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• (1110)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, everyone.

I think we'll get started with the order of business today. You have the agenda in front of you. If we could, I'd like to bring forward the motion from the last meeting. The hour and the timeframe are correct. We have discussed this item to some degree, but I would like to call for some short comments, and then we can move on to the regular business.

Mr. Julian.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Chair, it will be no surprise to you that I'm speaking against the motion.

When we had our initial discussions setting up the transport committee, we had some discussions about this area, but then Mr. Laframboise offered a compromise that I think has worked very effectively up until now. We have good balance between party representation; we have good balance with individual members getting on for questioning, which is extremely important.

That has worked well over the last few weeks, so I'm a bit perplexed as to the insistence of the parliamentary secretary in continuing to bring this issue up. What we've had is a system that has worked well. We've had a system that guarantees one supplementary question for each of the opposition parties. Over the first two rounds that gives each of the opposition parties a chance to raise the issue, and then to come back to issues that may have come up in the first round of questioning.

The proposal Mr. Jean is putting forward would actually do two things. In the case of one party, the NDP, it eliminates any possibility of a supplementary question, which is a broad parliamentary tradition dating back centuries. The fact is we have supplementary questions in parliamentary tradition because issues come up from the initial questioning that we need to pursue. That's why the principle of a supplementary question is extremely important.

In the proposal from Mr. Jean we also have a backloading of government members, which I feel is completely inappropriate. In fact, after the first six speakers, two-thirds of those who speak in the remaining time would be Conservative members. I don't feel it's useful for the opposition to have what is, in effect, a back end dominated by government members.

I take my responsibility as an opposition member very seriously. I understand the role of government. The role of government, in the end, is often to make decisions that are important.

But the input of opposition members is extremely important. The input of each of the opposition members here is extremely important. That's why I believe that our current structure, which allows each of the members to intervene but also preserves that principle of supplementary questions and allows us to do our work as opposition members, is the best route to go.

I am a member of Parliament, but I'm also representing the nearly 20% of the population who voted NDP in the last election, and of course that means I am here as a representative of my party. To move from the current structure, which gives me that supplementary, to a structure in which I get one question out of 12 does a disservice both to the opposition members and to those folks across the country who voted NDP, even if we don't necessarily have the same number of members in the House.

We have a current structure that has worked well. It provides one supplementary question for each party and allows that alternation between Liberal and Conservative members once we go through those supplementary questions; every member gets a chance to intervene, and there is no backweighting of government members. The Liberals and Conservatives alternate until everyone has finished speaking.

This proposal would backweight it so that it is almost exclusively government members in the back end; two-thirds would be government members intervening and questioning witnesses. For all those reasons, I think our current structure is the route to go. It has worked well. It allows the collaboration we need in this committee.

I think we have a very talented committee composed of very dedicated committee members, and we found that balance when Mr. Laframboise moved his motion at that initial meeting. Why would we throw out that balance for something that in effect allows a greater concentration of government members to speak and eliminates the right to supplementary questions for at least one of the opposition parties? For those reasons I oppose the motion.

• (1115)

The Chair: Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Very briefly, I know that we've beaten this horse to death, and I think it's already been dead about four times. But the committee sets its own agenda, and we are not bound by parliamentary traditions. This gives all Canadians the equal right to be heard at least once, in my mind.

With respect, the back-weight that Mr. Julian is talking about is because there was absolutely no democracy before. I'm surprised that the NDP would come forward to oppose something that gives fair treatment to every member of Parliament in this committee. I'm shocked at that.

That's the only comment I have.

The Chair: Seeing no more comments, we'll call the question.

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

The Chair: We'll move on to the orders of the day. Pursuant to the order of reference of Monday, May 1, we have Bill C-3, an act respecting international bridges and tunnels. Bill C-3 is an act respecting international bridges and tunnels and it's making a consequential amendment to another act.

I would ask our guests to come forward, please.

Good morning. I'd like you to introduce yourselves and, once that's complete, I think we can move right into the presentations. We'll try to keep you here for as little time as possible, as little time as you need.

Go ahead.

Mr. Dan Stamper (President, Canadian Transit Company): My name is Dan Stamper. I'm president of the Ambassador Bridge.

Mr. Matthew Moroun (Vice-Chairman and Principal of Centra Inc., Canadian Transit Company): My name is Matt Moroun, and my family owns the Ambassador Bridge.

Mr. Skip McMahon (Executive Director of External Affairs, Canadian Transit Company): I'm Skip McMahon. I'm the executive director of external affairs for the Canadian Transit Company, the Ambassador Bridge.

The Chair: Please feel free to proceed.

Mr. Dan Stamper: Thank you, Mr. Chairman.

Thank you to all the members of the committee for this much desired opportunity to speak today on the proposed legislation governing international border crossings between Canada and the United States.

First, let me say we are concerned with the intent and the spirit of Bill C-3 as it relates to our company. I would like to share our perspective on the bill's effect on our private sector enterprise and on whether it would improve our accountability and add to our successful record of accomplishments in supporting trade and tourism for our region and the world.

At the Ambassador Bridge, we know the world is watching, and we continue to earnestly perform our duties on a daily basis, while preparing for the future.

Let me provide some background so that you may clearly understand our concerns. In the early 1920s, a private entrepreneur developed a plan to finance, construct, and operate a privately owned

international bridge, which became known as the Ambassador Bridge. This effort included private investors taking the full risk of this investment and the responsibility to garner all the needed property, the necessary legislation in both countries, along with the local, state, and provincial approvals.

After accomplishing all of the above and constructing the bridge, the economies of both countries were affected by the Great Depression in the U.S. With no help from government, the private investors reorganized and survived this horrific economic crisis.

From the mid-1960s through to today, the Government of the United States, the State of Michigan, and the Ambassador Bridge have improved the roadways on the U.S. side of the bridge, to the extent that all three freeways are connected to the Ambassador Bridge. At the same time, there were no improvements to the Canadian roads leading to the bridge.

Our company has a reputation of speaking clearly on matters that involve our industry, and I intend to do so today. Our effort is to clarify and offer meaningful facts and direction for improving and strengthening the relationship between Canada and the Ambassador Bridge, while acknowledging the differences between public and private border crossings, as well as to articulate our concerns about Bill C-3.

We believed the governance of the Ambassador Bridge by Canada was resolved and put to bed with an agreement reached in 1992, after more than a decade of litigation between the parties. It is as if some people cannot forgive us for the way in which a 13-year-old litigation was settled. As the basis of this settlement, we agreed to invest millions of dollars in Canada on behalf of Canada Customs for new facilities, solely at our expense. Since that date, we have invested tens of millions of dollars more than what was required under the terms of the settlement, which created continuous and significant benefit to Canada.

Having gone above and beyond the terms of the 1992 agreement, we are troubled and question the true intent of Bill C-3. Comments made by members of this government during a recent question and answer period only heightened our concern.

The following comments were made by the Conservative MP for Essex:

In my corridor, a private bridge operator is threatening the binational process for moving forward. This private interest is moving very quickly to twin the span there which really threatens to undermine a process that we are a partner in.

It is important that we get this bill through in a very timely fashion without holding up too many add-ons because the clock is ticking with respect to this private interest moving forward. It is a project that, in my humble opinion, is not in the national interest, certainly not in the community interest.

It is important that all members in the House support this legislation and get it through quickly, so that we can avert this type of situation or at least have some oversight over what is happening. This is a necessary piece of legislation.

Quite frankly, this troubled me, since when I read the member's speech regarding Bill C-3, it contained so much misinformation that was being discussed as if it were truth. Whoever is perpetuating these myths is not doing a favour to the economies of the region, nor to the economies of Canada, the United States, Michigan, or Ontario.

• (1120)

Those who believe that they are helping the region are hurting its citizens on both sides of the border as tourists and business investments are chased away. I am really here to tell you about our positive actions for the border, and how we want to work with the Canadian government, but let me deal with a few more outrageous statements.

This is a quote:

When we look at the level of traffic and the impact of the backup of that traffic into communities such as Windsor, there obviously is a need for new bridges.

The truth is that the traffic at our crossing and at the Detroit-Windsor tunnel is down about 30% from 1999 levels. The optimistic traffic numbers projected by DRIC have been revised downwards several times already. With the Ontario government's no-smoking ban coming into effect on May 31, Windsor's tourist business is projected to fall even more dramatically. In fact, the bridge is only at about 50% capacity today.

Yes, there were traffic backups at the bridge immediately after 9/11, as there were at every crossing, but why haven't you been told that our company, not the Canadian government, fought and even sued the U.S. government successfully to build customs booths and to ensure that they were fully staffed? When they opened, the truck backups disappeared. In fact, the deputy police chief of Windsor wrote to me and complained that his biggest problem now is speeders on Huron Church Road.

A second statement requires correction. In your chambers, it was stated, "In my corridor, a private bridge operator is threatening the binational process". The facts are as follows. After agreeing in 1992 to settle all outstanding litigation and investing tens of millions of dollars, we announced in 1993 that we were preparing to build additional lanes between Windsor and Detroit, consistent with that agreement. The Canadian Transit Company publicly began its effort to enhance its facilities in 1993 and has continued to acquire the necessary property, and engage consultants and engineers to prepare all necessary documents for that construction.

It is DRIC that began in 2001 and has been rushed in an effort to catch up with the replacement of the Ambassador Bridge's commitment for additional lanes. The same bureaucrats in charge of the DRIC process are the people responsible for approvals of the Ambassador Bridge project. This creates a group of bureaucrats as a competitor of the Ambassador Bridge at the government-owned Sarnia-Port Huron bridge, and creates a direct conflict, since they are judge, jury, and executioner when it comes to the Ambassador Bridge projects.

Thirty percent of all international commerce crossings are destined for, or emanate from, industrial businesses in Windsor. This number is so large that if a separate crossing were built just for Windsor shippers, it would be the fourth-largest crossing at the border. The reality is that Windsor is an industrial town, and any new truck tunnel or dedicated road will not change things. This is a pipe dream for the naive.

It's not my desire to be offensive, but the truth does need to be told. As mentioned earlier with regard to Huron Church Road, the fact is there are problems at the border. The main impediment at the

border is the lack of any adequate surface roads and thoroughfare from the Ambassador Bridge to Highway 401 on the Canadian side. The fact is that Michigan has invested \$184 million, federal and state dollars, for the Ambassador Bridge gateway infrastructure. Michigan has streamlined and maximized border investments with the gateway, and the Ambassador Bridge has invested nearly 500 million private dollars preparing for additional lanes between Windsor and Detroit.

Windsor roads from the border to Highway 401 remain deficient and will impede trade in this corridor. Despite all the public and private dollars invested on the U.S. side of the bridge, despite the \$300 million that Canadian federal and provincial governments announced in 2001 to be allocated to improve access to the current border facilities, Canada has failed to solve their well-known problem, a road from Highway 401 to the border.

Also, there is a seriously underdeveloped road system surrounding the border crossing. We will stand in line first to support improvements to the Canadian connections to the Ambassador Bridge and we urge you to focus efforts in this direction.

• (1125)

In our view, public moneys that would be devoted to a new crossing, which would disrupt communities not now impacted by the bridge, would be better spent on improvements to the existing corridor.

Specifically regarding Bill C-3 and the health, safety, and security aspects of the bill, I am certain that mutual agreement can be worked out on the technical terms as it has been achieved in the past. We have little difficulty with security matters either, because immediately after 9/11 we engaged, managed, and are paying for 24-hour-a-day armed security at the Ambassador Bridge, unlike other border crossings. Most of the latest security technology innovations are put into service first at the Ambassador Bridge.

We are aware that the Bridge and Tunnel Operators Association has given testimony regarding sections of Bill C-3 dealing with toll collection and financing, and we won't touch on that today.

To the extent that the sponsors of Bill C-3 are trying to emulate the presidential permit process in the United States, they have not done so in Bill C-3. The presidential permit process is designed to focus on the single issue of whether new border infrastructure is in the public interest. Thus the U.S. agency that decides whether to issue such permits, the Department of State, focuses only on that public interest issue and does not involve itself in approval of changes of ownership or operation of bridges. Ownership and operations are matters left to the bridge owner both by the U.S. and by Canada. This is wise policy, since there is no reason to believe that the private sector will not do a good job in self-regulating, as it has for decades without any problem.

By contrast, Bill C-3 would involve the Canadian government in such matters; however, Bill C-3 is much too invasive in injecting government into the regulation of bridges. For example, the bill unnecessarily puts the Governor in Council into a micromanagement position by authorizing it to adopt regulations on the operation and use of each bridge. Simply stated, there is no problem with the status quo that would warrant this proposed new level of government involvement. Bill C-3 is a solution in search of a problem.

Further, in the case of plans to add another span at the Ambassador Bridge, the state department has determined that no presidential permit is needed, since the Ambassador Bridge has previously been approved by statute. So too in Canada, existing bridges should be grandfathered against any requirements relative to obtaining approval for new construction or alterations. Any other approach would cause private investors to think long and hard before making significant infrastructure investments.

On the other hand, to the extent that Canada wishes to take responsible steps to ensure that persons with criminal backgrounds or persons who pose a security risk do not control or come into control of new or existing international crossings, we have no objection to that type of limited and reasonable regulation to protect the public interest.

At the same time, any new measure should make clear that foreign ownership in and of itself is not unlawful or impermissible nor provides grounds for disapproval. Government regulations in this area that go beyond reasonable security considerations might stifle private investment and involve the government in private sector affairs best left unregulated.

Further, Bill C-3 carries with it the risk of inappropriate extraterritorial impact. At the minimum, the bill should be amended to provide that the government be advised of change of control and ownership, not that it have a right to approve or disapprove control—other than for security concerns, and then only after consultation with the U.S. This will ensure against unilateral action on a matter as fundamentally binational as a bridge across the border. The scope of the regulation-making authority must be focused exclusively on the purposes of Bill C-3, safety and security.

Further, I note that there has been a trend in recent months in our nations and elsewhere to enhance the growth and benefit of private-owned infrastructure projects. The Ambassador Bridge and several new or planned privately sponsored toll roads offer examples. The growth of private investment in infrastructure should be promoted by the Canadian government as a means of achieving the benefit of private funding and efficient operations, saving taxpayers' resources for use on other projects.

• (1130)

As noted above, public funds could be well spent in Canada by improving the approaches to the Ambassador Bridge. We have a long-term relationship with Canada and the Government of the United States, built on 78 years of history and respect. Now, with the stroke of a pen, the Government of Canada unilaterally attempts to wipe away what we have achieved. Moreover, the bill as drafted seems to allow the government to act retroactively as well.

As you are aware, there are numerous pieces of legislation governing the Ambassador Bridge, not only in Canada but also the U.S. The legislation in both countries has been created, and together they govern the Ambassador Bridge as an international border crossing. Any unilateral change may disrupt the meaning and application of these international agreements.

If changes are needed, we are ready to work closely with the government to develop meaningful legislation that continues to protect the public and continues to create an environment that not only allows for but also motivates the border crossing operator, whether public or private, to invest in and manage efficient border crossings for the good of Canada and the United States.

We are not a new company starting out but a legitimate border operator that has done its best for the good of this country and our American neighbours for over 75 years. We want to work with the Government of Canada, with Ontario, with Windsor, with those in the United States, such as Michigan and Detroit, to provide the most efficient border crossing experience for business and consumers in North America.

We are already the best operator, according to the U.S. government report, and we intend to remain number one. We also are fully prepared for the future, and believe meaningful and thoughtful legislation will ensure that all border crossings can fulfill their mandates on behalf of Canada.

We would like to invite any and all members of Parliament to visit the Ambassador Bridge for a tour, either as a group or as individuals. We would be pleased to host such a tour of the entire facility so that you are able to see firsthand that it is a total international piece of infrastructure, not just two halves being operated separately. A tour would help crystallize and clarify your views with a greater insight to the perception and actual restrictions we face.

If I could leave you with one message, it would be that the Ambassador Bridge wants to work cooperatively with the government and with the who are others involved for the good of both citizens and the economy. Irritants such as those in Bill C-3 can be dealt with if the parties are willing to do so. We stand ready to meet with representatives from the Canadian government for the betterment of the border and Canada, similar to what we accomplished in 1992.

I'd now like to turn it over to Matt Moroun.

• (1135)

Mr. Matthew Moroun: Thank you. My name is Matt Moroun. Of course my family owns the Ambassador Bridge, and has since 1979. Thank you for the opportunity to meet this distinguished committee to discuss the proposed legislation, Bill C-3.

The Ambassador Bridge has a distinguished record of serving the travelling public for over 77 years. It has weathered much over its history, including the Great Depression, world wars, the auto pact, ownership litigation under the Foreign Investment Review Act, NAFTA, 9/11, and power blackouts.

For the last 18 years, it has managed to be the most popular and preferred border crossing in North America by a measure of traffic count. For all those years, the Ambassador Bridge has been a shining example of the success of the private sector, having financed its own construction, maintenance, and operation entirely without government funding of any kind. Since 1979 the bridge has been owned by my family. We have operated the bridge successfully, not only financially for our own interests in its long-term future and as shareholders, but more importantly as stewards of a great responsibility.

To that end, we have successfully cooperated as partners with Canada Customs, Canada Immigration, the Department of Homeland Security, the Michigan Department of Transportation, the Ontario Department of Transportation, Transport Canada, Fish and Wildlife Service, and more agencies than I can name.

Permit me to suggest that there is no meritorious catalyst for additional and burdensome regulation of the Ambassador Bridge at this time. The state of the bridge is strong. Its finances are sound, its management sharp and successful, and its track record the best in the industry. Additionally, there exists no national or international event occurring recently or expected that would encourage or attract the invasive fettering of government.

However, do not confuse my words as introversion or egocentrism. We are neither. Instead, we relish the opportunity to discuss with this committee—and, if we are able, Transport Canada—the issues and challenges of the border and specifically the Ambassador Bridge. We not only favour outside input, but look upon the Government of Canada as a partner and primary stakeholder in our long-term future and, importantly, our day-to-day business. It may seem incongruous that our operation has thrived for over 77 years without invasive federal regulation, even though the bridge itself would be incapable of functioning without hundreds of distinguished Canada Customs and Immigration officers on our plaza and inspection areas every day.

To that end, we are not suggesting that the Ambassador Bridge go it alone. That would be a ridiculous statement and an ignorant one. We are asking this committee, and especially Transport Canada, to please put down your sword, set this legislation aside, and instead engage in meaningful dialogue, not just at a very formal hearing to discuss the legalese of this legislation, but rather to discuss and brainstorm and cooperate with one another toward an even more successful Ambassador Bridge for the advantage of the operation, the government, and the public.

Thank you.

• (1140)

The Chair: Thank you, gentlemen.

We'll have some questions now.

Mr. Bell.

Mr. Don Bell (North Vancouver, Lib.): Thank you.

Mr. Stamper, you made reference to the Detroit River International Crossing Study. Do I understand that the U.S. has backed away from this study now, the State of Michigan?

Mr. Dan Stamper: The State of Michigan held hearings similar to what you're holding here today over a period of about a month and a half, took testimony from witnesses, and within a week of finishing that testimony both the House and Senate passed resolutions taking away funding for the direct study, and smacked the Michigan transportation people for overreaching with their efforts in DRIC and in the cost of DRIC.

Mr. Don Bell: So in terms of the issues you raise in your presentation, the suggestion that in some way this is related to the proposal for an alternate crossing, then at least from the State of Michigan's side they've withdrawn their interest in that. Is that correct? Is that your understanding?

Mr. Dan Stamper: Politically, the State of Michigan has withdrawn funding for the DRIC. I don't know what the ultimate reaction of that is with the U.S. Federal Highway Administration, with Transport Canada, and with the Ontario Ministry of Transportation. It was a four-party effort.

I believe that the State of Michigan is withdrawing its funding, and unless one of the other parties picks up funding, the study would end.

Mr. Don Bell: When we had Mr. Hicks here last week from the Department of Transport, I asked a question relating to a statement we have in the material about the consultation with the stakeholders. Initially the report we have, Mr. Chairman, says stakeholders have not been consulted with respect to the additional provisions. Those are the changes between Bill C-44 and this proposal—the two main changes.

Then Mr. Hicks made a statement that there have been extensive briefings and consultations, but he also made the reference in the written form suggesting that although there hadn't been consultations, their concerns would be dealt with during the regulation process.

Have you or your company been involved, Mr. Stamper, with extensive briefings and consultations with the Department of Transport?

Mr. Dan Stamper: I called Mr. Hicks when I read Bill C-3 and asked what the intent of Bill C-3 was. I got an explanation that the deputy minister was concerned about security and...maintenance, health, and safety issues.

I said to Mr. Hicks that Bill C-3 went way beyond that and asked why he didn't pick up the phone to call me and let me know what their issues were in reference to our bridge. I said we'd be glad to respond to them. The answer I got was that they were having more problems with their own bridges than with ours.

Skip and I did meet with Transport Canada about three weeks ago. I gave the same kind of presentation to them at the time—that we appreciate and understand the concern on health, safety, and security issues; we've lived up to or exceeded our obligations beyond what everybody else has done at the border; we would work with Transport Canada to develop legislation that governs those things correctly.

The balance of Bill C-3—as it relates to a private operator who has invested their life, their money, their responsibility—just doesn't make any sense. We ought to take a step back, sit down, and work together to create legislation that accomplishes the government's goals.

• (1145)

Mr. Don Bell: My understanding is that there are two private bridges, and yours is the number one crossing between the U.S. and Canada. Is that correct?

Mr. Dan Stamper: That's correct, sir.

Mr. Don Bell: A presentation to us on May 16 from Mr. Garlock on behalf of the Bridge and Tunnel Operators Association indicates they have two areas of concern.

It says,

...there are two areas within the legislation that we have explained would be injurious to crossing operators in a way not intended by the legislation.

It says,

The first and most significant issue deals with the intent to approve setting of tolls, fees, and charges.

It goes on to indicate the independence of some of the members.

I presume this would potentially have greater impact on a private operator. How do you see this relating to the issue of competition—the impingement, if you want to call it that—on the setting of fees?

Mr. Dan Stamper: As I said in my testimony, the same people who are asking, through this legislation, to govern fees and to govern tolls are also competitors of ours. They own and operate bridges. They compete with us—so we see it as a way to control not only the bridges that they own, but also our bridge. We're very concerned that Transport Canada would be both our competitor and our governor.

We appreciate health, safety, and uniformity among the bridges, but this bill goes way beyond that. It is not a health, safety, and security bill.

Mr. Don Bell: The other aspect is the grandfathering part. I gather, in looking at the bill, that it seems there is the reference to grandfathering, if you want to call it that, with respect to operators, but not with respect to owners. Can you comment on that?

Mr. Dan Stamper: Yes. There is an article towards the end of the bill that grandfather an operator. If you're an operator the day before this legislation goes in, you're an operator the day after. But it does not grandfather any of the other issues, and given that we have 77 years invested and hundreds of millions of dollars, the bill does something way beyond, as I said, health and safety issues, and it concerns us.

If what the government wants is to have uniformity on those issues amongst the border crossings, we're in favour of it and will work toward it, but when it starts getting into the micromanaging and control of all the other aspects of a private business that's been very successful, it raises big red flags for us.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you, Mr. Chairman.

I see that you have some major reservations about Bill C-3. Is your organization a member of the Bridge and Tunnel Association?

[English]

Mr. Dan Stamper: Yes, we are, and we agreed with their comments. In their comments they identify that the finance toll issues were the ones that were completely supported by their members. That's why they spoke on those issues only, and in their comments they indicated that individual owners would come to this committee with their own comments on the balance of the bill.

[Translation]

Mr. Mario Laframboise: With the exception of the two proposed amendments, the Association seemed to be in favour of Bill C-3, the follow-up to Bill C-44. However, you seem to be telling us that major consultations are needed before we can proceed to adopt the bill. Did I understand you correctly?

• (1150)

[English]

Mr. Matthew Moroun: Yes, that is correct. Transport Canada has not met with me, my father, or any member of my family. I don't remember giving them a tour of the Ambassador Bridge, and they have much to learn about our operation. I would be very reluctant to perform surgery on anyone prior to having all the information necessary.

[Translation]

Mr. Mario Laframboise: I would now like to focus on certain specific provisions, since we'll be discussing the bill in the very near future. I understand that you disagree with subsection 23(1) which reads as follows: No person shall, without the approval of the Governor in Council, (a) purchase or otherwise acquire an international bridge or tunnel [...]

You're quitting willing to see a new purchaser, but you do not want a requirement whereby the government has to approve the purchase. Correct?

[English]

Mr. Matthew Moroun: Yes. Bill C-3 would require the transport minister's approval, for example, to pass my interest in the bridge to my family, or my son, or my two daughters. It would also require the transport minister's or the government's approval to sell the bridge to the highest bidder in an auction sale, thus hurting the value of the bridge and my family's investment in it since 1979. It has serious financial ramifications, to the point of almost disenfranchisement.

[Translation]

Mr. Mario Laframboise: Surely you have an agreement. You mentioned 1992. Are there any clauses in your current agreement with the federal government that would allow you to transfer or sell any interests? Do the agreements provide for such a possibility?

[English]

Mr. Matthew Moroun: There are no transfer clauses in that agreement.

As we maybe stated not so well, what gave rise to the litigation itself was my family's initial ownership of the bridge in 1979. The Minister of Industry, Trade and Commerce at the time felt that a U.S. company's owning the Canadian half of the Ambassador Bridge was in violation of the Foreign Investment Review Act and sought to take the Canadian half of the bridge away through that act.

That was litigated for over 12 years and was settled in a settlement document. It was settled favourably to both sides, whereby much investment was made by our company and cooperation was given. Litigation both in the United States and in the Federal Court of Canada was dismissed, and both parties went on, until now, very favourably.

Mr. Dan Stamper: I would say that whole litigation issue was around ownership and that all of the litigation was dismissed around the ownership issue. So it put to bed, in our view, all of the concerns we had about restricting our ability to own it, restricting our ability to market it if we chose to do that. Now with this bill, the same issues that were litigated and put to bed come back.

[Translation]

Mr. Mario Laframboise: If I understand correctly, this bill sets aside everything that you negotiated with respect to ownership and transfer arrangements in recent years. An issue that had already been settled is being called into question. Am I correct?

[English]

Mr. Dan Stamper: That's correct, but it does a lot more than that. It goes on to micro-managing our business, besides undoing what the settlement of 1992 accomplished. It goes into getting into a whole lot of areas that the government has never been interested in. We appreciate that when the government owns the bridge, it has full control of what goes on. The spirit and the intent of this bill has more to do with us than anybody else. The government already has those abilities.

● (1155)

[Translation]

Mr. Mario Laframboise: I have a second question for you. I had some serious reservations about clause 15, which stipulates that regulations may be made respecting the tolls, fees and other charges that may be imposed by owners or operators. How does the current system of tolls, fees and other charges work? Must you negotiate with the Province of Ontario and do you set these tolls and fees yourself? Do you follow a set procedure?

[English]

Mr. Dan Stamper: We fixed the rates and we supplied those as tariffs to the federal government, both in the U.S. and in Canada. In the past, if there was a complaint, the federal government would contact us. We would go through an explanation of what our tariff was. At one time there was a delay of a toll increase on behalf of the government that we agreed to until we could establish the reason for it.

Mr. Matthew Moroun: The market forces that control the toll rates are, of course, the Detroit—Windsor tunnel, which is our competitor for automobile traffic. If our toll were to be out of line, we'd lose traffic to them, and vice-versa. Then, of course, with regard to commercial traffic, the Blue Water Bridge in Sarnia is our primary competitor for truck traffic, as well as the Ohio and Pennsylvania

turnpikes for routes inside the United States to New York and New England.

The Chair: Mr. Masse

Mr. Brian Masse (Windsor West, NDP): Thank you very much, gentlemen, for coming. This facility you own has been of considerable interest to my municipality as well as in my riding, which has been affected by the operations and the traffic management for many years, as well as affecting the quality of life of individuals significantly.

The first question I'd like to touch upon is an important issue that has been raised recently with regard to hazardous materials crossing your facility. Do you permit hazardous materials to cross? Secondly, can you tell us the last time there was actually a staged operation to examine how clean-up or mitigation would happen for the spill of hazardous materials? Maybe you could define which ones are actually crossing at your facility, because there have been media reports about that and everything is rumoured, from jet fuel to alum, out there. Perhaps you could start with that, please.

Mr. Dan Stamper: The issue of hazardous materials has been perpetuated by a number of people who are trying to make a point in Windsor, and I am sure you are aware of this, that we allow things like alum, which is used in drinking water in Windsor and is what you're claiming is a hazardous material that crosses the bridge. We allow seatbelt tensioners. We allow airbags for the automotive. We do not allow flammable, explosive, and other goods.

The one issue that you're talking about was alum, and it was on behalf of the City of Windsor and is used in their water treatment plant. It is not a hazard to our bridge or to the water. None of the issues that you're talking about have been identified. On the other hand, the customs who regulate everything across the border has said to the public and to us that the goods that cross the border are all legal goods.

So these perpetual inflammatory statements about hazardous materials, you're well aware and I think the City of Windsor is well aware, are untrue.

Mr. Brian Masse: Have you had discussions with the City of Windsor fire department or any other type of emergency preparedness team? When was the last time there was actually emergency training on your facility?

Mr. Dan Stamper: I can't answer that specifically, but whenever the management of Canada Customs has asked us to do any kind of emergency training, we've allowed that to go on.

I think you're stating the same thing that was in the paper. The union wants to do something in Windsor. We say, "Go to your management, let the management come to us, and we'll deal with the issue." We've always dealt with the management of Canada Customs in any requests they've made to us.

● (1200)

Mr. Matthew Moroun: So we aren't going to go around the management.

Mr. Dan Stamper: Skip just handed me a note. There's one now in the process of being planned with the management of Canada Customs.

Mr. Brian Masse: I'm just surprised it has taken this long to actually have a run at it. The other thing is that we still don't have an official plan developed.

I'll move to the DRIC process, and you have identified correctly that there was, in the state legislature of Michigan, some decision date on that, but the funding has not ceased because the amendments have not passed fully yet. There are certainly other stages to go, and you're right, it's about money, not political process at the time.

The DRIC process has identified that adding additional capacity at your facility is not in the interest of overall planning as well as the best choice for redundancy and a series of other reasons, and it's not selected. Are you saying you're going ahead with your expansion against the wishes of the DRIC process and against the wishes of the municipality, which have noted that they do not want a twinning of the facility that you have?

Mr. Dan Stamper: Let me first say that the DRIC study identified twinning the bridge on the U.S. side as the number one proposal and said it was the right thing to do.

On the Canadian side, the DRIC study partners created an 80-acre plaza in the middle of a community, which created some uproar. It was never a plan of ours—

Mr. Matthew Moroun: They attributed it to us.

Mr. Dan Stamper: It was never developed by us.

The DRIC study on the Canadian side said twinning the Ambassador Bridge brought the most benefit. So don't purport that it came to some other conclusions.

The Canadian side, developed by Transport Canada and Ontario, has said, "We don't want to twin the bridge; we want to move a mile west."

Mr. Brian Masse: It's a joint study, though. So they've agreed as a joint study to make a decision.

Mr. Dan Stamper: It is a joint study controlled by Transport Canada at this stage, and it's why Michigan withheld funding.

Mr. Brian Masse: Well, it's a joint study and an arrangement that has come to a conclusion.

With regard to the tolling, fees and that, right now what is your annual revenue from the asset that you have? You did note that they have not acquired any public funds for the operation, but you do have, annually, provision of customs officials at the site. I believe last year it was around \$13 million. I don't know what it is on the U. S. side. But on the tolling rate, how can you justify the higher tolls compared to say Blue Water Bridge versus your facility, given that you actually have customs officials?

And that's not simply provided there's a ferry service for hazardous materials down the river that has to pay for its operations, so it's a competition issue. But what are the annual revenues at your facility?

Mr. Dan Stamper: Can you ask the question again so I can answer it correctly?

Mr. Brian Masse: Yes. What are the annual revenues from your tolling operations? How do you justify your rates setting the tolls, given that your competitors offer a lower rate elsewhere?

Mr. Dan Stamper: All our competitors have customs officers at their border crossings. We supply, free of charge, all the facilities for Canada to work at our bridge, all their offices, all their booths, all the janitorial work, and all the utilities—at our expense, 100%. Whatever they ask for, we build and give it to them—after-tax money, 100%. So the only one that has to pay for customs officers is a ferry service that operates some amount of time during the day, five days a week. I don't know what their issues are. I also understand there's a lawsuit going on in reference to that.

Going back to the amount of money that we make, as a private company I don't really want to answer that question today, but after the fact, if you want to talk to us, I'd be glad to talk to you, Mr. Masse.

As to the issues of being financially stable, the Ambassador Bridge has been operationally positive and stable, financially positive and stable, and we've supplied best facilities to Canada Customs anywhere in the country.

The issues you're raising ought to be talked about outside of this committee, if you want to, and I'd be glad to do that.

● (1205)

Mr. Brian Masse: Thank you.

The Chair: Mr. Fast.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

I want to commend the delegation. It's encouraging to hear from you that there's still a role for the private sector to play in providing a service and a facility that typically would be provided by public authorities. That is encouraging. I'm glad you're still profitable and are able to provide that service.

I don't believe it's the intention of this committee and this legislation to over-regulate you, although it appears that is your concern here.

I'd like to go back to the settlement agreement in the litigation between the federal government and yourselves. As I understand, it's your position that under that settlement you were required to build customs facilities. Is that correct?

Mr. Matthew Moroun: That's what the settlement agreement said, and we carried it out, yes.

Mr. Ed Fast: Would you agree with me that the Customs Act requires any facilities that charge tolls to provide customs facilities?

Mr. Matthew Moroun: This was a 180-degree expansion and a whole new site of facilities on 30-plus acres as well, sir.

Mr. Dan Stamper: What we agreed to in the settlement—I negotiated that settlement—was to take a blank sheet of paper and start from scratch with Canada Customs and give it things it didn't have anywhere else at the time; to create a test or a pilot, if you will, in Canada for what were at that time state-of-the-art facilities for Canada Customs. We went far beyond what was adequate, to create a state-of-the-art pilot project for Canada.

Since that time, we've invested tens of millions of dollars beyond that settlement in keeping those facilities in a position to handle any of the problems Canada sees at the border.

Mr. Ed Fast: So what you are suggesting is essentially that, even though there was a requirement for you to provide customs facilities, the facilities you actually provided went far beyond what the basic requirement would have been. Is that correct?

Mr. Dan Stamper: Absolutely.

Mr. Matthew Moroun: Yes, sir.

Mr. Ed Fast: My second question has to do with the inspection of your facilities. I'm assuming there are annual, if not semi-annual, inspections?

Mr. Dan Stamper: There are annual inspections of our facility.

Mr. Ed Fast: Could you give me a brief description on how that works? When does it take place? Does the federal government have a role in that process?

Mr. Dan Stamper: Yes, and notwithstanding what you continue to read in the paper for the history of the bridge, we supply those annual inspections to the federal government. In fact, they send down a few people every year to go through that inspection report and spend time with our maintenance staff to see what we've done and what we need to do.

We try not to fight our battles in the news media, because somebody else owns all the ink and we can't control that, but we do supply those annual inspections. The inspections are done by outside engineers whom we hire on a five-year basis to come in for five years and do inspections.

So notwithstanding everything you've read in the paper, Canada sees those, gets to ask questions about them, and follow through with what we're doing.

Mr. Ed Fast: And to your knowledge the Canadian government has always accepted your inspection reports and is satisfied with them?

Mr. Dan Stamper: That's my understanding.

Mr. Ed Fast: Thank you. Those are all my questions.

The Chair: Mr. Hubbard.

Hon. Charles Hubbard (Miramichi, Lib.): Thank you.

To follow up on a few of these, the bridge is theoretically getting old. What is the future for the bridge, given its age and the need for major investments that, this bill would indicate, would have to be approved by our government? Are we looking at another 30 years, or...?

Mr. Dan Stamper: We applied for the environmental clearance to build additional lanes over the water in mid-2004, and we're in the middle of that environmental process. We had our meetings a month or so ago with all the agencies, from the U.S. and Canada. One of the agencies that are reviewing our permit process for adding lanes over the border happens to be Transport Canada too.

But we want to build—and I'll be glad to supply a copy of this to the members of the committee—additional lanes over the water so that we can shut down the old bridge and renovate it to today's

standards. It's part of our application. It's part of the discussions we've had—

• (1210)

Hon. Charles Hubbard: I don't mean to hurry you, but I only have five minutes.

We said that since 1999, traffic has been down by 30%. You cited certain reasons for that, but I think competition is another of them. You mentioned that you're operating right now at 50% of capacity, yet Canadian transporters would say there have been great impediments in terms of the bridge and congestion of traffic through the city of Windsor. Really what you're saying is that this is an outside restriction, not in the operation of the bridge, but more significantly in terms of the operation of customs on both sides of the bridge.

With your presentation today, I sense that you are not only dealing with Bill C-3, but you're also dealing with some consideration of alternatives to transportation, which are under active consideration by Canadians and people on the other side of the border.

I think that over the years, your operation has provided great value to Canadian industry. Without it, the city of Windsor probably wouldn't be what Windsor is today. But when you look at the idea of competition, I sense that an investment group, whether it be a family or other investors.... I know if I were sitting in that position, I'd be very much concerned.

I hope in your presentation today that you're not distorting the two issues we're dealing with. One is in terms of transportation across all the international bridges, as opposed to your own private economy and the fact that you want to maintain a viable industry or business into the future. I wonder if we could divorce those two problems. Could you give the committee the two or three major impediments that you see in terms of the bill?

Bill C-3 is certainly a very onerous bill. But what are the three main things that overlook or neglect the idea of future competition, which apparently is a very active issue in Canada, and I would think in the United States. If this competition came, I would think your vehicle numbers might be cut by say 40% or 50%—I don't know the number. But at what point could you not operate as a company if this competition became too great? I guess that's something we have to think about in terms of the future of this committee.

Maybe we don't have time to hear those right now, but I think, as a company, you should present that to our committee for consideration.

Mr. Dan Stamper: Let me answer part of it, if I can, sir.

On the competition issue, we're not afraid of competition; we have competition today. What concerns us is that the people who govern our applications, who govern our operation, who govern anything we propose to do at our bridge, are the people who also want to compete with us. There is an inherent conflict, and that concerns us.

Competition does not concern us. We compete with the tunnel. We compete with the barge. We compete with the Blue Water Bridge. And as Matt Moroun, and it's hard to understand, we compete with the toll road that runs between the east coast and Ohio, because some carriers use the Buffalo crossing, go through Canada, and come back into the U.S. to shorten their route. We don't fear competition.

Hon. Charles Hubbard: So for my own...and the committee, it's not competition you're worried about; it's the bill. I certainly see your point, but I think it's deeper than that. We'll have to review it.

I would like to see your three or four main points or how you could suggest the bill might be changed. Can we have 50 other bridges and yours operating too? I don't know.

Thanks, Mr. Chair.

• (1215)

The Chair: Thank you.

I'll ask Mr. Stamper to visit with you after or provide something in writing.

Mr. Dan Stamper: We would be pleased to supply additional information and/or answer any additional questions from each of the members.

The Chair: Mr. Carrier.

[Translation]

Mr. Robert Carrier (Alfred-Pellán, BQ): Good day, Mr. Stamper, Mr. Moroun.

I can understand your concern about the fact that the legislation makes provision for the government to oversee bridge tolls, particularly since, for example, the government could demand that bridge traffic increase while tolls be reduced. You say that you are currently operating at 50 per cent capacity. If we could prove to you, through studies, that lower tolls would result in increased traffic and that consequently, you would not lose any money, would you then see this as an acceptable solution?

[English]

Mr. Matthew Moroun: Sir, my response to that would be for the last 77 years of our history, market forces have determined the toll rates. If we raise ours too high we lose traffic and revenue. If we put them too low, in an extreme situation, we could choke the bridge or not get enough revenue to cover our costs.

We face competition with the Detroit-Windsor Tunnel and the Blue Water Bridge and the U.S. toll roads to the east coast every day. We're very aware, as are those two other crossings, of what their tolls are vis-à-vis ours and what our traffic count is vis-à-vis theirs. Traffic counts are published monthly by the Bridge Tunnel Operators Association. Transport Canada sees them. Everybody sees them.

People fight for market share in our industry every day, so I'd just like to leave things as they are, because it's been quite successful over the last 77 years.

[Translation]

Mr. Robert Carrier: If, in a show of good faith, the government were to lower charges and pledge to reimburse you for any losses incurred, would that be acceptable to you?

[English]

Mr. Matthew Moroun: You're right. If the government were to infringe on the toll rates, there would be a disenfranchisement that would require compensation.

I have to ask why they would want to hurt us like that.

Mr. Dan Stamper: I would add that the current system has been and continues to be user-pay. There is no subsidy involved in our operation, as there may be in other bridges. Today the market rates control where we set our tolls, and at the rates today, we've grown to be the number one border crossing. I think that's due to two things: the service we give our customers, and the reaction we have to any problems they bring to our attention. We do a very good job of serving our customers.

Mr. Matthew Moroun: As a follow-up to that, enough cannot be said about service with regard to wait-times and adequate infrastructure and facilities. As you know, commercial drivers are paid by the hour or by the mile. The cost for the driver and the truck is in excess of \$50 an hour. As a bridge operator, if you can get that truck through your facility faster than the rest, by providing over and above the minimum required customs inspections facilities and resources, then of course you can grow your market share, and you can increase demand for your bridge. That's what we try to do all the time.

We've erected more plaza inspection area and more customs inspection booths than all the other border crossings combined since 9/11.

• (1220)

[Translation]

Mr. Robert Carrier: You seemed to say that you were in favour of the proposed legislation, since the government was assuming responsibility for security reasons, but that it went too far.

Isn't the problem the fact that you are a private owner, not a public company?

[English]

Mr. Dan Stamper: We said clearly we're in favour of health, safety, and security issues. We support what the government wants to do in those instances. We believe we currently go beyond that compared to all the other border crossings. We have armed security on both sides of the border 24 hours a day. None of the other border crossings does that. We do it at our expense; we have done it since 9/12.

We've said clearly that we don't have a problem with the security, health, and safety issues within the bill; we do have issues when the bill goes way beyond that.

The Chair: Before I go further, have you ever increased the toll and then had to reduce it?

Mr. Dan Stamper: We had one issue in the 1980s. We increased the commuter rate and had to put it on hold for about 90 days and justified it to...I can't remember which.

The Chair: It was process more than anything.

Mr. Dan Stamper: That's right. We justified it and put it into effect.

The Chair: Mr. Blaney.

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

We are discussing the safety and security issue. I was wondering if, since 9/11, an assessment has been done on the risk that could occur to the bridge.

Mr. Dan Stamper: The answer is yes. I think it was on 9/12 or 9/13 that we had security people in, implementing our own security to protect the bridge. We created a whole department to work with all of the agencies. We have one of our own people who meets with all the agencies in the U.S. and Canada on security issues.

We've continued to do the things we thought were important. We closed roads around the bridge on the U.S. side. We fenced it off; under the bridge we now have lights and cameras that we installed at our own expense.

I think we've done more than any other border crossing in North America to protect our bridge. We've engaged engineers to look at how to protect certain pieces of the bridge. We don't make those things public. We hope we don't have to, but we continue to do things we think are pertinent.

Mr. Steven Blaney: I understand you may not be willing to make those assessments public, but would you share them with Transport Canada, as the authority, to make sure everything is...?

Mr. Dan Stamper: Yes. I think Transport Canada belongs to some of the security committees implemented since 9/11 that our people belong to also.

Mr. Matthew Moroun: Dan, you can correct me, but I don't believe Transport Canada has ever visited us to ask specifically about those measures at the bridge, but we'd be happy to advise them, work with them, and cooperate with them if they were interested.

Mr. Steven Blaney: This bill was passed unanimously by the House, by different parties. At this time there was some discussion relating to the costs that could be involved in the implementation of that bill, but—and I think Mr. Hubbard mentioned a constructive point—if you have specific concerns regarding that bill, I think this committee would be pleased to have them listed.

We've heard the member of your association who spoke previously raise some concerns regarding the fees. We also have information from Standard & Poor's that it is not a real worry if you were to improve or make any investments in those; the bill wouldn't have a great impact on it.

I don't know if you want to comment on this, but—

• (1225)

Mr. Dan Stamper: Our association commented on the financial issues, and they commented on how the members all see this bill as

having an impact on their ability to finance. I think they supplied a few letters to the committee in reference to that, and we left it up to the association to talk about it.

Our position on the bill—and if this committee requests it, we will go into more detail—is that health, safety, and security issues in the bill are not a problem. Beyond that, I think a private company that has its own money invested in its facilities, property, and property tax should be exempt from most of the other issues within this bill.

Mr. Steven Blaney: Even though you own the bridge, I think we have some obligations to health and safety boards, so I guess you would be willing to share information related to health and safety in order to ensure the facilities are okay. I think we all agree there's a regulatory gap, which is why this bill is here, because it's as if there is a hole in the law that we need to fill. And I think that's the main goal of this bill.

Mr. Dan Stamper: We accept the language, health and safety, and security issues. We're not at all here complaining about those; there should be some uniform procedures at the borders in reference to those issues. It's all of the other issues that the bill spends 80% of its time on that concern us. As a private company, we believe that it's not a matter of the health, safety, and security issues, but all of the other issues on ownership, which we ought to be exempt from.

Mr. Steven Blaney: Well, I think if you were able to provide us with specific issues, they would be more than welcome at the committee. That's what the committee is intended to do.

Mr. Dan Stamper: We're respectfully asking for the right to be able to do that and to supply additional information to the committee.

The Chair: I would suggest to you that if you could get it to the clerk or me, we would certainly see that it's distributed to the members.

Mr. Dan Stamper: Thank you.

The Chair: Mr. Scott.

Hon. Andy Scott (Fredericton, Lib.): Thank you very much.

I think I understand the nature of your reservations or concerns, but I think you would also understand that our interests and your interests aren't necessarily completely the same. So we can take away the health and safety issues; everyone seems to be in agreement that's a reasonable expectation.

I'd be curious as to what percentage of the industry, as you would define the industry you find yourself in, is public and what percentage is private. I know that you're not going to know this in detail, but you'd have a better sense of this than I would.

Mr. Matthew Moroun: On a percentage basis, the entire industry is public, with the exception of us. There's one small private bridge. But as you mentioned, as far as magnitude is concerned, it's all us.

Hon. Andy Scott: So in terms of the concerns you express about the value of your asset and the fairness of this, surely you would have understood when you became engaged in this that you were engaged in something that is overwhelmingly public and that your engagement was the exception—although, as someone mentioned earlier, we're moving in the direction of public-private partnerships more and more. But generally speaking, it's still in the public domain. Therefore, it would have to be understood and considered as a part of the business case one would make in venturing into this that these kinds of regulations might come along from time to time.

Mr. Matthew Moroun: Well, sir, of course it's very much public. From our standpoint, we not only acknowledge but also work with, and perceive ourselves to be partners of, hundreds of Canadian Customs and Immigration officers who control entry and exit on the bridge every day of the week. Without them the bridge could not function. We understand that we have to work with many public agencies. But at the bridge's origin and in the original legislation for it in Parliament, in exchange for the private entrepreneur sticking his finances, neck, and reputation on the line to build the bridge, the government granted that company one right—and the right was in perpetuity.

We honour that original legislation and we'd like to keep it that way, and as long as we continue to do a good—and I think the numbers speak for themselves—we'd like to run our business as a private sector business. Do we acknowledge in day-to-day operations that we need to work with government? Absolutely. We couldn't get the job done without them. But as far as the private business nature of the company is concerned, if the government were to live up to that original grant of perpetuity, we shouldn't be infringed on as far as the private sector nature of our business is concerned.

• (1230)

Mr. Dan Stamper: I'd like to add that most of the other public crossings were private, or built privately, and it was because they got into financial trouble that the government had to take them over and financially keep them operating, making them public. When our bridge went into bankruptcy because of the Depression, the government did not step in; the private entrepreneurs had to reorganize and find funding to keep it going.

Hon. Andy Scott: The question really is to what extent the government, in protecting in the bill its interests or what we would perceive to be the government's interest, is in conflict with your rights in perpetuity, in terms of the operation of the bill. If the Government of Canada says that if you want to change ownership it believes it has a right to have something to say about it, that obviously diminishes the value of the asset, if it's imposed on your successors.

So the question simply becomes whether or not the government has the right. I would argue it should not be something that would be perceived, at least.... It may not have been the case originally, but I can't imagine that is something that would not be conceived of.

Mr. Dan Stamper: But I think for the government to have the right to deny a potential buyer for any reason, including that he is an American, is wrong. If they want the right in statute and regulations to prohibit someone who's not qualified or who is a security risk to Canada, I don't think we have a problem with that. But the way the

bill's written today, any purchaser would have to be approved by the government.

The Chair: Thank you.

Because of time constraints, I've asked Mr. Storseth and Mr. Jean to share their time, if that's okay with the committee.

Mr. Storseth.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you, Mr. Chair.

I'd like to clarify one of the things talked about a little bit earlier. Part of this legislation is to fill some of the holes that were left in Bill C-44 and some of the concurrent legislation before this.

One of the things we talk about is the annual inspection reports. Are they actually delivered to the government? Does the government actually get a copy of these inspection reports?

Mr. Dan Stamper: The government comes to the bridge every year and goes through our inspection reports and asks whatever questions they have. That's why they're there for two or three days. We do not turn over a copy of the inspection reports for the government to take back to Ottawa.

Mr. Brian Storseth: What would be the issue with this?

Mr. Dan Stamper: For us as a private company, lawsuits and other issues around what we do and what our inspections are would be a concern to us.

Mr. Matthew Moroun: We have some trepidation with Transport Canada from the standpoint that it's very likely they could be our primary competitor. As with any other business.... Imagine, if you were in the auto supply business, for instance, that the government decided to start an auto supply company and then decided they should also regulate the auto supply business. You'd feel very squeamish about delivering any sort of proprietary information.

We open our inspection reports to them when they come to the bridge, and they can comment on them. They've never had any problems with them. I don't know how it would work out if they did. However, we're not in the business of giving proprietary information to would-be competitors.

• (1235)

Mr. Dan Stamper: We also have our independent engineers who do the annual inspection give a certificate to the government—which they do get—on the condition of the bridge.

The Chair: Mr. Jean.

Mr. Brian Jean: Thank you very much.

As a business owner from northern Alberta, I've been involved in many businesses. In fact, I got my licence to practise law and lobbied the government immediately to close down all the law schools, because I wanted nothing more than to have no more lawyers so that I could charge whatever I wanted for my services. But that didn't work, so here I am today.

I'm interested that a couple of weeks ago you were in the United States dealing with the Detroit River International Crossing Commission. You're here today dealing with this particular bill. I understand your position; you're taking very much a capitalistic approach to this. But would you agree with me that there is a bottleneck; that we have some problems with traffic flow across the border in your particular area?

Mr. Dan Stamper: Not in Windsor-Detroit, not since we opened the additional booths in mid-2004. Those traffic delays have gone away. Other than on a periodic basis when customs has a security issue and has stopped a truck for radiation, those backups are gone. I will supply you a memo from the Windsor police department saying that when we opened those four booths, those backups went away.

Mr. Matthew Moroun: There are some instances when we do have traffic backups inbound to Canada. We've built, as we discussed, a number of additional inspection booths for Canada Customs. While Canada Customs officers are very fine people, a large problem is that there just aren't enough of them. So many times auto traffic does back up inbound to Canada while the red lights are on in the unmanned Canadian Customs booths.

Mr. Dan Stamper: I would add that we have real-time video cameras and I'd be glad to send you the website address for this. You can look at real-time video of what's happening at the bridge 24 hours a day.

Mr. Brian Jean: Your position with the Michigan House and Senate was quite aggressive, in my opinion anyway. That's what I was doing on my little pinner, finding out what your questions and comments were, but it seemed, in essence, that they're going to pick the next crossing in Detroit. I have to say, since the mikes don't pick up the shaking of heads, the member from Windsor certainly believes that there is a huge bottleneck problem.

Your position, again, with the Michigan House and Senate was very negative about them picking a crossing in your area. Is that not fair to say?

Mr. Dan Stamper: No. We were very negative because, similar to what we said here today, the people who are governing our applications and our process were also governing a study to create their own bridge within a mile. Even after identifying in their own study that twinning the Ambassador Bridge was the right thing to do, they took it off the list because of Windsor's objection of adding an 80-acre plaza next to the Ambassador Bridge—and Windsor objected to it. So to say that we made a harsh statement, I said nothing different there from what I'm saying here, and I'd be glad to supply this committee with a copy of my testimony.

Mr. Brian Jean: Actually, on that note, I'd really appreciate it if you could table it to the committee. As well, would you be prepared to table the risk assessment that was done on your bridge?

Mr. Dan Stamper: Yes.

Mr. Brian Jean: Thank you very much.

Those are all my questions, Mr. Chair.

The Chair: Thank you, Mr. Jean.

That concludes things, unless anyone has any short comments to make to our guests.

Mr. Masse, briefly.

Mr. Brian Masse: I just have a question with regard to competition. How many of your other businesses use your facility to cross?

Mr. Dan Stamper: When you say our "other businesses"...?

Mr. Brian Masse: Transport businesses and other operations.

Mr. Dan Stamper: I would say that ours, as well as everybody else's, cross due to miles and time. Our facility is used by some of our own trucking companies, and so is the Blue Water Bridge, so is the barge, and so is the tunnel. So it's not dedicated. We do not dedicate our own trucking companies to our bridge.

• (1240)

Mr. Brian Masse: So you don't know how many of your own vehicles cross your own bridge.

Mr. Dan Stamper: I don't know today. If you want to find that out, I'll be glad to help you. I'll offer this. You're from our area, and we would love to sit down with you and talk through some of the stuff, Mr. Masse. We believe that you could bring some clarity to the border, and we would hope that by sitting down we could do that.

Mr. Brian Masse: I'm always available.

The Chair: Thank you.

With that, I'll thank you very much for your attendance today, and presentation. It's certainly been enlightening for us all.

Mr. Dan Stamper: Thank you for the opportunity, and we will forward some additional material.

Mr. Matthew Moroun: And we were serious about the tour as well.

The Chair: I think that will be something we will discuss at a committee. Thanks.

Now, just for the committee itself.... Have we covered everybody, or do we have one more?

I'm sorry, we have Mr. Benson to come forward, and I apologize for the delay.

I think while they're setting it up, I'll just advise the committee that the minister is making himself available for Thursday's meeting. He'll be here at 11 o'clock, and I suspect we're going to want most of that timeframe to have a discussion with him, if that's agreeable to the committee.

Mr. Benson, I'm sorry for the time limitations, but I ask you to present and we'll then have some questions.

Mr. Phil Benson (Lobbyist, Teamsters Canada): That's not a problem, Mr. Chairman.

Thank you so much for having us here. I did promise the clerk that I would not be taking a lot of your time.

Teamsters Canada represents about 130,000 workers in Canada: in agriculture, fisheries, film, fashion, and of course in air, road, rail, and ports. We're Canada's transportation union with the International Brotherhood of Teamsters in the United States, representing over 1.8 million members in North America. I would imagine that on any given day, an awful lot of the traffic going across the border will be teamsters.

We also have interests in bridges, roads, and tunnels going across the border, because teamsters are proud to represent workers who look after a lot of the bridges and tunnels, including the Ambassador Bridge.

We're pleased that the government split the previous bill and put it into more manageable components. Simply put, to try to come here for ten minutes, when we represent all modes of transportation, to deal with all modes of transportation would make it extremely difficult and perhaps somewhat schizophrenic.

This was probably the one chunk of the bill we had the least problems with, per se. It codifies existing practices in a certain regard; or perhaps in the post-9/11 world, it adds needed legislative authority to deal with what is a very pressing and important issue: the transportation of goods and services—or goods in this case—across the border.

We do have concerns, mostly for what is not in the bill, rather than for what is. As to issues, such as facilities requiring government permission for maintenance, etc., we have concerns about what that means to our members who have to do the work. We have concerns for our employers—the people who own the facilities and provide employment to our membership—and for our members who are crossing the bridges, which costs their employers. Also, regarding the general public good, what does it mean to the rest of our economy and the people who rely on the just-in-time delivery and its various aspects?

Again, I think that's something that probably will be dealt with later in the regulatory part. Of course, we would welcome the opportunity to be consulted and have our viewpoints and expertise taken into concern.

Another problem is the facilities themselves, or the lack of facilities. We're going to deal with the two issues. Clearly there's been a massive growth in trade, even in the post-9/11 world. Last year I had the opportunity to tour most of the bridges and tunnels going to the United States, literally just to see the business. I toured several of them. There's certainly a need from the transportation sector. We talked about the delays, the costs, the overall burden to truckers, and so on. We have to remember that at the end of the day, we know the consumers might pay more, but the trucker stuck at a border is losing money, and not all truckers get paid for that time.

So one aspect is infrastructure. Is anything in this bill going to make it easier to provide infrastructure? Now we're locked into a bilateral process, and the best I can tell from it.... The Ambassador Bridge twinning and the Detroit River tunnel project were both pulled—quite interestingly, because we happened to support the tunnel project and somewhat the Ambassador Bridge. Of course, the question is that they are the two that are almost ready to go, if you like.

So we're really looking at what, 10 to 12 years? We're not sure if anything in the bill is going to deal with that issue.

Last year there was a major review on security, and Teamsters Canada was the only organization that sat on every single mode of transport. We are familiar with it, supportive of it, and supportive of different aspects of it.

One of the problems with the bridges—or with the access point—isn't necessarily the infrastructure. It has to do with how we deal with the reality of the American demands and our need for security. We have the interim FAST pass—and I'm very pleased that the “interim” part is underlined—versus Transport Canada's security clearance. The latter protects the privacy of our members, due process of union rights, and also the rule of law. The indication we have is that we'll be moving towards a made-in-Canada solution, and we support that greatly.

On the bilateral process and others, our voice isn't really heard. We're not consulted. Working with our IBT brothers and sisters in the United States, we're not looking for a border; we're looking for a secure pipeline. We're looking for ways to guarantee that no matter what happens, key goods and services can go across the border. We're looking forward to working with government and any parties that share that concern and how we get there.

● (1245)

In total, thanks for splitting the bill. We think it's probably needed. We will let the companies and others talk about their concerns. We won't talk about them. But just remember, when we talk about health and safety and security, it will be our members who will face those burdens. It will be our members who will be on the bridge, and in some cases, our members who respond. We desperately want to be part of consultations and discussions, making it clear that we find it difficult to come in after the fact.

That's all our presentation. Thank you for giving me the few minutes of your time. If you have any questions, I'll either do my best to answer them or I will try to get you answers.

Thank you, Mr. Chairman.

The Chair: Thank you, Mr. Benson.

Because of time constraints, what I'm going to do is ask Mr. Laframboise to ask one question, and then I'll go around and we'll get everybody in if they choose.

[Translation]

Mr. Mario Laframboise: You've commented on the proposed legislation in general, Mr. Benson, and I get the impression that you weren't consulted at all during the drafting process. Is that correct?

[English]

Mr. Phil Benson: No, we have not been party to consultations, though it was a previous bill. It was not unexpected.

To say it was completely in the blank, no, we did have some discussions with people; however, as to the formal consultation process, no.

[Translation]

Mr. Mario Laframboise: You say that in future, you would like to make Transport Canada aware of the situation, because everything that involves the movement of goods, services and persons inevitably also affects the Teamsters and the major labour organizations in Canada and the United States. Correct?

[English]

Mr. Phil Benson: I think that's perfectly correct, and also, to laud Transport Canada, they kind of consult us to death. We're in all sorts of consultations on all sorts of things.

We recognize that sometimes bills like this appear. They're a renewal of a past bill. It's just that as we move forward, the devil in this bill seems to be in the details, which a lot of the other people are saying, and we just want to make sure that of course we would be there to represent our interests and also, using our knowledge, the general public's interests as well.

The Chair: Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair.

With regard to your members and the standards that this bill actually creates in terms of having some best practices and uniformity across all the border crossings, is that a net benefit to the members you represent, and is that a greater amount of accountability that will be a benefit to you and your members?

Mr. Phil Benson: Thank you for your question.

I think the devil is in the implementation. As you know, as with most acts, we have statutory enactments and then we have the regulatory background. Obviously, how we do security, how we do health and safety; is it going to be similar to the SMES and SMS and FRMS systems; how is it going to be approached, and how is it going to be done? The devil is in the detail and it's something we'll have to look at very closely, and also, as you understand, the difference between various employers and collective agreements and the impact on those. Until we have those details, it's pretty hard for us to make an assessment.

• (1250)

Mr. Brian Masse: So you need more on the regulation aspect to get to the details. But if they were applied generally, would having the same standards for your members across the country be a benefit?

Mr. Phil Benson: Generally, the best practices, if they're applied as widely as possible, are a good achievement for working people.

Mr. Brian Masse: Thank you.

The Chair: Mr. Fast.

Mr. Ed Fast: Thank you, Mr. Chair.

Thank you for coming, Mr. Benson.

Mr. Phil Benson: Thank you for having me.

Mr. Ed Fast: Your comments were brief enough that I have to conclude that you're supportive of, first of all, splitting the bill—

Mr. Phil Benson: Absolutely.

Mr. Ed Fast: —and secondly, you're supportive fundamentally of this particular bill. Is that correct?

Mr. Phil Benson: In general, yes. The splitting of the bill was very appreciated. If you look at the other two bills, they are not exact. We have our airline division, our railway conference, and when we move on to others, freight and tank haul, or whatever, it makes it very difficult to come before the House of Commons to make any cogent discussions or arguments, which do we pick and which do we not?

Also, in looking at the bill, our general viewpoint in examining it was that, perhaps more than for other people—let's say, other unions and other groups—the 9/11 world has had a huge impact and continues to have a huge impact on our membership, on the members' ability to work, but also to make sure those vegetables show up in the winter and all those other things that happen. We view this as perhaps one of those required features that has to move forward to continue the assurance that the borders are open.

With that regard, again, the devil is in the detail. As we move forward to the regulatory part, I'm sure we may have other comments.

Mr. Ed Fast: You're asking to be consulted during the implementation of the bill?

Mr. Phil Benson: Absolutely.

The Chair: Is there anything else?

Thank you, Mr. Benson.

Mr. Phil Benson: Thank you very much for having me in front of you.

The Chair: I appreciate your attendance.

Are there any other comments?

If not, the committee will meet again on Thursday at 11 o'clock with the minister.

The meeting is adjourned.

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