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Chair

Mr. Merv Tweed

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● (1535)

[*English*]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Thank you, and good afternoon, everyone.

Welcome to the Standing Committee on Transport, Infrastructure and Communities, meeting number 21.

Our orders of the day are pursuant to Standing Order 108(2), a study of high-speed rail in Canada.

Joining us today from Transport 2000 Canada is Mr. David Jeanes, president. From the National Airlines Council of Canada, we have Joseph Galimberti, representative; and Mike McNaney, representative. And from the Canadian Bus Association, we have Sylvain Langis.

Am I saying that correctly?

Mr. Sylvain Langis (President, Canadian Bus Association): You can say it that way, sir.

The Chair: Okay. Thank you.

And we have Stuart Kendrick.

Welcome.

We'll start with Mr. Jeanes and go down the table, if that's okay.

Please begin.

Mr. David Jeanes (President, Transport 2000 Canada): Thank you very much, Chair.

My name is David Jeanes. I'm the president of Transport 2000. I have provided a brief.

[*Translation*]

I apologize for the poor quality of the French version. It is complete, but it is not accurate.

[*English*]

I am going to start by summarizing what Transport 2000 is. Then I'll talk about the renewed interest in high-speed rail in Canada, some comparisons to other countries, incremental approaches that have been followed elsewhere, opportunities that we have missed in Canada, the relationship between high-speed rail and existing rail networks and urban public transit, and airlines and airports. If I have time, which I probably won't, there are some additional items included in the brief at the end.

First of all, Transport 2000 is a volunteer-based national research and advocacy organization. We've been around since 1976. We were founded in response to the government call for public input into the redesign of Canada's transcontinental passenger trains. Since 1976 we've broadened our scope to cover all public transport modes, particularly urban public transit and also airline passenger safety and consumer issues.

We're a federally incorporated non-profit registered charity. We have a board of directors across the country, from our regional organizations.

We've published research and participated in many conferences and studies on passenger rail, most of which you have seen in the mountain of paper during your inquiries here, and we've made submissions at most of the consultations over about a 30-year period. We have good working relationships with many of the organizations and witnesses you've heard from already in this hearing.

There is definitely a renewed interest in high-speed rail. People feel that finally the time is now. We've had a hiatus. Nothing has happened, really, since 1995, but there is an urgent need for us to join the rest of the developed world to exploit high-speed rail to meet our regional and national objectives.

From a position of leadership, with great potential and advanced technologies back in the 1970s, we have fallen so far behind that our passenger trains have, at best, half the world standard speed, and our industry is also missing opportunities. We're missing opportunities for the environmental and economic benefits of increasing the use of passenger train service to a level comparable to that in other industrialized countries.

We're overly dependent on a fossil fuel based transportation system with automobiles, trucks, and aviation, while other countries have heavily invested in electricity and renewable energies for transportation through their rail transportation networks.

A lot of people say we can't emulate other countries. When we compare Canada to other countries, it's often said that our distances are too great and our population density is too low for high-speed rail. I think this is not true, and there are some examples that are worth looking at.

Japan's first Shinkansen bullet train line in 1964 was 552 kilometres long. That's the same distance as Toronto to Montreal. By 1975 they had extended their Shinkansen line west from Tokyo to Akita, to 1,175 kilometres, which is five kilometres longer than the entire Quebec-Windsor rail distance. You have heard before that high-speed rail is being studied mainly for the 500-mile or 800-kilometre distances, but that's definitely not the case in the rest of the world. High-speed rail is proven at well over those distances.

People also think that high-speed rail stops only in the largest metropolises. This is also not the case. The Japanese bullet train, on that 552-kilometre Tokyo-Osaka route, had two important stops—Kyoto and Nagoya—but second-tier trains on the same double-track line served an additional 12 towns an average of only 48 kilometres apart. So you can build high-speed infrastructure, and you can have express trains serving the largest cities at very high speeds, but you can also design the network so that intermediate stops are possible. The Japanese did it, and other countries have done it.

In addition to that, the networks in Japan and France are not constrained to the new high-speed infrastructure. The trains actually branch out onto the conventional rail network to serve other cities. I mention two here—Yamagata and Akita in Japan. Also, these high-speed rail lines, although they are restricted to passenger trains, can accommodate trains of varying speeds. The Japanese, for example, were able to run trains of 210-kilometre-per-hour technology and of 300-kilometre-per-hour technology on the same line for a period of time while they were transitioning to higher-speed trains.

Likewise, even commuter trains can run on high-speed infrastructure. The MAX bi-level trains north of Tokyo are commuter trains just like GO Transit, except that they operate at 240 kilometres an hour or more.

Similarly, Britain is using Japanese commuter trains on its new High Speed 1 line out of St. Pancras station to provide commuter service extending out onto conventional lines in suburban Kent.

So we are talking, when we look at the rest of the world, about a very broad range of applications.

As regards the incremental approach, most countries have not started by building an entire system. They've built only the critical component of it. As I said, Japan started with 552 kilometres. France started with only 427 kilometres, which is just about the same as Ottawa to Toronto; but the TGV trains on that initial high-speed line actually covered 4,000 kilometres of route, serving many other cities, because the trains were designed so that they could get the time advantage out of Paris for a two-hour time saving on the high-speed segment but then continue to many other cities. This has been the case throughout the expansion of high-speed rail service.

Sweden was able to implement high-speed rail on existing tracks on a distance almost identical to Ottawa to Toronto. They even tried to sell the train to Canada. The X2000 train came over here and had a demonstration run here in Ottawa. We didn't buy it because it wasn't good enough to meet Canadian standards, but today in Sweden you can take 17 high-speed trains a day between Gothenburg and Stockholm. That technology was sold to China, where it became the genesis of China's high-speed rail network, which is now leading the world.

● (1540)

We've missed a number of technology opportunities. We were positioned in the 1960s with some of the best technology, manufacturing, research at the National Research Council, and speed records to lead the world in high-speed rail. We actually invented here the first really successful active-tilting train: our LRC. That's a technology that is now widely used in other countries for high-speed trains that perform on existing tracks, and yet we were the first with it. However, we failed to modernize our own rail network and we failed to exploit our advances. Therefore, when we buy high-speed rail, we're going to be constrained to buying foreign technology, even if we choose to buy it from a Canadian company.

You already heard from Ms. Borges of Transport Canada about the importance of integrating with existing rail networks. I won't go into detail on that, but the existing rail network and existing urban public transit must work well with high-speed rail. So must airports, because we see high-speed rail as a way of changing the balance of traffic so that short-haul air traffic shifts to rail, but rail also brings more long-haul traffic to the airports in an efficient way. It's a symbiotic relationship.

We see it working in Europe. Air France is considering running trains, in competition with Eurostar, to Britain. The airlines are issuing rail tickets for journeys such as Paris–Geneva or Paris–Brussels, because that's a more efficient way to move people on those components of their journeys.

Now is the time to move forward in updating the 1995 studies. This is the best opportunity for us to move forward to make the kind of strategic investment that really only the participation of government can bring to fruition. The rest of the world has shown the importance of doing this. France is buying its way out of recession with high-speed trains, according to the cover of this month's *International Railway Journal*, and we should be doing the same.

Thank you.

The Chair: Please continue. When we get close to the last minute, I will give you a one-minute sign.

[*Translation*]

Mr. Joseph Galimberti (Representative, National Airlines Council of Canada): Good afternoon, ladies and gentlemen. Thank you for giving me the opportunity to address the committee on such an important issue.

I am here today representing the National Airlines Council of Canada, but I also work for one of that organization's members, Air Canada, and so some of my comments will relate to that experience in particular.

● (1545)

[*English*]

Let me at the outset commend the committee for taking the initiative to conduct this study. Certainly Canada's transportation infrastructure can and should be viewed as a powerful engine for economic development, and as such, some consideration of using public funds to build or support that infrastructure isn't inappropriate. So from the start, let me say that I'm not here to condemn high-speed rail or to oppose any idea simply for the sake of opposing it.

[*Translation*]

However, since a transportation mode that is developed and paid for out of public funds is not in itself a viable transportation industry, we believe we must find a balance among the various modes of transportation. We also believe that commercial air carriers' employees and passengers must be taken into consideration as well.

[*English*]

Consider the following. In 2008, Air Canada alone paid over $130 million to Nav Canada for their services. Excluding Jazz, we paid over $320 million in landing fees. Excluding Jazz again, we paid another $185 million in terminal assessments, and we collected directly from our passengers over $134 million to pay the air travellers security charge. We should also consider the over $300 million the Government of Canada collects in airport rent, for which no value is returned to the transport system, and the airport improvement fees passengers pay at Canadian facilities, which range from $7 to $40, with most being between $15 and $25, depending on the facility.

As you can see, the direction of aviation policy in Canada has enthusiastically embraced the user-pay model for air travel, so enthusiastically that the World Economic Forum ranks Canada a disappointing 122 out of 130 countries in terms of competitiveness on aviation fees and taxes. So we in aviation, who are firmly stuck in a user-pay model, become, I think understandably, concerned as an industry when we hear talk of a need for billions of dollars in public funds to be allocated to guarantee a reasonable return for the operator of a service like high-speed rail, against which we would be called to compete directly in several key markets.

Bluntly, we can't compete with an entity backed by the crown, and no private enterprise or business should be asked to do so. Key parts of our network would likely be jeopardized as a result.

[*Translation*]

The carriers who belong to the National Airlines Council of Canada currently employ over 43,900 people and carried over 58 million passengers last year, and this generated direct and indirect economic benefits in Canada amounting to several billion dollars.

[*English*]

We would enthusiastically welcome a discussion about how we can grow our business, employ more Canadians, and bring more visitors to Canada by reducing the competitive disadvantage we currently face as a result of having to pass the full cost of aviation infrastructure directly to our passengers. We would also be greatly troubled if public investment were used to create a modal disparity between air and rail, threatening the health of our companies and the jobs of our employees.

I will turn it over to my colleague from WestJet.

Mr. Mike McNaney (Representative, National Airlines Council of Canada): Thank you, Mr. Chairman.

My name is Mike McNaney. I'm the VP of regulatory affairs at WestJet. I'm appearing today under the NAC banner. We just thought, because this is an east and west discussion, it might be useful if two of our members were here. And indeed, it's a banner day in Canadian aviation, because WestJet agrees with everything Air Canada just said—and that has never happened before.

I will be very brief. As Joe said, we're not here to condemn or oppose high-speed rail, but we do have concerns about the policy environment in which it would operate.

As Joe noted, in the airline industry in Canada we are ostensibly 100% user-pay. So in 2008, WestJet paid $56 million in security taxes, $128 million in navigational fees, $155 million in airport improvement fees, and $183 million in airport landing and facilities fees. We were fortunate enough last year to be one of the few air carriers in North America to turn a profit. When you take out all the operational costs and all the charges and fees, etc., our profit came out to approximately $13 a passenger. We're actually quite proud of that margin, but as you can see, it is a fairly tight margin. That's just the nature of the industry and the nature of the business.

We are not arguing that the various fees and charges we pay should be eliminated or be reduced to zero. The user must pay. But over the years in Canada, this user-pay principle has taken on a life of its own, and we face continuing increases in these fees and charges. And it's because of these cost realities, as Joe noted, that when we hear the notion of billions of dollars of public money for high-speed rail—and we understand there have been no decisions made as to what percentages will be between private and public.... Nonetheless, when we hear these discussions, I guess we suffer from a little bit of modal envy—which is the best way I can phrase it—that in the name of competitiveness and public investment in infrastructure, another form of transportation will have a very different environment in which to operate.

To quickly conclude, Mr. Chairman, it isn't the competitive aspect that has us concerned; it's the policy environment and cost environment under which this competition may present itself to the air carriers.

Thank you.

● (1550)

Mr. Sylvain Langis: Mr. Chairman, with me today is Mr. Stuart Kendrick from Greyhound Canada. He is their senior vice-president and he's also treasurer of the Canadian Bus Association.

I'm the president of the Canadian Bus Association and the president of Groupe Orléans Express, based in Montreal, which operates intercity lines throughout the eastern provinces of Canada.

On behalf of the Canadian Bus Association, I first want to thank you for the opportunity to appear before you today to give you our views on high-speed rail and whether and how such a transportation system should be introduced in Canada.

First, it would seem appropriate to give you a word or two about who we are. We represent the major scheduled intercity bus carriers in Canada, and our members carry upwards of 75% of all scheduled bus passenger trips across Canada, equating to approximately 10 million bus passenger trips annually. We are an advocacy organization, in the sense that our raison d'être is to speak and act on behalf of our members on all matters pertaining to public policy that impact on us and our customers, the travelling public.

[*Translation*]

The scheduled bus industry has two central messages that it wishes to impart to the Committee today.

First, any future funding commitment of taxpayer monies to a high-speed rail system must be fair and should not be used to create a more uneven playing field among completing passenger modes. In particular, there must be a meaningful fare gap between subsidized high-speed rail travel and unsubsidized bus travel. Government should not grant billions in taxpayer subsidies in order to reduce rail trip times by 50% between cities and then allow the rail operator to charge passenger fares at the same levels as unsubsidized private sector bus operators operating on the same city-pairs. In other words, high-speed rail passenger fares must be set at levels that are reasonably compensatory in relation to costs.

[*English*]

The underlying imperative here is that we must have a seamless transportation system that serves all segments of the travelling public. That means that the public policy environment that Parliament creates must accommodate air, rail, and buses because each of these modes responds to the needs of one segment or another of our population. Policies that disadvantage one mode at the expense of another only have the effect of disadvantaging the travelling public. If, for example, rail is publicly subsidized in high-density population corridors to the extent that the bus mode cannot compete, who will carry passengers to and from communities where rail does not go?

It seems self-evident to us that, given our geography and our demography, we need a policy framework that enables a cost-effective but integrated transportation system that does its best to meet everyone's needs.

If government decides to proceed with high-speed rail, some CBA members and their respective ownerships will actively seek the opportunity to join the public-private consortium. Our shareholders, Greyhound and Orléans Express, are major players in the world of transportation in Europe and North America, and through them, we have extensive experience in operating both conventional and high-speed rail systems. Of even greater importance, we have experience in operating multi-modal transportation systems that integrate rail with bus and with transit.

Our two respective bus companies are owned by two of the largest transportation conglomerates in the world. Greyhound Canada is 100% owned by FirstGroup plc of Scotland. To provide an indication of comparative size, the annual passenger service revenues of FirstGroup exceed $10 billion Canadian and are four times greater than those of Air Canada. FirstGroup has 2.5 billion passenger trips annually and has some 136,000 employees.

● (1555)

[*Translation*]

Orléans Express is 75% owned by Keolis of France, the national passenger rail operator in France, which is in turn partly owned by SNCF and the Caisse de dépôt et placement du Québec. The annual passenger services revenues of Keolis exceed $5 billion Canadian and are two times greater than those of Air Canada. Keolis transports 2 billion passengers annually and has some 39,000 employees.

FirstGroup and Keolis are each involved in operating intercity rail networks, transit networks, and intercity bus networks. We know the problems, we know how to solve them, and our parent companies each have the financial resources to participate in major public-private partnerships. Indeed, both ownership groups have gained already amassed considerable experience with 3-P consortia in other countries.

We appreciate that the federal provincial feasibility study now underway for high-speed rail still has a number of issues to address before the findings of the 1995 feasibility study can be updated. Demand forecasts need to be recast. Newly available technology must be analyzed, with a particular view to Canadian climate concerns. Cost estimates need to be reassessed. Some form of a preliminary environmental assessment must be performed.

If the results of this current study are deemed to be sufficiently positive by the three governments, this will then trigger detailed technical studies that will require time and money to complete.

Final routings for a selected technology have to be decided together with the associated construction and land assembly costs. As required by law, a full-blown environmental assessment study must be performed according to these final routings. The firm costs of the technology chosen, the resulting costs of the track-bed that must be laid, and the attendant infrastructure costs will all be established.

The ridership demand forecast can then be completed after the precise trip times and the fares to be paid by high-speed rail passengers have been specified.

[*English*]

High-speed rail trip times will depend upon which technology is chosen, upon which routing is chosen, and upon the number of intermediate stops, if any, along the way. Ticket prices to be paid by high-speed rail passengers will depend on ridership, the final costs established in the detailed engineering studies, and on how much the capital and any subsequent operating cost shortfalls have to be captured by taxpayer subsidies.

Once this preparatory work has been completed, each of the three governments will then be in a position to commit funding over the project's lifetime, assuming they can reach agreement on their respective funding shares after the private sector funding commitment has been established. Once these agreements have been reached, physical construction of a high-speed rail system would then commence.

In conclusion, I want to reiterate that considering the role of the Canadian intercity bus industry and moving Canadians from all regions of the country, we will vigorously oppose the introduction of a high-speed rail system in Canada that does not compete fairly with other modal passenger carriers. However, given the experience that two of our members have in operating integrated passenger transportation systems in other countries, we understand how it is possible to design sophisticated passenger transportation systems that serve the public interest, while making it possible for private sector operators to participate and to thrive. If the committee recommends a public-private partnership to operate such a system, I think you will find a willing partner within the ranks of the Canadian Bus Association.

Thank you. We'll be very happy to answer your questions.

The Chair: Thank you very much.

Mr. Volpe, you have seven minutes.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Thank you very much, Mr. Chair.

Thank you very much, gentlemen, for coming to share your views with us.

As a committee, we specifically wanted to meet with all of you because we wanted to get as broad a perspective as possible on the views associated with high-speed train travel introduction in the country. Allow me, for a moment, to simply say that all of you have said something that I think everybody around the table has appreciated for some time—and I'm glad you came here to reiterate that—that is, that the introduction of a high-speed rail system should be considered as part of a multi-modal passenger system throughout the country. Specifically, you have to start somewhere, and this committee has looked at two areas that really engage three provinces, as a start.

The committee, I think so far, has been interested in the concept of ensuring that there is a multi-modal approach to any kind of an introduction, but we're not the ones conducting the feasibility study. Our questions are a little bit more specific.

I'm wondering if I can go beyond saying thank you, Mr. Jeanes, for introducing the concept of economic development and technological innovation. If I can come back to you in a minute, I will. I just want to see if I can maximize the seven minutes. It's an issue that has not been discussed at great length with us for some time, in part because people have different interests—all legitimate, but they are different.

With the airline representatives, I wonder if, when we consider establishing an infrastructure in order to allow for the operation by a private interest, it is your estimation that the user-pay principle has already taken into consideration all the public investments in airports, in the regulatory environment, and in the appropriate supervision that must accompany that business prior to your getting a plane off the ground.

● (1600)

Mr. Joseph Galimberti: As regards the public investment that was made in airports, when that asset was turned over to airport authorities across the country, off the top of my head, I would guess that the book value they estimated was $1.9 billion. The airport rent that has been collected since those assets were divested by the federal government has far exceeded that. One could quite easily make the mathematical argument that this asset has already been paid for by the Canadian taxpayer and our passengers.

As regards Nav Canada and the air traveller security charge, certainly there has to be some element of user-pay. We appreciate that this infrastructure can't be supported ad infinitum by the government, but there are other models out there that allow that to be done in a more economical way.

Hon. Joseph Volpe: One of the points that both of you raised, and people from the bus industry also raised, was the comparative cost and its competitive disadvantage or advantage, as the case may be. It's very difficult for committee members to come up with the appropriate assessment, as I imagine the people conducting the feasibility study will find equally difficult.

What percentage of your carrying capacity is in the corridors that the committee is currently looking at—that is, Windsor-Quebec City or Edmonton-Calgary?

Mr. Mike McNaney: For Edmonton-Calgary, it's approximately 500,000 seats. It's about five to six flights a day.

Hon. Joseph Volpe: And as a percentage of your overall operation?

Mr. Mike McNaney: I'd have to do some math. I'd have to go to the back of the room for half an hour before I could come back to you on that one.

For Montreal-Toronto—

Hon. Joseph Volpe: Whether it was Montreal-Toronto or Calgary-Edmonton, and whether I used your numbers or Air Canada's numbers, if I said the impact would probably be, combined, about 15% of your business, would that be too high a number?

Mr. Mike McNaney: I will speak briefly just for WestJet. They're a lot bigger on Montreal-Toronto. We're trying, but they're still a lot bigger on Montreal-Toronto. For Montreal-Toronto, it's about also six or seven flights a day. So again, that's 500,000 or 600,000 seats per annum.

There would be two impacts. There will be some dislocation of guests, or customers, however you want to phrase it, from the competition. That will happen. The other thing is, depending on what the split is in terms of public investment, the best way I can phrase it is that we continue to argue the need for investment in our sector as opposed to taking money out.

Joe mentioned that there are better and smarter ways to do it. For example, in the U.S., their excise tax on jet fuel actually goes into paying the FAA. Our excise tax on jet fuel is twice the amount theirs is, and it goes into general coffers.

I have great concern that as the years go by, as we try to fight for greater investment, we're not going to get it, and the response will be that the budget is fairly tapped out because we're putting $1 billion this year, or $2 billion next year, in the construction or the operation of these lines, whatever the case may be.

So there are two dislocations. There's the actual dislocation from a competitive perspective, and then there's the ongoing one. We know right now that the organizations that provide us with the services we're currently being charged for are seeing drops in traffic numbers because people are flying less. Their fixed infrastructure means they're probably going to be coming back to us with demands for increased costs, which is a tax increase at the absolute worst time that we can deal with it.

● (1605)

Hon. Joseph Volpe: Mr. Langis, I guess when you talk about a competitive disadvantage, your position is a little different from that of the airlines. The airlines cater to a particular class of passenger. By class I mean—let me monetize that word—people who are prepared to pay, let's say, in a corridor upwards of $400 for a return trip, whereas your clientele has a different class of usage and your price point is considerably lower. So you're not competing with the airlines. But in assuming that the train passenger business—VIA, for example—today is not putting you at a disadvantage, because you have 10 million passengers and VIA has only 4.1 million, so presumably you're doing okay, they're already getting $52 per passenger as a subsidy. So presumably if that were still the case going forward with high-speed, you wouldn't have a problem. That is what I gather from your brief.

Mr. Sylvain Langis: It's not exactly what I said.

Just to give you an example, I can't speak for—

Hon. Joseph Volpe: You would still be at the same competitive disadvantage if a passenger on high-speed were getting the same subsidy as somebody on VIA would be getting.

Mr. Sylvain Langis: There are many elements in there.

One, the bus industry now serves the portion of Canadians—you said it yourself—who cannot necessarily afford taking the plane. So we're serving, more often than not, the poorest portion of Canadians. Here we're talking about putting in place a system that would be subsidized for those who can afford paying to travel.

Hon. Joseph Volpe: Let me interrupt for a second.

The Chair: I'm sorry, I have to give everybody a chance.

Mr. Langis.

Mr. Sylvain Langis: To give you an example, Orléans Express between Montreal and Quebec City operates at least 19 frequencies in each direction every day. We have the frequency. VIA doesn't. This is why we get volume. In that corridor between Montreal and Quebec City, we carry between 700,000 and 800,000 passenger trips a year, which is much more than VIA does.

If VIA or another organization comes in with a much faster train to go from one city to another, it is certain that a good portion of our passengers, which are also travelling for business reasons, will go to the train. In the province of Quebec, this is the major route that serves to cross-subsidize all the other regions in the province of Quebec, where we're trying to maintain an equal level of service throughout the system.

So yes, it would cause problems, not only between Montreal and Quebec City but also to the rest of the system.

The Chair: Monsieur Laframboise.

[*Translation*]

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

I am going to start with you, Mr. Langis, because I quite like the way you gave your presentation. It is changing a bit from... I understand that the consortia you represent in the world operate both bus and rail services, and the two are sometimes integrated. That is the message you are giving us. Certainly if there were a public-private partnership, your parent companies would be interested in replacing VIA or bidding so they could offer an integrated service. That is more or less the message you are giving us.

Mr. Sylvain Langis: Exactly, and the reason why we are sending that message is that we think a public-private partnership would be more concerned with reasonable cost recovery, as compared to what we see at present.

Your colleague Mr. Volpe mentioned a few minutes ago that VIA currently receives an average subsidy of $52 per passenger. That is huge, it is more than the general average of average revenue from a bus passenger, and we do it with no subsidy.

● (1610)

Mr. Mario Laframboise: That's right, but the idea of incorporating rapid rail into our transportation system is not unthinkable, provided that it can be offered to business, to the people who are knowledgeable about it.

Mr. Sylvain Langis: We are saying it is not unthinkable, we think it should be done by a public-private partnership. There is one essential element: in order to have a certain volume of passengers in a transportation system, regardless of what it is, be it air, road or rail, it takes a population, it takes demographics. It's all very well to cite the case of Japan, as Mr. Jeanes did, but when we talk about demographics and compare Japanese demographics to Canada's, there is a big difference, particularly in terms of the geographic expanse to be served. Even France has had success with its high-speed trains, but its population is a whole lot bigger than ours, and that means it can provide that kind of service within its borders.

Here, would we be able to provide a rapid rail service in the main corridor, the most populous one in Canada, and attract people who use other transportation modes to this new mode, without having a negative impact on other transportation modes everywhere in the country? Could this be done without imposing heavy costs on all taxpayers to put a system in place in the main Canadian corridor?

Mr. Mario Laframboise: I am going to come back to Mr. Jeanes. Obviously, other witnesses who have appeared before the committee tell us there is potential ridership that various transportation modes are not attracting at present. Rapid rail would have the potential capacity to develop ridership.

Do you believe that? As Mr. Langis asks, do you think the Quebec City to Montreal and Montreal to Windsor corridor could be developed and still have the other carriers earn a good living?

[*English*]

Mr. David Jeanes: There would certainly be shifts in ridership that would result if high-speed rail were developed in that corridor. I mentioned when giving my brief that I would expect a good deal of short-haul flight traffic, particularly business travellers, to use high-speed rail if it provided the downtown-to-downtown service in two hours between Ottawa and Toronto, or Montreal and Toronto, for example. If that same time-saving applied to longer trips, then business travellers on longer journeys travelling from southwestern Ontario to London, for example, or travelling from Quebec City to Ottawa would get significant benefits.

We have seen that in Europe. When high-speed rail was introduced between Paris and Lyon, and Paris and Geneva, most of the air traffic on those routes disappeared, unless it was connecting traffic from intercontinental flights, for example. You do get a shift like that. At the same time, the rail network is efficiently bringing many new passengers to airports to allow the use of the longer-haul intercontinental and transcontinental flights.

Also, with relation to the bus companies, certainly the types of destinations and the times of day.... Mr. Langis has pointed out how a bus is able to offer many more trips between Montreal and Quebec, for example. There are 19 per day. In Europe, some of the rail networks provide that many trips, but in other cases it's a hybrid of the two. At certain times of day a bus will provide the service. A bus can provide different stopping patterns from high-speed trains. But there needs to be a balance found for each element of a multi-modal system to perform in the most effective way. Price comes into that as well, as Mr. Langis has said. The bus can serve a lower-fare-paying passenger.

[*Translation*]

Mr. Mario Laframboise: I think ticket price, for one thing, is one of the aspects covered by the study to be done by Quebec, Ontario and Canada.

Mr. Galimberti, you seem to be making a categorical statement. You are paying costs you should not be paying—and I agree with you. Those costs relate to airport rent and so on.

But if those costs were restored, do you think you would be able to compete, or would you still have reservations? Have you had a chance to analyze the situation, or are you going to watch the results of the analyses that are done?

● (1615)

[*English*]

Mr. Joseph Galimberti: We haven't done that analysis. What I will say is that if the fees and taxes levied on Canadian passengers were reduced, one could reasonably assume that more Canadians would fly, and there would be more flights because it would be a more accessible product to sell. If they were reduced concurrent with the introduction of a competing service, I think it's very difficult to predict what the outcome would be. There's certainly an argument to be made for the train as far as convenience from a security perspective. If you're offering downtown-to-downtown service, we would see if aviation could compete in that circumstance. There would certainly be an effect, absolutely.

The other thing I will say is that if you reduce those fees and taxes, it does help to perhaps generate passenger traffic coming from out of the country. We can then connect that on down the network. For visitors to this country and long-haul traffic originating in Canada, there is a tangible effect from that fee structure. One would certainly hope that we would be more competitive with our neighbours to the south.

[*Translation*]

Mr. Mario Laframboise: Mr. McNaney, have the people at WestJet done an analysis dealing with rapid rail? What is your experience as a carrier when you are in other countries where there is rapid rail? Have you done an analysis of that?

[*English*]

Mr. Mike McNaney: We have looked at the Calgary-Edmonton corridor. One of the more interesting experiences we've had in that corridor came when the security tax first came in. I think it was levied at $12 one way, so that would be $24 for a round trip. We actually ended up reducing capacity in that corridor because it dissuaded people from purchasing tickets. I suppose we could say that we have lived negatively through the concept of seeing those fees increase and what it does to short-haul traffic. To your point, in terms of removing those fees and charges, I think we would do handstands and sing for days on end, and write songs to you in your name, if you actually managed to remove all of those fees and move Canada from 122 out of 130. Hell, if we got up to 15 we'd be happy. Any step in that direction would help.

The real world experience we've had with it is that as we've seen those fees go up, we've moved out of short-haul. One of the more ironic twists of that is we ended up competing more with these folks because we had to go to more long-haul routes. A flat $15 or $20 charge on a ticket is a smaller percentage on a long-haul because the ticket price is bigger.

The Chair: Mr. Maloway.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Thank you, Mr. Chair.

My initial observation is that the strength of the free enterprise system is pretty evident. Companies that are in the business will adapt. You certainly have lots of lead time with the high-speed rail system. It will take quite a long time to develop this system, if it ever gets developed. I know airlines can reassign planes in a fairly efficient manner. There's a lot of market out there, and if you don't find a market in one place, I'm sure you'll find it in another. It certainly has been my experience.

I noticed you have talked about airports, and a lot of the problems with the airline industry stem from airport problems. I was in Washington last week at the congressional aviation hearings and I met a gentlemen by the name of James Crites, who is executive vice-president of the Dallas/Fort Worth International Airport. He had some very interesting observations and interesting things that he has had success getting adopted in the United States right now to solve some of the problems there with tarmac delays and other issues.

I think he observed that airports are being turned into shopping malls in a lot of cases. These are huge developments, when not as much attention as there should be is paid to the way the flights integrate with the way the airport runs. Some computer system is being developed in the States right now—I think it's still being worked on, but it has four or five components—to build an integrated system so you don't have these bottlenecks.

Another thing he has done—and the Atlanta airport has done this as well—is to buy cobuses. I don't know whether you have cobuses in Canada, but you're familiar with what they are. I've seen them in Heathrow Airport in Europe, where you don't get on the plane through a jetway anymore. The bus takes you out to the plane. That has eliminated a lot of the problem with tarmac delays in Atlanta airport, Dallas/Fort Worth, and others.

He's also built a ramp, he claims, where the planes just drive up to the ramp and people get off. I don't know how this thing works, but certainly I would recommend that we all look into this whole situation because he seems to be making headway in the United States, as far as making airports more efficient is concerned. That's part of our problem here. The big part of our problem is making people happy to travel.

There wouldn't be a big demand for high-speed rail if people weren't spending so much time getting to the airports, fighting their way onto the planes, and then having to fight their way off the planes. I think we need a more efficient system all the way around. Perhaps then we could look at reducing some of these fees. I agree the fees are atrocious, and these airports are really developing into big Taj Mahals by the looks of it, with the shopping mall aspects to them. I don't think the passenger really needs or wants something like that.

I'm asking you to comment on these things, if you would.

● (1620)

The Chair: It's about high-speed rail, but I'll certainly allow the question.

Go ahead.

Mr. Joseph Galimberti: To your first point, certainly an argument can be made. Theoretically, airlines could readjust aircraft to certain new routes, but I think that discounts the human factor. As I mentioned in my presentation, airlines represent 43,000 employees. Those are employees in places like Windsor, where having a commercial aviation industry is an important part of that town.

There would be a concurrent adjustment in employment levels and levels of economic benefit and cargo availability and ability to do a downline connection on the aircraft from Windsor, if one were to try to shift away from aviation and go to rail. I think that's certainly something that needs to be considered. We would certainly have a fleet that would no longer be appropriate and we would need to consider either stepping down or finding some way to reassign. You can't do that with a family.

To your second point, I don't want to leave here with the impression that our presentation dwelt on our problems with airports. I have a very real problem with the fees associated with those airports. Certainly there are ways the Government of Canada can look at the governance structure of airport authorities and ensure that the overbuild we've seen domestically can be avoided. From an operational perspective, there are drawbacks and advantages to all these things, and that's the kind of thing that needs a very concrete, long, integrated study. You're not just talking about airport authorities and airlines. You're really talking about involving Nav Canada, CATSA, and in certain cases, customs and security. I would caution against solutions that may work in one case, working across the board.

Mr. Jim Maloway: I have no further questions right now.

The Chair: Mr. Del Mastro.

Mr. Dean Del Mastro (Peterborough, CPC): Thank you very much, Mr. Chairman.

Thank you to the witnesses for coming today.

I think this is a really good study for the committee to be undertaking right now, especially considering that we do have a joint study going on between the provinces of Ontario and Quebec and the Government of Canada.

I just have a couple of questions.

A couple of people made the point that it's really tough to compete with an entity backed by the crown. I would actually concur with that. Certainly, Jim Devlin of Coach Canada in Peterborough has talked to me many times about how they sometimes have a hard time competing with VIA Rail in VIA's core, because sometimes VIA will put on a special that Coach Canada can't compete with on a profitable level. I do believe it's inherently unfair when we are actually subsidizing one industry to the harm of another. I know the airlines may take issue with that, but airports wouldn't be built if governments didn't build them, and everybody operates on infrastructure that's built by the government.

That said, here's my question. Can a high-speed rail system run cash positive? That's what we're talking about. Could you, as a P3, run cash positive? For example, could Greyhound operate a high-speed rail system? It has to be integrated. I think this is something that people need to understand for any kind of transportation system, and I don't care if it's air, buses, or subways.

That's one of the major problems at Pearson. We don't have a good integrated transit solution around Pearson. I'd be happy to talk to Mr. Galimberti about that. But in your opinion, could you run this cash positive if the infrastructure is built?

● (1625)

Mr. Stuart Kendrick (Treasurer, Canadian Bus Association): On behalf of FirstGroup and Greyhound, I'll say that with the infrastructure built and understanding the full costs, there's expertise within our organization in the U.K. that already does this, primarily in England.

We believe and we agree with your comment that inter-mobility and connectivity is a key to sustainable high-speed rail and also to an intercity bus market, especially in this corridor, where Greyhound is significantly impacted currently by VIA Rail and the pricing. Earlier we were unable to answer the question due to time, but this is roughly 90% of the revenue of Greyhound Canada in Ontario and Quebec.

Mr. Dean Del Mastro: I can say that certainly at the federal level we don't like writing blank cheques. We like making one-time capital commitments and then getting out so that we can write another budget that will make further commitments down the road.

To me, that's something this committee has to explore, which is the opportunity for high-speed rail to be a P3 operation in Canada, integrated with other businesses, so that operators of buses and airlines can in fact integrate this and it becomes a very significant economic engine. Obviously, the benefit of high-speed rail over air is that it can stop in communities where airplanes just cannot feasibly or economically stop.

To the airlines, I have a couple of questions. You mentioned that you have a user-pay model. I actually think there's nothing wrong with a user-pay model as long as it's fair.

With respect to Mr. Maloway's comments, Pearson Airport is the most significant economic driver in the city of Toronto and the entire GTA. It is the largest single economic driver in the province of Ontario. To what extent are you contributing to Pearson through your operations at Air Canada? How much economic activity is Air Canada bringing in and taking out of Pearson? Do you have any idea?

Mr. Joseph Galimberti: We're about 50% of capacity at Pearson, so half of their raison d'être is us.

Mr. Dean Del Mastro: It's about $160 billion at Pearson, so you're about $80 billion of their overall operations.

Mr. Joseph Galimberti: It's really difficult to quantify the indirect economic benefit of an airline, because there are all kinds of modelling that could be done for how much a passenger spends when he arrives in Canada and how much a connecting passenger is worth. What if they're buying two bottles at duty-free? There are all kinds of variables.

Mr. Dean Del Mastro: We do want them buying their duty-free here in Canada because that also supports jobs.

Mr. Joseph Galimberti: Absolutely.

Mr. Dean Del Mastro: Absolutely.

I don't have that much time left, Mr. Jeanes. The biggest benefit of rail, certainly of high-speed rail, is that the country is trying to improve its overall environmental performance and grow its economy. It kind of does both. Mr. Galimberti mentioned that they'd have to change a bunch of their fleet, obviously, if high-speed rail were undertaken. That fleet would probably be largely Bombardier built, because that's what they use in a lot of their regional transit.

But on this particular investment, have you done any calculations on how much it would reduce greenhouse gas emissions, and specifically over the Toronto-Montreal corridor?

Mr. David Jeanes: I don't have the numbers here. Last year, the Railway Association of Canada put forward some numbers that were part of a memorandum of understanding between the railways and the federal government. The railways are already meeting Kyoto objectives, even in their existing operations. This is quite apart from what could be achieved if there were a substantial shift from a fossil fuel system to an electrified one. We're behind the rest of the world in rail electrification, and we know there is renewed interest in this matter in Ontario and Quebec. The potential benefits are significant, but I can't give you the numbers right now. Of course, you'd have to reallocate the routes and schedules to rebalance the traffic on the system.

● (1630)

Mr. Dean Del Mastro: You must have been really pleased to see the government's investment of more than $1.1 billion in VIA Rail for the VIA Fast project.

Mr. David Jeanes: The money that has been given to VIA is much needed. It's being wisely spent. This is a very good investment, which is bringing some economic benefits. It will give us moderate improvements in track speed between Ottawa-Toronto-Montreal, greater capacity, and less interference with freight trains. So there are a great many benefits there, and we're very glad to see that kind of investment. We are talking about bigger numbers, and the private sector has a big role to play. But previous studies have shown that the private sector can't finance the infrastructure; this requires a public component. It was previously shown, however, that the private sector can operate a service at a profit as long as the infrastructure is there.

The Chair: Thank you.

Mr. Langis.

Mr. Sylvain Langis: I would like to put a little nuance in the answer given by Mr. Jeanes concerning the electrified system of high-speed rail. Yes, it's true that electrified high-speed rail would be much better for the environment than diesel locomotives, but it all depends where the electricity comes from. If comes from a coal plant, I'm not sure we're going to be in the place we think we should be.

The Chair: Thank you.

I know Mr. Del Mastro has a keen interest. The Railway Association presented the greenhouse gas numbers, estimating the potential reduction in emissions.

Mr. Dean Del Mastro: I appreciate that.

The Chair: Yes, thank you.

I'll thank our witnesses today. I appreciate your time and input. I'm sure you'll be following the rest of the study with great interest.

We'll take a one-minute break while our new witnesses position themselves, and then we'll get back to it.

● (1630)

(Pause)

● (1635)

The Chair: Thank you, and welcome back to part two.

Our guests have joined us. They're not on my list, but I'm going to ask Mr. Phil Benson to introduce who's with us today.

Please introduce your colleagues and we'll move forward.

Mr. Phil Benson (Lobbyist, Teamsters Canada): Thank you, Mr. Chair. It's a pleasure to be here again.

With me today are Mr. Brehl and Mr. Wheten from our Teamsters Canada Rail Conference. We'll be starting with Mr. Brehl for perhaps two or three minutes and Mr. Wheten will conclude our remarks.

The Chair: I will introduce Mr. Grant Hopcroft. He's the director of intergovernmental and community liaison for the City of London. Welcome.

Please begin.

Mr. William Brehl (President, Teamsters Canada Rail Conference - Maintenance of Way Employees Division, Teamsters Canada): Honoured members of the committee, ladies and gentlemen, my name is William Brehl. I'm the president of the Teamsters Canada Rail Conference maintenance of way employees division. Our division represents all of the men and women who build, inspect, and maintain the track, bridges, and structures at CP Rail and over two dozen short lines. No one knows building rail and keeping it safe better than our people. We're the people Pierre Berton wrote about and Gordon Lightfoot sang about.

I want to thank you for allowing me a few minutes to speak to you concerning Teamsters Canada's position on high-speed rail. We believe in both the idea and the reality of high-speed rail. We can't help but see this as an excellent direction for transportation in Canada, coming at an opportune time. This will benefit Canadians for generations to come, not only with the employment that is tied to the construction and maintenance, but also with the infrastructure change itself.

The initial effect of high-speed rail will be the creation of thousands of new jobs needed to construct the system. In the 1991 Ontario/Quebec Rapid Train Task Force final report, it's estimated that, and I quote: “The construction phase of the HSR project will generate an estimated 45,000 person years for the 200 KPH option and 127,000 person years for the 300 kilometre per hour option.”

As you're all aware, the unemployment rate in this country is at 8%. CP Rail alone has seen over 2,500 unionized railway employees laid off since last December. Since we are in the midst of a recession, now is the time to invest in the country's future, creating jobs and establishing a lasting and fully functional legacy.

Teamsters Canada represents well over half of all unionized railway employees in this country. As an organization that represents the interests of thousands of highly skilled railway workers, we naturally welcome any opportunity to increase and broaden Canada's commitment to rail transportation in a safe and productive manner. High-speed rail, if handled properly, could very well be one such opportunity, and consequently we would support it. We not only view HSR as a project that could be good for our membership, but we also view it in its broader context as an infrastructure development project that would be deeply beneficial to all Canadians for many generations to come.

Transportation is the backbone of our economy, and the existence of an HSR line that, in effect, brings Canada's largest population centres closer together can only help to ensure that Canadian prosperity continues to grow. In the short term, a project the size of HSR will provide a much-needed boost to our current slacking economy. It will have an extremely healthy effect on the lives of all working men and women. In the longer term, as the 21st century unfolds, Canada will follow the lead of and experience the same kinds of positive results as many other countries that have implemented HSR systems. Our dependence on oil is not only creating a stranglehold on our economy, but the use of fossil fuels as a transportation energy source could very well be destroying our planet. According to the Earth Policy Institute, three-quarters of the carbon emissions from human activities are due to the combustion of fossil fuels, due in large part to the millions of automobiles packed on our highway.

Environmentally, rail is the friendliest means of land mass transport that there is. Not only will an HSR system greatly reduce the need for fossil fuels as a transportation energy source, it will also, as stated in the Martin Prosperity Institute February 2009 paper on infrastructure, go a long way to help meeting our short-term greenhouse gas emission targets, possibly in the area of 40% of Ontario's greenhouse gas reduction targets for 2020. Linking our urban regions with a high-speed rail network will contribute to providing relief from the major congestion of our roads and thoroughfares, allowing for expanded residential advantages and enhancing our quality of life.

In closing, let me say again that as the nation's premier transportation union, Teamsters Canada is better placed than almost any other stakeholder to contribute in a deep and meaningful way to the success of the high-speed rail project. No one knows track and rail infrastructure better than we do. We alone have had the honour and the responsibility of renewing and maintaining CP Rail's tracks and bridges ever since the last spike was driven in Craigellachie, B. C., in 1885. We view the HSR initiative as a continuation of that great tradition, and we are therefore committed to working with all of our partners in the rail industry, whether labour, company, or government, to ensure that the initiative is handled properly, receives approval, and moves forward.

Thank you.

● (1640)

The Chair: Thank you.

Mr. Mike Wheten (National Legislative Director, Teamsters Canada Rail Conference - Locomotive Engineers, Teamsters Canada): From the Teamsters Canada Rail Conference, I'd like to thank the committee for the opportunity to express our views on high-speed rail transportation in Canada.

The TCRC is a branch of Teamsters Canada that represents 12,000 running trades employees in Canada, including locomotive engineers, conductors, train persons, yard persons, rail traffic controllers, and yard masters at CN, CP, VIA Rail, and many of the short line railways. We believe the time is right to evaluate high-speed rail in the present and for the future. Large-scale infrastructure projects, such as the movement from slower-speed trains of 100 miles an hour or less to high-speed and very high-speed rail trains of up to 300 kilometres, have the capacity to propel change within the areas that are served by such trains. For example, the distance between cities served by high-speed rail becomes substantially less when times travelled are compared. This reduction in time travel will make it feasible to live farther from work in kilometres travelled but closer in time travelled.

We are in agreement with moving toward high-speed rail at this time for several reasons. The first is that a project of this size takes time, and the sooner it is started, the less expensive it will probably be. If studies and environmental assessments and decisions can be made now and in the near future, this will save time and money when compared with putting off plans to a later date. The primary factors are the availability and cost of land, materials, and labour, with land being the most critical component of the three. If left to some future date, land may well not be available, especially in and around urban areas.

At present, land is available in the Quebec City-Windsor-Ottawa corridor as well as in the Calgary-Edmonton corridor. Therefore, we applaud the committee's decision to explore high-speed rail in Canada at this time. As noted earlier, if the decision to move forward toward high-speed and very high-speed rail is made soon, it will take a number of years before high-speed rail becomes a reality. In the meantime, we suggest that some thought be given to expanding and improving the 100-miles-an-hour VIA rail service in all of the Quebec City-Windsor-Ottawa corridor. We have been informed that VIA has P42 engines capable of operating at 125 miles an hour, but only on track that would allow this speed. However, it may be feasible to get the speed up to 100 miles an hour in a much shorter time, and this would lead us to high-speed rail if it were decided that high-speed rail was feasible in this corridor.

Some thought should also be given to improving VIA's transcontinental and shorter routes, which, along with urban routes, could serve as feeder lines to a high-speed rail system. Some thought should also be given to expanding to transcontinental lines. Although there are numerous studies and articles on the subject of high-speed rail in Canada, we've only included two with our presentation here.

We would like to make reference to an article by Mr. Monte Paulsen. Mr. Paulsen is of the opinion that high-speed rail corridors are more viable in densely populated areas of the country, which could support the large investments required for high-speed rail infrastructure. In addition to this, he suggests Canadian high-speed rail corridors could hook up with U.S. HSR corridors, making them more viable. The full article is very interesting and certainly worth reading. I brought these two with me and I'll leave them with you today. Unfortunately, we didn't submit our brief in time for it to be provided to the committee.

The second document is a paper from the Martin Prosperity Institute at the University of Toronto. Entitled “Infrastructure and the Economy: Future directions for Ontario”, this paper applies specifically to Ontario, but much of the information could also apply to other urban centres such as Montreal, Calgary, Edmonton, and Vancouver. Page 14 of this document states that:

> ...the second limitation is that large-scale public spending on infrastructure has a potential to crowd out or compete for resources for construction by the private sector. This point is only valid, however, during a thriving economy. Indeed a good time to make massive investments in new infrastructure projects is during a recession. History shows that many great infrastructure developments were *make-work* projects during times of depression. Many of the construction projects under the Roosevelt's New Deal of the 1930s were good examples. Similarly during the last significant recession in Ontario in the early 1990s, many road construction projects were instigated under the Canada Infrastructure Works Program.

> The purpose of such spending is to stimulate the economy—and this is aided by multiplier effects, which we count as a second form of economic impact... Multiplier effects include not only increased demand in the sectors producing construction materials, but also wider effects throughout the economy at large; for example, output will increase in the retail sector due to increased spending by construction workers. But of course, multiplier effects occur with any form of government spending, or for that matter private spending, in any economy. Moreover, multiplier effects are typically a short-term phenomena. Perhaps the more important question to ask is: What are the long-term economic effects of large scale infrastructure investments?

● (1645)

> The first potential long-term effect of infrastructure investment is increased productivity. Connections between infrastructure and the productivity of economies are well recognized. Transportation infrastructure impacts economic growth by increasing the size of markets. Transportation provides accessibility between consumers, producers, workers and suppliers, leading to increases in productivity, typically through economies of scale. Some researchers have established empirical models relating infrastructure to economic growth, although their explanatory power is limited. ... With many different types and scales of markets, different varieties of products and services, and various complementary and competing transportation modes, deciphering the economic impacts of transportation is complex. ... Nevertheless, there is at least some basic understanding of the structure of the causal relationships between infrastructure investment and economic development.

Further on, at the top of page 18, this document also states:

> A future in which current levels of automobile use are simply replicated by electric vehicles is, however, undesirable on economic grounds. Current levels of automobile use in Ontario are excessive. Level of congestion are so high, e.g., currently costing the GTHA economy $2.7 billion per year (Metrolinx), that the Province plans substantial new investment in public transportation systems. The economic effects of designing highly automobile dependent cities is decreasing productivity and worrying decreases in household savings rates due to overconsumption.

> A more desirable future for Ontario would see her urban regions linked by a high-speed rail network. If appropriately supported by new local transit systems, such as proposed by Metrolinx for the GTHA, then higher levels of connectivity and safer, healthier movement of people will create a new economy. This vision of infrastructure for the creative age needs fundamental changes in land-use planning, with concentration of people and employment around mobility hubs. If transformation of land-use can be achieved—and this remains a key challenge—then reconstruction of the creative city can be expected to attract high levels of private sector investment. A high-speed rail network knitting Ontario's cities together could revolutionize the Province's role within the continental and global economic systems.
>
> The construction of high-speed rail and transformation to plug-in electric vehicles will go a long way to helping Ontario meet its short-term GHG reduction targets. If implemented by 2020, the two scenarios would reduce GHG emissions by about 10-15 million Mt e CO_2. Assuming that this is done in addition to the OPA's current integrated systems plan, and the GTHA regional transportation plan, then over 40% of Ontario's GHG reduction target for 2020 would be achieved.

In conclusion, high-speed rail would be competing directly with air and automobile travel. On a permanent basis, if travel to and from airports is added, high-speed rail could be equal to air and faster than automobile travel. If you also consider the added freedom to work, use a personal phone, and read in comfort, all the while conserving precious energy resources, then at the very least high-speed rail deserves further study. Teamsters Canada will assist in this endeavour in any way we can.

We thank you again for the opportunity to present our views here today.

Thank you very much.

● (1650)

The Chair: Thank you.

Please go ahead, Mr. Hopcroft.

Mr. Grant Hopcroft (Director of Intergovernmental and Community Liaison, Chief Administrative Officer's Office, City of London): Thank you very much.

It's a pleasure to be here on behalf of the City of London to speak on the subject of high-speed rail.

[*Translation*]

It is a great pleasure to be here with you today.

[*English*]

I would like to speak with you today about London's perspective on high-speed rail. Unfortunately, I am able to address your questions in English only.

I would like to begin with a short introduction to the city of London. We're a regional centre in southwest Ontario. We're Canada's 10th largest urban area, with a population of over 350,000. We're located midway between Windsor and Toronto and we sit at the heart of Ontario and Canada's transportation corridors to the United States. With more than 50% of Canada's trade moving through London by road, rail and air, we have an opportunity to build upon this natural advantage and become an important transportation gateway.

This year *MoneySense* magazine ranked London as one of the best places to live in Canada, 11th out of 154 communities across the country. We boast a high quality of life and we have a well-educated, highly skilled, diverse, and globally connected community.

We're fortunate to have a number of institutions in our community. We have nationally recognized institutions such as the University of Western Ontario, including the Richard Ivey School of Business, recognized professional schools, teaching hospitals, and internationally recognized research institutions. We're also home to Fanshawe College, the third largest community college in Ontario. It offers the largest number of co-ops of any community college in Canada and this week received almost $16 million in funding for its Centre for Applied Transportation Technologies as part of the joint federal-provincial knowledge infrastructure program. All of these institutions offer strong research and development training and opportunities.

London and southwest Ontario have many significant economic advantages. Before the onset of the current recession, we enjoyed a thriving and diverse manufacturing sector, a rich agricultural base and clusters of world-renowned education and health institutions as well as a network of robust urban and rural communities throughout our region.

London is a logical link in the high-speed rail corridor, because we are home to public and private sector organizations with connections throughout the Quebec City to Windsor corridor, including national and international corporations such as TD Canada Trust, 3M Canada, Pacific & Western Bank, and London Life Insurance Company.

London City Council and its business community have endorsed high-speed rail service from Windsor to Quebec City and submit that, given London's regional significance, there must be a stop in London.

We applaud the governments of Canada, Ontario, and Quebec for launching an update of the feasibility studies done in the 1990s.

London has the fourth busiest VIA Rail station in the country. We used to be the third busiest. We provide easy connections to both urban and rural communities, including eight trains daily to and from Toronto with links to Sarnia and Windsor. While we value this service, it remains far from ideal when compared with the speed and frequency of European or Asian train services and it makes daily commuting more difficult than it needs to be.

London City Council has this week confirmed that London will participate with several other corridor cities in a socio-economic study of the impact of high-speed rail on our community and the other communities on the corridor. Our city, the London Economic Development Corporation, and High Speed Rail Canada are, in fact, commencing a public symposium in London on the benefits of high-speed rail.

The Federation of Canadian Municipalities, FCM, has long supported high-speed rail and recognizes the potential contribution to the long-term competitiveness of Canada's economic infrastructure.

The Lawrence National Centre for Policy and Management at London's prestigious Richard Ivey School of Business, led by Dianne Cunningham, held a transportation policy conference in March 2008 with a variety of senior government officials, experts, and a range of private sector companies to inform policy-makers on the benefits of the Ontario-Quebec continental gateway and trade corridor and the importance of high-speed rail.

The one-day living zone concept was proposed at that conference, a concept whereby individuals can live and commute on a daily basis within a 400-kilometre distance. Participants supported the creation of a process to evaluate who would be part of a high-speed rail corridor and agreed that high-speed rail would increase economic opportunities, enhance quality of life, reduce pressure of mounting population within major cities, promote less use of private vehicles, help smaller cities to grow, and would lead to the removal of passenger trains from current track, leaving them dedicated to a more efficient flow of freight traffic.

● (1655)

London happens to be a member of the Southwest Economic Alliance, or SWEA, which represents the economic interests of 2.5 million people in southwest Ontario. SWEA has identified high-speed rail and rail infrastructure in southwestern Ontario as a top priority.

Now, how could high-speed rail help London and southwestern Ontario? Well, recently London City Council endorsed an economic strategy to further develop London as a trade and transportation hub. The advent of high-speed rail service would strengthen the London and southwestern Ontario economy and open new opportunities for both retention and expansion of economic opportunities in London and the surrounding region. We're strategically located on the Highway 401 corridor near its junction with Highways 402 and 403 and connections to Sarnia and Windsor and the borders beyond.

High-speed rail would relieve congestion on our highways, particularly those around the Greater Toronto Area, reducing the need for highway expansion and leading to reductions in greenhouse gas emissions and improvements in air quality. A high-speed rail service between Windsor and Quebec City would enhance mobility of labour, not just in southwestern Ontario but throughout southern Ontario and Quebec. It would stimulate tourism, open up new markets for trade and investment, and create new high-skill construction jobs.

As was pointed out by the deputy minister to this committee last week, European studies show high-speed rail has the potential to create economic development opportunities for smaller communities, not just larger ones. It will contribute to Canada's global competitiveness. High-speed rail has also proven to be the safest and most reliable form of travel.

With respect to demand, according to Stats Can, there are more than 2,000 daily commutes from London to the GTA. Last month VIA Rail reported almost 35,000 passenger on-offs at our VIA station in our city. We have a potential catchment area around London of over one million people. We welcome the demand studies that are being conducted, and we have just endorsed our participation in similar studies. We favour implementing all sections of high-speed rail service between Windsor and Quebec City in order to amplify and maximize the overall benefits, because we believe the complete corridor will be greater than the sum of its parts.

In summary, we favour high-speed rail rather than higher-speed rail. We favour full implementation of high-speed rail service along the entire corridor rather than a phased approach. We urge the governments of Canada, Quebec, and Ontario to consider the environmental benefit as well as the full socio-economic impact of high-speed rail on the provincial, regional, and, in particular, our local economies in our communities.

Thank you for your consideration. I look forward to your questions.

The Chair: Thank you.

Mr. Volpe.

Hon. Joseph Volpe: Mr. Hopcroft, first of all, without any sarcasm, congratulations on a great public relations job on behalf of your city.

● (1700)

Mr. Grant Hopcroft: Thank you.

Hon. Joseph Volpe: I thought you were going to leave the floor open to the guys from the Teamsters, because they did a great job in advancing their membership and the kind of work they do. It's refreshing to hear people come and speak about their place, and it is helpful to committee members to understand why this should be considered as an economic development project as well as a nation building project. Sometimes we don't get out of our own little communities until we hear what everybody else's communities are about. People in London missed a great opportunity today. If they had put off their symposium till tomorrow night, they would have had a guest speaker from this committee who would have just shocked everybody there. But unfortunately, that guest speaker won't be able to be there, because he's actually here, and it isn't me.

Light-heartedness aside, Mr. Hopcroft, you have raised something that others have just alluded to, and that is the creation of hubs along this corridor. Let's talk about the Ontario-Quebec line for now and switch to the Alberta line in a moment. Creating hubs along this corridor from Windsor all the way up to Quebec would be a great economic advantage. You talked specifically about London's role as a centre that would serve as an economic transportation hub. I took from what you said that you wanted London to be thought of as a model for longer-range commuting. People could live where they currently live and go to work in places like Toronto, 190 kilometres away. They could actually commute to Toronto, or to Windsor, which is almost as far, about 170 kilometres away.

Mr. Jeff Watson (Essex, CPC): It's 178 kilometres.

Hon. Joseph Volpe: So you'd have this concept of people staying in regional centres and still working in even larger centres. Have you thought in terms of what that would do to property values, just as one consideration, locally as well as in larger centres?

Please don't take as long with your answer as I did with my question, because I want to ask the other guys something as well.

Mr. Grant Hopcroft: I'll do my best. Thank you for the question.

We certainly do favour having the capacity for people to commute those distances on a daily basis and to do that without having to consider moving their families. It disrupts our local economies. While we support labour mobility, we're often faced with situations in which professionals who have highly specialized skills are torn between continuing to live in a regional centre or moving to Toronto or Montreal. They can have both with high-speed rail, because it makes that commute so much simpler. They can service their clients throughout the region from their home base. We feel there's value in that.

Hon. Joseph Volpe: You heard the people who preceded you in your chair. We're talking about competitive advantages and disadvantages. I'm assuming that because you represent the economic development department of your city that you probably consulted with the Richard Ivey School of Business as well as with your own economic department about competitive advantages and disadvantages. Does that not inhibit your enthusiasm for this?

Mr. Grant Hopcroft: Not at all. We feel that we can compete. We feel that there's benefit in being able to have that kind of competition at the local level.

I want to address your question about property values. Just before coming down here, I did check, and currently the average price of a single family resale home, as of the last quarter of last year, was $383,000 in Toronto. It was $204,000 in London. I think one of the benefits of high-speed rail is that it gives people the opportunity to enjoy a higher quality of life within something similar to or better than the commute they face now, without having to pay the high cost of living, for example, in the GTA or the greater Montreal area. It helps our regional economies survive.

We all suffer, when we're outside those growth centres, in some sense, from a hollowing out of our communities. Creating those opportunities not only helps the hubs, it helps the smaller communities that feed into those hubs, because it brings them closer to opportunities and jobs as well.

● (1705)

Hon. Joseph Volpe: Thank you.

Mr. Benson and Mr. Wheten, I know you have studied the impact of this type of technology in other jurisdictions—France, Spain, Germany, Japan, Italy, and so on—in Europe. One of the things that concern a lot of people concerns me. The English have had a serious problem with the introduction of high-speed rail. One of their problems is that they don't have the labour infrastructure to deal with this kind of technology. By that I mean that if you don't have access to the same kind of engineering capacity required to deal with that technology.... Do we have it? Does your membership have it?

Mr. Phil Benson: Yes, we do, without a doubt.

If a train moves in Canada, just about, it'll be a locomotive engineer. We do the GO Train. We do the interurbans today in Vancouver, Montreal, and Toronto. I think the capacity to build a track and to run a track is something we really don't have to be very concerned about.

Obviously there'll be some training issues. There'll be different aspects. But these are people who have been handling Canada's transit since we were a country. CP always likes to say that they're the reason there's a Canada. We like to think that we're the reason. In fact, locomotive engineers were a union before Canada, and in fact, they were a union before it was legal to be a union.

So I don't think that's a major concern. I think it's the political will and desire to do it, more than anything else.

The Chair: Thank you, Mr. Volpe.

Mr. Laframboise.

[*Translation*]

Mr. Mario Laframboise: Thank you, Mr. Chair.

Mr. Brehl, you say that building and maintaining do not present problems. You have the people needed, your colleagues have the skills, and you can handle it.

You represent the Rail Conference of Teamsters Canada, but have you had inter-union discussions about rapid rail, with colleagues who work in other areas of transportation, such as air or bus, or is it too early for that?

[*English*]

Mr. William Brehl: I'll let Mr. Benson answer that.

Mr. Phil Benson: I can answer that. Thank you very much. *Merci beaucoup*.

I think one of the ways to respond to that...as I've said before this committee, and a lot of people ask, how can the Teamsters do it? Because we represent rail, we represent road, we're the biggest player in small parcels, freight forwarding, we're in the air world, we're at the ports, and we're even in buses now too, or coming. We don't view it as a zero-sum game. We think it's a win-win situation. It has been for the Teamsters.

From the companies' side, they're called integrators. I'll give you UPS as an example. A quarter of a million Teamsters work at UPS. They have the largest fleet of trucks, they have dedicated trains, they have their own ships, and they're the fifth largest airline in the world—wall-to-wall Teamsters. So we don't view it as a negative; we view it as a positive. We think it's a win-win situation.

The gentleman from the busing industry was talking about the integration package. We think it's a growth industry. I couldn't agree more that in regard to Peterboro, London, and places like that, through Quebec City and up the north shore, it's just a wonderful way to expand and have growth. Every time you put these types of vehicles in, with the boom that occurs around stations, the boom that occurs, as you know, just from GO trains, etc., it's worth it.

[*Translation*]

Mr. Mario Laframboise: Mr. Brehl, some witnesses have told us that the cold could affect the operation of high-speed trains in Canada. Have you had an opportunity to talk to others of your colleagues in other countries? Does building a high-speed rail system in a cold climate concern you?

[*English*]

Mr. William Brehl: I haven't done a lot of studying of other countries, but as I understand it, high-speed rail is in other countries that have cold climates as well without a problem. It also depends on what type of rail system you're going to go to. If you go to the maglev, the magnetic levitation, it's higher and it's its own fixed stand that the train runs on. If you go to the 400-kilometre-per-hour train, fixed standard rail, anything under that you get onto the subgrade, and you're going to balance the subgrade, which is what we run with anyway. You need continuous welded rail, or CWR, and you will have brakes and rail no matter what, but you have to get out to fix them, and you will, as we do now.

● (1710)

[*Translation*]

Mr. Mario Laframboise: Mr. Wheten?

[*English*]

Mr. Mike Wheten: One of the factors with maintaining rail in Canada is that we run huge freight trains, and probably the weight of the trains would have more of an effect. The high-speed trains are fast, but they're not heavy. Where you get more damage to the rail and what makes it more difficult is when you run...for example, CP at the present time is experimenting with 30,000-tonne trains. Just prior to a month ago, we thought—and we still think so, to be honest with you—that a 20,000-tonne train is a heavy train. That is a very huge train. They were combining in Kenora, just east of Winnipeg, over the last week or 10 days two 15,000-tonne trains and running them over the track. That would be more of a challenge. There would be different engineering challenges to maintaining high-speed rail, but I don't think they would be anywhere near the challenges there are to maintaining track where you're running even 15,000-tonne trains. Back in the eighties, if we had a 5,000- or 6,000-tonne train, that was a big train. Generally speaking, they kept them below 6,000 feet.

So there's more of a challenge there than there is with the high-speed trains. I think once you build the track and you get the trains running, there shouldn't be as much of a problem maintaining the track.

[*Translation*]

Mr. Mario Laframboise: Right.

Mr. Wheten, as a locomotive engineer, do you meet your international colleagues? Do they not find it a little bizarre that Canada doesn't have rapid rail yet? Have you had an opportunity to meet with colleagues in other countries?

[*English*]

Mr. Mike Wheten: Well, yes, I have discussed that subject, but only with my American counterparts. Actually, I'm going to Europe later this year. But I do understand, because of our population. The Americans look as if they're going to get into high-speed rail fairly soon, and in a big way. Again, they're looking at corridors: the eastern corridors, California.

But my understanding, and I could be wrong, is that we don't have the population. There's 10 times the population in the States that there is here, so they have more monetary capacity than we do. Although I envy them, in a way, I do understand the differences in the cultures.

[*Translation*]

Mr. Mario Laframboise: Mr. Hopcroft, are you doing a feasibility study with other cities and municipalities?

[*English*]

Mr. Grant Hopcroft: That's correct: Quebec City and the City of Laval. The City of Toronto, we understand, will have some involvement, and the City of Windsor as well.

[*Translation*]

Mr. Mario Laframboise: Will this study be independent of the one being done by Quebec, Ontario and the federal government?

[*English*]

Mr. Grant Hopcroft: That's correct. I'm sorry if I did not mention the Ville de Québec. It's involved as well. In fact, it has taken some leadership in this.

[*Translation*]

Mr. Mario Laframboise: Are you doing the study because the participating cities have stations within their boundaries?

[*English*]

Mr. Grant Hopcroft: They're all served currently by VIA. We want to ensure we have some facts of our own. We think it will provide, in some cases, a useful second opinion to the study being done by the federal government and the provinces, and in other cases it may look at some socio-economic impacts that may not, in fact, be covered by the Ontario-Quebec-Canada study.

● (1715)

[*Translation*]

Mr. Mario Laframboise: Have you already issued the invitation to tender? Is the study underway?

[*English*]

Mr. Grant Hopcroft: The contract is expected to be signed probably within the next two or three weeks.

The Chair: Thank you.

Mr. Maloway.

Mr. Jim Maloway: Thank you, Mr. Chairman.

Last year around this time the economy in Alberta was still flying pretty high. I know of one instance where an entire train crew—I guess it wasn't a train crew but a section crew—on the Manitoba-Saskatchewan border just all quit one day and moved to Alberta to work in the oil fields. That caused me some concern about whether or not we'll have enough skilled labour in a very overheated economy.

Now, the government is proceeding with a lot of megaprojects and infrastructure projects coming out of the last budget. Do you have any concerns at all that there may be a shortage of labour when it comes time to build this high-speed rail system?

Mr. Phil Benson: I guess I could speak for Teamsters' construction division; this is Teamsters' rail division operative.

I think a while back there were certainly a few areas where there were some shortages. One, of course, was in the pipeline. That was simply because they hadn't built pipelines in such a long time that a lot of the people who had built pipelines had in fact retired. We proceeded with a large training initiative to correct that for the upcoming pipeline growth that we still hope will come.

I think that's a construction issue. You'd have to talk probably with the building trades and others. Clearly, there were some areas where there was...I wouldn't say a shortage but a disallocation of labour resources across the country. We like to say in construction, "If you build it, we will come." I think generally, at the end of the day, if we're looking now at a recession, time being as it is, going forward we probably will not have that problem. I certainly hope not.

Mr. Jim Maloway: Now, are you aware of any other routes the federal government should be considering in this higher-speed rail project? We were talking about eastern Canada here, the Toronto and Montreal areas and Toronto-Windsor.

Mr. Phil Benson: I think, clearly, people have talked about Edmonton to Calgary.

The other issue that Brother Wheten raised—and I think we all agree with it—is that high-speed rail is such a long time down the pike, no matter what we do with it. Let's not forget that VIA Rail does offer an option to transport more people to help reduce Canada's greenhouse gas emissions. It too could be speeded up a little bit, especially with some work on the south shore line going through the Montreal-to-Windsor corridor now, some work there at various places. It just doesn't have to be a Toronto-Montreal and Calgary-Edmonton run. It's something we could really put elsewhere in the country. And you could do that today; you don't have to do it six years from now.

Mr. Jim Maloway: One of the previous witnesses we had on before was from one of the bus companies, and he seemed to be generally opposed to high-speed rail, unless it was a public-private partnership in which his parent company would be a partner. I didn't ask him about that.

What's your attitude on the public-private partnership issue versus public ownership?

Mr. Phil Benson: I was going to say, considering that it's probably an $8 billion or $10 billion project, they must have awfully deep pockets.

On the P3 issue, I think we would rather stick with the issue of whether it's a good idea to investigate and to look at it. The funding issue is something that will be determined. It will be whatever is best. If you look at Bombardier, Lavalin, or PCL, there are lots of major construction companies that are up to it. There are various players, etc.

I guess with VIA Rail we wouldn't have to worry about that right now. In the future, we'd have to look at that. As we said, we're tentative about saying yes, go ahead. Which route do you want to take—the south shore or the existing CP right-of-way that's not used, going down through Peterborough up to Ottawa, that way? It's 80 kilometres shorter. It might be a better route. It might have greater advantages. They all have pluses or minuses. Until we see a concrete "here's this, and here's that", we can't really put our mind to it. At this point, really, we're all blue-sky thinking here.

● (1720)

Mr. Jim Maloway: Do any other members on the panel have any comments to make about whether there should be public-private partnerships or just government-owned projects?

Mr. Grant Hopcroft: I would just agree with Mr. Benson. I think that's an issue that one will need to look at when you look at what the ridership levels will be, what the capital costs are, and what the best technology is.

Mr. Phil Benson: There are lots of discussions about one mode saying this and one mode saying that; they get this benefit and we get that. The truth of the matter is that rail subsidizes road through taxes on diesel. Every single mode has different aspects to it. When you think intermodal, you realize that a lot of it is complementary or supplementary. It's how we get a win-win, it's not whether somebody pays a nickel more or a nickel less, or something else.

In the end, the thing is whether this project makes sense economically for today or, more importantly, for the future. Is it environmentally sound? Is it something that we want to do? Do we think we can get a lot of infrastructure from this, not just the building but also spinoffs? Cities like London...which is a great city, by the way. I've been there many times. I love London. So you did a good job, and I'll reiterate that it's a great city. So is Quebec City, and so is Laval. I've visited them all through that corridor.

I think that's something the House of Commons should be looking at—not at this as just a rail line but at what else it can do for the country, both through international agreements and also for locals.

The Chair: I have to keep moving. We're pretty nearly out of time.

Before I go to Mr. Watson, if we're doing shameless promotion, I'd just let you know that Brandon was number 10.

Mr. Watson.

Mr. Jeff Watson: That was shameless, Mr. Chair.

Thank you very much, Mr. Chair.

Thank you to our witnesses for appearing here today.

Of course, we are conducting a study on high-speed rail in Canada. Our focus has primarily been with respect to the Windsor-Quebec City corridor. I have a question. As we've been unpacking this a little bit with some of our witnesses, at least a couple of them—including one of our previous guests, Transport 2000 Canada—have hinted that the proper context for this study is probably a lot broader than what the committee has begun with, and that we should see it with a suite of other measures—with connected intercity rail operations, for example. How do our transportation systems link into high-speed rail? Would you agree with that, first of all, and agree that the committee should perhaps consider, if necessary, broadening the scope of its study a little bit to more than just the specific Windsor-Quebec City corridor high-speed rail issue?

I'd like some guidance for the committee.

Mr. Grant Hopcroft: I see no reason why you shouldn't look at other options where there is sufficient ridership to make a decent business case. I know that in the past the Edmonton-Calgary corridor has been looked at. There's been talk of connections south from Vancouver. Certainly, given the intentions of the new President south of us to promote high-speed rail in a variety of corridors, it makes sense from the perspective of international trade, and certainly trade in professional services, as one example, for us to look at interconnection with the links that are going to be created south of the border.

Mr. William Brehl: I'd just like to say that every study I've looked at—and there have been quite a few, I think, since 1987 when I saw the first one—has stated that high-speed rail has to be a part of an integrated transportation system and network. It can't stand alone to get full benefit.

Mr. Jeff Watson: Thank you.

You bring up the issue of the business case here, and having sufficient ridership, for example. I'm looking at the populations of countries in Europe, for example, where high-speed rail exists. Some of the larger urban centres are certainly, both in terms of density and absolute numbers, a lot larger than what we're talking about here in Canada. In fact, even the United States has 10 times the population, but it's also a smaller country than we are so there are higher densities. In fact, California alone, as my colleague has reminded me, has the same population as all of Canada.

Where does the business case exist? Can it actually be from Windsor to Quebec City, for example? I'll be frank with you: I'm a little doubtful about at least Windsor to London. I'm not quite sure whether a case exists there yet. This is obviously not going to be something that's widespread in Canada. Where does the business case exist within that corridor? How far can we actually take this?

● (1725)

Mr. Grant Hopcroft: Well, I think one of the things is not to just look at ridership on a specific train and what existing travel patterns are. I think we need to do modelling that looks at the potential for growth in different modes and the impact that construction of a high-speed rail corridor can have on the need for us to expand our existing highway infrastructure. If you want to talk about a system that's heavily subsidized, it's the roads. People simply have to have a vehicle and be prepared to pay for their gas and whatever the taxes are on that at the time. We can't continue to keep widening these roads.

The beauty of rail is that you can increase frequency without having to increase your base infrastructure, and you can carry a remarkable number of passengers without having these kinds of significant incremental costs that you have when you widen Highway 401 or you widen the Queen Elizabeth Way in some of the very restricted corridors we have now.

We're suggesting you need to look at the impact and the benefits, some of which don't have a financial price tag, some of which do, but all of which have an impact on the way we live and the way people's health is affected as well.

Mr. Jeff Watson: I have another question here. Mr. Brehl, I think you talked about embarking on a project of this scope. Obviously, I think we'd probably all agree that the federal government, or governments, if you will, would be involved in the financing of something like this, for a project of that scope.

I think you had made a statement somewhere in there that this was going to help with respect to economic stimulus. I just want to be clear: I don't think any of you presupposed that this could be embarked upon within the next couple of years. In other words, it's not going to affect the current downturn.

Mr. William Brehl: It's not right now, not at this time.

Mr. Jeff Watson: Okay. I was going to say that by the time you get engineering, environmental assessments, and other approvals, then you're—

Mr. Phil Benson: It would be 10 years.

Mr. Jeff Watson: How early do you think we could start it, though?

Mr. Phil Benson: You could at least start looking at studies. When you're looking at the existing patterns, people tend to view what's happening now as what will happen forever. You know, a $150 barrel of oil changes everything. Looking forward, if not in the next 10 years then certainly for our children, that may be cheap oil. When we're looking at a business case today—I know we're rail and road—multi-modal is coming, and more stuff is going on trains. It's what's going to happen once it gets over $100 a barrel, and it's going to come in a flood.

Again, when we're planning now, we're really looking at what it's going to be in 10 or 15 years. At $150 a barrel, it will look darned cheap to have, basically, a subway going from London to Toronto. That's really what you'd have. That's not too bad. In fact, the ridership may be quite exceptional at that price.

The Chair: Thank you.

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

The Chair: The time has run out.

I'd like to thank our guests again for being here. I appreciate your input, as always. Thank you.

For the committee members, on Tuesday, June 2, we continue. We have the City of Kingston, Canadian Airports Council, and the Cement Association of Canada. On Thursday, June 4, we have Thales, VIA Rail, and the Greater Toronto Airports Authority. For June 9, we're aiming for the City of Montreal and the City of Quebec.

Have a good weekend. Thank you, everyone.

The meeting is adjourned.

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