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Thursday, June 7, 2007

Chair

Mr. Bob Mills



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● (1105)

[English]

The Chair (Mr. Bob Mills (Red Deer, CPC)): I call the meeting to order.

Members of the committee, the first thing I would like to do is to report on the steering committee meeting that we held yesterday. Basically what happened is this.

You see there is a motion, agreed to by all parties, that on June 12 the committee proceed to look at blue-green algae, which Mr. Crête put forward as a proposal. I asked each of the four people to put forward the topic they would like to see us do in the next four meetings. Basically, when we left the meeting yesterday, I presume everyone had agreed with June 12 to discuss phosphorus and the algae bloom situation.

Mr. McGuinty and the others could not agree on what should happen to the next meeting. As I understood it, Mr. McGuinty would be bringing forward a motion regarding the meeting of Thursday, June 14

Mr. Cullen suggested that we go on, and that for the following week, on Tuesday, we look at smog, and on the Thursday, we look at clean coal technology.

So basically that was it, more or less. Now, the only thing that was solidly agreed upon by all members yesterday was that on June 12 we would look at blue-green algae, and that this would be the topic. On the rest we could not get consensus, and so again we needed to bring it back to you for you to look at.

So you see the report of the subcommittee in front of you. We now have another motion from Mr. McGuinty, which of course we'll deal with next. Let's look at this motion first, which was, as I say, a unanimous decision of the committee for June 12.

Basically, there's not much point in having steering committee meetings and agreeing to something unanimously, and then seeing a motion an hour later. I find that—

• (1110)

Mr. David McGuinty (Ottawa South, Lib.): On a point of order, Mr. Chair, was yesterday's meeting in camera?

The Chair: Yes.

Mr. David McGuinty: So can I ask why you are disclosing the details of a meeting in public?

The Chair: I'm reporting on the meeting that took place.

Mr. David McGuinty: Well, I think you should circumscribe your remarks, Chair. If we want to have a fulsome discussion about what took place in camera, I'm prepared to do that, but I've always treated those subcommittee meetings as in camera meetings. In fact, if we're going to get into the details of this, we should probably go in camera right now. So I think we should be very careful, in terms of interpretations by any party here, about what took place in an in camera meeting.

Thank you.

The Chair: Again, I was reporting to the committee, which I believe is my job as the chairman, to report honestly on what happened at that meeting.

Mr. Warawa.

Mr. Mark Warawa (Langley, CPC): Chair, what we have before us now is the report, which the committee is receiving. June 12 is being proposed to deal with the blue-green algae from phosphates, focusing on phosphates.

Chair, I'm going to propose to give and hopefully to get consensus from the environment committee on where we go, because we're planning what we're going to be doing between now and the break for the summer, which is scheduled for June 22. There were some topics that came up, and I believe there was consensus on the topics.

I would really like to see us at some time have a report to the committee, before we break, of what happened at the G8+5. Those of us who attended the GLOBE forum before found it very informative. A number of members of this committee attended it. I think it would be helpful to the committee to hear a report.

I'd like to hear your perspective, Chair. I'd like to provide what I learned from that. I think it provides a spirit of accountability to this committee and it would be very informative. It focused on solutions. I think we need, as a committee, to focus on solutions.

What I would propose—

Mr. David McGuinty: On a point of order, I don't understand where we're at. This is not a motion that's been put forward here. Maybe the clerk can help us understand.

Where are we procedurally this morning?

The Chair: I did ask the clerk prior to this meeting what the procedure would be. The clerk told me, and he can correct me if I interpreted it incorrectly, that we would in fact deal with the report from the steering committee first. That report then, as you see it in front of you, was to agree to June 12, and that the meeting would be on blue-green algae.

If there are amendments to this recommendation by this committee or we want to discuss this report, that's what we're doing right now.

Mr. Warawa has the floor to discuss this motion about June 12, and if he wants to amend it, he is allowed to do that.

Mr. David McGuinty: Mr. Chair, this is not a motion.

The Chair: It's a report that's debatable and amendable.

Mr. David McGuinty: But it's not a motion. Thank you very much.

The Chair: Mr. Warawa.

Mr. Mark Warawa: Mr. Chair, smog was an issue that came up. Tuesday is phosphates, so I would propose that on June 14, which is Thursday of next week, it would be smog, which I think Mr. Cullen would be quite happy with. Then Tuesday of the following week, which would be June 19, would be post-G8, and the one I was hoping to deal with on June 21 would be clean coal or garbage gasification.

I would make it a motion that the report be amended as such, that June 12 would be phosphates; June 14, smog; Tuesday, June 19, G8; and June 21, clean coal and/or gasification of garbage.

● (1115)

The Chair: So now, members of the committee, we will debate Mr. Warawa's amendment. I think everyone has it. June 12 would be the algae; June 14, smog; Tuesday, June 19, G8; and June 21, clean coal or garbage gasification.

Yes, Mr. Cullen.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Similar to a recommendation I'll be consistently making, if we are going to essentially arrive at an impasse, which I suspect we will, I think it would benefit the committee to.... It feels like the basic lay of the land is that the government would like to move the G8 conversations to later. I think I and others in the opposition would like to have that earlier. If that is the essential impasse that we are at, rather than spending a great deal of committee time and then arriving at that impasse, and then having a vote on that very same thing, why not just proceed as quickly as we can to the vote and not have a bunch of speeches—conduct ourselves that way so we can get to other committee business?

The Chair: I think, Mr. Cullen, everyone has heard your appeal, but we of course do have to give people the opportunity to speak if they so wish.

Mr. McGuinty.

Mr. David McGuinty: I completely agree with my colleague Mr. Cullen. The quicker we can get to a vote.... It is about the timing of the G8 meeting, and because you opened the door yesterday, Mr. Chair, on what took place in the meeting, there was vicious opposition to having an early G8 meeting, and I think that is what this is really all about. That's the fault line. I think we can overcome this very quickly and get on to business with our expert witnesses from Environment Canada.

Thank you.

The Chair: I did try to find out when the sherpa would be back from the meeting, and I was told probably not until Sunday at the earliest. Of course, that was something to be discussed and considered as well.

Mr. Bigras, do you have a comment?

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you, Mr. Chairman.

Regarding our future business, I must say that I jumped when I first saw the initial motion of the Liberal party that proposed to discuss on June 12 what happened at the G8 meeting, since the steering committee had already agreed on a different subject for the June 12 meeting. I was very upset and I am less so now. Indeed, it is our duty to find out as much as possible about what happened at the G8. Unless I am told that the officials will not be back, which I greatly doubt, we should hear on June 14 from those who negotiated in Germany. If we use that day to deal with smog, it is however clear that we will run the risk of not being able to hear from them.

[English]

The Chair: The process will be to deal with Mr. Warawa's motion—and everyone knows what that is: the blue-green algae, smog, G8, clean coal, those four meetings—and then after we vote on that, we'll move on from there, unless there's any other comment.

Mr. Godfrey.

Hon. John Godfrey (Don Valley West, Lib.): What would be a friendly amendment, which would cut through all of this, is simply to reverse the G8 and smog. In other words, everybody agrees on algae; you move on to the G8, then smog, and then clean coal.

The Chair: Mr. Warawa, is that a friendly amendment?

Mr. Mark Warawa: Well, Chair, my concern is making sure we have the appropriate people. My understanding is that it's you and the clerk who will provide the guidance on that. We'll be inviting the appropriate people to the committee. So what we're talking about is whether G8 should be discussed on Thursday or Tuesday.

In my opinion, we are going to be able to better get the right people if we wait until Tuesday, as opposed to rushing it. There's the old adage, haste makes waste. We want to make sure we have adequate time for you and also the people who have just come back from G8, a little bit jet-lagged, to rush over here. They have commitments. I think we'll have a better chance of getting the right people here for the committee if we allow those extra three days.

That's all I'm opposed to. There seems to be an appetite from the Liberals to rush into things, and when you rush, you make mistakes. That's why I'm just allowing a little more time, three or four days extra. So instead of the Thursday, it would be Tuesday, and that's why I'm proposing this.

That's why I'd ask the Liberals to please show some pliancy.

• (1120)

The Chair: Okay, everybody's heard Mr. Warawa's arguments. Is there anyone else?

(Motion negatived)

The Chair: Now we're back to blue-green algae on June 12, and I would entertain any further amendments that might revolve around that.

Mr. McGuinty, as you realize, we're dealing with yours. We can come back and deal with that after, as well.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Chairman, I move, as Mr. Godfrey suggested, that we deal with the G8 issue on June 14, with smog on June 19, and with the clean coal or garbage on June 21

The Chair: Everyone's heard that motion—that we deal with blue-green algae, G8, smog, clean coal/garbage, whichever we decide on?

Yes, Mr. Warawa.

Mr. Mark Warawa: I just have a question. I've shared with the committee my concern that we not rush things, because we want to provide adequate time, so this is a question to you and the clerk.

Do you believe we have an adequate amount of time to get the right people to the committee—and we're talking about three or four people, professionals—who will be able to share with the committee what happened at the G8? Can we do that by Thursday of next week? That would mean that as soon as they arrive back from Germany, they're going to be contacted and have to make plans. Is that enough time? I'm concerned it's not.

The Chair: As I mentioned, just to answer Mr. Warawa's question, I believe this group should be centred around the sherpa, who has been working for months and months on the negotiations. So you centre it around him and you put people, basically, on the economic side of it, the scientific side of it, the environmental side of it, and we have a round table, literally, at which everyone gets an opportunity to ask these people the questions they want about what happens. That's the intention of this meeting.

Can we get all of those desirable people by Thursday? I don't know. I know that the sherpa, I've been told, will return on Sunday. So that's all I know at this point, in answer to that question.

Mr. McGuinty.

Mr. David McGuinty: Thanks, Mr. Chair.

I would support the amendment put forward by my colleague Mr. Regan, that June 14 be G8, June 19 be smog, June 21 be clean coal and garbage gasification.

As the mover of the original idea for a G8 discussion, I just wanted for us, as a committee, to be clear. In the motion I put forward, which we're not discussing right now, the idea was to invite three or four independent parties, third parties, not contingent upon the single sherpa, and have those three or four parties come in and give us some help in understanding the implications of the government's Turning the Corner plan—the interface between the government's Turning the Corner plan and any G8 outcomes, and what in fact took place at the G8, because there is no public messaging or information made available to Canadians now. What we are negotiating we will know, I guess, after the fact. An economist, along the lines of Don Drummond, an environmental group along the lines of the Pembina Institute, and some other—

Mr. Mark Warawa: On a point of order, can we just deal with the amendment?

Mr. David McGuinty: That's what I'm on. I'm on the amendment, but I've been stopped.

The Chair: A point of order, Mr. Warawa.

Mr. Mark Warawa: My understanding is that we were going to allow you and a group to bring a balanced approach, and what's being proposed is not a balanced approach. My understanding is that it had already been decided that it was you and the clerk who were going to be providing the witness list.

Mr. David McGuinty: No. No decision was made.

The Chair: Definitely we will try to achieve the balanced approach. That to me is the only successful way of doing this. We don't need just one side of any issue. So we've tried to live with that throughout all of our meetings, and I would intend to do that again.

I can't tell you today who's available next Thursday and who isn't. We obviously will go after the very best we can get, because I hope we're here to further our understanding of the G8 process and what's going to happen. If any of you listened to Mrs. Merkel half an hour ago, you heard her interpretation of what just happened at the G8, and she's very happy. She was one of the strongest proponents that maybe things wouldn't go right and she's very happy.

So I'm not exactly sure what that means, but I think that's very positive for all of us. We need to hear that from experts who can interpret what in fact has been agreed to.

• (1125)

Mr. David McGuinty: Back to my comments?

The Chair: Yes.

Mr. David McGuinty: Thanks.

Is there another point of order, Mr. Warawa, or can I continue?

Mr. Chair, can I continue with my comments about the actual amendment put forward by Mr. Regan?

The Chair: Yes. I don't think we need to...let's not get into names right now. Let's get this amendment dealt with first.

Mr. David McGuinty: No problem. In terms of who could or could not attend, as I said yesterday and I'll repeat publicly, there are experts who are tracking the work of this country by the hour, by the quarter hour. Every expert who is participating right now in Germany is reachable instantaneously by blackmail, sorry, by BlackBerry—

Voices: Oh, oh!

A voice: I wouldn't advise that approach.

Mr. David McGuinty: —not by blackmail, by BlackBerry or by telephone or by fax. And you could blackmail them too if they won't come.

Mr. Chair, let's be honest about this. Every expert in the country who is following these issues is available to speak on this at a moment's notice. I'm sure they would want to participate in the environment committee's work and help us understand where we're going.

I strongly support Mr. Regan's amendment to this, and I really would like to call for the vote, if we could.

The Chair: Are there any other comments? I would like to give Mr. Cullen and Mr. Bigras an opportunity if they want to say anything regarding this motion. Fine, Mr. Bigras and Mr. Cullen?

Mr. Nathan Cullen: I have only a small comment, that the timing is totally appropriate. The people will be back. The comments will be very important for us to hear.

I'm still confused about why the government is resisting on the difference of a couple of days. I understand they may have other reasons, but that's fine. But we think this is very appropriate, considering all the effort this committee has put into trying to influence Canada's position, particularly when it comes to climate change.

So we look forward to the vote. Let's move on.

(Motion agreed to)

The Chair: I assume that means, then, that we have blue-green algae on the 12th, we have the G8 on Thursday the 14th, smog on the 19th, and I don't think you want to deal with clean coal and garbage in the same meeting. That's carrying it a little far. But we'll work on that one and see just who's available on the 21st. Everybody understands? We're okay?

The next order of business then would be your motion, Mr. McGuinty, which I assume—

Mr. David McGuinty: Which I am prepared to withdraw. Thank you.

The Chair: Okay.

Now I will call our officials to the table, please.

I'd like to welcome the officials who have come before us. It is certainly an opportunity for members to ask questions. We are of course largely talking about the expenditures and the spending on the climate change plan. I would ask members to try to keep within a certain range of questioning as much as possible.

I believe you have a brief statement that you'd like to make, just to open. We'd like to hear that now, please.

Mr. Michael Martin (Assistant Deputy Minister, Strategic Policy Branch, Department of the Environment): Thank you very much, Mr. Chairman. It's a pleasure for me and my colleagues to be here with you today.

My name is Michael Martin. I'm the assistant deputy minister of strategic policy at Environment Canada. With me at the table today are Basia Ruta, who is assistant deputy minister of finance and corporate services and the chief financial officer of Environment Canada; and as well, Alex Manson, who is special adviser on climate change policy at Environment Canada.

Mr. Chairman, following Mr. Baird's appearance on May 29, I believe the committee received a table that outlines planned spending on the government's new environmental initiatives. Those initiatives total \$4.7 billion announced prior to budget 2007 and \$4.5 billion announced in budget 2007. Let me briefly summarize the

climate change and clean air component of that funding before I go through the details.

The government committed \$367 million in 2006-07 and \$88 million in 2007-08 to fund the interim extension of existing climate change programs that were in place prior to 2006-07. Then subsequently, prior to budget 2007 and through budget 2007, the government committed \$8.127 billion for new initiatives to address clean air and climate change. That's just the summation.

In spring 2006, while it was developing its approach to address climate change and clean air, the government made a decision to extend on an interim basis 53 programs in the area of greenhouse gas emissions, international reporting, and engagement in domestic policy development for one year. As well, they made the decision to extend 40 programs in the areas of technology innovation, science impacts, and adaptation for two years. With those decisions, as I said at the outset, the government committed \$367 million for 2006-07 and \$88 million in 2007-08. Those figures, Mr. Chairman, are additional to those that were included in the table that was circulated on the government's new environmental initiatives.

Prior to budget 2007 the government announced a number of new initiatives. As you know, the foundation of the government's approach to addressing climate change and clean air is a robust regulatory regime to reduce GHGs and air pollution, complemented by targeted program initiatives aimed primarily at promoting the deployment and use of energy-efficient technologies.

The regulatory framework for air emissions that was announced at the end of April, which will regulate greenhouse gas and air pollutant emissions from major industrial sources as well as emissions from the transportation sector and take action on consumer and commercial products, has been funded with a commitment of \$339 million, with planned spending in 2007-08 of \$68 million.

The government has taken a series of decisions and announced initiatives in the area of clean energy. The government has committed \$2.061 billion to this set of ecoENERGY technology initiatives, of which planned spending in 2007 and 2008 is \$145 million.

I will briefly summarize the ecoENERGY initiatives, Mr. Chairman: there's the ecoENERGY technology initiative, which funds research, development, and demonstration of clean energy technologies; the ecoENERGY for industry program, which helps industry improve energy use; the ecoENERGY for buildings and houses program, which encourages the construction and operation of more energy-efficient buildings and houses; the ecoENERGY retrofit initiative, which provides financial support and information to encourage the retrofit of homes and small and medium-sized enterprises; the ecoENERGY for renewable power program, which provides incentives to boost Canada's supply of clean electricity from renewable sources such as wind, biomass, small hydro and ocean energy; and, the ecoENERGY for renewable heat initiative, which provides incentives and industry support to increase the adoption of clean, renewable thermal technologies. Those are the ecoENERGY and the clean energy initiatives.

● (1130)

The government has made a series of commitments in the area of clean transportation. Prior to the budget of 2007, the government committed \$2.012 billion to achieve emission reductions in the transportation sector, including an investment of \$1.3 billion, announced in 2006, to support capital investments in public transit infrastructure, and the transit pass tax credit, with spending of \$150 million in 2006-07 and \$220 million in 2007-08, to increase the use of public transit by Canadians.

The government also announced a set of new ecoTRANSPORT initiatives, with anticipated spending of \$20 million in 2007 and 2008. Just briefly, that set of initiatives includes the ecoMOBILITY program to work with municipalities to encourage commuters to choose public transit or other sustainable transportation options, the ecoTECHNOLOGY for vehicles program to test and promote environmentally friendly vehicle technologies, and the ecoENERGY for personal vehicles initiative to provide fuel consumption information and decision-making tools to Canadians.

As well, there are six initiatives in the area of freight, including the national harmonization initiative for the trucking industry to help remove regulatory barriers to the adoption of emission-reducing technologies for the trucking industry, the ecoENERGY for fleets initiative to reduce emissions from commercial and institutional road vehicle fleets, the freight technology demonstration fund to support new and under-used freight transportation technologies in real-world conditions, freight technology incentives to mitigate financial barriers to the adoption of new and under-utilized technologies, the partnerships on freight initiative to enhance domestic and international partnerships to reduce emissions from freight transportation, and the marine shore power program to support the installation and use of shore-based power for marine vessels in Canadian ports. All of those initiatives, Mr. Chairman, were announced prior to budget 2007.

Turning now to budget 2007, in that budget the government announced a further set of new initiatives, totalling \$3.715 billion, to address clean air and climate change.

First, the government committed \$1.519 billion of funds from 2006-07 to the trust fund for clean air and climate change. This will provide support to major provincial and territorial projects to lead to real reductions in greenhouse gas emissions and air pollution.

In addition, the government extended and expanded the accelerated capital cost allowance rate for renewable generation equipment, which has an anticipated cost in 2007 and 2008 of \$10 million.

Finally, the budget included \$2.176 billion in new initiatives to promote clean transportation, with planned spending this year of \$293 million. To summarize, that includes the ecoAUTO rebate program to provide performance-based rebates for the purchase of new fuel-efficient vehicles, as well as a green levy that has been placed on fuel-inefficient vehicles; the personal vehicle fuel efficiency incentive program to provide incentives to encourage the retirement of older, more polluting vehicles from Canadian roads; a new operating incentive in support of renewable fuel production in Canada, which will help meet the regulated

requirement of 5% renewable fuel content in gasoline by 2010, and 2% renewable content in diesel fuel and heating oil by 2012; and a commitment to provide funding for Sustainable Development Technology Canada to establish large-scale facilities for the production of next-generation renewable fuels in partnership with the private sector.

• (1135)

Therefore, to summarize, Mr. Chairman, the government's commitments prior to budget 2007, and through budget 2007, for initiatives on climate change and clean air total \$8.127 billion. In addition to that, as I stated at the outset, the government did commit \$367 million in 2006-07 and \$88 million in 2007-08 for the interim extension of the previous government's climate change programming.

That concludes my statement. My colleagues and I would be delighted to answer any questions you may have.

• (1140[°]

The Chair: Mr. Martin, I wonder if you could provide us with that in writing. It's very difficult, I'm sure, for me and the members to really keep track of everything we just heard. It would be very helpful if we, certainly after the fact, could get a copy of that sent to the clerk, and he will distribute it so we can all see that.

We'll begin with Mr. McGuinty.

Mr. David McGuinty: Thanks, Mr. Chair.

It would be very helpful, Mr. Martin, indeed, if we could get this written down and in writing.

Mr. Martin, Mr. Manson, and Ms. Ruta, we were given a document two days ago called "Environmental Initiatives since 2006". It's a page and a half long. Have you seen this document?

Mr. Michael Martin: Mr. Chair, that document was provided by our department to the committee.

Mr. David McGuinty: So your department prepared these numbers?

Mr. Michael Martin: Yes, Mr. Chairman, the Department of the Environment prepared that document.

Mr. David McGuinty: So can I ask why it didn't come in on the departmental letterhead or with the authorization, for example? Was this authorized by the deputy minister?

Mr. Michael Martin: Mr. Chairman, I'm not sure why we prepared it in this format, but it certainly was authorized by the department and reflects the department's view.

Mr. David McGuinty: So it was signed off by the deputy minister and the minister?

Mr. Michael Martin: Yes, Mr. Chairman. It was reviewed by me and reflects the Department of the Environment's view of the figures.

Mr. David McGuinty: Thank you very much.

Let me ask the guests who are here with us. When we talk about this one-and-a-half page document, it says "Initiatives announced prior to budget 2007". That's very vague. What does that mean, "Initiatives announced prior to budget 2007"? It's at the top of the page.

Mr. Michael Martin: That includes initiatives that were announced prior to budget 2007, Mr. Chairman, including budget 2006.

Mr. David McGuinty: Okay. It talks about ecoENERGY measures in support of the clean air agenda, under clean energy. It lists a little over \$2 billion, for example. This is money for initiatives like wind power and small hydro, tidal power, correct?

Mr. Michael Martin: Mr. Chairman, one of those initiatives, in particular the ecoENERGY initiative for renewable power, is intended to support initiatives in that area.

Mr. David McGuinty: So is this basically a repackaging and regifting of the WPPI and RPPI programs that were in existence a year and a half ago?

Mr. Michael Martin: As I stated at the outset, this represents initiatives announced by the government, and I think they were announced publicly. I think they're self-explanatory and I can't really comment beyond—

Mr. David McGuinty: Fair enough. Did any of this money flow last fiscal year?

Mr. Michael Martin: Yes, certainly there was spending.

Actually, Mr. Chair, if I could take a moment, I'd just like to confirm that point.

Mr. David McGuinty: Can we stop the clock?

Ms. Basia Ruta (Assistant Deputy Minister and Chief Financial Officer, Department of the Environment): In terms of the opening comments, the amounts that were planned spending for 2006-07 related to the initiatives that were indicated—a total, I guess, under the clean energy and clean transportation areas—up to \$1.45 billion.

The reason it has flowed or it has not flowed is this. As you know, some of these expenditures are contained in the budget implementation bill, and we still need to have approval for that, so the definition of what is spent or not spent we would be using as expenditures in the public accounts. So once we get the approval from Parliament, then the finalization of the books will have the actual amount spent.

So this is why we're using planned spending until the books are closed, and then when the public accounts are tabled, we would be able to give a good definition of what that is.

• (1145)

Mr. David McGuinty: I'm most confused. You're saying some of this money flowed last fiscal year. I'm confused, because Minister Lunn has publicly stated several times that these funds were frozen. Is he wrong or is he right?

Mr. Michael Martin: As I stated, Mr. Chairman, the government did commit funds for the extension in 2006-07 and 2007-08 of some existing programming. They subsequently made commitments for new programming. In terms of this program that has been mentioned—the ecoENERGY for renewable power program-

ming—my understanding is that those funds have been profiled beginning in the current fiscal year and extending forward.

Mr. David McGuinty: Can I go back to a question I put to the minister the last time he was here? I asked him how much money flowed in 2006-07 explicitly and specifically for climate change programming—a global, single number—and after some time, he said \$3.336 billion was dispersed in 2006-07 exclusively for climate change programming.

Now, is that right?

Ms. Basia Ruta: Yes, that is correct. When he spoke, the minister included in that the interim strategy of \$367 million. The clean transportation, as I was just mentioning, the \$1.45 billion—

Mr. David McGuinty: That's been spent. It's been spent.

Ms. Basia Ruta: —was prior to budget 2007, so that money would have gone out, as we understand it. This is not under Environment Canada, as we understand it. Then investing in cleaner energy in budget 2007 is still pending parliamentary approval; that's for the ecoTrust, in the order of \$1.5 billion, for a total of \$3.36 billion.

Mr. David McGuinty: Well, I'm confused again. I see you've come with a breakdown of spending, including the trust funding known as ecoTrust, or the clean air and climate change trust fund or whatever it's called now—I'm not sure. But when the Prime Minister announced this initiative just a few months ago, he said the funding would be entirely conditional on the 2007 budget passing.

Ms. Basia Ruta: That's right.

Mr. David McGuinty: So was the money spent or not spent?

Ms. Basia Ruta: I think there's a distinction between whether or not the cash is gone or what you account for in the public accounts as an expenditure. Pending parliamentary approval, our understanding is that this will be charged to the year-end payments. If it's not approved, then it won't be charged. These are part of the closing adjustments that you'd have for the public accounts.

Mr. David McGuinty: I'll ask about the ecoTrust money, then, that was supposed to have been transferred to the provinces. Here's the quote from Mr. Baird:

Those were passed by Parliament before the end of March, and that money has left the federal treasury. That was paid out of last year's budget, and it has already left the federal treasury, so the cheque is more than in the mail; the cheque has actually been cashed. It was for \$1.519 billion.

Have the provinces received their money?

Ms. Basia Ruta: This would be subject to parliamentary approval. It's not Environment Canada that's actually putting out the cheques, so—

Mr. David McGuinty: We don't know, then.

The minister said the money is more than in the mail, it's been cashed—it's \$1.519 billion in the hands of the provinces. Do we have any evidence to substantiate his claim that the provinces have received our federal tax dollars?

Mr. Michael Martin: The commitment made by the government to the ecoTrust, which was made publicly and was the subject of agreement with each province and territory, as Ms. Ruta said, is subject to the passage of the Budget Implementation Act. The Department of Finance manages these trust arrangements; they may be best placed to respond to specific technical questions about exactly how the funds are transferred and exactly when.

Mr. David McGuinty: Mr. Martin, I don't want to get you in trouble. I don't want to get any official in trouble, and I respect the fine line you have to walk.

I'm going to read the quote again. There is a question from Mr. Francis Scarpaleggia:

Thank you. I just want to clarify something. Is there money in the 2006-07 estimates for the ecoTrust?

Then comes the answer from Mr. John Baird, Minister of the Environment:

Those were passed by Parliament before the end of March, and that money has left the federal treasury. That was paid for out of last year's budget, and it has already left the federal treasury, so the cheque is more than in the mail; the cheque has actually been cashed. It was \$1.519 billion.

Are you telling us today, sir, this money has not been transferred to the provinces, or can you not tell us?

(1150)

Mr. Michael Martin: Mr. Chairman, I would just repeat that I think the Department of Finance, which manages the trust arrangements, is best placed to answer technical questions related to how those funds are transferred into these trust arrangements.

Mr. David McGuinty: Was it last year's money? Was it supposed to be in their hands by March 31, 2007? Or is it next year's money?

Mr. Michael Martin: It is drawn from funding of 2006-07.

Mr. David McGuinty: So it's last year's money?

Mr. Michael Martin: Yes, sir.

Mr. David McGuinty: So it should be in the hands of the provinces?

Ms. Basia Ruta: There could be technical adjustments, as for closing entries. As you know, when you close your books, you don't have all the information at hand on March 31 when you don't use a cash basis approach for recording your accounts. In terms of applying to the prior year, if in substance everything has been done, and pending the parliamentary approval for certain expenditure categories, it could be and would be charged to the last fiscal year.

Mr. David McGuinty: Mr. Chair, then pending further information, clearly we've been misled. The Minister of the Environment has come before us and said the cheque has actually been cashed; that \$1.519 billion has been transferred to the provinces under ecoTrust, and his senior officials are telling us that no such decision has been taken yet.

The Chair: I didn't hear it that way, Mr. McGuinty. What I heard is that the money obviously comes out of Finance, that they could give you the exact information.

I would suggest that you put this in writing, give it to the clerk, have him inquire from the proper source, and get an answer, so that all members here can have that answer. I think that's the way to

approach this, because these people are not responsible for writing the cheques.

Mr. David McGuinty: No, I understand. They're not in a position to clarify the remarks of the minister, that's for sure.

Thank you very much, sir.

The Chair: Your time is up.

I'd like to go on to Mr. Bigras, please.

[Translation]

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

I will probably be very brief. I will certainly not use up the ten minutes I have unless my colleague wishes to take over from me.

The government launched an advertising campaign that was on from the 1st to the 12th of May. My question is a simple one: where did the money come from? From what envelope was the money used to finance this advertising campaign taken? What was the amount? There was an advertising campaign on between the 1st and the 12th of May. I would like to know how much it cost.

[English]

Mr. Michael Martin: Mr. Chairman, I'm sorry, I do not have that information; however, we will undertake to find out the answer to that question and reply to you through the clerk in writing.

[Translation]

Mr. Bernard Bigras: I find that somewhat paradoxical, Mr. Chairman. We have been presented with a series of expenditures and programs evaluated at one million dollars. Am I mistaken? Perhaps the opposition is aware of the amount of the expenditure, but not the officials. It is an amount of one million dollars plus, that the government invested in an advertising campaign that was held between May 1 and May 12, 2007. Am I wrong? Is that the correct order of magnitude?

[English]

Mr. Michael Martin: Mr. Chairman, I'm sorry I'm not able to answer that question. I don't know what funds were spent on an advertising campaign. As I said, I would be pleased to seek that information and provide it to the committee as quickly as possible.

[Translation]

Mr. Bernard Bigras: Would it be possible to find an official who could talk to us about this advertising campaign? It was heard by all Canadians and aimed at promoting the Canadian government's plan for fighting climate change. Would it be possible to find an official, among the three who are present here, who has heard the ad and who is able to tell us its aim and how much money the government invested in it? I am not asking for the moon.

All of us heard the ad. Might we be told what the objective of this advertising campaign was? I believe that Canadians should be told. What was the purpose of this advertising campaign? How much did it cost? Lastly, what envelope did you dig into to mount this advertising campaign on the Baird plan for combating climate change? This is an expenditure that was made less than a month ago, some two or three weeks ago.

● (1155)

[English]

The Chair: Again, Mr. Martin, I think it would be very helpful, if there is a person who is responsible for that program in whichever department it is, if they could indicate who it is. And of course there must be a proposal and an expenditure and so on. If you could provide that to the clerk, that would answer Mr. Bigras' question and also get it for all the other members.

Mr. Bigras.

Mr. Michael Martin: Certainly, Mr. Chairman, we have taken careful note of the request and will provide that information as quickly as possible.

[Translation]

Mr. Bernard Bigras: Mr. Chairman, I have no further questions. [*English*]

The Chair: Mr. Lussier.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Martin, could you give us the breakdown, per participant, of the ecoTrust program targeting the provinces? I have two numbers in my head: the first relates to the Ontario-Canada agreement negotiated by the Liberal government and amounting to some 550 million dollars, and the second one relates to the 355 million dollar agreement signed with Quebec. Are these two totals still valid? How is the rest of the 1.5 billion dollars shared out among the provinces?

[English]

Mr. Michael Martin: The trust fund for clean air and climate change, as I stated, is \$1.519 billion and was allocated among the provinces.

If it would be helpful, I could run the precise allocation by province. Would that be helpful, Monsieur Lussier?

Mr. Marcel Lussier: Yes.

Mr. Michael Martin: For the province of British Columbia, the trust fund commits \$199.3 million; for the province of Alberta, \$159.9 million; for Saskatchewan, \$44.4 million; for Manitoba, \$53.8 million; for Ontario, \$586.2 million; for the province of Quebec, \$349.9 million; for New Brunswick, \$34 million; for Nova Scotia, \$42.5 million; for Prince Edward Island, \$15 million; and for Newfoundland and Labrador, \$23 million. And then for each of the Yukon, the Northwest Territories, and Nunavut, there is \$5 million each. That represents \$1.519 billion committed through the trust fund.

If it's helpful, Mr. Chairman, we can provide a summary of that. All of those amounts were announced publicly, in partnership with the provinces, including a list of initiatives that the provinces may choose to use these funds for. We could provide a summary to the committee if it would be helpful, but I'm afraid I do not have a summary today available in both official languages.

The Chair: I think Mr. Lussier is asking for that, so it would be very helpful.

[Translation]

Mr. Marcel Lussier: Mr. Martin has to a certain extent answered my second question, that is if there are conditions tied to the cheque for 349.9 million dollars for Quebec. What are these conditions that are set out? You touched upon the issue by saying that provincial governments might have to identify where these amounts will be invested. Is this a condition that is part of the contract or agreement?

[English]

Mr. Michael Martin: Mr. Chairman, the trust fund arrangement does not impose conditions on provinces. It reflects an agreement reached and reflected in the press releases that were made public at the time. There are no other conditions imposed by this arrangement.

At the time of the announcement of the contribution to the Government of Quebec, the Prime Minister, I think, announced that this was a contribution in support of the Government of Quebec's climate change plan, and those funds were in Quebec's climate change plan, specifically requested. And I think specific initiatives were identified to support the full implementation of Quebec's climate change plan.

● (1200)

[Translation]

Mr. Marcel Lussier: Thank you, Mr. Chairman.

Mr. Martin, you talked of two budget years. Among all of the budget measures announced, which ones will continue from year to year? For example, in the case of the contributions for bus passes and the scrappage program for older vehicles, are these programs that will last one year or that will be rolled over with each budget? Is there some permanence for these programs?

[English]

Mr. Michael Martin: Mr. Chairman, I think most of these programs extend beyond more than a single fiscal year. I apologize, Mr. Lussier, on the second one you mentioned, I could run through what I believe is the profile of some of these initiatives, if you wouldn't mind repeating the ones you are particularly interested in.

[Translation]

Mr. Marcel Lussier: What about the old cars?

[English]

Mr. Michael Martin: The budget commitment is over two fiscal years, beginning in the current fiscal year.

[Translation]

Mr. Marcel Lussier: For fuel-efficient cars, consumers have a guarantee for 5, 10 or 20 years?

[English]

Mr. Michael Martin: That program has been funded over two fiscal years.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: Thank you to the officials for coming today.

I think there is some difficulty in your position only because the experience we've had with respect to the government's plans on climate change spending is that the spending announcements have rarely added up to what's actually gone out the door. This is not me saying this; it is the Auditor General of Canada. Whereas previous governments have claimed as much as \$5 billion to \$5.5 billion spent publicly, when we go through the books and audit it, the previous government had a record of spending a little less than \$2 billion; \$1.7 billion was one of the figures proposed. So you can understand not just the anxiety but the frustration in trying to ascertain what is being spent so that Canadians can feel some sense of assurance as to what the government is saying it is doing is what is happening.

I would like to focus for a moment on the ecoTrust initiative. Are there contracts with the provinces? Is there a formal document between the federal government and each of the provinces as to what is meant to be done with the money?

Mr. Michael Martin: Mr. Chairman, in terms of the specifics of the trust fund arrangement, how the moneys are transferred to the trustee, and how the provinces then access that money through the trustee, I would have to defer to the Department of Finance.

There is no intergovernmental MOU or agreement beyond what was announced publicly covering those arrangements, so in that respect it is different from the program of the previous government and what I think was called the partnership fund.

Mr. Nathan Cullen: Yes, and different again even from any retrofit program announcements and bus transit allocations, those types of things. I want to be clear.

I know there are contractual arrangements between Finance and the provinces in terms of the physical allocation of the money, but there's nothing specific saying Alberta should do this or British Columbia might consider this or British Columbia has agreed for sure to spend money on this. That's not something the federal government negotiated.

• (1205)

Mr. Michael Martin: When each contribution or commitment was announced, a press release was issued in agreement with each province and territory, and in each case a list of possible initiatives that would be taken by the province or territory—

Mr. Nathan Cullen: Which the federal government is comfortable with, I assume, right? They wouldn't agree to send them the money without that agreement.

Mr. Michael Martin: That's correct. But as you know, the provinces and the territories have a major role to play in greenhouse gas reductions and air emission reductions.

Mr. Nathan Cullen: This bring me to my question. Are all the programs that the provinces suggested intended to reduce greenhouse gas emissions in Canada?

Mr. Michael Martin: I think we can provide the summary of the programs that were indicated at the time the commitments were made. Ultimately the provinces and territories themselves will decide how to effectively use these funds—

Mr. Nathan Cullen: No, but I mean in the overarching-

Mr. Michael Martin: —but the stated purpose of the trust is to reduce greenhouse gas emissions, air pollution emissions, and in the

case of the territories, support measures related to impacts and adaptation.

Mr. Nathan Cullen: Is there any cost-benefit analysis done? I'm just wondering how much of a hand the government.... Did the government say they need to spend this money on reducing climate change, which I understand is the intention of this fund? Was there any effort to say they should achieve that in the most cost-effective manner—you know, reductions of so many tonnes, with an ideal of not spending a lot of money and getting few results? Has the federal government ever given that indication to the provinces?

Mr. Michael Martin: Mr. Chairman, I can't say. I certainly am not aware of any commitment or condition of that type. I think the principle behind the trust fund is that provinces have responsibilities in this area; they're exercising and putting in place their own plans. They are accountable to their electorates, and they are well placed to make good decisions in that regard; therefore, the federal government's contribution will be managed with those facts in mind.

Mr. Nathan Cullen: British Columbia is suggesting they use some of their money to subsidize a transmission line to open up mining operations in northern British Columbia. Is that seen by the federal government as a good idea in the effort to battle climate change?

Mr. Michael Martin: Mr. Chairman, I'm not familiar with that specific project, but again I would come back to the basic principle here, which is that the federal government is making a financial contribution to support the provinces and territories in their own efforts to reduce greenhouse gases and air pollutants, and they will be accountable for how those are funds are spent.

Mr. Nathan Cullen: Yes, but the federal government is accountable to the people who elect them. If funds are used that actually then contribute more greenhouse gases to our environment, would there not be an accountability loop that the federal government would be interested in?

It's not simply to the voters in that particular province. If a province goes out and subsidizes a pipeline because they feel that's justifiable to their own voters, that clearly wouldn't be a happy day for the federal government, which is trying to make strong claims to battle greenhouse gases.

I guess what I'm trying to find out here is this. When we cut the cheques—and I'm not sure that we have yet, because according to some provinces they haven't received any money, after many weeks—if the intention was to reduce greenhouse gases, clearly we would still have kept a little bit of a string on it to say that at the very least, you should be reducing greenhouse gases, but that there would be definitely no projects accepted by the federal government that would increase greenhouse gases in this country.

Mr. Michael Martin: I think the purpose of the trust fund is very clear. The stated purpose is to support the reduction projects by the provinces and the territories to reduce greenhouse gas emissions and air pollutants. I think that is clearly stated.

Mr. Nathan Cullen: So is there anything stopping a province from using the funding on something that will eventually lead to greater emissions of greenhouse gases, like the opening up of an entire area for mining? Is there anything in the contracts, the arrangements that you have with the provinces, to stop that scenario?

• (1210)

Mr. Michael Martin: Mr. Chairman, as I said, the arrangement between the federal government and the provinces is captured in the announcements around each agreement. There is no further arrangement beyond it that may relate to the technical transfer of the funds through the trust arrangement.

Mr. Nathan Cullen: I'm amazed. The reason I'm amazed is that I can't believe that our Prime Minister would go to a summit like the G8 with claims of their Turning the Corner plan, with promises and commitments made to the Canadian people, and then include in that commitment a series of spending announcements that have no real contractual obligation, nothing real to prevent a province or territory from spending the money on initiatives that they deem to be worthwhile but may in fact contribute more greenhouse gases. I'm stunned.

I have a question for Ms. Ruta. I'm just looking at your title: deputy minister and chief financial officer.

Ms. Basia Ruta: I'm the assistant deputy minister.

Mr. Nathan Cullen: Excuse me. Pardon me, I didn't mean to promote you, although I'm sure you're deserving of it.

You're one of the ones who follow the money. You're the ones who essentially sign the cheques and make sure everything balances properly and that money is being spent well.

Ms. Basia Ruta: I am for Environment Canada, yes.

Mr. Nathan Cullen: Environment Canada, we have been told by the minister, has spent \$1 million on this ad campaign that my colleague from the Bloc referred to. Is that true?

Ms. Basia Ruta: Well, I have to get the specific details on that. I'm sure we can get that, but I don't sign every single cheque that goes through my department. I cannot confirm whether that money's gone out or what exactly that amount is, but we'll get that information for you quickly.

Mr. Nathan Cullen: Are you ever asked to do any sort of costbenefit analysis on whether spending \$1 million on this will produce so much reduction in greenhouse gases versus \$1 million on that? Does the government do that assessment?

Ms. Basia Ruta: Normally, as part of our expenditure management system, we do have areas within the department with program evaluators who go out and look at the value achieved for money through programs.

Mr. Nathan Cullen: Is that value for money just with respect to greenhouse gas reductions?

Ms. Basia Ruta: They undertake certain reviews, and....

Mr. Nathan Cullen: I'm just asking if this is one of the criteria? Do you folks ever go through and say that we are going to spend so much here, or we have spent \$1 million here and we got so much tonnage reduced, and we spent \$1 million there and this was a cheaper or more expensive way to do it? I'm just wondering if that's one of the criteria.

Ms. Basia Ruta: As for how that's being done more broadly, I know that the government, for instance—and Environment Canada does have a role—has put together a horizontal management accountability results framework. This is prospective, I think, in a real eagerness to consolidate all the initiatives related to climate change and to clean air, and on a periodic basis to allow for a scrutiny and a challenge, in terms of whether the results being achieved—

Mr. Nathan Cullen: Is this for the future?

Ms. Basia Ruta: That's right, this is-

Mr. Nathan Cullen: We don't do it right now.

Ms. Basia Ruta: In the past, it hasn't been done by Environment Canada. I'm not sure, some of my colleagues may know whether it was done more broadly through other structures. For Environment Canada, we have one portion. We don't have it for the entire climate change initiative. Prospectively, we have been given that mandate for climate change.

The Chair: Thank you.

Mr. Warawa and Mr. Vellacott, I believe you're sharing your time.

Mr. Mark Warawa: Yes, Chair. We're running a little bit short, and just to make sure everybody gets a chance to ask their questions, instead of taking the full 10 minutes I'll share my time.

Thank you to the officials for being here today and answering questions.

Being from British Columbia, I'd like to focus on what the trust funds for the province of British Columbia are being used for.

I was very excited to have gone to the GLOBE conference just prior to the G8+5, and I was very encouraged that all the different ideas being proposed to address greenhouse gas emissions are actually being implemented in Canada. So, very much, we have turned the corner.

I'd like to ask about the mountain pine beetle kill, where we have devastation of the forests and are actually using that. What are the benefits of extracting the energy from that pine beetle wood?

● (1215)

Mr. Michael Martin: Mr. Chairman, there is activity now in British Columbia to take sawmill scrap and wood that has been infested with the pine beetle and use it as biomass for energy generation. The benefit of using biomass, clearly, is that it acts as a substitute for other less clean fuel sources and through its use serves to reduce greenhouse gas production. As well, of course, I think many companies in the forest industry have found that it reduces their overall energy costs at the same time.

Mr. Mark Warawa: Okay, I have another question on the benefits of geothermal and bio-energy projects in British Columbia, including the capture of biogas from landfill sites. I've seen a number of demonstrations now of very successful projects. Could you again elaborate on the benefits of some of these geothermal projects and bio-energy projects?

Mr. Michael Martin: Again, in this area the use of alternative fuel sources allows companies to substitute fossil fuels for cleaner fuel sources that reduce GHG emissions and also reduce air pollutant emissions. It provides greater independence for companies in terms of managing their costs and can serve to lower their overall energy consumption costs as well. So it's beneficial both from an economic standpoint and from an environmental standpoint.

A number of the initiatives taken by the government are intended to stimulate the adoption of such technologies to prove them commercially and to support their wider deployment in Canada, and that is one such technology.

Mr. Mark Warawa: How much time do I have left, Chair?

The Chair: You're at three and a half minutes.

Mr. Mark Warawa: Wonderful, thank you.

On hydrogen, I was quite excited to see buses here on the Hill that are actually using hydrogen. It is a wonderful clean technology being developed here in Canada.

The Governator came to visit Canada last week, and he spoke of a hydrogen highway going right from California up to and including British Columbia. That's an exciting project. Could you share with us the benefits of having a project in Canada, in B.C., of the hydrogen highway that takes us all the way into Whistler in time for 2010?

Mr. Michael Martin: Mr. Chairman, as committee members know, transportation is a major source, and a growing source in many jurisdictions, of greenhouse gases. Emissions and of course transportation are a significant source of air pollution. The use of alternative fuels, including hydrogen, offers the potential to significantly reduce the environmental impact of transportation, and these types of initiatives that demonstrate these projects serve to promote the commercialization of the technology, increase consumer understanding and acceptance of them, and also stimulate this kind of research and development here in Canada.

The Chair: Thank you, Mr. Warawa.

Mr. Vellacott.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Thank you, Mr. Chairman.

In respect to the provinces, Saskatchewan is my home province, and I represent the riding of Saskatoon—Wanuskewin. I would like to ask Mr. Martin about the funding thus far. I think you stated it before, but just for the record again, if we could get that much funding provided to Saskatchewan as part of the trust fund, what would the province use that money for?

Mr. Michael Martin: Under the trust fund for clean air and climate change, \$44.4 million has been committed to the province of Saskatchewan. When that funding was announced, a series of projects was indicated. That includes the continuing deployment of near-zero CO₂ emission electrical generation projects and the development and utilization of renewable and alternative energy sources, such as biofuels and solar energy technologies. It will support efforts to lead in carbon capture and sequestration through the international test centre for carbon dioxide capture, which is a world-leading facility in Saskatchewan, as well as measures to improve energy efficiency and conservation by homeowners, businesses, farms, and communities.

As I noted earlier, Mr. Chairman, we will be pleased to provide a summary of all of these specific initiatives funded through the trust fund to the committee.

● (1220)

Mr. Maurice Vellacott: You made mention of the near-zero CO_2 emission electrical generation projects. That intrigues me. Can you give us a little bit of background on that to give me a better understanding of that and some of the benefits?

Mr. Manson.

Mr. Alex Manson (Special Advisor, Climate Change Policy, Strategic Policy Branch, Department of the Environment): Thank you, Mr. Chairman.

There are several technologies nearing commercialization that could result in coal-fired power plants having reductions and emissions of their greenhouse gases by 90% and virtual elimination of the rest of the emissions that are associated with them—sulphur oxide particulate matter and that type of thing. With these new technologies, it gets captured and stored or used for enhanced oil recovery. The Government of Saskatchewan and Saskatchewan Power are very interested in looking at the possibility of building a power plant using one of these technologies in the foreseeable future.

Mr. Maurice Vellacott: We just had some representatives here yesterday from the University of Regina for our Saskatchewan caucus, who gave us a little bit of detail on that. It's interesting to try to get one's head around this, because it's complex and sophisticated, but sounds like it has great potential.

Could you also explain a little bit about the benefits of the development and utilization of renewable and alternative energy sources, such as biofuels and solar energy technologies? Why I ask that question is that tomorrow, in my home riding of Saskatoon—Wanuskewin up at Hague, Saskatchewan, we'll be announcing some nine different projects. Those are in respect of biofuels.

So can you give me a little bit of background on some of that and our hopes about it, and its prospects?

Mr. Alex Manson: Thank you, Mr. Chairman.

As my colleague Mr. Martin said, being able to replace some of the fossil fuel component of our fuels, whether in the gasoline stream or diesel fuel or heating oil, with a renewable component like ethanol or biodiesel allows us to make some significant emissions reductions in the transportation sector. Our cars and light trucks on the road in Canada are responsible for about 12.5% of our total greenhouse gas emissions, and the whole transportation sector is responsible for about a quarter of our greenhouse gas emissions. So increasing the use of renewable content in our transportation fuels is very important to reducing emissions in that sector. And increasing the use of renewable energy, whether in industrial sources or with respect to homes or communities, and those type of things, again, is a key component of moving forward and reducing our GHG emissions.

Mr. Maurice Vellacott: Right, thank you.

I appreciate that very much, because it does appeal to me as an individual to be less oil dependent. Obviously to the province of Saskatchewan, with 50% of the arable land in the country, it could be of great benefit, and certainly up in my riding of Saskatoon—Wanuskewin, to our farmers as well. So it has some tremendous possibilities in terms of relieving some of the issues and difficulties we've had with agriculture, and we think it's a very good thing in this way.

I guess the last thing in terms of where the rubber meets the road is that some of the benefits of the measures to improve energy efficiency and conservation, and also to promote and support some of the energy reductions by homeowners, businesses, farms, communities and so on, come down to all of us doing our part at the end of the day. That's where the rubber meets the road.

What's the intent there and what exactly in the way of specifics can you tell me about some of those measures we hope to have implemented?

Mr. Michael Martin: Mr. Chairman, a number of the government's initiatives are intended to provide Canadians with information and tools to make good choices, and also to improve their energy efficiency and reduce the environmental footprint of their own lifestyles. The individual choices of Canadians are an absolutely critical driver of Canada's performance in reducing greenhouse gas emissions and air pollutants, and a range of these programs are indeed targeted to assist them in that regard.

• (1225)

The Chair: Thank you, Mr. Vellacott.

Mr. Godfrey.

Hon. John Godfrev: Thank you.

Forgive me if I go over some ground again, but I just want to make sure I have the \$1.5 billion for the ecoTrust correct.

First of all, it's to be taken from the surplus left over from the 2006-07 budget. Is that right?

Mr. Michael Martin: The funding for the trust fund is being drawn from funds in the 2006-07 fiscal year.

Hon. John Godfrey: All right. So my understanding then is that it's to be paid out in instalments of \$500 million over the next three years. Is that right?

Mr. Michael Martin: Mr. Chairman, I would have to defer to the Department of Finance, as I said earlier, in terms of exactly what the technical arrangements are related to the transfer of those funds. They're not handled by Environment Canada; it is a Department of Finance arrangement, and they would be best placed to answer that question.

Hon. John Godfrey: So you'll get back to us with that information. Can you do that?

Mr. Michael Martin: We will certainly pass that request on to the Department of Finance, sir, yes.

Hon. John Godfrey: Okay.

Has any money flowed yet of the first \$500 million? Do you know that?

Mr. Michael Martin: Mr. Chairman, as I think we stated earlier, these funds are subject to the Budget Implementation Act passage. Again, I would defer to the Department of Finance in terms of exactly what kinds of transactions have taken place up until now.

The Chair: I think we have that request recorded.

Hon. John Godfrey: All right.

So let me understand: the way in which these funds will be delivered is by the route of a memorandum of understanding or a contribution agreement.

Mr. Michael Martin: These funds will be transferred to a trustee. The amounts and the initiatives they are intended to support have been publicly announced. As I said, the trustee arrangements can be described by the Department of Finance, but as I stated earlier, there is no MOU or other contractual arrangement between the federal government and the provinces covering the fund beyond that which is managed through the trustee arrangement.

Hon. John Godfrey: So the criteria by which certain projects were considered to be allowable were established beforehand, in terms of what was allowable and what wasn't, by the Department of the Environment, which is responsible for this?

Mr. Michael Martin: Mr. Chairman, to my recollection, when the trust fund was first announced, the Prime Minister laid out, in his public statement, the criteria that would guide the fund. He described its purposes. He described the types of projects that would be supported. In each successive announcement that was done in partnership with each province and territory, the terms and purposes of the fund, and the specific projects that would be potentially supported with these funds, were described. That information is entirely in the public domain.

Hon. John Godfrey: To Ms. Ruta, just in terms of accountability, I'm still having a problem understanding this. We just turn over money and the provinces indicate—in general terms or specific terms—which projects the money is going to be allocated to? Do they specify how much money goes to this and how much to that? How do we know in fact that the money is being spent on the proper purpose? Will we have, as we would with a contribution agreement, some kind of an accountability after the fact? How do we make sure that's transparent?

● (1230)

Ms. Basia Ruta: Thank you, Mr. Chair.

I think this question really needs to go to the Department of Finance. The money is not flowing through Environment Canada. I'm not in a position to provide more details in terms of the instrument in addition to the checks and balances, from a program design perspective, that would accompany that.

Generally speaking, with the transfer of funds there are—perhaps embedded in the memorandum of understanding—certain technical requirements. Again, however, this would have to be for the Department of Finance to respond to.

Hon. John Godfrey: So let me understand this: the Department of the Environment has no supervisory accountability function in this? You've just turned it over to the Department of Finance, as would be the case with a program where there was a contribution agreement or a memorandum of understanding? I don't understand the role of the department, which is in charge of the environment, in making sure that the job gets done, or that the criteria are followed, or that there are proper outcomes.

Ms. Basia Ruta: Generally speaking, as I understand it, there are many departments involved in dealing with environmental issues. As I mentioned before, with the clean air regulatory framework and clean air measures on climate change, Environment Canada has been tasked to coordinate, if you like, information on results being achieved, and to do a challenge and report back periodically. The results would also be made available in the public domain.

Up until now, many departments have spent money. The accountability flows through to the ministers, to the deputy ministers of those organizations, and cascades down. My colleagues—for example, my counterpart at Finance Canada, the chief financial officer—would also be doing their checks and balances, if you like, in terms of the spending that happens.

So it's more than just Environment Canada.

The Chair: Thank you, Mr. Godfrey.

We'll go to Mr. Harvey, please.

[Translation]

Mr. Luc Harvey (Louis-Hébert, CPC): First of all, thank you for being here today.

In September 2006, we met with the Environment Commissioner, Ms. Gélinas, who had come to explain to us that 6.3 billion dollars has been announced since 1997. In September 2006, she was still having difficulty determining the effectiveness of that and, more importantly, how much money had been spent and how much was

still available. The previous government had gotten us used to sometimes losing track of certain amounts of money.

I would like to know if this money has been retraced and where we are at with regard to these 6.3 billion dollars.

Ms. Basia Ruta: Thank you, Mr. Chairman.

Yes, the Environment Commissioner had prepared a document. It is correct to say that there were commitments for approximately 6 billion dollars. I believe that she had indicated that between 1997 and 2003, close to 4 billion dollars—3.740 to be precise—had been expended for climate change initiatives.

As far as determining the scope of the expenditures made in 2004-05, as I mentioned earlier, it is quite an exercise to gather all of the information from all of the departments. This is not information I have here. I think that I noted some gap in that regard. Prospectively, Environment Canada will be coordinating the gathering of this information in order to be able to report the amounts in a timely fashion.

Mr. Luc Harvey: Given the fact that approximately 4 of the 7 billion dollars were spent between 1997 and 2003, and that there was a major increase in CO2 emissions, has any quantitative evaluation been done so as to determine if the money was spent effectively?

● (1235)

Ms. Basia Ruta: The only thing I can say—and I would ask my colleagues, Mr. Martin and Mr. Manson to comment—is that the government undertook in 2005 and 2006, a review of all of the initiatives aimed at climate change.

As was mentioned during Mr. Martin's opening remarks at the beginning of this meeting, the government had abolished certain programs and re-established others. This is a way of getting an overall picture of the various initiatives at play. If my memory serves me right, there were a great many programs, more than 100.

As for Environment Canada, we are but one part of a whole. Mr. Martin will add to what I have just said in order to give you a government-wide perspective.

[English]

Mr. Michael Martin: Mr. Chair, just to add, in terms of specific programs, of course there are criteria on effectiveness of programs that are developed when those programs are implemented. It's difficult to speak in general terms about the effectiveness of specific programs.

In terms of this government, as I stated at the outset, the new programming that has been announced is intended to be targeted and to complement the regulatory agenda of the government. We believe the program suite now in place will effectively contribute to reducing greenhouse gases and air pollution over the coming years.

The Chair: Thank you, Mr. Harvey.

Mr. Bigras.

[Translation]

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

First of all, in order to fully understand your respective roles, Madam Ruta, I would like to know what your duties are. I would like to know what your role is in the department.

Ms. Basia Ruta: I am Assistant Deputy Minister and Chief Financial Officer.

Mr. Bernard Bigras: It would not be an error to state that all of the expenses go through your office.

Ms. Basia Ruta: At some point, yes, all of the expenses would go through the department.

Mr. Bernard Bigras: Not through your department, but through your office.

Ms. Basia Ruta: Yes.

Mr. Bernard Bigras: Through your branch.

Ms. Basia Ruta: Indeed, the expenditures of Environment Canada.

Mr. Bernard Bigras: Yes, of course.

Do you know Denis Simard? Does that name ring a bell?

Ms. Basia Ruta: No.

Mr. Bernard Bigras: He works at Environment Canada. His name means nothing to you? If I tell you that he is the spokesperson for Environment Canada, does that ring a bell? Denis Simard, does that mean anything to anyone from the department? But you are all senior managers.

I will come back to Ms. Ruta afterwards.

Mr. Michael Martin: I know Denis Simard; he is an official with the Communications office.

Mr. Bernard Bigras: Excellent.

With regard to the advertising campaign I talked about, I mentioned an amount of one million dollars, but it seems that the exact amount is \$905,000. Does this number, for an advertising campaign, ring a bell, Ms. Ruta?

Ms. Basia Ruta: I have just received information according to which the actual amount is of approximately \$900,000.

Mr. Bernard Bigras: We are just \$5,000 off. Did you authorize this expenditure?

Ms. Basia Ruta: There are several managers who authorize expenditures and delegate budgets. I do not approve everything. There is a delegation at the program level, within the different budgets. As for the work that is done to ensure that there is proper authorization and that the necessary supporting documents are presented to justify the expense, that is where the finance people are involved for each transaction.

As Mr. Martin mentioned, it is my colleagues in Communications who are responsible for...

Mr. Bernard Bigras: You did see this expenditure.

Ms. Basia Ruta: I am trying to see, but there is sometimes a gap. I have commitments...

Mr. Bernard Bigras: In your estimation, did these \$905,000 help reduce greenhouse gas emissions? Did this expenditure contribute to any reduction? From what envelope was this money taken? I am a little surprised, because I have read Mr. Simard's declarations. Do

you know what the purpose of this \$900,000 expense was? He stated that the campaign aimed at supporting the important announcement that had been made. This amount did not really help reduce greenhouse gas emissions. Therefore, we are not looking at a maximization of greenhouse gas emission reductions for each dollar invested, but rather at a promotion campaign for the government, in support of its climate change plan.

Is it a common occurrence, at the Department of the Environment, that every dollar invested be used for advertising campaigns rather than for programs aimed at reducing greenhouse gas emissions? Why was this million dollars not invested in home refit programs? Why did you not use this money to reduce greenhouse gas emissions instead of investing it in a communications plan? Is that common place in the Department? Do you often see such expenditures?

(1240)

[English]

Mr. Michael Martin: Mr. Chairman, it is very important for Canadians to understand and to know about the actions of the Government of Canada in this area. As I stated earlier, the behaviour and the actions of individual Canadians, individual citizens, has an enormous impact on greenhouse gases and air pollutant emissions. Each and every one of us, in our lifestyles and the choice we make, contribute to the challenges of the environment, or the solution and resolution of those challenges. So I think it is critically important for Canadians to know what initiatives a government is taking in this area and why.

[Translation]

Mr. Bernard Bigras: I understand what you are telling me, but what is the justification of a \$900,000 expenditure to promote the climate change plan, when you determined that the One-Tonne Challenge Program of the previous government was ineffective and was not producing true reductions in greenhouse gas emissions?

What allows you to authorize an expenditure to promote an action plan that does not respect the Kyoto Protocol? Based upon departments' assessments, among others that of Treasury Board, you determined that the One-Tonne Challenge Program would not lead to the objectives being reached. How can you state today that this program, this advertising campaign, will allow Canadians to improve their environment, whereas the One-Tonne Challenge Program could not?

[English]

The Chair: Very briefly, please, Ms. Ruta. **Ms. Basia Ruta:** Yes, Mr. Chair. Thanks.

There are expenditures for advertising and communications, and these are standard expenditures across government.

On the question of whether there was good value for money, or money well spent, those kinds of exercises usually occur after the fact, when you go through some type of program evaluation. And indeed, that may be the case.

But a lot of communications and advertising is coordinated centrally, as my colleague Mr. Martin said, to describe certain issues or platforms to Canadians.

The Chair: I'm sorry, Mr. Bigras, your time is way over.

Mr. Allen, please.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Being an accountant and a bean counter, when it comes to the year-end and the \$1.5 billion and a couple of other things with respect to comments made by the Commissioner of the Environment in her report, I can't resist asking some questions.

Just so I understand, would you have booked the \$1.519 billion from 2006-07 in your department's book as an accrual at year-end?

Ms. Basia Ruta: It's not in Environment Canada's books. As we mentioned, this would be the Department of Finance's books.

Mr. Mike Allen: Whose budget does it come from?

Ms. Basia Ruta: It would not be from Environment Canada's budget. The Department of Finance is accountable for that.

Mr. Mike Allen: Is it because it's a surplus from 2006-07?

Ms. Basia Ruta: No. It's the Department of Finance. It's the Minister of Finance who is accountable for this particular initiative, as I understand it. But it's not within Environment Canada.

Mr. Mike Allen: Okay. So this \$1.519 billion is in the Department of Finance's budget.

(1245)

Ms. Basia Ruta: As I understand, it is subject to Parliament approving this, and that's with the Budget Implementation Act.

Mr. Mike Allen: Okay. Let me move on to my next question.

Picking up on Mr. Harvey's comment that we don't know about the \$6.3 billion, the report also states: "There is no government-wide consolidated monitoring and reporting of spending and performance information on climate change activities." I assume you are responsible for the comptrollership of the Department of the Environment. Is that true?

Ms. Basia Ruta: Correct.

Mr. Mike Allen: Can you tell me what specific actions you are taking in your department to address and contribute to government-wide monitoring and reporting?

Ms. Basia Ruta: I mentioned earlier, Mr. Chair, the horizontal management accountability results framework. That's not just an initiative that's internal; that's within my area of accountability. On a prospective basis, it is to coordinate with all of the other departments that are contributing to the clean air climate change agenda we spoke about to have a horizontal frame with a secretariat that supports the ongoing challenge of that work. This secretariat should feed into a coordinating committee of deputy ministers, who would then be accountable to their ministers and central agencies and Treasury Board.

Through the departmental performance reports or the Canada performance report or others, the view is that there will be a mechanism to report to Parliament on the results we're achieving and also the dollars being spent vis-à-vis the objectives.

Mr. Mike Allen: So we have all these buckets of money in various departments to meet our climate change agenda. We'll take our chemical substance plan—let's say, \$300 million. That's an Environment Canada budget line item. Correct?

Ms. Basia Ruta: Partly. It's not just for us.

Mr. Mike Allen: Okay. So you're going to have a little bucket of these dollars there, and during the year you're going to put this aside.... I assume you're going to put the systems in place to collect the actual dollars against that bucket. How often are you going to be reporting this in this horizontal framework?

Ms. Basia Ruta: The chemicals action plan isn't actually part of the climate change horizontal management framework. That is different

But as my colleague mentioned, I think there are checks and balances imposed on any organization. We are required to produce a results management accountability framework and to report on that in terms of the results we are achieving over time.

As part of the objectives of this government in revamping the expenditure management system, our understanding is that this will be a lot more formalized, in having program evaluations deal with a lot of the programming on a cyclical basis. Certainly some of these big measures typically also undergo some coordinated reviews.

Mr. Mike Allen: Mr. Chair, do I still have a little bit of time?

The Chair: You have half a minute.

Mr. Mike Allen: With respect to New Brunswick, the coal plant at Belledune is one of the things they've been talking about. It already has the existing scrubbing technology. Looking at zero emission technology for this funding, has anything been worked out with the province with respect to reporting on what they're going to do at Belledune?

Mr. Michael Martin: Mr. Chair, I think that has been identified by the province as an issue for funding under the trust fund. Of course, any such facility will also be impacted by the regulatory regime. If there is adaptation of the facility required, these funds may well serve to support that goal.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: The environment's obviously taken on a new-found importance in the last number of months politically, but also just in the interest of Canadians. How big a ministry is the Ministry of the Environment compared to other federal ministries? Is it small, big, medium, in terms of expenditures or total budget?

● (1250)

Ms. Basia Ruta: Within the main estimates and our total funding, we are about \$1 billion; however, with some year-end transactions, it may be more.

Also, Environment Canada has received accountability now for the Toronto waterfront revitalization initiative, so when you see the estimates next round, they'll be increased by quite a bit. So we're within the top 25. The Comptroller General would refer to this department as being in the first tier, but certainly not at the scale of DND. We're about 6,500 employees, if that helps.

Mr. Nathan Cullen: Yes, it does.

The reason I'm curious about this is that I was speaking with the Auditor General this morning, and some others, about the role that Environment Canada is meant to take on with the challenges that Canada and the world are facing. I think sometimes it bears an objective view as to what the expectations of a ministry are from the public and from government. Correlate that to the funding sources, in comparison with those for Public Works, let's say, which has an enormous budget and many, many staff, which almost no on knows about in the general public. For Environment, I think that oftentimes the expectations might be oversold as to what authority and power and capacity the department has.

I want to get back to the criteria of how money is spent and how choices are made, because there's a whole suite of options available for reducing greenhouse gases—too many to name some days. I'm trying to understand if the government actually applies—and this was a struggle I had with the previous government, as well—these criteria to say that the best bang for the buck is to do operation X instead of Y.

You mentioned earlier, Ms. Ruta, that there's something looking to the future, but there hasn't been anything to this point. Did I understand you right?

Ms. Basia Ruta: Perhaps I'll make one correction, and then I'll defer, particularly on some of the new initiatives, to my colleague Mr. Martin.

I mentioned on a prospective basic, yes, but as the answer to another question. Under the previous government, and then under this government, there was a review of all climate change initiatives, as we talked about. It was in the order of \$2 billion. Some of these programs and initiatives were confirmed, reconfirmed, retrofitted; a number of them were terminated, and the money then reallocated towards different initiatives.

In terms of-

Mr. Nathan Cullen: Can I interrupt you there just for a clarification? I'm curious about something.

There was no drastic up or down in the environment budget given in the last two or three budgets. You've been at some sort of level of constancy within a few million dollars or tens of millions. There hasn't been a dramatic ramp-up or dramatic cut in Environment Canada spending. Is that fair to say?

Ms. Basia Ruta: Again, there are a number of initiatives that are big-ticket, if you like, that are embedded in the Budget Implementation Act. That's still subject to parliamentary approval.

In terms of how that rates with previous years, one of the members mentioned—now, again, this question probably would be best suited for Department of Finance officials—that they are often multi-year in outlay. Periodically, there is a look to see whether or not some of these programs need to be changed or redefined.

Mr. Nathan Cullen: Back to the criteria question, I can remember one of this government's first initiatives was around the transit pass

subsidy to transit riders. It was then later deemed that the cost per tonne was in the \$2,000 range. It was seen as an extraordinarily expensive way to go about it, if your main intention was to reduce greenhouse gas emissions. This was a way to do it, but it was an expensive way to do it.

My question is, as the government is making decisions—and I have some serious concerns about the ecoTrust, but I'll leave that aside—about where to allocate those resources, clearly cost-effectiveness must be one of the leading criteria, and I'm mystified as to why that's not more prominent.

Mr. Michael Martin: Mr. Chair, I think it is important to define metrics around any program area, any policy initiative. The investments the government has made, as I said at the outset, are intended to complement the regulatory regime and are intended to drive behavioural and, particularly, technological change.

I think you can do the math to use a cost per tonne as a metric, and that would provide you with one source of information. You would need to evaluate that over the timeline. You would need to consider what the program goal was. So in terms of performance and performance evaluation, I think it would be important to articulate a series of performance metrics for any particular initiative that is both quantitative and qualitative.

As Ms. Ruta said, we are in the process of developing a horizontal management accountability and reporting framework for the Government of Canada clean air and climate change initiatives. Through that work we are going to develop a logic model, and we will continue to work on performance indicators to help ensure that ministers and others can make good decisions on the most appropriate investment, keeping in mind the specific policy goal.

In the case of the one you mentioned, encouraging Canadians to make more effective use of public transit is an important public policy goal.

● (1255)

The Chair: Mr. Warawa.

Mr. Mark Warawa: Thank you, Mr. Chair. I have just a couple of quick comments and then a question for the department.

The issue of the advertising campaign: with a business background, a successful business would budget into its annual budget a certain amount of dollars for advertising. You needed to have an advertising campaign that was effective and efficient at getting one's message out, and businesses that did not have an effective and efficient way of getting their message out would not be successful, generally speaking.

So having a successful advertising campaign I think is critical, and the message is that we each need to do our part to reduce the amount of greenhouse gases that are caused by our use of energy, number A comment was also made about the One-Tonne Challenge, and of course the previous government had a comedian who was the spokesperson for it. Maybe they thought it was a humorous plan. But obviously it wasn't successful, it didn't get it done. Our plan is now working with our international partners. It's part of a global international plan that will be very, very effective and is already effective, and the Liberals are still laughing.

So I have a question, and it's again an offshoot of the congress I went to at GLOBE. We heard of the need for electricity. In India, 100,000 villages have no electricity, and a lot of the energy now being planned is to create the new power generating plants using coal.

In rural Canada, in British Columbia, there are communities that use diesel to create electricity for some of the outlying areas. There is Highway 37, which is an electrification project. Could you elaborate on the benefits of that project again to reduce greenhouse gas emissions and have a cleaner supply of electricity?

Mr. Michael Martin: Mr. Chairman, I'm not familiar with all the details of that project.

The purpose, of course, is to provide cleaner forms of electricity and help communities move away from diesel. This is actually a very significant challenge in rural Canada, particularly in northern Canada and in northern parts of provinces across the country. A range of initiatives will be needed to help such communities move to cleaner forms of energy. There are some promising technologies in that area, and this project is an example of one.

Mr. Mark Warawa: Mr. Chair, I thank the department for being here. This was informative.

I will maybe make a commercial—because we are televised—that each of us as Canadians produces, on average, 10 tonnes. You can go onto the Environment Canada web page and do a quick calculation. It's fun, easy, and interesting to see how much carbon each of us produces as an individual.

I took the test, and there are lots of ways and lots of suggestions on how we can reduce our carbon footprint. We can't just ask government to do it or industry to do it; every one of us has a moral responsibility. There is urgency, and it's actually fun to be environmentally friendly.

Thanks to the department for being here, and thanks to Canadians for doing their part.

Thank you, Mr. Chair.

● (1300)

The Chair: Thank you, Mr. Warawa.

Mr. Rota, you and I have a negotiated time here.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): I have two minutes. I'll be very concise with my questions. If I could have concise answers, I'd appreciate it.

Did any MOUs get signed with any provinces on the ecoTrust?

Mr. Michael Martin: No.

Mr. Anthony Rota: Has any province received money yet?

Mr. Michael Martin: Mr. Chairman, I said earlier I would defer to the Department of Finance on the mechanics of how funds are being transferred to the trust fund.

The Chair: We have that request.

Mr. Anthony Rota: I'll get a little specific, because I know there's been some question on this one. Has Quebec received any money—just the one province?

Mr. Michael Martin: My understanding is that the funds will be placed in the trust and that provinces will draw on the trust at their own discretion. Again there, I would defer to the Department of Finance to clarify what the precise mechanics have been with regard to disbursements under the trust fund.

Mr. Anthony Rota: The money legally should go through the trust; if it doesn't go through the trust, then it goes directly to the province, and that wouldn't be kosher, let's say.

Has the fund been set up?

Mr. Michael Martin: Mr. Chair, again, I believe the trust will be established under the authority of the Budget Implementation Act. On exactly what arrangements have been made or are in place now, I would have to defer to the Department of Finance, which is managing that.

Mr. Anthony Rota: The request is already in. We'll leave it at that, then.

Thank you.

The Chair: Thank you, Mr. Rota.

Thank you very much to our guests.

Our time is up, Mr. McGuinty.

Mr. David McGuinty: Very quickly in closing, I'm not sure how other committee members feel, but I'd like to get the attention of the parliamentary secretary.

I counted eight separate occasions today when-

The Chair: There is a point of order, Mr. McGuinty, from Mr. Warawa.

Mr. Mark Warawa: Mr. Chair, it's after one o'clock. My understanding was that I was the last speaker. I cut it short to be within the comment period, and now we're going over the meeting's end—

Mr. David McGuinty: It's a comment to you and to my colleagues. It's not to do with the—

The Chair: We can excuse our guests, I'll adjourn the meeting, and we can discuss this. I believe that's what you want, Mr. McGuinty.

Thanks very much for appearing.

Mr. McGuinty would now like to talk to the members here off the record

The meeting is adjourned.

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