



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

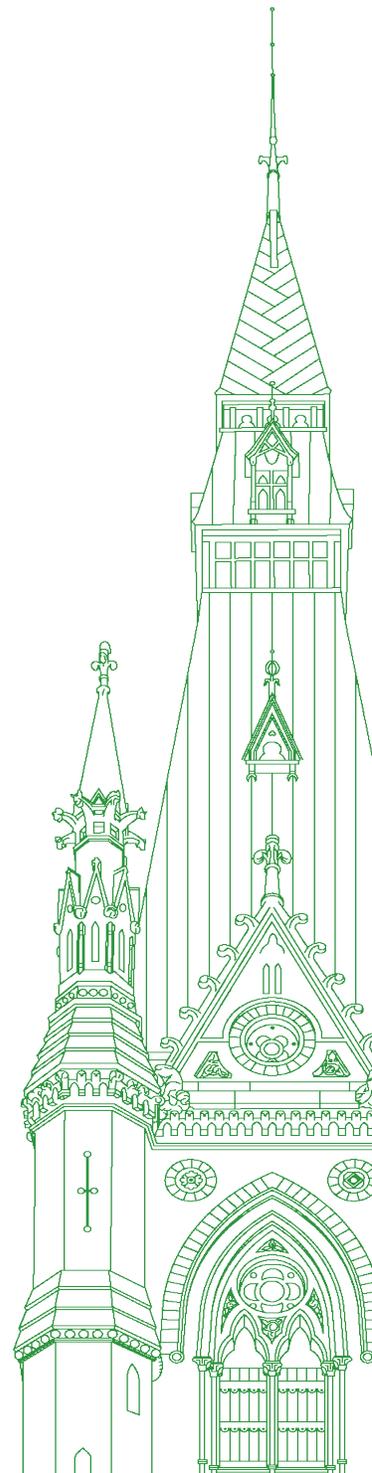
Standing Committee on Transport, Infrastructure and Communities

EVIDENCE

NUMBER 099

PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT

Thursday, February 8, 2024



Chair: Mr. Peter Schiefke

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• (1100)

[*Translation*]

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

Welcome to meeting number 99 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 study the projects of high frequency rail and to discuss committee business.

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

[*English*]

Colleagues, although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to our interpreters and can cause serious injury. The most common cause of sound feedback is an earpiece worn too close to a microphone. I'm therefore asking all participants to exercise a high degree of caution when handling their earpieces, especially when your microphone or your neighbour's microphone is turned on.

In order to prevent incidents and safeguard the hearing health of our interpreters, I invite all participants to ensure that they speak into the microphone into which their headset is plugged and to avoid manipulating the earbuds by placing them on the table away from the microphone when they're not in use.

I'd like to welcome our witnesses for today, colleagues.

Appearing as an individual is Yonah Freemark from the Urban Institute. He is a lead, with a practice area on fair housing, land use and transportation. He is joining us by video conference. Welcome.

We have, as an individual, Ryan Katz-Rosene, associate professor in the school of political studies at the University of Ottawa. Welcome to you.

From the Quebec Employers' Council, we have Mr. Karl Blackburn, president and chief executive officer, who is joining us by video conference, as well as Norma Kozhaya, vice-president of research and chief economist, who is also appearing by video conference.

We'll begin with opening remarks of five minutes each.

For those, I will turn the floor over to you, Yonah Freemark.

Dr. Yonah Freemark (Lead, Practice Area on Fair Housing, Land Use and Transportation, Urban Institute, As an Individual): Thank you for having me here today. Thank you for the opportunity to discuss the high-frequency rail project.

My name is Yonah Freemark. I hold a Ph.D. in urban studies and have been researching topics related to transportation, land use and housing for 15 years. I speak here as an individual researcher, not as a representative of my employer, the Urban Institute, which does not take positions on specific policies.

In undertaking its rail project, which I will hereafter refer to as HFR, Canada is taking a major step forward in improving train service for the populations of Ontario and Quebec. This comes after decades of underinvestment.

In my research, I have demonstrated that Canada's per capita rail investment has been the lowest of all G7 members in every year but one since at least 1995. In recent decades, its investment levels have been less than half, and sometimes as low as one-tenth, of the levels of those in countries like France, Italy and Japan.

This underinvestment has consequences. Rail ridership in Canada is extremely low compared to that in other G7 nations, with the average Canadian taking an intercity rail trip just once every 10 years. That compares to rail travel in a country like Germany, where the average resident takes 25 intercity rail trips a year.

Lack of rail system use in turn has negative impacts on Canada's society, environment and economy. Unavailability of frequent, rapid and affordable intercity rail access limits the ability of people without a car, with inadequate funds to afford a flight, or living far from an airport to move around the country. It forces residents to travel to airports far from the centre of population. The nation's dependence on flights and cars has resulted in Canada having some of the highest per capita transportation sector carbon emissions in the world—up to three times as high as in peer countries. Poor rail service has limited the ability of Canada's major cities to capitalize on the agglomeration effects of concentrating rail service in the country's downtowns.

The government's proposed HFR project would improve service considerably along the Toronto-Quebec corridor, expanding options for residents of those cities and also for residents of Ottawa, Montreal and other cities along the way.

My review of comparable corridors in other countries shows that rail lines serving similarly large metropolitan areas feature far more frequent rail service than Via provides today, suggesting the benefits of such improvements. Those benefits would be particularly useful in the Toronto-to-Montreal, via Ottawa, section of the corridor, where flights currently dominate the market.

Nonetheless, my examination of evidence from international examples suggests that the HFR project would fail to live up to the full potential of the central segment of the line, whose length and distribution of metropolitan areas is similar to those of the Paris-Marseille, Madrid-Barcelona and Milan-Naples corridors. Thanks to considerable investment in high-speed rail infrastructure to allow travel at speeds up to 300 kilometres per hour, those routes operate at far higher average speeds than those proposed for Canada after the completion of the HFR project.

This difference in average speeds is very important for attracting riders away from polluting, expensive flights. Based on evidence from corridors around the world, the HFR project may be expected to increase the rail share of the market on the Toronto-to-Montreal segment to between 30% and 60%. However, an investment in faster high-speed rail service could expand that market share to 70% to 90%.

High-speed rail service would make most air travel from Toronto and Montreal to Ottawa superfluous. This investment could allow a significant reduction in the number of flights operating in this segment of the corridor and reduce carbon emissions in the process.

I encourage the committee to consider the potential missed opportunity of not investing in a truly rapid high-speed rail service in Canada, particularly along the Toronto-to-Montreal segment via Ottawa.

Thank you. I look forward to discussion with the committee.

• (1105)

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

Next we go to Mr. Katz-Rosene. The floor is yours.

Professor Ryan Katz-Rosene (Associate Professor, School of Political Studies, University of Ottawa, As an Individual): Thank you so much for the invitation to participate. It's really an honour to be here.

I want to start by relaying a cautionary tale for how rail infrastructure megaprojects could go wrong, drawing from a new book by one of the world's leading experts on megaprojects and risk, Professor Bent Flyvbjerg.

In 2008, Californians approved a proposed high-speed train that would connect Los Angeles and San Francisco—about 600 kilometres apart—in just two and a half hours. The project was expected to cost \$33 billion and would be completed by the year 2020. Work began, but shortly thereafter it hit snags. Cost estimates soared first to \$43 billion, then \$68 billion, then \$77 billion and then \$83 bil-

lion. As of the writing of the book, one estimate pegged the expected full cost of the project at \$100 billion.

Today the state plans to complete only the middle segment of the train line between the towns of Merced and Bakersfield. This may end up saving the state about \$80 billion, but many now consequently dub this project “the bullet train to nowhere”, as the train will not come within 150 kilometres of either LA or San Francisco.

How do we make sure that high-frequency rail avoids becoming another story like this, and how do we make sure that new rail infrastructure contributes to societal goals like climate change mitigation? I've been thinking about some of these questions for over a decade since I wrote my Ph.D. on the environmental-political economy of high-speed rail development in Canada, and I have a few ideas to share.

My first is that I would advise seeking political consensus on the primary objectives of this project and let those objectives guide the government like a beacon throughout. What is the main objective of HFR? Is it to modernize Canada's passenger rail system? Is it to that ensure affordable intercity transport options are available to a growing population? Is it to reduce congestion? Is it to divert traffic away from more polluting modes? Is it to generate regional growth opportunities? Is it to help tackle climate change? Is it to reduce travel times in the corridor? Is it to support 21st century nation building, and so on?

It's important to get on the same page about what the government's priorities are; otherwise, there's a risk of project failure as the years go on and as political change inevitably follows. The inconvenient truth is that some of these objectives may actually be incompatible, so an “all of the above” approach response is unrealistic.

Second, my colleague Professor Flyvbjerg's advice is to plan out every detail before you get shovels in the ground, so “think slow and act fast” is the mantra. This means taking the time to thoroughly plan and budget everything down to the last rivet before jumping into the delivery phase.

Transport megaprojects, especially rail projects, are notorious for spiralling into a break-fix cycle in which time is diverted toward trying to fix small mistakes that continue to arise as a result of a lack of planning. Maybe the O-Train comes to mind for those of you who are in the Ottawa area.

Finally, my advice would be, if it's not already too late, to utilize the existing structure of Via Rail as a Crown entity to support the government's advantage rather than approaching this as a public-private partnership, a P3. Keep the ownership and operation of the HFR line within the public sphere. This doesn't mean no involvement for the private sector. Rather, one of the three private consortia in the procurement process should be contracted as a master builder to bring the project to fruition, an entity with experience and a proven track record of success.

I am well aware of the motivations for seeking out a P3. Chief among them is the belief that costs to the taxpayer can be minimized by sharing the expense with private capital. However, the scholarly research on P3s suggests that the model could pose greater risk of cost overruns and project delays and could further limit the ability of the government to use the project to achieve broader public objectives. Failing to meet those objectives, in turn, could also translate into costs for the Canadian public down the line.

In the interest of time, I'll leave it there, and I look forward to the discussion.

Thank you so much.

• (1110)

The Chair: Thank you very much, Mr. Katz-Rosene.

[*Translation*]

We'll continue with you, Mr. Blackburn. You have the floor for five minutes.

Mr. Karl Blackburn (President and Chief Executive Officer, Quebec Employers' Council): Thank you.

The Quebec Employers' Council, or CPQ, would like to thank the Standing Committee on Transport, Infrastructure and Communities for the opportunity to share its insights and recommendations as part of the study on projects of high frequency rail between Quebec City and Toronto.

For the CPQ, sustainable mobility is a key part of our collective prosperity, given its impact on our economy—

The Chair: Sorry to interrupt you, Mr. Blackburn, but Mr. Bachrach has a point of order.

[*English*]

Mr. Bachrach, is there a problem with the interpretation?

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): There was near the beginning. I was getting French and I was getting no interpretation. Then, I think just as you called that stop, it started in English again.

Perhaps if he could just start from the top, that would be helpful.

[*Translation*]

The Chair: Okay.

Mr. Blackburn, now that the interpretation is working properly, could you please start again?

Mr. Karl Blackburn: Certainly.

The Quebec Employers' Council, or CPQ, would like to thank the Standing Committee on Transport, Infrastructure and Communities for the opportunity to share its insights and recommendations as part of the study on projects of high frequency rail between Quebec City and Toronto.

For the CPQ, sustainable mobility is a key part of our collective prosperity, given its impact on our economy, environment and society.

We need an efficient link between Quebec City and Toronto to significantly improve mobility in Canada's most populous corridor and to meet future transportation needs.

For the CPQ, speed—which shortens travel time—is clearly a key requirement for boosting the appeal of rail travel and the impact of the project, alongside the basic requirements of reliability, safety and comfort. Speed is a vital way to truly shift behaviour towards modal transportation, in particular the switch from cars to trains. Right now, only 2% of all trips in the corridor are by passenger rail service, compared with 94% by car. A fast link would also help increase travel volume and attract new users.

This project would have a number of benefits. It would bring Canada's two largest cities, two provincial capitals and the national capital much closer together. This would make it easier for people to travel for business, tourism, education or personal reasons. Of course, it would also increase business opportunities.

The switch from car to train would reduce the use of highway infrastructure and, by the same token, maintenance costs. There would also be fewer accidents and collisions.

From an environmental perspective, the emission of greenhouse gases, or GHGs, must be reduced in the transportation sector so that Quebec and Canada can achieve their ambitious GHG emission reduction targets.

The incorporation of a speed requirement, which aligns with a high-frequency rail project, would maximize the project's economic, social and environmental impact. Moreover, in cost-benefit analyses of transportation projects—a decision-making methodology used to assess the timeliness or social and economic return of a project—shorter travel times are among the main benefits.

The CPQ is aware of budget considerations. It also believes that long-term planning and a cost assessment of new infrastructure projects that includes long-term operating and maintenance costs are needed to ensure sustainable mobility funding and to inform decisions. Right now, we don't know the high-frequency or high-speed rail costs. This makes this morning's task rather challenging. However, according to the experts and based on international experience, the cost of a high-speed train per kilometre or per passenger-kilometre could be less exorbitant than expected and reasonable given the anticipated benefits and clear increase in the appeal and use of a new link. The cost could hover around \$51 million Canadian per kilometre, based on the cost of 35 million euros per kilometre for the extension of the TGV network in France to link Bordeaux and Toulouse. The Quebec City-Toronto corridor has demographic and geographic features that make a high-speed train an appealing option.

The potential ridership is substantial. Estimates from 2021 predicted that passenger volume would reach 17 million by 2059, compared with the current four million. With a high-speed train, this figure should be even higher. Given the recent significant population growth in Canada, the heightened environmental awareness and the new recreational activity preferences, it would be reasonable to expect greater passenger and travel volumes.

• (1115)

It will be crucial to promote intermodality with other modes of transportation and good integration with existing intra-city transportation systems, such as the Réseau express métropolitain in Montreal. Since the train certainly can't stop everywhere, it will also be necessary to ensure good connections with regional modes of transportation.

In closing, the CPQ supports a project to build a high-speed—and possibly also high frequency—train that would truly meet sustainable mobility goals and bring the cities involved closer together.

Thank you for your attention.

The Chair: Thank you, Mr. Blackburn.

We'll now begin our first round.

Mr. Muys, you have the floor.

[*English*]

Mr. Dan Muys (Flamborough—Glanbrook, CPC): Thank you.

First, Mr. Freemark, I know you submitted a very lengthy and interesting brief to the committee as well. Thank you for that.

You talked in your testimony about the differences between high-frequency rail and high-speed rail and whether the speed was too slow. Certainly, in previous testimony at this committee on this study, we've asked that question: Is the incremental difference in speed in this corridor worth the cost? I guess I'd ask that question to you for your comment.

• (1120)

Dr. Yonah Freemark: I think that's a very valid question. Certainly the speeds that are being proposed for the high-frequency rail, at least as far as I interpret the current plans, which are prelimi-

nary, would improve the average speed between Toronto and Montreal to 130 kilometres per hour. It's not slow, and it is certainly much faster than the current service.

However, compared to what we see in European countries that have invested in high-speed rail, it is quite slow. Just to give you some examples, between Paris and Lyon, trains average 202 kilometres per hour. It's dramatically faster over that distance. Between Paris and Marseille, they average 215 kilometres per hour. The difference is key to explaining ridership on the corridor.

When we've looked comparatively at rail systems around the world, what we've found is that there is a dramatic improvement in ridership once the rail service between two cities goes below three hours. What's currently being proposed for the high-frequency rail project is service of about four hours—maybe three and a half hours, if we're lucky—to connect Toronto and Montreal. That is an improvement over the current situation, but it would not provoke a massive mode shift away from cars and flights of the kind that we've seen in corridors where high-speed rail has been integrated.

From my perspective, if we are thinking about the investment in the line as a once-in-a-lifetime investment, we have to be thinking of what it means to be choosing essentially to build a project that will intentionally not attract a large share of people out of cars and out of flights. From a cost-benefit perspective, that means decades of increased carbon emissions, decades of reduced accessibility between Canada's two largest metropolitan areas and decades of congestion in the airports.

Mr. Dan Muys: We asked the president of VIA HFR whether there was a business case and what the ridership might be looking forward, and there weren't any answers, frankly. I'm gathering from your comments just now that the high-frequency model is not going to achieve that tipping point of three hours that you say would increase the ridership and therefore have a business case, so it's really setting itself up for failure.

Dr. Yonah Freemark: My sense is that the evidence from other countries is that the high-frequency rail system could increase the overall share of the market to between 30% and 60%. There's a large amount of variability there, because we see different outcomes in different countries, but if you were to move to a high-speed rail system with average speeds similar to what we see in European countries that would allow travel times of between two and a half and three hours between Toronto and Montreal, you could see rail take an average of an 80% market share along that corridor. There would be a much greater ridership response to that type of investment, based on international examples.

Mr. Dan Muys: Okay. I have a minute left, so let me ask this.

We have a project proposed here with costs that would be borne by taxpayers across the country and that, frankly, would benefit taxpayers and commuters in one region of the country.

From your perspective, are there other areas of the country—whether that be Calgary, Edmonton, Vancouver—that are potential routes that should be looked at for this sort of train?

Dr. Yonah Freemark: I think it is totally reasonable to think that the Calgary-Edmonton corridor is potentially investment-worthy for the nation. It features large metropolitan areas with 1.5 million people each that are located within quite a reasonable travel time. I believe trains could travel that corridor within two hours of one another. That would allow for 90% or more market share between Calgary and Edmonton, which would be a dramatic change, given that there's currently no rail service, as far as I know, between those two metropolitan areas.

In addition, the Calgary-Edmonton corridor has some advantages over the Toronto-Montreal corridor just in terms of investment, because it is over land that features fewer geographic obstacles, so it could be cheaper to build per mile or kilometre.

• (1125)

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

If the committee will permit, I have a follow-up question for Mr. Freemark.

Mr. Freemark, do you see the weather in Canada being a factor in inhibiting the development of high-speed rail versus high-frequency rail?

Based on the information that you've been able to gather on countries around the world that have done this, do you have examples of countries that have done it in areas like Edmonton and Calgary, which are very cold and have lots of snow? Do you have any examples you could provide that would be helpful in better understanding whether or not this is feasible in a country with a climate like Canada's?

Thank you.

Dr. Yonah Freemark: Certainly Canada has some of the coldest weather in the world. That said, we have seen considerable investment in improved rail service in corridors like Moscow-St. Petersburg, northern sections of Japan and parts of South Korea, all of which have very cold weather.

Also, the Chinese high-speed rail network extends to every part of that nation, including large portions of the country that are very far north and thus experience many of the weather concerns that Canada experiences.

The Chair: Thank you, Dr. Freemark. Thank you, colleagues, for your indulgence.

Ms. Koutrakis, the floor is yours.

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair. Thank you to our witnesses for appearing before the TRAN committee this morning.

I'll start off with my first questions to Mr. Freemark.

I think it's a great segue to your question, Mr. Chair.

When it comes to the future of transportation and its infrastructure, where do you believe governments, regardless of the level, should be investing in regard to moving people safely and efficiently? Given all of the climate challenges and terrain challenges, where should governments be investing?

Dr. Yonah Freemark: From the perspective of responding to climate change, we absolutely must see a shift of people out of cars and out of planes. There are some clear reasons for that.

One is that there is overwhelming evidence that automobiles and planes pollute at far higher levels both in terms of particulate pollution and in terms of carbon pollution than do trains, especially when those trains are electrified. From the perspective of responding to climate change, we absolutely must see a shift of people out of cars and planes.

That is even true when we think about electrifying individual cars because, number one, that electrification process is going to take several decades to be complete; number two, the cost of electrification is substantial in terms of the mineral resources required; number three, you still have this problem of particulate pollution on the surrounding communities produced by tire and brake wear from cars. All these issues together suggest that there's a real environmental reason to invest in rail service all around the world in virtually every country.

From an economic perspective, there are clear reasons to invest in rail as well. We have seen amazing evidence from all over the world that investment in improved rail service results in concentration of investment in existing areas like the downtowns of our cities. That concentration of investment is also good for the environment, because it means less sprawl in suburban areas or in currently agricultural or natural areas.

Ms. Annie Koutrakis: Also, in many European cities, intercity train stations are located just outside the downtown areas, but they are usually very well connected to the transit system as a whole. Is that something we need to make sure to reinforce when the HFR project moves forward?

I'm wondering if you could comment on that, Mr. Freemark.

[Translation]

Mr. Blackburn, you can also share your thoughts.

[English]

Dr. Yonah Freemark: I can try to answer quickly.

It is absolutely necessary to ensure that the rail system is connected to effective urban transit solutions. In the case of the Toronto-to-Quebec corridor, obviously Montreal and Toronto have effective subway systems and metro systems that are able to connect people to the existing railway terminus. I would say cities like Quebec, Trois-Rivières and Peterborough do not have particularly effective urban rail services at the moment—or any urban rail services at the moment. Considering how those could be connected to a future intercity rail system seems very important.

[*Translation*]

Ms. Annie Koutrakis: Mr. Blackburn, could you provide some insight on this topic?

Mr. Karl Blackburn: I would be happy to do so, Ms. Koutrakis.

For this investment, the government's priority is to resist requests for stations from mayors of municipalities along the project's route. If the government were to give in to these requests, which I would venture to describe as political, the goal of a high-speed or high-frequency train unfortunately wouldn't be achieved.

As Mr. Freemark just said, the areas must be well established. These include the areas in the network between Quebec City and Toronto, such as the capital, Montreal and the major urban centres. At the same time, it's necessary to develop measures for secondary transportation that will encourage greater use of existing infrastructure.

The government must show a willingness to prioritize these major centres. This is vital to ensure the project's appeal, viability and, of course, effectiveness.

• (1130)

[*English*]

Ms. Annie Koutrakis: I think I have time for a quick question, which will be for Mr. Katz-Rosene.

Can you clarify at which point you consider planes to be more effective than a train such as an HSR train?

Prof. Ryan Katz-Rosene: You are talking about planes?

Ms. Annie Koutrakis: Yes. Oftentimes we hear that the competition for the train is planes. At what point do you consider the plane to be more effective than an electric train, like HSR, and also, what is your opinion in terms of competitiveness? Are we talking about Toronto to Vancouver, or are you also talking about shorter distances like Toronto to Montreal or Montreal to Ottawa?

Prof. Ryan Katz-Rosene: There's a lot there.

Presently, for air travel, if you factor in the time it takes to go to the airports—which in Toronto and Montreal are not in the centre of the city—and to go through security and all that stuff, you're talking about a trip of three hours and 15 minutes at the very least, and then meandering your way through once you get through to the other side. We're looking at trying to achieve a train line that will be close to that in terms of being competitive with aircraft. We're looking at trying to bring the travel time to approximately three hours or three hours and 15 minutes if we want to see people choose the train over the plane, but there are other factors as well.

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

[*Translation*]

I'll now give the floor to Mr. Barsalou-Duval for six minutes.

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

Welcome to all the witnesses. I'm pleased that they are joining us today for this important study.

Mr. Blackburn from the Quebec Employers' Council, I assume you must know Quebec quite well, given your position and what you did before that.

Let's start with connections to other modes of transportation. We talk a lot about the commute time from city to city and we wonder if we want high-frequency rail, or HFR, or high-speed rail, or HSR. However, be it HFR or HSR, some people are wondering if having no connection to downtown areas might pose a problem.

Take downtown Montreal, for example. If we look only at the time from station to station to determine the shortest possible route between Montreal and Quebec City or Montreal and Toronto, but the Montreal station is actually located in the north end of the city rather than downtown, the data on the speed of the route could ultimately be skewed, because the actual travel time could be much longer for most users who want to arrive downtown.

In your opinion, how important are connections to other modes of transportation, and are they an issue for you?

Mr. Karl Blackburn: You have a very clear view of the situation and that's a very good question. Thank you for reminding me how important this factor is.

We're looking at how we can develop our land as opposed to ensuring efficiency in terms of travel time. Earlier, Mr. Freemark provided some data that I think is essential. If we want this huge investment to deliver for decades to come, we must find a way to reduce travel times so as to encourage people to take the train.

I'd also like to have connections with the other modes of transportation. I think we need to look at it holistically, in complementarity with the other modes of transportation we have access to in Canada, such as air, road, of course, and even waterborne.

To come back to the specific question you're asking, it's crucial that rail transport reach urban centres if we want users to prefer that mode of transportation to save time and travel efficiently, while taking advantage of the infrastructure already in place. Of course, we should be able to prioritize investments along those lines.

I'm privileged to have our chief economist, Norma Kozhaya, with me today. She connects the dots between the various economic impacts and has a view of the various investment projects in terms of certain locations and certain directions. I'd therefore like to ask her to shed some light on how we need to prioritize choices we must make regarding destinations.

• (1135)

Ms. Norma Kozhaya (Vice-President of Research and Chief Economist, Quebec Employers' Council): Thank you, Mr. Blackburn.

Good morning—

Mr. Xavier Barsalou-Duval: Unfortunately, I have to interrupt you, but your colleague may have an opportunity to provide an answer later. I don't have much time and I'd like to ask at least a second question.

The high-frequency rail project the government is currently proposing would save about 20 minutes on the Montreal-Toronto route compared to the travel time on the road, and would be 45 minutes faster than the current rail service.

Right now, the commute time between Montreal and Quebec City, for example, is shorter by car than by train. So the 20-minute gain I just mentioned doesn't necessarily change anything. Do you feel the time the project claims to save is enough to justify the investment at this time?

Mr. Karl Blackburn: We're prioritizing high-speed rail, so travel times need to be significantly improved. Unfortunately, current forecasts don't allow us to justify these investments without a high-speed rail project. In some cases, there may be high frequency, but there certainly needs to be considerable gains in travel time.

Mr. Xavier Barsalou-Duval: Ms. Kozhaya, do you want to add to your colleague's answer?

Ms. Norma Kozhaya: Yes, thank you.

I believe that a gain of 20 or 30 minutes is certainly not enough to change the behaviour of citizens and make the train really interesting and attractive.

Mr. Xavier Barsalou-Duval: Earlier, you talked about costs. I think that's an important element. Right now, we're having a debate without knowing the real costs associated with a high-speed train and a high-frequency train, but everyone has an idea about that.

The government seems to be saying that it wants an HFR or an HFR+, in other words, a high-frequency train that travels at high speed in some places. A call for tenders was issued, and some people submitted bids. However, we get the impression that the government isn't giving us any figures and that the choice doesn't really belong to the public.

What do you think about the importance of transparency in the choices available to us? Transparency would allow us to have a societal debate. If we don't have the figures, it's difficult to have one, isn't it?

Mr. Karl Blackburn: Numbers are key. As you mentioned, we only have estimates and examples of what's been done elsewhere in the world.

The government is there to decide, so it will choose the options that will enable it to make the best possible investments. In this context, we must, on the one hand, draw inspiration from the best in the world and encourage a partnership project between the private and public sectors; on the other hand, we must see this investment as an investment for the coming decades. It's important not to see it as a short-term investment, but for the next 50, 60 or 75 years. We'll never have a second chance to get this project off to a good start.

The Chair: Thank you very much, Mr. Blackburn and Mr. Barsalou-Duval.

[*English*]

Next we have Mr. Bachrach.

The floor is yours. You have six minutes.

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

Thank you to all three of our witnesses. I think this testimony is very pertinent to the study we've undertaken.

It feels like the choice between high-speed rail and high-frequency rail has been fairly well canvassed so far. I'm going to try to focus on this question of public versus private procurement models and how they could affect the outcomes of the project.

I'll start with Mr. Katz-Rosene. I believe it was you who mentioned the importance of getting the objectives of the project established near the beginning. Of course, with this P3 model the government has gone with, one of the objectives in the mix is delivering profits for private investors.

When we look at public models and private models of rail development around the world, what happens when private profit motives come into conflict with public objectives around transportation and the sorts of things we've been talking about at this meeting? What's the risk if those objectives come into conflict?

• (1140)

Prof. Ryan Katz-Rosene: I agree that there are some real risks that come to my mind when I think about the possibility of this being a privately funded thing, and as you pointed out, a private firm has a fiduciary responsibility to obtain profits.

I see a couple of risks there. One that's well-documented in the literature is a lack of transparency. If this is a government-funded project, a public project, there's an accountability process and a transparency process built into that, and I think that's worth keeping.

Another potential risk is a safety risk, or other risks, as a result of a private firm trying to cut costs to maximize the value gain. That's a real potential concern. If a firm is focused on maximizing the value and the return on investment, and all of a sudden something comes up that might be more expensive but is the right thing to do today because it's the climate-friendly option or the safer option, that could get pushed down as an objective.

Another risk is that a private firm might want to see greater returns on investment quicker. We might end up seeing fares, the fee structure for tickets, go up. That places additional risks. It's like a ladder of risk in terms of the project potentially amounting to failure, because a firm may want to see greater returns. That leads to a higher likelihood of tougher competition from other modes, because all of a sudden it's more expensive to take the train than it is to take one of these discount flights or hop in your car. All of a sudden the ridership projections that we have are not fulfilled. That's a real risk to the project.

Mr. Taylor Bachrach: Thank you.

Mr. Freemark, I'm wondering if you have examples from the international experience of countries that have successfully built high-speed or high-frequency rail using a public procurement and operation model. Are there countries that are building public projects and succeeding?

Dr. Yonah Freemark: Among democracies, there are a variety of approaches that have been undertaken in recent years to invest in inner-city rail projects. My view is that there are a range of approaches. There is the United Kingdom approach, which has been at an extremely high cost and is based on an almost private concession model for high-speed rail development. That was the process that was undertaken for the line connecting the Channel to London, and now from London to Birmingham. That line has been quite pricey. I'm not sure that the U.K. has done a great job of controlling costs.

On the other side, there's the Spanish model, which is very much public sector driven. The Spanish government has done an excellent job through its infrastructure management, called Adif, to restrain costs. Spain has some of the lowest high-speed rail infrastructure costs in the world, which is interesting, because it is true that it has taken a purely public sector approach.

That said, it's worth noting there are many varieties here. I agree with my fellow panellists that the key issues—more than who is ultimately building or managing the line—are transparency, and assurances from the government that the government is controlling the day-to-day project design, planning and construction. Without high levels of capacity coming from the public sector, you're likely to see some major problems with cost escalation and major problems with design changes over time.

No matter what, it would be in the country's interest to ensure that it has a large number of public staff members with high-level capacity working on overseeing the project, whether or not the project is ultimately private or public in composition.

Mr. Taylor Bachrach: This is my last question. I know I have just under a minute, so I'll frame the question and come back to it in my next round.

In my view, as an MP from a western province, what we're considering here isn't just rail service between Toronto and Quebec City; we're talking about the future of rail service in our entire country, because Via Rail, our public passenger rail provider, currently derives 95% of its revenue from that corridor. If it's privatized, as is the government's current plan, it's going to be expected to deliver passenger rail service along all the rest of their routes

throughout the country, with 5% of the revenue. To me, that seems totally untenable.

If the objective is to deliver passenger rail for all of Canada at the highest level possible, given the resources, do you feel that the public procurement model or the private procurement model is going to have the best chance of getting us there?

I'll leave it there and I'll return to it next round. Thank you.

• (1145)

The Chair: Thank you, Mr. Bachrach. The question has been posed. We'll let our witnesses percolate over that.

Next we'll go to Mr. Lewis.

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

Mr. Chris Lewis (Essex, CPC): Thank you very much, Mr. Chair. I appreciate that.

Thank you to each of the witnesses for appearing here today.

I'll dive right into it. The first thing, which I've brought up at this committee before, is that I'm very disappointed and/or concerned that this conversation isn't centred more around Windsor to Toronto for at least part of the study. Windsor, of course, being next to Detroit, is the busiest international border in North America. That's nothing to do with the witnesses. I'm just making a statement. That's where our commodities come through.

Mr. Freemark, I listened keenly to you when you spoke about a shift from cars and planes to trains, so this question is for you, sir. Ironically, I just looked up taking a train from Windsor to Ottawa. If I were to do that, it would take me 13 hours. If I drove from Windsor to Ottawa, it would take me just under eight hours if I stopped only one time for fuel. If I flew, it would take me five hours.

My question for you, sir, is with regard to the investment. Is there any way to close that gap? Am I missing something? How do I best represent my constituents in Essex, in the Windsor area, to ensure that the financial implications into it will actually have a result at the end?

Dr. Yonah Freemark: You know, I think I hear from your question, and from the previous question, that there's an interest in thinking about Canadian rail in general, not just the Toronto-Quebec City corridor. I can understand that. Obviously, nobody wants to feel like the national government is investing in just part of the country and not in many other populous locations.

Certainly the rail service from Windsor to Toronto currently, and planned in the future, is completely inaccessible to most people. It's way too slow. The result is that the vast majority of people making journeys along that corridor are currently driving to do so. As I'm sure you know, air service in the sections west of Toronto is also quite poor. Folks are generally driving to make those types of journeys.

It is also true that Toronto is such a large metropolitan area that even though London, Windsor, etc., are not enormous metropolitan areas, the size of Toronto as a huge population centre could make investing in a substantially improved rail service from Toronto to Windsor actually worth it. This would be especially true if there was co-operation with the United States to connect into Detroit, but perhaps that's for another conversation.

Even so, I think it's worth pointing out that yes, that corridor should be considered as well.

Mr. Chris Lewis: Okay. Thank you very much.

Mr. Katz-Rosene, I would like to open the same question to you, sir, because I know you touched on it as well.

Prof. Ryan Katz-Rosene: The first time I was invited to be here, I was actually unable to attend, because I was on one of those trains going to Waterloo. Yes, it's a full-day journey.

I think we can do a couple of things. One is that we can look at improving the existing rail service. There are some interesting ideas on the table about legislation or rules to prioritize passenger rail over freight.

The next thing is that we can restore coach bus lines. They are arguably one of the most climate-friendly and efficient forms of transport. The coach bus lines have been completely gutted in this country. That would be a good thing to restore.

To your point, I agree that we want to see a modal shift into rail and away from vehicles and planes, but those vehicles and planes are going to be around. They're not going anywhere. While we also 100% need to modernize the rail system and focus on that, we also urgently need to think about—this is the transport committee—ways to scale up our sustainable aviation sector. That can go numerous ways. You can focus on the demand-side mitigation, but you can also talk about expanding sustainable aviation fuel production, as the Biden administration has done in the U.S. I know that Air Canada has ordered electric aviation. Supposedly, these electric planes will be in service for short-haul flights by 2028. We'll see if that comes true.

• (1150)

Mr. Chris Lewis: Thank you, sir.

Mr. Chair, how much time do I have left?

The Chair: You have 14 seconds left, Mr. Lewis.

Mr. Chris Lewis: Oh, my goodness.

Thank you very much. I appreciate it.

The Chair: Thank you, Mr. Lewis.

Next we have Ms. Murray.

The floor is yours. You have five minutes for your line of questioning, please.

Hon. Joyce Murray (Vancouver Quadra, Lib.): Thanks.

This is a super-interesting conversation. I'm really going to be probing a bit more on the issues of cost and environmental net benefit. Thank you to all of the witnesses for the information you've given so far.

I was seized with the challenges that our government is facing with the Kinder Morgan Trans Mountain pipeline expansion project. This goes through some urban areas like Burnaby. It's a large infrastructure project. In 2013, it was estimated it would cost \$5.4 billion. By the spring a year ago, the new estimate was \$30.9 billion. That's between five and six times more. It seems to me that there is an inherent risk in these major infrastructure projects that intersect with urban areas and deal with weather, terrain and so on.

For those who model the costs of this high-frequency rail project, what is the risk that there will be an exponential increase in cost compared with what is estimated at the beginning? How do we mitigate or prevent that?

That's a question for Mr. Freemark, Mr. Blackburn or Mr. Katz-Rosene.

Dr. Yonah Freemark: The issue of cost control, as my fellow panellist noted, is an issue for countries all over the world. Bent Flyvbjerg has pointed out very clearly that megaprojects suffer from cost escalation and time escalation almost everywhere they are proposed and invested in. I agree that we need public sector transparency and constant vigilance over the scale of the project and over elements of the project that may be unnecessary or designed in a way that is inappropriate.

As an example, I would say that cost benchmarking against comparable international projects is one mechanism to ensure that a contractor is not taking the nation for a ride and not charging too much for the project as proposed.

Hon. Joyce Murray: Are there other elements of planning that can prevent some of the cost escalations?

What is the time frame that one would expect for the project as envisioned today for the high-frequency rail, and/or the high-speed component as well? Are we talking about 10 years or two years before it's in service, or somewhere in between? What would be the estimate?

Dr. Yonah Freemark: I've spent a while trying to understand the government's proposals, which, as others have said, are not super-clearly defined. Based on that, I would assume that there are going to be a number of years of additional planning, so it would be a minimum of 10 years to implementation and probably more like 15 years.

If you're looking at mechanisms to reduce cost, I would suggest that early land acquisition is one mechanism to substantially reduce cost if you know where the corridor is going to be. That, however, requires a lot of planning in advance.

I think a fellow panellist pointed out that it's a better idea to have the plans as well developed as possible from the beginning and then move forward quickly with land acquisition to reduce those land costs.

• (1155)

Hon. Joyce Murray: In terms of greenhouse gas emissions, I think it was Mr. Katz-Rosene who did some work around the impacts of train travel on the environment. The quote I have in my notes is this: “Taking the train across Canada is worse for the climate than flying.”

My question, Mr. Katz-Rosene, is as follows. Given that this project may not be in service for 15 years and given the speed at which our government is incentivizing the shift to electric vehicles and given the targets for phasing out the use of fossil-fuel-powered vehicles, do the calculations around the climate benefits of this high-frequency rail hold? Do they take into account where the puck is headed, in terms of bringing—

The Chair: Thank you.

I'm sorry, Ms. Murray, but we don't have any more time.

I ask that if witnesses would like to respond to that question, they do so in writing, following the meeting.

[*Translation*]

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

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

Professor Katz-Rosene, I've read some of your articles, including the ones my colleague mentioned earlier. In particular, you say that crossing Canada by train would be worse for the climate than flying. You've been interested in passenger rail for a number of years, going back to 2020.

You also talked about the participation of the public sector versus the private sector in the operation of the future rail line in the Toronto-Quebec City corridor, which my colleague would like to see extended to Windsor.

We know that about 90% of VIA Rail's revenue comes from the busiest segment of its network, the very segment where it wants to build the high-frequency rail line. This HFR project would be carried out with a private partner that is completely independent of VIA Rail. How will the entire VIA Rail network be affected if its busiest section, the one that generates most of its revenue, is no longer under its control?

Prof. Ryan Katz-Rosene: Thank you for the question. If I may, I'll answer in English, because it's easier for me.

[*English*]

That's a really good question.

I think it was Mr. Bachrach who pointed out earlier that Via is largely subsidized in a way, and the sort of non-essential coach lines that do use a lot of diesel. Essentially I think there are some real risks for Via's existing services in privatizing this line. I think we want to make sure that these jobs remain within the public sector. I think we want to make sure that these existing services remain on offer. There are some real risks that we could face service cuts outside of Via Rail if this project fails.

I think of it more in terms of risk around this project, this HFR project or HSR project or some combination thereof. We want to

make sure this is a successful project in order for it to maintain the existing revenues that it can use to support the existing services—

The Chair: Thank you, Mr. Katz-Rosene.

[*Translation*]

Thank you, Mr. Barsalou-Duval.

[*English*]

Mr. Bachrach, the floor is yours. You have two and a half minutes. Go ahead, please.

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

I'll pick up where I left off, which was on this question of the risk that this project poses to the rest of Canada's passenger rail service if the project proceeds under the current model. Perhaps the question is this: If a private consortium can turn a profit by building high-frequency or high-speed rail, could Via Rail not turn a profit and then take that profit and invest it in the public good?

• (1200)

Prof. Ryan Katz-Rosene: Yes.

Mr. Taylor Bachrach: Would you care to elaborate?

Prof. Ryan Katz-Rosene: I think there are some real risks to turning this over to the private sector. We have an existing entity. We have a Crown corporation. We can use that, and use it to our advantage. There are also a lot of real challenges or risks associated with privatizing that entity, one of which is how we value these incredible assets if we're turning them over to the private sector.

I'll leave my comments there, but yes, there's no reason that a publicly owned line could not derive revenues that could support the rest of the service.

Mr. Taylor Bachrach: I'll ask Mr. Freemark for his thoughts on that same question around the national picture.

How do we structure this project so that it's in the national interest, not just in the interest of Canada's big cities?

Dr. Yonah Freemark: I agree with the other panellist.

The decision to privatize profit and force the cost onto the public sector will inevitably make the other elements of public sector provision more tenuous. If Via is expected to continue to provide service without making profit from the Toronto-to-Montreal corridor, for example, it's going to have more difficulties, especially if a private sector entity is taking up profit from that line.

From an operational perspective, high-speed rail service operations in other parts of the world are almost universally profitable, which means they pay for their day-to-day operations.

That said, it is worth pointing out that this doesn't mean they pay for their capital costs over time; it depends on how the project funding is structured. If the project's profits are being spent on paying back debt service on a line, for example, it may not be possible for even a profitable high-speed line to support other parts of the country. If, however, the national government chooses to pay for the high-speed line with some dedicated source that doesn't incur debt onto Via, Via could use its profit to support other parts of the country.

The key question is on profit sharing.

The Chair: Thank you, Mr. Freemark.

Thank you, Mr. Bachrach.

Next we have Mr. Muys. Mr. Muys, the floor is yours for five minutes.

Mr. Dan Muys: Thank you.

I know we've talked a bit about this theme. My colleague Mr. Lewis talked about his experiences in Windsor. It was noted that the ability to connect to the U.S. through Detroit would be a great option for such a line.

However, I'm going to refer to an Order Paper question from my colleague Mr. Ben Lobb, from Huron—Bruce, who asked at the beginning of December when there would be a final report on HFR for that southwestern Ontario line. It was scheduled to come out in late 2023. The response, with the requisite excuses, is that it will come out at some point in time in 2024. We already have a delay.

I will ask each of the witnesses this.

With respect to the ability of government to deliver megaprojects on time and on budget, I do not think it is possible. What are the red flags here? What can we do about that?

Prof. Ryan Katz-Rosene: As my colleague pointed out, the mantra in research on megaprojects is that they're over budget and over time, over and over again.

I think of it more from the point of view of which model is riskier. We have some research pointing out that privately run projects and P3s come out looking like a cost-effective or cost-saving measure up front, but they often have a higher risk of project failure, which means that government comes in afterward and essentially has to pay more. We've seen that. We've seen examples of that in Canada.

Mr. Dan Muys: Sure.

Mr. Freemark, would you comment?

Dr. Yonah Freemark: I would recommend that folks check out the example of the Purple Line. That is a light rail project in suburban Maryland outside of Washington, D.C., where a public-private partnership was expected to provide construction and 30 years of operation. That partnership collapsed entirely and resulted in the project having two years of construction and then a pause. Then the government had to re-contract the whole situation. The result was way more money than originally proposed being spent on the project.

This is not to say that a public-private partnership is necessarily wrong. I am not trying to say that. This is to suggest there is no clear evidence that public-private partnerships will definitively produce a project more cheaply and more quickly than a public entity would. There are examples all over the place on both sides.

• (1205)

Mr. Dan Muys: Sure.

Go ahead, Mr. Blackburn.

[*Translation*]

Mr. Karl Blackburn: I think we need to look at what has already been done well. In Quebec, we have a few examples, including the Autoroute 25 bridge, Autoroute 30 and other public-private partnership projects that have produced good results. At this point in our deliberations, we shouldn't completely exclude the private sector. I think a good mix between the public and private sector on a major project like this can certainly yield very conclusive results. I think we need to carry out this exercise for as long as possible, for the common good of this infrastructure and of Canada.

[*English*]

Mr. Dan Muys: I'll ask again.

Mr. Blackburn, you talked about the evaluation of costs. You said that we don't know the costs, and I think you talked about the fact that we don't necessarily know the ridership. That was a question we asked at the first meeting of this study of the incoming president of the HFR.

I would ask if there's a business case for this project from your perspective. If so, what would it take to make it viable?

[*Translation*]

Mr. Karl Blackburn: As I mentioned earlier, I have the privilege of being accompanied by the chief economist of the Conseil du patronat du Québec. We ran out of time earlier, and I'm going to give my time to Ms. Kozhaya so that she can share some very interesting answers with you.

Ms. Norma Kozhaya: Thank you.

Yes, I believe that the proposals submitted by the three selected groups will help us answer a number of questions. Of course, we don't have data at this stage. However, assessments are being made using two scenarios: the first with speeds of at least 200 kilometres an hour and the second with speeds of at least 100 kilometres an hour.

Again, we can look to other countries as a benchmark. In fact, we mentioned some figures from a professor at UQAM who looked at certain experiences. You always have to have a cost-benefit analysis.

It is important to have an effective link between Quebec City and Toronto or other cities, as the case may be. I also believe that a public-private partnership can reduce the risk and cost of public debt, because public debt has a cost. We can draw inspiration from examples that have worked elsewhere, but there are examples that have not worked.

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

Thank you, Mr. Muys.

Mr. Badawey now has the floor for five minutes.

[*English*]

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

I'm going to get a bit more granular with respect to the business of the business.

My first question is to Mr. Freemark. It's with respect to the importance of aligning all methods of transportation, keeping in mind that one of the benefits of this project is that it's not just moving people but is also moving trade on two separate lines, which will create more fluidity for moving people as well as for moving trade.

I'd like you to comment on the importance of aligning all methods of transportation, including aligning service providers. What I mean by that is not only aligning the methods of transportation—marine, water, rail, road and air—to move both trade and people, but also aligning the service providers in the individual jurisdictions. In Ontario, for example, there's Metrolinx and the intermunicipal transit systems.

Mr. Freemark, you can comment on that?

Dr. Yonah Freemark: With regard to freight services, the potential here for freeing up the existing corridor to allow for increased movement of freight by rail could be quite important to the corridor. If the passenger trains could be moved to a dedicated line, whether they're high-speed lines or not, and the existing corridor could be dedicated for freight services, there could be a substantial increase in freight movement along the line.

We do know from experience that freight rail is more environmentally sustainable than trucking-based freight movement. You can also have logistics centres where you connect the two in important multimodal locations outside of the major metropolitan areas.

My perspective is that one of the key elements here is creating a situation in which there is no conflict between freight and passenger services along the major elements of the corridor so that freight can move as freely as passenger service.

With regard to urban transit, there was a mention before. I agree with another panellist that one of the key goals here must be to ensure that the distance between the stations of the future line and the centres of population in the major metropolitan areas is as short as possible. Whether that distance is reduced by improved urban transit or by having the terminus in a very central location depends on the city, I suppose, but without that kept in mind, you could have people experiencing long-distance travel to get to the rail stations similar to what they experience with airports today, which would

defeat the point for investing in the rail service. You need to get those rail stations in central, very transit-accessible locations.

• (1210)

Mr. Vance Badawey: For all methods of transportation, whether municipal transit, such as a train to a ship—whether it's a cruise ship or something like that in the Great Lakes—or an airport, I guess what you're saying is that they should be in close proximity to each other.

Dr. Yonah Freemark: Yes, I agree with that.

Mr. Vance Badawey: Good. Thank you.

Second, be it binational or international, every place around the world is trying to be the destination to embark from. This project is a good opportunity for Canada to move people around the country with more fluidity.

Mr. Freemark—and I'd like Ms. Kozhaya to comment on this as well—how important is it to ensure that when we are doing the capital work, we do that not only domestically but also include our financial partners across the border in the United States while also doing a lot of destination planning with our international partners?

With that said, how important is it to begin investing, first off, not only in strategic locations, such as our capital—I'll use the words “the hot spots”—but with that being done, also helping to finance, as you mentioned earlier, future expansion?

Can you both comment on that?

Dr. Yonah Freemark: I can respond quickly to say that connecting with the Detroit metropolitan area is a huge opportunity for Canada and for the United States.

The United States has also made major investments in intercity rail in recent years. There's an opportunity to create a binational corridor of interest that could connect people across those large metropolitan areas, as you know.

That could also be true going south to New York City. It would require significantly more investment from the United States, but it could involve some interesting binational agreements that would benefit both countries.

Mr. Vance Badawey: Go ahead, Ms. Kozhaya.

[*Translation*]

Ms. Norma Kozhaya: Thank you.

Indeed, I think we have to start with our major cities, Montreal and Toronto, where most of the population lives. Eventually, we'll also address the issue of New York and other cities, because we don't have a choice. We're talking about repositioning our supply chains, because of all the geopolitical conflicts we're seeing around the world, while keeping our openness. However, we also have to strengthen our domestic market and our North American market. In that sense, the project may be the start of other projects with the United States, be it with Detroit or New York.

[English]

Mr. Vance Badawey: Thank you to all the witnesses.

I want to make this final comment. We often talk about HFR and HSR. The challenge is that HFR is sometimes going to prevent HSR, because when you're stopping more often, it's more difficult to get the trains up to 200 or 300 kilometres per hour.

What we also look forward to is while being very strategic in having HFR in those areas we have to frequent, especially in opening up the entire country to services, in those areas that aren't as frequented, we're allowing HSR to be put in place.

Thank you, Mr. Chairman.

The Chair: Thank you, Mr. Badawey.

[Translation]

Mr. Barsalou-Duval is next for two and a half minutes.

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

Mr. Blackburn, in your opening remarks, you said that what is important if we want to maximize the speed and interest in using the infrastructure proposed by the government at present is to limit stops and not give in to political pressure to have the train stop in every possible suburban city. I'm a suburban MP myself, and I totally understand the interest, but I don't expect to have a high-frequency or high-speed rail station in my riding.

However, there is something I would like to understand. In the bill presented by the government, I get the impression that things are being mixed up a bit. There's a kind of in-between: it's not quite a commuter train, but it's also not a train that connects major centres, even though it's presented as such.

When the government did its famous tour, it went to all the potential locations where there could be a station. Among those places in Quebec, I'm thinking of the city of Laval, among others. However, when we look around the world, I wonder whether high-speed trains stop in suburban cities or not. I think time would be lost if they did.

I'd like to hear your comments on that.

• (1215)

Mr. Karl Blackburn: This is indeed a decision that will be extremely delicate to make, but for which the government must show courage.

The objectives of this massive investment are to shorten travel times, to promote greater complementarity among the various categories of transportation and to ensure that this can become an attractive competitive advantage.

If, unfortunately, you plan too many exits or stops, you run the risk of compromising one of the main objectives, which is to improve speed and frequency. That's why this is an important exercise. We need to focus on the most populous centres. That's why the Quebec City-Toronto corridor route, including Montreal and the stops in the initial project, is important.

After that, can greater networking with what already exists in outlying areas be improved? Of course.

However, as part of the initial project, if you want to resolve the situation of all travel between the various points by yielding to pressures that could be political, unfortunately I'm afraid you'll lose sight of the target and won't succeed in optimizing this investment in Canada for the years and decades to come.

The Chair: Thank you very much, Mr. Blackburn and Mr. Barsalou-Duval.

Mr. Bachrach, you have the floor for two and a half minutes.

[English]

Mr. Taylor Bachrach: Thanks, Mr. Chair.

National governments have the opportunity and, I would say, the responsibility to plan over long time horizons—let's say 100 years into the future—while the private sector more often focuses on delivering financial returns over a much shorter time horizon. The government's current conception of this project is to have the private sector intimately involved in the design process, if not leading the design process.

My question is this: What kinds of design decisions might be affected by a focus on maximizing financial returns over a shorter time period?

I'll start with Mr. Katz-Rosene and then go to Mr. Freemark, if we have time.

Prof. Ryan Katz-Rosene: For me, one of the main risks there in terms of having a quicker intended return on investment is the potential for a higher fare structure. I mentioned that before; I'll leave it there. For me, that's a real risk, because once you drive up the cost, the number one determinant for modal choice for intercity transport is the cost, the price. That ties in with HRS over HFR, because if you spend billions and billions of dollars on this massive project and you have a private firm trying to recoup those costs, you need to charge higher fares, and that is going to have an influence on your ability to take a share of the competing modes.

Dr. Yonah Freemark: I agree with that assessment.

We saw a public-private partnership for the project called Sud Europe Atlantique, which connects Paris to Bordeaux and was completed in 2017. That partnership involved a private contractor contributing to the cost of the line but as a result having very high toll fees for trains that used those tracks, which resulted in very high fares on trains that were using this system, even if they were fares charged by the existing public operator, SNCF.

Therefore, I also am concerned about the fare costs resulting from having a private investor. This is something that should be considered seriously by the government.

I did want to mention a few other things that might be relevant to decisions on private versus public development. There's been a lot of discussion in this panel about how many stops to have along the line. I would suggest one option is to have multiple types of services along the same corridor. This is feasible with multiple tracks.

You can have express services, for example, going directly from Toronto to Montreal or directly from Toronto to Ottawa, but you can also have regional services that provide stops along the way. A private investor is much more likely to concentrate services on those that have the highest ridership and, frankly, carry the highest-income individuals and serve the biggest cities. There's an option to improve service for the cities along the way, and that's where a public investor or public interest can play a bigger role.

The Chair: Thank you very much, Mr. Freemark, and thank you, Mr. Bachrach.

[*Translation*]

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

• (1220)

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

I'd also like to thank the witnesses for being here this morning. It's a very interesting topic, and I would certainly like to have a station in my riding—Alfred-Pellan—in Laval, where there's a lot of vacant land. I'm working on it.

Mr. Blackburn, it's always a pleasure to see you. I'm going to go straight to some very short questions to give you time to get us situated.

What criteria do you think should be used to determine which cities will have stops for the future train? Will they be different depending on whether the train is high-speed or high-frequency?

Mr. Karl Blackburn: Your question is very interesting, but I'll be careful what I say so as not to provoke debate.

I think the criteria of population and density are important. However, there are also criteria related to development capabilities that complement other modes of transportation. If we want to have a structuring project that will maximize the use of the various modes of transportation and also optimize them in relation to land use and the structures used for procurement, I think all these criteria are the most appropriate to enhance all the other modes of transportation.

Mr. Angelo Iacono: Thank you.

My next question may seem repetitive to you, but it's a little different.

What criteria do you think should be considered in determining the location of stations within the cities chosen to host the future high-frequency or high-speed rail?

Mr. Karl Blackburn: Now we're getting into the details of the implementation of the project. The good news is that we have a new Crown corporation, a new board of directors and new leader-

ship. They have everything they need to properly assess the various options on the table. Obviously, cost is a criterion. Efficiency is another. Travel time is a third.

I think this new Crown corporation, headed by a new CEO who has free rein when it comes to the government's objectives, should have the capacity to come up with more precise answers than anyone else about certain criteria or indicators that we unfortunately don't have in the current context.

Mr. Angelo Iacono: What are the advantages of high-speed rail over high-frequency rail?

Mr. Karl Blackburn: The main difference lies in the speed of travel. Simulations have shown that the high-speed train would deliver substantial gains in this respect. If we want to encourage greater use of the train, the gains in efficiency and speed for consumers must be worthwhile. Otherwise, they won't be encouraged to use those services, and we won't be able to force them to do so.

Mr. Angelo Iacono: So you think that what is most important is to focus on the speed of the rail service, not on ridership or train use. It seems to me, though, that high-frequency rail would be more available and a little closer to cities and communities, whereas high-speed rail would be a little further away.

Mr. Karl Blackburn: It's important to keep in mind that one isn't necessarily opposed to the other. However, we can see that high-speed rail offers significant travel time gains over high-frequency rail.

Earlier, someone compared the time it takes to travel by train and by car between their riding and Toronto or Ottawa. Personally, if I want to take the Roberval train to Montreal, it will take me 10 hours by train, but only four and a half hours by car. So you'll understand that, in my case, my behaviour wouldn't be changed by this investment because there would be no gain. That's what you have to consider if you want to maximize the use of the train: the speed of travel.

Mr. Angelo Iacono: If we had a high-speed train, the station would be in Montreal. Everyone who lives in the north, like me, would then have to travel to downtown Montreal to take the train. However, if we had a high-frequency train, there would be a station in Laval that would serve the entire northern region.

As a final question, what are the challenges in implementing a high-speed train between Toronto and Quebec City?

• (1225)

Mr. Karl Blackburn: What kind of difficulties are you talking about: financial, political or infrastructure?

Mr. Angelo Iacono: I'll let you decide.

Mr. Karl Blackburn: First of all, the example you just gave concerning your riding clearly shows the major political problems that this could pose.

Then, of course, there's the cost risk. You have to choose a project that will both maximize the return on the financial investment and bring about real changes in user behaviour. That's where the exercise is extremely important. I dare say it's one of the main challenges.

Mr. Angelo Iacono: I just want to tell you that there are four of us in Laval and that I'm the only one who takes the train, because the station is too far for my three colleagues.

Mr. Karl Blackburn: However, in Laval, you have other important community travel services that promote greater use of public transit.

Mr. Angelo Iacono: Thank you, Mr. Blackburn.

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

Ms. Koutrakis, the floor is yours. You have five minutes.

[*English*]

Ms. Annie Koutrakis: Thank you, Mr. Chair.

At this point I would like to move my motion to study tourism and transport, which was circulated and put on notice on December 12, 2023, in both official languages, and I will read it into the record if I may:

That, pursuant to Standing Order 108(2), the committee undertake a study examining the role of the transportation sector in the support and growth of the tourism industry in Canada, examining the challenges and opportunities that the transportation sector presents to tourism; that the committee invite witnesses with specific knowledge about the transportation sectors and the tourism sectors across the country; that the committee allocate a minimum of five meetings to this study; that the committee report its findings and actionable recommendations to the House; and that, pursuant to Standing Order 109, the government table a comprehensive response.

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

Would you like to speak to the motion?

Ms. Annie Koutrakis: I would, very briefly. Thank you.

As we all know, Mr. Chair, tourism is an integral part of the Canadian economy. It generates benefits across the country in rural and remote areas, indigenous communities and the north. Most critically, I wanted to share some of the numbers that make this study, I think, all the more important

There are 623,000 jobs in Canada—and these are 2022 numbers—directly attributable to tourism.

There are 232,000 businesses, the vast majority of which are small and mid-sized enterprises, that are directly supported by the visitor economy, and this is as of June 2023.

Eighteen per cent of the transportation industry was supported by tourism jobs. In Q3 of 2023, tourism contributed \$6.9 billion in additional GDP to Canada's transportation sector.

We all know that transportation is always an integral and key part of the tourist experience, but the lack of access—and we heard this time and time again during various testimony that we've heard so

far at the committee—and reduced transfer connectivity remains an issue for tourism operators,

For all of those reasons, Mr. Chair, I think this is an important study to be placed in the queue.

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

Before we dive into debate—because I see that Mr. Muys has his hand up—could I have unanimous consent that the witnesses be excused with our gratitude for their testimony today?

Some hon. members: Agreed.

The Chair: I see unanimous consent.

[*Translation*]

I'd like to thank all the witnesses for their feedback.

[*English*]

We wish you a wonderful rest of your day. You can now log off or leave the room if you're here in person.

Thank you.

Mr. Muys, I now turn the floor over to you.

Mr. Dan Muys: Thank you.

I think we had the discussion at a previous meeting that there's the rotation of studies, and I like this study for the statistics that Ms. Koutrakis just indicated. Was it 600,000 jobs and 233,000 businesses?

Of course, there's also the transportation aspect, which I was not aware of—the 18% and the \$6.9 billion.

I have two suggestions. One is a bit more of a.... You know, we get into wordsmithing, and we usually depend on Mr. Bachrach for that. Rather than saying a “minimum of five meetings”, we could say “up to five meetings”. Then, given the volume of GDP that was mentioned, I think the study would actually benefit from the inclusion of the Minister of Transport and the Minister of Tourism on the list of witnesses.

• (1230)

The Chair: Thank you, Mr. Muys.

I'll turn it over to Ms. Koutrakis.

Ms. Annie Koutrakis: I'm amenable to those changes. That sounds fair to me. I think the importance is to do this study, because it is a very important one.

The Chair: Thank you, Ms. Koutrakis and Mr. Muys.

I don't see anybody else on the speaking list, so perhaps we'll go to a vote.

All those in favour of adopting the motion, as amended by Mr. Muys....

Mr. Taylor Bachrach: Are we going to vote on the amendment first?

The Chair: Oh, yes. It was a friendly amendment, but regardless, I think....

Mr. Taylor Bachrach: Do you want to just ask for unanimous consent to the amendment?

The Chair: Yes.

Do we have unanimous consent to approve the amendment?

(Amendment agreed to [*See Minutes of Proceedings*])

(Motion as amended agreed to

The Chair: Thank you, Ms. Koutrakis.

Colleagues, before we conclude for today, we discussed in previous meetings the possibility of a travel submission budget for upcoming studies. The deadline would be next week, next Friday,

February 16. I'd like to ask for unanimous consent to go into committee business in camera so that we can briefly discuss that and perhaps put ideas forward. That way, the clerk—if we, as a committee, decide to submit such a request—would have the time to be able to put all of that together on our behalf.

Do I have unanimous consent?

Some hon. members: Agreed.

The Chair: I see no objection, so we'll now go in camera. We'll give the clerk a couple of minutes to be able to do that.

[*Proceedings continue in camera*]

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