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Chair

Mr. Merv Tweed

Standing Committee on Transport, Infrastructure and Communities

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● (0850)

[*English*]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, everyone. Welcome to the Standing Committee on Transport, Infrastructure and Communities, meeting number 41. The orders of the day are pursuant to Standing Order 108(2), a study of innovative transportation technologies.

Joining us today from Nova Bus, a division of Volvo Group Canada, Inc., are Jean-Pierre Baracat, vice-president, business development; and René Allen, vice-president, product management and strategy, business development.

From New Flyer Industries, who had some exciting news this past week in Manitoba, Chris Stoddart, vice-president of engineering.

Thank you for joining us. I'm sure the clerk has given you instructions on presentation, and then we'll move to questions from the committee. I'm not sure who wants to start. Have you tossed a coin?

Okay, Mr. Baracat, please.

Mr. Jean-Pierre Baracat (Vice-President, Business Development, Nova Bus, a Division of Volvo Group Canada, Inc.): We'll do the presentation in French, if you don't mind.

[*Translation*]

I will start by telling you who we are, and then I will let Mr. Allen take over to talk about emerging technologies.

As you mentioned, Nova Bus is part of the Volvo Group, which is all over the world and has 118,000 employees. In Canada, we are the representatives of the Volvo Bus Group. We are responsible for public transit products for all of North America.

Nova Bus has three plants, two in Canada and one in the United States, in order to meet the requirements of the Buy American Act. In Canada, we are the leader with a little over 50% of market share. We employ about 1,000 people, 800 of them in Canada. About 1,000 buses are sold per year, with sales of about $0.5 billion.

I will now let Mr. Allen talk about innovative technologies.

Mr. René Allen (Vice-President , Product Management and Strategy, Business Development, Nova Bus, a Division of Volvo Group Canada, Inc.): Regarding innovative technologies, we can ask ourselves three questions. How can we better use what we already have today? How can we better use the technologies available elsewhere in the world? Finally, how can we maximize our investments in research and development?

Concerning the way we can better use what we have today, there is an emerging technology called BRT, bus rapid transit. This technology allows us to use existing buses and have transit that costs a lot less. In Ottawa, there is a pretty effective example of BRT, which is having bus lanes and organizing a bus system that is much closer to a subway or train system.

BRT has very significant advantages both environmentally and financially. If there is a 3 km/hr increase in commercial speed, the average speed of a bus on a given route, pollution is reduced by half. It is therefore very significant environmentally. The time for routes is also reduced significantly. It is the factor that most encourages people to take the bus rather than their car. With BRT, people realize quickly that they can reach their destination in less time than if they took their car. Finally, there is the fact that people stuck in traffic mean big economic losses. In 2006, Transport Canada determined that these losses were between $2.7 billion and $3.2 billion per year for Canada.

We will send you more information by email describing exactly what bus rapid transit is. This system has different characteristics that are very important: exclusive bus lanes; level-boarding, so that people do not have to go up any steps; prepayment outside the bus, which is very important because it greatly reduces the time needed to get on and off; priority at intersections so that buses travel more quickly than vehicles; passenger information; traffic control; and, especially, high-capacity buses.

Current systems are comparable, in terms of capacity, to light rail and subway, but they cost a fraction of the price. With a $1 billion investment, 8 km of subway can be built, 40 km of elevated rail, but 310 km of bus rapid transit. Three hundred and ten kilometres are therefore covered with $1 billion, which is much less expensive than building a very demanding system like a subway or a rail system.

How can you help us set up these systems? BRT must be promoted and supported. It is important to invest in exclusive lanes and to help transit companies that want to set up BRT. Often, they want to do so, but either the train or the subway is more attractive. If you support transit companies that want to build something new, you will reduce traffic congestion as well as investments in transit infrastructure.

The second way you can help us is by harmonizing standards and certifications. For example, environmental standards should be changed regarding motors. Canada's standards are the same as those in the United States. European standards are a bit different, even though emissions in Europe are roughly the same and a little lower, depending on the year. In general, they're not tested in exactly the same way, so the standards do not match.

Systems from elsewhere in the world cannot be used in Canada if they do not meet these standards. Harmonization of international standards is very important, because it will avoid having to certify motors again in Europe and the United States. The cost of that is very high, tens of millions of dollars, which currently come up every three years.

● (0855)

A large part of Volvo's investment budget is used strictly for truck and bus motors. Consequently, all other innovations are set aside. If we were able to harmonize these standards, we could use the money available for other innovations. Canada could allow as is the use of motors that meet European standards and that are available today. That would allow us to provide those motors and not have to obtain a certification.

It would also be good if you supported the harmonization of international standards. It is a very long process, which started a number of years ago. A good boost is needed to reach the goal more quickly. All sorts of technologies that are available elsewhere could also be available here.

The last point, which is much more about new technologies, deals with supporting electric buses. Nova Bus, a division of Volvo Group Canada, Inc., has a modular approach to electromobility. It would allow us to meet the needs of our clients. Since 2006, we have been making hybrid vehicles. To date, we have sold hundreds. To get to the electric bus, we are continuing in that direction by electrifying all of the major components. Last year, in 2011, we introduced our first electric bus on the North American market. We work on its deployment and its design. There are significant challenges on the components side, but it is especially challenging when it comes to the quantity of energy stored to allow acceptable autonomy for our clients.

And that is the focus of our request for assistance. The first thing would be to make green funds available for development, then to simplify and facilitate comprehension of as well as access to different forms of federal aid. For us, it is not always easy. Some forms of aid are only accessible to transit companies. There need to be some for industrial companies. Finally, we are asking you to support and help companies that work on battery systems, storage elements and charging. It is very important. In fact, it is the basis of electric vehicles. Once advanced technologies in this field are available, we can integrate, use and develop them.

That is the main message we wanted to communicate to you this morning.

● (0900)

[*English*]

The Chair: Thank you.

Mr. Stoddart.

Mr. Chris Stoddart (Vice-President of Engineering, New Flyer Industries Inc.): Good morning. My name is Chris Stoddart. I'm here representing New Flyer. Thank you for having me today.

To tell you a little about New Flyer, we are the leading heavy-duty transit bus manufacturer in Canada and the United States. We've delivered over 31,000 buses. We were founded in Winnipeg in 1930. We're still headquartered out of Winnipeg. We have manufacturing facilities in Winnipeg, and in Crookston and St. Cloud, Minnesota. We've a small fabrication plant in Elkhart, Indiana. We also have a parts distribution business, where, again, our largest facility's in Winnipeg, Manitoba, but we also have parts distribution centres in Brampton, Ontario; Erlanger, Kentucky; and Fresno, California. In the last couple of years we've recently started our own service centre, where we're trying to do commercial work on buses. That's located, actually, close by here in Arnprior, Ontario.

We're heavily focused on being the employer of choice. We've won many awards over the last half a dozen years. We have 2,200 employees and our revenues are, give or take, about $1 billion. We build maybe 2,000 buses, and our revenues are split, about $130 million of that billion is on the parts side.

The theme we're really trying to work towards is about life cycle value and providing the best bus value for life. I think that starts with making sure you offer the right product for the particular customer's needs. We build 35-foot buses and 40-foot buses. We build the 60-foot articulated buses. These are all heavy duty, which means that the bus is qualified for 12 years of life.

We have multiple types of propulsion systems. We have clean diesel. We have diesel electric hybrids, and we have those in a series. We have those in parallel. We offer electric trolleys, and we offer liquid natural gas, compressed natural gas, hydrogen fuel cells, all types of different buses. Last week, we unveiled our battery electric bus, the same as my competitors beside me, so that's very exciting stuff.

There's a picture on the notes here on the top left-hand corner. That is a medium-duty bus and that's market space that we don't play in today, but we've just had a partnership established with Alexander Dennis Limited out of the U.K. These buses are all over Europe. They've built more than 16,000 of these. Essentially, it's a smaller-scale bus, 30 feet, and a little narrower, much lighter bus.

This is an agreement we've just signed with them, and we're going to be producing these in North America. They've been introduced in North America before, but never really took off, so we think it's a great opportunity to have fit-for-use buses for smaller shuttle service or feeder routes for bus rapid transit or rail rapid transit. That's a new product we're getting into in the next year.

On a priority basis we're really focused on reducing, again, life cycle costs, on fuel consumption and emissions. The focus is on lightweight design.

We recently launched our latest platform, the Excelsior bus, and we went through great pains to ensure we reduced the weight as much as possible, because there's almost a direct correlation between weight and fuel economy. We've done a lot of cool stuff with our steel structure and composites to ensure we probably took about 10% of the weight out of our bus.

The other thing is that we see a big opportunity when you're again looking at life cycle costs and fuel economy for our customers. There's really neat stuff you can do on the technology side, but one thing that can swing fuel economy is just driver behaviour. So we've introduced something called New Flyer Connect. It's like on-board telematics. Selfishly, on our side, it collects all kinds of data for what's going on in the bus and tells us how the bus is performing. It helps to provide feedback so that we can design a better bus. We'll provide the same to our customers so that it can help optimize their maintenance frequency and reduce their costs.

● (0905)

The other thing it has is on-board driver monitoring. Most people, as they drive their cars and see the instantaneous fuel economy, will notice their driver behaviour and how gently they drive the vehicle. That probably has the most prominent influence on fuel economy. We want to be in a position to provide that to our customers so that drivers can get real-time feedback on how they're doing. Hopefully, that can make, sometimes, a 10% or 13% difference in fuel economy right there.

Again, one thing that is very important in our industry, which was touched on in the other presentation, is the EPA requirements. They change every three years: 2004, 2007, 2010, 2013. You won't be able to sell a bus in North America unless you meet these. They're very stringent requirements, so we have a lot of focus on getting prepared for 2013.

Again, it's a similar story here. In an effort to reduce fuel consumption, you'll see the electrification of accessories. Those are things such as power steering, air conditioning, and air compressors. You've seen that trend in automotive. Again, we're following suit. It's just a way to optimize fuel economy.

Finally, again, the all-electric bus is a similar story. We're very excited about that. We actually see that in the next decade really being commercially viable. I think we really believe in the payback for that in reduced costs for ridership. That's a pretty exciting program. We just finished building our first bus. It's being tested on the streets of Winnipeg right now. We're hopeful that we will be putting in some production orders, maybe as early as 2013.

I don't have any specific asks today. I just want to talk a bit about some of the stuff we struggle with, I guess, as a company.

When we talk about product configuration management, if you look at automotive, they're at one end of the spectrum. If you want to buy a car, you can go online and pick between five different colours, power windows, and air conditioning, and all that. You can select from a configurator, but you can't ask for anything custom. That's just the way that world works. That's at one end of the spectrum.

Our industry's pretty much at the other end of the spectrum. Our customers dictate to us exactly what they want, and every order has custom engineering. For some orders, maybe it's a couple of hundred hours of engineering. Some orders can be 10,000 hours of engineering.

While we understand that our customers might be spending millions and millions of dollars and want their thumbprint on it, we'll never get to automotive. If we could get to somewhere in the middle, where there could be a little bit tighter constraints on how much customization our customers could demand, I think there would be huge efficiencies and cost reductions from the OEMs overall, and there would probably be better performance. Every time you customize, you stand some risk of having something go wrong, which ends up costing money. It's a huge issue our industry deals with all the time.

One of the other challenges, as we sell both into Canada and the United States, is the Buy America requirement. Essentially, at a high level, they want about 60% content. There's talk of that content increasing. It presents a huge number of challenges, particularly for companies that are headquartered in Canada, as we are. That has a lot of challenges.

On the flip side, there are the “buy Canada” requirements. Although it's not as dominant as it is in the United States, it's certainly beginning to catch on in Canada, and more so in Ontario. It just presents challenges, as you have to source material to meet those requirements.

I talked about New Flyer Connect. We have this data available that we want to use to optimize the design of our buses, to help our customers properly maintain their buses, and to give real-time driver feedback. I guess the issue we'll have to deal with is how well that's accepted. How are drivers going to feel about having that performance criteria and having that published? I think it's a great opportunity, as long as it's embraced and rolled out the right way.

Finally, on the battery-electric bus, I think the bus itself is probably the lesser evil for commercialization. Don't get me wrong; it has plenty of challenges. But we think the secret sauce is more the charging. I think over the next 10 or 15 years, it's going to be about the best charging methodology—kind of like they had with that VHS and Beta. Do you do induction charging? Do you have stuff from overhead? Do you put a lot of batteries on the bus and just plug it in at night? Do you put few batteries on it?

I think the challenges there, maybe even over the next 20 years, are somewhat coming to a global point where there are universal types of standards for charging.

● (0910)

Obviously, on the battery technology, whatever can be embraced for improving battery technology just makes the viability from a cost and performance perspective that much more so on the battery buses. Those are the obstacles that we deal with every day, and we just wanted to present that and open it up for any questions.

Thank you very much.

The Chair: Thank you.

Ms. Chow.

Ms. Olivia Chow (Trinity—Spadina, NDP): Good morning. Thanks for coming.

To both companies, how many buses do you have that you make in Canada? How many do you supply in Canada, of all the different categories? How many jobs would that net? Maybe I could start with Mr. Allen.

Mr. René Allen: I would say that at this time more than 70% of the buses are supplied to Canada.

Ms. Olivia Chow: How many would that be?

Mr. René Allen: In 2010 it was probably 800.

Ms. Olivia Chow: Of those, how many of them are hybrids?

Mr. René Allen: In 2010 we had something like more than 150 hybrids. The rest of them were a mix of diesel, 40-foot and 60-foot, so regular and articulated buses.

Ms. Olivia Chow: Right.

For New Flyer, what number do you have?

Mr. Chris Stoddart: Our Canadian volume really fluctuates. On average, I'd say probably only about 20% of our business is Canadian build, so that may be 400 or 500 buses in a year, give or take. About 80% of our business is U.S. On the hybrid side, it was a really quick adoption rate.

Ms. Olivia Chow: How many?

Mr. Chris Stoddart: In 2009 it was 40% of our production, so about 900 buses.

Ms. Olivia Chow: But 400, in total, but you're making about 900....

Mr. Chris Stoddart: Sorry, we make 2,000 buses a year, 900 of which are hybrids. Some 400 of those 2,000 go to Canada, Canadian customers.

Ms. Olivia Chow: I see. How many of them are hybrids in Canada?

Mr. Chris Stoddart: It's almost the same ratio, about 40%. We've seen that trend actually come down a little bit, though.

Ms. Olivia Chow: Why?

Mr. Chris Stoddart: I think it's just the funding requirements and there are additional costs for the hybrids. It's not cheap. Give or take, it can be a $130,000 premium.

Ms. Olivia Chow: How many jobs would it be, approximately, that each of your companies are able to generate in Canada?

Mr. Allen.

Mr. René Allen: It's 800 in Canada.

Mr. Chris Stoddart: We're about 1,200 to 1,300.

Ms. Olivia Chow: The one technology, the one alternative, that you use the most is hybrid. But the new area is really electric battery-charged buses. Am I correct on that?

What do you need to massively expand the electric? Is it the charging? We will probably hear from Israel, for example, on the way they charge their cars. Is it charging stations that are most difficult right now? What is the area where you think it could grow the most? It's not natural gas, right? It's mostly the electric cars. Am I correct in that?

● (0915)

Mr. Jean-Pierre Baracat: What we see is that the electric buses are going to be probably the propulsion of choice in the future. It's not something that is readily available right now. Right now, as we mentioned earlier, the challenge is with the batteries. The autonomy for the vehicles is not as high as you would get on a normal vehicle. On a normal transit bus in heavy operations, like the big cities, the bus will operate for 20 hours a day.

With batteries today, there isn't a possibility to power the bus for that long. In terms of technology, yes, we'll have to figure out—and that's what I think Chris was referring to—how we charge those vehicles. Do we keep them charged? Do we have all the capacity on the bus to keep them running for the 20 hours? Or do we do opportunity charging, so whenever we get a chance we give them a jolt of power to keep them running for the rest of the day?

Right now this technology is still emerging. We need to have some breakthroughs on the battery side, and we need to have some sort of standardization, although we can have a modular design for the different types of applications for electric buses.

The other technologies, like CNG, etc, are existing fuels and not something that really is a breakthrough in technology. It is something that is really an alternative to diesel, but not necessarily more environmentally friendly than the current fuels.

I don't know if that answers your question.

Ms. Olivia Chow: Yes, it does.

Is it the same on your side?

Mr. Chris Stoddart: It's fairly similar.

We've really seen a spike in CNG sales. One of them is disproportionate, because we just happened to have a big customer in New York who bought a lot. I'm not sure that's necessarily indicative of a market trend, but definitely we're seeing a lot more major U.S. cities purchase CNG.

I think it's just frankly the cost of CNG right now. It's so much cheaper. It's in abundance. So they're willing to pony up and put the infrastructure in place, but it's.... We have had a noticeable increase in CNG.

My comments on the electric bus are really very similar. I think we want to remain, as a bus provider, sort of battery-agnostic and somewhat charger-agnostic. We believe there will be different types of suppliers of batteries that we want to make sure will work on our buses, and different types of charging systems.

Again, take the last three customers we talked to. We had one customer who said, “I want lots of batteries on my bus so I can go all day.” We had another customer who said, “Hey, I'm at an airport; I want very little batteries, because I can do induction charging and give it spot charges throughout the whole day. It's only going to go around terminals and rental cars.” We had another customer who said, “You know what? If you can recharge twice on a route for five minutes and get yourself two hours' worth of operations, I'm happy with that.”

We would want to be flexible to all of those needs.

Ms. Olivia Chow: So on the natural gas one, there's no real new technology. It's really that the price is right. It's low and that's why people buy them.

How many do we have in Canada? Do you make any of the natural gas buses in Canada? Are you the company?

Mr. Chris Stoddart: We do sell CNG buses in Canada, but you know, I'm not sure. It's a lower percentage certainly than what we're seeing in the U.S.

Ms. Olivia Chow: Is it the same for you?

Mr. Jean-Pierre Baracat: On our side, we're not selling any CNG buses in Canada.

The volume is really very low on the Canadian side. We are seeing some transit systems interested in getting CNG buses, but I think really the drive there is that it's considered a local fuel rather than an imported fuel, very often.

That's also very much the drive in the United States. It's promoted mostly as a local fuel and a way to reduce the dependency on foreign imports and Middle Eastern fuel imports.

The Chair: Thank you.

Monsieur Coderre.

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Thank you, Mr. Chair.

Good morning to the witnesses. We have been discussing alternative technologies for a few months and I am realizing that, regarding buses, diesel is disappearing and that increasingly we only have two choices left. The choice is between using electricity and natural gas, but the future seems to lie with electricity.

Representatives from the Société de transport de Montréal explained to us that there is a plan for 2025 and that the future of this is being discussed.

Mr. Baracat, is one of the problems that there is a lack of harmonization in the agreement between Canada and Europe? Things could progress much faster if we had that harmonization of standards, especially in terms of motors. Does this act as an obstacle to electrification?

● (0920)

Mr. Jean-Pierre Baracat: In fact, it is not quite related to electrification. It is more current technologies, so those that concern diesel motors. If we didn't have to develop different solutions and obtain different certifications for each country, we could invest more money in research and development.

Hon. Denis Coderre: You don't want to sell your diesel buses here.

Mr. Jean-Pierre Baracat: We have to realize that we will continue to use diesel for a while. Indeed, it will be more difficult to convert some applications to electricity. For example, for long distances between cities where a lot of power is needed, we will keep vehicles with diesel motors. However, we believe that among emerging technologies, electric vehicles are the technology of the future.

To date, there have been all sorts of attempts. We are trying to have similar solutions to electric vehicles. We are ripe for advancing what exists now, but we need a real breakthrough with storage elements to have greater power density with these batteries.

Hon. Denis Coderre: What I haven't managed to understand since the beginning, is that

[*English*]

you spoke about VHS and Beta; now it's Blu-ray, by the way. I don't understand why the hell we can't manage those batteries. We go to space, but we have a problem with a charging device.

What's wrong? Why? Is there a lack of funding for R and D? No. We already invest in that through Industry Canada. You have the private sector, which is putting some money in—you have Magna; you have another company, I think in Boucherville. There is an issue with lithium, and all that.

I don't understand. Why do we have problems with those batteries? Is it lobbyists?

Mr. Chris Stoddart: I may want to clarify what I meant, at least from my perspective, when I said there were problems with batteries.

There is lots of charging technology out there, and it all works and works very well. It's just a question of coming to a common approach or a standard for the method. There aren't even defined regulations for the heavy-duty, high-voltage charging that we're dealing with.

As I said, you have some people developing automation to do a rapid exchange, such as a gas station that takes the batteries out and puts them in. We don't really think that's viable. Again, you'll have some people who think that induction charging is the way to go, whereby your charging system is built into the road and there are no wires and nothing to attach. You have some people who say, have it overhead—you come up to a bus stop, and then something comes up and attaches for five minutes and comes down. Again, some people are trying to develop state-of-the-art plug-ins. It's a question of coming to what the best approach is or funnelling it down. If you go to an electric vehicle convention right now, most of what you see is different companies promoting different charging technologies.

So there's lots of battery technology. It continues to improve each year. The metric, I guess, is how much a kilowatt hour costs today. It's almost $500 to $1,000 per kilowatt hour.

[*Translation*]

Hon. Denis Coderre: You work in engineering. Obviously, there is the reality of the Canadian climate. If we want it to be by induction, without really knowing how things can work.... Induction can be chosen or another way of doing things can be found. Power lines can be brought back and all the environmentalists will be against you because they don't look nice.

What is the compromise? What must we do? Does the future lie with some hybrid version? Or do we choose the natural gas and electricity mix? Or will we keep diesel anyway, in urban or rural settings? Is that it, in the end? There is no one solution, it's—

● (0925)

Mr. René Allen: This is an ongoing question. We talked about diesel earlier. Concerning internal-combustion engines, there will be changes in the sense that the size of the engine will always decrease. In spite of that, we will keep it to maintain that autonomy. As you can see, out of today's vehicles, the Volt is the most versatile. Why? Because it has a small combustion engine. With that, it can travel long distances.

What we are going to see is that engines will shrink. Also, carbon-neutral fuels will be sought. A lot of development on that is being done. Even though more is being done in Europe than here, Canada is well placed, thanks to timber and residues, to try to make a carbon-neutral fuel. That is one of the avenues. We see, given this roadmap, that there is always an internal-combustion engine.

Concerning batteries, and to answer the question about what the related problem is, I would say that it is energy density. In a tank with 400 litres of diesel, there is a huge amount of energy. That is why the internal-combustion engine has been so popular. The electric motor existed in 1910 because the energy density was not there to ensure flexibility for transportation. Today, the problem is very chemical and physical. With the materials and chemicals available to us, there is a limit to the quantity of energy we can put into a—

Hon. Denis Coderre: Our committee must make recommendations. You spoke of harmonization, for example with Europe, regarding diesel motors. That could allow you to put more money into research and development. I too find that it is ongoing because you are private companies.

If you had one recommendation to make on regulations and another on the role of government in terms of this future, what would you say to the members of the committee, with an eye to their report, concerning replacement technologies?

I would like to hear from Mr. Allen, Mr. Baracat and Mr. Stoddart.

Mr. René Allen: First of all, we need to establish a charging standard. A lot of money will be spent on different technologies. Today, there are Beta, VHS and Blu-ray formats. There isn't enough energy on board and we need to add some. But how do we do that? It's as if you couldn't put the same nozzle in all vehicles; it would be very complicated. We have to work not only on how to plug it in but also on protocols.

Second of all, there needs to be as much help as possible for storage elements. Currently, the Chinese are in the lead on this. It is very important. They are working a lot on it, but there are huge resources in Canada in terms of batteries that will allow us to create new chemistries, new technologies so that storage elements are more effective and denser. That would help a lot.

[*English*]

The Chair: Thank you.

Do you have a comment?

Mr. Chris Stoddart: My comments will be very similar. The support of battery technology, I think, is huge, as is the funding for the charging.

I guess the only other thing is that maybe it's a little bit broader, but as we begin to manage batteries, there will be a useful life, maybe six or seven years, for batteries in a transit bus application. But when they're done, I think working with local utilities, if they don't have to have the constant charge-discharge, there will still be much of a useful life after that from a bus perspective.

It could go elsewhere to store energy. As we think about things like school buses that only operate twice a day, if they were to go in a battery mode, how might we use those batteries to store energy in a different way? It's the same thing. What could be a post-life application for batteries after being used in a transit vehicle or even an automobile? I have to believe there's a way to make good use of that. You end up getting many years of life out of batteries.

The Chair: Mr. Toet.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Thank you, Mr. Chair, and thank you to our guests today.

I have a couple questions with regard to electric buses. I guess I want to start with the size of the electric buses that both of your companies have right now. Are these 30-, 35-, or 40-foot buses? What size are the electric buses that you're producing today?

Mr. Chris Stoddart: I'll start. It's on our 40-foot platform, so our intent would be to offer it in 35-, 40-, and 60-foot platforms. I guess, ultimately, that mini-bus that I was talking about, the smaller one, there's no reason it wouldn't migrate to that. I think it'd be a very good application, too.

I guess, essentially, the short answer is that all of our buses will be on a propulsion system in the future, but we're launching it on the 40-foot.

● (0930)

Mr. Lawrence Toet: What's the range of that bus, currently?

Mr. Chris Stoddart: It depends, again, on the approach you take with batteries. Our one out of the gate has 120 kilowatt hours, which essentially means, in transit terms, about 80 kilometres or four hours worth of operation before it requires a charge.

If you want to recharge, it takes about five to maybe 10 minutes of charge time to get two hours of operation with a rapid charge.

Mr. Lawrence Toet: What about from Nova?

Mr. René Allen: We also have a 40-foot and it has over 100-kilometre autonomy, but it requires a lot of batteries. It's always a trade-off, the weight of batteries you carry and the autonomy you want.

Mr. Lawrence Toet: I'm a little intrigued by the conversation that we were having regarding....

The sense I was getting is that you wanted to see a regulation regarding what charging technology would go forward. I have a bit of a dilemma with that, because don't we kill innovation when we start to dictate at this point in time? You're saying that we're at this... different aspects, VHS, Beta, etc., and how do you, as government, regulate?

If this is the path we're going to go down and basically kill any other possibilities of charging systems, I have a bit of a dilemma with that and I'd love for you to explain that to me.

Mr. Chris Stoddart: That's a great question.

A Voice: What if you pick Beta?

Mr. Chris Stoddart: Exactly.

I would agree with you. I don't think you want to do that now. Like I said, I think this is something that's going to be going on over a quarter-century, 25 years. I think we're going to all have to play in different areas and experiment, and see what works and what doesn't, and maybe it will be that some work great for some applications, and others may not.

I actually think that just by competition and whatever else, it will ultimately funnel down. It will almost self-regulate over time. I don't think you want to be imposing too much stuff right now. I agree with you.

Mr. René Allen: We could need help in getting to a standardization. It's difficult to look at what's important, what we should focus on, and then what we should standardize, and then go faster in the funnel maybe. The way to do that is to have different trials, to test stuff. That's pretty difficult. It's not every transit authority that can start that, so if we could have some help to have testing sites, testing different technologies, that would help. It would help also to have somebody like NRC, or people working and really thinking about standardization and helping us to focus, and helping our customers too.

Mr. Lawrence Toet: You're saying let the innovators still innovate but help with that process of innovation, not to give it direction and tell it which way the innovation has to go. I'd find it a real challenge to say to innovation that you have to innovate in this direction. I mean, they are the innovators, not us.

Mr. Jean-Pierre Baracat: That's right. Actually, one thing that you have to consider is not to limit innovation, but there are some things that will have to be standardized at some point. René was using the example earlier that if you had a different nozzle to fuel your car today, it would make it very difficult to go across Canada with your car. You wouldn't be able to fuel. So at some point there are some things that will have to be standardized.

In other words, the plug technology—things like that—those things will have to be quickly standardized so that we can actually work on the more important stuff of how we can maximize the power density, how we can best use that technology, and so on.

Mr. Lawrence Toet: One other question I have is on the European standardization that both of you talked about, the ability to have the same standards as in Europe. I have a bit of a question.

One of our last witnesses, actually from STM, was talking about how many manufacturers there are in Europe. They were actually pushing us to have that standardization because it allows them to deal with all those European companies, since there are so many of them compared to what we have in North America, in Canada especially, manufacturing buses.

Do you see it as a big help to you to have that ability, or are you really opening the door to a huge influx of competition that enables them to now bring their buses into Canada to compete against you?

● (0935)

Mr. Jean-Pierre Baracat: If I may, one thing we're seeing with the current technologies.... For instance, take diesel engines, for the moment we have new regulations that come up every three years and we deal with North America on the bus side because of the limited volume of buses. One thing that you have to realize is that the whole market for buses is about 6,000 buses a year. That's all of North America for transit buses. When you compare that to the automotive industry, one plant will produce hundreds of thousands of units, so it's really not the same order of magnitude. For us to certify an engine for only that bus becomes prohibitive, so what happens is that we have to deal with one single manufacturer in North America that provides us with an engine. We don't have a choice. That's the only one.

For instance, in the Volvo group there's a whole bunch of different engines that we could be using that have different certifications, like your certifications, and we can't even bring those into Canada and use them on our products. A bus manufacturer is more of an integrator of systems.

Mr. Lawrence Toet: You kind of have a double-edged sword there and I want to ask whether you've really looked at both aspects of it, because you're right, it allows you to bring this engine over, but it also allows them to bring their whole bus with that engine over here, too.

Mr. Chris Stoddart: What we find on the bus side today is that, when you talk about bringing the whole bus over, the barriers to entry are certainly significant in the United States. That would probably prohibit somebody bringing their bus over, simply because of Buy America alone, unless they set up manufacturing facilities. It may be less so in Canada, but the rules and regulations in terms of the other dimensions and such on a bus are still significant enough between Europe and Canada. For that matter, it's still a challenge, plus the freight costs. It's still pretty hard to be competitive.

I kind of agree with the comments on the propulsion side. It's a problem that there's one guy. One person supplies all transit buses today and everyone else is evacuated. A second, Navistar, is coming on, but today it's just Cummins. So the ability to have different propulsion options, as long as we weren't testing and having to certify everything for emissions, I think wouldn't be a problem.

The Chair: Thank you.

Mr. Carmichael.

Mr. John Carmichael (Don Valley West, CPC): Thank you, Chair, and good morning to the witnesses.

I'd like to continue with my colleague's comments because I'm a little unsure. When you talk about the harmonization with Europe and creating a common set of standards, I understand the volume of business in Canada and doing business with the U.S. Are you dependent at all on exports to Europe or is this strictly the importation of product and technology, parts, etc.?

Let's start with Mr. Stoddart and then go to Volvo.

Mr. Chris Stoddart: Today we don't. Our company doesn't export anything.

Mr. John Carmichael: It's strictly North America.

Mr. Chris Stoddart: It's strictly North America today, yes.

Mr. John Carmichael: Thank you.

Mr. Baracat.

Mr. Jean-Pierre Baracat: It's the same for us. Even though we are part of the Volvo Group, as Chris mentioned earlier, the products are different enough that the European products don't fit the North American operation profile.

Let me make it a little clearer from our perspective. We're looking especially at the engine now and at the emission standards, to be able to use European emission standards in Canada, for instance. That would be the first and easiest step, let's put it this way.

We know we're not going to get the U.S. to accept those standards, although there are talks, but we know those are going to be long-term talks to standardize the emission requirements on both sides of the pond.

In the short term, we're asking to have the ability to use engines, for instance, that are being produced elsewhere in the world, and in the longer term to support the efforts that are going to be made with the U.S. and Canada and the European Commission to try to standardize.

Mr. John Carmichael: You talked earlier about bus rapid transit and the larger units that would travel down those dedicated lanes, etc. I presume that will be adaptable to smaller units as well. Do you see that as being exclusively battery or will it be a combination or not even battery?

● (0940)

Mr. René Allen: For BRT?

Mr. John Carmichael: Yes.

Mr. René Allen: Today's internal combustion engine works well in the BRT. Any propulsion solution you're going to take will benefit from the BRT.

So going at a faster pace with fewer stops—stop and go—and travelling with a lot of people.... Of course today if you want to have a high rate of transportation, the combustion engine is the only solution, but even an electric bus would benefit from that. I think both our companies are making a big stride in having a 40-foot electric bus. But thinking about the high-capacity electric bus, today we're not there because of the capacity.

Mr. Chris Stoddart: In my opinion, what's going to entice a rider today to take bus rapid transit is that it has to be on time, it has to be faster than taking an automobile, and it has to be reliable. You want to know that it's going to get you where you have to go.

Today, with the state of the art from a propulsion perspective, diesel buses are there from a reliability perspective. Battery-electrics are new, and we're going to have some speed bumps and some teething issues getting through those issues, so I think you'll see bus rapid transit start out with something that's tried and true. Diesels, or hybrids are now mature, but there's no reason this wouldn't migrate to batteries over time.

Mr. John Carmichael: The urban application, though, would be the one that would move more aggressively to the battery operation?

Mr. Chris Stoddart: Yes.

Mr. John Carmichael: And similarly for Volvo.

Yes, sir?

Mr. Jean-Pierre Baracat: If I may, the BRT solution is the reason that we're bringing this up with the current products. If we use our current products in a BRT solution, that's already quite an improvement because we're going to reduce emissions. We're going to transfer people faster. Because I know there's a lot of pressure on the funds available to promote public transit. The costs of setting up the BRT are about 20 times less than for a rail project.

If we use buses in an efficient way, it's a very good solution to transporting large numbers of people in and out of cities.

Mr. John Carmichael: From what I've heard this morning—and this is my first exposure to this discussion—am I correct in assuming that your vision of where the fuel alternatives are going to take you is still that it is going to be a fairly broad selection of combinations for the next number of years?

You mentioned 25 years, Mr. Stoddart or Mr. Allen, with regard to that timeline, before we have enough efficiency of one fuel or another that we're going to narrow that funnel down, but it sounds to me as if this is going to be a combination of fuels that is going to last quite a long while yet—whether it's diesel, electric, CNG, or battery operated.

Mr. Chris Stoddart: That's a great question. I think definitely for the foreseeable future, you're going to see diesel and CNG for the internal combustion engine, and the big question is how quickly the adoption rate is going to be there on battery-electric.

I believe you'll see a fairly significant percentage in a decade, something sizable. I don't know if that's going to be 20% or 25%.

You guys might feel different. I'm not sure.

Mr. Jean-Pierre Baracat: Actually, René mentioned it earlier. What we're seeing is that the internal combustion engine is going to be smaller and smaller as we go forward, and that's probably the path we're going to see. We have hybrids already today. We'll have hybrids with smaller engines. We'll have plug-in hybrids, so a bigger capacity for batteries that will allow more use of the electric propulsion system, and as we move forward, that engine is going to be smaller and smaller until it disappears totally.

Mr. John Carmichael: Going back to an earlier question—I'm jumping around a bit here—with regard to the battery solution, I'm trying to get a better handle on what you would be asking of us or what your recommendation to us would be. Mr. Allen, you said that charging standards are going to be important in terms of where we go here.

From an electric battery perspective, I'm wondering if there is a way that government can support industry with a more common platform or set of standards that tend to commonize the platform, which reduces cost and helps to create greater efficiency, if you like, without going to the Beta-VHS example that was used earlier.

You mentioned the units at gas stations across the country, but are there enough similarities or enough issues that we can be a help to that?

● (0945)

Mr. René Allen: Do you mean turbocharging or the batteries themselves?

Mr. John Carmichael: I mean all of those things.

Mr. René Allen: As I said, if we don't want to kill innovation, it's about being able to have demonstration testing and having some help to make sure that—in this country—we go quickly in the funnelling and get to what the best solution is that will fit everybody, so we can benefit from that in a relatively short time.

The Chair: Thank you.

Mr. John Carmichael: Is that my time?

The Chair: Regrettably.

Mr. Aubin.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Thank you, Mr. Chair.

I will probably share my time with Mr. Sullivan.

Thank you to the witnesses for being with us. We have been receiving guests for a number of weeks as we look into the technologies of the future. The thing that most impressed me this morning was said by Mr. Allen. In fact, bus rapid transit is something we can already use, but we probably don't do it enough. I was stunned to learn how much greenhouse gases can be reduced with the measures you propose.

I come from a mid-sized city, Trois-Rivières, which has about 135,000 residents. It is big enough to have public transit, but it doesn't have the population density to have truly efficient public transit.

In your opinion, should our contribution to decreasing greenhouse gases be from bus rapid transit technologies, or the purchase or the renewal of the fleet with hybrid buses?

Mr. René Allen: I am familiar with Trois-Rivières, the people who lead it and the bus fleet. In the case of Trois-Rivières, I don't think bus rapid transit would be a good solution, because the city doesn't have the population density. I think work should focus more on vehicles and emissions as such.

Furthermore, some of the characteristics of bus rapid transit could be used to improve the average speed of buses, for example, the preemption of traffic lights, lights that change when the bus needs to go through, systems for people to get on and off the bus quickly, and payment outside the bus rather than lining up to get on.

Consequently, bus rapid transit is part of the solution. All of these advantages allow for a decrease in consumption and emissions.

Mr. Robert Aubin: Thank you.

My second question is for all of our guests.

We talked a few times about the comparison between Beta, VHS and Blu-ray formats. Of the charging technologies currently on the market, is there one that is more advanced?

With other contests in history, we already knew which would win. Even if we preferred the Beta format, we already knew that the VHS format would win out. Is there really a technology that, to date, stands out from the others?

Mr. René Allen: No, not currently. Now, it's about the first ones that were put into service. Since they are the first ones, everyone looks at them because they are available. No, we aren't seeing any getting ahead of the others. There are different very good ideas. They have to be implemented to see how they really work.

[*English*]

Mr. Chris Stoddart: I have very similar comments, at least on the electric stuff. We're new enough into it ourselves that essentially we did a bit of a diligence on our suppliers, and we've gone with one for now. I think we have to experience some others just to see who's ahead.

[*Translation*]

Mr. Robert Aubin: Thank you.

Mr. Sullivan.

[*English*]

Mr. Mike Sullivan (York South—Weston, NDP): Very quickly, the bus rapid transit systems seem to lend themselves to trolley operations, but why aren't they? Why are electric buses not the norm on a stand-alone bus rapid transit system, and where are super-capacitors in that mix?

Mr. Chris Stoddart: When I hear the term “trolley”, I'm always thinking overhead—

● (0950)

Mr. Mike Sullivan: Overhead wires.

Mr. Chris Stoddart: —and those are infrastructure requirements. People won't put overhead wires in for something new going forward.

But if your question was more on BRT and why battery-electrics wouldn't be more prominent, and about the technology between capacitors and batteries—

Mr. Mike Sullivan: Yes, there are two separate questions there. One is on supercaps and batteries. The other is why aren't we.... You know, if we have a right of way that we're building for a bus rapid transit system, the simplest solution would seem to be overhead wires. Those technologies exist. The buses exist. The propulsion systems exist. Yet, for some reason we're choosing diesels.

What's the holdup?

Mr. Jean-Pierre Baracat: Actually, it's the cost of the infrastructure. But you're right. If you compare that, for instance, to rail, putting those wires in would not be that prohibitive.

It could be one solution, for instance, to have electric vehicles on a dedicated lane. We're seeing more and more that even if the trolley solution would be one solution, then you would have to have a bit of autonomy so you don't have the same constraints you have with a rail vehicle that really has to stay on those tracks, otherwise everything is stopped.

It's probably a mix of trolley with some off-grid capacity. That's possibly one solution, from our perspective.

Mr. Chris Stoddart: I don't think anyone would really consider putting in overhead wires. I guess when you date back to trolleys, whenever they were started—in the 1930s—it was because battery technology was not where it is today.

I think now, with the advancements that have been made, there's really no reason to have that continuous wire there. I don't think I would ever see that being viable.

The Chair: Thank you.

I have to go to—

Mr. Chris Stoddart: With regard to supercaps, again, the battery technology is advancing on how quickly it can take a charge. The supercaps will take doses faster, so we do build hybrid buses with the ultra-caps.

I think the battery technology will catch up enough that you'll be able to fit in a rapid charge within the window you need to be able to do that—and recover all of your energy from regenerative breaking with batteries—at some point in the very near future.

The Chair: Monsieur Poilievre.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Thanks very much.

We are consistently hearing concerns about the lack of standardization with Europe, and the fact that our integration with the United States regulatory regime causes obstacles for transatlantic technology exchange in the area of natural gas and electric vehicles.

I think you've all mentioned that today. Did I characterize that correctly?

Mr. Jean-Pierre Baracat: Yes, and again, it's not moving away from having common standards with the United States, it's maybe also allowing the use of European standards in some technology. We don't necessarily need to adopt every single standard that Europe has. In certain technologies, such as engine emissions, we believe that it would be an enabler to bring in some new technologies here.

Mr. Pierre Poilievre: Thank you for that. I think that you have definitely identified a problem. I think the ideal situation would be having a transatlantic standard that was compatible among EU, U.S., and Canada. If the Americans don't follow suit in harmonizing even some of these rules with Europe, and we do, could we potentially threaten our cross-border regulatory relationship with the United States?

Mr. Jean-Pierre Baracat: Personally, I don't see that. If we allow both in Canada, we will facilitate new technologies on Canadian ground. Will we be able to use those technologies in the U.S.? Maybe not, but at least on the Canadian ground we'll be able to do that. That might put some pressure on some of the transit systems in the United States, that will, in their turn, put pressure on the U.S. government by saying that they need to have those same standards, that they need to be able to use those technologies, because they will be able to see them more closely.

● (0955)

Mr. Pierre Poilievre: Right, so I think we need to find a way to do this without jeopardizing the cross-border relationship. The reason we integrate with the Americans is that our economies are so intertwined. Mr. Watson, who has worked in the automotive business, could tell you that some vehicles go back and forth across the border seven or eight times before they reach the dealership, so we need to have some sort of compatibility with the Americans. That must be our principal objective. At the same time, we can't allow that to be an inhibitor to innovation.

Is the price of electricity an important driver in the viability of battery-powered vehicles?

Mr. Chris Stoddart: Absolutely. Depending on where you are in the United States and Canada, the price of electricity changes fairly significantly. We're pretty blessed in Manitoba that it's very cheap, but even in an expensive area of the United States, it's probably still one-sixth the cost of a gallon of diesel.

Mr. Pierre Poilievre: I'm about to read a book called *Freakonomics* about unintended consequences to policy decisions. In Ontario, under the guise of protecting our air, the government has paid enormous price markups for wind and solar power, which has dramatically driven up the electricity bills of Ontarians. I'm wondering if, indirectly, they're going to make it uneconomical to move towards battery-powered and electrical vehicles because the electricity costs are so high, and indirectly, you're actually driving out of business a technology that would be more “environmentally friendly” because of environmentally friendly policies.

Mr. Chris Stoddart: Putting aside the environmental benefits of having zero emissions or very close to it, as I said, the price today of the battery-electric is so significant, six to one. We're going to be making changes in the management of energy and the storage of electricity, as I was saying, by reusing batteries, doing stuff off peak hours, and storing it and using it.

I just think there will be so much more technology that's coming on energy optimization and management on electricity that I can't see the price going up to break even with the fuel prices.

Mr. Pierre Poilievre: What do you think of Israel's initiative to become the world's first oil-free country, with a system of battery-charging stations where you pull up your car, pull out your tablet, insert a charged one, and you are on your way? Is that a realistic plan for electric vehicles?

Mr. Chris Stoddart: I don't know the specifics enough to comment. I just believe that you are going to see places and countries really doing neat stuff, stuff exactly like that on how to best manage and store your energy. I think you'll see that propagate.

The Chair: We'll go to Mr. Watson.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Chair. Thank you to our witnesses.

I come from the auto industry. I'm trying to understand the differences, and I think they're essentially these.

With the auto industry, the product is less customized, and it's high volume, so harmonization with the United States really becomes important. The U.S. drives technological change in the industry, and you have to be able to abate the cost over an entire market, not a balkanized market. For example, having harmonized fuel economy standards is critical. You can't have several different jurisdictions, because you're going to have different technologies, and that's a loser for the company.

The bus industry is largely custom and low volume, so harmonization with the United States on standards is not as imperative as it is in the auto industry. This is why you're arguing that some European standards can actually work in the Canadian market. Am I oversimplifying the difference? Am I on the right track with that?

● (1000)

Mr. Chris Stoddart: When I spoke earlier about the customization, it wasn't so much relative to standards, which are vastly different from automotive. I was in automotive before this, as well.

We have our end customers who say that they want ceiling panels that are dove white, and they want bone grey for this and this colour of floor and these seats, whether or not you've ever put them on, and this stanchion. They want a different seating layout and the handbrake to be like this and the driver's dash to be like that. And they want to use this component from this supplier, even if you've never integrated it before, because that sales guy came in and sold them a bill of goods, and they think it will perform for their fleet. Everything is custom, which drives a tremendous amount.... That has nothing to do with specific regulations, necessarily.

I just want to clarify that our heavy pain from customization is not necessarily from the regulatory side.

Maybe you guys want to touch on the regulation side.

Mr. Jean-Pierre Baracat: Sure.

Basically what I'm saying is that since we are customizing so much for each customer, we could easily, for instance, have a different engine for a customer in Canada and a different engine for a customer in the U.S. That would not be such a big change for us. The fleets are typically made for a specific city. I heard earlier about vehicles going back and forth through the borders. That doesn't happen for transit buses.

Mr. Jeff Watson: That's because it's an integrated supply chain.

By the way, what is the size of the European Union market for buses? You said that in America, it was about 5,000 to 6,000 buses a year.

Mr. Jean-Pierre Baracat: It's significantly more. I think it's 10 times that, at least. I think just Germany has a market of 6,000 buses.

Mr. Jeff Watson: How many companies are competing to sell buses into the U.S. market?

Mr. Chris Stoddart: Oddly, it is a very small number for transit buses. There's New Flyer and Nova in Canada. Unfortunately, Orion just announced in the last month that they're closing their doors. They were headquartered, by Daimler, in Mississauga, Ontario. So three of the five were located in Canada.

In the United States, you have NABI, in Anniston, Alabama, and GILLIG, in California. So really, there are now, I'd say, four big players in North America.

Mr. Jeff Watson: I want to talk about R and D for a second. I'm probably going to run out of time on this, too.

The Chair: You are.

Mr. Jeff Watson: Thanks, Merv.

If we could step back, say, 10 years in time, where was R and D going? I want to test a theory about whether climate change imperatives, for example, have bent the curve of research and development for sectors. Would you say that's true for your sector? Or would normal business case imperatives have been taking us in some of the same directions in your sector as we find ourselves today in R and D spending?

Mr. Chris Stoddart: Ten years ago, R and D at New Flyer was all about the introduction of hybrid buses. We went from zero hybrid buses to 40% in seven years.

Mr. Jeff Watson: Is that just normal business case evolution or was that because of the imperatives of customers or governments?

Mr. Chris Stoddart: I could be wrong, but I think it had a lot to do with the global focus on greenhouse gas emission reduction and green technology, the funding that went alongside that, and the business case for the fuel efficiency paying off, or from a life cycle cost perspective.

Mr. Jeff Watson: Are the changing EPA standards you were talking about driving your innovation right now?

Mr. Chris Stoddart: We're largely integrators, which means the pressure to meet those is more so on the engine manufacturers. We have to integrate it into our bus to ensure that it works and do our development to make sure it works, but I think the real technology challenge for EPA is more so with the engines.

The Chair: Thank you. I have to stop it there.

With that, I'll thank our guests for being here today. Obviously they've been very informative. We've heard some different testimony in regard to natural gas and CNG that makes it sound almost as though we were in two different time zones as far as where corporations and where industry may go. So we thank you for your input and wish you well in the future.

Thank you very much.

Committee members, we're just going to take a brief two-minute recess while our guests excuse themselves, and then we'll move back to committee business.

● _____ (Pause) _____

●

● (1005)

The Chair: Okay, we're back.

We're ready to go, gentlemen, please.

When we last adjourned, we were discussing a motion presented by Ms. Michaud, and she's on our list to continue the debate.

Order, please.

[*Translation*]

Ms. Élaine Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Chair, as you mentioned, I want to continue the debate that was adjourned last week, on a motion I had moved before the committee some time ago. It is mainly because there is new information. I also want to clarify the motion because it seems to have been misunderstood by the government side.

First, some members of the committee seem to believe that the purpose of the motion is to close a private aerodrome being built in Neuville despite the opposition of citizens and the town council. Contrary to what was said, I am aware that this issue will not be settled at this committee. That is not the purpose of my motion. I am not trying to have the committee intervene directly in Neuville. In this case, I know a direct intervention by the minister would be needed. Section 4.9 of the Aeronautics Act gives him the power to regulate the location and operation of private aerodromes. It is not a study by the committee but rather political will from the minister that can solve this issue.

However, what is happening currently in Neuville is a very accurate reflection of what is happening all over the country to the displeasure of Canadian municipalities everywhere. I also want to specify that the purpose of my motion is not to hinder development in this industry. Honestly, I find it very dishonest and almost condescending to insinuate that I am trying to close already-established airports in the country. That is not the case and that is not the purpose of my motion.

When the motion is read correctly, it becomes clear that the purpose is to solve a major problem in the Aeronautics Act. It infringes on the rights of Canadian municipalities throughout the country, especially in terms of land management and municipal planning. The purpose of the motion is therefore to ensure that municipal rights are respected and to study the possibility of arriving at better harmonization of each level of government jurisdiction in aeronautics. I am asking the committee to address this issue specifically.

Over the weekend, the Federation of Canadian Municipalities held its convention in Saskatoon. During this convention, a motion was passed unanimously by nearly 2,000 delegates from municipalities from across the country. There was no objection, no amendment to this motion, through which they call on the federal government to consult municipalities on decisions that affect land use for the creation of private airparks. All of the municipalities made this request directly to the government. There were 1,600 delegates there and they are the ones sending this message to the Department of Transport, this committee and the minister.

I will quote Claude Dauphin, who is vice-president of the Federation of Canadian Municipalities and the mayor of Lachine. He said the following: "Our position is clear—that all municipalities in Canada within the FCM want to be consulted before things like this happen."

Municipalities stated loud and clear that they want to be consulted by the federal government regarding private aerodromes on their land. It should now be clear that this is not limited to the mayor of Neuville, the people there or even myself. It is the will of Canadian mayors from all over the country. Furthermore, a letter will be sent to the Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities) to inform him of the will of the municipal representatives who were present at the convention.

During the FCM's convention, I attended a discussion forum in which Industry Canada and municipalities participated. It was about telecommunications antennas. There is a direct link with the Aeronautics Act. The problems are exactly the same. Since telecommunications are exclusively under federal jurisdiction, municipalities have no decision-making power in the face of companies in this area.

People from Industry Canada told municipal representatives that there were practically never any conflicts, which is totally false. There was an outcry in the room. Honestly, I can tell you that Mr. Lord and the people from Industry Canada who were at the convention didn't have an easy time of it at that discussion forum. They were told that people were encouraged to establish protocols to try to regulate or at least provide a framework for the installation of antennas on their land, but that telecommunications companies had no obligation to respect them.

Moreover, the consultation processes in place are not very exhaustive and antennas less than 15 m high are not even subject to this type of consultation. Companies just have to issue a notice. Finally, when there is a major conflict, municipalities have no power. Antennas can be erected anywhere and municipalities have no say. As I already told you, the delegates at the convention were very angry about the situation and they were very harsh with the Industry Canada representatives. I think videos of the forum will be available on the FCM site. You could perhaps consult the mayors of the municipalities of your ridings who were there. The discussion was very heated. People were furious.

● (1010)

They had the impression they had taken part in a consultation process that was totally bogus. All of the delegates called for greater municipal consultation and involvement in the process, in addition to giving them more leeway with private companies. They want their rights to be respected, to see municipalities have some regulatory power to oversee the building of antennas on their land. Note that I said oversee and not obstruct. That nuance is important. The same applies to private aerodromes throughout Canada.

The municipalities at the FCM convention called for this municipal involvement, as is requested in the motion. We aren't talking specifically about Neuville. That is what I am asking be studied.

During the convention, Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities) made a nice speech about having a great desire to work with municipalities, because they are the ones that know their needs best. I think the municipalities' message is clear enough. The minister swore to them that he wanted to work with them.

It is in that spirit that I submit this motion to the committee, to undertake a study on the possibility of harmonizing aeronautics jurisdictions. I would like to immediately call for a vote on my motion.

● (1015)

[*English*]

The Chair: Is there any further comment?

Mr. Pierre Poilievre: Mr. Chair, again this is a matter that—

The Chair: You can't ask for the vote. We have to have full comment.

Mr. Pierre Poilievre: Mr. Chair, the matter is not one that the committee has the power to adjudicate. It never has; it never will. But I understand that for communications purposes it has come before this committee. The reality is that, quite frankly, we don't have the legal authority, and frankly it would not be wise for any government to give municipalities the ability to block airports because everybody wants an airport in someone else's municipality. We'd never have them anywhere if it were done that way.

Anyway, that's the position of the government, and we're perfectly comfortable going to a vote.

The Chair: Okay, seeing no further comment, the question is on Ms. Chow's amendment first, which would delete the words “and obtain approval from municipal and provincial governments before the development of a new aerodrome is formally considered”.

Ms. Chow has requested a recorded vote.

Ms. Olivia Chow: No, you don't need to.

The Chair: No? Okay.

Then shall the amendment—

Hon. Denis Coderre: I did, though.

The Chair: Okay, thank you, Mr. Coderre.

So the question is, shall the amendment from Ms. Chow carry?

(Amendment negatived: nays 6; yeas 5)

The Chair: We'll now move back to the original motion.

Ms. Olivia Chow: A recorded vote.

The Chair: We're asking for a recorded vote.

So the question will be, shall Ms. Michaud's motion carry?

(Motion negatived: nays 6; yeas 5)

The Chair: The motion is defeated, and with that—although I didn't have it on the agenda—we did suggest that if there were time at the end of this meeting, we would move back into the subcommittee to discuss future business. So with that, anybody who isn't on the subcommittee can have the rest of the morning, or at least the next 20 minutes off, and we'll move into a subcommittee in a couple of minutes.

So we're going to adjourn this meeting, and we'll reconvene as a subcommittee in four minutes.

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