Via Rail at such an extraordinary time." The word "extraordinary" can have many meanings. I would offer that, to many people, it feels like a time of great uncertainty.

I know you can't speak directly to many aspects of HFR because there is now a separate Crown entity spearheading that project, so I want to direct my questions this evening to the rest of Via Rail service.

I'll preface it by saying just how much I appreciate the legacy of Via Rail and the service that your employees provide. I was on the train yesterday to visit my daughter and I interacted with your staff. They always do a very good job. They are skilled professionals. Their work is deeply appreciated.

The riding I represent shares its name with one of the most beautiful train trips in North America. That is the Skeena, between Jasper and Prince Rupert. Unfortunately, that rail route, which used to serve as a viable transportation service between communities, has really been reduced to a tourist amenity because of the lack of dependability and reliability of the schedule.

Recently in the news, you were quoted talking about the need for "putting rules in place prioritizing passenger rail trains." I share that desire, because I think if we can increase the consistency and the reliability, more people are going to use the service. Would you like to see the present government bring forward legislation to achieve this?

Mr. Mario Péloquin: Thank you for the question, Mr. Chair.

I will address a few of those points. First, we're very proud of the people who work for Via Rail—on board the trains, driving the trains, and maintaining those trains. Without their heroic efforts every day, we wouldn't be able to run the trains that we run today.

I'm a fourth-generation railroader from both sides. I've seen the birth of Via Rail from its humble beginnings to what it is today. Via has gone from providing the same services that it was providing on both freight railroads at the time, to the kind of service that we can provide today.

That is due to a few complexities, such as operating on freight railways when there are no priorities. Passenger trains used to be classified as class I trains. That's gone away with privatization changing the rules, the operating methods and so on. Also, the increase in freight traffic, as I explained before, makes it difficult to inject more passenger trains and to get access to those freight tracks. It's a very complex mix of issues that we have to deal with.

When there's a reduction in several lines—the Skeena line being one of them, as you pointed out—it proves very difficult to restart the service. We need to have the proper rolling stock to run that service. We need to have enough staff, and we need to get the permission of the host railways to operate those trains.

● (1645)

Mr. Taylor Bachrach: At one of our previous meetings, we had a presentation by Terence Johnson from Transport Action Canada. I'll just read you part of his testimony. He said:

...if the rest of Via Rail continues to operate as a public service, it needs a very much larger subsidy to provide all the core services that are currently shared with the corridor. That, I think, would be something that we feel wouldn't actually happen at all, and you would in fact see trains like the Skeena just disappear....

He's speaking to the fact that if the government privatizes the corridor, it's going to rob Via Rail of the bulk of its revenue. The subsidy to maintain the remainder of our service across Canada is going to have to be much greater as a percentage. The rest of Canada doesn't have very high ridership. The fear is that we're going to lose those rural routes altogether in other parts of Canada, including the place that I'm so proud to represent.

Is this a valid concern?

Mr. Mario Péloquin: Look, my vision for Via Rail is to continue to provide, and hopefully increase, an affordable, accessible, environmentally friendly, sustainable and diverse service across Canada. The fact that the corridor is going to look different than it does today doesn't impact what my vision for Via Rail is—it's to continue or enhance the service in all of the regions that we serve now. Let's not forget that some of those regions are not only long distances, but they're also remote, where access to transportation is very challenging without the train.

Mr. Taylor Bachrach: Very briefly, are there other jurisdictions that have rules in place that prioritize passenger traffic over freight, and if so, where?

Mr. Mario Péloquin: Well, if we just look south of the border to our neighbours, they do have rules in place that prioritize passenger trains over freight trains.

Mr. Taylor Bachrach: Thank you.

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

Next we have Mr. Strahl.

Mr. Strahl, I'll turn the floor over to you. You have six minutes, sir.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Thank you very much, Mr. Chair.

I would just like, at the beginning of my time, to give notice of a motion.

The motion is as follows: "That the committee undertake a fivemeeting review of the impact of the carbon tax on the transportation sector and the increased costs it places on Canadians, that the Minister of Transport appear on this matter, and that the committee find the additional resources necessary to accommodate these meetings."

I'm just giving verbal notice of that. We'll get the written notice to the clerk as soon as possible.

I'm now moving on to my questions.

I asked the Via HFR folks what they envisioned the per passenger subsidy would be to operate the Toronto-Quebec City service. They said they hadn't gotten that far down the process.

Mr. Péloquin, can you confirm what the current per passenger subsidy is, on average, for a passenger travelling from Toronto to Quebec City?

Mr. Mario Péloquin: The subsidy levels for operating Via Rail are quite complex, because we operate a real mix of services on different routes. It is a complex issue. We can certainly look at our annual reports and provide that information.

Mr. Mark Strahl: I'd appreciate your getting that information back to the clerk to be distributed to all members.

What impact do you think the new HFR will have on your passenger levels? Do you think there will be a higher per passenger subsidy required if you are losing passengers to this other service, which is literally competing alongside?

Mr. Mario Péloquin: I believe the arrival of HFR will not really change the way we operate the long-distance and regional parts of the railway; therefore, I can't predict that there's going to be much of an impact on the level of subsidies. The way we operate at Via Rail today is that we look, financially, at all of those by separate lines, the corridor being one, but even in the corridor, it's subsegmented. We also have the numbers for the various lines.

If we continue operating the service the way we're operating it today—for example, between Toronto and Vancouver—I don't see why there would be a difference in the level of subsidies, other than.... I talked about sustainability a few times. We continuously look at ways to improve the way we use public money so that we control our costs better and better every year, and we try to generate as much revenue as possible.

(1650)

Mr. Mark Strahl: I want to concentrate more on Toronto-Quebec City. Toronto-Vancouver is a whole different story.

In an ideal world, what is your schedule if a consumer goes on the Via website and says, "I want to travel from Toronto to Quebec City"? What is the scheduled time for that in an ideal world?

Mr. Mario Péloquin: I would like to refer that question to my chief service delivery officer.

Ms. Rita Toporowski (Chief Service Delivery Officer, VIA Rail Canada Inc.): Thank you, Mr. Péloquin.

Travelling from Toronto to Quebec City would require a connection in Montreal. Toronto to Montreal takes about five hours, requiring a connection time depending on when the next departure is going, and then from Montreal to Quebec City is an additional three hours. You're talking a minimum of eight hours plus the connection, so it's probably closer to nine hours, but it really is dependent on time of day and the frequency we have at that particular point in time to make it easy to connect.

Mr. Mark Strahl: Okay, so if it's nine hours, what is the real time? What is the average passenger...? How long does it currently take to go from Toronto to Quebec City? We talked about your being very close to being on time for some of the segments, and for others you're on sidings waiting for freight trains. Do you have information as to what the current average time elapsed would be for a trip from Toronto to Quebec City?

Ms. Rita Toporowski: I don't have something offhand that I can offer you in terms of what that would like right now. We do have delays.

What I can say, though, from an OTP perspective, is that within the corridor that we currently run on CN, we're running at about 60% on-time performance. On the 3% of the trackage that we own, we run at 90% on-time performance, so there is quite a disparity.

Mr. Mark Strahl: Right. I understand that, but would you, again, get that information and submit it to the committee? I think it's important that we compare current service levels with future service levels and determine whether the cost of the proposal is worth the time savings, etc. That would be good.

How much time do I have, Mr. Chair?

The Chair: You have 23 seconds, Mr. Strahl.

Mr. Mark Strahl: Okay, I will come back for my next round.

I thank the witnesses for their answers.

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

Next, I'll turn the floor over to Mr. Rogers.

Mr. Rogers, the floor is yours. You have five minutes, sir.

Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.): Thank you, Mr. Chair.

I appreciate the opportunity to put some questions to our witnesses.

Welcome. It's good to have you here.

Mr. Péloquin, I think you mentioned 200 years for Via Rail having been in the railway business. Of course, historically, trains and railways have played a huge role in building Canada, especially with the movement of goods and people.

Can you share with this committee how investing in high-frequency rail would benefit Canadians?

Mr. Mario Péloquin: As you rightly pointed out, railroading in Canada was country building. It helped link the west to what we to-day call central Canada. There has been economic development from those days in the late 1800s, when the transcontinental was built.

The eventual arrival of a high-frequency rail will do very much the same thing. It's very different, because we're not going to move goods and people; we'll focus on people.

We can look at countries all over the world. In France, for example, the arrival of TGV has actually shrunk the country. A map exists where you can see that because of the travel times, now people can commute from cities where it was impossible in the past.

That is the kind of effect that high-frequency rail will have in Canada.

• (1655)

Mr. Churence Rogers: Mr. D'Angelo, you were also making some commentary around that.

Do you want to jump in there as well?

Mr. Marco D'Angelo: With respect to building rail and—

Mr. Churence Rogers: How would that benefit Canadians overall?

Mr. Marco D'Angelo: We've been supportive of connecting communities by rail, whether it's Via Rail doing so with its plans in the corridor or Metrolinx helping to connect cities that are across the greater Toronto area and the greater Golden Horseshoe, bring-

ing people to Niagara seasonally to enjoy tourism—to come back to the tourism question.

There is the opening of innovative projects like the Union Pearson Express, which helps to bring people from Pearson airport to enjoy downtown Toronto. Rail projects are helping to connect communities around the country, like the expansion of the REM and the continuing build-out of the Ottawa LRT. There are plans for other rail projects in Mississauga and Brampton. The potential for projects in Hamilton and in Quebec City has advanced a bit and they're even talking about it in Gatineau.

Across Canada, cities and leaders are turning to urban rail as an effective solution for moving groups of people around.

Mr. Churence Rogers: You mentioned at the beginning that there are 20 million people in the region and growing, with another five million in the future. We see the need, obviously, for that.

Mr. Péloquin, Via Rail estimates that by offsetting more cars and car trips, HFR would reduce emissions by 10.3 million to 13.9 million tonnes of carbon dioxide over the project's 30-year life cycle.

Can you explain to this committee how you came to these findings and how you plan to reduce emissions?

Mr. Mario Péloquin: I can't really speak to the numbers that the Via Rail HFR team has analyzed and developed. At a high level, I can say that a train is much more carbon emissions-efficient than an airplane or the 250 cars, approximately, that you would need to travel the same distance.

There's a real green benefit to operating a train as opposed to all the other transportation modes over long distances.

Mr. Churence Rogers: Mr. D'Angelo, do you want to comment on that as well?

Mr. Marco D'Angelo: What's clear is that you have a congested area between Quebec City and Windsor. We know that Canadians and travellers want to take advantage of getting between those cities for work, for meetings and for tourism. You've seen the number of flights grow. Porter Airlines is expanding the number of services they offer, flying out of Pearson. You see the congestion on our roads and the opening of additional highways to better connect out of the greater Toronto area to move eastward, like the 407 East and other road expansion projects. The hunger and the need are out there.

Rail can provide a productivity opportunity to keep working during those times and stay in contact with family by being on land and able to use Wi-Fi effectively on board, along with other amenities. There are a number of great arguments for the need to connect people.

The Chair: Thank you very much, Mr. D'Angelo.

Thank you, Mr. Rogers.

[Translation]

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

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

I'd like to give Mr. Leblane the opportunity to answer my last question, if he can remember it.

Mr. Michel Leblanc: I apologize, but I don't remember it. Can you repeat it, please?

Mr. Xavier Barsalou-Duval: Certainly.

My question was about the difference between the projected cost given by the government authorities and how it compares to similar costs elsewhere. It would appear that a high-speed rail project would cost three or four times more than what we saw in Madrid, for example.

Mr. Michel Leblanc: As it happens, I asked a number of specialists that very question.

First of all, there are the costs tied to the complexity of completing that kind of project in Canada, because we've never built that type of track before. That could explain why it's so much more expensive. In addition, expropriation costs are much higher in Canada than in Europe for high-speed rail projects, particularly for routes into cities.

I'll conclude by mentioning, as I said at the end of my address, that serious work needs to be done on project costs, because that would allow genuine public debate based on actual costs, which we don't have at the moment.

(1700)

Mr. Xavier Barsalou-Duval: Thank you.

It's true that it's rather hard to reach decisions based on hearsay. We would certainly like to know what the real cost difference is, but we don't have any data, just rumours.

Mr. Lamarche, I'd like to hear about your role in this project.

Trois-Rivières is, after all, rather central, at least from Quebec's standpoint. The future train would go through Montreal, Quebec City and Trois-Rivières. Have you been consulted about details such as where the train would be stopping? Do you have any thoughts about links to downtown? How are you, as the mayor, involved in this project? How does the Crown corporation communicate with you?

Mr. Jean Lamarche: As the mayor, I began by consulting our urban planning and development teams, and our engineers, who are never too far away. I wanted to look at the possibilities. We have a station, which is owned by the city of Trois-Rivières. It's close to

downtown, in fact it is downtown. The station will be available if we need it.

However, I'd say that I intend to choose the best option. If a train station located to the west of the city centre were suggested—the station I mentioned is at the eastern end of the downtown area—I would consider it. It would depend on various factors.

I don't know whether you wanted to go that far, but the city of Trois-Rivières' role includes promoting the project, or at least keeping it alive.

I was proud to first announce this project with Mr. Garneau in 2019, and then with Mr. Alghabra, and I'm going to continue with these efforts.

The Chair: Thank you, Mr. Mayor, and thank you Mr. Barsalou-Duval.

[English]

Next, we have Mr. Bachrach for two and a half minutes, please.

The floor is yours.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I have a question for Mr. D'Angelo from the Canadian Urban Transit Association.

I believe I heard you use the phrase "people come before goods", and this very much reflects the line of questioning that I was presenting to Mr. Péloquin. I wonder if CUTA would support legislation or regulations in Canada that would codify that principle of passengers before freight on our rail network?

Mr. Marco D'Angelo: Yes, indeed, I think that's something that would take further study. On its face, it sounds as if that would be very helpful.

Just look at the example, about a month ago, where CN, which manages the rail corridor around Union Station, lost some Internet connectivity, and as a result systems like Metrolinx were not able to deliver along the Lakeshore line for a few hours. This left passengers stranded or waiting. As an example, southwest of that, as far as London, there were impacts just based on that.

I think there is room for regulation in that area.

Mr. Taylor Bachrach: Thank you very much.

I'll go briefly to Ms. Murray.

Your testimony reflects very closely our deep concerns with the way that HFR has turned out in terms of the government's conceptualization of it and the privatization model. You spoke very briefly about examples from other jurisdictions, where there is good public high-speed rail, that could inform Canada's approach. Could you elaborate a little bit on examples around the world of where high-speed or high-frequency rail has been built using public procurement?

Ms. Jennifer Murray: Thank you for that.

Certainly, we can. We're prepared for that.

I'm going to pass the floor over to Graham Cox, please.

Mr. Graham Cox (National Representative, Unifor): Thanks.

We can certainly pull up a list of other countries that invest in public passenger rail. I think two of the examples in the consortia are good examples of procurement through public passenger rail, since they are state-owned companies, in Spain and in Germany, but, certainly, there are other jurisdictions, like the United States, that invest in public passenger rail quite effectively.

Mr. Taylor Bachrach: Thank you.

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

Thank you, Mr. Cox.

Next, we will go back to Mr. Strahl.

Mr. Strahl, the floor is yours. You have five minutes, sir.

Mr. Mark Strahl: Thank you, Mr. Chair.

I heard this, and no one is malicious when they are saying this.... We heard it in the first meetings we had prior to another study we have undertaken, talking about this benefiting all Canadians and being a nation-building project and things like that. I think we do have to keep in mind that if 25 million or 20 million people can access it, there are 20 million who can't. The people in my riding would have to take a four-day train trip to be able to access the front end of this project in order to benefit from it.

It is an important regional project. It connects two provinces and several major urban centres, but I think we do have to be a little aware that this isn't the Canadian Pacific Railway connecting the country and bringing us together at Confederation. This is a very regional project that will benefit a significant portion of the population, but not the entire country.

In that vein, I want to talk a bit about the Toronto-Quebec City corridor, which is perhaps the most well-served corridor in terms of transportation options in the country. I think Mr. D'Angelo mentioned increased commuter air traffic: Porter, Air Canada, WestJet, and the list goes on of air opportunities. People drive all the time. There's the current Via Rail line.

The question I have for the Via folks specifically is whether this is the best use of funding, to spend billions of dollars to give yet another option to the same region. Could that funding be better spent improving service on your main line, improving your stock, improving your ability to provide service to already existing rail lines?

I would like your comments on that.

(1705)

[Translation]

Mr. Mario Péloquin: I'd like to thank the member for his question, Mr. Chair.

They are not incompatible. What I want is for Via Rail to provide truly reliable and diversified services that are good for the Canadian economy and the environment. That means providing as many services as possible to people across Canada.

Is one approach better than the other? I can't really say, but I believe that providing services to more people than before is better for Canadians.

[English]

Mr. Mark Strahl: My next question is for Mr. Leblanc.

You mentioned in your comments a caution that it's dangerous when costs are not given in a transparent fashion. We saw this with the Trans Mountain pipeline, which the federal government, the Liberals, bought for \$5 billion or \$6 billion. It was going to take \$6 billion to build the project. We're now approaching \$40 billion to build it.

When I asked questions of the Via HFR folks, they couldn't give me any number anymore. They have stopped talking about numbers at all when we're talking about building this project. How can the government build confidence that they are going to be able to build this in a responsible manner when they are not even giving any numbers anymore when they talk about the cost, which will be enormous?

[Translation]

Mr. Michel Leblanc: I won't comment on other projects, but with respect to this one, I would say that the numbers vary widely. As we are looking at two options for a given project, meaning high-frequency rail and high-speed rail, we need to understand all the financial factors, because they will have various repercussions on use. Earlier, the nine-hour trip from Toronto to Quebec City was mentioned. No one wants that, apart from tourists who might want to admire the landscape.

If we are really serious and want a modal transfer, the right solution is essential. To be able to discuss the right solution, it's important to know the actual costs. To know the actual costs, a number of assumptions have to be made about things like inflation, financing costs, and complexities on the ground. Only after that can the right decision be made.

The cost will be high, we agree, but we really have to know how high to make the right decision. The Chair: Thank you very much Mr. Leblanc.

• (1710)

[English]

Thank you, Mr. Strahl.

Next we'll go to Mr. Badawey.

Mr. Badawey, the floor is yours. You have five minutes, sir.

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

I'm going to part the politics here and get down to the business of what we're trying to do here. I disagree with Mr. Strahl when he stated that this wouldn't galvanize the country like it did many, many years ago when we built the rail network. I believe, quite frankly, that if we had had an expanded vision back then—when the railways were built, when the St. Lawrence Seaway was built, and when other transportation-related infrastructure was built—the country would have been a lot further today because of those investments. Let's get to that.

When we look at trying to galvanize the country and bring communities and destinations together, it will offer more opportunities to travel and expand domestic travel to both desired locations and more diverse locations, places that we sometimes might not go to but we have access to now because of this new network. As well, it will give international visitors the opportunity to travel to destinations that are not easy to get to, especially by air. For example, it will complement Great Lakes tourism, the Great Lakes cruises that are happening now, with rail getting an intermodal and multimodal network. It will strengthen the multimodal movement of people, including local transit. It will act somewhat as a spine with arteries, again, utilizing other methods of transportation as well as local transit to bring people directly to their destinations. The more intermodal and multimodal, the more capacity there is.

I have a question for you, Mr. Péloquin, and I want to ask Mayor Lamarche the same question. What are your thoughts on those thoughts that I just brought forward in terms of capacity building, the business side of it and galvanizing communities across the nation?

Mr. Mario Péloquin: I talked a couple of times about my vision for Via Rail. When I'm talking about sustainability and doing more, I mean that in a way that is all-inclusive, so complete mobility is something that is very near and dear to my heart. Bringing a person to a station where they cannot go anywhere easily after that is not complete mobility. We have examples of that across Canada, and I'm happy to discuss that with CUTA and municipal transit agencies to see how we can improve the mobility on the first mile and the last mile, but going from a station to a university or school is very important to us.

Offering more services to more locations is also part of the vision, because when you look at the train, at the end of the day, it is the most accessible mode of transport, the most environmentally friendly and the best for the Canadian economy.

Mr. Vance Badawey: Mayor Lamarche, I can tell you that I love Trois-Rivières. It's a gorgeous area. One of the things I admire about your community is that you had and continue to have the ability for multiple land use; everything comes together. You have industrial, tourism, residential, commercial and retail all coexisting in one area. It's absolutely gorgeous.

With that, what will this do for your community in terms of bringing people in to you but also within the entire region?

[Translation]

Mr. Jean Lamarche: To begin with, it will support growth. At the moment, Trois-Rivières has the wind in its sails in terms of economic development.

As Mr. Leblanc mentioned earlier, having a better rail link will enable us to take a clear stance in terms of demography. For that alone, the project is worth it.

The project would also make us a hub for the regions around Trois-Rivières that I listed earlier. Our city is in the middle of Quebec. As such, the project has a regional dimension that is of key importance to Quebec.

I like to say that Trois-Rivières is the most beautiful city in the solar system. It would be to our advantage if we could attract people to visit our city, or even use it as a stopover before they head elsewhere. That would put all our talent on display, including university-level research and development. As you know, we are already well positioned in terms of hydrogen technologies.

In short, you are absolutely right. Trois-Rivières would be good for train travel and train travel would be good for Trois-Rivières.

• (1715)

[English]

Mr. Vance Badawey: Thank you, Mr. Mayor.

I have just two more questions quickly for Mr. Péloquin.

This is not just a domestic investment; it's a binational investment. It's a link, for example, for Windsor-Niagara-GTA into New York and so on. With that said, do you feel that the capital investments we make in the transportation infrastructure as well as in the levels of service—the operating side—should inevitably lead to a binational discussion, especially for those networks? That is question number one.

My last question is about high speed versus high frequency. Is it either-or, or can it be both?

The Chair: Give just a brief response, please, sir.

Mr. Mario Péloquin: We are in discussions all the time with our colleagues at Amtrak. They have a desire to offer more services across the border. The answer to your first question is, absolutely.

On your second question, more service to more Canadians, whether it's high speed or high frequency, is an advantage to Canada.

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

[Translation]

Thank you very much, Mr. Péloquin.

[English]

Next we'll go to Mr. Lewis.

I will turn the floor over to you. You have five minutes, sir.

Mr. Chris Lewis (Essex, CPC): Thank you, Mr. Chair.

Thank you to all the witnesses this afternoon.

I don't really know whom to direct my first question to, so I'll pick on you, Mr. D'Angelo. That's only because I think you might have the answer.

I believe that in your opening testimony, you mentioned Quebec City-Toronto. Of course, my ears perked up because Essex is next to Windsor. Now, there is a lot of discussion about the Windsor corridor, which I'd be crazy not to be excited about. I like the way Mr. Badawey spoke about making it binational. We have Detroit sitting right there. It's one of the craziest international border crossings in North America.

I am a bit confused, because I believe it to be true that there is a final report coming out, which was promised by former minister Alghabra by the end of 2023.

Are you aware of that final report?

Mr. Marco D'Angelo: Let me address the Windsor component that you raised. Thanks for doing that.

It's a very important part of the corridor. We know that with the amount of truck traffic on Highway 401 and with the times of the year that are inclement, especially between London and Windsor, people need a safe way to get from Windsor to Toronto, with London in between. So many people are choosing to drive from Windsor to the Detroit airport to take a flight to Montreal. These are things that don't make sense.

Mr. Chris Lewis: I very much appreciate that.

Are you aware of the report?

Mr. Marco D'Angelo: Not the specific report that-

Mr. Chris Lewis: Okay.

Have you been asked to be part of any round tables with the ministry?

Mr. Marco D'Angelo: I have not in this calendar year, so far.

Mr. Chris Lewis: Through you, Mr. Chair, to any of the witnesses, have any of the witnesses been asked to be part of a ministerial round table?

With all due respect, Mr. Chair, I don't see any hands up.

I understand it to be very true that a ministerial round table was promised in early 2023. We're in November, so I think we have a problem here.

Mr. Chair, I also find it interesting that some of my esteemed colleagues around here are speaking about putting people before goods. I agree, except that we have this other small problem, this thing called grain, 92% of which in southwestern Ontario is exported overseas. The question shouldn't be about high frequency and those types of things. It should be, if we're going to make an investment, do we double it so we can actually get out exports out of the country? We see what just happened with the St. Lawrence Seaway. Thank goodness that got resolved. I spoke to the canola farmers at the Billy Bishop airport this morning. They're not quite so sure we're going to get rid of all of our grain. I think a lot more discussion needs to be had around this, Mr. Chair.

I'll just leave it with one more thought. This morning, I left the Windsor airport. I flew with Porter; one of the folks here spoke about Porter. They were fantastic. I flew through Billy Bishop airport. I left at 7:00 a.m. and I was in my apartment here in Ottawa at 10:57 a.m. How long would it take me on a train under the new model, if you would, please, Ms. Toporowski?

● (1720)

Ms. Rita Toporowski: That's a good question. Under the new model, again, I would have to see what the model is that's being determined and—

Mr. Chris Lewis: What would it look like today? The reason I'm asking the question is that we're thinking it might be a \$10-billion investment. We can't come in for a landing on that. I'm just trying to figure out what the return is on the investment.

Ms. Rita Toporowski: Our current schedule is about four and a half hours from Toronto to Ottawa, downtown to downtown.

Mr. Chris Lewis: Okay.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Lewis.

[Translation]

Mr. Iacono, you now have the floor for five minutes.

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

I'd like to take this opportunity to say that I'm going to share my speaking time with you, Mr. Chair.

Mr. Péloquin, do you think that building a fast and efficient passenger railway line would increase ridership and revenue, lower government subsidies for passenger rail, and also foster economic growth for local businesses?

Mr. Mario Péloquin: Mr. Chair, I'd like to thank the member for his question.

As I mentioned a little earlier, any service enhancements will boost the economy and ridership. Studies conducted just about everywhere have shown that if you provide people with good and reliable service between two centres, ridership increases significantly.

So my answer to your question is yes.

Mr. Angelo Iacono: Great.

Mr. D'Angelo, what are the challenges for high-frequency rail?

Mr. Marco D'Angelo: That's an interesting question, but it's important to point out that the goal is to link many communities and maximize the number of people who take the train.

High-speed rail is less effective. The key is to have routes that are useful, reliable and available to as many people as possible, which is the case for solutions like high-frequency rail.

Mr. Angelo Iacono: Thank you.

Mr. Péloquin, our government acknowledges that climate change is real and that we have to do everything in our power to reduce greenhouse gas emissions. Would high-frequency rail help us meet our environmental targets and objectives?

Mr. Mario Péloquin: Mr. Chair, I'd like to thank the member for his question.

An efficiently operating train is much greener than any other mode of transportation between the same centres.

Attracting more people to travel by train would be beneficial to the environment.

Mr. Angelo Iacono: Thank you.

I'm going to give the rest of my speaking time to my colleague, Mr. Peter Schiefke.

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

[English]

I'd like to thank my colleague for ceding some of his time to me today. It's rare that I get the opportunity to ask a question.

We had the new Crown corporation here to discuss the high-frequency rail project. They provided testimony to say that no decision has been made as to whether it will be high frequency or some kind of merger between high frequency and high speed.

One of the arguments or responses that we frequently hear is that Canada has a climate that is not favourable to having a high-speed rail model, particularly in the east. Given the expertise that we have with you, Mr. Péloquin and Mr. D'Angelo, what would you say to somebody who says Canada cannot have high-speed rail here?

If the response is that we can have one, given your expertise and your history in rail transport, do you have any models you can share with the committee that you think would work well and that you have seen around the world?

Mr. Mario Péloquin: Thank you for the question, Mr. Chair.

Canada is a great country, but we also have some of the harshest climates anywhere in the world, as far as operating trains at higher speed is concerned or even at the speeds we are going today. There are a lot of examples of high-speed, high-frequency trains around the world, but I would say that I don't know of one that operates where there is a temperature differential in the range of about 70°C from winter to summer, and sometimes, in some seasons, very drastic changes in the same day. I cannot give you any examples of something like that. There are trains that operate in colder climates than the south here, the corridor—I'm thinking of Siberia—but they are not high-speed trains.

• (1725)

The Chair: Thank you.

Mr. D'Angelo, go ahead.

Mr. Marco D'Angelo: In terms of cold weather in the winter, you also need to think about comparing it to other modes. Think about getting to the airport and getting through security without a NEXUS card. You have dozens of people in front of you with boots, coats and backpacks. Think about the time it takes to get through security and the congestion at Pearson, at Billy Bishop and at Montreal international airport.

Today, we had great weather and people got where they needed to go, but there are other times when flights get cancelled or get prioritized, especially those hub-and-spoke flights out of Toronto and Montreal. Those suffer quite a bit in reductions of service, whether it's to Windsor, to North Bay or to Sept-Îles, for folks who are trying to connect to the rest of the country.

The Chair: Thank you very much, Mr. D'Angelo.

I'll just end by inviting any of our witnesses today who would like to answer that question to provide examples, perhaps, of high-speed rail that is fully functional around the world with similar climates. It would be greatly appreciated.

[Translation]

Mr. Barsalou-Duval, the floor is yours for two and a half minutes.

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

I'm not a witness, but I can tell you that Finland has high-speed trains that seem to function well, even though the climate there is certainly Nordic.

My question is for Mr. Péloquin, of Via Rail.

In the context of building or introducing high-frequency or high-speed rail on the St. Lawrence North Shore, the City of Drummondville has said that it is in favour of a junction station in Drummondville. The idea is for Via Rail trains, instead of stopping for the night in Montreal, to be maintained and coordinated from Drummondville to serve Montreal and Quebec City.

Is this proposal included in your plans at all? I believe there had been a commitment at the time. Are you currently working on it?

Mr. Mario Péloquin: Thank you to the member for his question.

As I explained a little earlier, the new Via HFR — Via TGF Inc. Crown corporation is handling all the segment and route analyses and will determine how the rail operation will ultimately be structured.

Our role is simply one of support, because we have expertise in current Canadian train operations.

Mr. Xavier Barsalou-Duval: My understanding then is that you support the North Shore project, but that the South Shore is still your responsibility.

Are preparations under way on the South Shore? Is it still too early?

Mr. Mario Péloquin: Thank you to the member for his question.

The short answer is no, because the new Crown corporation in charge of the HFR project is also handling that part of the equation. We are planning to turn over the services being provided in the current corridor to the new organization.

Mr. Xavier Barsalou-Duval: Thank you for that added information. So the subsidiary will also provide service in the Montreal-Quebec City corridor.

Mr. D'Angelo, I'm going to go over some of what Mr. Badawey was saying earlier. What's being discussed is a project to link Quebec City and Toronto, but elsewhere in the world, there are all kinds of continental links between high-frequency rail networks.

How seriously do you think we should be considering links with the United States or western Canada, or even Mexico or South America?

Mr. Marco D'Angelo: It's very important to find a way to make life easier for passengers. That means many options in terms of schedules and routes, to ensure that they suit everyone. That's the purpose of high-frequency rail. People want it to be easy to take a high-frequency train. It means having train stations downtown, but also in other neighbourhoods, in order to serve the various populations.

It's important not to forget...

The Chair: Thank you, Mr. D'Angelo. Unfortunately, Mr. Barsalou-Duval's speaking time has run out.

[English]

Finally for today, we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have two and a half min-

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Mr. Leblanc, you mentioned that one of the reasons the costs of building HFR are higher in Canada than they are in Europe is that companies in this country don't have experience building this kind of rail system. I'm wondering how, as a country, we can gain that capacity and experience if we keep contracting out projects like this to companies from other countries, which keep that information proprietary.

[Translation]

Mr. Michel Leblanc: Thank you for that excellent question.

The business community would like us to develop this sort of expertise in Canada. They would like us to build competitive companies to undertake projects of that kind.

We may have missed the boat, when we had Bombardier as a railway company, by not supporting its development. Now that its railway transportation activities are no longer under Canadian ownership, we need to learn how we can make sure that major international players will locate product construction and development activities here in Canada.

As you said earlier, we are among the few Nordic countries in the world to have extremely difficult climate conditions. We've seen hydrogen rail projects being developed elsewhere in the world. We could perhaps test and develop new hydrogen technologies for trains right here.

So it's important to build this expertise, as you mentioned, but perhaps not in the context of carrying out the biggest project in Canada's history. It needs to be done gradually, by leveraging the local spinoffs generated by major projects of this kind.

● (1730)

[English]

Mr. Taylor Bachrach: Thank you.

[Translation]

The Chair: Thank you very much.

[English]

Thank you, Mr. Bachrach.

That concludes our line of questioning for today.

I would like to thank all of our witnesses for appearing this afternoon and for sharing their testimony.

I'd like to invite all of our witnesses appearing online to log off. For those appearing here in person with us, I ask for your patience as we deal with some committee business, which shouldn't take too much time.

Colleagues, as you know, we've distributed the committee's budget for Bill C-33. I have put forward a motion to adopt the budget.

Are there any lines of questioning or comments?

I turn it over to you, Mr. Muys.

Mr. Dan Muys (Flamborough—Glanbrook, CPC): I will admit that I have not paid attention to the line-by-line on budgets in the past, but I do question why we're sending out headsets at a cost of \$250 a pop. Do we not ask for them back? Can we not recycle or reuse them? We're spending five grand on headsets for a study on a bill that isn't worth the paper it's written on.

The Chair: Thank you, Mr. Muys, for that.

I'll turn it over to our wonderful clerk.

The Clerk of the Committee (Ms. Carine Grand-Jean): Thank you for the question.

Actually, it's \$200, as written in the budget, for the headset. We don't get it returned for hygiene reasons. Also, the witnesses connect here several times with the same headset, so we don't charge a different budget for that.

Mr. Dan Muys: It seems extremely wasteful to send headsets out and not ask for them back. We can sanitize those. I just make the point.

The Chair: Thank you, Mr. Muys.

If that's actually something you would like-

Mr. Dan Muys: [*Inaudible—Editor*] spend on future budgets—\$3,000, \$5,000, \$6,000, \$7,000 on headsets. It's outrageous at a time when two million Canadians are going to food banks.

The Chair: If you'd like, and if it is the will of the members, I can address the issue. I can bring it up at our next Liaison Committee meeting, where we address budget issues concerning committees.

Mr. Dan Muys: The cost of the courier back....

The Chair: Is that something that the members would like me to do?

I'll turn it over to you, Mr. Bachrach.

Mr. Taylor Bachrach: Thanks, Mr. Chair.

I certainly support the intent and direction of Mr. Muys's question. I struggle to imagine a way around this. It seems to me that the costs are the costs. I think the challenge of recovering the headsets and then sanitizing them.... Probably paying to have them mailed back and then sanitizing them could cost more than the headsets. I think you get into one of these things where you have declining returns just through the complicated.... It's like our recycling system. It just doesn't work.

I certainly support the spirit. I just wonder if there's some other way we can get at it and cut these costs, because I'm also surprised by how much we're paying to get headsets out. Despite all of that expense, we still struggle to have witnesses heard properly with the right equipment, etc.

The Chair: Thank you, Mr. Bachrach.

I'll turn it over to Mr. Rogers, followed by Mr. Badawey.

Mr. Rogers, go ahead.

Mr. Churence Rogers: I understand what Mr. Muys is saying, but I look at it from the opposite perspective. Sending out headsets to witnesses, even though it looks expensive, is probably a lot cheaper than bringing them here to Ottawa as witnesses.

The Chair: Thank you.

I do believe there was a discussion at the Liaison Committee where they shared how much we've actually saved thus far with regard to headsets and not having to bring people in. I think it was in the tens of millions of dollars. What I can do is try to get access to that and share it with the committee.

Perhaps I can bring up with the Liaison Committee whether or not there's a way we can reduce the cost as it stands right now under the current model. That's perhaps something I can do.

Mr. Vance Badawey: Thank you, Mr. Chairman. That was well said.

To clarify, when we bring witnesses here, we pay for that. We pay for the witness to travel down here, to stay down here, versus the price of a headset.

• (1735)

The Chair: Thank you.

Thank you, Mr. Muys.

Is everyone in favour of adopting the budget as presented?

(Motion agreed to)

The Chair: That is so noted. The budget passes.

Thank you, colleagues. Have a wonderful evening.

This meeting is adjourned.

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