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Chair

Mr. Laurie Hawn

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● (1530)

[*English*]

The Chair (Mr. Laurie Hawn (Edmonton Centre, CPC)): We have a quorum. I'll invite the press to take their leave, please.

We are going to pick up at clause 46, which is addressed by amendment L-29.1.

I'll invite Mr. McGuinty to speak to that.

(On clause 46)

Mr. David McGuinty (Ottawa South, Lib.): Thank you very much, Mr. Chair.

I just want to take a moment to present this amendment. Through this amendment we are trying to again help refine the whole question of energy efficiency standards for the country and for energy-using products, and at the same time not just refine but bolster the need for us to move more forthrightly and more aggressively on energy efficiency, given the competitive nature of the planet now as we move toward a more carbon-constrained future.

What we've done is we've added at the bottom of page 32, for those members who are following in Bill C-30 itself, subsection (4), to call on the government within one year after the day this subsection comes into force to make regulations establishing energy efficiency standards for all energy-using products. We've applied two conditional expressions to all of those energy-using products, those that have a significant or those that have an increasing impact on energy consumption in Canada.

We believe this would help us—and particularly when we speak about energy-using products that might have an increasing impact on energy consumption in Canada—identify emerging sectors, emerging products even, that are particularly high-energy-consuming products in the Canadian marketplace. That might be the IT sector or laptops or PCs. We're not prejudging what those would be, but we would like to see regulations established on that front within one year.

A second thing we've added—again in order to increase environment accountability, this time energy efficiency accountability—is we asked that the standards that are set in subsection (3) be reviewed by the government at least once every three years to make sure that the levels of energy consumption that are provided for are at least equal to the levels set by the most stringent standards in all jurisdictions of North America.

It also reflects the fact that of course our connection with the North American marketplace is strong. Our manufacturing connection is strong, and in fact it helps Canada lead North America by racing to the top. So if a jurisdiction, say South Dakota, were looking at energy consumption standards that were slightly higher than what is the case in Canada now, we might look to those. It doesn't prejudge which jurisdiction in North America might pull the country forward. Again, it's predicated not on a notion but on the reality that the race is on, and those manufacturers of white goods, for example, those manufacturers of any energy-using product now understand the carbon-constrained future we are evolving into.

We believe this would help government standards catch up to what is already clearly going on in the marketplace, and hence this is what amendment L-29.1 is all about, Mr. Chair.

● (1535)

The Chair: Okay.

Go ahead, Mr. Warawa.

Mr. Mark Warawa (Langley, CPC): Thank you, Mr. Chair.

I agree with the intent of the amendment. The fact is we're already implementing a comprehensive regime of minimum energy efficiency standards to cover over 80% of appliances and equipment energy use in the residential, commercial, and industrial sectors. We've already announced plans to regulate 20 new products, to increase the stringency of standards for 10 more over the next four years, and, through a consultation process, to prepare to consider products that have not been identified yet.

My question is to the department, Ms. Buckley. We want to respect due process, but we do support the spirit and the intent of the amendment. To respect due process, the recommendation is that we have a one-year timeframe. It would be within one year of the act's coming into force.

Is that a realistic timeframe, considering the consultation that's necessary?

Ms. Carol Buckley (Director General, Office of Energy Efficiency, Department of Natural Resources): We are currently planning, as the member said, to do about 30 regulations over a period of four years. To implement the amendment in one year, in my view, is not technically feasible. It would require us to do four times as many in a year, and it's not a matter of just working four times harder; to develop a regulation that is technically feasible, that is implementable, and that gets us the environmental reductions we are seeking, we have to consult and understand what's happening internationally. We have to talk to the manufacturers, the shippers, the users. We like to harmonize within Canada, so we would want to have consultations with provincial jurisdictions that have authority over goods produced and sold within their borders, so that there isn't disharmony within Canada. That's very important for trade reasons. We would also want to make sure we have test standards in place so that we could enforce the regulations, and this can't be done for tens and tens of regulations simultaneously.

Finally, we would like to be able to follow the due process of prepublishing standards and getting comment that way, and then be able to follow the *Canada Gazette* process, which takes a certain amount of time. My only comment here is that I don't think the volume of regulations that the amendment speaks to, or in fact the volume that the government is proposing, can be technically accomplished within one year. That's my only comment.

● (1540)

Mr. Mark Warawa: Mr. Chair, my follow-up question, through you, is to Ms. Buckley.

You can sense an urgency from Canadians to act, to provide efficiencies in energy use, and this government is committed and already acting to do that. What is the shortest timeframe, respecting the spirit of what's being proposed here by the Liberal amendment? What is the soonest we could do that?

Ms. Carol Buckley: I think the proposals we put forward were fairly aggressive, and in fact Canada already leads a lot of the world with a lot of products. The way we wanted to proceed was to implement the four years that the government has proposed to do some 30 regulations. That doesn't mean we couldn't add additional products to that list, but it would be very difficult to do the volume of all the products that represent significant energy use or growing energy use. We also have our eyes on that growing category; it's extremely important.

We think it takes a four-year plan to do the regulations effectively and to do them right. I can't say that I think it would make sense to cut that in half in order to look like we're moving more quickly, because there just wouldn't be the capacity in the groups we deal with, let alone within the government.

Mr. Mark Warawa: Ms. Buckley, four years sounds like an awfully long time. I would be interested to hear from the mover if it could be done substantially more quickly. I think you would find consensus to do that. I look forward to comments from the mover.

The Chair: Mr. Jean, you're next.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Actually, Mr. Warawa took care of all my comments.

The Chair: Monsieur Bigras is next.

[*Translation*]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Chairman, I too am leaning in the same direction as Mr. Warawa.

In Canada, when energy standards are being established, must the Council of Ministers of the Environment and of Energy be consulted? It seems to me that there is a major deficiency in this motion, given that it excludes collaboration with the provinces.

Is it the norm to consult the Council of Ministers of the Environment and of Energy before establishing this type of standard?

[*English*]

Ms. Carol Buckley: Yes, it is the usual practice to consult provincial ministries.

[*Translation*]

My apologies, but I will answer in English. I am more sure of myself in that language.

[*English*]

We consult. That's part of the time it takes to do 30 regulations, not in one year but in four years. On each regulation we consult with our provincial and territorial colleagues respecting their own jurisdiction over energy efficiency regulations. Some of them have them and some of them don't. We want to make sure they align their regulations with our own so that we don't have patches in Canada that have different regulations, which is very difficult for consumers and for the producers of some of these products.

So we certainly cooperate with them. It may not be evident in the bill itself, but it's certainly part of how we implement the bill. In fact, we've just had a very significant consultation on regulations this past week, including representatives of most of the provinces.

[*Translation*]

Mr. Bernard Bigras: This type of standard is therefore usually presented to the Council of Ministers of the Environment and of Energy, among others. This collaboration is to my mind obvious and necessary, and I would in this regard have a friendly amendment to move a little later on.

I know that the question was asked during the appearance of other stakeholders, but I would like to know, given this structure by virtue of which ministers will be consulted, if you consider the timeframe to be a realistic one.

● (1545)

[*English*]

Ms. Carol Buckley: For a great number of us who work at Natural Resources Canada, our business is energy efficiency regulations. We are world leaders in many of those regulations. When we sat down and thought out what this piece of work would look like, we did our very best to design a program that made sense in terms of the timelines. So I can't but repeat that, in designing that, we designed a four-year time period to do the standards that we thought we needed.

There's a lot of change in some of the products we want to regulate. There are a lot of new products that we want to regulate where we simply don't have the technical information. Other countries are doing the same kind of technical due diligence. If you read in the newspapers about other jurisdictions that are making progress in regulating different products, they too are taking a 2010, 2011, or 2012 timeframe to set their standard.

[*Translation*]

Mr. Bernard Bigras: I could suggest a friendly amendment such that the amendment would read as follows:[...] the Governor in Council shall, in collaboration with the provinces, make regulations establishing energy efficiency standards [...]

In this way, we would ensure that provinces are consulted. I would limit it to that for now. I may intervene later when we discuss the matter of timelines.

The Chair: Mr. Bigras, could you please put that in writing?

[*English*]

We just need to see it so it's exact.

You're not next, Mr. Jean.

Mr. Brian Jean: I understand. I'm just asking to put myself on the list.

The Chair: Okay.

Mr. Godfrey.

Hon. John Godfrey (Don Valley West, Lib.): Subject to seeing the exact words, we're open to that friendly amendment.

Ms. Buckley, I don't want to put words in your mouth, but your concerns were not about our new subsection 20(4), which is that we have a review once every three years. That was not the problem. We're now trying to figure out what is a reasonable amount.

Again, I don't want to put words in your mouth, but you don't object to the principles of extending this exercise to try to capture some of the emerging sources.

A voice: [*Inaudible—Editor*]

Hon. John Godfrey: Okay. So I guess what it comes to is, to what extent is there a resource problem at your end, or is there just a process problem out there? Is there a little of each?

There's only so much your folks can do in a certain amount of time, but then when you mix in the council of ministers and so on, it starts to get more complicated. So can you can give me the balance between your resource problems and process problems?

We want an ambitious target, like Mr. Warawa, but we don't want unreasonable targets. So we need to find out if the problem is at our end or with the people we talk to.

Ms. Carol Buckley: It's as you suggest; it's a bit of both. It's partly that the resources we have allocated to us require this timeframe, but it's not only that problem—some of the communities we deal with on these products are the same communities.

Just to take one example of the member's suggestion for provincial consultations, provinces don't have the capacity to do as much simultaneous work as we do in the federal government because they have smaller staffs. We already get a little push-back from them when we want to consult them about things and are consulting about a large number of things at one time.

It's not just the provinces but the whole process of doing due technical diligence. I'm concerned about whether, even if we had no resource constraints whatsoever, there are enough people conversant with the technical and economic factors of all of these products that I would feel comfortable saying to you that this could be done in a year if we had no resource constraints. I can't.

The Chair: Mr. Lussier.

[*Translation*]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Thank you, Mr. Chairman.

My question is for Ms. Buckley.

With regard to energy efficiency, I believe that the transformer used to recharge electrical cars should be included in the list of appliances that you will be considering. I am of the view that it will have a very large positive impact that will only increase over time. It is easy to imagine that in the near future, people will be buying electric cars that they will want to recharge when they get home.

Are there any studies underway as to the energy efficiency of these transformers?

● (1550)

[*English*]

Ms. Carol Buckley: I'm sorry, I don't know at this moment whether we have regulations or plan to do regulations of that sort. But we can find that information for you.

[*Translation*]

Mr. Marcel Lussier: Thank you.

[*English*]

Ms. Carol Buckley: It would certainly be within the power of the act.

The Chair: Mr. Cullen.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair.

It sounds as though there are going to be some positive changes to this through the consultation.

To get specific on the timeline aspect, I appreciate Ms. Buckley's comments on the ability and the speed at which we can do this. I'm more curious about.... I assume her department is in ongoing conversations with industry about various regulations and standards that the government has proposed in the past or is thinking about proposing in the future.

My question is direct. Given the resources you need, and thinking back to when we were dealing with clause 42 about the conversations you're having with industry right now about some other proposed regulations, in a sense, you're not starting from a standstill. There are people on staff; there are liaisons and connections to industry. What would be your ideal timeline, keeping in mind that nothing happens without a deadline, it seems, around this place?

You've said that four years is one potential and one year is impossible. Do you have recommendations? Do we have experience where we've been able to make regulations in an urgent manner? I wouldn't want to leave it entirely to the whims of other priorities that come up. If this were given proper priority and proper resourcing, would a couple of years be sufficient to do it?

Ms. Carol Buckley: It's hard to tell you on the spot. We've done a plan of work for 30 regulations to cover more than 80% of the use in three important sectors. To understand what "significant" and "increasing" applies to and to determine how many more regulations that would be, and then to try to figure out a compressed timeframe.... I admit I can't do that on the spot.

It's possible we could do it in less than four years, but I wouldn't like to guarantee to this table that we could do it in two years or even three years.

Mr. Nathan Cullen: I'm not sure of the language we'd need.

I guess what I'm saying to my Liberal colleagues is that it sounds as though there's some opening for amendments. If there is some language that we as a committee can find that would make the timelines, while firm, have some flexibility within them, to put away.... I'm not sure whether there's a consideration to move this proposed subsection (3) out, but if we could find some language to get it done and have all committee members agree to it—and we all agree that the principle and the purpose of it is good—then let's find that language now, or perhaps in a small negotiation among the staff.

The Chair: Mr. Jean.

Mr. Brian Jean: There are two things.

I would agree with all of the members that technology is obviously our best option, and this is a low-hanging fruit that could bring some real benefits to Canada.

I agree with Mr. Bigras in relation to the consultation with other governments, but—I say in a positive light—the reality is that as soon as we add that to it, the Supreme Court, for instance in aboriginal cases, has said there are specific criteria that have to be followed, which I understand take a minimum of three to six months.

As soon as we get into the other situation where we're going to be consulting on however many products—I don't know how many—I could imagine there would be quite the amount of investigation research that would need to be done beforehand. We're going to add at least a minimum of a year to this particular schedule, which the department suggests they can't do...or they suggest a four-year period of time would be appropriate. Then we're into a five-year period of time that they would take, in essence.

I think what we should do is try to lessen it as much as possible. I've seen, in many pieces of legislation before, the words "best efforts". Maybe we could encompass best efforts in there and a timeframe of two years. Certainly that might be an option.

What does the department think of that?

Ms. Carol Buckley: Best efforts in two years?

Mr. Brian Jean: I'm just throwing out an option that is certainly.... I would suggest that it has to be a reasonable time period. If two is not that, then three years. Whatever the case is, the key here is that we can move forward on this low-hanging fruit, and obviously it should have been done five or six years ago, but we have to use what we have now.

What would be appropriate?

● (1555)

Ms. Carol Buckley: Let's be clear that Canada is a leader in a great number of classes right now, so it's not as though we have to hurry to play catch-up on a very large number of products. That's not true. We are the world leader in many products, and with this amendment we will, vis-à-vis that second part of it, ensure that we stay on top and ahead of North America.

But I'm still caught with taking a timeframe and the work of 30 or so people and saying the work that you could comfortably do and do well without posing any legal challenges to the government or technical challenges to Canadians, which we need four years to do, we'll try to do in two years. I just can't, as a public servant, say to you that two years is doable.

[*Translation*]

The Chair: Mr. Bigras, it is your turn.

Mr. Bernard Bigras: Thank you, Mr. Chairman.

The more I look at this amendment, the more I see problems with it, in particular with subsection (4). It clearly states that:

> (4) The standards referred to in subsection (3) shall be reviewed by the Governor in Council at least once in every three years to ensure that the levels of energy consumption provided for by the standards are at least equivalent to the levels set by the most stringent standards applicable in other jurisdictions in North America.

Mr. Chairman, given that we know that the production and distribution of energy are ensured by the provinces, how could we truly enforce such as proposal?

Ms. Buckley, given Canada's energy supply structure, do you believe that it would be possible to ensure consumption levels and that the Governor in Council could take measures in this regard? Do you really believe that this is realistic, given Canada's energy supply structure?

[*English*]

Ms. Carol Buckley: The answer is relatively straightforward: the Energy Efficiency Act confers upon the federal government powers to restrict importation and shipment of products that don't meet a certain standard. There is no question that this act has been in place for seven or eight years and that this is an authority we currently have.

So there's absolutely no question about our authority. We are not trying to regulate what is in the provincial domain, but we have authority already without these amendments to regulate in the federal domain.

[*Translation*]

Mr. Bernard Bigras: You are therefore of the belief that you have the power to do that. How could you exercise that power? How could you force a province to provide you with essential data that would allow you to ensure the levels of energy consumption of a province?

That is really what we are talking about here. You perhaps have that power, but I would like to know what means you have at your disposal to exercise that power over the provinces. I am telling you, and I continue to believe, that production, distribution and consumption fall under provincial jurisdiction. If this amendment passes, what means will you have available to you to force the provinces to respect energy consumption levels equivalent to the most stringent in North America? What legislative, regulatory, punitive or other type of tool do you have at your disposal?

[*English*]

The Chair: Mr. McGuinty believes there may be a problem with the translation in proposed subsection (4), which may be leading you to some of your conclusions.

Mr. McGuinty, do you want to address that?

[*Translation*]

Mr. David McGuinty: Mr. Bigras, I think there is an error in the translation. In English, we are not talking about having the federal government verify, every three years, the energy consumption levels of the provinces. This is what the English text says:

[*English*]

"that the levels of energy consumption provided for by the standards for the products are at least equivalent to the levels set by the most stringent".

It think there's a translation....

[*Translation*]

I believe there is a mistake in the translation.

Mr. Bernard Bigras: If I understand correctly, the idea is to ensure the level of energy consumption, unless you are telling me that in Canada there is an East-West interconnection that the board...

Might I rather put my question to the officials?

● (1600)

[*English*]

Ms. Carol Buckley: I've been focusing on the English text, and it refers to the levels of energy consumption provided for by the standards. Perhaps that's missing in the French.

Let's be clear. We are exercising existing authorities to regulate standards for energy-using equipment. We are not attempting to regulate provincial production or distribution of energy. There is no question in my mind, and I think my Justice colleague here agrees with me, of any jurisdictional issue, or any way that we need to compel the provinces to do anything at all. We have the power to do what we need to do. We are asking for some amendments to broaden those powers. The provinces have their own powers and we are not infringing, although we would consult to move forward harmoniously.

[*Translation*]

The Chair: Is that clear or not?

Mr. Bernard Bigras: It is clear, but what I am saying is that we are indirectly going about doing something that we cannot do directly. Indeed, we are dealing with energy-using products which can, indeed, come under federal jurisdiction, allowing the federal government to intervene indirectly in the area of overall energy consumption.

Let us say that the precautionary principle is what guides me in energy matters when these are being dealt with in the framework of federal legislation.

If I understood correctly, you are in favour of this amendment. Is that correct?

[*English*]

Ms. Carol Buckley: I don't think it's my job to agree or not to agree. I'm here to provide you with a technical analysis of the amendment and to discuss from my perspective problems or advantages.

[*Translation*]

Mr. Bernard Bigras: You are saying that it is feasible. Could you at least tell us, given your resources, if this amendment is doable? My question is a simple one. In your view, is this amendment, as drafted, realistic and feasible?

[*English*]

Ms. Carol Buckley: I said the amendment is feasible except in one important regard, and that is in the first paragraph. In terms of the magnitude of regulations, it says the quantity covered by the words "significant in increasing energy use" could be implemented within one year. I don't believe it could be implemented in one year. I don't think that's technically feasible. That's my only technical comment.

The Chair: We'll go to Mr. Godfrey, and then I have a suggestion, unless he is going to make it.

Hon. John Godfrey: First of all, on the substantive point, we'll take any reasonable suggestion. We're not crazy. We may be, but that's another issue.

If four years makes sense instead of one year, and if Mr. Warawa thinks we can be more ambitious, fine, but something in that zone. We'll take a friendly amendment on that point.

To nail the second point down, my understanding in a practical way of what the second part, proposed subsection (4), means is that if in, let's say, some American state they have a higher standard for appliances than they do in Canada currently, so that in effect Canada might be a dumping ground for the lower standard appliances, we would examine the standards for specific products and go with the higher one because there's a precedent established and there are jurisdictions in North America that say, we will not take toasters that use beyond a certain amount of energy. That's my understanding of what we're doing and that's in line with what we can do.

Ms. Carol Buckley: Correct.

Hon. John Godfrey: Okay.

The Chair: What I'm going to suggest, because we have a friendly amendment from Monsieur Bigras and what I think will come to be a friendly amendment with respect to the timeline, is that we suspend for a couple of minutes and get heads together. As well, there's a problem with the French translation. And then we would come back as quickly as possible. We should be able to do that in a few minutes.

We stand suspended for the moment.

● (1600)

(Pause)

● (1605)

The Chair: Okay, we're back in business.

Mr. Godfrey, are you the man of the moment here?

Hon. John Godfrey: I've done some consultation, and I think on the time issue we would amend new subsection 20(3) to say "the Governor in Council shall make best efforts to make regulations", and so on, "on energy consumption in Canada within three years".

That means that if, as I understand from having some informal chats with the department, they're unable to because the others can't keep up with them or they don't have the resources to respond to this new burden of work, there has to be an explanation for why they can't do it within three years.

So we make it more ambitious than the four years, which the department was asking for, for the original body of work, because we're adding to the body of work, but we're recognizing that we don't want to put them into an impossible situation. That was a suggestion that came from talking to various folks. So I'll make a friendly amendment, if that's possible.

● (1610)

The Chair: Mr. Jean.

Mr. Brian Jean: I've just heard it once, so I've never had an opportunity to look at it, but if you look at the wording of it, it sounds like you're using best efforts to make regulations. I think what you want to do is change the best efforts to within three years. I don't have it in front of me, but it sounds like—

The Chair: Okay, I think I have it and I can read it.

Mr. Brian Jean: But is "best efforts" before the regulations, or is it before the three years?

The Chair: Allow me to read it, and then see if you have any questions.

The new subsection 20(3) would say, "the Governor in Council shall make best efforts to make regulations within three years", and I'm going to add Mr. Bigras' amendment, "in collaboration with the provinces, establishing energy efficiency standards for all energy-using products", etc.

Mr. Brian Jean: I think it should be "best efforts within three years", but it's arguable on both points.

The Chair: That's what I thought I said.

Mr. Godfrey, did I read that as you intended?

Hon. John Godfrey: Yes, that's correct. It's open for—

Mr. Brian Jean: You don't need to read it again, Mr. Chair.

I'm not trying to be picky on the English language, or as a litigator and somebody who has interpreted statutes for years, but "best efforts to make regulations within three years"? Do you understand what I'm saying? With the "best efforts to make regulations", they're going to use their best efforts to make regulations. Are they going to make them in three years? The "best efforts" is not to make regulations; they're ordered to make regulations. "Best efforts within three years" is—

The Chair: Would you prefer "shall make best efforts within three years to make regulations"?

Mr. Brian Jean: Absolutely. The best efforts should be the time period, not the regulations.

Hon. John Godfrey: All right.

The Chair: Does that still...?

Hon. John Godfrey: Yes, that sounds good.

The Chair: Okay, let me read that, then. Proposed subsection 20 (3) would say:

> The Governor in Council shall make best efforts within three years to make regulations in collaboration with the provinces, establishing energy efficiency standards for all energy-using products

Monsieur Bigras, c'est correct? Do you want me to do it again?

[*Translation*]

Mr. Bernard Bigras: I would like to attempt a friendly amendment to subsection (4). I would perhaps replace the words "the levels of energy consumption" by "the levels of energy efficiency for energy-using products".

The subparagraph would therefore read as follows:

> (4) The standards referred to in subsection (3) shall be reviewed by the Governor in Council at least once in every three years to ensure that the energy efficiency levels for energy-using products are at least equivalent to the levels set by the most stringent standards applicable in other jurisdictions in North America.

[*English*]

The Chair: I respect that. Can we deal with proposed subsection 20(3) first, please?

I just want to make sure Monsieur Bigras understands proposed subsection 20(3).

[*Translation*]

Mr. Bernard Bigras: Mr. Chairman, this would ensure that we are reviewing the manufacturing standards rather than the levels of energy consumption. That would already give me some comfort.

[*English*]

The Chair: Yes, I understand that, Monsieur Bigras. I would like to confirm your concurrence with the friendly amendments in proposed subsection 20(3).

May I read it one more time for you?

[*Translation*]

Mr. Bernard Bigras: I apologize.

[*English*]

The Chair: No, there's no problem. You were working on proposed subsection 20(4), and we hadn't quite finished proposed subsection 20(3).

En anglais:

> The Governor in Council shall make best efforts within three years to make regulations, *en collaboration avec les provinces*, establishing energy efficiency standards for all energy products

Is that good with you?

[*Translation*]

Mr. Bernard Bigras: Yes.

[*English*]

The Chair: Okay, so that is proposed subsection 20(3) amended in a friendly manner.

Mr. Jean.

Mr. Brian Jean: Again, I don't have it in front of me, but just from the sounds of it, it should say “to within three years”, I would suggest. I don't want to be too picky in case there's an English professor here, but it should say “to within three years”.

● (1615)

The Chair: No. I'm not an English professor, but I—

Mr. Brian Jean: Well, I would have to look at the wording to see it, but it sounds....

Did Mr. Bigras say “collaboration” or “consultation”?

[*Translation*]

The Chair: In collaboration.

[*English*]

Mr. Brian Jean: Well, I would say it should be “consultation”, because consultation is the appropriate word, and it's appropriate legally.

[*Translation*]

Mr. Bernard Bigras: Very well.

[*English*]

Mr. Brian Jean: As well, I know we don't want our territories to be any more efficient than we are, but it should include the territories as well as the provinces.

[*Translation*]

The Chair: We would therefore say consultation with the provinces and territories? Very well.

[*English*]

Mr. Brian Jean: Could I ask you, Mr. Chair, just to read the first line slowly again, please?

The Chair: Okay.

> The Governor in Council shall make best efforts within three years to make regulations, *en collaboration avec les provinces et territoires*

—“in consultation with the provinces and territories”—

> establishing energy-efficient standards for all energy using products

Mr. Brian Jean: I have to argue, Mr. Chair, and I really am not trying to delay this process, because I'd like to get past this, but “best efforts to within three years”, or...best efforts to do what? You're not asking: to do what? Best efforts...?

The Chair: Okay. I understand what you're saying.

Mr. Brian Jean: I think it's necessary to talk about what you're doing, best efforts to—

The Chair: You're going back to the wording the way it was before, but I just want to get to a wording that works and that we all understand.

Mr. Brian Jean: But to do what?

The Chair: The intent of this is they are going to make their best efforts within three years to make regulations.

Mr. Brian Jean: Are you still saying “to make regulations” is the best efforts? The regulations are not the best efforts. The best efforts are to be within the three years.

The Chair: There's an expression here that goes with “pepper”, which I won't repeat.

Mr. Brian Jean: It should be “to”, Mr. Chair. I've heard it three times.

The Chair: Okay, Mr. Jean, let me hear your suggestion and perhaps we'll all agree.

Mr. Brian Jean: I don't have it written in front of me, but if you add, “to, within three years,”....

The Chair: Okay. I think what you're saying is, and if everybody could listen carefully:

> The Governor in Council shall make best efforts to, within three years, make regulations, in collaboration and consultation with the provinces and territories

Mr. Brian Jean: It's “in consultation”.

The Chair: Okay:

> in consultation with the provinces and territories, establishing energy efficiency standards for

We're going to wind up reading this again once we get it down, but is that okay on this wording?

Mr. McGuinty, go ahead.

Mr. David McGuinty: I just have a question for Ms. Buckley. If this read, "within three years after the day in which this subsection comes into force, the Governor in Council shall make regulations" etc., can you do this?

Ms. Carol Buckley: I would prefer to have "best efforts".

Mr. David McGuinty: To give you flexibility.

Ms. Carol Buckley: When we do a plan of work and seek budget and authorities to implement that plan of work, we don't generally put a lot of padding in. We have experience since 1992, my colleague has reminded me, in developing and implementing energy efficiency regulations. If we thought it took four years to do a body of work, and it's now being made more substantive by this amendment in some ways, then I don't like to say we can do it in three years. I'd say we can do it in three years with our best efforts because I can't guarantee we'll have a whole year somehow of slack time in our four-year provision. So I just can't go further than saying "best efforts in three years".

Mr. David McGuinty: If it didn't work out within those three years, then ostensibly it could, technically, continue?

Ms. Carol Buckley: Yes.

Mr. David McGuinty: Because "best efforts" is like an exculpatory clause; it says, I made my best efforts, but I couldn't get it done in three years given my team, my resources. You're not going to stop trying, but it could be four or five years.

Ms. Carol Buckley: No. We only have a budget for four years, so our intent was to do the entire plan of work that we proposed within four years.

Mr. David McGuinty: So if this said three years and you got the proper resourcing from the government to do the job, could you get the job done?

Ms. Carol Buckley: Again, I can't, without any consultation with the people who do the detailed work, see if a whole year was just a resource issue or whether part of the whole year was an issue with respect to the capacity of the Standards Association of Canada or the provinces and territories and so forth. So, I'm sorry, I repeat the same thing frequently, but I just can't be pressed to say we can do it in three years. I can't.

● (1620)

Mr. Brian Jean: Mr. Chair, can I be recognized just for a moment to respond?

The Chair: Yes, Mr. Jean.

Mr. Brian Jean: I would suggest the "best efforts" avoids legal liability in relation to the government itself, but at the same time it forces the government and the department to move in the best efforts possible. I would suggest it's a good compromise. It shortens the timeframe. Certainly, if they've only got a budget for four years, it seems to make a lot of sense.

The key here is not to be too onerous on them. If they can't get the job done...and we've heard that not only do we have a whole bunch of new jobs that have come about as a result of the amendments, but we had a time period set before that was onerous on the department, and now we have more things to do, so it just seems to be a good compromise to try to move things along, which we all want to do. In fact, it was a Conservative amendment proposal.

The Chair: Mr. McGuinty.

Mr. David McGuinty: Back on three. Who's on third?

The Chair: Actually, I'm going to make an observation on three at the moment. We've talked about "The Governor in Council shall make best efforts", etc., but we haven't said when it's starting. We've dropped that part from the beginning. Do we not need some start point, i.e. after this subsection comes into force?

Mr. David McGuinty: You're right, Mr. Chair, and I was just going to address this point.

Having heard the officials from NRCan and being aware of their team and their resourcing constraints, I think there might be more certainty if we were to simply say, for example, "within four years after the day on which this subsection comes into force, the GIC shall make regs". That gives you the timelines, it's in line with the government's original thinking, and it gives more certainty for the marketplace.

If I'm in the white goods manufacturing sector and I hear about best efforts and I'm starting to retrofit my rolling stock, if I'm looking at new standards and I'm manufacturing for Inglis or some other company that's worldwide, I want to know. Why don't we just simply move to "within four years after the date on which this subsection comes into force"? That seems to jibe with your abilities and resourcing.

The Chair: You got a good deal with four.

Is that acceptable as a friendly amendment?

Mr. Mark Warawa: That's acceptable; there are no comments from this side of the table yet.

The Chair: Mr. Cullen, are you good with that?

Mr. Nathan Cullen: Yes, absolutely.

The Chair: Okay.

Let me read what I hope is the final version of proposed subsection 20(3). It would say:

> Within four years after the day on which this subsection comes into force, the Governor in Council shall make regulations in consultation with the provinces and territories, establishing energy efficiency standards

We also have an amendment for proposed subsection 20(4). It is proposed as a friendly amendment.

[*Translation*]

En français:

(4) The standards referred to in subsection (3) shall be reviewed by the Governor in Council at least once in every three years to ensure that the levels of energy consumption for all energy-using products provided for by the standards are at least equivalent to the levels set by the most stringent standards applicable in other jurisdictions in North America.

[*English*]

Hon. John Godfrey: Do the English and the French line up well enough on that?

The Chair: I was hearing in my ear exactly what was said in French, more or less.

Hon. John Godfrey: Okay. We're happy with that. We view that as a very friendly amendment.

The Chair: Okay.

Are we prepared for the question?

(Amendment agreed to)

(Clause 46 as amended agreed to)

The Chair: We have a new clause. It is clause 46.1. Amendment NDP-31 refers to it.

Before I call on Mr. Dewar to address it, I just want to say that I do have a concern with the amendment about establishing a new program. It may also require a royal recommendation, but I'd like the member to address this, and I'll hear from others before making a ruling.

Go ahead, Mr. Dewar.

● (1625)

Mr. Nathan Cullen: May I ask for some clarification, Mr. Chair?

The clause on which Mr. Dewar is subbing for me is clause 46.1. It is with respect to lighting; I think you're speaking to the low-income retrofit.

The Chair: We have NDP-31, page 56, on our schedule. Is that not what you're...?

Are you talking about NDP-31.1?

Mr. Nathan Cullen: Can we just have one minute, Mr. Chair?

The Chair: Yes. We will suspend for one minute.

● (1625)

(Pause)

● (1625)

The Chair: We're back together again.

Mr. Cullen, I'll ask you to go ahead on the concern I've already raised.

Mr. Nathan Cullen: Thank you, Chair. The concern is well heard.

What this amendment is directed to is that in the previous year, the very specific retrofit program for low-income families was cancelled, the reasons for which ministers have come before this committee and others to make their arguments.

Appreciating the chair's caution in terms of the royal recommendation required, what we're encouraging the government to do is.... A lot of this came out of Bill C-48 money, the budget that was rewritten in the previous Parliament, which was then spent by the previous government and then this one. The government ended up cancelling that program.

This was a forum and a format for us to reintroduce the concept to the government and talk about the need and the urgency for it: that we have many families seeking to have these retrofits done but are unable to do it by their own means because by definition they're in a lower-income category; that the minister has the power to spend this money and money is available; that this retrofitting program is being disbursed by the minister, but the specific targeted one that addressed the needs of low-income families was removed, for decisions we won't debate here today.

In the discussion around Bill C-30, we know the government has the power to reintroduce this, has the power to spend this money and make this happen for Canadians whom we are all hearing from, who are seeking to be involved in not only just reducing Canada's greenhouse gas emissions, but also reducing the cost of running their households.

While we'll take the obvious consideration of the chair in terms of the royal recommendation requirements, it should be noted and on the record that the minister has the power to do this, has the money available, and requires no other act of Parliament to do it. It's at their disposal right now. Having cancelled the program, this is an encouragement for them to reconsider that choice and bring it back.

The Chair: Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

I have a question, through you, for clarification from Mr. Cullen. Is he seeking for the government to have the authority, or is he seeking a program?

Mr. Nathan Cullen: The government has the authority currently to do this.

Mr. Mark Warawa: Correct. I just wanted to make sure you were aware of that.

Mr. Nathan Cullen: That was part of the point in the moving of this.

Mr. Mark Warawa: I thought that's what you said. What you're actually seeking is the program itself.

Mr. Nathan Cullen: Exactly.

Mr. Mark Warawa: Chair, then it's out of order. I seek your ruling.

The Chair: Is there any other discussion before I...?

Mr. David McGuinty: Mr. Chair, we applaud the initiative. It speaks to the cuts to the EnerGuide low-income households program of $500 million in the 2006 budget. We were hoping to see this reinstated in the last budget, but it's not there.

It's an important principle, when low-income families are spending somewhere between 15% and 20% of their overall budgets' after tax dollars on energy costs. We support—

● (1630)

The Chair: On a point of order, Mr. Warawa.

Mr. Mark Warawa: Chair, I would have taken the time to express what the government is doing in its budget and its programs, but I didn't speak to that because of the fact that if it's a program that's being introduced, it would require a royal recommendation, and therefore it's out of order. Because it's out of order, I'm not speaking to it.

If Mr. McGuinty is wanting to continue speaking, then I would be first up.

Thank you.

The Chair: I intend to deliver my ruling right now.

It is that part 2 of Bill C-30 deals with amendments to the Energy Efficiency Act. This amendment proposes a new section giving the minister the authority to establish a program for the purpose of assisting low-income Canadians to reduce energy consumption of housing projects.

The rule against infringing on the financial initiative of the Crown is one of those things we have discussed before. It's expressed as follows at page 655 of Marleau and Montpetit:

> An amendment must not offend the financial initiative of the Crown. An amendment is therefore inadmissible if it imposes a charge on the Public Treasury or if it exceeds the objects or purposes or relaxes the conditions and qualifications as expressed in the Royal Recommendation.

Although paragraph 21(e) of the Energy Efficiency Act provides for the minister:

> for the purpose of promoting the efficient use of energy and the use of alternative energy sources...[to] undertake such...projects, programs and activities as in the Minister's opinion advance that purpose

amendments seeking the authority to use approved funds for new purposes must be accompanied by a new royal recommendation.

Therefore, I find the amendment infringes on the financial initiative of the Crown, and on that basis I must rule it inadmissible. While I understand the desire to get it on the record, we can't use this process to re-establish a dollar program within the context of Bill C-30. Amendment NDP-31 is inadmissible on that ground.

Is that clear?

I've ruled, Mr. Jean.

Mr. Brian Jean: I understand you've ruled, but I think most Canadians would be shocked to find out that 50¢ of every dollar spent on that program was wasted on bureaucracy.

The Chair: Mr. Jean, this is not a time to argue what has been argued elsewhere. Thank you.

We are going to move on now to NDP-31.1. You would know it as reference number 2806474. It was passed out this morning. You don't have it as NDP-31.1.

We have extra copies if members don't have it. It was passed out this morning. This is the light bulb one. The light bulb is about to go on.

Mr. Jeff Watson (Essex, CPC): Could you repeat that number you read out? I may have it.

The Chair: Reference 2806474.

Mr. Jeff Watson: Okay, I've got it.

The Chair: If everybody has that, the chair will recognize Mr. Dewar, who is now the man of the moment.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you, Chair.

Members will have before them the amendment that we propose. In essence, what this will do is to phase out the use of incandescent light bulbs. It's been an issue that many around this table will be aware of, the benefits and the necessity for government to act. In fact, it's important to note, Mr. Chair, that this issue was brought forward by members in my community, and they took this issue literally to the doorsteps of Canadians. I know Mr. McGuinty, in his riding, where the Project Porchlight started, was involved as well.

In fact, if you go to their website, you'll see the Prime Minister holding up one of their light bulbs, as well as the Minister of Environment and others who have been great supporters of their initiatives to phase out the use of inefficient technology and bring in efficient technology. What this amendment would do is simply send that signal in a way that is important to consumers, to Canadians, that government is supportive of green clean technologies.

Mr. Chair, members of the committee and Canadians will know that this is an initiative that will help Canadians and industry to deal with the issue of climate change in a very concrete way. People get this—the idea of simply changing a light bulb. This simple measure will make a huge difference to the environment and to Canadians' energy bills. It's not only helping deal with the effects of greenhouse gas emissions that we derive our energy from, but it also saves money for Canadians. One light bulb can generate up to $50 in energy savings over the life of that light bulb and cut greenhouse gas emissions by up to half a tonne over its lifetime.

It's important to note this is not something that would put us on the cutting edge in terms of legislation. This is being done in Australia, which is adopting it. In the United States, there's a bill—a bipartisan initiative—in front of the Congress right now. Nunavut is doing the same thing. So we see that we could be in step with the rest of the world and other jurisdictions if we amend.

There are some concerns people have had, and I want to put those on the table, generally speaking. Some have suggested that with this technology—in other words, the alternatives to the incandescent bulb—there's not enough variety, not enough light that comes from the CFLs, and not the football league, but the compact fluorescent light bulbs. In fact, the technology has changed such that there's enough light emitted from it so that people can use this for their day-to-day lighting. I invite anyone to come into my home and you'll be able to read just fine. And the price point in this technology has come way down. In fact, people save money when they change to this technology.

You'll note from this amendment, which talks about regulation, and that's important, that we're giving time to phase this in. This is not an overnight proposal. As you will see in the amendment, and we're following along with other jurisdictions, as mentioned—the United States, here in Canada, as well as Australia and others—to phase this in. It would take effect in 2012.

Finally, Chair, I want to note that when we talk about the importance of embracing new technologies, we have to look at how it's going to save money—I mentioned that—but also we have to look at how it's going to help different jurisdictions. Presently coal-fired power represents 74% of electricity generated in Alberta. In Ontario it's 18%. By our taking leadership on this issue, what this will do is cut down the reliance on the coal-fired generation. As you've heard from testimony in front of this committee, it's not going to happen overnight, and we certainly know that in Ontario. I believe it's the same in Alberta. So what we need to do, I believe, is to take away the reliance upon coal-fired generation by consumption, and changing the technology is important, and by way of changing, to move away from incandescent lighting. That is a way to do it.

To wrap up, Chair, I think what we have in front of us here is a very common sense idea. It's one that all parties in one way or another have embraced, as I've mentioned, from the Prime Minister to the Minister of Environment to members of the Liberal party, Mr. McGuinty.

● (1635)

One final thing I want to mention, Mr. Chair, is that there have been some concerns about mercury.

Because of the reliance on coal-fired generation, it is entirely improbable that we'll get rid of the mercury emitted from coal-fired generation overnight. Mercury is a situation everyone is concerned with in connection with coal-fired generation.

Bringing down the reliance on coal-fired generation by phasing out incandescents and using CFLs will in fact reduce the amount of mercury in our environment. I say that because there are some concerns around the present technology—not all of it, and this is important to note.

With the compact fluorescent, there is mercury, but when you do the balance and talk to people in the industry—and this has been debated in Australia and other jurisdictions—it's not going to be a concern because of the amount of energy that is going to be saved, along with less emission of greenhouse gas and mercury from coal-fired generated plants. The benefits are going to be much greater than the amount of mercury in the bulbs.

I must add that there are programs right now for recycling, and the amount of trace elements of mercury in bulbs is reduced every time they come up with a new bulb on the market.

I just wanted to put those things out on the table—the concerns people might have—and underline the fact that this is a common sense thing. It is something we can do here and now. It is being done in other jurisdictions, and I look forward to the support of all members for this amendment.

Thank you.

● (1640)

The Chair: Thank you, Mr. Dewar.

Mr. Dewar has moved NDP-31.1.

Mr. Scarpaleggia, would you like to debate?

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Yes, thank you, Mr. Chair.

I suppose Mr. Dewar actually addressed one of the issues I was going to raise, and which I will still raise, about the mercury levels in these bulbs.

As a matter of fact, a couple of days after a news report of Mr. Dewar's private member's bill asking that these bulbs be prohibited, a constituent by the name of Robert Rice wrote to me about the disposal problem. He said:

> Many of these bulbs contain small levels of the toxic metal mercury, while each bulb by itself offers literally no harm to the users, the mass dumping of them into landfills or trash incinerators could cause detrimental environmental impact in the local environment. The safe disposal of these Compact fluorescent requires special handling, including that bulbs be unbroken and handled much like the safe disposal of alkaline batteries with special facilities to handle and recycle these bulbs.

Mr. Dewar addressed the issue, but....

You mentioned that the benefits of these bulbs in terms of mercury reduction outweigh the problems associated with disposal and the environment. Are you basing your recommendation on any particular studies?

Mr. Paul Dewar: Yes. If you have a chance to go to Project Porchlight, which I mentioned, they underline the cost benefit.

Through the chair, I should just tell you that if you look at the reliance aspect, as I mentioned, in Ontario 18% of the energy is presently generated by coal. As I mentioned in my opening remarks, by using just one bulb, you are going to be cutting down by about half a tonne over the lifetime of a bulb if you change to this technology. You can see from that one example how changing one light bulb brings down the emissions and the amount emitted from coal-fired generation that the cost benefit makes sense.

I might add that we're not reliant 100% on CFLs. If you look at LEDs as well, you don't have that issue, and there are sodium and other products coming on.

I think it's really important to underline that this is an emerging technology, and in no way is the amendment in my private member's bill written to say you have to rely upon CFLs. It's simply saying that all lighting, by the timelines we've put in here, will have met certain efficiency standards.

If we look at other jurisdictions, they've done the same cost-benefit analysis. We see that there are recycling programs in place. In fact, the private sector has already done this with IKEA. I think it's one of those issues in which timelines are involved. It's already being done in other jurisdictions; we'd have the timelines to phase in those concerns you have.

Mr. Francis Scarpaleggia: Mr. Chair, this is a fascinating topic, and I commend the honourable member for his initiative.

It also seems like a fairly complex issue, and I'm wondering if it might not be better to deal with this as a private member's bill and to have hearings, to invite people to testify. It's potentially a great idea. We could have two or three meetings on this to look at the cost-benefit analysis in terms of mercury emissions and so on in greater detail.

I'm not sure I feel comfortable voting on this before 5:15 tonight.

The Chair: Mr. Warawa, then Mr. Godfrey, then Mr. Vellacott.

Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

I don't think there's a member on this committee who would be opposed to defining energy efficient light bulbs and appliances. We all support any way we can cut down on the use of energy.

A number of years ago I changed to a fluorescent type of light bulb, and that technology is getting better and better too. They now have instant on. Some of them still have to warm up, but a number of them are instant on.

On the suggestion about a private member's bill, that may be the more appropriate way of dealing with this. There are a lot of questions that I have and that I had. Maybe I'll hold on then.

Before I close, though, I'd like to hear from Ms. Buckley. Is this the best way of handling this, defining 60 lumens? Is that the appropriate number? What's the best way of handling this—legislatively, in regulations, or by way of a private member's bill?

● (1645)

Ms. Carol Buckley: It's unusual to put a numeric standard in an act, and it's unusual to have a numeric standard with no consultation and analysis. From my perspective, I saw this an hour or so ago and I haven't been able to do an analysis of what 60 watts per lumen means in any detail. I can give you three reference points that between my colleague and me we were able to dig up to inform the committee in that lapse of time.

The Energy Star standard to replace a 60-watt bulb would not meet 60 lumens per watt. It would fail. So, to me, that makes 60 lumens per watt sound pretty significant. I can't tell you if it's a lot more stringent and how it applies to other lighting products. I just have that one example—comparing this to a 60-watt bulb replaced by the Energy Star bulb wouldn't beat it. I haven't been back to my office to talk to the technicians, so this is just based on the hour and a half we had between these two sessions.

I have two other reference points. One is Australia and the other is California. The popular press likes to speak of these jurisdictions' desire to ban the incandescent bulb, and that's in effect what their standards will do. However, they're not putting their standards forth written that way. They are choosing a technologies' performance standard. They're not looking at 60 watts per lumen. California is looking at 20 watts per lumen for 2010, and maybe 50 watts per lumen for 2017, but they haven't decided yet. They are going through a regulatory process and they are doing the type of consultation and analysis that I talked about earlier.

I can't tell you that 60 lumens per watt sounds good or bad. Off the top of it, it sounds quite stringent. It's similar in Australia, where they have the intent to ban the incandescent bulb. They plan to do it through a performance standard. They haven't landed on the number yet. So we can't use Australia as a reason that 60 lumens per watt makes sense.

I would feel much more comfortable if I had a chance to talk to our technicians about what that actually means, but the number causes me some reservation.

Mr. Mark Warawa: Thank you.

I have a question then, through you, Chair, to Mr. Dewar. Would he be willing to remove this because of the lack of information? We don't want to stall the progress that is being made here at this committee. We've heard a suggestion that maybe it's more appropriate for a private member's bill to be the way to deal with this. We all agree energy efficiency is the way to go. More efficient light bulbs are the way to go. Many of us here are personally doing that, but I don't think this is the right mechanism right here in Bill C-30. Would he remove his amendment?

Mr. Paul Dewar: I think we should discuss it and vote on it. I think one of the concerns I have is that a private member's bill.... We're here right now dealing with the issue of energy efficiencies. I guess I'm a little surprised that members aren't willing to have a little courage and actually embrace it. You mentioned around this table that there have been many people who have embraced it. We have examples of other jurisdictions.

I want to add, Chair, that when you look at the compact fluorescents, their efficiencies are 44 to 80 lumens per watt presently. That information is there. Just to give you an idea, with incandescents right now, the efficiencies are ranging from 7 to 24 lumens per watt. If we look at the idea of efficiencies, the idea of phase-ins, and the idea that we're not banning anything, as was mentioned by staff, we're looking at phasing out and bringing up efficiencies that already exist. We have the technology here. We have the ability to do this. It's a matter, not of a way, but it's really a matter of a will. I guess I'm appealing to people around this table to embrace that.

I hear from my colleagues from the Liberal side that they have concerns about the storage. Well, there are programs to do that presently, and we have a phase-in period. We know that if it's a private member's bill...when are we going to get to that? We're here now talking about energy efficiencies, we're here now talking about dealing with greenhouse gases, and we're here now dealing with the ability to do something.

I guess I'm appealing to members to take the opportunity now. If there are amendments to suggest, fine. I think Canadians would be surprised that we just turned our noses and turned away from this, because it's a common sense solution.

● (1650)

The Chair: Mr. Warawa, he's answering your question.

Mr. Mark Warawa: He has, and he wants to move forward and jump to the front of the parade without any information, which is unfortunate. It's really important, but it has to be done properly.

I have a question to the department. What's the constitutionality of moving forward in this fashion? Again, we all want to see very efficient use of the energy in Canada. We want to do it in a practical way, respecting jurisdiction and the Constitution. Would you comment on that.

Ms. Brenda MacKenzie (Legal Counsel, Department of Justice): If I may, there is a problem with the amendment as drafted in that it focuses on sale. The act we're dealing with is based on the federal trade and commerce power. You will note within the act the point at which products are caught is when they cross borders. We do not actually regulate the sale of anything, because we're getting into provincial jurisdiction. Where the products must be caught is where the federal government has the authority to regulate, which is when they cross borders. So there is a problem, as drafted, with concentrating on sale.

Where the product has to fit in is in accordance with section 4 of the act, which is the key provision that says you can't be bringing this stuff into Canada or shipping it now, as amended, across provincial boundaries at any time unless it meets standards. That's the concept that it should fit into.

The Chair: Mr. Vellacott.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): I have a lot of questions, actually, about this because it is an intriguing and interesting area for all of us and for our future, obviously. I have children and grandchildren. I think a lot of us are concerned about the possible dumping of mercury. There is some intimation of storage and so on here, but we sure don't want this in landfills. I would be rather pleased to have people in at this committee, or at some future point on a private member's bill, to hear more about that, because I think there are issues of safety and security and storage.

Carol, you've responded in part. Again, the comparison was made to coal-fired plants as opposed to hydro or whatever. That was the math used to explain why we'd be better ahead on that equation on the mercury scale, using coal-fired plants. But those are not the only kinds of power plants that are used in the country, of course.

Do you have any comments beyond saying we do need more study on this? Do you buy the math that was offered here? Is that something you've heard of before, in terms of the calculation that Mr. Dewar gave just moments ago?

Ms. Carol Buckley: I think it's safe to say that when you're reducing energy usage in a province that relies more heavily on carbon-based fuels, you will have a greater benefit to the environmental picture. You'll be creating fewer of all the pollutants that the carbon-based fuels deliver. In my view, those were apt comparisons. I don't have the numbers in my head and I haven't run them, but certainly the less you use carbon, the more you save energy, the more pollutants you're going to save. So that seems valid to me.

Mr. Maurice Vellacott: So in a province like Quebec or Manitoba, where there's more hydro and we're using natural gas in some of the power plants, that equation would not work out; that math calculation would obviously not rate in the same manner it does with coal firing.

Ms. Carol Buckley: That's right. It depends on the energy form you're using; you're saving whatever pollutants are associated with the energy used, so if you're using a low-polluting source, you won't be saving the same amount of pollutants.

● (1655)

Mr. Maurice Vellacott: I think that simply makes my point: there needs to be much more study or examination of this by experts in the field. Your colleagues and many others within the industries need to do the kinds of specific comparisons that will give us a sense of where we're at on the safety, security, and storage issues on these questions.

Thank you.

The Chair: Monsieur Bigras is next.

[*Translation*]

Mr. Bernard Bigras: Thank you, Mr. Chairman.

With regard to this amendment, I believe we must be extremely careful. We can of course estimate that the use of this type of light bulb could, for example, allow us to reduce our electricity consumption by 75%. However, we might, in adopting an amendment aimed at reducing negative effects on the environment, be creating other problems, for example with regard to the mercury contained in these light bulbs. It is clear, given the quantity of mercury involved, that recycling is necessary. In short, the adoption of this amendment might well lead to a reduction in our electricity consumption, but it could also give rise to other negative consequences for the environment. This is why I believe that prudence is key.

In Quebec, there are programs in place that among other things offer $25 incentives for the purchase of these light bulbs. I believe that we must in this area do things progressively. I very much like the idea of this proposal being included in a private member's bill. We could then, as a committee, invite witnesses and evaluate the whys and wherefores of this proposal.

Thank you.

[*English*]

The Chair: Go ahead, Mr. Jean.

Mr. Brian Jean: I think the reality is, Mr. Chair, that we have not heard from one expert in relation to the safety ramifications, and the concerns brought forward are I think very important, especially with ongoing pollution.

We have to make sure we don't make mistakes, but I'm just going to put it on the record, Mr. Chair, that I think the department should take note that every member on this entire committee is very positive towards this movement, and we should examine it and bring it forward.

I would suggest that the NDP, since they're the movers of this particular motion, should bring forward a private member's bill. I think they could count on all members supporting it, as long as the proper information is in place and safety concerns are taken into consideration.

Was that under a minute?

The Chair: It was 35 seconds; well done.

Is there no further debate?

Go ahead, Mr. Cullen.

Mr. Nathan Cullen: I think we've made the switch back in; Mr. Dewar has to go to another appointment.

We've heard the concerns. Before we move to the vote, it's very interesting to me that no one put forward an amendment or a solution to the concerns raised, even though they exist. It's also very interesting to me that when Australia and other jurisdictions announced this, Canadians celebrated that movement, and members of this committee were in the public celebrating that movement, yet when the moment comes for some courage to potentially stand this motion and reconsider pieces—we have seen other amendments on which we have not heard expert testimony—the courage wasn't there all the way through.

It is sadness in true fashion. There is an opportunity to offer Canadians something real, something tangible, that other jurisdictions and other countries have moved forward on, and we've applauded, but for some now manufactured and whipped-up reasons, when the moment comes before us, it can't possibly be done. When we're going to reduce energy usage, when we're going to reduce the amount of mercury produced into our atmosphere through a smokestack, somehow the minuscule amount in some of these light bulbs is a greater threat than the known amount coming out of the smokestacks of coal-fired generation in this country. That equation is somehow manifest in members' minds.

We seek to have compromise. We seek to have good dialogue at this committee. We feel we brought forward arguments that addressed the concerns of members in this committee, and they should go back to their constituents and understand that today, on this one issue, we've made a lot of progress in this committee; we found votes from all sides.

On this one, what I've heard today is that from all sides of the House there's support for the NDP to move this through a private member's bill. We'd encourage the government to move with even greater haste, because we've all been witness to the private member process, and it can take time. I appreciate Mr. Jean's encouraging me along, but I want to note that in this process today, when we had an intelligent motion brought forward to deal with something concrete that Canadians can actually put their hands on and realize that the government is showing leadership, members on this committee panicked from some imagined scenario of doom falling from the sky. It's unfortunate, but we'll soldier on and bring more motions forward to get this done.

● (1700)

The Chair: Thank you, Mr. Cullen.

Are you ready for the question on amendment NDP-31.1?

Mr. Nathan Cullen: Can we please have a recorded vote, Mr. Chair?

The Chair: A recorded vote.

(Amendment negatived) [See *Minutes of Proceedings*]

The Chair: So new clause 46.1 under the amendments to the Energy Efficiency Act does not pass.

That is the end of the clauses on the Energy Efficiency Act, unless Mr. Warawa is adding something.

Mr. Mark Warawa: Under new clause 46.1, Mr. Chair, we've tabled an amendment—

The Chair: You're getting ahead of us.

Mr. Mark Warawa: Sorry.

The Chair: That is the end of part 2, the amendments to the Energy Efficiency Act.

We're going to move on to part 3, amendments to the Motor Vehicle Fuel Consumption Standards Act. We need to change officials.

Let's suspend for five minutes.

● (1700)

(Pause)

● (1710)

The Chair: Let's reconvene, *s'il vous plaît*.

I'd like to welcome two officials from Transport, Madam Roy and Madam Higgens, and one from Justice, Madam Trombetti. Welcome.

The bells will ring at 5:30. We'll get as far as we can. We'll suspend for the votes and then come back. The good news is there will be supper after the votes.

We are starting part 3, amendments to the Motor Vehicle Fuel Consumption Standards Act. The first clause is a new clause, clause 46.1. Don't be confused with the last one; that was in a different part.

We've got two amendments currently. The first is L-30, so we'll start with it.

Go ahead, Mr. McGuinty.

Mr. David McGuinty: Thank you very much, Mr. Chair.

This is a short preambular addition and replacement to the Motor Vehicle Fuel Consumption Standards Act. The middle paragraph sets an aspirational target for the country. It is basically calling on the Government of Canada to be committed to having fuel consumption standards that meet or exceed international best practices.

We see this as particularly fitting in the preamble section, Mr. Chair, because we think we should be aspiring. We think we should be racing to the top in terms of fuel consumption standards. We know our automakers can win the race. We know they are working hard to win that race. We think this act would again have government catch up to where the industry is already. As I'm sure my colleague Mr. Watson would confirm, whether it's on the floor or in the boardroom, people are working hard to bring the Canadian auto sector to the very front of the pack. It's a competitive business, but we have every confidence that Canadian vehicle manufacturers are going to win the race.

We recognize, of course, that this industry is connected to North American industry and the parts and supply industry, but we have every confidence that they're going to win that race. This, we think, reflects that we are no longer talking about what we can't do; we're talking about what we can do.

That, in short form, is why L-30 is here, Mr. Chair. I so move it.

Thank you very much.

The Chair: Is there debate?

Go ahead, Monsieur Bigras.

[*Translation*]

Mr. Bernard Bigras: Thank you, Mr. Chairman.

I realize I will need to choose between two amendments. There is one aspect in the Liberal one that I like very much. It establishes a better standard than the Conservative Party.

The Conservative Party talks about establishing an ambitious and realistic standard. On the other hand, the Liberals put forward an amendment that clearly talks about having fuel consumption standards that meet or exceed international best practices. It is quite obvious, I believe, that the standard and the reference are more strict in the Liberal amendment.

[*English*]

The Chair: Go ahead, Mr. Jean.

Mr. Brian Jean: I would like a definition of "international best practices". I don't know what that is. I don't know how anybody else will. I didn't find it in the definitions section, so I'm wondering if somebody can enlighten me on that.

The Chair: Does anybody at the end of the room have a good understanding or definition of "international best practices"?

Mrs. Guylaine Roy (Director General, Environmental Affairs, Department of Transport): Actually, this is one of the questions we had when we reviewed the motion. How do you define "international best practices" in that industry? Japan has some standards; the EU is moving with some standards; we know about California. But how do you define "international best practices"?

The second thing is the commitment to "meet or exceed international best practices". There's movement in the world in terms of standards, so what happens if that standard changes and gets better? Would we have to constantly adjust to the international best practices?

It's quite challenging to go with that type of wording. A preamble is supposed to give some guidance to the legislation, and that would be very difficult.

● (1715)

Mr. Brian Jean: On that very question, how do you enforce something like that? On the enforceability of the provision in the first place, if somebody was going to make the government do what international best practices are, and I would imagine some group would come forward and try to force the government to do it, I would suggest it's vague and unenforceable at law. That is my guess. I would like to hear from the department on that.

Mrs. Guylaine Roy: Well, I would think it's open to interpretation: what is an international best practice? Somebody could say, this is this one and that is this one. This preamble is to guide the standard a bit. It would be really difficult, by regulation, to guide a standard with a broad statement like that.

Mr. Brian Jean: Isn't it fair to say, Ms. Roy, that indeed a court would find it too vague and too uncertain to actually enforce?

Mrs. Guylaine Roy: Well, I don't know what a court would do. Certainly in terms of public servants working on the regulation, to have such a standard, where do you go? Where do you start? I don't know what a court would do, but I guess the first thing would be, what is an international best practice? You could have a long debate on that.

The Chair: Could I ask Ms. Trombetti to comment on that from the view of the justice department?

Ms. Oriana Trombetti (Acting General Counsel and Associate Head, Transport, Justice Canada): I think a court certainly would want to hear an argument on what is an international best practice. Of course, different judges would interpret the term in different ways, so it leads to ambiguity, again, as Ms. Roy pointed out.

The Chair: Mr. McGuinty.

Mr. David McGuinty: Thank you, Mr. Chair.

I want to go back to one of the operative words I used in presenting this amendment. This is an aspirational statement, as in we're going to aspire.

Preambular sections, and Mr. Jean knows this, are not enforceable in law ever. They are simply an indication of what this act would purport to do. What we're trying to set here at the very front end of the act in preambular fashion is that this country aspires to be the leading jurisdiction in the world that produces motor vehicles, the most efficient motor vehicles on the face of the planet. It's a commitment to be the best in the world.

Again, as I said in my opening remarks, at some point we have to start talking about what we can do and not always get hung up on what we can't do. It's precisely that defeatist attitude that the vehicle manufacturers in this country reject because they are competing so well. That defeatism isn't going to take our motor vehicle industry into the 21st century's highly competitive carbon-constrained future.

I could also, for example, put the question to the officials. Let's say we were to have other wording in the preambular section, wording, for example, that we're going to establish an ambitious and realistic standard for motor vehicles. What does that mean in law? Is it transparent? Is it predictable? Can it be nailed down? Do car manufacturers have a better understanding of what an ambitious and realistic standard might mean, for example, if we were to change the words? Could you help us understand that?

The Chair: Ms. Roy.

Mrs. Guylaine Roy: I think in that case you would have to say, as you said, it's guidance to the establishment of a standard.

My understanding is that the message here from the government is that it wants to do two things. It wants to make sure a standard is ambitious or is going in the right direction in terms of reducing greenhouse gas emissions, but at the same time it wants to make sure that it's balanced, that it will be possible for the industry with the technology that is coming up and so on to meet the standard. I think the message the government is sending is that you want to do two things. You want to have a standard that will help you reduce greenhouse gas emissions and tighten the fuel consumption standard, but at the same time you want to make sure the industry can do it, can have the technology to achieve the standard.

I think it's a balancing act. I would stop there.

The Chair: Okay.

Mr. Cullen.

Mr. Nathan Cullen: Thank you, Mr. Chair.

I think there's something encouraging in the general conversation we're having around the table, in the sense that we've moved across the voluntary threshold into the legislative, mandatory, and regulatory areas. The reason I say we're encouraged is that it was not so long ago in the House—Mr. Watson can probably remind me of the exact date—that we brought forward a motion to do that, and it was voted down by many members in Parliament. Moving over there—being willing to commit to the notion of having a firm standard that industry will account itself to—is the first stage.

On the argument Mr. McGuinty has just made about seeking interpretation from the courts about what is meant by realistic or achievable or ambitious, I think a lot of those terms, particularly if we're talking about a preamble, are a rabbit's den. We're going to run down a rabbit's hole.

The point I would like to make to committee members is that as it exists right now, CEPA says in its preamble:

> Whereas the Government of Canada recognizes the importance of endeavouring, in cooperation with provinces, territories and aboriginal peoples, to achieve the highest level of environmental quality for all Canadians and ultimately contribute to sustainable development

We have language like this in use in our acts as they are right now, acts that the government accepts and uses on a daily basis, so I don't think we should be too timid, in terms of the seeking to—as was written on the front page of the budget—"aspire", or seeking to go.... I don't think there's anything binding.

There was one interesting point raised by my Conservative colleagues with respect to who sets and how it's set. We're not there yet, Chair, but I think it's instructive to where we're going and why we're supportive of this in the NDP. In amendment NDP-35 we talk about that process—about how we involve industry, the government, and the other sectors relevant to this issue in the setting of those standards and how they meet with international standards.

We have a disturbing trend in our auto sector right now; deals are being signed between Canadian auto companies and Chinese auto companies to produce low-emission vehicles. They would then be open to receiving a benefit from the Government of Canada for cars that were designed and made by a Chinese automaker. You can get to the absolute absurd if we're not on the leading edge of where the industry is headed. It's been a real struggle for our auto industry, particularly the big three, over the last number of years; we've all seen the news reports.

We have the concept of putting out the leading edge, the concept of saying we will aspire to make the best cars in the world, the most efficient and safest. The industry has experience in doing this in other measures, in terms of efficiency of the auto plants; a number of the plants in Ontario achieved the highest efficiency ratings for volume output, etc., and safety standards. We've done this before. The industry has come to realize that there are real costs in having an unsafe plant or an inefficient plant.

We are now doing the same process for the efficiency of the vehicle itself when we say we not only want to be good, we want to be the best, because that factor of pollution, of what happens when a car is in use, has become a cost of doing business. It's become a cost of operating the vehicle, and it's a serious cost, both in pollution and to the consumer who eventually drives that car for the rest of the car's life. In the process we were very clear in making sure we had something set up that met with some industry acceptance in terms of how the designs were put in place, but the concept of benchmarking ourselves to where the best is happening in the world is an encouraging one.

I encourage committee members again. We have language and acts right now in Canada that talk about endeavouring to be at the international best standard. If we're quibbling between what the Conservatives have brought forward and what the Liberals have brought forward in terms of that language, seeking whether one is more vague than another or whether one might be more open in a court to interpretation one way or the other—and no offence is intended for our witnesses today—I think it's a rabbit's hole. I don't think we're going to get a conclusive decision that "most ambitious" or.... That won't serve us.

We're submitting a process that will allow us to establish what that means in real terms. Industry is involved in it, as is government. We think that's a strong safety catch to make sure that we're making things that are realistic and achievable, but that also seek to be the best. The auto sector has experience in doing that in other terms, but not yet in the terms of making the most efficient vehicles. This is why we'll be supporting this motion.

● (1720)

The Chair: Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

We've had a good healthy discussion. As the members know, there is what I believe a better preamble. It's interesting. The last time I sat around a legislative table was about a year and a half ago. The Liberal government at that time assured us that the preamble was enforceable. Now we've heard that the preamble is not—it's there to give guidance—which is in fact the way it is. It's very interesting how positions change.

Chair, as we've heard, we need to have an ambitious plan to reduce greenhouse gas emissions. We need a preamble that properly represents a balanced approach and what is realistic, practical, and possible.

At this point, Chair, I would like to move an amendment. I believe we have distributed our amendment. I would be moving to amend Liberal L-30. After the word "adding," it would read the following before the heading before section 1:

> Whereas the Government of Canada seeks to achieve sustainable development by integrating environmental, social, and economic factors in the making of all decisions;
>
> Whereas the Government of Canada is determined to reduce greenhouse gas emissions and significantly improve motor vehicle fuel efficiency;
>
> Whereas the Government of Canada is committed to regulating the fuel consumption of motor vehicles;
>
> Whereas the Government of Canada recognizes that the motor vehicle industry operates in an integrated North American market;
>
> And whereas the Government of Canada seeks to establish an ambitious and realistic standard for motor vehicles that is achievable within a North American market and that significantly contributes to the reduction of greenhouse gas emissions;
>
> Now, therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

That is my motion, Chair, as I think it is a more appropriate preamble.

● (1725)

The Chair: You are amending L-30 essentially with the contents of G-2. Your amendment to L-30 would also drop the "Whereas", "And whereas", "Now, therefore" that's currently in L-30.

Mr. Mark Warawa: That is correct, Chair. I think clearly this is a much more appropriate preamble—a preamble that provides balance and is ambitious moving ahead.

Thank you.

The Chair: Mr. Warawa, that is not admissible because it's word for word from another amendment. It's not admissible as a subamendment to a current amendment. We have to deal with the current amendment first.

Mr. Mark Warawa: What you're suggesting, Chair, is that if it was not word for word, it would be admissible.

The Chair: You're not amending L-30. You're replacing L-30 with G-2. That is what you're doing. A subamendment would amend a current amendment.

Mr. Mark Warawa: You're suggesting you can't amend their amendment.

The Chair: A subamendment would amend that. What you're doing is just taking out theirs and inserting G-2.

Mr. Mark Warawa: With some minor changes. It's not word for word.

The Chair: I'm sorry, I have ruled it's not admissible as a subamendment in the form you have proposed it. If there was some coming together of subparagraphs in those amendments, then it might be admissible.

We'll suspend for a moment.

The bells will be ringing momentarily. We are suspended until after the vote.

● (1730)

(Pause)

● (1840)

The Chair: Okay, ladies and gentlemen, we'll commence again.

We were at the new clause 46.1, and I believe we are going to hear another subamendment from Mr. Warawa.

Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

Also, thank you to staff for this dinner, and a very healthy one at that.

I have provided a subamendment because there were concerns expressed regarding the second “Whereas” phrase. So what I would like to do—to provide an improvement to what's being proposed—and what is on the table is a subamendment that would remove the second “Whereas” phrase and in its place insert those that are on G-2.

I could read them, but I don't think that's necessary.

Thank you.

The Chair: So what Mr. Warawa is proposing is a subamendment to L-30, which would be fine down to the first “Whereas”, ending at “emissions”, would delete the second “And whereas”, would insert the five “Whereas” clauses of G-2, and then finish off with the “Now, therefore, Her Majesty” of L-30.

Mr. Mark Warawa: That's correct. Thank you.

The Chair: That is correct.

Mr. Jean.

Mr. Brian Jean: I just wanted to make sure I was on the list, Mr. Chair, but I am next, so thank you very much.

I wanted to speak just a little bit more about the actual Liberal amendment before the amendment, and the other portions that are included within that, and about something that Mr. McGuinty said.

● (1845)

The Chair: The debate is now on the subamendment.

Mr. Brian Jean: Just to make sure we're talking on the same subamendment, does that include the—

The Chair: The subamendment is the five “Whereas” paragraphs that were formerly G-2 and the deletion of the “And whereas” of L-30. That's the topic of our debate at this point.

Mr. Brian Jean: I understand.

All right. I'm going to respond to some comments, and this includes that debate. I would ask other members to be diligent in listening to these particular points.

I believe the proposal by Mr. Warawa is a good one, and it provides a compromise. I would suggest we use this particular amendment to move forward, but what I'm concerned with—and the point of the last conversation that I want to take up—is not the idea that we were being defeatist, which was a term used by Mr. McGuinty, but more that we want to make sure that we're not challenged in the future and subject to wasteful litigation, which doesn't help anyone.

I want to speak further about that in relation to, especially, the one-year timeframe that has been suggested, as far as the prescribed class of motor vehicles for any one year goes.

Although it doesn't talk about an implementation time for those standards, my colleague Mr. Watson has brought forward many times, on behalf of the auto industry, the fact that it takes sometimes three to six years for the cycle of a motor vehicle to reach a plant site and actually have changes made. So even if the changes were made year to year, it might be five or six or even ten years before they were implemented. I see that as being something of a problem.

As well, when we talk about “international best practices”, which I think is a very vague and unenforceable term, that also speaks to international standards that are in other countries, such as Australia. As Mr. Cullen knows, I spent three years in Australia. Australia has different wattages, different electricity standards, and, quite frankly, great environmental and recycling systems. In this particular case, I would suggest that using international standards might bring about technical problems, because some countries that have better carburation systems or better technology are not considering the size of our vehicles in Canada or indeed the cold.

Finally, in the second paragraph of L-30, I understand we're dealing with this particular amendment, but in my mind it speaks to inequitable policy that prescribes based upon a corporation's factor, such as company size or number. I think the key is that we want to move forward with general language that deals with what our general intention is and then deal with the more specific standards within the legislation itself.

I think this is a good amendment. It talks about, in general terms, what the Government of Canada wants to move forward with and what this committee intends to move forward with. I would suggest that any amendments put forward by any of the parties would be duly considered and would be appropriate, given their different interests on this legislation, and also the changes that have been taking place over the last three days.

The Chair: Thank you.

Mr. Watson.

Mr. Jeff Watson: Thank you, Mr. Chair.

I want to start by picking up on some earlier comments from our colleague Mr. Cullen. It's important. I want to speak to that for a moment, because I think the amendment remedies the deficiency of L-30.

I think Mr. Cullen was referring to NDP-35 when he talked about who it's important to consult. The wording includes “labour organizations” as well as business.

It's important for the committee to remember that we had both industry and labour here. They gave very compelling testimony. I think what they said is not reflected in what Mr. Cullen or the Liberals have gone on to say. What they said is I think really largely captured in the amendments the government is proposing to L-30. There has to be a goal or an aspiration, if we want to use Mr. McGuinty's language, that's realistic and attainable.

In speaking about targets, for example, Mr. Hargrove said they have to be a stretch but they also have to be attainable. Why? Labour agrees with industry on this one: jobs hang in the balance. Real people's lives hang in the balance with our decisions. So when we're charting a course, I think the government's amendments very clearly capture the reality we have with an integrated North American market for vehicles. It takes into account the competitive realities of industry. It offers the challenge to achieve an ambitious standard without creating the kinds of obstacles that could lead to industries going out of business, laying people off.

I think what we have in the government's amendments is an appropriate balance between the need for environmental gain.... I think that has to be understood in the government's amendments, that we are looking for an ambitious standard and we are looking to make gains in fuel efficiency. I would presume that means sustained gains but in a way that makes it realistic. We're taking into account the capital stock turnover and the research and development cycles of industry, which both they and labour talked about.

I don't know how we could sit at the table and somehow disregard both business and labour when crafting an aspiration statement on this important issue and then later hope to suggest in a further amendment that they should be included in consultations about these types of things. They were here. We heard from them. Canadians heard from them.

It's not restricted to testimony before this committee. I was in Washington, D.C., two weeks ago and they were having hearings at the energy subcommittee there. Both business and labour—the United Auto Workers, Mr. Gettelfinger—talked about what a standard that's too far ahead will do to the industry. It will lead to offshoring. That's what Mr. Gettelfinger said. We've heard similar compelling arguments by Mr. Hargrove for Canadian auto workers. It's either that or in the near term you'll get a flood of vehicles into our markets that are produced overseas.

I think we have to be balanced in our approach. Yes, we want to achieve the necessary environmental gains, but we have to do so in a way that takes into account that these are competitive industries. We're not only competing on the continent but off the continent. So we have to move forward in a way that is realistic.

We heard testimony about the United States as well. They've reformed their CAFE standards. Both industry and business have testified before the congressional subcommittee that those are a stretch but they think they can attain them, with effort. The opposition is now proposing something that leapfrogs beyond that—with no end in sight, quite frankly.

● (1850)

Every time an international standard is changed, the government then has to change its regulation. I don't know, but regulations could change in several jurisdictions around the world several times within a year potentially. What does that mean? The government loses the control to decide itself what regulation it wants. Business now has to comply. Labour winds up being in the same boat with them.

I think there are problems with L-30 that are remedied by the government's proposed amendments here. We want to achieve sustainable development by integrating environmental, social, and economic factors in the making of all decisions. We recognize that the motor vehicle industry operates in an integrated North American market. We're committed to regulating fuel consumption of motor vehicles. And we're seeking to establish an ambitious and realistic standard for motor vehicles that is achievable within a North American market and that significantly contributes to the reduction of greenhouse gas emissions.

We're not looking—and neither is industry or labour, as they've testified before us—to get out of making gains in both fuel efficiency and environmental performance.

I think what the government's amendments do here is remedy the deficiency in the second "Whereas" in L-30, and that's why I'm prepared, as a guy who comes off the shop floor, as Mr. McGuinty alluded to earlier, to support this type of an amendment. I think it does the right thing, and I know that people in communities back home would respect that. They'd tell the two New Democrat MPs there that this is the type of language that needs to be incorporated in our vision for moving forward.

● (1855)

The Chair: Thank you, Mr. Watson.

Monsieur Bigras.

[*Translation*]

Mr. Bernard Bigras: I did not put my name on the list, but I will take the floor for a few minutes in order to take part in this debate.

In my view, it is important to have strict standards.

I am somewhat surprised to hear the arguments made today by the members on the government side. Since when have strict environmental standards been a brake to economic development? This is what Mr. Watson seems to say, while the opposite is true. Environmental standards are no longer a brake to economic development. Quite the contrary, they encourage innovation and development. Therefore, I believe ours should be the highest possible.

In its motion, the government states that it recognizes that the motor vehicle industry operates in an integrated North American market. This seems to imply that we should have the same standards as those of the United States.

But the market argument does not hold water. The California market is comparable to that of Canada. If it is possible in California, why would it not be possible to have stricter standards here, in Canada?

Let us not forget this is a preamble. A preamble provides direction, and we would like to push for higher standards. We wish for stricter standards that meet or exceed international best practices and that will promote innovation. We want standards that will allow us to grow our economy rather than lead to economic slowdown, as members of the government are saying.

[*English*]

The Chair: Thank you.

Mr. McGuinty.

Mr. David McGuinty: Thanks very much, Mr. Chair.

I'd just like to come back to the proposed amendment. I thank the government for putting forward the amendment. Our reading of it is that it doesn't exactly constitute an amendment. It's rather a wholesale substitution of the government's amendment for the amendment on the table. So we don't see it at face value, as an amendment, as opposed to a substitution.

I think it's important for people looking at this preambular section to remember that it's just that; it's a preambular section. It talks about, “Whereas the Government of Canada is committed”. It doesn't ask the Government of Canada to be bound; it talks about the Government of Canada being committed to having fuel consumption standards that meet or exceed international best practices.

It's sort of like when the United States said they were committed to putting a man on the moon, or, for example, in the government's own budget, the title of which was “Aspire”—aspire to a better country, aspire to a better economy, aspire to a better environment. I thought that was the gist of the speech I heard from the Minister of Finance just last week. I think in that spirit, this is what we're putting forward here—that it is, as Mr. Bigras rightly points out, about saying that we're going to acknowledge that environmental standards are now a major driving, competitive force. If we want to be leading, we've got to get out front.

From the meetings I've had, Mr. Chair, and the witnesses I've heard from, from labour and from motor vehicle manufacturers, they also aspire to be in first place, and I think this reflects it well.

In conclusion, I don't accept the amendment—I'll close with this, Mr. Chair, if we're not there—and I want to raise it with the government just in case there's been a change in policy. The government uses language in the amendment that's put forward. It talks about the Government of Canada seeking to achieve sustainable development. I'm very pleased—I should think most parliamentarians are—to see that, given that one of the first acts of the government, when it got elected, was to change the wording in the enabling legislation at the Natural Resources Canada department and to remove the notion of sustainable development, replacing it with the words “responsible development”, to eliminate the social equity provisions of the classic sustainable development definition.

So I'm glad to see the government has shifted gears and recognizes that sustainable development is something we are bound to as a nation state, and I'm glad to see it reflected here. Maybe they can go back and amend the NRCan Act at the same time.

Thank you.

● (1900)

The Chair: Is there no further debate?

Are we ready for the question on the subamendment? To be clear, this is a subamendment to L-30 that deletes the second “Whereas” of L-30, and inserts the five “Whereas” paragraphs of G-2.

(Subamendment negatived) [See *Minutes of Proceedings*]

The Chair: We're back to L-30. Is there any further debate on L-30?

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

The Chair: Does the government wish to proceed with G-2 as it stands?

Mr. Brian Jean: How can we, if it's already been accepted? I am not certain—

The Chair: You took part of amendment G-2 and inserted it as a subamendment.

Mr. Brian Jean: No, I understand. But do we have the option of two preambles, Mr. Chair?

Mr. Mark Warawa: It's one or the other.

Mr. Brian Jean: That seems to be a good compromising statement. Yes, we would like to go ahead with ours, Mr. Chair. We'll see how cooperative the opposition parties are.

The Chair: Okay. Give me a moment.

All right, we will proceed with amendment G-2, which would make the preamble longer.

Mr. Warawa, you're proposing amendment G-2 as—

● (1905)

Mr. Mark Warawa: One moment, please.

Yes, that amendment G-2 would be part of the preamble. Let's see some give and take.

The Chair: Resuming debate.

Mr. Cullen.

Mr. Nathan Cullen: Are we on amendment G-2?

The Chair: Amendment G-2.

Mr. Nathan Cullen: Reading it over, I think the last series of...if we can call them debates, they were somewhat unproductive as people quibbled over words. When we look through the government's version of this preamble, it talks about many of the things that we hope are achievable.

So on face value, we don't necessarily see the problem with having both clauses built within the preamble into the Motor Vehicle Fuel Consumption Standards Act. I think it's important for us to remain open and considerate of each other's positions.

The Chair: Mr. Godfrey.

Hon. John Godfrey: The problem is there is a contradiction between the last “whereas” of the government, which sets an ambitious, realistic standard achievable within a North American market, versus the thing we just voted on, which is a fuel consumption standard that meets or exceeds international best practices. It seems to me it's got to be one or the other. It can't be both.

Mr. Mark Warawa: Let's vote. Question on the motion.

The Chair: Okay.

If there's no further debate, we'll call the question on amendment G-2. All those in favour of G-2 will please so indicate.

Members will recall that at the outset I did give the rationale for how I'd be voting in a casting vote, and if the vote was on an amendment, the vote was going to be against it to maintain the status quo. Therefore, my vote is no.

(Amendment negatived)

(On clause 47)

The Chair: There are three amendments, the first of which is amendment G-3. You should have it. It was attached to amendment G-2. It's a very short one.

The government moves amendment G-3.

Mr. Warawa, do you want to speak to that?

Mr. Mark Warawa: Yes, Mr. Chair. It's a minor amendment, that Bill C-30, in clause 47, be amended by replacing lines 1 and 2 on page 33 with the following:

47. Subsection 3 of the Act is renumbered as

The Chair: Thank you.

I will point out that there is a line conflict between G-3 and L-31, which is coming up. As it stands, if G-3 is adopted, L-31 cannot be put, because they both amend line 2 on page 33 of the bill. If G-3 is negatived, then L-31 can be put.

● (1910)

[*Translation*]

Is everybody clear on this?

[*English*]

Mr. Nathan Cullen: Can you repeat that one more time, Mr. Chair.

The Chair: L-31 is the one I have. I believe L-31 is correct.

Mr. David McGuinty: Can you explain it again?

The Chair: There's a line conflict between G-3—the one that was just moved—and L-31. As it stands, if G-3 is adopted, L-31 cannot be put because they both amend line 2 on page 33 of the bill. Amendment L-31 amends more. If G-3 were to be negatived, then L-31 could be put. You can only amend one line once. It's just one line in L-31, but it does create the line conflict.

Is there further debate on amendment G-3? No? Are we ready for the question on G-3?

(Amendment negatived)

The Chair: Amendment G-3 is not carried, so we'll move on to L-31.

Mr. McGuinty, do you want to proceed?

Mr. David McGuinty: I'd like to move it, Mr. Chair, and I'll ask my colleague Mr. Godfrey to speak to it, if I might.

The Chair: Mr. Godfrey.

Hon. John Godfrey: This is simply a more fulsome substitution for what was in the original government plan. That's why we're proposing it.

The Chair: There's a page 2 to this, with two words that are missing from page 1. There should be two words after "Greenhouse", at the very end. The last two words are "Gas Emissions".

Is there any further debate on L-31?

Just to confirm, the last two lines of that amendment are "Industry Respecting Automobile Greenhouse Gas Emissions".

Do you have something else?

Hon. John Godfrey: Yes, and I realize this is what Mr. McGuinty was getting at.

I would like to put a friendly amendment forward under proposed subsection 3(3), where it now says at the bottom of the page "shall be published in the *Canada Gazette* within six months". We would like to substitute "one year" for "six months", and the rest of the paragraph continues as before.

The Chair: Is everybody clear on that friendly amendment? It changes proposed subsection (3) to say, "Regulations made under subsection (1) shall be published in the *Canada Gazette* within one year after the coming into force". The rest remains the same.

Monsieur Bigras.

[*Translation*]

Mr. Bernard Bigras: We will support this amendment. However, we would have liked these regulations to take effect sooner, especially in subsection (3), rather than waiting for the end of the existing voluntary agreement between the automotive industry and the government.

I remind you that it was the minister of Natural Resources of the previous government who signed this voluntary agreement in which the automotive industry committed to reduce greenhouse gas emissions by five megatons under the climate change plan that had been put forward.

I remind you that at the time — and we still believe in this — we wanted the agreement to be compulsory rather than voluntary. I know we are moving in this direction now, but since we do not yet have the reports on gains in greenhouse gas emissions reduction by the industry — these reports should be published yearly — we are unable to monitor what reductions actually took place. We have to believe the industry but it would be better to have these regulations right away rather than wait until the expiry of the voluntary agreement.

However, we will support amendment L-31.

● (1915)

[*English*]

The Chair: Mr. Cullen.

Mr. Nathan Cullen: Just to be clear, Chair, are we speaking to the friendly amendment that Mr. Godfrey...? No?

The Chair: It was a friendly amendment, so it's—

Mr. Nathan Cullen: Is it deemed accepted?

The Chair: Yes.

Mr. Nathan Cullen: I would like to move a second friendly amendment, then. In some part it comes out of NDP-32, which we won't be moving. It will come at the end of proposed subsection (3), where we'll now have proposed subsection 3(4), which will state—and I'll hand the clerk some language on this—"Starting in 2001—

An hon. member: [*Inaudible—Editor*]

Mr. Nathan Cullen: All right, 2011. We won't go back in time on this one. If there's no ambition at this committee table, then it's—

Some hon. members: Oh, oh!

Mr. David McGuinty: Aspire.

Mr. Nathan Cullen: Aspire. It's in your budget, for goodness' sake.

So it's:

(4) Starting in 2011, the fuel consumption standards prescribed under this section shall be benchmarked against leading standards in other jurisdictions, considering technical feasibility.

I'll make that language available.

The Chair: Mr. Godfrey.

Hon. John Godfrey: Would Mr. Cullen consider a friendly amendment to his friendly amendment? After "technical feasibility", it would add "economic impacts and motor vehicle safety".

Mr. Nathan Cullen: Chair, we've seen this type of language before, and we've had testimony that suggests the creation of some loopholes in this. We think "considering technical feasibility" is speaking directly to the considerations within the sector to be able to move ahead with these types of changes. If there is some consideration of a long start-up time or other things that Mr. Watson and others have raised, "technical feasibility" covers it off, so I'm going to stay with the friendly amendment we have.

The Chair: They have not agreed.

Hon. John Godfrey: I'm just trying to understand. You don't accept this as a friendly amendment?

Mr. Nathan Cullen: No. I'd like to stay with the motion as directed.

Hon. John Godfrey: Can we have just a short break?

The Chair: One minute.

● (1915)

(Pause)

● (1920)

The Chair: I'm sure this has been riveting television, but we have to move on.

Actually, we're going to call for some professional opinions.

Madame Roy.

Mrs. Guylaine Roy: Maybe I should just clarify the plan for the regulations under the MVFCSA, just to give some clarification. As the government has indicated, the plan is to have regulations in force after the expiry of the MOU for model year 2011. To arrive there, the plan is to have regulations in the *Canada Gazette Part II* by the end of December 2008.

Just to give you an idea of the regulation-making process, there is a consultation paper; a consultation period with the industry, provinces, and stakeholders; *Gazette Part I* publication of the regulations; another period of comments by various stakeholders; and then publication in *Gazette Part II* by the end of December 2008 for the model year 2011.

Already that plan for the steps to having regulations by the end of December of 2008 is quite tight. It takes time to do all of that. I'm just trying to point out that to have regulations made under this act published in the *Canada Gazette*—I don't know if it's *Part I* or *Part II* here—within one year could be tight, depending on when the decision comes into force, because to have all of that work done, the whole regulatory process, in one year.... I have some doubts that this can be done.

The second point is that normally in legislation there's no reference to a document that will be there for a certain period of time. An act is there for a long time. So to have a reference to a document that will be there until 2010 is awkward in legislation.

I just wanted to flag that there are some challenges with the timeframe—of course, depending on when the act comes into force—and that the regulatory process takes time. The reference to the fact that the regulations would apply after the MOU is also not something you would normally see in legislation.

The Chair: Thank you for that consideration.

Mr. Cullen.

Mr. Nathan Cullen: So we're back to the friendly amendment on this proposed subsection (4) that I moved?

The Chair: Correct. You have proposed it as a friendly amendment, but it has not yet been accepted as a friendly amendment.

● (1925)

Mr. Nathan Cullen: Sorry, could you say that again, Chair?

Hon. John Godfrey: The NDP friendly amendment has been accepted by us. That much we agree on. The return ball, so to speak, was not accepted by them, which referred to economic impacts and motor vehicle safety, so we're back to where we were with the friendly amendment, which we accepted.

The Chair: So, Mr. Cullen, are you accepting their friendly amendment to your friendly amendment, or not?

Mr. Nathan Cullen: No. So I still move the initial friendly and....

The Chair: Is it still accepted as friendly?

Hon. John Godfrey: Oh, yes.

The Chair: Okay.

Mr. Jean.

Mr. Brian Jean: Is it a recorded vote?

The Chair: You had asked to be—

Mr. Brian Jean: Oh, I apologize. I was turning over my time to Monsieur Blaney.

[*Translation*]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Thank you, Mr. Chairman.

I have to tell you I am concerned about the proposed amendment, especially subsection 3(1) which seems to be extremely rigid from the perspective of the regulator, since it purports to impose a standard "that meets or exceeds international best practices for any prescribed class of motor vehicle for any year". Restricting the latitude of the regulator so much could create a very difficult situation. There could be negative impacts on the Canadian automotive industry and we would not necessarily reach greenhouse gas reduction targets because low-emissions vehicles could be imported.

I find this rigidity very worrisome. It seems to me the section that was proposed earlier had measures that were both ambitious and realistic. It was much more flexible and left the regulator with some latitude.

[*English*]

The Chair: Thank you for that. I will point out that this is similar to what was passed in the previous amendment. I understand your position on that.

Any further debate on L-31?

Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

We could support NDP-33, but the motion as it stands right now—

The Chair: We're on L-31, clause 47.

Mr. Mark Warawa: I know.

Sorry, I'm looking at the wrong clause.

The Chair: I'll just clarify what we're voting on. It's L-31, as amended twice in friendly fashion. The first one, being proposed subsection 3(3), changes "within six months", on line three, to "within one year", and the second adds a new subsection 3(4) that says:

> Starting in 2011 the fuel consumption standards prescribed under this section shall be benchmarked against leading standards in other jurisdictions, considering technical feasibility.

All those in favour of L-31 as amended, please so indicate.

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

The Chair: Now, Mr. Cullen, do you wish to proceed with NDP-32?

Mr. Nathan Cullen: No, Chair.

The Chair: Okay. NDP-32 is withdrawn.

(Clause 47 as amended agreed to) [See *Minutes of Proceedings*]

The Chair: Moving on to a new clause 47.1, which has been proposed pursuant to two amendments by the NDP, we have NDP-33, first of all.

Mr. Cullen, over to you.

Mr. Nathan Cullen: We won't be moving either one, Chair.

The Chair: Okay. NDP-33 is not moved and NDP-34 is not moved, so clause 47.1 does not exist.

(On clause 48)

The Chair: We are moving on to clause 48, which is addressed by NDP-35, on page 60.

Mr. Cullen.

● (1930)

Mr. Nathan Cullen: Thank you, Chair.

This is one that I referred to earlier in our debate. When seeking to have our auto sector produce the best vehicles in terms of efficiency, the construction of a design body needs to be broad and focused.

NDP-35 alters this section. It allows the government to have seats at the table, as well as, of course, the automakers themselves, labour organizations.... We think it's quite progressive to put labour, environmental organizations, the manufacturers, and government together in the designing of these criteria.

The ability to start to include...as we've seen all the way through with the amendments the NDP has put through this bill, it is to try to find ways to not allow the externality of pollution and the cause and effect of what we do to go on. There must be a way for business to incorporate the objectives they bring forward in terms of profitability, employment, and others, as well as the objectives that Canadians hold valuable. The externality of climate change, the externality of air pollution, and the health effects on Canadians must be caught somewhere. As it is right now, it's caught in a plight of the commons, if you will. That can't be acceptable if we're looking to make the changes. I know government has made similar suggestions, to capture those pieces in the bill.

I so move this. I think it brings us further ahead and actually creates less argument and confrontation in the design phase in the future, rather than always trying to catch up once the pollution is done.

The Chair: Thank you.

Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

I have a quick comment. We support the amendment.

Thank you.

The Chair: That's good.

Mr. Watson.

Mr. Jeff Watson: I have a very brief comment, Mr. Chair. I, too, will be supporting the inclusion of labour organizations at the table.

Further to that, I think our amendment, G-2, showed that this Conservative government is listening, not only to industry but to labour in the auto sector.

Thank you.

The Chair: Mr. McGuinty.

Mr. David McGuinty: Thank you, Mr. Chair.

I have a couple of friendly amendments I'd like to put to my colleague, Mr. Cullen, if I could. I hope they add something constructive to his good suggestion.

On the parties that might be involved in this regulations design and development exercise, I was hoping we would consider including provinces. I'm thinking particularly of the Provinces of Ontario and Quebec, which are intricately attached in terms of the overall auto sector. That is the first consideration put to Mr. Cullen.

Second, with respect to the ministers who would be involved, I take the first minister in this amendment to be the Minister of Transport, given that this act is under the ambit of the Minister of Transport and the Department of Transport. We have the Minister of Natural Resources and the Minister of the Environment, but given the important role the Minister of Industry plays, I would suggest that the Minister of Industry be engaged in this because it would help align industrial policy with these choices.

Those are the significant ones I wanted to put forward. The inclusion of the Minister of Industry and the inclusion of provinces and territories—those are my friendly amendments, Mr. Chair.

The Chair: You mentioned the Minister of Transport.

Mr. David McGuinty: Yes, but the Minister of Transport is already here. He's the first minister.

Thank you.

The Chair: Do we have that written down by any chance?

Mr. David McGuinty: We could dictate it.

The Chair: First of all, Mr. Cullen, do you accept those as friendly amendments?

Mr. Nathan Cullen: Yes, I think there's some merit. At first I was a little concerned that we were going to name specific provinces, but now that you've opened it up, I'm sure Saskatchewan has something to say about this as well as Ontario.

On the idea to open it up to the Minister of Industry and the provinces and territories, obviously some will have a great deal more interest than others in harmonization of policies, laws, and investment of public dollars. So we would be open to both.

We wouldn't mind seeing specific language on this. We have some harmony around the table, I believe, so we don't want to disrupt that harmony with this motion.

● (1935)

The Chair: Do you want to read it?

Mr. David McGuinty: I can certainly read something, Mr. Chair. It's ready to go and reads:

> 5. Prior to the publication of a proposed regulation under section 4, the Minister, the Minister of Natural Resources, the Minister of the Environment and the Minister of Industry shall undertake a regulations design and development exercise which includes participation from provinces and territories, labour organizations, environmental organizations, companies and other interested persons.

The Chair: Is there any further discussion on NDP-35?

Mr. Brian Jean: We're done with debate on it.

(Amendment agreed to)

(Clause 48 as amended agreed to)

The Chair: Thank you.

We're on new clause 48.1, and there are two amendments. The first one is NDP-36.

Mr. Nathan Cullen: It won't be moved.

The Chair: Okay. Thank you for that.

We'll move on to L-31.1.

Mr. McGuinty.

Mr. David McGuinty: I'd like to move L-31.1. I'll ask my colleague to speak to this one.

Hon. John Godfrey: The idea is to simply have greater transparency for consumers in fuel efficiency ratings. This is an idea that has been developed already in things like EnerGuide, which does a rating. We are essentially proposing that we establish a rating system that deals with two criteria.

First is the vehicle's performance relative to the best and worst in its own class—for example, if it's a small compact. Second is how it ranks with the best and the worst overall for fuel efficiency. It's simply a labelling scheme to allow consumers a better choice, as they have with appliances, for example.

The Chair: Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

I have a question for the department. Can we hear how this differs from what we currently do? This is a case of somebody jumping to the front of a parade and trying to look like they're leading something.

● (1940)

Mrs. Catherine Higgens (Director, Environmental Initiatives Division, Department of Transport): If I could offer a clarification on what the current practice is with labelling under the voluntary CAFC program, Transport Canada issues labelling guidelines on an annual basis. Those labels, with the current guidelines that were issued this year, refer to information that is specific to that vehicle. It provides that information in fuel consumption terms—litres per 100 kilometres.

We are aware of the recent rule-making by EPA in the U.S., where they have changed their labelling format. We're examining that change to assess its usefulness and appropriateness in a Canadian context. We will be exploring that with industry. There will be a period of time when we're examining it again. It could be incorporated in future guidelines for the labels. Currently the status quo is that we issue labelling guidelines annually and we adjust them with evolving situations.

The Chair: Thank you.

[*Translation*]

Mr. Bigras.

Mr. Bernard Bigras: Thank you, Mr. Chairman.

I think this is an excellent amendment. Consumers are entitled to make better informed decisions. We should provide as much information as possible. This reminds me of GMOs. Why should citizens not have access to better information at the time of making a choice? More and more people today want to clearly see the fuel efficiency rating when buying a car.

It certainly is a very good thing to make this rule compulsory.

[*English*]

The Chair: There is no further debate on L-31.1.

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

The Chair: We'll move on to L-31.2.

Mr. David McGuinty: We'll be withdrawing that.

The Chair: Okay. That's the right answer. Thank you.

(Clauses 49 and 50 agreed to)

(On clause 51)

The Chair: We have one amendment, BQ-17, which is going around now, I believe. Does everybody have BQ-17? Oh, it's coming now.

Monsieur Bigras will brief us on that momentarily.

[*Translation*]

Mr. Bernard Bigras: Thank you, Mr. Chairman.

I move that Bill C-30 be amended, by replacing lines 28 to 39, page 35, with the following:

> 51. Section 39 of the Act is replaced by the following:
>
> 39. This act comes into force 30 days after the bill introduced in the 1st session of the 39th Parliament and entitled An Act to amend the Canadian Environmental Protection Act, 1999, the Energy Efficiency Act and the Motor Vehicle Fuel Consumption Standards Act (Canada's Clear Air Act) receives royal assent.

Mr. Chairman, the Motor Vehicle Fuel Consumption Standards Act — and the officials might confirm this — has been in existence since 1980, unless I am mistaken. Is this correct?

● (1945)

Mrs. Guylaine Roy: It has been in existence since 1982, but has not been proclaimed. It was passed, but has never been proclaimed.

Mr. Bernard Bigras: The amendment that we propose today would ensure that the act passed in 1982 will come into force 30 days after royal assent of the bill introduced in the 1st session of the 39th Parliament. We want to move forward. We want the 1982 Act to come into force.

Thank you.

[*English*]

The Chair: Okay.

Mr. Jean.

Mr. Brian Jean: The first session in the 39th Parliament extends to which period of time, just for clarification?

The Chair: Not until the government prorogues the House or there is a dissolution.

Mr. Brian Jean: Or until June, right? Or would it continue even to the next session?

The Chair: No.

Mr. Brian Jean: Okay.

I'd like to hear from the department. Is it possible, in relation to this? Does this proposal seem reasonable?

Mrs. Guylaine Roy: There is—

Mr. Brian Jean: It just seems that the timelines are very close as far as the bureaucracy we have to overcome in order to get it done in time goes.

I understand why Mr. Bigras is putting it forward. It has been some 25 or 30 years now.

Mrs. Guylaine Roy: What I can say is that there are various ways to have an act come into force. There is proclamation. That is the way it is in the current legislation. Right now, in modern days, the way to draft doesn't refer to proclamation. It more often refers to coming into force by order in council, so that's another way. Or you have legislation that provides that an act comes into force in a certain time period.

So I think the proposal in the government bill was that the coming into force would be by order in council, by a decision of the government. What this would do is prescribe by law when the act would come into force.

Mr. Brian Jean: So in essence, if I can continue my line of questioning, if indeed the government falls, if the opposition brings us down, for instance, as they have anticipated in their speeches, this section would have to be amended before we could ever proclaim it in fact because it could never be proclaimed if the session ended. Is that fair to say?

Mrs. Guylaine Roy: I'm just reading it. It says that after the bill is introduced, this act comes into force 30 days after the bill receives royal assent. So let's say Bill C-30 goes through the House, it through the Senate, and it receives royal assent; 30 days after royal assent the act would come into force.

Mr. Brian Jean: If it wasn't put through the House in time, this section would have to come back before the committee and be amended in order for it to actually take place, would it not? If the time period were passed....

Mrs. Guylaine Roy: It depends on the receipt of royal assent. You have to go through all the steps—the House of Commons, the Senate, receive royal assent—and then the act would come into force. I think that's the intent of the amendment here.

Mr. Brian Jean: The English must be very bad, or else my English is very bad, because, quite frankly.... It reads: "This act comes into force 30 days after the bill introduced in the"—I would surmise that they're saying after the bill "is" introduced—"first session of the 39th Parliament and entitled An Act to amend the Canadian Environmental Protection Act, 1999, the Energy Efficiency Act and the Motor Vehicle Fuel Consumption Standards Act (Canada's Clean Air Act) receives royal assent."

I don't....

● (1950)

The Chair: If I can just interject, it means it has to go through the whole process and receive royal assent. If Parliament is prorogued, if the government falls in the meantime, that's not going to—

Mr. Brian Jean: I understand that, Mr. Chairman. My point is, I can't even understand what it's trying to do, because it's not worded....

The Chair: Mr. Godfrey's keen here.

Hon. John Godfrey: Oh, I'm a real keener.

My understanding is that Bill C-30 modifies three acts, one of which never came into force, which is the Motor Vehicle Fuel Consumption Standards Act. So my understanding is that the act that is referred to is the Motor Vehicle Fuel Consumption Standards Act, which never was in force. The other two are in force. They're fine. But this one has to come into force to be affected by the Clean Air Act, Bill C-30.

Does that make sense? Am I close?

The Chair: Madam Roy, is he close?

Mrs. Guylaine Roy: That's the way I read it, that this act refers to the MVFCSA. It comes into force 30 days after the bill, which has three components, receives royal assent. For royal assent, you have to go through the House and the Senate, then royal assent. So 30 days after the royal assent of this bill...the overall MVFCSA comes into force with the amendments in this bill.

The Chair: Mr. Cullen is not ready for the question.

Mr. Cullen.

Mr. Nathan Cullen: There seems to be, as Mr. Jean has pointed out, some confusion, perhaps in the translation, as to what is being referred to as coming into force. I suggest we just take a break of a minute or two to understand which bill is being referred to as coming into force, so we know what we're voting for. Mr. Jean and others have expressed confusion as to what is being referenced as coming into the act...perhaps he now knows.

Mr. Brian Jean: I now know.

Mr. Nathan Cullen: He now knows.

Mr. Brian Jean: So you don't have to do it on my account. I'm prepared for the question if you are.

Mr. Nathan Cullen: Well, maybe I'm doing it on my account. It's possible.

The Chair: Monsieur Bigras, did you have some clarification to add to that?

[*Translation*]

Mr. Bernard Bigras: I do not mind repeating. The Motor Vehicle Fuel Consumption Standards Act has been in existence since 1982 but never came into force. Right?

According to our amendment, this act will come into force 30 days after Bill C-30 receives Royal assent. Is that clear?

Some honourable members: It is clear.

The Chair: It is totally clear.

[*English*]

Mr. Blaney, everything's clear to you? Okay, good.

Now, before we do call the vote on this, though, amendment L-34 in clause 52 also addresses the coming into force of the act. If clause 51, which we're about to vote on now, is carried, then L-34 cannot be put.

Mr. Nathan Cullen: [*Inaudible—Editor*]...different sections. Is L-34 not a reference to...? It's the same line? No, one is referencing 51 and one references 52. Is that not true?

The Chair: Fair enough. L-34 then will not be moved.

So we're back to the question on BQ-17.

Mr. Cullen, I think we did call the vote.

[*Translation*]

Mr. Bernard Bigras: He is not sure.

[*English*]

The Chair: Are we happy with calling the vote? All those in favour of BQ-17 will please so indicate.

(Amendment agreed to)

The Chair: Shall clause 51 carry as amended?

● (1955)

Mr. Nathan Cullen: I raised my hand before you called the vote.

The Chair: In fairness, I thought you were just getting ahead of me.

Mr. Nathan Cullen: No, I'm keen, but I'm not quite that keen.

The Chair: I will hear, Mr. Cullen.

Mr. Nathan Cullen: It's a question on NDP-36.1 I want to ensure, before we pass clause 51....

The Chair: That's a new clause.

Mr. Nathan Cullen: Yes. Thank you. I just wanted to be absolutely clear.

The Chair: I'm calling the question on clause 51.

(Clause 51 as amended agreed to)

The Chair: We are now on new clause 51.1 and we have NDP-36.1.

Before I ask Mr. Cullen to speak to that, I have to say I have some concerns about the relevance and admissibility of this one.

This amendment proposes changes to the regulations accompanying the Income Tax Act, dealing with tar sands ore. I have two concerns about the admissibility of this amendment, which I would like the member to address in his presentation.

First, as the committee has already heard, an amendment must always be relevant to the subject matter of the bill. This rule is expressed on page 654 of *House of Commons Procedure and Practice*, Marleau and Montpetit.

As I look at it, the bill is concerned with greenhouse gases, air pollution, the classification of energy-using products, and the establishment of motor vehicle fuel consumption standards. On initial examination, the relevance of this amendment is not clear to me, and I would appreciate it if the honourable member could establish that.

Secondly, the amendment is proposing tax measures. I would appreciate an explanation of the impact. Let me explain why. If the amendment seeks to remove or reduce a tax exemption or a tax deduction, this would have the effect of placing an additional charge on the taxpayer. Such charges, as with all measures to create or increase taxes, must be preceded by the adoption of a ways and means motion in the House.

As stated on page 655 of *House of Commons Procedure and Practice*, Marleau and Montpetit, an amendment is also inadmissible

> ...if it creates a new charge on the people that is not preceded by the adoption of a Ways and Means motion or not covered by the terms of a Ways and Means motion already adopted.

So I would appreciate, Mr. Cullen, if you could address those points during your remarks.

I'll hear from other members as well before making a decision.

Mr. Nathan Cullen: Thank you, Chair.

First of all, in terms of relevance, we think this is highly relevant. I don't know if it was a preamble to your question, but you raised the issue of what this bill deals with. Bill C-30 deals with energy production and consumption and greenhouse gas emissions in this country.

Government has available to it a number of tools that it uses to direct private investment. It uses public investment and policy to guide some of the things that occur within our borders.

One of the things that was brought forward in the mid to late 1990s under a former Liberal government, with a Conservative government in Alberta, was an incentive program, essentially, to spur on development of the Athabasca tar sands, which at the time had been deemed not commercially viable for a number of years. The incentive was to help direct investment into those tar sands, which, as Mr. Jean will attest, has met with extraordinary success. The pace of development has been encouraged by this.

The reason this is deeply relevant is that this is one of the policy signals that government has sent to industry, particularly the private sector in energy production. We have talked all the way through the Clean Air Act about various policy signals that get sent through this bill, whether they're a limitation to certain activities or an encouragement of other ones, on motor vehicles. We've talked about targets as a country, about large final emitters, the largest polluters in the country, as being essentially limited in the amount of greenhouse gas pollution they can produce.

What this government policy has done is encouraged the investment in a very energy-intensive form of energy production, also a very carbon-intensive form of production. The estimates vary, but it takes more than a barrel of oil in energy equivalents to produce a barrel out of the tar sands, and the greenhouse gases that are produced through that barrel of energy, once all is said and done, are extraordinarily high when compared, obviously, to some of the other forms available.

We think there's a certain amount of fairness in what we proposed, simply on the basis of the profitability of this sector right now. We were talking about this in question period today, I think with reference to some industries in Quebec. The Prime Minister talked about encouraging investment in a faltering industry in Quebec by allowing such an accelerated capital cost allowance to encourage a sector that is in some trouble. That certainly cannot be said of the upstream oil and gas sector in northern Alberta. Trouble is not what they're in, in terms of economic viability. They're doing quite well, as well as any company or any set of companies has ever done in Canadian private industry history. They're doing, by all accounts, extremely well, with $20 billion-plus profit this past year.

That's all well and good, and that's not the concern we have. The concern is over why we would continue to offer incentives to do more for an industry that's so clearly profitable in and of itself, with the price of a barrel of oil being, on any given day, between $55 and $70, and as high as $80, while the cost of production—Mr. Jean will probably have the exact figures—is in the low twenties. Why would a government policy continue to exist beyond the point where investment needed to be encouraged? There have been three extremely large major oil sands projects announced within the last 10 days. The enthusiasm for the sector is overheated, to say the least.

There's something about a market failure in this when we've had the community of Fort McMurray, through their town council—Wood Buffalo would be the appropriate jurisdiction for the town—ask for an actual moratorium on further projects. We've asked the provincial and federal governments to respond to this. Its infrastructure is hurting and all the rest.

But what this motion does—and the reason it's relevant—is it speaks directly to the national targets we just previously set. It speaks directly to where you want to put Canadian tax policy and incentives and why you would want to put them towards the most energy-intense and greenhouse gas emissions-intense form of production possible. We've heard from industry at the natural resources committee that they have an expectation that things will continue to rise, and that even on an intensity basis—which we don't agree with—things will get worse in the coming years and not better.

● (2000)

All these factors play in, and the relevance to the bill, we believe, is inherent and somewhat self-evident.

In terms of the additional charge to the taxpayer, this is not an additional charge; this is a removal of what essentially works out to be a subsidy. There's no taxpayer in the country who is going to feel the burden of this change. In fact—and we have encouraged this government, as we did the previous one—if they wish to give incentives to energy production, there are lots of willing players at the table who can produce high-quality energy, with many jobs available in sectors that are not clearly as profitable as the upstream oil and gas sector is in northern Alberta.

We absolutely think it's in order. We think it's relevant, and we're very curious to hear from other members of the committee as to their opinions on this. And of course if they're not in favour, we'd like them to justify the reason for this tax policy to be there, because why it needs to continue is simply beyond us and any sound economic analysis.

● (2005)

The Chair: Go ahead, Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chairman.

First, I'd like to applaud the government and this Prime Minister for taking steps in relation to the capital cost allowance and for actually taking that money in the future and making the opportunity for that money to go directly back into green investments.

Some hon. members: Hear, hear!

Mr. Brian Jean: I think that's a great step forward, and it shows the dedication that this Prime Minister and this government have to the environment.

I want to clear up some ignorance. By this I mean the lack of understanding and lack of knowledge of this member and many of the other members of the House in relation to many things I have heard from Mr. Holland and Mr. Cullen and other members from many parties.

The first is that it's not tar sands; it's oil sands. The reason it's oil sands is because it's oil that's coming from them, not tar.

Fort McMurray is a city. The municipality is the largest in North America, and it encompasses something in the range of 120,000 square kilometres.

In 1965, the plant site of Suncor, and I'm going to use that as an example, was started, and it employed very few people. It was in the hundreds, as there were only about 1,800 people in the community at that time. It continued to struggle for some period of time, until 1987. We heard from Dee Parkinson-Marcoux, who was the president and CEO of Suncor at that time, who gave evidence that they almost closed down Suncor because of lack of profitability over the last 20 years.

If you look at the profits of this particular corporation and the only other corporation that has been going for some period of time, you will find that over the average life expectancy of that particular corporation, the profits have not been good. They are good now because of the price of oil, but they have not been good. On an average basis, on a year-to-year basis, over the lifespan of the corporation, it has not been a success story. Now, yes, it is, but it has not been.

I would suggest that they expect some kind of return on investment. And why do I say that? I had to laugh when there were conversations by members about not being able to start small oil sands projects in the future. There is no such thing as a small oil sands project, because it takes upwards of $3 billion—yes, that's right, $3 billion—to even consider starting an oil sands project of any magnitude, of any size, whether it be SAGD development or raw mining.

To get back to the capital cost allowance and the Liberal bill of 1996, I think, where they put it in at that particular time.... I'd also like to talk about what corporations require. They require certainty. Certainty is important to being able to look forward over a long period of time, or at least five to 10 to 12 years, to see what their investors are going to get back and to plan appropriately.

I would like to bring to everyone's attention that Suncor Energy was named as one of 10 “green giants” in business. It was named by *Fortune* magazine in its global list of 10 corporations because it goes beyond what is required to operate in an environmentally sustainable way. They just received this award about two weeks ago. In the world, it is one of the top 10, globally, environmental corporations. That was by *Fortune* magazine.

There is going to be $100 billion worth of development by 2020 in that area, but as well, for every one job created in that area, which will be somewhere in the neighbourhood of 100,000, there are 600,000 jobs created in the rest of this country—600,000 jobs for every one job in that area. And yes, we do have a problem with infrastructure, and I've brought it up in the House since I was an opposition member. We have a huge problem with infrastructure, but what we don't want to do is create what the Liberals did with the national energy program back in the eighties, when I saw every single business in my community fold and die. It is not a good thing to see a community die, and I don't want to see it happen again.

I'm interested in certainty and I'm interested in relevancy. This is not relevant to this particular section.

Mr. Chair, I would bring to your attention page 711 in Marleau and Montpetit. I've quoted it several times. I'm going to try not to do it one more time, but this is an “amendment which either increases the amount of an appropriation, or extends its objects, purposes, conditions and qualifications”, and as such it is inadmissible.

I would refer you further to a decision by Speaker Fraser, when he spoke specifically in relation to this, on page 93 in the *Journals of the House of Commons of Canada*, February 5, 1973. “(T)he citation refers not only to the amount of a charge but also to its objects, purposes, conditions and qualifications”, and as such it's inadmissible, Mr. Chair, and it should not be considered and cannot be considered as an appropriate place to bring forward this particular amendment.

The Chair: Is there any other discussion on that?

Mr. Cullen.

Mr. Nathan Cullen: On the question around the ways and means, this is not an introduction of a tax; this is removal of an incentive.

I well hear Mr. Jean's points, and I've often heard him talk about the desperate situation in terms of infrastructure in his community. I very much appreciate that there was hardship brought on by previous Liberal governments in the national energy program.

The specific thing this speaks to, which I didn't hear in his comments—and certainly that's fine—is trying to equate a national energy program with the removal of a subsidy to give incentive to an industry at its very beginning stages. Now that the industry is well on its way and doing very well, to consider that you need to give incentive to that doesn't make any sense.

In addressing this bill, the chair raised two questions of admissibility. One of them, in terms of a ways and means motion, is not an increase in taxation at all; it's the removal of a subsidy.

In terms of the relevance of the bill, he applauds the government's action to seek to remove this. So in principle he believes, and more importantly his government believes, that this should no longer be there.

This motion we brought forward calls into question the timing and the length of time. The phase-out proposed by the current government doesn't even begin until 2011, and then it follows some years after that. If we believe in the principle and we know it's right, then it's just a basic question of fairness. That's why we brought the motion forward. We have an enormous number of projects being announced right now. No one has ever said on scale or size...of course, oil sands projects are large, and there isn't a small one out there.

I ask that you look across the spectrum at where energy industries are right now. While Alberta and Canada realized there may have been a need in 1996 for an incentive, no sensible person would say there's a need for an incentive for this industry right now.

Why would you give an incentive to an industry that's doing fine on its own? That's not the role of government. That stems from something else, where you start to pick and choose favourites. There's no need for it. There's no rational economic need for it, and there's certainly no environmental need for it.

If the projections go from the current output to upwards of five million barrels a day, which is what industry has on the books, and it is moving quite quickly to this, our concern is how government can credibly and seriously enter into negotiations at the international level about restricting greenhouse gas emissions, and at the same time have an incentive on its books to do more of what all within and outside industry say is one of the most energy intensive and greenhouse gas emitting forms of production. They're counter-intuitive points.

All we're pushing forward in this motion is, and I'm waiting for other committee members to suggest that it's not correct.... But why are you giving incentive to an industry that's doing so well? You did it in the past. It was done. To continue on for eight more years is not tax fairness. It absolutely undermines the work of the Minister of the Environment and others when they go on the international scene and suggest that Canada is serious about getting control of greenhouse gas emissions. In effect, we're saying please do more; please do as much as you possibly can before this 2011 phase-out period that will last until 2015 at a minimum.

● (2010)

The Chair: I am prepared to make a judgment.

Mr. Brian Jean: I have to clarify the record. I'll be very quick.

It is not a subsidy; it is a capital cost allowance that lets corporations write off their equipment and wearable products within a certain period of time. Those products wear out four to ten times faster than any other like-minded mining across the world. That is why they're allowed to do that. It's not a subsidy.

Mr. Nathan Cullen: They don't need it. They simply don't need it.

Mr. Brian Jean: That is why this government has dealt with it accordingly, certainly in the marketplace.

Mr. Nathan Cullen: There was $20 billion in profit last year, and this accounts for some—

Mr. Brian Jean: Look at it over four years.

The Chair: Hold it. You're not going through the chair, and the chair gets cranky when you don't do that.

I am prepared to render a decision.

The amendment, regardless of the rightness or wrongness of the situation, does seek to remove or reduce a tax exemption or a tax deduction. This would have the effect of placing an additional charge on the taxpayer. Such charges, as with all measures to create or increase taxes, must be preceded by the adoption of a ways and means motion in the House.

As stated on page 655 of Marleau and Montpetit, an amendment is inadmissible "if it creates a new charge on the people that is not preceded by the adoption of a Ways and Means motion or not covered by the terms of a Ways and Means motion already adopted".

Regardless of the argument about whether it's right or wrong, strictly from a legal point of view, and as defined in Marleau and Montpetit, I have to find it inadmissible.

Mr. Cullen.

● (2015)

Mr. Nathan Cullen: Not only because I know you don't take these personally, Chair, but just because we read a different interpretation of it, I'll challenge that ruling.

The Chair: There's no debate on the challenge. It simply is whether or not the ruling of the chair shall be sustained.

(Ruling of the chair sustained) [See *Minutes of Proceedings*]

The Chair: The decision of the chair is sustained. Amendment NDP-36.1 is inadmissible; therefore, new clause 51.1 no longer exists.

There was a question about a break. We have one more clause in this section before we go back to all the clauses that were stood. Let's try to nail this one down, and then we'll take a small break.

(On clause 52)

The Chair: There is one amendment to clause 52, and that is NDP-37, on page 63.

Mr. Cullen, please proceed with NDP-37.

Mr. Nathan Cullen: Thank you, Chair.

You will see one change in my reading of this. It's small, but important:

> This Act comes into force sixty days after the day on which it receives royal assent.

The Chair: Is there any debate on NDP-37?

Mr. McGuinty.

Mr. David McGuinty: It's not debate, just a friendly amendment. I was hoping Mr. Cullen might entertain a friendly amendment that talks about the act coming into force thirty days after the day on which it receives royal assent.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: I'll see your thirty and raise you fifteen.

Some hon. members: Oh, oh!

Mr. Nathan Cullen: There's tradition in our law for various timelines for an act to receive royal assent. I'll take that as a friendly amendment and we'll move it to thirty days.

The Chair: Is there any further debate on the amended motion?

(Motion agreed) [See *Minutes of Proceedings*]

(Clause 52 as amended agreed to)

Hon. John Godfrey: Do we vote on the schedule or not?

The Chair: No, not yet.

Hon. John Godfrey: Not yet? Okay.

The Chair: We are at the end of part 3. We are now going to go back and start on the clauses that were stood. I would suggest that this may be a good spot for a ten-minute suspension.

Mr. Warawa.

Mr. Mark Warawa: Mr. Chair, it's now almost 8:30. For us to have a break now....

We are scheduled to start again tomorrow morning. Could I suggest that this may be a good time to adjourn for the evening? I will stay longer, but I would suggest that if we're looking for a time to adjourn, this might be the opportune time.

● (2020)

The Chair: Is there a motion to adjourn? I'm just testing the water.

Mr. Cullen.

Mr. Nathan Cullen: I know we're into the so-called cleanup phase and are making things meet. There were some questions we had. As we've seen, sometimes there's time required to make the pieces fit, but I'm not sure what the workload is like or how much cleanup we have to do. If we deem it to be perhaps only an hour or two hours' worth, then tomorrow morning might make some sense. I don't get the sense that it's fifteen minutes or half an hour or less.

I know it's difficult for the clerks to....

The Chair: I'll read the list of stood clauses. We have stood clauses 2, 3, 4, 4.1, 5, 5.1, 10, 10.1, 14, 15, 22, 24, and 34. So there's a fair list of stood clauses.

Mr. Jean.

Mr. Brian Jean: Mr. Chair, there are a fair number of stood clauses. There are less than 20, but all of those stood clauses relate to something that was passed or not passed. I would suggest it will be fairly simple once we straighten out in our own minds where it is we're going to go.

Quite frankly, the only reason I would agree with Mr. Warawa, besides the fact that we're on the same side of the table, is that it's logical. This is an important piece of legislation. I think all of us need to go home, put our thinking caps on, and spend some time on it, either tonight or tomorrow morning, before we come back and do a final push.

This bill is very important to Canadians, and we want to make sure we get the best opportunity possible to make sure we don't have any screw-ups on it from a committee perspective, not necessarily a party perspective. Then, at that time, we can come back tomorrow.

I think we should actually meet either at 10 o'clock or 11 o'clock. I know we're scheduled for both 9 a.m. and 11 a.m., but just to have an opportunity to go through it, I would say we have probably two hours of work left. I would suggest that we want to make sure it's done properly and that we haven't missed anything.

The Chair: Before I go to Mr. McGuinty, I will just point out that if we do come back and sit from 9 a.m. to 11 a.m. tomorrow and we're not done, then we would be infringing on the environment committee from 11 a.m. to 1 p.m., which we have already done once.

Mr. McGuinty.

Mr. David McGuinty: I think we should meet at 9 o'clock tomorrow morning, Mr. Chair. I think we're scheduled to meet from 9 a.m to 11 a.m., and then from 11 a.m. to 1 p.m. Is that right?

The Chair: It's only as a possibility.

Mr. David McGuinty: It's only a possibility? So could we technically go on until 2 o'clock tomorrow, in this room? That gives us a full five hours to complete our work. That would be my suggestion.

The Chair: I'm seeing nods around the table.

Mr. Cullen, do you have—

Mr. Nathan Cullen: Particularly if we come ready with the changes we need to make, I think it can go. We're prepared to make it go quite quickly, come tomorrow morning.

The Chair: Okay. Then this meeting is adjourned until 9 o'clock tomorrow morning.

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