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## Standing Committee on Transport

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**Thursday, November 18, 2004**

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**Chair**

**The Honourable Roger Gallaway**

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Thursday, November 18, 2004

• (1530)

[English]

**The Chair (Hon. Roger Gallaway (Sarnia—Lambton, Lib.):** Colleagues, I'll call this meeting to order.

Before we formally welcome the minister for the second time to this committee, I've been asked to advise committee members that today we embark on a new era of technology, and that is that all House standing committee meetings will be broadcast over the Internet. So for regular meetings that are not televised, the audio feed will be broadcast on the worldwide net. This meeting today will be broadcast on the web, as well. This is part of making committees more accessible, not only to Canadians, but presumably throughout the world. I think we should all know about that.

Yes, Mr. Nicholson.

**Hon. Rob Nicholson (Niagara Falls, CPC):** Is there much of an audience overseas for this committee and its work, Mr. Chairman, or are you in a position at this point to comment?

**The Chair:** I think we're waiting for the ratings. We have to wait for the ratings.

That being said, Minister, we welcome you.

Colleagues, as you know, this is the first of at least two meetings in which this committee will consider the estimates.

Minister, I will not introduce those who are with you today. I'll leave that to you. If you want to proceed by introducing them or by just making your opening statement, the floor is yours.

[Translation]

**Hon. Jean Lapierre (Minister of Transport):** Thank you, Mr. Chairman.

I would like to begin by making a few comments. I will then introduce to you the members of my team, who knows the numbers by heart. They will be able to answer questions in a much more detailed way.

Mr. Chairman, Members of the Committee, it is a pleasure to get back together so soon after our first meeting. I was very favourably impressed, last time we met, by the strong commitment to transportation that all of you demonstrated. I got a clear sense that you appreciate its importance for our economy and our society.

This commitment is reassuring. Knowing that all of us in this room are pulling in the same direction should make it easier to achieve the goal of a safe, secure, efficient and sustainable transportation system for Canada and Canadians.

It is no exaggeration to say that every aspect of our lives is affected by transportation. Every Canadian uses the transportation system—directly or indirectly—every day. Every Canadian benefits from it. This is why it is so important for us to have a system that works well.

I am here today to talk about my department's estimates for 2004-05—both mains and supplementary. I want to emphasize how our spending supports the work we do for Canadians.

And I will answer any questions you may have with regards to the estimates.

As you know, the estimates process is a little different this year. The last Parliament approved interim supply for the department's estimated requirements for the first nine months of this year. On December 9, the House will debate the remaining three months of the mains and the supps for this fiscal year.

I am sure I can count on your support to recommend that Parliament approve spending of the remainder of the \$1.647 billion previously approved for the main estimates and an additional \$164 million in supplementary estimates.

This funding will help us advance the priorities I discussed with you two weeks ago: promoting a safe and secure transportation system; enhancing trade corridors and improving strategic infrastructure; and encouraging sustainable transportation.

Looking back for a minute, Transport Canada, like the transportation system itself, has gone through dramatic changes in the last 15 years. As a result of Program Review in the mid-1990s, our staffing levels went from almost 20,000 employees in 1993 to less than 5,000 today. It is quite the lean diet! From what I understand it is even trimness for life, because there continues to be a certain holding back with regard to supplementary estimates.

The budget for the portfolio was cut almost in half, and much of what remains goes directly to other agencies. We cut subsidies. We transferred ports and airports, and the Coast Guard, and we commercialized the air navigation system.

In addition, last year, Transport Canada, along with VIA Rail, contributed \$18 million, on an ongoing basis, to the governments \$1 billion reallocation exercise.

Before Program Review, the department was heavily involved in operating many aspects of Canada's transportation system. Since then, our mandate has evolved to being a policy-maker, regulator, inspector, enforcer and, where needed, an investor. We have helped create a more efficient and productive transportation system that better responds to the needs of the market.

● (1535)

[English]

Let me highlight the key items and some of the major changes in this year's main estimates and how they support our objectives. Please bear in mind that three-quarters of the money has already been spent and your approval is sought only for the remaining one-quarter.

In the new review of the department's main estimates, I'm sure you have noted that almost half of the funding flows through the department to crown corporations or other agencies. This money is not available to the department per se. The remaining 53% added to re-spendable revenues means the department has \$1.2 billion available for its activities in support of our strategic objectives.

The largest of the flow-through payments is \$466 million to fund the operations of the beloved Canadian Air Transport Security Authority. From its creation only two years ago, CATSA has had to move very quickly in a short time and has produced a marked improvement in aviation security. It is delivering key security services, including pre-board screening of passengers and their baggage, deployment of explosive detection systems at airports, the restricted area pass system, and screening of non-passengers entering restricted areas at major Canadian airports.

The estimates also include \$191 million to VIA Rail. This is a reduction of \$75 million from last year, and we wound down the major capital funding project for the revitalization of its fleet. While VIA relies on public funds for its operations, its budget has been reduced considerably over the years, and the company remains a very tangible example of how transportation binds our country together. It's still an integral part of our transportation network at a time when congestion on our highways and environmental concerns are important public policy issues.

As for Transport Canada itself, we always make a point of emphasizing that safety and security are our top priorities, and we're backing that up with an investment of over \$370 million this year on the bread-and-butter work, done largely behind the scenes and preventive in nature, to promote safety and security in all modes. This includes, among other things, programs to improve the safety of air passengers and crews, the safety of our marine transportation system, and safety at railway crossings, on school buses, and in private cars.

More than 60% of Transport Canada's workforce, people like our safety inspectors, work directly at the job of preventing accidents, saving lives and property, and protecting the safety and security of our transportation system. We had a vivid demonstration of their work at a recent air crash in Halifax. Our inspectors were on the scene right away, as always, working with the Transport Safety Board who are responsible for finding out what happened and why.

Looking at our grants and contributions vote, we are investing more than \$200 million with the provinces and other partners in support of Canada's national highway system and other surface infrastructure. This includes funding under the strategic highway infrastructure program to complete the twinning of the southern part of the Trans-Canada Highway from one side of Saskatchewan to the other, to build an international truck route in Sault Ste. Marie, and to widen Highways 10 and 15 in British Columbia, to name just a few important projects.

The airport capital assistance program assists regional and local airports with the financing of capital projects related to safety, asset production, and operating cost reduction. These airports are vital transportation links for communities across the country. This year 38 projects were selected for funding in places like Dawson Creek, British Columbia; Lynn Lake, Manitoba; Moosonee, Ontario; and Sydney, Nova Scotia.

● (1540)

[Translation]

Transport Canada is also a key player, with other departments and agencies, in initiatives to strengthen security and improve efficiency at our border crossings. Every day, 35,000 trucks cross our border with the United States.

In the past year, the federal government, in partnership with the provinces and bridge authorities, has announced investments of more than \$1 billion to make traffic flows more secure and efficient at our key border crossings.

This year, Transport Canada is managing major infrastructure investments at a number of border crossings across the country, including at British Columbia's Lower Mainland and in Ontario at Fort Erie, Sarnia and Canada's busiest border crossing at Windsor.

These trade corridors are the lifeblood of our economy and benefit not only the local communities clustered along them, but also communities throughout the country that rely on trade with the United States.

In the 21st century, the environment is on everybody's mind. Canadians expect governments and industry to take social and environmental goals into account when they make decisions about investment and economic activity. We have to acknowledge that, with all its economic benefits, transportation also produces environmental problems—land use, air quality and global environmental problems like climate change.

Urban areas face serious problems of congestion. That is why Transport Canada is involved in important public transit projects in places like Vancouver, the Greater Toronto Area, the National Capital Region and most recently a study on a rail link to Pierre Elliott Trudeau Airport in Greater Montreal, to address problems of gridlock and to improve air quality.

This year, the department is dedicating more than 60 million for environmental initiatives. We are providing support to eight cities and communities to reduce greenhouse gases from urban transportation. The projects include such initiatives as ride-matching for car pools, employer-sponsored van pools and the provision of energy-efficient electric cars and bicycles for registered commuters.

Finally, a major portion of our budget is also being used for operating expenditures, largely personnel costs, including the safety inspectors I mentioned earlier who oversee the safety of the transportation system across the country.

A portion of our budget is also being used for research and development projects. For example, we are supporting a cutting-edge electronic chart and information system that has made the Port of Montreal accessible 24 hours a day, while significantly reducing costs for users.

We are now working to apply it to the seaway portion of St. Lawrence for safer, more efficient traffic management. This year, as a result of this work, we have been able to increase the maximum load in the St. Lawrence by an average of 300 tonnes per ship.

Transport Canada is also a world leader in efforts to improve aviation safety in winter. Every year we test new de-icing fluids and publish guidelines on removing ice and snow from airplane wings that are followed around the world. It is also just one of many ways we make transportation safer for Canadians both in major centres and in smaller and northern communities that rely on their precious transportation links.

So that, in a nutshell, is the story of the main estimates. This, clearly, is money that is being invested wisely.

[English]

Turning to the supplementary estimates, you will see that we're asking for an additional \$164 million for a range of initiatives. I don't propose to go through the whole list, but I would like to look at a few of the items.

First, we're asking for an additional \$45 million for Marine Atlantic. As things stand, Marine Atlantic is looking at an operating deficit of more than \$156 million over the next five years. This additional funding will allow the company to hold the line on rates and levels of service, which is very important to the quality of life of people in the Atlantic region, especially Newfoundland and Labrador.

Second, we're asking for \$40.6 million for Transport Canada's budget toward the government's \$81-million short-term financial relief to airport authorities. This was announced in July 2003 as a result of a number of hits the aviation sector took between 2001-03. These include, of course, the terrorist attacks of September 11 and the SARS outbreak.

Third, we're asking for a \$37-million increase in payments to CATSA for capital expenditures related to the deployment of explosive detection system equipment. This is not new money. It's money that was allocated for 2003-04 but could not be spent because of the unavoidable delays in the deployment of equipment. CATSA remains committed to deploying EDS equipment by January 1, 2006, in partnership with airport authorities.

That brings up another point I wish to make about those estimates. A lot of our spending is done in partnership with other entities: provincial, territorial, and municipal governments; airport, port, and bridge authorities; academic and research institutions; and the private sector. Our partners depend on this support continuing. Those are the three big items on our supplementary estimates.

We're also looking for increases for funding of regional and remote passenger rail service. This would provide funding for passenger services: in Ontario, between Toronto and North Bay, and between Sault Ste. Marie and Hearst; between Sept-Îles, Quebec, and Labrador City and Schefferville, Newfoundland and Labrador; and in Manitoba, between The Pas and Pukatawagan.

Funds would also be used for assessment, management, and remediation of contaminated sites.

I'd like to close by taking a moment to mention two smaller items to show that they too have an impact. For example, we're asking for \$4 million under the capital budget carry-forward provisions to offset the impact of delays experienced in a couple of projects, because even the best-laid plans sometimes go astray.

One of those projects is a wharf construction project in Blanc-Sablon, Quebec. For those of you who don't know the area, Blanc-Sablon is a small community as far east as you can go on Quebec's north shore. The wharf is a vital link to the outside world. It's used for upcoming shipments of petroleum products and supplies for the local population, and to provide daily ferry services with Newfoundland and Labrador for eight months of the year. This project experienced delays we couldn't control, but clearly it is needed and will have a positive impact on this small community.

On the other side of the country, we're asking for a little over \$6 million to help clean up Victoria Harbour's Rock Bay in cooperation with British Columbia Hydro. This is one of the most contaminated sites in British Columbia. The funding for this project, which comes from the federal contaminated sites accelerated action plan, will help improve the environmental quality of the harbour and enable the future transfer of the property to local stakeholders.

The supplementaries also include funds for ongoing contributions for marine security, including a new funding program to help our ports meet the new international security requirements and remain secure and efficient gateways for North America.

• (1545)

[Translation]

As I said at the outset, Mr. Chairman, I believe we share a common understanding of the importance that transportation has in our daily lives and the lives of all Canadians. It is for this reason that it is so important for us to think carefully as we consider the proposals embedded in these estimates.

I believe these estimates represent a thoughtful, frugal and balanced plan for departmental spending for the rest of the fiscal year. Truth be known, I believe this country could benefit from an increased capacity for this department to make targeted investments in transportation infrastructure, in our pursuit of safety and security, and in the protection of our environment.

Since program review, Transport Canada has had to become very adept at working with partners and accessing program funds of other departments and organizations in support of transportation policies.

And we work closely with provincial, territorial or municipal governments on many priorities, such as highway projects, to help achieve our mutual goals for the transportation system in the most cost-effective way possible.

I hope you will join me in endorsing these expenditures and in planning future transportation initiatives that will further contribute to the prosperity and quality of life of all Canadians.

Mr. Chairman, at this time, I would like to introduce the officials who are with me today. They are: Louis Ranger, Deputy Minister; Marc Grégoire, Assistant Deputy Minister, Safety and Security; Kristine Burr, Assistant Deputy Minister, Policy; André Morency, Assistant Deputy Minister, Corporate Services; Ron Sully, Assistant Deputy Minister, Programs and Divestiture; and Jacques Pigeon, Senior General Counsel.

Mr. Chairman, we are at your disposal to answer all of your questions.

• (1550)

[English]

**The Chair:** Thank you, Minister. I'm sure there are going to be questions today, even about your beloved CATSA.

We will start with Mr. Gouk today.

Mr. Gouk.

**Mr. Jim Gouk (British Columbia Southern Interior, CPC):** Thank you, Mr. Chairman.

Good afternoon, Minister. I can assure you that I have all kinds of question, and I have had a chance to ask you some of them before.

Today, I'm going to focus primarily on expense things, as that's what we're doing here, and specifically, to start at least, on airports. We've both returned from a conference with the entire air transport industry. I think the number one issue for them is airport rent. It's

beyond out of control. What initiatives are you planning for freezing and then reducing airport rent to the national airports?

**Hon. Jean Lapierre:** Mr. Gouk, I'd love you to be Minister of Finance for a minute. I hope I could achieve both of those objectives, eventually, coming back to a fair and equitable system for our airports.

You know there was a review by the department. Everybody recognizes that we have to correct some inequities in the system. Some leases were signed in good faith, but the numbers are impressive.

You will realize that some of the money that is funding the base funding of this department comes from airport rent. Obviously, if we're going to lower the revenues, we're not going to close down the department. That's why this is a discussion I will need to have with the Minister of Finance.

I recognize that I have to move on that. I have to go to cabinet, show them the charts, and show them the reality. Most members of cabinet, and I'm sure most members of Parliament, have heard airport authorities tell us what the rent is doing to them and to the prices they're charging the carriers, and what have you.

I want to move on that. I hope to be able to go to cabinet before Christmas, because we know the new year is a deadline for them, and then be able to move on to a fair and more equitable system. But if I may, I'd like to do that in conjunction with a new airport site.

I think if we're going to move on rent, we also have to remember that those airports are public property. There are all kinds of governance issues, and what have you, that I'd like to share with you eventually. We could also have an airport act. I think they should both come together. Otherwise, it's going to be very difficult to do that.

I think we have to be responsible on the rent and responsible on the administration of airports. That's how I intend to proceed.

**Mr. Jim Gouk:** Thank you. Although you didn't give me quite the answer I was hoping for in the first part, you answered my next question at the same time.

Obviously there has to be governance. If we cut the costs for them on one end, we have to make sure we control their spending on the other end, so there's balance and it's the airlines that save.

Your immediate predecessor introduced something that basically amounted to a deferment of a certain part of the rent. You've said that you can't cut the rent because it comes off your bottom line, so you have to work with Finance. Obviously, something must have worked last time. We had this deferment, which meant nobody saved any money, but the department didn't get the money and still survived.

Now we have that money sitting there, and it has done no good at all. The department has gone without it. Can there be consideration, to start with, to waive the collection of that deferred amount, given that you managed without it and regular rents are there until such time as we can make some changes? Can we do that, for a starter, without having a serious impact on your bottom line?

**Hon. Jean Lapierre:** Since I wasn't around when that provision was made, I'll ask Louis Ranger to respond.

**Mr. Louis Ranger (Deputy Minister, Department of Transport):** The 10% relief that was provided is not a reduction in rent; it's a postponement of payment.

**Mr. Jim Gouk:** A deferment.

**Mr. Louis Ranger:** Over the period of time in question, the deferral is worth \$80 million, but for the current fiscal year it is worth \$40.6 million to the department. That's exactly the number you find in the supplementary estimates, so we are being compensated by the centre, as we call it, to make up for the amount that didn't come to us.

• (1555)

**Mr. Jim Gouk:** I realize life went on for Transport. My question is, given that life did go on, can we move quickly to waive collection of the funding that's been deferred to the airport authorities?

**Mr. Louis Ranger:** I suppose this could be part of the options that can be discussed. The minister said we're going to cabinet. I can tell you, the airports have thought about that one and certainly are making representations that this be part of the package.

**Mr. Jim Gouk:** While you're going to the minister, perhaps you could also.... We've talked in the past about the downloading of new provisions on smaller regional airports. These are run, in many cases, by small municipalities or local or regional governments with very small tax bases. They made a number of cost-cutting measures, approved by government, when they took over those airports.

Where no change is taken in the growth of the airport... If the airport grows and expands, fine; new criteria obviously take impact. But when those airports haven't grown, they should have some assurance from this government that they are not going to have new requirements downloaded on them, like CAR 308.

What steps can you take along that line?

**Hon. Jean Lapierre:** I must tell you that's one of the things I heard about a month before I became Minister of Transport. I heard the complaints and I thought they were justified, frankly. Some of those small airports having that new responsibility would not have been able to survive. You're right. I heard from l'aéroport de Val-d'Or, for example, who were telling me that if we pushed that regulation, it would have cost them something like \$350,000—money that they didn't have.

So up to now, we have postponed this one. In my opinion, every time we impose a new obligation on airports we have to look at the financial consequences—and we know they had no room to manoeuvre. I think we have to be very conscious of that, and every time we make any new regulation that has a financial impact, we will have to look at how those things are going to get financed, because we know they can't afford it.

**The Chair:** Mr. Gouk, last question. We're almost out of time.

**Mr. Jim Gouk:** In keeping with that, when you're looking at reducing the airport rents from the larger airports, which presumably it could be argued you should use in part to fund the ACAP program, can you give us assurances that the program is not going to be cut, and that possibly we'll at least look at the potential of enhancing it—not by huge amounts, but recognizing, as you have said yourself,

that these airports are struggling and need some assistance so they can be feeders to the big hubs, which are making the whole system work.

**Hon. Jean Lapierre:** I must tell you that the ACAP program has also been under review and has proven to be a very good program, and obviously we want to renew it and to make sure that moneys are available for smaller airports. We had a discussion at the federal-provincial conference of the ministers of transport, and all provincial ministers made it quite clear that we have to continue supporting those airports.

The real problem I'm still wrestling with, though—and I'm asking for your help also, as there are airports we could help because they have the 1,000 passengers and everything like that—is the smaller airports. We're struggling with that problem. I've asked the provincial ministers. We're supposed to be getting a report by the month of March on the

[Translation]

on the use being made of these airports.

[English]

But at the end of the day, we will have to find a way. I don't know, but some of my colleagues, for example, have talked to me about an American model for certain remote airports, and things like that. All of us are struggling with that issue of smaller airports. Nobody wants to take the responsibility. The provinces say, “Well, it's your problem”, then some municipalities get stuck with them and they don't have the fiscal base to support them.

So the next challenge is probably the whole thing about the mission of those airports and whether they're for tourism or for economic development or an integral part of our transportation system. We obviously have to come back and get ACAP renewed, because it's a must.

**Mr. Jim Gouk:** That is my background, and I'd be happy to meet with you on that.

**Hon. Jean Lapierre:** I'd appreciate that.

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

Thank you, Minister.

Madame St-Hilaire, please proceed.

[Translation]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Thank you, Mr. Chairman.

Thank you, Mr. Minister, for your presentation. I must tell you, at the outset, that I looked at your budget, your votes. What surprises me the most is that I do not have a very good grasp of your priorities. You talk a lot about security and the environment, but I do not see this reflected in your budget and this concerns me somewhat.

For example, you gave us a quick explanation of the reduction of VIA Rail's budget. I imagine that the cancellation of the sponsorship program has something to do with this. Leaving that aside, when you talked about sustainable development, I was expecting to hear from you a clear message saying that for you, public transit is important and that VIA Rail is an important player. You are however sending out a contradictory message by reducing the support granted to VIA Rail.

How do you justify this \$74 million reduction?

• (1600)

**Hon. Jean Lapierre:** First of all, when we talk of the budget relating to security, you lose nothing by waiting because since September 11, government spending on security has reached close to \$7 billion. Obviously, not all of that money flows from Transport Canada; it comes from here and there within the system.

Our commitment to security is therefore important and we are continuing to develop other elements within the security program. We will be appearing before you again. When you see the votes after the next budget, I am convinced that you will be impressed by the amounts that we must devote to security, not only in the aviation sector, but also in the marine and rail sectors. We are therefore moving forward and it is my belief that we are improving things month to month.

With regard to VIA Rail, allow me to tell you that, as we speak, we are in the process of filling two positions, that of chairman of the board and that of CEO of VIA Rail. These positions were vacated quite suddenly. As soon as these two positions and those on the board of directors have been filled... I would say that this year is a year of transition. I am convinced that afterwards the people from VIA Rail will be making proposals to us and that they will not be lacking in imagination with regard to expenditures.

However, our commitments and priorities have been much more targeted to health care and equalization payments. We will have the transfer for daycare and there is also parental leave.

What has happened is that the government has placed tremendous emphasis on the immediate concerns of Canadians. It is my hope that once all of these agreements have been signed we will be able to tackle truly federal priorities.

Personally, I am anxious for us to be able to use certain financial resources. With regard to VIA Rail, that is probably a place where we will be able to do so in terms of equipment, but it would not be realistic to use these estimates for that. In previous budgets, part of the investment program was cut. What I am thinking is that when I come back before you with an investment plan for VIA Rail, I will go and see the minister of Finance and we could look at an overall plan.

However, this year we are in a transition year, because of events you are very familiar with.

**Ms. Caroline St-Hilaire:** You talked about security. This appears to be an important issue for you and your government. We all remember the security tax, in particular as it applied to air transportation. It was brought up again today in the House. That it be applied to international air travel is one thing, but, as I have already told you, that it be applied to regional flights is something

else altogether. For me, it is a problem, just as it is a problem for regional carriers as well as for their customers.

You talk of billions of dollars for security, but if I understand correctly, you are collecting this security tax. Where exactly is this money being reinjected?

You talk of doing the same thing in the area of marine transportation. Who will be paying for the cost of putting in place the security measures that you wish to see in marine transportation?

**Hon. Jean Lapierre:** With regard to air transportation, there was of course the audit that was carried out at the request of the Department of Finance. This must be put in perspective. What happened when the agency was established? The numbers that we have seen cover the period up until March 2003. There is a lot of equipment and other things that had been ordered but not yet delivered.

At the time, we had said that the tax would be used for air transportation security, but over a five year period. I am therefore convinced that all of this, despite its ups and downs, will balance itself out over time. As a matter of fact, in the beginning, the estimates for this tax were very high. This is why the Finance minister decided to reduce the tax, which is now set at \$12.

With regard to marine security, there is no plan to impose a new special tax. This will be covered by the government's general revenue.

• (1605)

**Ms. Caroline St-Hilaire:** In the case of The Jacques Cartier and Champlain Bridges Incorporated, there is another budgetary decrease. The Federal Bridge Corporation Limited produced a very interesting report—I simply mention this in passing in case you have not had time to read it—that briefly makes mention of Highway 30, a file that is very dear to your heart. In fact, I will quote from it here, because it is very interesting:

... the number of trucks crossing the Champlain bridge doubled between 1993 and 2002, representing a yearly increase of 11%. In 2002, 4.5 million trucks used the bridge compared to fewer than 2 million in 1992.

People were saying that Highway 30 would be useful as it would help the environment and help traffic flow.

And on the topic of road transportation, I was wondering if it would be possible to have the breakdown, by province, of the budget allocated for the strategic highway infrastructure program and more specifically to have the numbers for the province of Quebec.

**Hon. Jean Lapierre:** We certainly have that information.

While we are waiting, I will talk to you a little bit about Highway 30. In my view, of all of the files pertaining to Quebec, this is the priority. I must tell you that virtually every week I speak to the people in the government of Quebec who will clearly be the authorities in charge of supervising the project. We have seen that the National Assembly is in the process of studying legislation pertaining to public-private partnerships.

With regard to the other section, things are evolving rapidly. I must tell you that we are pushing the machine forward every day. I believe it is an urgent matter. Montreal is the only North American city that does not have a ring road. We share the same priorities. Clearly, this will alleviate the clogging of the bridges.

In my first life, when I came to Ottawa, I would go off merrily on my way from Granby, usually on the Sunday night, delighted that there was no traffic. And the drive was an easy one. The problem I am encountering today is that the roads are bumper-to-bumper everywhere on a Sunday night. There has been a tremendous increase in traffic. This is why Highway 30 would be helpful.

Now with regard to the breakdown by province...

**Ms. Caroline St-Hilaire:** Would it be possible to have the priorities and the breakdown for Quebec?

**Mr. André Morency (Assistant Deputy Minister, Corporate Services, Department of Transport):** We have this information in English only, but we do have it.

**Hon. Jean Lapierre:** Is it all right for us to hand this over?

**Mr. André Morency:** They want it in both official languages. We definitely have the province by province breakdown, that is not a problem.

**Hon. Jean Lapierre:** We will make sure you get this quickly.  
[English]

**The Chair:** You can give it to the clerk and he can disseminate it to all.

Thank you, Ms. St-Hilaire.

Mrs. Desjarlais.

**Mrs. Bev Desjarlais (Churchill, NDP):** Thank you, and thanks again for coming before us today.

A few questions. Mr. Gouk mentioned CAR 308, and that it's been postponed. I'm of the impression, actually, that CAR 308 is a good regulation, but the smaller airports don't have the money to put it in place the way that the big airports do. In essence, then, we have a substandard safety regulation for smaller airports.

I notice that within the estimates, unless I'm seeing wrong because I don't have my glasses, the airport capital assistance program is going to be receiving less money...

**Mr. Louis Ranger:** Two points. For a number of years, ACAP was getting \$35 million a year. When CAR 308 was introduced, we jacked it up by \$3 million, to \$38 million, recognizing that it didn't cover all the costs and certainly didn't cover operating costs. And that's been a problem.

CAR 308 is now on the back burner. We have authority for five years, and we're in the process of seeking additional authority. That's money that's funded from within the department, so we're right in the middle of seeking an extension of the program. We are aiming for the same amounts.

**Mrs. Bev Desjarlais:** So it's realistic to say that you've acknowledged there's no point putting in place those regulations, and it's better to just take away all the money than to give the additional money to make all airports equally safe?

**Mr. Louis Ranger:** No, I'm saying we're asking authority for the same amount, \$190 million over five years, so there will be no change there and we can respect our commitment. How we use that money is based on the same parameters that exist now, where there are four levels of priority, the first two being on safety.

• (1610)

**Mrs. Bev Desjarlais:** Okay.

You mentioned airport rents. I've said, for a number of years, show us the market analysis on whether or not there is an excess in airport rents being paid out in the larger airports. It has been mentioned to us that it's part of the department's basic or bottom-line budget, so if you lose that money it's going to affect the balance.

I'm curious about something. There's not a separate fund set aside with the airport rent money. It all goes into general revenue, right? So how do you explain a surplus in revenue but somehow suggest that you can't have additional money to do all the things you need within the transport department? General revenue is showing surplus, I believe. The government has mentioned they have a surplus, right?

**Hon. Jean Lapierre:** Yes, but we're not directly connected to the pipe.

**Mrs. Bev Desjarlais:** Well, I don't know. I think the taxpayers would think it's all their money and would be wondering why it is that we can't have some of these projects in transportation.

I want to mention the funding for VIA Rail, the funding that the previous minister had indicated, the additional funding that would be there for VIA Rail. That was cut. Then, again, unless my eyesight is causing me to read this wrong, I think VIA Rail is getting a little bit less as well. You might not have a direct connection to the pipeline, but I think Canadian taxpayers would consider it all their pipeline and would be questioning how you can talk surplus when you've made cuts in these areas.

**Hon. Jean Lapierre:** I must say, when we look at the overall fiscal reality of the government, this is one thing, but it will be our task to make sure that transport issues are brought to the forefront of the discussions. I will have to convince my colleagues, especially the Minister of Finance, to get new funding on worthwhile projects.

As soon as we have a new direction at VIA, they will come up with some suggestions, I'm sure, and I'll see then if, for example, we can afford to move ahead on some major infrastructure projects. It's too early to tell at this time.

As I said also, my feeling is that a lot of priorities that we had set out to accomplish are going to be done by next year. Then I guess we'll be in a new phase as a government and hopefully investing a little more in our own jurisdiction, which VIA would be part of.

**Mrs. Bev Desjarlais:** Okay. Is it fair to say, though, that the dollars coming in from the airport rents are very much part of general revenue and the surplus that's shown?

**Mr. Louis Ranger:** The topic of the day is the air travellers security charge. That definitely goes to the consolidated revenue fund.

The airport rent revenues come directly to the department, and that's a big source of revenue. Another big source of revenue is when we issue licences, when people pay for licences. That's another important source of revenue. That comes to the department—which is why, if we talk about freezing or reducing airport rent, we have to be compensated for that.

**Mrs. Bev Desjarlais:** So it is then, in essence, going to a separate fund for Transport if we do it that way; it's not part of general revenue.

**Mr. Louis Ranger:** It comes to Transport, but then, it's not a separate pot of money that's used for specific expenditures; it's one source of revenue. Another source, as I said, is fees for licences. Of course, another big source is from the centre, from Department of Finance. Then out of that we fund our entire budget.

**Mrs. Bev Desjarlais:** Before the airport rents came into place, Transport Canada was receiving additional money from....

**Mr. Louis Ranger:** I'm so glad you asked that question. Before that, we had what was called the ATT, the air transportation tax, where something was collected from each airport. Some have argued that it would be a bigger source of revenue if we had kept that. So there's a tradition that we always had access to a separate source of funds from airports.

**Mrs. Bev Desjarlais:** Okay.

**The Chair:** You have one minute.

**Mrs. Bev Desjarlais:** I apologize that I don't have my glasses. I'm going to have a hard time finding this. Can you tell me what the figure was for the cost of the track between The Pas and Pukatawagan? You mentioned what it was.

• (1615)

**Hon. Jean Lapierre:** I didn't mention the amount, but—

**Mrs. Bev Desjarlais:** Actually, I think you did.

**Mr. Louis Ranger:** I definitely have it. Can you give me 30 seconds?

**Mrs. Bev Desjarlais:** Sorry.

**The Chair:** Do you want to know the dollar figure?

**Mrs. Bev Desjarlais:** Yes, the dollar figure.

**The Chair:** It's \$7 million, we're told.

**Mrs. Bev Desjarlais:** Specifically what is it for?

**Hon. Jean Lapierre:** The total cost is \$7 million. Our share is \$5.5 million.

**Mrs. Bev Desjarlais:** If it's \$7 million and your share is \$5.5 million, whose is the other \$1.5 million?

**A voice:** ... [*Inaudible—Editor*]... and the first nations are contributing \$0.75 million.

**Mrs. Bev Desjarlais:** Okay. When you said \$7 million, I guess there was an impression that it was \$7 million from the department.

**Hon. Jean Lapierre:** No.

**Mrs. Bev Desjarlais:** What specifically is the \$5.5 million for?

**Hon. Jean Lapierre:** Helena, could you come to the table, please?

**The Chair:** Introduce yourself, please.

**Ms. Helena Borges (Acting Director General, Surface Transportation Policy, Department of Transport):** I'm Helena Borges, the director general of surface policy.

The cost is to assist the first nations in acquiring the line from the Hudson Bay Railway Company.

**Mrs. Bev Desjarlais:** Okay, thank you.

**The Chair:** Thank you.

Mr. Karygiannis.

**Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.):** Thank you.

Minister, I'm sure I join everybody in welcoming you to the committee.

One of the things that have come up recently is the landing fees at different airports. There was a report the other day that for a plane to land in Toronto it's over \$3,000, as compared to Atlanta, where it's a couple of hundred bucks. Now, what kind of direction or what kind of thought would you give us? What would you like to share with the committee as we go ahead? I know you've expressed the belief that we have to look at some governance issues.

Now, GTAA is a sort of unusual animal unto itself. Every time I do consultations, they forget the major partner, which is the Toronto municipality. They're holding meetings about Pickering all around metropolitan Toronto proper, and there are absolutely no meetings that have been scheduled for metropolitan Toronto. What kind of guidance would you like to give the committee? If you could, share your thoughts about issues you want us to consider as we talk about governance of airports and airport controls. What kinds of suggestions would you give this committee, as we move forward, to make sure citizens who are affected by a particular airport authority are consulted versus the authority just dancing around them and not consulting them at all?

**Hon. Jean Lapierre:** Well, that's one of the complaints I've heard most often, frankly. Citizens had the impression they were not part and parcel of the process, and that's why we had to have new rules of transparency. We will also have to ask ourselves some questions on the finances of these non-profit corporations. Should they be working totally on their Canadian operations, or should they have all those experiences around the world we've seen with some of them, which have not always been positive?

For example, if we lower the rent, are we sure it's going to get to the carriers? I very often hear the expression—and I don't want to use it for Toronto—“Taj Mahals”, and things like that. People are very concerned. You cannot just erase fees and taxes and what have you without having to answer to somebody. Every time we raise taxes or fees or what have you, we have to answer to somebody; it cannot be done as it is in a private club. We need some type of wide consultation process with transparency and all those rules of governance that are now... Even in the private sector they're now establishing better rules of governance, and I think our own non-profit corporations should abide by them as well.

**Hon. Jim Karygiannis:** There's another issue, Minister. We are trying to meet the Kyoto Protocol and we're certainly working towards that. However, there are issues with different departments. As we move forward, we're finding the car manufacturers are sometimes moving in that direction voluntarily, sometimes involuntarily. I was wondering about a program to be sunsetted that has been in operation a couple of years in the department, the ATV program. Is there a willingness on your part to meet with your cabinet colleagues and say, look, we want to extend the ATV program and we want to move it forward? Can we be reassured that some funding might be asked for from cabinet in order to make sure this wonderful program will not be sunsetted?

• (1620)

**Mr. Louis Ranger:** I may ask Mr. Sully to give you the exact numbers. You're quite right; the program is coming to an end. It's a very popular program and it's very modest, and certainly as a deputy, I would like to put forward a new proposal to extend the program and, quite frankly, to expand it. Mr. Sully can give you the details.

**Hon. Jim Karygiannis:** Is there a willingness on the part of the minister to take this and pitch it to cabinet to make sure this wonderful program gets extended and that there's sustained funding?

**Hon. Jean Lapierre:** It hasn't come to me for consideration as of now. The department is doing its homework on it, but it hasn't come to me yet.

**The Chair:** Go ahead, Mr. Sully.

**Mr. Ronald Sully (Assistant Deputy Minister, Programs and Divestiture Group, Department of Transport):** The program is set to sunset in March 2006. As the deputy has said, it's been tremendously successful. I think we've tested over 100 vehicles already, and several million Canadians have seen these vehicles. There's a tremendous appetite, we find, within the Canadian population for more fuel-efficient vehicles, so we think that for the money that's been expended on it, we've had tremendous bang for the buck.

You might have noticed this year that Mercedes has introduced the smart car in Canada. Mercedes has been marketing this car in Europe for quite some time. They had intended to market it in Canada later, but we'd like to think they probably came into Canada about two years earlier than they otherwise would have because of the tremendous response this vehicle received within the Canadian population. I would just add that from the time of the announcement, the production that was available for Canada was sold out within a matter of days. I think they sold 1,200 units.

In due course we would like to go to the minister and make a proposal to extend this program and perhaps expand it.

**Hon. Jim Karygiannis:** This is on the same issue. By the year 2016, if we can continue as we're doing right now, we will probably require an additional \$156 billion in health care money in order to look after asthma and asthma-related diseases caused by pollution. I really want to thank Mr. Sully for bringing that to our attention.

Minister, I'm just coming back to you again. Of course, this wonderful program exists now and you're working with hybrids, and later on you're looking at fuel cells. In order to avoid the cost in the long run, having looked at all those parameters with your cabinet colleagues, can you assure us that the department will be called upon

to provide more dollars, more work, more infrastructure, and more research? I'm just wondering if we can have your assurance that the department will be moving in that direction and that the good programs that are there will be enhanced in order to make sure we have a healthier and better environment for tomorrow.

**Hon. Jean Lapierre:** I would certainly want to pursue that, but I also have to tell you that one thing we're going to be helping with sooner than that is the new deal with the municipalities. If we have our way, frankly, urban transit is going to be part of that. I think this would contribute tremendously to our Kyoto objectives and make sure we all have better lives in the cities and towns that are affected.

With this new fuel tax rebate program, we will also play a major role in helping the environment, hopefully, once our colleague John Godfrey finishes his negotiations with the provinces. I hear it's going very well. A lot of provincial ministers have told me their provinces want to prioritize urban transit, and this is refreshing news. We're talking about major investments, and not only that, money is going to come in year after year after year, so we'll be able to look at major long-term investments in urban transit. That is going to have a tremendous effect.

**The Chair:** Thank you, sir. Thank you, Mr. Karygiannis.

Minister, since we're on the web now and everything has an acronym, can you tell us what ATV stands for—or ATVP?

**Mr. Ronald Sully:** It's the advanced technology vehicles program.

**The Chair:** Thank you.

Mr. Nicholson.

**Hon. Rob Nicholson:** Thank you, Mr. Chairman.

I extend my welcome, of course, to the minister and staff.

As well, let me talk about another acronym, and that's CATSA, the Canadian Air Transport Security Authority. Just right off the top, minister, can we expect to have that authority before this committee, or is there a problem with their being forthcoming and open? Are there any restrictions, as far as you know, on having them appear before this committee?

• (1625)

**Hon. Jean Lapierre:** Not at all. You're the authority. We all report to Parliament, and that agency has to report to Parliament.

The only caveat I would have, and I will make it to you right now, is that if you are interested in some security matter, I would offer to have a special session in camera on strict security matters. But for the rest, I'm not going to write directives. Those guys are well paid and they're supposed to exercise their judgment—but they have to report to this committee.

**Hon. Rob Nicholson:** Good, thank you. I think that will be welcomed by all the members of the committee.

Minister, let me talk a little bit about the security charge, which I raised with you earlier in the House.

I think everyone agrees that a terrible tragedy took place on 9/11 several years ago in the United States, and that has affected all of us. Everyone applauds and supports greater security measures in the United States and Canada and throughout the western world because we need it.

Don't you have a bit of a problem, and is it so unreasonable for me to suggest to you that a security tax should not be borne by the individual airline passengers? I appreciate that it has been reduced. Do you not see the benefits to all of society of having greater security at our airports? Do you have any problem with the idea that they should bear that cost individually themselves when we know that security measures are the responsibility of everyone?

**Hon. Jean Lapierre:** Maybe we could have a philosophical argument about it. Obviously, a lot of times we talk about this notion of *l'utilisateur-payeur*, and in that regard, I think that's probably why the government made that decision instead of getting it from general revenue.

I know a lot of people in the aviation sector think they're being taken for cash cows. I heard that in Vancouver at the ATAC conference. But on the other hand, that was a decision of the government of the time. It was a decision by the Department of Finance.

They have lowered that tax to \$12, and after the program is at full speed, maybe they will require less money, and then I hope we'll be able to adjust the tax accordingly. Nobody sees that as a reserve for something else.

The only difference this time—and you'll appreciate the fact—is that we're giving ourselves five years to put that in place, and then we will see, but the acquisition of equipment and what have you could not be happening the same way year after year. There are delays and things like that. But over the five-year period, I'm sure people will want to review it and see if there is still a need for that and how to finance it.

**Hon. Rob Nicholson:** You have to give advice to the Minister of Finance now, and you raised the question of the perception of a cash cow. I don't think that is so unreasonable. On a program that was meant to be revenue neutral to begin with, to have the audited statement that was released yesterday showing a \$234-million profit... we're not talking lunch money here, a few buck, and they were out a little bit on that.

I appreciate what you're trying to say, but that's an awful lot of money, and certainly that is the perception of people, that this is another opportunity for the government to make money.

Your government is in a position where you're tripping over billions of dollars. Every couple of weeks it's finding more money, at least since the election—or I shouldn't say that; it was just prior to the election that it was finding all this money. Wouldn't it be a reasonable step on your part to advise the Minister of Finance to get rid of this? You reduced it from \$24 to \$12; get rid of it all.

You put it to me during question period. You said that I was interested in a healthy transportation sector. So I put it back to you. You're interested in a healthy transportation sector as well, and you know that the more costs we ask individual passengers to bear, the more difficult it is for that industry to thrive. I think one of the things

that everyone can agree on is that there have been some serious problems in air transportation and within the airline sectors both in Canada and the United States, and that probably one of the last things they need is an additional charge from a government that, to all intents and purposes, made a lot of money on this program and is pursuing an objective that all Canadians and indeed everyone in the western world shares.

I'm suggesting to you to make yourself a hero to this committee and go to the Minister of Finance and say, "Look, we've had enough money from this program; let's implement the security measures that all Canadians need and get rid of the tax. We have lots of it, and we'll never get a better opportunity".

• (1630)

**Hon. Jean Lapierre:** You want me to become a hero by proposing a zero tax?

**Some hon. members:** Hear, hear!

**Hon. Rob Nicholson:** Go ahead. That would be applauded. My colleagues around the table would applaud that.

**Hon. Jean Lapierre:** Thank you very much for the offer, but no. Let's give the program the chance to be established. Let's make sure the agency is well established and has its equipment all over the country in all the airports that have to be protected, and after that, when the program is at maturity, we'll see. In the middle of the installation of equipment and what have you, I don't think that would be very responsible on our part.

Let's make sure we do it all, and after that the Minister of Finance might say we could get that out of general revenues. At this time, the program is not complete at all. So we have to complete that before—

**Hon. Rob Nicholson:** I suppose I could say to the minister, let's use the money we've made up to this point.

Let me just ask you—

**The Chair:** This is your last question.

**Hon. Rob Nicholson:** It's the last question? Okay.

Minister, you indicated in your opening remarks that \$1 billion has been set aside for new infrastructure programs at a number of border crossings. Are we going to see that spent in this calendar year, and when you appear on the estimates a year from now—unless the government has changed—is that money going to be spent, and are we going to see some improvements in the areas you've indicated?

**Hon. Jean Lapierre:** Lots of it will be spent, for sure, because we have very ambitious programs at most border crossings. I don't know if—

**Hon. Rob Nicholson:** I'm sorry. Just as a point of clarification, did you say "lots of it" will be spent, or that the amount that has been allocated will be spent?

**Mr. Ronald Sully:** Sir, I can't give you the figures for this year offhand. I can tell you that from the border infrastructure fund, I think over \$500 million federally has been announced already, and some additional amounts from our own strategic highway infrastructure program. No, not all of it would be spent this year, but some portion. If you want the details by year, we could provide them to you.

**Hon. Rob Nicholson:** I'd be very interested in those details.

**Hon. Jean Lapierre:** Everywhere I've gone, you see projects under construction—in your area, in Windsor, everywhere. We have projects underway, and I think things are happening. We still have more to do, especially in the Windsor-Detroit area, for example: we have a phase two we have to negotiate with the province and the city and all other participants. But it's a very active file.

**The Chair:** Thank you.

Monsieur Carrier. I understand you're going to share your time with Ms. St-Hilaire. Is that correct?

**Ms. Caroline St-Hilaire:** No.

**The Chair:** No? I'm sorry.

Okay, go ahead.

[Translation]

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Thank you, Mr. Chairman. I wish to thank the minister and his officials for their participation in this meeting.

I would like to underscore the slowness with which the federal government seems to be going about some of its business. We know that this administrative slowness is due to the negotiations that must be held. However, if we take the port divestiture fund, for example, for which you have this year budgeted \$42.5 million, I see that for last year, there is nothing indicated. We know that a \$23 million budget had been authorized. It would seem that virtually nothing was spent.

Last week, I was reading a news item about the port of Pointe-au-Pic. Discussions are underway with regard to the evaluation of the divestiture of this port. Indeed, the minister stated that he would like his officials to carry out studies to determine if the evaluation was correct. It seems that here again this is a measure that has no deadline and the outcome of which will perhaps only be produced much later.

I would like to bring up another issue. It is the rail link between downtown Montreal and the Pierre Elliott Trudeau airport. For me, the problem is a consequence of tardiness in other areas. Indeed, virtually nothing was done to help make the Mirabel airport efficient. Consequently, all flights were transferred to Montreal. And now that all of these flights have been transferred, someone is starting to study the possibility of a rail link. How many years from now will some result come of this?

I would like to see the new minister make commitments that are tied to specific deadlines. Indeed, I would have liked to have seen an amount for this study—there are still four months left before the end of the fiscal year—in order for us to have the knowledge that there is something being done. Let us compare that to the airport of the Greater Toronto Region. There is a \$9.7 million budget for its rail link. We can see that in other places, there are budgets that have been approved.

I believe that it is urgent that measures be taken with regard to the Pierre Elliott Trudeau airport if we do not want to wind up having to say five or six years from now that the situation has been a disaster and that we might have to go back to Mirabel. I would like to hear your views on this.

● (1635)

**Hon. Jean Lapierre:** Thank you for your questions, Mr. Carrier, especially those pertaining to the port divestiture program. I do not believe that there have been administrative delays. Transport Canada has clearly expressed its will to divest itself of its ports.

In the context of my federal-provincial consultations, I have met with the minister of Transport of Quebec as well as the deputy minister, Ms. Boulet, among others, and we have revived the port divestiture program. It had been frozen for several years, namely by the previous government of Quebec. There had been a complete freeze-up. Now, thanks to the new Quebec government, Mr. Charest's government, which is prepared to cooperate, ports will be transferred.

Last week, I met one of your colleagues with the mayor of Pointe-au-Pic. The only reason why we requested an additional evaluation was that we were talking about \$7 million worth of work, and we thought it was rather expensive. We will be receiving Public Works Canada's analysis between now and the end of the month. It will therefore be very efficient. I will as a matter of fact share this analysis with your colleague and with the municipal authorities involved. The matter is of some urgency.

There are other wharves. For example, one of your colleagues from the Portneuf region came to speak to me about the matter. I must tell you that we are in favour of divestiture and that we are ready to move forward, but in Quebec and in Newfoundland, incidentally, the whole thing had been frozen. Thanks to good federal-provincial cooperation, things are becoming unstuck in Newfoundland as well.

I believe that we will be able to carry out the port divestiture program, which was behind schedule in both those provinces. That is the reality: there was a will on the part of the communities, but the agreement of the provincial governments was required.

In the case of the link between the downtown area and the Pierre Elliott Trudeau airport, you will be pleased to learn that the studies have begun and that they should be ready by spring. We are talking of studies that, with the contribution of all of our partners, will cost some \$800,000. It is my hope that we will be able to share their conclusions and move forward. We will not be alone in paying for these studies on the Pierre Elliott Trudeau airport and downtown Montreal. I do not have the feeling that this work is being done slowly.

With regard to Dorval, I felt the same frustration as you when I learned that there were going to be an additional million passengers whereas there was still no roundabout. This is why I wish to ensure that in our discussion on the infrastructures... the Quebec government put that before the BAPE. It is my hope that even before we receive the conclusions of the BAPE next spring we will have committed ourselves to finding the money. The federal-provincial infrastructure agreement would be the ideal vehicle to fund that. We could fund it together.

The list of urgent infrastructure projects would include Highway 30, the roundabout at Dorval and the study on the rail link with downtown Montreal. I can tell you that not one week goes by without my seeking out information on all of this because there has indeed been some slowness.

[English]

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

Thank you, Mr. Carrier.

Ms. Desjarlais.

**Mrs. Bev Desjarlais:** Mr. Chair, I'm going to sneak in a question here that is not totally related to the estimates; but because we've talked about airline safety again, I'm reminded of the issue that we have in regard to the flight attendant to passenger ratio. From our previous meeting, I took it that there was a commitment that if there were going to be changes to the ratio, those would come to this committee before anything happened. So I just want to ensure that happens and to state the position that at a time when we're being so strong on safety and security, to even think about cutting the number of attendants on any aircraft, I think, is just crazy.

I think one area that we have fallen short on in regards to the whole 9/11 situation was in not recognizing the airline crew who were a part of that whole process. We talk about all the rescue people who were involved and all the others, but somehow the airline crew got lumped in with everything else, and they're very much a part of the safety factor.

So I just want to emphasize that again and, as well, get assurances again that it's going to come to committee.

To get back to the estimates, there are dollar figures down for Action Plan 2000 for Climate Change, urban showcase and freight initiatives, as well as the non-roads freight initiatives, which is another line within the estimates. I would like some explanation as to what those dollar figures are for.

•(1640)

**Hon. Jean Lapierre:** Let me say first on the 1:40 or 1:50 that nothing will be hidden. Whatever we publish by way of new regulations or what have you, it's obvious the committee will want to have an interest in it. So we'll be able to share some of the information without any problem.

Will the committee want to do a special study on that? The committee is master of its own rules, and I accept that.

On Action Plan 2000, I'll ask Mr. Sully to respond.

**Mr. Ronald Sully:** I can just give you a quick summary. We currently have, I think, four climate-change-related programs running. These were programs that were announced within Action Plan 2000 or later on in the government's national plan for climate change.

One is the advanced technology vehicle program we've already talked about. It has a fairly small budget. Right now I think it's running at about \$1.5 million a year.

The urban transportation showcase program, as you know, is a \$35-million program to provide assistance to eight cities across the country that will be demonstrating best practices in demand

management programs and the integration of various factors to stimulate urban transit, active transportation, and so on.

I might mention, since you're from Manitoba, that Winnipeg was one of the winning cities. We're still working on our contribution agreement with Winnipeg, because the new mayor has decided to revisit his priorities vis-à-vis transit within the city.

We have a couple of freight-related projects. One is the demonstration assistance project, which goes back to the Action Plan 2000. It's a program by which we provide support to demonstrations, in rail and in trucking in particular, to save fuel and thereby reduce greenhouse gas emissions.

We have the most recent program, which is a freight incentives program whereby we will actually provide up to \$250,000 per project for companies to install new technologies to reduce emissions. To give just a couple of examples, in both trucking and in rail there are new technologies to reduce idling. In the case of trucking, for example, you can have a heater system so that the truckers don't have to run their engines all night. In the case of rail, there are various technologies to start the locomotive and shut it off so it doesn't have to run 24 hours a day. In rail as well, there are new technologies that will provide for reduced friction between the trucks and the rail, thereby prolonging the life of the infrastructure and reducing emissions at the same time.

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

Mr. Maloney.

**Mr. John Maloney (Welland, Lib.):** Thank you, Mr. Chair.

Mr. Minister, in your presentation you mentioned the border crossings at the Blue Water Bridge near Sarnia, at Fort Erie, at Windsor, and on the lower British Columbia mainland. Certainly truck backups have played real havoc and continue to play havoc in these communities. They play havoc with just-in-time delivery and reduce our competitive advantage. There is the environmental problem of idling trucks. In my own region in the last two years there have been at least half a dozen fatal rear-end collisions. And they reduce the lifestyle amenities of people on both the Canadian side and the American side—just the interaction across the border: people just don't go across because of the hassle.

I appreciate you were at the Fort Erie crossing very recently and saw a lot of the construction that's going on. Mention was made of there perhaps being a phase two in Windsor. Is there a commitment by Transport Canada to provide additional funding, if required, over a period of time? This is a vital link in our trading relations with the United States. Even at Fort Erie there's a renewal of a brand new bridge infrastructure that hopefully will be off the ground in the reasonably near future.

Perhaps through you to Mr. Sully, would additional funding be available for this activity?

•(1645)

**Hon. Jean Lapierre:** I must tell you that this is the type of issue that is going to be brought up when the President comes at the end of the month. This is such a priority for us, and for the U.S., frankly, that we're going to make sure it's raised at the highest level to ensure that both governments work hand in hand to alleviate the problems you are talking about.

Talking about resources, that is so fundamental to our economy that if there is anything that could improve those border crossings, we are going to do something about it and commit money to it. Any time we have a better idea, I'm ready to go back to cabinet. I know cabinet is very receptive to that. So this is a top priority of the government. That infrastructure has to be in top shape. We have to make sure we do everything we can to alleviate that.

Not only that, I'll be coming before the committee soon to have new powers to regulate the governance of those crossings, and also in the case of construction of new international crossings, because right now we have no legal authority. This is a void. That's why I'll be coming back to you and asking for legislation on this issue. We have to be proactive on that.

I think we all realize that the level of trade is increasing the number of trucks because of the new way that things are done, and communities are affected also. So any good idea that could improve the flow of traffic, we'll find the money for, I have no doubt about that.

Mr. Sully knows the details much more than I do, but the political commitment is there.

**The Chair:** Mr. Sully, were you going to add something?

**Mr. Ronald Sully:** I would just repeat what I said earlier. I think there has been over \$500 million allocated under the border infrastructure fund, which, as you know, is under the authority of Infrastructure Canada. We have a partnership with Infrastructure Canada by which we jointly select the projects, and once the projects are selected, we actually implement the projects on its behalf.

There is money remaining in the border infrastructure fund, and there is some remaining money in our own strategic highway infrastructure program.

**The Chair:** One quick question, Mr. Maloney.

**Mr. John Maloney:** Water transportation is one of the most environmentally friendly ways of getting goods across the world, throughout the globe. The government has gotten out of small ports, wharves, docks, and so on. A lot of these are deteriorating. The local port authorities can't perhaps afford to keep them up. Some areas would certainly dearly need a wharf, which perhaps isn't built yet, that could be used to facilitate the local economy.

Has any consideration been given to a program that would allow financial assistance not only to renew these wharves that have deteriorated, but to construct new docks where warranted?

**Hon. Jean Lapierre:** Frankly, I don't think we want to get back in that business per se, but when the ports are divested, the funds are provided for them to make sure they're up to par. After that, I don't think we're ready to go back into construction, but if it's deemed to be essential economic infrastructure or something like that...

I'll give you the example of an airport. Développement économique Canada pour les régions du Québec has just announced that it is contributing to the runway in Mont-Tremblant because it decided that it was an important economic infrastructure for tourism that had to be supported.

There are other sources of financing that you could get through the Economic Development Agency, or what have you, but I've not heard of the Department of Transport wanting to get back into the business of building.

•(1650)

**Mr. Louis Ranger:** We're saying there are programs of general application for regional economic development, for example, that are available and are being used.

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

Thank you, Mr. Maloney.

Mr. Gouk.

**Mr. Jim Gouk:** Thank you, Mr. Chairman.

I'll just follow up on a couple of points and then turn it over to my colleague Mr. Batters.

First of all, Minister, in order to help you—and I'm sure you came here for our help; you said so—with going to the finance minister with regard to getting rid of CATSA fees, we don't expect coastal communities to pay for coastal patrol and we don't expect mountain communities to pay for search and rescue to the exclusion of everyone else.

The thing that triggered CATSA and the need for security at our airports was 9/11. On the day that 9/11 occurred, the damage, both in human lives and in property, was imaginably bigger to non-airport-related buildings, people, and everything than it was an impact on the airline industry. So why, then, are we asking the airline industry to pick up the bill for this national security measure that protects everybody in this country—buildings, property, and people—and not just the airline industry?

So I think the argument is there. We're squeezing money out of one industry that is hurting, when we don't do the same thing for similar types of situations across the board.

The other comment I want to make follows up on something Mr. Ranger said with regard to the landing fees and the suggestion that perhaps it might have been better if we'd kept the landing fees instead of this. As long as we're doing apples to apples and we're talking about the entire airport system that we had before this national airport program, I believe the department used to lose between \$200 million and \$300 million a year. Since that time, airports have put in new runways and aprons. They've built new structures—here in Ottawa, \$335 million. Our whole airport infrastructure was crumbling. We weren't putting any money into that. Now, that has been done by the private sector, and last year alone they collected a clean profit of \$282 million.

So when we talk about it being a cash cow, it truly is a cash cow, and I hope you would take that comment to the minister as well.

I'll turn it over to Mr. Batters.

**The Chair:** Do you want to respond to that?

**Hon. Jean Lapierre:** It's so crystal clear, I'll be able to repeat everything he said.

**The Chair:** Mr. Batters.

**Mr. Dave Batters (Palliser, CPC):** Mr. Scheer is going to go next.

**The Chair:** I'm sorry, Mr. Scheer.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** With regard to the huge profit in collection from the security fees charged to air passengers, I think your colleague mentioned earlier that the excess funds go into the consolidated revenue fund.

Is the excess money, this surplus, being held in reserve for, as you mentioned, future expenditures on capital equipment? If not, it sort of doesn't jive with what was—

**Mr. Louis Ranger:** I have to jump in, because I've been involved with my colleagues in this since September 11 and I need to explain this.

The revenues from those charges do not come from Transport, as I explained earlier. It goes to the consolidated revenue fund. As the minister explained, obviously the revenues started to come in right away, but the expenditures took a little longer to happen. Since then, there has been an adjustment, a downward adjustment in the charge, in recognition, precisely, that the charge was generating too much money.

The commitment from the government, as I understand it from the Department of Finance, is that over a five-year period the revenues will correspond exactly to the expenditures.

What I have to explain to you is that as the finance department became aware of these additional revenues coming in, we were all put to task collectively. We used our database and all our expertise to refine the projections. It's very difficult to project how many aircraft there will be and all the flights that will occur between points in Canada—and who would have predicted SARS, for example—and so on? But to the best of our knowledge—and we got outside help—we have definitely refined the forecasts.

There's no doubt, and the auditor has confirmed, that initially it generated more revenues. The revenues are lower now, and as you see, the expenses are quite high this year—\$466 million. Over five years, it should match.

**Mr. Andrew Scheer:** If as we approach the end of the five-year period there are still surpluses, we should expect either a dramatic reduction in the fees or a huge increase in spending to balance that out?

• (1655)

**Hon. Jean Lapierre:** There's only so much we can do. Otherwise, it will take a hell of a time to go through an airport if they get more stuff.

**The Chair:** Do you have one more question?

**Mr. Andrew Scheer:** No. I'm just encouraged to hear it's yet another top priority for the government.

**The Chair:** Mr. St. Amand.

**Mr. Lloyd St. Amand (Brant, Lib.):** Good afternoon, Minister.

Very briefly, following up with respect to the airport capital assistance program, as you indicated, the airports chosen are vital transportation links for communities across the country—it's fair to say, smaller communities; you mentioned Dawson City, etc.—and 38 projects were selected during the last calendar year. Are you aware, Minister, of how many communities or airports sought assistance from the government?

**Hon. Jean Lapierre:** Many more than what we could do, I'm sure.

**The Chair:** Mr. Sully, do you know the answer?

**Mr. Ronald Sully:** No, I'm sorry, I don't know offhand the number that made application this year. We can get that figure for you.

**The Chair:** Could you obtain that for us then and provide it to the clerk.

**Mr. Lloyd St. Amand:** Is it fair to say, maybe paraphrasing what the minister has indicated, that many more than 38 applied?

**Hon. Jean Lapierre:** Many more.

**Mr. Lloyd St. Amand:** All right. I get the impression, then, that there's a lengthy lineup to access this program.

**Mr. Ronald Sully:** Our experience has been that over the course of five years—and we've had two separate five-year programs now; we're coming to the end of the second five-year program—airports that have legitimate safety-related requirements typically would not have to wait more than one additional year, which means that if they don't get the funding this year, typically they would get it in the next year. That relates to what we call category one and category two projects. Category one projects are air site hard infrastructure such as runways, taxiways, those kinds of things. Category two tends to be more equipment related, such as snowblowers and so on.

Our experience has been that certainly they don't have to wait all that long, and certainly no airport that had an urgent safety requirement was denied.

**Mr. Lloyd St. Amand:** There's a steady stream of applicants, then, clearly.

**Mr. Ronald Sully:** Yes, and with regard to the amount that was allocated for the last five years, which was \$175 million for the traditional program plus \$15 million for AEIS, our estimation is that this was about right. At the end of the five years we'll have a little bit of overhang—I would say roughly about half a year's worth of projects. In terms of trying to anticipate demand, I think that the estimates being made were not unreasonable.

**Mr. Lloyd St. Amand:** So we can presume that for the dollars allocated to this program, Canadians are getting good value for the money being invested. Is that fair to say?

**Mr. Ronald Sully:** I would say yes, excellent value. We find that there is a savings for the airport operator from obviously not having to find their own capital, but in terms of keeping the infrastructure up to standard, whether it's hard infrastructure or mobile infrastructure, there is an ongoing cost reduction for them. Obviously there is the safety dimension, but there's also the economic dimension for those airports.

**Mr. Lloyd St. Amand:** Should communities, then, countrywide be at all disappointed that the program dollars are not being enhanced or increased, or do I understand your commentary to be that the status quo is adequate?

**Mr. Ronald Sully:** I can't speak for ministers, because ministers will decide on the ultimate amount. I guess what I would say is that the amount we have now in the system we think is in about the right ballpark.

**Mr. Lloyd St. Amand:** Thank you.

**Hon. Jean Lapierre:** I went up north last week and, for example, communities like Norman Wells have very high hopes of getting some work done—major work done—if they want to have their infrastructure keep up to par with the level of development that they are expecting with the diamond mines. When I travel the country, this is probably the program that I hear the best comments about. People are really enthused by the program and it seems to be going very well. This is the one I get the most compliments on.

• (1700)

**The Chair:** Last question.

Mr. St. Amand, do you have another question?

**Mr. Lloyd St. Amand:** No.

**The Chair:** Mr. Batters, please.

**Mr. Dave Batters:** Thank you, Mr. Chair.

I, too, would like to welcome the minister and his staff back to the committee.

It's been a hot topic of conversation today, but I'm going to add in on the airport rent topic. Given the fragile state of the airline industry and the importance of air travel to the economic well-being of this country, how can this Liberal government continue to justify these punishing taxes on our economic and transportation infrastructure when they are running a \$9 billion surplus? Granted the Minister of Transport has stated publicly that addressing this tax on air travel is a priority, and the Department of Finance has blocked any previous attempts to do so...

As I sat here, I thought perhaps I could weigh in on this battle and give the Minister of Transport a little bit of ammunition in his discussions with the Minister of Finance, Mr. Goodale. What's going to affect Mr. Goodale is airports in Regina and Saskatoon. Also, St. John's and Thunder Bay are scheduled to begin paying rent in 2006. Mr. Goodale is from my hometown of Regina. Rent in Regina in 2006 is estimated by ATAC to be \$561,000. In 2007 it'll be \$695,000. Rent in Saskatoon will be \$684,000 in 2006, and \$696,000 in 2007.

So armed with these figures—and who knows when we are all going to have to go back to the polls, Mr. Goodale—that may be some good fodder for your discussion. You may have to dance a little bit as the airport rents start to be introduced in my hometown.

I'd just like to ask the minister where his conversations are at with the Minister of Finance. Where do things stand? Who is going to win this wrestling match? Hopefully he has some success in having the Minister of Finance address this in the next federal budget.

**Hon. Jean Lapierre:** Well, Mr. Batters, thanks very much for your support, but I know the Minister of Finance has such a national perspective that he would not take a decision on a parochial, local perspective. But it may help to remind him that politics is always local, eventually.

I think the Minister of Finance is expecting us to go before him and before cabinet for direction. He's expecting us to go soon, frankly. I want to be there before the end of this year, at least to get some direction and some indications, because this is the top priority of the whole...

We were at ATAC, your colleague and I, and it's obvious this is the file on which everybody in the airline industry is looking for an answer. So I feel the pressure. Will it help to do the wrestling? I don't know, but I feel the pressure and I feel the need to deliver.

Whenever you fly back home with Mr. Goodale, just get his ear.

**The Chair:** You have time. Go ahead.

**Mr. Dave Batters:** Oh, I definitely will do that, Mr. Minister. Thank you.

Between Crown rent and the air security charge, the federal government—this Liberal government—is making a \$500-million profit off air transportation. So with Mr. Goodale's global approach to things and not just taking a narrow look at Regina, I'm sure many people across the nation will be reminding him that this should not be a money-making exercise.

I want to touch really quickly on a topic near and dear to my heart—the hopper cars. My producers in the riding of Palliser are following this very closely. In the vein of what we're discussing today in terms of the estimates, it's my understanding that—and you can correct me on the figures, sir—the Department of Transport derives approximately \$20 million of revenue from the lease of grain cars. You can correct me if that figure is wrong. If the government disposes of the hopper cars, how will the department handle the loss of this revenue?

• (1705)

**Hon. Jean Lapierre:** The revenue is not ours. It's about \$10 million. It's going to general revenue, so we won't be affected.

**The Chair:** Thank you.

Thank you, Mr. Batters.

Madame Saint-Hilaire.

[*Translation*]

**Ms. Caroline St-Hilaire:** Thank you, Mr. Chairman.

Mr. Minister, my colleagues have been discussing several projects with you. You have however often repeated that it is up to the Finance minister. I can understand that the decision is his. However, I remember you as a passionate man, convinced and sometimes convincing.

I see your priorities and I sense them. I also sense that you are capable of selling them to the Finance Department. However, at times I do not sense that as strongly. It is therefore clear when such is the case that you are not going to do as good a sales job.

You are also a minister from Quebec. We are trying to talk to you about projects for Quebec. For example, for Montreal-Quebec City, you gave a categorical no, because of the minister of Finance.

There is the bridge in Quebec City that is falling apart and that urgently requires money, but there is no increase in your budget. This is important for the people of Quebec. You are a Quebec minister, you are Transport Minister. I believe that you should be able to wage a little battle in this regard.

Secondly, we have learned that your department, at the request of Lord knows you, carried out studies on truckers' hours of work. You are being asked to do studies on Montreal-Quebec City, which does not interest you. However, I would like to know where this study on truckers' hours of work comes from and if the committee can expect to be supplied with this report once it has been produced.

Lastly, you have granted the same budget to the Canadian Transportation Agency. We had discussed this and there also had been requests on the part of the committee. I would remind you of Bill C-26, the purpose of which was to ensure that the Canadian Transportation Agency have greater powers, especially with regard to rail transportation hazards. I see that your budget for the Transportation Agency has not increased. I am therefore guessing that you do not plan on prioritizing the Canadian Transportation Agency in order to grant it greater powers. Perhaps I am mistaken, but those are my questions.

**Hon. Jean Lapierre:** I will begin by responding to your question on the Montreal-Quebec City train. As far as the future of VIA Rail and of passenger rail is concerned, it is not true that it is realistic to say that we can build this little section for \$525 or \$550 million and have a little isolated project. This is why I am telling you that as soon as VIA Rail has its new administration and appears before you, we will be able to talk of VIA Rail's new orientations. But it will not be a piecemeal project. They will give us a general plan.

It would therefore be irresponsible for me to order a supplementary study now. Even if I commissioned 50 studies, all of this would be pointless as long as we do not have the overall plan and the overall resources. Our shelves are overflowing with such studies. The question is whether or not we want to carry out yet another study simply for the fun of it if we are going to conclude that as long as we do not have any money, nothing will change. In my view, we must be responsible.

If I saw some short term possibility to obtain money for that, I could wonder if there might be a need for an extra study and VIA Rail could probably take care of it. However, we are not there yet. This year has been a year of transition. It is not that I do not believe in the future of the train in Canada, but this must be examined in the broader picture.

As for the Quebec City bridge, I am told that it would cost around \$52 million just to finish painting it. There was an agreement between CN, the Quebec government and ourselves. Our contribution was approximately 10%. There are legal implications because there was a commitment from CN. I asked for legal advice in this regard, given that the initial evaluation, which had been done directly by CN, was for around \$40 million, and that it is on the basis of that evaluation that there had been agreement between the three partners. In the end, the bridge was transferred to CN. It is no longer

a Government of Canada bridge. I asked for legal advice on the matter.

With regard to the working hours study, it is a matter of safety. We are waiting for further results in this area.

• (1710)

**Mr. Marc Grégoire (Assistant Deputy Minister, Safety and Security Group, Department of Transport):** The study was not carried out by Transport Canada but by the CCMTA, those responsible for motor transport safety. The study is therefore underway and it should be available in December for tabling with the minister.

[English]

**The Chair:** Okay, thank you.

Minister.

[Translation]

**Hon. Jean Lapierre:** I was asked another question that I would like to answer.

[English]

**The Chair:** You have one other...

[Translation]

**Ms. Caroline St-Hilaire:** You are going to give us this information?

[English]

**The Chair:** Your time is up, Ms. St-Hilaire.

[Translation]

**Hon. Jean Lapierre:** It does not belong to us, but if there is a way of making this available, I will ask that it be done. As a matter of fact, I do not see why it would be impossible: it is not a secret.

**Mr. Marc Grégoire:** It will be posted on the Internet site. We will therefore of course share this information with you.

**Hon. Jean Lapierre:** That is the principle.

With regard to the Transportation Agency, clearly we do not want to presume what Parliament's intentions might be. Therefore, with the new act or the amendments that will be made, we will be able to come to some agreement if there are additional responsibilities requiring additional resources. We will thus be able to make any necessary adjustments. However, it would be presumptuous on our part to guess at the decision of this committee and of Parliament.

[English]

**The Chair:** Okay, thank you.

I'm not sure if Mr. Karygiannis had a question.

I'm sorry. Mr. Scarpaleggia.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** On the question of the airport security fee, which we've been hearing a lot about today, I would urge you not to go to the Minister of Finance to have it completely removed. The next step would be to ask that NavCan's fee be removed and compromise that entity. Who knows where we could end up? We could have a request that the Health Protection Board remove its fee for reviewing drugs. Of course safe drugs are very much in the interests of the health and security of Canadians.

[Translation]

My question, Mr. Minister, relates to the environment portion of your estimates, more particularly the \$60 million devoted to environmental initiatives.

Has the program relating to electric cars that Mr. Sully mentioned earlier been included in this envelope? Or is it rather a separate program? In other words, has the Advanced Vehicles Technology Program been included in the \$60 million?

**Mr. Ronald Sully:** Yes.

**M. Francis Scarpaleggia:** But will the remaining funds been distributed to non-profit organizations for the establishment of car-pooling pilot projects, for example?

And do the \$60 million represent an increase over last year? And are there plans to increase this envelope?

Finally, will these initiatives, in your opinion, bring about positive and concrete results?

I would simply like to hear your comments. This is not a cynical question, but a purely objective one. I was just wondering if you had an opinion on that.

**Hon. Jean Lapierre:** Mr. Sully?

[English]

**Mr. Ronald Sully:** I have to apologize. I don't have the details about the breakdown of the \$60 million. Offhand I would say that the expenditures have been increasing as we implement and ramp up the various programs that have been agreed to with respect to global climate change.

They would be the ones that I mentioned earlier, for example, the urban transportation showcase program. I mentioned that's a \$35-million program. It will increase over time as we sign the contribution agreements with the various cities that qualify. Similarly, under the freight incentives program, it's quite a new program, so our expenditures there will be increasing.

Not included in those figures are other projects that would have a huge benefit for the environment but for which we cannot take credit because they are in the votes of Infrastructure Canada. Here I'm talking about, for example, the \$1.5 billion that the government has already committed for new transit projects in various cities across the country. All of these projects will have very large environmental benefits.

• (1715)

**The Chair:** Okay, thank you.

Colleagues, there are about 15 minutes left and then we want to review the report of the steering committee. We're going to move to

rounds of three minutes. There's only going to be enough time for about four people.

We'll start with Mr. Gouk.

**Mr. Jim Gouk:** Thank you.

First, I'd like to lay out a couple of things and have the minister comment.

VIA Rail is looking for new bosses. Will the minister—

**Hon. Jean Lapierre:** Are you interested?

**Mr. Jim Gouk:** Oh, I'd love to earn that, but what I would be more interested in is a commitment from the minister that this committee will be able to interview anyone who is nominated for that position, prior to any commitment being made.

[Translation]

**L'hon. Jean Lapierre:** Certainly.

[English]

**Mr. Jim Gouk:** The second thing is that CATSA, when it was implemented, had a \$24 fee. The government, in review, determined that was more than necessary, so it was reduced it to \$14, and it reviewed that and determined that was still more than necessary and reduced it to \$12, keeping with a user-pay concept. Notwithstanding my previous argument that I don't think the right user is paying, \$283 million has been collected in airport rents this year alone. Can we get an expedited report from the government on what expenditures Transport has made relative to those airports so that if we're collecting as much more than we require for our costs from those airports, we can make a similar reduction that way?

**Mr. Louis Ranger:** That's what I tried to explain earlier. I'm often asked the question and I've run out of examples to give. It's as if I was asked, okay, the salary you were paid for Monday of this week, do you spend it on your mortgage, do you spend it on your grocery bill, or do you spend it on something else?

It's part of our revenues. It's one source of revenue and there are several others. That's on the one side of the ledger. On the other side are our expenses. But no, we don't trace back the dollars that came for rent to a specific expenditure. It's one of several sources of revenue.

**Mr. Jim Gouk:** There we are with regard to CATSA. See, we're getting into the argument that, because it's rent that you're charging, is it truly a cash cow or not?

**Mr. Louis Ranger:** CATSA is not the same. The government set it up in a different way. All the revenues go to the consolidated revenue fund, and for expenses, it's a crown corporation. They follow due process. They submit a corporate plan to the minister.

**Mr. Jim Gouk:** I know how you work it. I just have a problem with the logic.

The final point I'd like to make is in regard to registered travel under CATSA. It's now operating in five airports in the United States. Frankly, it's risk management. That's how CATSA operates. The risk is not there with the frequent traveller who is prepared to submit himself or herself to scrutiny, or airline employees, or the flight crew itself. What is being done with regard to aiding CATSA in setting that up so that we can reduce the wait lines and reduce the workload of CATSA in keeping with the possibility of ultimately reducing their costs even further?

**Hon. Jean Lapierre:** I have asked them to look at that, because it works with the NEXUS system. They're now in the process of developing something like a pilot project.

When Mr. Duchesneau comes here, would you please repeat that argument? I believe that's the only way we're going to stop having those long lines of people waiting.

Now, with modern technology and people willingly wanting to have background checks on themselves, not being risks at all, I think that's the only way we're going to be able to improve that. So I agree with that, and I hope CATSA pursues the experience and then makes it available to everybody.

**The Chair:** Okay, thank you.

Ms. Desjarlais, and then the last word will go to Mr. Carrier.

**Mrs. Bev Desjarlais:** I noticed, as part of the estimates too, a contribution to the Province of Prince Edward Island for the policing services on the Confederation Bridge. Exactly what type of policing service are we talking about, just speeding and those kind of things?

**Mr. Ronald Sully:** It's general policing service. As you know, there's a private sector operator that has a concession on that bridge for 35 years. We own the bridge and we have entered into a contract with the RCMP, I think it is, to provide for policing on that bridge.

• (1720)

**Mrs. Bev Desjarlais:** Okay. Are the people travelling on the bridge paying for that policing service?

**Mr. Ronald Sully:** No, the people travelling on the bridge pay a toll. All the toll revenue is captured and goes to the bridge operator.

**Mrs. Bev Desjarlais:** Okay. Why is it so hard to understand that we don't think air travellers should be paying for the policing?

**Hon. Jean Lapierre:** But on that one, they are paying a toll. The difference is that it was probably part of the deal when you negotiated the infrastructure.

**Mrs. Bev Desjarlais:** I'm sure it was part of the deal. It's just that

**Hon. Jean Lapierre:** But they're already paying a toll, and a lot of them are telling me that they think they're paying a pretty high price.

**Mrs. Bev Desjarlais:** But the toll isn't covering the policing.

**Hon. Jean Lapierre:** No.

**Mrs. Bev Desjarlais:** Transport Canada is covering the policing.

**Hon. Jean Lapierre:** Yes. It was part of the deal then, I'm sure.

**Mrs. Bev Desjarlais:** Okay.

**Hon. Jean Lapierre:** But I understand your point. You made your point well.

**The Chair:** You liked it.

Monsieur Carrier.

[Translation]

**Mr. Robert Carrier:** Mr. Lapierre, with all due respect, I must say that I was not satisfied by the answer I got earlier with regard to port divestiture.

You alluded to a previous Quebec government. I am wondering if your answer was not somewhat partisan or political. To my mind, it was in any event an incomplete answer.

I made comparisons with last year's budget, that of 2003-04, a year during which the present government was in power. I noticed that absolutely nothing had been spent. I therefore would like an explanation beyond the simple fact that you are not in agreement with the previous government. In any event, as you admitted earlier, port divestiture is of concern to all of the parties involved. It presents advantages for those citizens affected.

I would then like to be given clarification with regard to an amount of \$115 million slated for a revitalization project for the Toronto waterfront. I do not have information as to the purpose of the project. What does it involve?

**Hon. Jean Lapierre:** With regard to the port divestiture program, on September 12 last, in other words a few weeks after my appointment, I discussed this with Minister Marcoux and Ms. Boulet. It is following this discussion that we realized that the government of Quebec had reactivated certain transfers. I am nevertheless pleased to hear you say that these transfers are in everyone's best interest. That is our opinion as well. I therefore am hoping that we will be able to accelerate the port divestiture program that we still have in Quebec. For now, things are going very well. Communities such as Pointe-au-Pic, among others, have expressed interest. I am also anxious to talk to your colleague about Portneuf. Wherever there are interested communities, we for our part will be the most interested in the world.

It is my view that thanks to the good cooperation that is in place, we will be able to speed up the process. However, as far as the previous year is concerned, I was not in this portfolio. That discussion took place around the month of August.

Regarding the amount of \$115 million for Toronto, I do not know what is involved.

**Mr. Louis Ranger:** I will explain it to you: certain programs were established when the minister of Transport was also the regional minister for the Toronto area. He is the person who was therefore taking care of these funds. With the new government, it is Mr. Volpe who is responsible for Ontario. This program therefore now comes under Mr. Volpe's portfolio.

**Ms. Caroline St-Hilaire:** And what is covered by your portfolio?

**Mr. Robert Carrier:** Just to complete...

[English]

**The Chair:** Very quickly.

[Translation]

**Ms. Caroline St-Hilaire:** And what is the situation for Quebec?

**Hon. Jean Lapierre:** No, but for the 400<sup>th</sup> birthday festivities of Quebec City, for example, things could be done in the same way for Quebec. We are talking about infrastructure that could be built, windows on the St. Lawrence, etc. Given that I am the minister responsible for Quebec and minister of Transport, we could negotiate an agreement that would give us access to an infrastructure budget within Transport Canada's votes. I would not be surprised if this were the way things were done.

**Mr. Robert Carrier:** To answer...

[*English*]

**The Chair:** Thank you. We're not in a debating society. Your time is up.

Thank you, Minister.

I have a quick question by way of illustration to what Mr. Carrier has been talking about, where he is trying to juxtapose one province or one city against another.

I note that there is an international truck route, referred to in your opening statement, in Sault Ste. Marie. Is that being planned and executed by your department, or is it being executed by the Federal Bridge Corporation?

**Mr. Ronald Sully:** That particular one would be an access to the bridge, and it's under a program that our department manages. It's the strategic highway infrastructure program.

**The Chair:** I'm also aware of the Federal Bridge Corporation, which has quite a large office here in Ottawa and elsewhere, but it operates bridges in Montreal. Is there any other province in which the Federal Bridge Corporation operates non-toll bridges other than in the city of Montreal?

Mr. Ranger, do you know?

• (1725)

**Mr. Louis Ranger:** Ron?

**Mr. Ronald Sully:** I would say no, because the other bridges that it operates are international bridges. There's the one at Sault Ste. Marie, the Thousand Islands Bridge, and the one at Cornwall. They all have tolls on them.

**The Chair:** They all have tolls and they're not dependent upon the general revenues, the consolidated revenue fund which we've been talking about so much today.

**Mr. Ronald Sully:** That's correct.

**The Chair:** Thank you.

Okay, thank you, Minister, and thank you to the officials for coming.

We're not adjourning. We'll suspend for a few minutes. We have a very quick matter of business to attend to.

[*Proceedings continue in camera*]

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