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## **Standing Committee on Natural Resources**

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**EVIDENCE**

**Wednesday, November 27, 2013**

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**Chair**

**Mr. Leon Benoit**



## Standing Committee on Natural Resources

Wednesday, November 27, 2013

• (1530)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):** Good afternoon, everyone.

We're here today of course with Minister Oliver, the minister for Natural Resources, for the first hour. With him is Deputy Minister Serge Dupont.

Thank you both very much for being here today.

We're here, of course, to deal with the supplementary estimates (B). I would ask you to focus your questions around the information in the supplementary estimates (B).

Minister, do you have opening comments?

**Hon. Joe Oliver (Minister of Natural Resources):** I do. Thank you, Mr. Chair.

Good afternoon, everyone. Thank you for the opportunity to meet with the committee.

Mr. Chair and members of the committee, when disaster struck the world economy, our government showed leadership and navigated Canada through the worst recession in a generation. In a volatile world our nation has weathered the global recession better than most. In fact, the Canadian economy has experienced the best performance in the G-7 over the recovery in terms of both output and job creation. Since the depth of the global recession, we have seen over one million net new Canadian jobs.

[Translation]

Today, our government is leading by example. We're keeping taxes low, eliminating red tape, reducing the regulatory burden and promoting free trade and innovation.

In spite of continued instability in many other nations, our government is taking action to ensure that Canada remains one of the most attractive destinations for investment in the world. Our prudent approach to fiscal management has not gone unnoticed. And like our resources, Canada's economy is now the envy of the world.

[English]

Our credit rating is a solid triple A, and for the sixth straight year the World Economic Forum ranked Canadian banks as the soundest in the world.

Both the Organisation for Economic Co-operation and Development and the International Monetary Fund predict Canada will be

among the leaders in economic growth in the industrialized world over the next two years.

Mr. Chair, these aren't just statistics. Behind the numbers is a robust economic performance that has a direct impact on millions of Canadian households right across the country. Key to that performance is the ongoing strength of Canada's natural resources.

For decades Canada's natural resources have been the backbone of our economy and our standard of living, and that is still the case today. They're an integral part of our Canadian identity and they help provide us with a quality of life that is second to none.

Together natural resources directly account for more than 13% of our gross domestic product and more than 50% of our merchandise exports. When you include the supply chain that provides goods and services to the resource sectors, natural resources account for almost one-fifth of our economic activity, 1.8 million direct and indirect jobs, and \$32 billion in revenue to governments to support crucial social programs. Energy resources are an enormous part of that equation.

As I noted last year at a similar appearance before this committee, one of our government's top priorities is to diversify its energy markets, particularly to the Asia-Pacific region where demand is growing. This is especially important since our country currently exports virtually all of its exports of oil and gas to the United States, where recent discoveries of tight oil and shale gas mean the U.S. will need fewer Canadian resources in the future.

A number of proposed projects will help diversify our markets and create jobs and growth for Canadians. Of course, there are proposals for pipelines to the west coast that would help open up lucrative new markets in Asia for Canada's energy projects.

I understand that the NDP leader has problems with geography. He has said that, believe it or not, New Brunswick is actually closer to China than British Columbia is. Well, I don't believe it, because it is actually more than twice the nautical distance, and if Mr. Mulcair needs any help, I can provide a little gift of a globe to him. Maybe he was thinking we could ship the oil by airplane, but that's farther as well. I think tankers would be a more efficient sort of way and they would lower the carbon footprint.

Do we have a problem, Mr. Chair?

• (1535)

**The Chair:** Not at all, Minister. No.

**Hon. Joe Oliver:** Thank you very much.

[Translation]

While these proposals are perhaps the most well-known, there are a number of other pipeline proposals that clearly demonstrate the advantages Canada offers. For example, the proposed Keystone XL pipeline would feed western Canadian heavy crude to refineries on the U.S. Gulf Coast. Enbridge is proposing to reverse the flow of its Line 9 pipeline to carry oil eastward to refineries in Quebec City and Montreal.

TransCanada's Energy East proposal would extend part of its mainline and convert it from gas to oil. It would connect terminals in Quebec City and Saint John for refining and for export. All these proposals will be thoroughly reviewed by our independent regulator to ensure that decisions are based on science and safe for the environment. But they do show that Canada is and will remain open to an ambitious trade agenda.

[English]

We're committed to furthering Canadian trade, because we know that by promoting Canadian resources abroad we're positioning Canada for success at home. Truly, Canada is standing on the brink of opportunities unlike anything we have seen in the past. Over the next decade, several hundred major resource projects are planned or under way in Canada, representing investments of more than \$650 billion. These projects will help to create thousands of high-quality, well-paid jobs for Canadians in every sector of our economy and every corner of our country. Creating jobs and securing economic growth remains our government's top priority.

Our commitment is reflected in Natural Resources Canada's budget. With our supplementary estimates (B), Natural Resources Canada's 2013-14 funding will show total budgetary authorities of \$2.8 billion. NRCan's supplementary request calls for additional funding of \$1.9 million.

Mr. Chair, this net funding request of \$1.9 million is the result of various proposed funding increases and transfers. There are a number of such funding priorities, including an outreach program to expand market opportunities in Canada and abroad and to provide concrete facts about the importance of Canada's natural resources sector and what our government is doing to promote safe and responsible resource development. This campaign will strengthen Canada's brand as a global leader in responsible resource development.

There is additional funding to advance geoscience and our geological knowledge by renewing the geo-mapping for energy and minerals program in Canada's north. Our government is committed to helping unlock the full mineral and energy potential of the north. Over the next 10 years, it is estimated that GEM will generate more than \$500 million in economic activity through private sector exploration of new energy and mineral resources.

There's money earmarked to map the Atlantic and Arctic seabed as part of Canada's bid to redefine our coastal boundaries under the United Nations Convention on the Law of the Sea, also referred to as UNCLOS. This initiative will help expand Canada's borders and allow us to claim new seabed to advance Canada's interests.

● (1540)

[Translation]

During the past year, I have travelled across Canada and the world promoting our trade program and many of the great programs I just mentioned.

At the heart of our work was the responsible resource development plan, which will make Canada more competitive, create jobs and growth, and protect our natural environment.

My department continued to support the revitalization of the mining and forest industries, preserving jobs and stabilizing communities.

With an eye on the future, we continue to invest in science and technology, securing agreements with other levels of government and other countries on collaborative approaches to energy, such as the Canada-Korea Energy Dialogue and the Statement of Oil and Gas Cooperation.

[English]

Mr. Chair, members of the committee, there's no question that Canada's natural resources are setting the stage for a new era of jobs, growth, and prosperity for Canadians. Right now the potential for growth has never been greater. Our government is determined to seize this opportunity and capture the Canadian advantage today to create long-term prosperity for tomorrow.

Thank you again for the opportunity to appear before the committee. I'm happy to answer any questions you may have.

**The Chair:** Thank you very much, Minister Oliver, for your presentation today.

We will go directly to questions and comments, starting with Mr. Trost, followed by Mr. Julian and Mr. Regan in the first round.

Mr. Trost, you have up to seven minutes. Go ahead, please.

**Mr. Brad Trost (Saskatoon—Humboldt, CPC):** Thank you, Mr. Chair.

Thank you, Mr. Minister, for being here today.

Having been on this committee in one form or another since 2004, I have to admit that I really enjoy your zeal for your post and the energy you put for it. Not every minister I've had before me over those years has seemed to enjoy the file quite the way you do.

With that in mind, and looking at a few things here, one of the things I often note about natural resource issues is that while we think of them in purely economic terms, they are often sovereignty-related. They are issues that define our boundaries, who we are as a country, and how we control our own destiny. One of the issues, and one of the expenditures you brought up in your speaking notes, has to do with funding to prepare for Canada's submission to the Commission on the Limits of the Continental Shelf under the United Nations Convention on the Law of the Sea.

Could you elaborate a little bit on why roughly \$1.3 million, under supplementary estimates (B), is being allocated for that? I am aware of other countries, Russia, etc., being engaged in similar sorts of exercises, but I don't think this is for spending for the science; this looks like something a little bit different.

Could you elaborate on why the supplementary (B)s ask for \$1.3 million for that?

• (1545)

**Hon. Joe Oliver:** Thank you very much for your comments and for raising this very important question, which, as you say, does advance Canada's interest in terms of our ability to exploit our natural resources beyond the 200-mile continental shelf.

Under the United Nations Convention on the Law of the Sea, or UNCLOS, all coastal states are entitled to a continental shelf of 200 nautical miles. Countries, however, may define the continental shelf limits beyond 200 miles if certain criteria are met under UNCLOS.

A provisional analysis demonstrated that Canada has a large extended continental shelf in both the Atlantic and Arctic oceans. Working with DFAIT and Fisheries and Oceans, we've allocated \$109 million since 2004 to fund the extended continental shelf program. That includes a large research initiative to survey the ocean seabed. This is of course important, because if resources, valuable resources, are found, they would accrue to Canada's economic benefit.

The program is on track to make a strong submission to the commission this December. The 2013-14 funding will help complete the scientific, technical, and legal work required to prepare the submission, and has already helped us to do that.

Extending our continental shelf program will be, as I say, a huge gain for Canada's resource development. It's a key element in the federal government's northern strategy and statement on Canada's Arctic foreign policy in exercising Canada's northern sovereignty.

**Mr. Brad Trost:** So this extra money is not just for legal fees. This also could go for scientific and other technical...for all the needs in there.

**Hon. Joe Oliver:** Yes. That is correct.

**Mr. Brad Trost:** Over the years we've done quite a few studies—one we did last year about Canada's northern resources: the potential for developing in the north. We're currently doing one on rare earth minerals.

Everything we do when it comes to hardrock mining in this country is based upon a very basic geological understanding. For people who aren't in this industry, it's the basic infrastructure. In the same way that roads are important to certain industries, basic

geological information is important to the mining industry, be it magnetic information, gravity, aeromag, various things like that.

With that in mind, I see there is a funding increase of \$6.2 million to the GEM program.

Could you provide a little more information about where that funding is going and the thinking on this program that has been going on for...I've lost track of how many years now.

Where specifically is the \$6.2 million headed?

**Hon. Joe Oliver:** The geo-mapping for energy and minerals program, the GEM program, has been used to identify areas of high potential, as you say for rare earths, in addition to gold, nickel, platinum group elements, base metals, and diamonds. The exploration industry is beginning to follow up on these leads and will be better prepared to make discoveries as a result of the GEM program. Past experiences indicate that geo-mapping program results are used by the private sector to help target their exploration programs to discover new resources.

In fact, studies suggest that \$100 million of investment in GEM will result in upwards of \$500 million to be spent by the private sector in exploration related to the GEM results. This five-to-one ratio has been pretty steady over some considerable period of time—

**Mr. Brad Trost:** Mr. Minister, that's just the exploration rate, not the spinoffs if mines are found, etc.

**Hon. Joe Oliver:** That's right, and then, of course, development follows that. It's directly contributing to economic development objectives in Canada's north. It's very important.

The industry, individual companies, are not going to do this type of perspective analysis. When we do it, we make it available online, free to everyone. It results in a kind of gold rush environment, and it results in exploration dollars on that very significant ratio. It has proven to be very successful.

• (1550)

**Mr. Brad Trost:** In specific, I think there was an extra \$6.2 million noted for here. There was \$6,074,120, and \$140,000 on top of that. That's part of the overall program. That's not the entirety of it.

What's the specific request for, in the supplementary (B)s?

**Hon. Joe Oliver:** Well, the supplementary estimates (B) relate to the addition that we're asking for.

The program was renewed for seven years in August 2013 for an additional \$100 million. It was first launched in 2008 as a five-year, \$100 million initiative, and now we're continuing it. This additional funding will help us achieve the objectives.

**The Chair:** Thank you, Minister.

Thank you, Mr. Trost.

Mr. Julian, you have up to seven minutes.

Go ahead, please.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Thank you, Minister Oliver, for coming here today.

I must admit that was quite a bizarre partisan attack in the middle of your presentation, and it brings to mind—

**Hon. Joe Oliver:** Well, it was a geographical challenge—

**Mr. Peter Julian:** —when I think back to April 16 and you appeared before committee. At that time you almost apologized for previous bizarre attacks you had made. You called the people in British Columbia—the 80% of British Columbians who are concerned about northern gateway—radicals. You almost apologized and I thought things were going better, but unfortunately today I think you put your foot back in your mouth. I'm a little saddened by this.

I'd like to get right to the supplementary estimates. You have \$12.5 million in the supplementary (B)s. I would like to know, given that there were other reports that we've heard of other advertising spending, how much money your department is spending on advertising in fiscal year 2013-14.

**Hon. Joe Oliver:** First of all, let me correct a misstatement. I never attacked all British Columbians. That's simply false, and you know it.

Secondly, I can see why you're saddened. I brought out the fact that your leader said it was closer to China from the east coast than from the west coast—

**Mr. Peter Julian:** Could you answer the question, please, Minister?

**Hon. Joe Oliver:** —When, in fact, it's twice—

**The Chair:** Mr. Julian, do not interrupt the minister when he's answering, please.

**Hon. Joe Oliver:** —when, in fact, it's twice as long. That's pretty embarrassing, and I'm sure it's pretty sad for you to have the public —

**Mr. Peter Julian:** Can you answer the question about advertising —

**The Chair:** Mr. Julian, if you interrupt again, I'm going to go on to the next questioner. Just allow the minister to answer.

**Hon. Joe Oliver:** I'm going to keep repeating it until I get to say it without interruption.

I can see that you're sad that the public now knows that there's a geographical challenge here. Your leader thought it was closer to China from the east coast than from the west coast, so I brought that to your attention.

**Mr. Peter Julian:** Minister, I just asked to have—

**The Chair:** Mr. Regan, go ahead, please, with your question.

**Mr. Peter Julian:** Oh, you've got to be kidding.

**The Chair:** You interrupted the minister three times after I'd—

**Mr. Peter Julian:** I'm asking him a specific question.

**The Chair:** After I'd asked you not to, Mr. Julian, you refused to let the—

We're not going to conduct a meeting like that, so I'll go to Mr. Regan—

**Mr. Peter Julian:** Mr. Benoit, absolutely not.

Point of order, Mr. Chair, you cannot—

I asked a simple question about advertising money that was spent by the public. It is a question of decency that the minister actually answers that question. We're talking about advertising budgets for 2013-14.

Quite frankly, Mr. Chair, you know as well as I do that's what we're here for, not for partisan attacks. I simply asked him about the advertising budget, and I would ask, through you, that he actually answer that question.

**The Chair:** Mr. Julian, if you hadn't interrupted three times, he probably would have answered it by now.

Mr. Regan, go ahead.

**Mr. Peter Julian:** Mr. Chair, you cannot do this.

**Hon. Geoff Regan (Halifax West, Lib.):** On a point of order, Mr. Chairman—

**The Chair:** I can do it, and I will, if you're going to interrupt, Mr. Julian.

Go ahead, Mr. Regan.

**Hon. Geoff Regan:** On the point of order, I would encourage you to act here in a neutral fashion and hold both parties, really, to control themselves, because we've had very partisan attacks in both directions. It's obviously a partisan environment, but the question Mr. Julian is asking about the advertising is reasonable, and I bet the minister would be prepared to answer it.

Why don't we give him a chance to answer?

**The Chair:** Mr. Regan, I appreciate your input on this.

Mr. Julian, as long as you do not interrupt again, I will change my decision and allow the minister to answer your question.

Do you remember the question, Minister? Yes.

Ms. Hughes, do you want to say something now on the point of order?

● (1555)

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP):** Yes, I was going to briefly say on the point of order that when it is our time, we are able to speak that time out according to what we are asking questions on.

It is up to us. If the witness is not answering the question, we can ask them to refer back to that question, and that's exactly what Mr. Julian had asked.

Thank you, Mr. Speaker.

**The Chair:** Actually, Ms. Hughes, you're wrong. Mr. Julian brought up the issue of the minister's comments. He was responding to that, and I'm sure he was getting on to replying, but Mr. Julian interrupted three times.

Go ahead, Minister, if you'd like to answer Mr. Julian's question.

**Hon. Joe Oliver:** Okay. I dealt with the first part of the question, and now I'll deal with the advertising, which I think was where you wanted to go.

The government has a responsibility to provide Canadians with facts to assist them in making informed decisions. This engagement and outreach campaign will raise awareness in key international markets that Canada is an environmentally responsible and reliable supplier of natural resources. The international stakeholder outreach and engagement campaign will raise awareness in American and other international markets that Canada has those qualities of security, reliability, and is environmentally responsible.

Responsible development of our natural resources will create high-quality jobs and growth, and we are promoting that. As I mentioned during my remarks, the resource area supports 1.8 million jobs, right across the country, and almost one-fifth of the economy.

**Mr. Peter Julian:** Point of order, Mr. Chair.

**The Chair:** Point of order, Mr. Julian.

**Mr. Peter Julian:** I'm sorry, I have asked this question three times. It's simply asking for an amount, and what we have is a minister who is filibustering.

Through you, could you ask him to answer the question?

He's here for the supplementary estimates (B). I've asked him for the advertising amount for 2013–14. He has those figures. Could he give them to us?

**The Chair:** Mr. Julian, what I heard was background information explaining what the money was spent on. I'm sure he will get to the amount.

Minister, would you like to complete your answer?

**Hon. Joe Oliver:** Sure.

Well, look, the supplementary estimates (B) lists \$12.9 million—well, let's say almost \$13 million for the campaign, which is approximately half of the \$24 million outlined. There is also a domestic advertising program, which was announced, in total of \$16.5 million, of which—

**Mr. Peter Julian:** Thank you, Minister. So it is a total of \$40 million.

**Hon. Joe Oliver:** That's the total.

**Mr. Peter Julian:** Thank you.

In my next question I'm citing the Harris/Decima report on this advertising. This is about the use of advertising and it is taxpayers' money. What it said is that the groups—these were Americans—looking at these ads that your government spent taxpayers' money on were befuddled by the ads. The focus groups were displeased with the tone of the ads, and the Canadian Press also reported that the focus groups in Washington, DC told the Harris/Decima researchers that the ads launched in the spring during the heat of the Keystone battle lacked a cohesive and direct message to the American public.

You're spending \$40 million of taxpayers' money. It's very poor quality, and the focus groups told you that. How do you justify spending that money?

My secondary question is this. When you've got one of the most profitable industries in North America, our oil industry, which could be sponsoring those ads and paying for them, why are you spending

\$40 million of taxpayers' money on poor-quality ads? How do you justify that expenditure?

**Hon. Joe Oliver:** Well I don't know whether you don't know the facts or whether you're being deliberately misleading, but the point is that we have a legal obligation to go to focus groups when we are launching an advertising campaign, to test the efficacy of those ads. The comments you are referring to deal with the focus groups prior to the ads going out.

**Mr. Peter Julian:** That's not what the article says.

**Hon. Joe Oliver:** Let me finish. As a result of the focus group input, we made changes to the ads. They were effective ads and we're happy with the results of them.

As to why we're doing it, as I explained, we're dealing here with an industry that is generating hundreds of billions of dollars, and there are a number of critical projects that are in play here internationally, as you know. Therefore this amount of money is cost-justified given the potential benefits that can flow from them.

● (1600)

**Mr. Peter Julian:** Mr. Chair, through you to the minister, what the Canadian Press clearly states is that this was after the ads were already launched in the spring. For the record I think that's important to mention.

This represents about a 7,000% increase from the ministry expenditures in 2010-11 on advertising.

My next question is very simply this. We've had President Obama say very clearly that Canada is not playing a role on climate change, is not being responsible when it comes to the environment. We had the Europeans saying the same thing. In a sense, this government has become the poster boy for irresponsible action. Canada of course finished 58th out of 61 countries this year in terms of putting in place the policies to combat climate change. So the reality is that this government has failed mightily in convincing Americans and Europeans that the government actually understands the importance of environmental action and action on climate change.

Why are you spending all of these tens of millions of dollars of taxpayers' money that could be funded through the most profitable industry in North America, the oil industry? It could be paying for those ads itself. Why are you using taxpayers' money rather than addressing the key issues that our allies and partners around the world are raising, condemning this government for its lack of action on the environment and climate change?

**Hon. Joe Oliver:** Mr. Julian, you're misrepresenting what the President said and what the Europeans said.

The President was very clear in his comments about Keystone. He raised one critical criterion, which is that he didn't see it would be in the U.S. national interest to approve that project if it would result in a significant net increase in greenhouse gas emissions. It does not. I can talk about that issue.

I can also talk, if you want, about my recent visit to Europe where I met with many of my counterparts to discuss the flawed and unscientific fuel quality directive and the movement on the part of many European countries to see that directive change so that it reflects science in an objective way. We had an excellent reception.

Let me just say that we have a record to be proud of. We have strengthened our position in clean energy and clean electricity generation by becoming the first major coal user to ban construction of traditional coal-fired electricity units. We have passenger vehicles and light trucks emitting half as much GHG as 2008 models. We have decoupled economic growth from the increase in GHG emissions. Since 2005 our emissions have decreased by 4.8% while the economy grew by 8.4%. As a result of the collective actions to date by government, consumers, and industry, Canada is estimated to have reduced its projected 2020 GHG emissions by 128 megatonnes relative to where the emissions would have been without action.

So we have a lot of accomplishments and a lot to be proud of.

**The Chair:** Thank you, Minister.

Thank you, Mr. Julian.

Go ahead, please, Mr. Regan.

**Hon. Geoff Regan:** Thank you very much, Mr. Chairman.

Thank you, Minister and Deputy Minister and your officials, for appearing here today.

First of all, Mr. Chairman, I trust you'll give me the same leeway in answering questions that you gave the minister in making his opening statement, so I'll look forward to that.

I'm sure you're aware that members opposite believe strongly in openness and accountability, not to mention ethics in government. Supplementary estimates (B) identify more than \$32 million in additional funding, including \$15.6 million for AECL and \$12.3 million for the National Energy Board.

Would I be correct to assume that your office, Minister, has some input into these funding requests and that the members of your staff approve of them?

**Hon. Joe Oliver:** Well, yes, we do—

**Hon. Geoff Regan:** Okay, thank you.

**Hon. Joe Oliver:** —but we take into account, of course, the independent nature of these organizations and will not compromise on environmental safety.

•(1605)

**Hon. Geoff Regan:** Thank you.

In view of that, Minister, did you choose to hire Chris Woodcock as your chief of staff, or did the Prime Minister's office or anyone else suggest that you do so?

**The Chair:** Mr. Regan—

**Hon. Joe Oliver:** I don't see the relationship between the two questions.

**The Chair:** Mr. Regan, how does this relate to the supplementary estimates (B)?

**Hon. Geoff Regan:** Well, I just asked the question about the fact that members of the minister's staff, in fact, are involved in the process. They approve of them, and I don't know how you can expect the minister's office to oversee the activities of the department without his staff being involved. So the activities of his staff and their ability to deal with these things are certainly appropriate and relevant to this matter.

**The Chair:** Mr. Oliver, if you want to answer, go ahead.

**Hon. Joe Oliver:** First of all, I understood the question to be a broad one relating to both the department and our staff. Of course the department is very heavily involved in the details, but our political staff is as well.

I have every confidence in the ability of Mr. Woodcock.

**Hon. Geoff Regan:** At the time you hired Mr. Woodcock, were you aware that he'd been involved in the whitewash of a Senate report—

**Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC):** Point of order.

**The Chair:** Ms. Block.

**Hon. Geoff Regan:** —and do you think that the Natural Resources files had been affected by the bombshell RCMP court filings naming Mr. Woodcock?

**The Chair:** Mr. Regan, there is a point of order here by Ms. Block. I had recognized her, so hold off until Ms. Block—

**Mrs. Kelly Block:** Thank you very much, Mr. Chair.

I do not see what this line of questioning has to do with the estimates (B). I think Mr. Regan has done a good job of spinning it so that it sounds as though it is somehow connected to the supplementary estimates (B) but I would ask that you make a ruling on that point of order.

**Mr. Peter Julian:** Mr. Chairman, on this—

**The Chair:** Actually, I do want to make a comment on that.

It has been a long-standing—

**Mr. Peter Julian:** Point of order, Mr. Chair.

**The Chair:** No, I am speaking on a point of order.

**Hon. Geoff Regan:** He gets to respond.

**The Chair:** The thing is, as I started to say before I was interrupted again by Mr. Julian, that when a minister is before a committee, there is leeway for committee members to ask any question that relates to the minister's duties. We do not limit the questions to the topic that we're actually dealing with according to the agenda of the day. That's been the case in the 20 years I've been involved with committees, and I'm not going to interfere. But in my judgment it certainly does detract from the benefits. We're here to study supplementary estimates (B). No doubt if people focused on the supplementary estimates (B) we'd end up learning a lot more about the supplementary estimates (B).

Mr. Regan, go ahead, please.

**Hon. Geoff Regan:** Mr. Chairman, if I can just finish the—

**Hon. Joe Oliver:** Mr. Chair, can I answer?

**Hon. Geoff Regan:** I'm not sure if I'm going to get a chance to hear it—

**Hon. Joe Oliver:** I thought you were asking a question.

**Hon. Geoff Regan:** —in view of the fact that I was trying to but of course I was interrupted by a point of order.

So if I could just repeat the question to be sure that you understand it and that everyone here has an opportunity to hear it—

**Hon. Joe Oliver:** I did actually understand it. May I answer the question?

**Hon. Geoff Regan:** Minister, if you don't mind—

**Hon. Joe Oliver:** Okay.

**Hon. Geoff Regan:** —I will repeat the question to make it clear. That's right; I was interrupted.

**The Chair:** I don't know if he was finished with the question, Minister. I really hadn't heard the end of it. He was interrupted by a point of order that Ms. Block brought forward.

Go ahead, please, Mr. Regan.

**Hon. Geoff Regan:** As I was saying, were you aware that Mr. Woodcock had been involved in the whitewash of a Senate report, and do you think that natural resources files have been affected by the bombshell RCMP court filings naming Mr. Woodcock?

**Hon. Joe Oliver:** I reject your characterization and I won't discuss the legal implications of it outside the House. But I will say that the RCMP documents make it clear who is under investigation: Mike Duffy and Nigel Wright. Senators have said that the internal economy committee reached its conclusions based on the report from an independent external auditor.

I think that's all that has to be said on that subject, because I'm here to discuss the natural resources estimates.

**Hon. Geoff Regan:** Given that the RCMP believe that Mr. Woodcock (a) personally knew that Nigel Wright was providing \$90,000 to Senator Duffy; (b) participated in the whitewash of a Senate report; and (c) participated in the cover-up of the scheme, do you still have confidence in Mr. Woodcock to effectively perform his duties as your chief of staff at Natural Resources?

**Hon. Joe Oliver:** I'm not going to start speculating based on newspaper articles of what—

**Hon. Geoff Regan:** I'm talking about the RCMP, not just the newspapers.

**The Chair:** Mr. Regan, please let the minister answer.

**Hon. Joe Oliver:** This is not related in any way to the estimates and, frankly, I think your questions are appalling.

**Hon. Geoff Regan:** Are you or anyone in your office taking any measures to monitor the actions of Mr. Woodcock to ensure he operates in an ethical and legal manner?

**Hon. Joe Oliver:** I don't question the conduct of my chief of staff. He brings with him a wealth of experience from across the government.

**Hon. Geoff Regan:** Minister, your estimates talk about funding for Atomic Energy of Canada Limited. I have heard two things from physicians who are specialists in nuclear medicine in Halifax. One is that this physician and others across the country are very concerned

that when the NRU shuts down there will be several years when basically the world will be on a knife's edge, and we could very easily be in a situation of shortage of isotopes for nuclear medicine.

I understand as well that your department decided that no organization east of Quebec ought to be involved in research in terms of cyclotrons and the development of isotopes during this period. Why would that be the case?

• (1610)

**Hon. Joe Oliver:** First, in respect to medical isotopes, we indicated several years ago that we would no longer be providing medical isotopes by 2016. We've alerted the world to that. In the meantime we have funded in a significant way alternative procedures that don't take the traditional approach, the traditional use of radiation. There are cyclotron approaches that have been proven scientifically and are now at the commercialization stage.

We funded three locations on the basis of a competitive process, academic and research groups that are in the process of making that a commercial determination. At this point we're cautiously optimistic that it can in fact be achieved, and this will be a significant improvement over the current process. Everything is moving as we hoped it would.

**The Chair:** Thank you, Minister. Thank you, Mr. Regan.

We go now to the five-minute rounds starting with Ms. Crockatt, followed by Mrs. Block, and then Ms. Duncan.

Go ahead please, Ms. Crockatt, for up to five minutes.

**Ms. Joan Crockatt (Calgary Centre, CPC):** Thank you very much, Minister, for being here with us today.

People in my riding of Calgary Centre are very concerned about balancing the budget in 2015-16 so I want to commend you here for maintaining a modest increase in your budget of 0.07%, which I believe will help keep us on a sound fiscal footing.

They are also concerned about keeping the economy going so that we can fund health care, social services, and other important programs that may be at some risk given that our number one customer, the United States, has now got its own oversupply of oil and gas, and in fact is in the process of becoming a competitor.

I want to commend you on your efforts to diversify our markets while maintaining a close eye on the continually improving environmental regulations we have in Canada. I think it's very important that you strike that balance and I commend you for your efforts there.

I want to ask you about that. I see we are spending more money on the National Energy Board, I believe \$12 million, and I wonder if you could explain to us what that money is going to be used for and whether it will have any negative impact on our ability to balance the budget.

**Hon. Joe Oliver:** Thank you for your opening remarks and your question.

The issue of balance is really crucial. We have an enormous opportunity here in Canada. We're extraordinarily fortunate to have the resources we have, and we can assure prosperity and security for Canadians for generations to come; but we must, of course, do this in a way that is responsible, safe for Canadians, and safe for the environment.

Every time I go to a foreign country, people tell me they look on Canada with envy and admiration. It's only when I come home that I sometimes encounter all this negativity. Canadians should be very grateful and very proud of what we have and the fact that we're proceeding in a way that is going to advance their economic and environmental needs.

With respect to the National Energy Board specifically, the funding has no net impact on the fiscal framework, as it's an advance on the NEB's appropriation over the next 10 years. The NEB will receive \$12.4 million in supplementary estimates (B) to comply with the Government of Canada's fit-up standards for its new office space and pay for temporary space in the interim. The NEB is expected to move into its new offices by June 2014.

Safety and environmental protection are core priorities. Regulated companies are obviously required to anticipate, prevent, manage, and mitigate potentially dangerous conditions associated with their activities, and this is, of course, at the core of the mandate of the National Energy Board. We have an extraordinarily professional, independent, science-based, expert federal regulator, and that regulator looks at our major projects, our interprovincial pipelines and has a very strong international reputation for competence and integrity.

• (1615)

**Ms. Joan Crockatt:** It's essentially going to renovate its office in Calgary, I gather.

**Hon. Joe Oliver:** That's correct.

**Ms. Joan Crockatt:** Will that spending have any negative impact on the NEB's mandate to regulate important oil, gas, electricity, and utility projects?

**Hon. Joe Oliver:** No, not at all. It won't detract in any way from the money used for its core functions.

**Ms. Joan Crockatt:** Okay, that's great.

If I can just move on, I know my time is running short, so I'd like to ask you about the Port Hope area initiative. I see there is some increased spending there, and I'm wondering if you could tell us about that.

**Hon. Joe Oliver:** Yes, the amount in fiscal 2013-14 represents a release of the funds necessary for delivery of the Port Hope area initiative's property value protection program and the municipal tax revenue loss program. These funds will permit the Government of Canada to fulfill these commitments to the local communities, made within the legal agreement.

The \$3.9 million will provide funding of \$2.3 million for anticipated grants during the fiscal year and \$1.6 million for

administrative costs by the program manager and for the general oversight of the Port Hope initiative by Natural Resources Canada.

I think you know what the initiative is about.

**The Chair:** Thank you, Ms. Crockatt.

**Ms. Joan Crockatt:** Thank you, Minister.

**The Chair:** Your time is up.

We will go now to the parliamentary secretary to the Minister of Natural Resources, Ms. Block.

Go ahead, please, for up to five minutes.

**Mrs. Kelly Block:** Thank you very much, Mr. Chair.

I echo my colleagues' comments in welcoming you here to the committee, and I also want to echo Mr. Trost's comments in terms of the passion you bring to this portfolio. I will go one step further also and recognize the deep commitment that both you and your department have in terms of developing our natural resources responsibly and balancing that with protecting the environment and Canadians. I thank you very much for that.

On that note, I do want to mention something that is of special interest to me, coming from Saskatchewan. I am wondering if you would be able to give me an update on where we are in terms of the government's contribution to the Gunnar Mine cleanup.

**Hon. Joe Oliver:** I am happy to do that, and thank you for your comments.

The government remains committed to assisting Saskatchewan with the cleanup of the Gunnar Mine site. We're going to be providing \$12.3 million toward the estimated \$24.6 million cost of the project. Implementation and operation of the project isn't expected to begin until 2014-15. The project is currently undergoing an environmental assessment under the Canadian Environmental Assessment Act. Saskatchewan is also conducting an environmental assessment according to the terms of the Canada-Saskatchewan Agreement on Environmental Assessment Cooperation.

This is moving ahead the way it should.

**Mrs. Kelly Block:** Thank you.

I also noticed in the estimates that there are several transfers from other departments and organizations to the Department of Natural Resources. I'm wondering if you could possibly explain the reasons for some of these transfers.

**Hon. Joe Oliver:** Sure. I'm happy to do that, just touching on a few of them.

The transfer of \$175 million to the Canadian Armed Forces Arctic Training Centre is to fund the operation and maintenance of that centre in Resolute Bay, Nunavut, including associated Public Works and Government Services' fees and incremental costs to undertake the endeavour on behalf of the Department of National Defence.

There's also a transfer from Indian Affairs and Northern Development to Natural Resources, and this is to facilitate effective cooperation and collaboration among NRCan, Indian Affairs and Northern Development, and the Government of Nunavut concerning the Canada-Nunavut Geoscience Office in meeting the geoscience needs in Nunavut, the national responsibilities of NRCan, and the client needs of the various participants.

There's a transfer of \$400,000 from Defence to NRCan for the Canadian safety and security program. That delivers science and technology solutions, support, and advice to respond to the Government of Canada's public safety and security policy imperatives, and this will support the acquisition of technology instruments.

There's a transfer from Natural Resources to Indian Affairs and Northern Development for the assessment, management, and remediation of federally contaminated sites. The eligibility rules have changed to focus on the highest-risk sites, so NRCan no longer has a site eligible for remediation funding. That amount is therefore surplus and is being transferred to another department.

Another transfer, from NRCan to Foreign Affairs, is used to support Natural Resources Canada staff located in missions abroad. That's \$134,000. It's one locally engaged position in Canada's embassy in Beijing, and that person is our front-line contact for natural resource support in that capital.

• (1620)

**Mrs. Kelly Block:** Thank you. It's very interesting to know about the individuals serving in other countries on behalf of Natural Resources.

I think I'm done.

**The Chair:** Thank you, Ms. Block.

We will have time for Ms. Duncan for five minutes and then for one or two short questions from Mr. Zimmer before we close off the minister's time here.

Go ahead, Ms. Duncan. You have up to five minutes.

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** Thank you.

Just at the outset, I would like to say that I'm not going to dwell on the particular issue, the particular employee that Mr. Regan spoke to, but I do want to raise with the minister—he doesn't have to worry about responding, but he could—the concern about ministerial responsibility, and perhaps a word for the wise, given a recent court decision in Alberta about ministerial accountability for the conduct of senior staff.

In that case, the court ruled that the energy regulator had erred in law because senior officials had suggested behind the scenes that witnesses on energy projects shouldn't be heard if they were opposed to such energy projects. It goes to the conduct of officials, so it would be our understanding.... It's a big theme over the last year on what's going on in the House about ministerial accountability for what goes on in staff, so probably all ministers should be taking heed of that recent court decision.

My first question, Mr. Minister, goes to vote 1b and more dollars—\$750,000 essentially—being spent to “streamline...import regulations border processes for...trade”. I'm raising a concern on that because it is actually a violation of both NAFTA and the North American Agreement on Environmental Cooperation for any of the parties to that agreement, which of course includes Canada, to downgrade environmental measures for any kind of economic benefit.

I had the privilege at working at the NAFTA environment commission. At that time, there was a big issue of fuel cocktailing, and there was an issue of a lot of illegal trade in endangered species and so forth, so we were trying to step up inspections at the border. Since then, there's a big push to fast-track movement at the border. I wonder if you could explain what you mean by “streamline”. Does that mean to deregulate and downgrade at the border any inspections for environmental reasons?

**Hon. Joe Oliver:** First of all, let me comment on your comment about ministerial responsibility. And I don't really need a lecture on that, I have to tell you.

I must say, this implication that integrity is in play here I utterly reject. There is no suggestion that anyone in my department or I have ever violated integrity.

• (1625)

**Ms. Linda Duncan:** I didn't make any such suggestion.

**Hon. Joe Oliver:** Well, you talked about integrity. You talked about ministerial responsibility—

**Ms. Linda Duncan:** No, I talked about—

**Hon. Joe Oliver:** —and then you brought it to the right to be heard.

There has never been any direction by anyone to suggest that someone couldn't be heard because they're opposed. There was an implication there, and I reject it in its entirety.

Now, in terms of the import regulation border processes, the single-window initiative—we're talking about the border here, trade across the border—will allow Natural Resources Canada and the Canada Border Services Agency to share electronic information on imports to Canada, reducing paperwork and improving efficiency at the border.

Thickening of the border is a serious issue. We trade with the United States some \$2 billion every single day. This is the biggest bilateral commercial relationship in the entire world, and it's of enormous benefit to Canada.

This initiative was approved by the Treasury Board in 2012. Natural Resources Canada received \$3.9 million over five years to deliver its part of the solution; \$749,000 was received in year one, fiscal 2012-13; and \$788,000 is allocated in fiscal 2013-14.

Reducing the burden on importers through actions under the single-window initiative reflects our commitment to support the competitiveness of Canada's trade community in ensuring public safety and security while minimizing the cost to Canadian industry and end users. Streamlining does not mean degrading safety.

**The Chair:** You have time for a very short question, Ms. Duncan.

**Ms. Linda Duncan:** A short question? A short answer would be helpful.

**The Chair:** Actually, you gave a two-minute-and-40-second question, Ms. Duncan.

**Ms. Linda Duncan:** I'm going to give a short question.

**The Chair:** The minister took much less than that.

**Ms. Linda Duncan:** A short answer would be helpful.

**The Chair:** Go ahead, please.

**Ms. Linda Duncan:** Let's be fair to both sides.

**Mr. Claude Gravelle (Nickel Belt, NDP):** No, we can't be.

**Ms. Linda Duncan:** The question is quite simple. There's another \$12 million for advertising. That will bring us to \$40 million on advertising in the department.

I took a look at your website, and it said that the majority of interests from the public in going to your website.... They're mostly interested in clean energy and energy efficiency.

Can you tell us what percentage of this \$40 million on advertising for sustainable development, sustainable resources, and responsible development is going to the promotion of our renewable energy and our energy efficiency sectors?

**Hon. Joe Oliver:** The advertisements are broad-based, broad-gauged, and are presenting the facts to the audiences in a general way, and includes our efforts to be responsible environmentally as well.

**Ms. Linda Duncan:** I'd appreciate a breakdown from the department, Mr. Chair.

**The Chair:** Thank you. We can get that.

Mr. Zimmer, I'll give you a couple of minutes for questions.

**Mr. Bob Zimmer (Prince George—Peace River, CPC):** Thank you, Minister, for coming today. I appreciate your time here.

Actually, the member across the way asked a question I had about the single-window initiative, the efficiency it creates at the border, and how that thickening isn't really good for Canadians of any stripe. We want to make sure that trade happens, and happens efficiently. It doesn't mean any less scrutiny, by any means.

But that question has been asked, so I'll ask you about this instead. I'm a member from British Columbia, as you know, and a lot of my constituents have mentioned their concerns about tanker safety. I know how much our government is working on the file, especially tanker safety and a spill response regime that I think is world class and second to none.

I wanted to know, Minister, if you would mind explaining where that process is. We know the ministry is involved in going through

that process now. Perhaps you could tell us just where the process is at.

**Hon. Joe Oliver:** This is a very important initiative. As a trading nation, Canada depends on marine shipping for economic growth, jobs, and prosperity. Oil and gas have been safely transported in Canadian waters for decades without a major incident, thanks to responsible players in the industry and a strong tanker safety system.

While the system has served Canada well, it's essential that we have in place a system that meets future needs. To this end, a suite of measures was introduced in March 2013 to ensure that we have world-class tanker safety. That's the standard for the transportation of all our resources—by tanker, by rail, or by pipeline.

A tanker safety expert panel was appointed and they will be reporting very soon. There was a reintroduction of the Safeguarding Canada's Seas and Skies Act to strengthen ship-source oil-spill preparedness and response as well as additional measures such as an incident command structure and increased tanker inspections. Inspections will be increased and we have to have an emergency response regime in place that would deal with any spill, in the very unlikely event of an accident, in a comprehensive and rapid way. That hasn't happened. There has never been a major spill on the west coast, but we have to have the response ready in case that unlikely event happens.

We have also required tankers to be double-hulled, to have pilots on board, and to be guided into port by tugs. Aerial surveillance and the most advanced navigation equipment are innovations that are in place now.

We've moved very significantly in this regard and we're going to make sure we're at the level that science and technology permits us to be, so that we provide world-class safety to British Columbians and all Canadians.

• (1630)

**The Chair:** Thank you, Minister.

Thank you, Mr. Zimmer.

On behalf of the committee, I want to thank you very much, Minister, for being here today. I, too, appreciate your enthusiasm and, quite frankly, your knowledge of this file. You answered a wide range of questions today, not all dealing with supplementary estimates (B), but that is what happens when ministers appear quite often.

We will suspend the meeting for a couple of minutes as we change witnesses, and then we'll come back with witnesses from the department.

Thank you as well, Mr. Dupont, for being here for the first session.

The meeting is suspended.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
- 
- (1635)

**The Chair:** We will reconvene the meeting dealing with the supplementary estimates (B).

For the second half of the meeting, we have from the Department of Natural Resources, Serge Dupont, Deputy Minister together with Kami Ramcharan, assistant deputy minister and chief financial officer, corporate management and services sector. Welcome to both of you.

Do you have opening comments to make? No? You're ready to go right to questions and comments. We'll start with Mr. Allen.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Thank you very much, Mr. Chair, and my thanks to our officials for staying the second hour for us to ask a few questions.

Ultimately, when you look at the supplementary (B)s, the net net of all this is \$1.9 million, as was stated in the first hour when the minister was here.

New appropriations are reduced by \$30.9 million. Could you elaborate for the committee on where that \$30 million is coming from? Is that coming from savings within the department identified in other areas? Could you identify which areas those savings are coming from?

**Mr. Serge Dupont (Deputy Minister, Department of Natural Resources):** First, thank you for the question. There are some savings arising from, in particular, a reduction in travel expenditures that has been applied across the board by the government. That accounts for one portion of the savings.

There are also moneys that had been previously allocated to the Clean Energy Fund. Some of the project partners have not come through with the actual projects, the actual expenditures. Therefore, those moneys are no longer available to be allocated to those projects.

Instead of being appropriated, we are using other moneys and not spending moneys previously earmarked. What the Treasury Board does is it basically reduces those amounts to reduce the amount that has to be voted as new estimates.

**Mr. Mike Allen:** Basically, it's dollars that are able to come out of this year's funding because we didn't have proponents on a kick-up

**Mr. Serge Dupont:** Exactly.

**Mr. Mike Allen:** I can't imagine travel is going to be a significant amount of that \$30 million. At least I hope it's not.

**Mr. Serge Dupont:** The travel is \$600,000.

**Mr. Mike Allen:** Okay, so it's a small portion.

**Mr. Serge Dupont:** Yes.

The rest is largely the clean energy part.

**Mr. Mike Allen:** That's great. Thank you very much.

I would like to ask you a question with respect to Atomic Energy of Canada Limited, the vote 15(b) for the \$15 million. I understand that is associated with Nordion. I think one of the comments was that it's to clean up the remaining items associated with the file with Nordion.

Is there further exposure beyond this \$15 million, or does this wrap up all the requirements?

**Mr. Serge Dupont:** No. That amounted to a full release of all outstanding disputes between AECL and Nordion.

**Mr. Mike Allen:** Thank you very much for that.

When we started giving to the Canadian Nuclear Safety Commission, the funding vote 20(b), which is funding for regulatory services and funding to streamline government import regulations and border processes for commercial trade.... The minister talked a little bit about that when he was here.

What type of regulatory services are being added, and were these not known in April? Or have some of the efforts to increase the amount of regulatory oversight led to this additional allocation to the Nuclear Safety Commission?

- (1640)

**Mr. Serge Dupont:** There were two parts to the CNSC additional moneys. The \$2.2 million really represented the carry forward of unspent revenue from the previous fiscal year, and it is a bit of a quirk in the way that the CNSC financing works.

Departments typically can carry forward up to 5% of unspent operating money to the next year. The CNSC was not able to do that for moneys that had been earned from fees from regulated entities. We're now fixing it, so that if, for example, a regulated entity is paying in a particular year and the service is not rendered immediately, that money can be carried forward to the following year. That's going to be fixed in the future but was not this year, so it has to come back as a supplementary estimate in the amount of \$2.2 million.

There is also \$800,000 that the CNSC is receiving to cover its costs associated with a single-window initiative, which the minister spoke about. That relates, for example, to imports of parts for nuclear installations in Canada from OPG or others.

**Mr. Mike Allen:** That's helpful.

When you get to the bottom of the budget, there is \$474,680 of total statutory appropriations.

Can you give us a bit of detail on what is in those statutory appropriations?

**Mr. Serge Dupont:** The statutory appropriations...I'll go to the actual. I just want to be sure I'm talking about the right amount.

Are you talking about the \$1.3 billion, roughly?

**Mr. Mike Allen:** Actually, when you look at the part down at the bottom of Natural Resources, page 2-68 on the detail by organization, there is a \$474,680 amount called "total statutory appropriations".

I wonder if you would give some detail on that.

**Mr. Serge Dupont:** The statutory appropriations for Natural Resources Canada largely represent the in, in and out, and the out of the amount paid in respect of royalties for Atlantic Canada offshore oil and gas. The amounts are not paid directly to the provinces of Newfoundland and Labrador, and Nova Scotia; they are paid to the Government of Canada—to us. It is a straight pass-through over to the provinces. There are adjustments to those amounts in year, in order to reflect any particular insight we have into the amounts that are being transferred or will be transferred.

**Mr. Mike Allen:** Thank you, Minister.

I think my time has passed.

**The Chair:** Thank you, Mr. Allen.

We go now to Monsieur Gravelle, for up to seven minutes.

Go ahead, please.

**Mr. Claude Gravelle:** Thank you, Mr. Chair.

Thank you for being here.

As you know, the Ring of Fire in northern Ontario is a great big project. It could lead northern Ontario—and Ontario and Canada—into some better economic times.

Can you tell me how much money your department has spent on the Ring of Fire?

**Mr. Serge Dupont:** I would not be able to give you the amount of money we have spent specifically on the Ring of Fire; we have not had a specific allocation for that. We obviously have the mines and minerals service within Industry Canada, where we collaborate in various ventures related to arranging the mining projects in Canada.

As you know, other entities, the economic agency for northern Ontario, has been on the front lines in collaborating with the Government of Ontario with regard the Ring of Fire. It's not Natural Resources Canada.

**Mr. Claude Gravelle:** Are you telling me that Natural Resources hasn't spent any money on the Ring of Fire or don't know if they spent any? Is that what you're telling me?

**Mr. Serge Dupont:** I think what I told you is that we have been working with other partners in the federal family and with the Government of Ontario through our officials and working in different fora and so forth. But there is not a specific allocation. There is not a specific envelope called Ring of Fire in the Department of Natural Resources Canada. There is another department in the Government of Canada that has had the lead in working with the Government of Ontario in advancing the goals of the Ring of Fire.

•(1645)

**Mr. Claude Gravelle:** I know that FedNor has spent some money on the Ring of Fire but mining is a natural resource. From what I hear, the Department of Natural Resources has not spent any money on the development of the Ring of Fire.

**Mr. Serge Dupont:** Mr. Chair, if I may, that's not what I said. We are allocating resources to this project, as to a range of other projects across the country, whether it's through the regulatory side as well through the major projects management office, through the mines and minerals sector of Natural Resources Canada. I'm saying there is

not an envelope called Ring of Fire in our budget that would allow me to give you a number on what those resources would represent.

**Mr. Claude Gravelle:** Because this is such a big project not only for northern Ontario but for Ontario and the rest of Canada do you think there should be a budget line for the Ring of Fire?

**Mr. Serge Dupont:** There are quite a number of resource areas in Canada. Our resources are applied across a range in the north, the west, Atlantic Canada, Ontario, and Quebec. I also don't have a number for the northern Quebec projects, which are also very important.

We try to be responsive to the needs through the regulatory system and others. So we don't tabulate per project or per category of project.

**Mr. Claude Gravelle:** Is the Department of Natural Resources doing anything specific to advance the Ring of Fire?

**Mr. Serge Dupont:** We collaborate with other agencies but it's important to bear in mind that what those projects require in terms of government support, be it from the provincial governments or the federal government, isn't necessarily mining expertise in this particular case. They require infrastructure. They require relationships with aboriginal Canadians. They are a range of services or supports that are not necessarily within Natural Resources Canada or indeed necessarily within the Government of Canada, a lot of it is with the Government of Ontario.

**Mr. Claude Gravelle:** When Cliffs Natural Resources, one of the mining companies in the Ring of Fire, came to committee in February 2012, what they stated at the time is, "Just tell us what the rules are and we'll follow them". Have the rules concerning the Ring of Fire been clarified?

**Mr. Serge Dupont:** The rules that have been clarified essentially, as you know, are the rules regarding environmental assessments at the federal level, and how various permitting processes would work with the projects as well. However, there is also again a very important responsibility for the Government of Ontario to determine how it will address and manage its environmental assessment requirements.

So we have clarified under the responsible resource development initiative what the federal regulatory framework is for these and other projects across Canada. There may be a question of how the Government of Ontario itself moves the regulatory process forward and then how we collaborate to ensure that we've progressed toward what you know is a goal of one project, one review.

**Mr. Claude Gravelle:** So what is the amount of unspent money in total for the Department of Natural Resources last year?

**Mr. Serge Dupont:** I could certainly get you the number. Unfortunately I don't have it offhand.

**Mr. Claude Gravelle:** A ballpark figure?

**Mr. Serge Dupont:** It was well within the maximum carry forward, which is 5% of our operating budget.

**Mr. Claude Gravelle:** Which is?

**Mr. Serge Dupont:** Our operating budget is in the range of \$850 million. I think we would have been in the range of \$18 million to \$20 million all told in terms of our carry forward.

**Mr. Claude Gravelle:** Why is that amount so high?

**Mr. Serge Dupont:** Actually an amount that is within 5% of what you are allowed to spend in a year.... And as you know whether it's particular projects, particular contribution agreements we have with different parties, whether it is other kinds of contracts such as procurement and so forth, it is very difficult at midnight on March 31 to have come to spend 100% of your budget. Nor is that necessarily the goal. You obviously want to spend what is sensible to be spent. It is reasonable to leave ourselves some margin so that we don't overspend the budget. This means that typically it is not atypical for a department to be roughly 2% unspent at the end of the year because that is a prudent margin that you are observing to ensure you don't go over budget during your fiscal year, which would be very bad for any public servant to contemplate.

• (1650)

**The Chair:** Thank you, Monsieur Gravelle.

Mr. Regan, go ahead please, for up to seven minutes.

**Hon. Geoff Regan:** Thank you very much, Mr. Chairman.

We begin by following up on an earlier question. I don't know if I heard the answer to Mr. Julian's question about the total amount. I'd like to know, not only for this current fiscal year but also the previous fiscal year, what the department's total spending on advertising is, and was.

**Mr. Serge Dupont:** I'm not sure I have the prior fiscal year. Perhaps my colleagues can get the number, as I'm looking too.

What I can tell you is that the numbers authorized for this fiscal year may be different from what will ultimately be spent.

**Hon. Geoff Regan:** Certainly.

**Mr. Serge Dupont:** The supplementary estimates (B) for international stakeholder engagement and outreach is \$12,997,886, of which \$500,000 is not specifically advertising but may be to work with different research institutions or third parties, to supplement our body of science and our body of knowledge vis-à-vis energy and environmental issues for Canada. That is on the international side.

Moneys also voted by Parliament in the main estimates for this fiscal year were \$4.5 million, and subsequently in supplementary estimates (A), \$12 million; this is for domestic advertising.

I would again indicate that these are amounts that have been authorized; they don't necessarily mean at the end of the day that they will be spent.

**Hon. Geoff Regan:** In the range of \$30 million is to be spent domestically?

**Mr. Serge Dupont:** No, domestically it would be \$16.5 million, and internationally is \$12.9 million.

**Hon. Geoff Regan:** In other words, \$30 million in total.

Would I be right in assuming that much of the money for outreach is for developing support, let's say, for Keystone?

**Mr. Serge Dupont:** Obviously, there has been some expenditure on advertising in the United States, which is not specifically directed at any project. It is providing information about Canada as a responsible, reliable energy supplier.

We also plan to have some advertising in Europe, where some of our interests are also compromised by various measures contemplated by the European Commission, as well as in Asian markets.

**Hon. Geoff Regan:** Thank you.

On the funds set aside for AECL, how much would be for things like severance packages, people being laid off—how many people will be laid off at AECL?

**Mr. Serge Dupont:** There are no moneys before you today that have to do with any workforce adjustment at Atomic Energy of Canada Limited.

Currently, there are no workforce adjustments planned at Atomic Energy of Canada Limited. The \$8.5 million is for advisory services we are paying now at Natural Resources Canada in order to help us move the laboratories to new models of governance, which have a private-sector operator.

Again, nothing is contemplated, at this time, in terms of workforce adjustment at AECL.

• (1655)

**Hon. Geoff Regan:** On the filing of Canada's claim under the Law of the Sea convention, concerning the continental shelf limits, do you have any idea how many other countries filed their claims ahead of Canada and how long it will be before our claim is heard?

My understanding is we were one of the last countries to file it, and it will be decades, in all likelihood, before the claim is considered.

**Mr. Serge Dupont:** I may refer to one of my colleagues.

The date of the filing is partly related to the date when we joined the convention. On joining the convention, we then had a number of years to file a submission.

**Hon. Geoff Regan:** That was the outside limit, right?

**Mr. Serge Dupont:** That was the outside limit, but a substantive body of work has to be assembled if you're going to have a viable and solid, credible submission.

We're very satisfied we have that submission. We're quite confident that with this kind of submission, Canada will be able to claim as added territory beyond the 200 nautical miles, the equivalent of the territory of the three western provinces together.

**Hon. Geoff Regan:** But if you could answer the question about what number we were in getting our claim in, and when we can expect it to be heard, that would be appreciated.

Regardless of the limit, the date when we joined the Law of the Sea convention obviously set an outside limit for us but it didn't say we had to wait until near the end of that time. Clearly there is a lot of work involved, but I'd like to know the answer to my question.

**Mr. Serge Dupont:** The short answer is that it took the time it did in order to develop the proper submission and—

**Hon. Geoff Regan:** If you'll forgive me, that wasn't the question I asked.

**Mr. Serge Dupont:** Maybe I didn't hear the question properly.

**Hon. Geoff Regan:** The question was: how many countries were ahead of us, and how long can we expect it to take before our claim will be considered, in view of all the countries that are ahead of us? How many decades?

If you don't have the answer, you can get back to the committee, perhaps.

**Mr. Serge Dupont:** We will get back to you.

The only thing I would add is that, if you are within the timelines accorded to you, there is nothing in the rules of this process that provides that first in gets better treatment than others.

**Hon. Geoff Regan:** Could you please remind the committee of the government's obligations in relation to UNCLOS, the United Nations Convention on the Law of the Sea, in this regard?

**Mr. Serge Dupont:** Brian Gray, who is assistant deputy minister for the earth sciences sector, will respond.

**Dr. Brian Gray (Assistant Deputy Minister, Earth Sciences Sector, Natural Resources Canada):** Thank you.

Before addressing that, I would like to say that the United States is not a signatory to the convention. We will be able to circle back and get you the information on who has actually signed and who has actually made cases.

Our obligation under the convention, once we signed—which was roughly 10 years ago in December—is that we have up to 10 years to submit our case to the commission. I can assure you that the case is done, it's bound, and it's in a process of being transported to the commission in New York. It is a very large document; it probably weighs over 500 pounds. We have to provide the document in paper form and in electronic form.

Once we submit it, we will have about six months before we can appear before the commission to make the formal oral presentation, and that's usually about an hour to an hour and a half. That then puts us formally in the queue, so we now are ahead of any country that has not submitted yet. The countries that have submitted are in that queue.

**Hon. Geoff Regan:** And how many have?

**Dr. Brian Gray:** Again, I don't know. I have no idea. I've never known that number so—

**Hon. Geoff Regan:** You do promise to get back to me?

**Dr. Brian Gray:** Yes.

Again, don't quote me—I can get you the numbers—but let's say it's a commission of a couple dozen experts in geophysics, in geology, who form the commission. They are reviewing these cases essentially one at a time. So when will they get to Canada? It could be five years, it could be eight years. I don't know at this time.

In this submission we've received money to assure that we keep the data current and to assure that our scientists are actually publishing in peer-reviewed science articles to help strengthen our case so that, when the commission does see it, there will be a large body of science supporting the work that Canada has submitted.

**Hon. Geoff Regan:** Thank you.

**The Chair:** Thank you.

Thank you, Mr. Regan.

We go now to Ms. Block, followed by Mr. Zimmer, and Ms. Duncan.

Go ahead, please, Ms. Block, for up to five minutes.

**Mrs. Kelly Block:** Thank you very much, Mr. Chair.

I know I've already welcomed our officials here but I want to welcome you to the table, and I appreciate your being here today.

Last week we did a little bit of a study on the major projects management office. I only flag that because a comment was made earlier in regard to another question that there are other departments/members in the federal family, so that we can get a really good understanding of all of the partnerships and all of the collaboration that has to go on between different departments within the federal government. Again, that is highlighted in these supplementary estimates when we look at the transfers from other organizations into Natural Resources.

My question now is actually about the transfers to other organizations. I completely understand the transfer from Natural Resources to Indian Affairs when it comes to the remediation of federal contaminated sites, but I'm looking at the grouping just above it on page 69 where there is Agriculture and Agri-Food, there is the Canadian Security Intelligence Service, Trade and Development, and other different departments listed there.

I wonder if you could give a little bit more of an explanation around those transfers.

• (1700)

**Mr. Serge Dupont:** Mr. Chair, perhaps I may be mistaken, and if so I'll stand to be corrected. Are we on page 2-69?

**Mrs. Kelly Block:** Yes.

**Mr. Serge Dupont:** It says from National Defence to all of these different partners including CSIS, so those would be transactions that do not.... For us it's the \$400,000, and the \$400,000 refers to essentially moneys paid.... It is for security, and it is for essentially our work on radiation monitoring. We have a mobile unit that can be dispatched 24-7 at any place in Canada to monitor where there's any kind of radiation above background levels. So with \$400,000 we will be acquiring, for example, a high-purity germanium detector. We will also be strengthening that mobile unit and providing an analysis and testing system for incident command.

So it is for that part, and then other transactions related to CSIS and so forth presumably also find their way into other parts of the supplementary estimates. Those are other separate transactions.

**Mrs. Kelly Block:** Thank you.

I'm also going to follow up on the other question that I asked Minister Oliver in regard to the Gunnar and Lorado uranium mine facilities. I know I asked him to give us an update and he was able to give us that. But I'm wondering if you could perhaps just, in fact, tell us why this is even showing up on the books of the federal government.

**Mr. Serge Dupont:** Yes, that's a good question. The reason it is showing up at this time is that there were moneys allocated for this fiscal year. They will not be spent this fiscal year because the Saskatchewan Research Council that is leading the project is not ready yet. It has not completed the environmental assessment through the CNSC, so we expect the work to take place rather in 2014-15. Therefore, it is subtracted this year and will come back later. It is essentially what is called reprofiling.

**Mrs. Kelly Block:** Okay. Thank you.

**The Chair:** Thank you, Ms. Block.

Go ahead, Mr. Zimmer.

**Mr. Bob Zimmer:** Again, thank you for coming today to present to committee.

I have a couple of questions for you. One is specifically to do with the National Energy Board in Calgary. Can you just explain where the approximately \$12 million for the offices is going and how it's being spent?

**Mr. Serge Dupont:** Sure. I wouldn't have the line item kind of detail, but essentially the National Energy Board was fitted in offices in Calgary. As per normal practices, at the end of the lease period Public Works and Government Services Canada made an assessment as to whether this was the best place for it to be in terms of getting best value for money. It was determined that it would be appropriate to pursue a competitive process to identify the best opportunities in Calgary because, of course, in Calgary lease costs can be quite expensive in certain parts of the city.

Having identified an alternative location, the NEB had to ensure that it had the resources to do the one-time expenditure of moving. It also turns out that the dates didn't coincide perfectly, so it actually has to have some temporary space for some of its activities before it's fully fitted into the new building. It has to fit according to federal Government of Canada standards where the square feet per employee are specified. All of that requires some one-time money that, as the minister indicated, is essentially borrowed from future appropriations of the National Energy Board, simply because they don't have the cash on hand immediately. But essentially you are prepaying in part your future rental costs.

• (1705)

**Mr. Bob Zimmer:** Thank you for that.

I had another question for the minister as well. We talked about the tanker safety regime. Being from British Columbia, that's one of the concerns I hear about on a regular basis. Oddly enough, we announced we are pursuing this because of the concerns, and then we were criticized by a member of Parliament—I won't mention the person—for actually incurring expenses trying to develop that plan. To me, it was a bit ironic.

Anyway, can you explain the tanker safety regime's full response. What has been spent? Can you just give us a heads-up on some direction there?

**Mr. Serge Dupont:** I would have to refer you to Transport Canada for this particular one. There would be moneys as well for the coast guard. We will be, ourselves, incurring some expenditures that are not yet fully tied down. For example, with regard to monitoring the stability of the coast, with regard risks for landslides

or other kinds of geohazards, there won't be huge amounts of money, but we want to ensure that, as regards our knowledge of geohazards—be they in Kitimat Arm, Douglas Channel, and other parts of the coast as well—we have the best geological information necessary in order to address, mitigate, and prevent any potential geohazard.

**Mr. Bob Zimmer:** I know it's difficult to single you out with that expenditure because I know it's a cross-ministry initiative. DFO, I think, is involved, Transport Canada, and yourself. I appreciate your response, and again thanks for appearing at committee.

Do you have anything more?

**Mr. Serge Dupont:** I could say that we could certainly undertake to provide the committee with the amounts already announced in budgets 2012 and 2013, which I don't have at my disposal, but that did have resources allocated to a number of departments that will have to collaborate in ensuring world-class safety, as the minister mentioned.

**Mr. Bob Zimmer:** Thank you.

**The Chair:** Thank you, Mr. Zimmer.

Mr. Allen, I think, has a question.

**Mr. Mike Allen:** I have just one follow-up question, Mr. Dupont, on the clean energy fund. You mentioned there weren't enough proponents putting in proposals so that afforded the opportunity to achieve some savings to apply toward the additional costs.

Can you comment as to why there were no proponents? Is it because of a lack of credible business cases or just fewer applicants to the technology fund?

**Mr. Serge Dupont:** One, for example, that was well known is the TransAlta Project Pioneer in Alberta, which would have been a large-scale carbon capture storage project.

The government had undertaken to fund that project in an amount of up to \$315 million. It would have been a major scientific and infrastructure project to test technology on a very large scale.

As we know, we already have virtually a world first in Saskatchewan now for a clean coal unit with Boundary Dam coming on stream in the spring. I think it will be an element of pride for Saskatchewan and for Canada.

In Alberta, TransAlta ultimately decided that the economics did not work for it at this time. These were moneys earmarked in the clean energy fund that were actually profiled over a number of years and that provide, in some instances...there are some moneys basically that had already been approved, that Natural Resources Canada does not need because of such projects.

Other projects have also had some of those challenges, but we have funded, for example, 17 small-scale demonstration projects and two large-scale demonstration projects, the Shell Quest project and the enhanced Alberta Carbon Trunk Line project. So there are a number of projects that have been going forward—R and D projects, carbon capture storage projects—but some unfortunately did not move forward.

**Mr. Mike Allen:** Thank you very much.

**The Chair:** Thank you, Mr. Allen.

Thank you, Mr. Dupont.

We go now to Ms. Duncan, followed by Ms. Crockatt, and then we'll have the votes on the estimates. Go ahead, please, Ms. Duncan, for about five minutes.

• (1710)

**Ms. Linda Duncan:** Thanks.

Could I follow up on Mr. Allen's question? I'm from Alberta. I know that Capital Power initially undertook to do carbon capture and storage, and committed to the Alberta energy board that they would reduce greenhouse gases, then reneged on that, but the board required that they still move forward.

On all of the coal-fired power testing of CCS in Alberta, the companies have pulled out. My understanding is the main reason they pulled out is absolutely no incentive because there is no requirement to reduce greenhouse gases from thermal electric until 40 to 50 years from now.

Can you tell me what other measures are in place that might incent any thermal electric company in Alberta to actually invest in CCS now?

**Mr. Serge Dupont:** At this time all I could say is that perhaps we, for example, look at the Saskatchewan context; Boundary Dam obviously had some financial assistance. The experiment, which is expected to come on stream very soon, is teaching SaskPower quite a few lessons about how to do this, and how to do this better. They're growing more and more confident that, should they undertake another unit, they can be very close or even at commercial level without government assistance. That is at least what they are indicating to us at this time.

Part of the requirement, Mr. Chair, is that there is a buyer for the CO<sub>2</sub> that is basically taken from the coal facility.

In Saskatchewan that is working well because there is enhanced oil recovery.

**Ms. Linda Duncan:** Right. I'm aware of that, but I'm wondering what the incentive is for Alberta?

**Mr. Serge Dupont:** That is where the power utility can derive some revenue for the CO<sub>2</sub>, and that creates the market incentive.

I gather in the case of TransAlta there was not the same demand for the CO<sub>2</sub> for enhanced total recovery, and that damaged the prospect for that project, notwithstanding the fact that the Government of Canada was willing to pay \$316 million and the Government of Alberta was also willing to fund the project considerably.

**Ms. Linda Duncan:** Okay, thank you.

It's of interest that the minister is claiming that the department's outcomes are all based on what is called responsible development. He seems to be equating that with sustainable development. The strategic outcomes in plans and priorities for 2011-12 specified dollars for clean energy. Interestingly, that outcome was related to cumulative greenhouse gas reductions.

In other words, that means over time and for the last two years, including this one, we see nothing whatsoever in place, any kind of dedicated resources toward clean energy. Can you explain how you

can then claim to be pursuing an agenda of responsible development, sustainable development, and assigning zero dollars to clean energy?

**Mr. Serge Dupont:** I'd like to understand what document you are working from, because we are.... I also didn't mean to cause a surprise for others.

**Ms. Linda Duncan:** I'm working from the plans and priorities report.

**Mr. Serge Dupont:** We're already conducting a range of research, and I would have to look at how this is presented and categorized, but we are doing work to support research and development in various forms of clean energy, energy efficiency, and next generation transportation. We have funded projects with respect to, say, tidal energy in Atlantic Canada. We are engaged in a range of clean energy initiatives.

**Ms. Linda Duncan:** Can you tell me the percentage of the budget that's been dedicated to that as opposed to promoting exploitation of oil and gas resources?

**Mr. Serge Dupont:** I would suggest that the overwhelming majority of the work of the department, certainly science and technology, is dedicated to improving the economic and environmental performance of our energy in one form or another.

Where we work on the conventional side of energy, it is essentially to try to find ways to improve that economic performance. We have a research centre in Devon, Alberta, which is devoting itself to ensuring we're developing that resource in the most environmentally responsible way.

• (1715)

**Ms. Linda Duncan:** I'm not questioning that you may feel dedicated. I'm simply raising the question that there are no line items. Maybe you can get back to me on the line item where this alleged work on cleaning the—

**Mr. Serge Dupont:** The work is not alleged, and we do not have a line item for the Ring of Fire. We may not have a line item for clean energy—

**Ms. Linda Duncan:** You used to have one.

**Mr. Serge Dupont:** —but we can certainly provide you some information as to the kind of expenditures and the kind of investments and commitments that we are allocating to clean energy.

**The Chair:** Thank you, Ms. Duncan.

We go finally to Ms. Crockatt for up to five minutes.

**Ms. Joan Crockatt:** Thank you very much.

I appreciate your being here and your wide range of knowledge on a wide range of different topics that we've addressed here today and your sense of humour while covering it all.

I wanted to go back to Port Hope, because I think what the department is doing in Port Hope is quite interesting. It appears to me as though this is a case where we're doing the right thing in an era where we're attempting to save money and see if we can balance the books.

The government has decided to spend money to help the folks of Port Hope. I wonder if you could let us know in a more fulsome way what exactly is going on there. This has to do with the cleanup of low-level radioactive waste and helping the economy of the town recover too, I understand. Is that right?

**Mr. Serge Dupont:** Essentially, as Natural Resources Canada we are engaged in working with Public Works and Government Services Canada and with the low-level radioactive waste management office of Atomic Energy of Canada Limited in a historical cleanup in the town of Port Hope.

The numbers you see in the supplementary estimates pale in relation to the actual scale and scope of that endeavour. This is going to be one of the largest historic cleanups in Canada.

**Ms. Joan Crockatt:** I was wondering—

**Mr. Serge Dupont:** Essentially, around \$1.2 billion has already been recognized as a liability in the books of Canada related to the historic waste going back to, I think, the 1930s or 1940s that has accumulated in different parts of Port Hope and Port Granby; and having to recover that waste from waste management facilities or other parts of town that were not really suited to long-term safety and security in bringing that into new, modern facilities. Two new waste management facilities will provide full environmental integrity for the long term.

As I say with my folks, that means moving a lot of dirt from these areas in Port Hope where the waste is now to the new waste sites, constructing the waste sites and the water treatment facilities, and also some of the access roads and whatnot. Some of the moneys you see here are moneys that are intended to compensate homeowners or the municipalities for losses they may incur as this traffic and activity is taking place.

**Ms. Joan Crockatt:** Where are we in terms of that project? How far along is it right now?

**Mr. Serge Dupont:** We have started tendering some of the major projects. Some of the water treatment facilities are being built. First, all of the environmental assessments have been completed and so forth, so the project designs are well in hand, and some of the major contracts will soon be tendered for the construction of the waste management facilities themselves. There is a lot of activity on the ground already, including in small properties, to properly characterize the situation and the mitigation work that will need to take place. There are shovels in the ground, and trucks and roads are being built in Port Hope, and this will continue to pick up over the next couple of years.

**Ms. Joan Crockatt:** Okay.

I think I have time for one or two more questions.

**The Chair:** You have two minutes.

**Ms. Joan Crockatt:** A lot of people are concerned about our forestry sector with the spruce budworm, pine beetle, etc. I know we tend to focus a lot on the oil and gas industry, because that's helping Canada to pay its bills, but a lot of people employed in the forestry sector are wondering about the future of that industry. I wonder if you could just update us on what NRCan is doing with regard to forest pests, and whether there's any additional spending in the supplementary estimates.

• (1720)

**Mr. Serge Dupont:** There is none in the supplementary estimates, but we do spend, if memory serves... I wonder whether Glenn Mason could come to the table. We are doing work related to at least three key pests—the spruce budworm, the emerald ash borer, and, of course, the mountain pine beetle. Essentially we are providing the science to help inform the interventions that the provinces are taking in each of their jurisdictions. NRCan in the past has actually developed some of the agents essentially to address infestations of pests, and we're continuing to work in collaboration with the provinces.

Glenn Mason from the Canadian forest service sector might be able to tell me roughly the amount we spend on it per year.

**Ms. Joan Crockatt:** How are we doing on getting them under control?

**Mr. Serge Dupont:** The one thing about forest pests is that once you have an outbreak it is very difficult to eradicate. These outbreaks of the spruce budworm, for example, occur every 25 or 30 years or so. When they take hold, it is very difficult to actually eradicate this outbreak. So you try to control it. You try through different interventions to slow it down, to mitigate it as well as you can, but there simply is no remedy. We saw this with the mountain pine beetle. Had there been a way to ensure this was addressed in British Columbia—and it is now moving to Alberta and potentially Saskatchewan—certainly we would have devoted the resources. But you can't in a sense. You do what you can in terms of mitigating, and we're working collaboratively with the province.

I think we're doing good work. I think it is helping and we have been able to slow things down, but those things are difficult for the economies of the affected regions. Basically, it's a matter of applying best efforts.

**The Chair:** Thank you, Ms. Crockatt.

Unfortunately, Mr. Mason, we don't have time for your answer. We are completely out of time.

I'd like to thank all of you actually for being here, Deputy Minister, Monsieur Dupont, and Kami Ramcharan, assistant deputy minister.

Thank you, committee members, for your questions.

Just before we close the meeting, we do have votes on the estimates.

So for supplementary estimates (B) for 2013-14—

**Mr. Peter Julian:** Mr. Chair.

**The Chair:** Go ahead, Mr. Julian.

**Mr. Peter Julian:** Through you to the clerk, I would like to ask the clerk if he could provide us with some recommendation on how to take out the advertising funding, the \$12,497,886, from vote 1b so it's in a separate vote.

**The Chair:** You can, of course, vote three ways on any of the votes I was about to outline.

You can carry the vote, or you can defeat the vote, or you can reduce the vote. It certainly is possible to have a motion to reduce a vote, but we'll have to get to the vote you want to look at first. As I said, we're looking at the estimates and dealing with the estimates and dealing with the supplementary estimates (B) for 2013-14 ending on March 31, 2014, which have been referred to the Standing Committee on Natural Resources. Those are votes 1b, 5b, 10b, 15b, 20b, and 25b. If you know which vote this would be handled in, then at that time you can certainly state your case and propose that the vote be reduced.

**Mr. Peter Julian:** Thank you, Mr. Chair.

What I was asking you to ask the clerk was how to separate out, in vote 1b, the \$12.4 million for the advertising. I just wanted some procedural advice on that, through you to the clerk.

• (1725)

**The Chair:** Mr. Julian, we will be dealing with vote 1b first. If you would like to reduce vote 1b, just make a motion for the amount that you would like to reduce it by, and we can go to a vote on it.

**Mr. Peter Julian:** Thank you very much, Mr. Chair. I appreciate the answer. I appreciate your fulsome explanation.

I'd like to move that vote 1b be reduced by \$12,497,886. That would be the equivalent of the funding for the advertising campaign that the minister has just spoken about.

**The Chair:** You've heard the motion.

Those in favour of the motion to reduce?

**Mr. Peter Julian:** Mr. Chair, could it be a recorded vote, please?

**The Chair:** We'll have a recorded vote.

Those in favour of reducing vote 1b by—

**Hon. Geoff Regan:** Mr. Chairman, on a point of order, can I clarify this? Can we be certain that if this is removed it will be taken from advertising?

**The Chair:** I don't understand the question.

**Hon. Geoff Regan:** Can we be certain that if the \$12.4 million we're talking about is removed from the estimates it would end up being taken from advertising by the department?

**The Chair:** Mr. Regan, you were a minister. You know what this means. This means that the supplementary (B)s would be reduced by that amount. That's what this would mean. It's that simple. It's that clear.

Again, Mr. Julian, the amount?

**Mr. Peter Julian:** In vote 1b, it's the amount that is there for the advertising campaign that we've just spoken about. The amount is \$12,497,886. That is for advertising that I just don't feel is justified, given all of the reasons that we've mentioned today and the minister's inability to explain the use of the money.

**The Chair:** Okay. Again, now we go to the recorded vote.

Those in favour of the reduction as proposed by Mr. Julian?

**The Clerk:** It's five-five.

**The Chair:** And the chair votes no.

**Some hon. members:** Oh, oh!

(Motion negated: nays 6; yeas 5)

**The Chair:** Just so we can be done on time, shall vote 5b under Natural Resources carry?

NATURAL RESOURCES  
Department  
Vote 5b—Capital expenditures.....\$1

**An hon. member:** On division.

(Vote 5b agreed to on division)

**The Chair:** Shall vote 15b under Natural Resources carry?

Atomic Energy of Canada Limited  
Vote 15b—Payments to Atomic Energy of Canada Limited for operating and capital expenditures.....\$15,000,000

**Mr. Peter Julian:** On division.

(Vote 15b agreed to on division)

**The Chair:** Shall vote 20b—

Oh, I'm sorry. I forgot to go back.

Shall vote 1b under Natural Resources carry?

NATURAL RESOURCES  
Department  
Vote 1b—Natural Resources—Operating expenditures.....\$1

**Mr. Peter Julian:** I'd like a recorded vote, please.

**The Chair:** Okay. We have a recorded vote on vote 1b. We've had it on votes 5 and 15b.

We have a recorded vote on vote 1b unamended. Shall vote 1b under Natural Resources carry?

**The Clerk:** It's five-five.

**The Chair:** The chair votes yes.

(Vote 1b agreed to: yeas 6; nays 5)

**The Chair:** Shall vote 20b under Natural Resources carry?

Canadian Nuclear Safety Commission  
Vote 20b—Program expenditures.....\$2,957,213

**Mr. Peter Julian:** On division.

(Vote 20b agreed to on division)

**The Chair:** Shall vote 25b under Natural Resources carry?

National Energy Board  
Vote 25b—Program expenditures.....\$12,380,000

**Mr. Peter Julian:** On division.

(Vote 25b agreed to on division)

**The Chair:** Shall the chair report votes 1b, 5b, 15b, 20b, and 25b under Natural Resources to the House?

We will come back on Monday to hear from the officials and from the two provincial boards involved in Bill C-5.

**Some hon. members:** Agreed.

Have a great weekend.

**An hon. member:** On division.

**The Chair:** Thanks very much to all of you for your cooperation.

The meeting is adjourned.

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