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Chair

Mr. Larry Miller

Standing Committee on Transport, Infrastructure and Communities

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• (1550)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I'll call our meeting to order.

This is the first meeting of our next study on different ways of funding infrastructure.

I want to welcome our guests here today. From the Union of Quebec Municipalities, we have Mr. Coulombe and Mr. Bélanger.

I'll turn it over to you, whichever one of you wants to start. You have 10 minutes, please.

[Translation]

Mr. Robert Coulombe (President ex officio, Union of Quebec Municipalities): Thank you, Mr. Chair.

Members of the committee, the Union of Quebec Municipalities eagerly accepted the invitation to participate in your committee's examination of how competition can make infrastructure dollars go further. This is a very important issue and one that we are in fact working on at this time.

The UQM represents municipalities of every size and in every region of Quebec. Its mission is to promote the fundamental role of municipalities in social and economic progress in every part of Quebec and to support its members in building democratic, innovative and competitive communities. Its members represent the voice of nearly six million citizens and over 80% of the territory of Quebec.

In the last year, the UQM has launched an important initiative to optimize the management and planning of municipal infrastructure investments in Quebec. The starting point was the exhaustive study done by Deloitte and E&B Data, which enabled us to assess municipal infrastructure needs. The findings are clear: municipal infrastructure as a whole comprises a substantial body of assets, with a total value of over \$200 billion; the municipal infrastructure deficit has grown, and today amounts to \$3 billion. This means that the need is significant. To rehabilitate our assets and maintain them in good condition, the three levels of government are going to have to increase their tripartite investments by \$3 billion.

There is a diverse range of needs. They relate to roads, public transit, cultural and recreational facilities, municipal buildings, and so on. Ultimately, the municipalities themselves bear an unfair burden. They are responsible for 76% of the net cost of the funding for municipal infrastructure. This analysis demonstrates the full extent of the challenge represented by the renewal of our public

infrastructure, in circumstances where the state of public finances makes our decisions all the more difficult.

For that reason, the new Long-term Infrastructure Plan announced in the last budget is an important asset. It will enable us to maintain our efforts and continue the catching up that has been begun in recent years. However, this level of investment does not match the extent of the need. The review clause in the Building Canada plan, which provides for the situation to be reassessed every five years, will be an excellent option when our public finances have improved. But between then and now, we will have to work to maximize our investments and optimize the way we do things, with the goal of doing more with the same resources. The issues being examined today are therefore very timely. The UQM believes that optimizing the way we do things will enable us to get more competitive bids and the best work for the best price.

I will now address question 1, reducing red tape.

For several years, the UQM has been calling for red tape to be reduced and for greater municipal autonomy. This is primarily because municipalities are in the best position to know what the needs and priorities of their communities are, and also because they have the necessary expertise to carry out their projects at the best cost. Making dollars go further must therefore mean that they are able to spend the most possible time on carrying out their projects, by reducing red tape to a minimum.

As well, as we have unfortunately experienced in the past, municipalities have often had to pay the costs of lengthy negotiations between the federal government and the government of Quebec, the effect of which has been to delay the start of the work. The UQM hopes that this mistake will not be repeated in the next Building Canada plan, because it would be taxpayers and the economy that would suffer the consequences.

I will now move on to question 2, the contracting process and increasing the number of bidders for projects funded by the federal government.

For several years, the UQM has been calling for stable and predictable long-term funding, to enable municipalities to plan their investments better and to avoid "overheating" of prices. The new Long-term Infrastructure Plan, spread out over 10 years, will therefore be beneficial.

• (1555)

It offers municipalities an opportunity to plan their investments better and foster a climate of healthy competition.

For a long time, the UQM has also been calling for more flexible infrastructure programs to be set up, covering a wider range of infrastructure types, to meet what are increasingly varied needs and to enable municipalities to diversify their investments, to avoid "overheating" prices.

The announcement in the last budget concerning the expansion of the categories of eligible infrastructure is another measure that encourages better competition. The UQM believes that municipalities have to have the best tools for identifying suspicious situations and properly assessing the cost of the bids received.

For that reason, the UQM is proposing a number of measures, including creating a municipal price evaluation board. The board's mandate would be to collect data about public contracts and produce annual indexes for each region of Quebec. We believe this kind of tool would enable municipalities to identify situations where there were flaws in the competitive process, among other things.

I will move on to question 3, which relates to expanding private sector infrastructure.

The first role of municipalities is to offer essential services to the public and to businesses, in order to improve the productivity of businesses and the quality of life for families, and to enable municipalities to attract and retain workers. Municipalities' investments in infrastructure are therefore essential for creating an environment that is conducive and attractive to private investment. Those investments come before private investment.

To summarize, given the growing infrastructure needs and the precarious state of public finances, we have to work on improving the way we do things and making businesses more competitive. While the new Long-term Infrastructure Plan is a first step, there are other actions that can still be taken.

In concrete terms, that means there should be Canada-Quebec agreements that do not penalize the municipalities and do not delay the start of work, through programs that cover a broader range of infrastructure that will enable us to diversify our investments better, through investment that reflects the needs of our businesses and our residents, and through a strengthened tripartite federal/provincial/municipal partnership that will enable us to continue our efforts and the catching up we have been doing in recent years, on an ongoing basis.

Thank you for your attention. We are now prepared to answer your questions.

[English]

The Chair: Mr. Aubin.

[Translation]

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

Welcome, Mr. Coulombe and Mr. Bélanger. Thank you for being with us this afternoon and sharing your expertise with us.

I would like you to tell us about something that is unique to Quebec: the fact that all these infrastructure projects have to go through the government of Quebec. In other words, we do not deal directly with the municipalities.

How do you think the federal government could be more proactive when it comes to signing these agreements, which in the past, in some cases, have delayed a number of projects? Do you have an opinion on that?

Mr. Robert Coulombe: The new program will come into effect in 2014. I would say we are almost there. This being April of 2013, the federal government should initiate negotiations with the government of Quebec immediately so the new plan can be brought into effect in 2014. They should not wait as they did last time. That resulted in "overheating" of prices. In terms of delay, there was an 18- to 20-month time lag. So much time passed that we hit the deadline. There had to be an amendment, at the federal level, so the projects could be completed in October rather than in March.

In any event, the most important thing is to be able to get to work as soon as the program comes into effect.

Mr. Robert Aubin: To your knowledge, did the delays caused by doing things that way, under previous programs, have consequences, so that money that could have been spent on infrastructure projects had to be returned to the government's consolidated fund?

Mr. Robert Coulombe: In fact, no, it did not work that way. Actually, the projects were not approved, and so we did not have to invest.

Any project could be eligible for a tripartite grant, that is, from the federal, municipal and provincial levels. The projects have to be approved prior to work being done. That means that no funds were really returned to the consolidated fund.

Mr. Robert Aubin: Thank you.

From reading the government's last budget, do you have the impression that more will have to be done with the same amount of money? Or do you see it as being that more will be able to get done because there is more generous funding? Or do you think the opposite, that the budget for infrastructure investment has been cut?

Mr. Robert Coulombe: I am perhaps going to answer your question a different way.

The key partner at the municipal level is the FCM. In fact, it is the federal government's interlocutor. When there were discussions, Quebec was called in. We did submit our study that defined the infrastructure deficit in Quebec. The funding for the program that had been requested, through the FCM, was about \$5.8 billion. That was what we considered to be the minimum needed for rehabilitating infrastructure and carrying out new projects.

In the current budget context, we are in fact pleased to see that, first of all, the program has been put in place. Funding under it is not the full \$5.8 billion hoped for. As well, since there is no indexing, there is a delay. As I was saying, in Quebec, \$3 billion should be invested annually. However, if we calculate the ratio, the funding would be at the same level, that is, \$1.2 billion rather than the \$3 billion hoped for.

● (1600)

Mr. Robert Aubin: Right.

On a horizon of how many years would you hope to receive the \$5.8 billion you were initially talking about?

Mr. Robert Coulombe: That was \$5.8 billion annually.

Mr. Robert Aubin: Right, thank you.

In your presentation, you said you represent a number of smaller municipalities. I would like you to tell us about the capacity of the smaller municipalities to deal with the P3 phenomenon.

Where will these small municipalities go for expertise? For example, can they get that support from you? I would not say the biggest and smallest municipalities are engaged in unfair competition, but certainly the smaller ones have less substantial structures for managing these kinds of projects.

Mr. Robert Coulombe: In terms of experience in Quebec, the representatives in the House of Commons need to be informed that P3s have not had great success in Quebec. From memory, I can say there have been two projects in Quebec. Regardless of the size of the municipality, whether it is a city the size of Montreal or Quebec City or a small municipality, the fact is that there have really been no public-private partnership projects.

Mr. Robert Aubin: So you do not advocate that avenue, but you are not necessarily ruling it out.

Mr. Robert Coulombe: No. I am not saying we do not advocate it. I am saying that the success of the P3 initiative has perhaps not met expectations.

Mr. Robert Aubin: In the last budget, there seemed to be some openness to expanding the programs that could be funded out of the infrastructure envelope.

Have you been consulted in any way about the projects that were not funded or were not eligible in previous budgets and for which you would like to receiving funding starting in 2014?

[English]

The Vice-Chair (Ms. Olivia Chow (Trinity—Spadina, NDP)): You have about 30 seconds to answer.

Thank you.

[Translation]

Mr. Robert Coulombe: As I was saying, certainly we hope the programs will be expanded to other types of infrastructure. In the area of drinking water, nearly all of the projects have been completed. We have other types of infrastructure where we have to go beyond that, to ensure our residents' quality of life.

We are waiting to see what openness there will be in the programs. They will also have to be adapted. It is all very well to say we want other types of infrastructure of funding, but we also have to make sure the municipalities will be able to carry out their projects, based on the program content.

Mr. Robert Aubin: Thank you.

[English]

The Vice-Chair (Ms. Olivia Chow): Thank you.

Monsieur Coderre.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Mayor, Mr. Bélanger, I am pleased to meet with you again.

Obviously, as you said, the interlocutor is the FCM, but that does not mean things have not been done in Quebec. In fact, you recently produced a white paper. A lot of things are being done in Quebec. I am trying to be constructive today. Of course, we are always short of money, we all know that.

As had been requested, the government has proposed this for ten years, which is advantageous in that it gives you an opportunity to spread it out a little over time. Spreading it out is the strategy that is to your advantage and our advantage, because it affects all of us. Certainly, the UQM is not the Fédération québécoise des municipalités. If we consider the UQM's perspective, we see that it is increasingly a matter of the smart city concept.

There is also the issue of doing more with less, taking new practices in public finance into account, but in particular in relation to the creation of infrastructure. Have you examined that issue?

Municipalities have always been said to be creatures of the provinces, and I see that as causing a problem. In any event, we should revisit that later. However, there can be a role for the Canadian government in relation to anything involving innovation, because it is not a matter of just green infrastructure, basic infrastructure or recreational and tourism infrastructure. More and more, it is a matter of innovative infrastructure.

Have you looked into this issue, which addresses your problems when it comes to sustainable development, energy savings, traffic congestion and water loss?

• (1605)

Mr. Robert Coulombe: We have indeed looked into this issue. However, as I said earlier in relation to the infrastructure deficit, it was not as sharply defined as what you have just said. It would mean that the envelope would be even larger than what we have discussed.

In fact, we are extremely happy that this is taking place over a ten-year period, because it is predictable. However, we have still allowed ourselves some leeway to review the content of the program after five years. We appreciate that enormously, because it will help us with our planning in the short, medium and long terms.

Hon. Denis Coderre: Quite often, it presents a problem in terms of tactics when you want to look for funding. The government of Quebec is the general contractor. You make your applications and the federal government is a facilitator and plays a role in the funding.

I imagine you have prepared an inventory of the things to do. I referred to basic infrastructure earlier. Certainly there is the Building Canada Fund. We advocate dedicated funds. I would like to hear your views on that.

So I do not support the reasoning of the present government in Ottawa. All the money cannot be put into a single project, like the Champlain Bridge, which would cost \$2 or \$3 billion. There are projects throughout the province. What are your views on that?

Essentially, should there not be dedicated funds in terms of sequences? The Building Canada Fund is one thing, and an amount is allocated to that. Another amount is allocated to innovation, and another to public transit or mass transit. Could the existing programs be added up and your deficit be made up that way?

Mr. Robert Coulombe: In fact, the first dedicated fund, which relates to the gas tax, is an extremely useful program.

To answer your question, I have the impression we are on thin ice...

Hon. Denis Coderre: Welcome to politics.

Mr. Robert Coulombe: ...and we have to be careful about proposing things.

Hon. Denis Coderre: Speak as the mayor of Maniwaki.

Mr. Robert Coulombe: I will speak as the mayor. If we have dedicated funds, taking the size of the envelope into account, someone, somewhere, will...

Hon. Denis Coderre: They will have more.

Mr. Robert Coulombe: They will not necessarily have more. Rather, I would say that some will have less because of the content of the envelope. I should perhaps answer your question by saying we should look at specific cases rather than having dedicated funds. That is why I say we are on thin ice.

Hon. Denis Coderre: At the time, there were what were called structuring projects.

Mr. Robert Coulombe: That's correct.

Hon. Denis Coderre: So that is what you would prefer. A plan like the Building Canada Fund could handle basic infrastructure and one envelope could be used to fund structuring projects either for a big city like Montreal or for a group of municipalities or regions, like an RCM.

Mr. Robert Coulombe: We held discussions about what we asked for from the federal government. We also met with both the government party and the opposition parties to sell our project. It was really more a question of basic infrastructure and expanding the program. As you said, Canada-wide structuring projects could be advantageous for all communities.

Hon. Denis Coderre: As well, there is the Charbonneau Commission being held in Quebec. If there were the equivalent of that commission in other provinces, we would probably see the same thing. This is not an issue unique to Quebec. However, I would like to go beyond that. I do not want to talk about individuals or contracts here. Earlier, the contracting process was mentioned. Tell me a bit about how your municipal price evaluation board would work.

When I was my party's national defence critic, one of the things I proposed was that we create an agency. Three departments deal with procurement policy, but it comes down to more or less the same thing. There are a lot of contracts that relate to the military. Industry, Public Works and Government Services and National Defence are all involved.

At the time, there was talk of an inspector general. You are talking about an evaluation board, so it would be an independent entity. To whom would the board report, and what would be its relationship with Ottawa, for example?

That is my last question.

• (1610)

Mr. Robert Coulombe: What we initially asked for applied to Quebec, but it could also be used at the federal level. With respect to

the board, it can be very simple, but it can also be complicated. I will try to keep to the simple aspect.

In the case of various infrastructure projects, we have no reference point, for example for the price of water lines in Montreal, Quebec or Maniwaki. There is no real reference point. It is important that there be access to that information.

The case of asphalt, in eastern Quebec, is the best example I can give you. There has been some discussion about it. Some control was being exercised in that location. The municipalities did not have the reference points they needed in order to determine what the cost of asphalt was in Maniwaki as compared to the price charged in their locations. The same might be true for cement, or machinery, or for infrastructure as a whole. It is important to have reference points for all of that.

Hon. Denis Coderre: You are talking about consistency.

Mr. Robert Coulombe: When there is a problem with collusion, it gives the municipalities an index. Alarm bells will go off to say...

Hon. Denis Coderre: Maybe the lowest bidder should also be removed.

Mr. Robert Coulombe: That might happen, but on that point, I do have a comment.

Previously, that was really a sore point. Today, however, with things being tightened up both administratively and politically, submitting the lowest bid and planning for extras on the project is no longer seen as an open book. In other words, people are more cautious in that respect.

[English]

The Chair: Okay. Thank you very much.

Mr. Poilievre, you have seven minutes.

[Translation]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Coulombe and Mr. Bélanger, thank you for being here with us.

You talked about the money shortage that affects municipalities. I have had an opportunity, myself, to look into how municipalities' revenues have grown over the last decade. I have determined that they rose by 71% between 2001 and 2011. Taking both population and inflation into account, we are talking about a 30% increase. That means that in ten years, revenue has risen twice as fast as needs. That trend began well before 2001. Even in the 1990s, revenue rose faster than inflation and population growth combined. That is why I have trouble understanding why the municipalities can still have shortages. Perhaps you can explain it for me.

Mr. Robert Coulombe: Sir, the reason is that there has really not been any increase in revenues. In fact, when it comes to the municipalities' balance sheets, this is actually additional taxation that has been transferred directly to residents.

The other factor relates to budget growth. When you talk about revenue, that is because it comes from taxes. We collect property taxes from ratepayers. There has also been an increase in responsibilities that the municipalities did not previously have.

If I may draw a parallel: barely 20 years ago, for municipalities, there were services directed at properties, and very few services for people. Today, the pendulum has swung, which means that nearly 60% of our revenue is devoted to people services and 40% to property services.

The other factor relates to what you call revenue: the public's capacity to absorb another tax. To give an example, at present, in programs, for any project carried out by a municipality, 76% of the budget, or the investment, is paid by the residents of the municipality. Even if we are talking about programs funded on a one-third, one-third, one-third basis, we still have to be careful about that, because the federal government and the government of Quebec get money back in taxes. For the municipalities, the equation is very simple: they get nothing back. That means the real cost to the residents of each of the municipalities is 76%. That is why there has been an increase in what you are calling revenue.

• (1615)

Mr. Pierre Poilievre: Yes, but it is not 76%. It is 100% that is paid by the taxpayers. The federal, provincial and municipal taxpayer is the same person. There is only one taxpayer, whether the money comes from Ottawa, from Montreal or anywhere else. These are taxes. People pay them.

You know, there is a rumour going around that here in Parliament we have a river of money that is available to everybody. I can assure you, that rumour is false. That money comes from the same place as the money that all the other governments have.

That is why, when you say the municipalities cannot raise funds locally, my answer is that the federal government receives that money from the same taxpayers. Do you think it would be different if we asked the public for more through their federal income taxes, as compared to local taxes?

Mr. Robert Coulombe: You are entirely correct. It is 100% the public who provide the revenue, regardless of the type of government.

However, I would like to say something about a statement you made when you said people think there is a river of money. When I gave my presentation, I do not think I ignored the reality. We are aware that there are specific issues and there are difficulties, whether it be at the federal, provincial or even municipal level. There are no rivers of money. Today, what we have explained to you is the situation as it relates to the programs that have been set up. However, I would also not want to present a different picture of the situation.

When you ask me why the ratepayers in a municipality do not pay for all of the services, the best example I can give you, since we are in the national capital, is the one of Ottawa or Gatineau. Municipal responsibility cannot be transferred solely to the ratepayers of the city of Ottawa when it comes to infrastructure. There are many aspects to be considered. Some people live on the outskirts and use the public services in the big city. Those services are often intended for a larger community than a single municipality. That is why my

answer is yes, when you tell me they are the same people. However, should the residents of Ottawa be the only ones paying for infrastructure for all of the people, whether they be visitors, or workers, and so on?

Mr. Pierre Poilievre: Yes, I understand. At the same time, the federal government is providing an unprecedented amount. Twenty years ago, the federal government gave no money to the municipalities. It was zero. So the increase since then is astounding.

In terms of Gatineau and Ottawa, it seems to me that the City of Gatineau is at a disadvantage when it comes to selecting service suppliers and construction firms. The City of Ottawa can retain firms from Quebec for projects in Ottawa. However, because of provincial policies in Quebec forbidding the use of non-unionized or out-of-province firms, the City of Gatineau cannot do the same thing. The number of firms competing for a single project is smaller. Does that situation not result in pointless inflation of the costs?

• (1620)

Mr. Robert Coulombe: I could not really answer your question, because I am not familiar with that particular situation. We have not done any comparative studies between Ontario and Quebec.

However, I have to say that your questions really go beyond the subject of our presentation. In this case, we are talking more about negotiating with the provincial government. You are talking about unions and so on. On that point, the municipalities are not the decision-makers.

Should we be discussing that at this committee? The question has been raised. As I say, I was not really expecting to have that discussion today. I thought we would be discussing the three factors or questions you had put on the table.

Mr. Pierre Poilievre: It is covered by them.

[English]

The Chair: Thank you, Mr. Coulombe.

We'll now move to Mr. Toet for seven minutes.

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

I found a few things interesting in your introductory remarks. One was regarding the infrastructure funding and the prescriptiveness of it.

You indicated that being less prescriptive was going to be very helpful, especially to some of the smaller municipalities that you would be representing. You actually are encouraging this particular infrastructure plan to be even less prescriptive than the Building Canada fund was.

Why would you want to see less prescription? Perhaps you could expand on that and let us know how helpful it would be to the smaller municipalities, and even to the larger municipalities, as far as your organization sees it.

[Translation]

Mr. Robert Coulombe: In fact, expanding the programs would enable all municipalities in Canada to benefit from them. However, it is limited to certain sectors. Take the example of drinking water. Some rural municipalities, both in Quebec and elsewhere in Canada, have no water system. At this point, it is more difficult for them to be able to benefit from the programs.

That is why we say it could include cultural, sports or community infrastructure. Ultimately, it should be expanded to cover everything that falls under the municipalities' responsibility in relation to infrastructure. That is why we say a way should be found for it to benefit all Canadians, regardless of the size of the municipality.

However, there are things that are specific to the biggest cities. We were saying just now that there could perhaps be structuring programs, something we would completely support.

Overall, the coverage of the programs has to be expanded so that more Canadians can benefit from the programs set up by the federal government. That said, we are extremely happy that this program has been set up, because it meets our expectations and the public's expectations.

• (1625)

[English]

Mr. Lawrence Toet: I want to touch on the title of our study on competition: how competition can make infrastructure dollars go further. It is an important aspect, obviously, of what we're trying to bring forward. Mr. Poilievre talked a little bit about the aspect of opening up competition as wide as possible.

I don't want to get into specific areas of competition, but just as a general rule, would you not say that the wider the competition, the more opportunity there is to stretch those infrastructure dollars as far as possible?

[Translation]

Mr. Robert Coulombe: You are entirely correct. And that is what we are hoping for. In fact, there has to be competition.

I will give you an example. Earlier, we spoke about a municipal price evaluation board. We want to know the actual situation as it relates to costs in all municipalities. Developers, entrepreneurs and innovators are going to identify gaps in certain sectors and certain regions, because no two regions are identical.

I am going to talk mainly about Quebec. When gaps are identified in terms of the services provided by businesses, businesses are going to be created, and that is what we want. Our aim is not to pay the highest price, it is to pay the best price for the best quality work. That is what we want. We want there to be competition and we are not going to put limits on it. No municipality in Quebec has said it did not want to hurt a local firm so it would pay more for work. So much the better, if one of our local firm can do the work at a price that is competitive with other firms, but there absolutely has to be competition because that is how taxpayer dollars are best spent.

[English]

Mr. Lawrence Toet: Right. So what we'd have is a situation where, due to the competitive nature of having more people involved, the broader the spectrum is, the better.

You also talked a little bit about the ability of the municipalities to even be able to work together. You touched on that a little bit in your remarks to Mr. Coderre.

Having an understanding and a knowledge of what one municipality is paying for a certain product or for a certain type of maintenance, and being able to share that knowledge, is that something your municipality group, your union, would actually be doing? Would you be helping to share that knowledge and acting as a catch point for that, and then dispersing it out so that there is a sense of knowledge as to what the cost for certain things should be?

You touched on the fact that there are differences in regions, and things like that, but there also has to be a reasonableness within that context. Is that something you would work towards sharing with all your counterparts and all the members of your union, so that they would actually be able to see if they're getting the best value for their dollar?

[Translation]

Mr. Robert Coulombe: We are actually very active in that regard. In fact, we have commissioned a study to find out how that kind of board could be administered. At least seven or eight years ago, we noticed that the cost of work in some places was really above the average. It was costing too much. So we started to explore that avenue. We asked a specialized firm to give us a report on this subject. At the Union of Quebec Municipalities, we are going to advocate this and we want it to be set up. As I was saying earlier, we want to spend public funds better and do it as efficiently as possible, and get a better return on the capital invested.

[English]

Mr. Lawrence Toet: You said you started this process about seven years ago.

Mr. Robert Coulombe: No.

[Translation]

I did not say we started the process seven or eight years ago. We noticed the excessive cost of work and we proposed that the government of Quebec create a board of this kind. That idea is still in the works and nothing has been decided by the government. We have taken a further step and dug into our pockets, the Union of Quebec Municipalities' pockets, from the dues paid by members. We have retained a firm that is to provide us with a report, which we will in turn submit to the government of Quebec. We will be happy to send it to the federal government as well, because we consider it to be a key partner. We will submit the study, which is to be done by the firm we have retained.

• (1630)

[English]

The Chair: Thank you very much.

We'll now move to Ms. Morin.

[Translation]

Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP): I would like to come back to the question of public funds. At the beginning of your speech, you said you had eagerly accepted the invitation to appear before this committee.

Do you have the impression that the federal government is sufficiently receptive when it comes to the problems you are facing? Do you think there is enough transparency when it comes to public funds and information that relates to taxpayers?

I will explain. If the federal government were to demonstrate greater transparency, would that facilitate your work? The question arises as well in relation to the municipal price evaluation board.

Could the federal government do something to assist you in that regard?

Mr. Robert Coulombe: I would like you to clarify your question. You are talking about federal government transparency.

What do you mean by that?

Ms. Isabelle Morin: Are there areas in which you would like the federal government to be more transparent?

Mr. Robert Coulombe: On what subject?

Ms. Isabelle Morin: On the subject of the prices we pay and the public funds you might need.

Mr. Robert Coulombe: I have to say it is hard for me to answer your question. I am trying to grasp the meaning. In terms of the public funds you refer to, our goal is to get the most out of the investment. We are talking about the board and the desire to make sure there is competition. That is how we want to use public funds, whether they be federal, provincial or municipal. We want to get the maximum impact from them.

In terms of transparency, I do not see how it applies in the case of the program that has been set up. The question is more one of whether we would like to see diversification in terms of infrastructure. We answered that earlier, and the answer was yes. We would like to see expanded coverage, so that all types of municipalities could benefit from it.

The Union of Quebec Municipalities was said earlier to represent mainly the bigger cities. I can tell you that we represent a community with a population of 50 people. On the other hand, we also represent Montreal, which has a larger population, and all of the municipalities of Quebec. Given the structure of our organization, those are the interests we want to represent.

We have specific groups within our organization. There are groups of local municipalities, central cities, regional towns and large cities. There is also the metropolis. This means that no one is left out.

As a union, our interest is in making sure that members are able to benefit to the fullest extent from the programs offered by governments.

Ms. Isabelle Morin: Right. I am going to ask you another question.

Given that public-private partnerships are in fact the subject of the study, I would like to know whether you can give me any examples of cases, in Quebec, where municipalities have found that a public-private partnership was not to their advantage.

Mr. Robert Coulombe: I do not have any statistics at hand, but as I said earlier, from memory, I think there have been two projects like that. I am going to ask Joël Bélanger, who is with me, to answer that question.

Mr. Joël Bélanger (Policy Advisor, Union of Quebec Municipalities): At the municipal level, we find that the kind of infrastructure or projects we have to carry out is perhaps not the most suitable business model. Each of the projects does not really involve any innovation. In the case of water lines, roads or other things of that nature, innovation may be impossible. These are projects that are not really of interest to the private sector.

Ms. Isabelle Morin: In your presentation, you talked about getting more competitive bids.

What do you mean by that? How can we make sure that projects are more competitive?

• (1635)

Mr. Robert Coulombe: As I said earlier, the board would offer reference points for municipalities. Some municipalities have a number of projects, and others have fewer projects. It depends on their size. If they have fewer projects, they do not necessarily have the staff they need, to carry them out. However, if we are talking about a board, there would be a reference point from an external entity. It would not be handled by the municipality itself.

Ms. Isabelle Morin: What are these prices based on? As my colleague said, with the Charbonneau Commission, there are so many examples of unrealistic projects and costs.

Mr. Robert Coulombe: In fact, the board would be a reference source. Take the example I gave earlier, about water lines. What is the price for the same size lines in Châteauguay, Trois-Rivières, Maniwaki, Montreal and Quebec City? You do not find these kinds of suppliers on every street corner. There are only a few manufacturers that make them. What is the price paid by municipalities?

For example, in Maniwaki, where I am, when we have work done, it is first valued by an engineering firm. Then the engineering firm makes recommendations. However, we do not have any reference points by which to assess those recommendations. We have nothing that tells us that a particular pipe costs, for example, \$125 per linear metre, when we were paying \$160 for it. That is the kind of information the board would provide. We would be able to find out what prices are paid in the industry everywhere in Quebec, since the board we are talking about is for Quebec. However, that idea could be applied throughout Canada.

[English]

The Chair: Thank you very much.

Mr. Holder, you have five minutes.

Mr. Ed Holder (London West, CPC): Thank you, Chair, and my thanks to our guests for being here today.

I found this testimony very interesting. As we go through this process, your perspective on what we are looking to do nationally, provincially, and municipally in terms of infrastructure is very helpful, because you work with the people who make things work.

We look to leadership around our country and our various provinces. Certainly, part of that leadership is the Union of Quebec Municipalities, as far as our approach to infrastructure is concerned. One of the comments that we received from the Federation of Canadian Municipalities was that we initiated a gas tax at 1%, then we doubled it, and then we made it permanent. In the most recent budget, we've indexed it, which has great bearing. I come from the 10th largest city in Canada, and even for a population of not quite 400,000, people, that's worth some \$21 million to my city. I would imagine it's much greater in the province of Quebec. We had a very unequivocal statement from the FCM, from the Federation of Canadian Municipalities, that they thought that it was a very positive step.

Did you take a formal position on the gas tax in the budget and the indexing of it? Could you comment on that, please?

[Translation]

Mr. Robert Coulombe: First, that is a program that we can see as being permanent. That is important. Perhaps to answer some questions, in Quebec, there is an allocation by municipality, with a minimum amount. If my figures are wrong, Mr. Bélanger will be able to correct me.

In Quebec, it is done in two ways. There is a minimum amount given to each municipality. That is \$226,000, taken from the envelope received. Then, there is an additional amount based on the number of residents. That is a tax that is very welcome. Earlier, we were talking about dedicated programs, but for us in Quebec, this is a dedicated program that allows municipalities to do longer-term planning. For example, if a municipality wants to undertake a large-scale project, it is not required to complete it in the first year, because the funds continue to be dedicated to that municipality, which can plan a project. That is what the gas tax does.

We are extremely happy and pleased to see that this tax is being increased.

• (1640)

[English]

Mr. Ed Holder: I appreciate that, so I'll take that as a yes. The gas tax being made permanent, indexed, is a positive thing, obviously, for the Union of Quebec Municipalities, because of the guarantees. I don't want to put words in your mouth, but I got a sense that you felt positive about it.

Let's go at this a different way. One of the questions you've touched on, which I think is important, is that you said the funds from the gas tax should be for dedicated programming. I think you said long term, but I don't want to put words in your mouth.

I asked that very question in my own city, whether the funds that are received through the gas tax should go for things like streets and gutters, things that I would call normal maintenance, or whether they should be put aside for larger infrastructure projects. I have my own opinion on it and I'll tell you what my own constituents said. But I would like your view in terms of the moneys for the gas tax, on the presumption that a municipality would get whatever number of millions a year—some smaller, some larger. If someone had a \$100-million project, and in my case, in my city, they were getting \$21 million a year, they could actually fund that over five years.

Do you think the funds out of the gas tax should be dedicated toward, as you've said, long-term programming—in other words the larger infrastructure projects—versus the streets and gutters type of maintenance?

[Translation]

Mr. Robert Coulombe: The answer is yes. However, there is a limited amount in terms of the gas tax rebate.

I will give you an example. In the gas tax program, in Quebec, there is one portion, I do not know what percentage, that goes to public transit. How much is that?

A voice: It is 25%.

I am told it is 25% that goes to public transit, and a majority of that type of transit is provided in the bigger cities. I do not know what the share is elsewhere in that regard. I cannot speak for the other provinces, but in Quebec, I agree with what you are saying. However, at some point, if infrastructure projects are concentrated in certain cities, there are some communities that will not benefit from them. That is why I said earlier that in Quebec, the program is very much appreciated, because all communities are guaranteed a gas tax rebate.

If you want to clarify your question further, I will be pleased to answer.

[English]

The Chair: You're out of time. But if you want a little more detail on that same question, I will allow that.

Mr. Ed Holder: That would be the only thing, to provide that for us. I want to ensure in my own mind, Chair, and perhaps we all want to satisfy ourselves that the way the gas tax fund works in *la belle province de Québec* is the same as it would work in any other municipality in any other city across Canada. I believe that to be the case, but if you have some detail, that might be useful for this committee.

The Chair: Maybe what we can do here, since you're out of time, we'll move on. If we run out of time at the end, Mr. Coulombe can supply that to us, and we'd still get it.

With that, I'll move to Ms. Chow for five minutes.

Ms. Olivia Chow: Will you be attending the FCM meeting in Vancouver? It's coming up in June. It's the annual general meeting.

[Translation]

Mr. Robert Coulombe: Yes.

[English]

Ms. Olivia Chow: As you know, the Federation of Canadian Municipalities has been looking for every level of government—federal, provincial, and municipal governments—to work together. They have been asking for predictable long-term funding, some of which should be designated, so it's not application-based, so it is predictable. All of that is clear. FCM has also asked that it not be mandatory that municipalities have to go through the P3—public-private partnership—screens in order to get the funding if the project is a bigger size.

So really there are three questions. First, what is the best way for the federal government to work with your organization and the municipalities that you represent? Second, if small municipalities have to go through the P3 screening, what kind of hardship would that create? Because smaller municipalities may not have the money to go and find a private partner. Is that a problem? Third, when we all end up at FCM at the end of May, is there a committee that really should examine these issues? Would it be the infrastructure committee, the standing committee, or maybe the municipal financing committee, so we can work together with other municipal leaders across the country to achieve the goal that FCM is pushing for?

Sorry for the long questions. It's three questions in one.

• (1645)

[Translation]

Mr. Robert Coulombe: I will try to answer as simply as possible.

In fact, we would like to be able to work with the federal government. However, in the present circumstances, as you know, we have to deal with the government of Quebec. That is the partner identified as being between the federal government and the municipalities. In other provinces, for some programs, the federal funds are transferred directly. I do not think I am mistaken, but in Ontario, the transfer is directly to the municipal association, which then arranges to work with the municipalities. However, on this first question, I cannot go any further than to tell you that the federal government has to deal with Quebec at present.

Concerning P3s for small municipalities, two or three people have asked me about this. In fact, to be able to carry out a P3 project, you have to understand that, essentially, the partner that is going to participate in this kind of project is wanting to make a profit. Often, these really have to be major projects. In small municipalities, and even in bigger municipalities, that is not an easy matter. There are not often \$40 or \$50 million dollar projects in the municipalities, no matter how big they are, to get them to participate in that kind of project. It is worth considering, however. We have to see a public-private partnership happen and assess the type of partnership we might have in that regard. I think it is something to think about and we can consider these questions.

On the third point, there is an infrastructure committee at the Federation of Canadian Municipalities. I am the vice-chair of that committee. So perhaps, Ms. Chow, we can discuss this at the convention in Vancouver, because it is an extremely active committee. It was the FCM's advisory committee in the talks between the federal government and the opposition parties on the position to take on the budget. I think we can move forward on this issue and make improvements.

I appreciate your bringing this issue up so that, once again, we can make sure that public funds are being allocated and spent in the best way possible.

• (1650)

[English]

The Chair: You're out of time.

Mr. Poilievre, you have five minutes.

[Translation]

Mr. Pierre Poilievre: You said you wanted more competition, to improve quality and lower prices. It seems to me that the laws forbidding non-unionized firms and firms from other provinces from offering their services reduce competition.

Would you support eliminating rules like that?

Mr. Robert Coulombe: I could express an opinion on that, but there is a very broad context to be considered. For example, there is the involvement of the unions. There is also the entire question of the ministère du Travail, which is closely involved with this, in Quebec.

You are right, this is specific to Quebec. On the other hand, we cannot object to the progress that more competition and flexibility in terms of the firms that could come and do business in Quebec represents. I cannot say no. We support it, but the problem goes beyond the position of the Union of Quebec Municipalities on that point.

It would be desirable for there to be discussions between the federal government and the government of Quebec. As well, you spoke earlier about Gatineau, where specific agreements concerning the construction industry in Quebec have been signed.

Mr. Pierre Poilievre: However, you support eliminating...

Mr. Robert Coulombe: No, I did not say that. I said that to ensure competition, we could arrange for firms coming from outside to be able to do business in Quebec. However, the entire question of collective agreements, unions and the ministère du Travail would still have to be decided. That would have to be decided within Quebec's legislative framework.

Mr. Pierre Poilievre: I understand, but you can still have an opinion. It affects your members, who have to purchase services and are subject to constraints relating to the suppliers of the services. We already know this causes prices to go up. Otherwise, the unionized firms would be able to win an invitation to bid over the others.

Mr. Robert Coulombe: We should perhaps clarify something. I was the president of the Union of Quebec Municipalities from 2008 to 2010. At the time, there was this idea of collusion and everything that was going on in Quebec relating to various infrastructure projects. I think it would be useful to point out that to our great surprise, taking into account all the parameters relating to construction costs, it was 2% cheaper in Quebec than in Canada as a whole.

As I said, we are not opposed to there being competition, but we should not suggest that it is more expensive in Quebec than elsewhere. In fact, we could give you a study showing that it cost 2% less in Quebec than everywhere else in Canada.

Mr. Pierre Poilievre: I have seen different figures that have been presented to the committee. I find it hard to understand how it could be that firms that are required to be unionized cost less. They cannot compete with the others.

Mr. Robert Coulombe: This is statistical, mathematical information that we have.

The unions are indeed present in various construction trades in Quebec. I repeat: it cost 2% less. In fact, at one point, the newspapers had suggested that costs in Quebec were 30 or 35 or even 40% higher. I repeat: it was 2% cheaper in Quebec, considering all the parameters of the data.

• (1655)

Mr. Pierre Poilievre: Right, but I have never heard of that.

Mr. Robert Coulombe: We can provide you with the study. In fact, you can obtain it from Transport Canada.

Mr. Pierre Poilievre: Very well. I have never seen it and I would like to have a look at it. The figures presented to the public are different from what you have described.

Mr. Robert Coulombe: I understand what you mean. When I was shown the study, I asked myself the same questions. I was sitting with Mr. Bélanger, who is a tax expert, and some other professionals. I asked them to explain it properly because I was having trouble understanding all the data.

The fact is that these figures come from Transport Canada and the result shows that it is 2% cheaper in Quebec.

Mr. Pierre Poilievre: We will take a look at it.

[English]

The Chair: Okay, you're out of time.

Yes, Mr. Coulombe, I think it would be important for all of the committee to see that information, so would you please pass that on? Like Mr. Poilievre, I have never heard of that before either. It's actually the contrary, so it would be enlightening for all of us to see that. Please provide that.

We have Mr. Sullivan now.

[Translation]

Mr. Mike Sullivan (York South—Weston, NDP): Thank you for being with us today. We appreciate it very much.

[English]

I'm unfortunately going to speak in English.

I'm not surprised that your study shows that unionized work forces or Quebec construction is 2% cheaper, because my experience has been that good contractors with good work forces can work faster, can work more efficiently, and can compete better than others.

My questions, though, have to do with the nature of our study, which is whether or not—I'll use the term—public-private partnerships are something that should be a natural part of every infrastructure spend by municipalities if it includes federal money. The rules, as I read them in the budget, are that any time a municipality wants to spend federal money on a project of a certain size or over, it has to do what is called a P3 screening.

So even if everybody understands there is no way that a project is going to be a P3 project, you are forced to do the red tape that the government provides—a P3 screening—and you're forced to spend that money. The government says they'll give you half of the money for that screening, but that's money that is wasted. That's money that is spent with no benefit to the taxpayer because there is no likelihood that this would ever be a P3 project.

Is that a good use of taxpayers' money, to force every municipality that is asking for federal money to go through a P3 screen?

[Translation]

Mr. Robert Coulombe: From what we understand, the current program is oriented toward public-private partnerships, but that is in the case of bigger projects. As you said, there is a minimum value. Our opinion is that it is high enough that very few projects are going to have to be carried out under the P3 format.

Joël, what is the average in the case of infrastructure projects?

• (1700)

Mr. Joël Bélanger: We do not really have that figure.

Mr. Robert Coulombe: I will throw out a figure, but don't rely on it, given that I am unable to confirm it today. For most projects, it is about \$2 million. In many cases, it is difficult to do these projects under the P3 format, regardless of how big the municipality is. Whether it is Toronto or Montreal or somewhere else, these are not always \$40 or \$50 million projects.

Some structuring projects, to use Mr. Coderre's term, may cost \$200 or \$300 or \$400 million, but those are specific kinds of projects. The fact is that overall, the funds allocated under the existing program are meant for smaller projects. The total for all projects is what amounts to the billions of dollars we are talking about.

[English]

Mr. Mike Sullivan: The other piece of the budget is the notion that when federal infrastructure money goes to projects in Canada, the federal government is now looking—and this is something we discussed in the human resources committee—at the notion that these projects should be used to create skills training, that they should be used to create apprenticeships in the skilled trades where we have shortages in Canada. We see this as a very good move. We've urged the government to do this for some time.

The notion that there would be a job creation element to an infrastructure spend is something municipalities, as I understand them, already look at. You already want to do the best for your community and if that means creating some jobs in your community it's something you would like to do. You want that to happen.

Is this a good move and is it in keeping with what you already do?

[Translation]

Mr. Robert Coulombe: Yes, we support worker training. In fact, there are fewer and fewer resources for doing the work, but we also have to be careful. We will not be asking the government to dedicate a portion of the infrastructure programs to training. As I said, there are not enough funds. The program is not sufficient.

I am not saying we are not happy with the programs; we are. We are very happy that the federal government is investing money in these programs, but we would not want the envelope to be diversified to the point that part of the money is being taken for labour force training. We want to see diversification in the investments, in various types of infrastructure. That is what we think needs to be specified.

[English]

The Chair: We'll now move to Mr. Holder.

Mr. Ed Holder: Thank you, Chair. I have an opportunity to ask a couple more questions and I'm grateful.

Monsieur Coulombe, I heard a couple of things. I'm happy that you're happy. I'm happy that you're happy the federal government is investing in these programs and that there's very positive news from the indexing of the gas tax fund. I'm quite pleased about what you said about how you're all for competition. I know you meant that in the most honest, positive sense.

The nature of our study is on how competition can make infrastructure dollars go further. Perhaps as an extension of Mr. Sullivan's question, how do you define infrastructure?

[Translation]

Mr. Robert Coulombe: I am going to try to answer your question precisely.

When you talk about type of infrastructure, that means all types of infrastructure, be it underground infrastructure, road infrastructure, cultural facilities, recreational facilities, community facilities, and so on. These various types of infrastructure are part of the responsibilities of the municipalities. Those responsibilities are increasingly diverse. There was, quite correctly, the fact that work had to be done for drinking water, and a majority of the investments were made in that.

However, I would like to mention one of our concerns, which is the new wastewater regulations. We are talking about billions of dollars for the next 30 years. So the municipalities have to have support for that. We are in favour of regulation, but we would like to have the tools to go with it.

Mr. Bélanger, what is the total amount for 30 years?

• (1705)

Mr. Joël Bélanger: We are talking about \$9 billion.

Mr. Robert Coulombe: The figure is \$9 billion. At present, only part of that is identified in the program, but it is so minimal, compared to the investment.

[English]

Mr. Ed Holder: We might have a chance to ask a question along the line of the P3 questioning, but it brings up the question as it relates to infrastructure. During this struggle with our fragile economic times, we tried to avoid a depression by making some significant investments in infrastructure. One of the things we did during that time was a regulatory change from the standpoint of environmental assessments. We said in terms of doing an environmental assessment that rather than having two, in cases where the regulation said you needed to have two assessments—federal and provincial—because of the jurisdictional issues, we would have enough confidence in the provinces to be able to do their own and we would accept that.

Did you take a position on that? Did you agree? I'm trying to get a sense of your position on that. Or do you feel that the two assessments versus one was the better approach? Did you have a preference for an approach?

[Translation]

Mr. Robert Coulombe: Are you talking about the wastewater regulations?

[English]

Mr. Ed Holder: It could relate to that, but anything, again, within your jurisdiction where it required originally a federal or provincial environmental assessment. It could include water, but there could be other things as well.

We heard some negatives from different groups who said that, in fact, we should keep both—a federal and a provincial environmental assessment—and on that basis, move the projects along, because that can take a fair amount of time. That would give confidence in what the.... This may have some bearing on how we all go forward as well.

Did your union take a position with regard to supporting that one provincial environmental assessment was sufficient? Did you take a position on this or accept it?

[Translation]

Mr. Robert Coulombe: We support having government assessments done when it comes to the environment because it is important and the environment is not confined to a municipally defined geographic area. It extends beyond the municipalities, regions and provinces. That is important. However, in terms of jurisdiction, whether it is federal or provincial, we will not take a position. We will not say whether we prefer the federal or provincial government. There needs to be an agreement. In fact, when it comes to this responsibility, the most important thing, for us, is the financial impact. We think that if there are regulations in place, regardless of what kind, when the regulations are made, there has to be money to go with them.

[English]

Mr. Ed Holder: Excuse me, but on that very point, when you have a provincial assessment and we then come in with the federal assessment, then, by virtue of that, it must take more time. The financial implications are greater because it takes that much longer again, before workers are able to go in and do the rest of the work that they need to do.

This is not a trick question. I'm trying to get a sense of whether you had sufficient confidence in the Province of Quebec to be able to do an environmental assessment without the feds doing it. It may not be in absolute terms, I appreciate that, but I think it's a fairly clear question. I was just hoping to get some clarity in terms of your perspective and perhaps even your opinion if you didn't take a formal union position on it.

• (1710)

[Translation]

Mr. Robert Coulombe: My answer will be very brief.

We have said we do not want too much red tape. Let us find a way to move forward. There may be a federal position that is inconsistent with the government of Quebec's position in some situations. We would like to find the best approach. We have talked about competition and avoiding costs. We do not want there to be additional costs. We want there to be less red tape and for it to be as efficient as possible.

[English]

Mr. Ed Holder: You dance a bit like a politician, but it's an interesting dance.

Mr. Robert Coulombe: We all are.

The Chair: Thank you.

Mr. Toet, you have five minutes.

Mr. Lawrence Toet: I'm just going to pick up a little bit on Mr. Holder's line there, because I think we can simplify the question as easy as this. Would the Union of Quebec Municipalities prefer one or two environmental assessments on any given project?

[Translation]

Mr. Robert Coulombe: I am going to answer that it has to be done as quickly as possible and with attention to the environment. I do not want to state an opinion as to whether it should be under federal or provincial jurisdiction. I can simply tell you that we have to find a way of putting people to work as quickly as possible and not having to wait 24 or 36 or 48 months. As you know, in the case of some projects, we do not agree. It goes against the wishes of the public, who want the work to get done.

Some people will be opposed to a project because of one environmental factor or another, but we have to respect that. Putting more regulations in place sometimes complicates things.

I am going to inject a little levity. Some people ask a lot of questions and want to have all the answers. When I want a photocopy, I put my paper in the photocopier, I press a button and I get my copy. Others are going to ask me, "Do you want to tell me which way the paper went? Did it change sides?" We don't want to know. We want as little red tape as possible so the projects can get done.

[English]

Mr. Ed Holder: He sounds like a Conservative.

Mr. Lawrence Toet: Absolutely, and I would agree.

Coming back to our question, that efficiency comes back to actually bringing that dollar further, right? I mean, the faster we can get to a project, the less delays we have in getting to the project.... Everybody would agree with you also that the assessment and the protection of the environment on the project is paramount. There should be no shortcuts on that. However, the question becomes, is one process enough, or do we have to go through two or three processes in order to see that there is protection? That's really the crux of the matter.

I just wanted to go to P3 projects. There have been some questions about the P3 projects.

I've seen some extremely successful projects, actually, through the P3 process that have worked very well. I can speak of one in the city of Winnipeg, where a roadway was done. It was done under budget and it was done nine months ahead of schedule, and the quality of the work.... Everybody praises this roadway in Winnipeg. It's probably the best built roadway we have in the city, and it's been there for about two years now. Because the P3 proponent is actually also responsible for the maintenance, they have built this road to standards that probably are above and beyond what we would have, say, as our conventional normal standard.

Can you share any projects through the Union of Quebec Municipalities that have been done in the same way, where a project has come in on time, or ahead of time, and on budget, and with the ability to also have the costing of that maintenance actually lowered over the course of time?

● (1715)

[Translation]

Mr. Robert Coulombe: We do not want to give you the impression that we are opposed to P3 projects. We are not; we support them. However, in order for them to happen, as the term suggests, there has to be a partnership. There has to be some interest, and often, you are right, it is possible. There would still have to be an assessment of whether that was more efficient in terms of the investment, the times, the construction costs, and so on. As I said earlier, it has not been a success in Quebec. There have been some with the Quebec ministère des Transports, but there have been no P3 projects with the municipalities.

However, we are open to it and I think it is an avenue worth considering. But I would not say it is going to solve all the cost problems, because an assessment would have to be done.

For example, I would not want to see a public-private partnership for drinking water because, in my opinion, drinking water is a matter of people's health. I am not saying that when it comes to drinking water, businesses would not be careful, but some projects, in my opinion, have to remain the responsibility of the municipalities. We support P3s, but we do not have any projects we can present to you today in that regard. We could perhaps initiate a discussion concerning projects that we would like to do as P3s. That remains to be seen.

[English]

The Chair: You can make one short comment.

Mr. Lawrence Toet: I would encourage you when you go to the FCM meetings, if you have an opportunity, to sit with the officials from the City of Winnipeg or the mayor of Winnipeg. They've had great success with some of their P3s. I agree with you that they're not the answer to everything. They're not the perfect answer for every single project, but they definitely have a place. They've used them very successfully.

The Chair: Mr. Coulombe and Mr. Bélanger, thank you very much for participating in our study. At some point in the future there will be a report on it. We appreciate your input into it.

The meeting is adjourned.

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