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Chair: Mr. Vance Badawey



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• (1540)

[English]

The Chair (Mr. Vance Badawey (Niagara Centre, Lib.)): Members, it's my pleasure to welcome you all and to open this meeting up. It's the 25th meeting of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

As you know, today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. The proceedings will be made available via the House of Commons website. So that you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

To ensure an orderly meeting, I would like to outline a few points.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice, at the bottom of your screen, of floor, English or French. For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the directives from the Board of Internal Economy regarding masking and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer.

Am I still coming through?

Mr. Maninder Sidhu (Brampton East, Lib.): We can hear you, Mr. Chair.

The Chair: Thank you.

If I may, as a reminder, all comments by members and witnesses should be addressed through the chair.

When you are not speaking, your mike should be on mute. With regard to a speaking list, the committee clerk and I will do the best we can to maintain the order of speaking for all members, whether they are participating virtually or in person.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on October 29, 2020, the committee will now continue its study of targeted infrastructure investments.

I would now like to welcome our witnesses and introduce you to them.

We have, from the Association of Municipalities of Ontario, Mr. Graydon Smith, president. From the Coastal First Nations Great Bear Initiative are Christine Smith-Martin, executive director; and Paul Kariya, senior policy adviser. From the Fédération québécoise des municipalités, we have Jacques Demers, president; and David Boulet, economic adviser. From the Great Lakes and St. Lawrence Cities Initiative, we have Walter Sendzik, vice-chair and mayor of the city of St. Catharines. From the Regional Municipality of Niagara, we have Jim Bradley, regional chair; as well as Rob Foster, regional councillor from the town of Lincoln.

With that, members and witnesses, we're ready to go.

I am going to start off with the Association of Municipalities of Ontario for five minutes.

Mr. Smith, you have the floor.

Mr. Graydon Smith (President, Association of Municipalities of Ontario): Good afternoon, everybody.

My name's Graydon Smith. I'm president of the Association of Municipalities of Ontario.

Thank you for the invitation to address you today as you study targeted infrastructure investments and social and economic improvements in the lives of Canadians.

AMO believes that infrastructure can improve the lives of Ontario residents in all communities across the province. Ontario has 444 municipal governments that serve communities in all parts of the province. From our largest cities, such as Toronto and Ottawa, to farming communities in eastern and western Ontario, to Windsor and Essex county in the south, and Moosonee in the far north. All are dependent on infrastructure to improve the lives of their citizens.

In addition to being community governments providing direct services to residents, municipal governments are major players in our local economies and, by extension, in provincial and national economies. In Ontario, municipalities invest revenues of about \$50 billion annually in our communities to provide needed services and capital works that support residents, workers and businesses.

These municipal investments provide ongoing stimulus for local economies in the short term and more efficient access to goods and services in the long term. In the recent pandemic, municipal services such as transit and transportation have kept essential workers going while others, such as sanitation, water and waste water have kept our residents healthy.

Ontario municipalities also are responsible for social housing and delivering social services and child care, which are critical supports to our residents, especially in times of emergency.

Of the \$50 billion Ontario municipalities invest in our local economies annually, the majority—\$41 billion—is own-source, such as property taxes, user fees and other revenues. The pandemic and lockdown measures have had a variable impact on municipal governments, with many municipalities deferring property tax payments for stressed residents and increasing costs for operations such as transit, while reducing user fees for services that cannot be safely offered.

Last year, Ontario's financial accountability officer estimated the pandemic had a \$6.8-billion negative impact on the province's municipal governments. In recognition of this impact, the provincial and federal governments provided a much needed \$4 billion in the safe restart agreement funding to Ontario municipalities to help with operating cost needs and transit. This financial support has been welcome, as it helped municipalities navigate the pandemic without major layoffs or staff reductions in critical services.

Recently, the Ontario government provided almost \$1 billion in additional funding to support municipal services, operating costs, social services and transit, recognizing the ongoing impacts of the pandemic. Municipal governments appreciate this funding and hope that the federal government meets the province's call to match these funds in the federal budget. Doing so ensures municipalities can continue to deliver quality public services and can continue to invest budgeted capital funds on infrastructure improvements. This in turn helps to ensure that local services and contractors can count on planned investments and hire workers.

AMO and our members also appreciate stable federal and provincial infrastructure funding, such as the investing in Canada infrastructure program, the Ontario community infrastructure fund, Ontario gas tax for transit and of course the federal gas tax fund.

Since its inception in 2005, municipal governments have appreciated the stability, flexibility and predictability of the gas tax fund. The recent announcement that the federal government will provide an additional \$2.2 billion through 2021 with the new Canada community-building fund will support additional local infrastructure projects in areas such as road and bridge rehabilitation, transit and transportation, energy retrofits and water service improvements. These funds will be quickly put to use by municipal governments and act as a significant stimulus across communities.

Together with ICIP and Ontario infrastructure funds, these funding streams form a suite of programs that help to support substantial improvements in municipal infrastructure for our communities.

Since last spring, AMO and our members have also noted that the current pandemic's impacts are different from in previous recessions. The health emergency that it has caused has made the need

for more, better and more affordable child care and housing obvious to more Canadians. These services are delivered by Ontario municipal governments and determine the ability of our residents to take part in our economies, earn a living, access services and live with [*Technical difficulty—Editor*]. While supports have been available, it is impossible to overstate the remaining need. Funding will be vital to meet it.

Finally, the committee's interested in broadband expansion and the role it can play in economic and social development. AMO and the Rural Ontario Municipal Association have been unequivocal in the need for better, affordable broadband services for our communities in Ontario. The pandemic has certainly revealed the major need for improvement required to allow people to work from home and access services remotely.

● (1545)

We're encouraged by the federal government's investments such as the universal broadband fund and the Ontario government's funding programs to support expansion. Better connectivity will have economic impacts for businesses, smart agriculture and logistics as well as the delivery of health and social programs, education and culture.

While we appreciate the recent investments, we know the need is great and the goalposts continue to move with new technology. We hope that the federal budget will help to accelerate attaining those objectives.

Thank you for the opportunity to share AMO's views.

The Chair: Thank you, Mr. Smith.

We're now going to move on to the Coastal First Nations Great Bear Initiative, Ms. Smith-Martin and Mr. Kariya. I'm not sure who is going to be making the presentation. I will leave that up to you.

Mr. Paul Kariya (Senior Policy Advisor, Coastal First Nations Great Bear Initiative): It's Paul Kariya here. My colleague Christine Smith-Martin, our executive director, is still struggling to get online. I don't think she's on, and I'm wondering if I could wait for her and if there's any way you could reorder.

The Chair: You can. I can do that. It's no problem, Mr. Kariya.

Mr. Paul Kariya: Thanks very much.

The Chair: We'll move on to the Fédération québécoise des municipalités with Mr. Demers and Mr. Boulet. Once again I'm not sure who is going to make the presentation, but I will leave that up to you.

[Translation]

Mr. Jacques Demers (President, Fédération québécoise des municipalités): Good afternoon, Mr. Chair and members of the committee.

If it's all right, I'm going to say a few words about the organization, and then, David Boulet will take over.

My name is Jacques Demers, and I am the mayor of Sainte-Catherine-de-Hatley, reeve of the Memphrémagog regional county municipality, or RCM, and president of the Fédération québécoise des municipalités, FQM for short. I'm going to give you a brief overview of the FQM.

[English]

The Chair: If I can just sneak in here.... If you could just move your mike up a bit, we're having a hard time hearing you.

[Translation]

Mr. Jacques Demers: Sorry. Is that better?

[English]

The Chair: That's perfect.

[Translation]

Mr. Jacques Demers: I'll start over. My name is Jacques Demers, and I am the mayor of Sainte-Catherine-de-Hatley, reeve of the Memphrémagog regional county municipality, or RCM, and president of the Fédération québécoise des municipalités, FQM for short.

The FQM represents approximately a thousand local and regional municipalities across Quebec, and is the largest provincial association in Canada. Established in 1944, the FQM has been the voice of all of Quebec's regions and RCMs for the past 77 years, and truly speaks for rural communities. We are very proud to be here today.

Joining me is David Boulet, an economic adviser at the FQM, who will now take over.

Mr. David Boulet (Economic Advisor, Fédération québécoise des municipalités): Good afternoon, committee members.

[English]

The Chair: Mr. Boulet, welcome.

[Translation]

Mr. David Boulet: Rural communities have their own distinct characteristics, and each of Quebec's regions is unique. The invest-

ments that regions need are different, so policy decisions need to reflect those realities. However, investments in regional infrastructure and services are still inadequate. It is apparently harder to convince governments to make investments in sparsely populated regions.

Conversely, those investments can have a larger impact in regions than elsewhere. Targeted investments, such as in high-speed Internet, have a huge impact on our regions and their appeal. In many cases, targeted and bold government investments make all the difference in a community's strength and survival.

Every year, the FQM redoubles its efforts to make governments at all levels understand the importance of infrastructure investments, whether in transportation, municipal systems or basic services region-wide, to ensure residents have access to adequate services.

The first iteration of the gas tax fund is a good example. The funding made it possible for municipalities to invest on a large scale in municipal buildings, fire stations and garages. Despite the FQM's repeated efforts, getting across to authorities—in this case, the federal government—the importance of investing in essential community buildings and public services is an ongoing challenge.

I want to bring up the Internet again. For the first time, on March 22, Quebec's premier and Canada's Prime Minister announced a massive investment and support to connect all Quebecers to high-speed Internet, under Canada-Quebec operation high speed. The FQM applauds both levels of government for their bold action and commitment on this initiative, but it must be noted that this is the result of years and years of hard work by multiple stakeholders, and the FQM was among those leading the charge. By that, I mean writing open letters, and reaching out to members of Parliament and ministers in order to finally arrive at a real plan and commitments in support of 100% connectivity. It's important to recognize, not only this terrific news, but also the long road it took to get here. As the previous witness mentioned, high-speed Internet makes telework and distance learning possible, and gives people an important means of communication. There is no longer any doubt that high-speed Internet is an essential service.

In conclusion, the key message I want to share with this committee and other authorities is that all investments in rural communities and sparsely populated regions are just as important as investments in urban communities and more densely populated areas. Post-pandemic, other challenges will emerge when it comes to services to the public, cellular infrastructure, in particular. The FQM urges the federal government to act now with the certainty of knowing that a dollar spent in the regional and rural sector is a dollar well spent for all citizens.

Thank you.

• (1550)

[English]

The Chair: Thank you, Mr. Boulet, and thank you, Mr. Demers. That was very well done.

We're now going to move on to the Great Lakes and St. Lawrence Cities Initiative, represented by Mr. Walter Sendzik. Walter is the vice-chair and is also the mayor of the city of St. Catharines.

Welcome, Walter.

Mr. Walter Sendzik (Mayor of St. Catharines and Vice-Chair, Great Lakes and St. Lawrence Cities Initiative): It's good to see you, Chair Badawey.

To the rest of the committee, thank you for the time that you're giving us today.

The Great Lakes and St. Lawrence Cities Initiative is an organization of over 100 mayors from both the United States and Canada, working to ensure that our two countries can effectively use the largest freshwater resource in the world to propel our region's success into the 22nd century.

Our number one priority remains keeping people safe by stopping COVID-19. I want to thank Parliament and the Government of Canada for their financial support of municipalities and the doubling of the gas tax during these challenging times.

As a reminder, 80 years ago, the Canadian Parliament and the U.S. Congress worked together to create a joint vision that became the St. Lawrence Seaway. That inspired the creation of the Great Lakes Fishery Commission, and many international bridge corporations, hydro dams, shipping locks and freshwater ports. It was a collective vision for how to drive this region's economy for generations to come, and it was a binational vision.

The electrification and automation of transportation, increased pollution, emerging toxins such as PFAS and PFOS, and invasive species such as Asian carp are some of the challenges facing the environment, our economy and the society of the Great Lakes and the St. Lawrence region.

The main challenge that affects every other issue and decision in our region is climate change. Addressing climate change requires Canadian and American governments to have a joint vision, with funded plans that municipal governments can access to build for the future.

Canada's 10-year infrastructure programs and President Biden's administration's new infrastructure investments are critical for economic growth. Without a vision to sustainably build along the shores of the Great Lakes and St. Lawrence for future growth, this new funding will not reach its full potential.

The Canadian government has spent \$19 billion over 10 years in emergency disaster funding—most of that is due to flooding—to rebuild what was there before but not to rebuild to stop future flooding.

The following issues could easily be discussed in greater length, but I just want to touch on them. They are access to safe drinking water across North America, the likelihood of year-round shipping on the Great Lakes due to climate change, the cost of erosion to once stable shorelines, which we've seen all along the Great Lakes, and the effects of harmful algae blooms that put drinking water at risk and kill native species.

These issues cannot be solved locally. Extreme weather events can wash away a community's entire infrastructure in one storm. The local water treatment plant can be closed because of agricultural practices 300 kilometres away and a few days of hot weather.

When high water of 10 centimetres in Lake Ontario threatens Ajax or Kingston, with millions of dollars in damages, the easy solution is to open up a dam on the St. Lawrence to lower the water level in the lake. However, lowering that lake by 10 centimetres could increase the water levels in Montreal by a metre and cause billions in damages. We need real solutions that work for the entire basin region.

Last year, the cities initiative was part of a collaborative funded by Environment and Climate Change Canada that released the Great Lakes and St. Lawrence action plan for 2020-30. I submit these reports and their 30 recommendations to this committee for consideration. Much of the reports have been included in the Canada water agency consultations and the work being done by the Parliament of Canada's Great Lakes and St. Lawrence task force. It's the foundation for our parliamentary priorities, which were also submitted to this committee.

Today, the mayors of the Great Lakes and St. Lawrence area have three messages.

One, please review our parliamentary priorities and ensure that all departments get a portion of the required \$2.2 billion funding, over 10 years, that they need to protect this important watershed.

Two, invest in a one-time \$7-billion investment, over two construction seasons, to help shoreline communities in Ontario and Quebec address their most urgent water and shoreline infrastructure and erosion mitigation projects. This could create over 150,000 jobs in the region. This program could quickly become a national program for all shoreline communities, with an investment of \$9 billion to \$11 billion over two construction seasons.

Finally, there are 19 federal government departments and agencies that oversee water policy or management in Canada. There are countless provincial and local government groups with some control or responsibility for the water in your community. It was 80 years ago that Canada and the United States came together to develop a long-term vision for the Great Lakes and St. Lawrence area. Now is the time to do this again. Before we spend historic amounts of infrastructure funding in the region, we need a plan for the region that recognizes the realities of the century that we're in and also the coming 22nd century.

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

• (1555)

The Chair: Thank you, Mr. Sendzik. That was well done.

We're now going to move on to the Regional Municipality of Niagara. We have both Jim Bradley, regional chairman; and Rob Foster, regional councillor for the town of Lincoln.

Mr. Bradley, welcome. It's great to have you here.

You have the floor for five minutes.

Mr. Jim Bradley (Regional Chair, Regional Municipality of Niagara): Thank you for the invitation to speak with you this afternoon regarding Niagara's perspective on approaches to enhancing federal infrastructure investments.

During the pandemic, regional council has remained committed to proceeding with many of its key capital infrastructure projects. Without the support and close collaboration of senior levels of government, financing for many of these infrastructure initiatives that support growth in the region and house our most vulnerable residents would not be possible. It is critical that municipalities receive predictable, stable funding that can be invested in the necessary capital projects that sustain our communities.

As many federal investment programs are competitive and application-based, considerable resources are required to manage and report on these potential funding opportunities. In contrast, allocation-based funding would enable us to effectively budget for small and, especially, large-scale projects and aid in the region's overall long-range infrastructure planning. It would also ensure fairness for upper-tier municipalities, considering a disproportionate number of funding programs are geared to rural, lower and single-tier municipalities. Moreover, through our rigorous asset management process, we ensure that our key projects align with the policy priorities and expectations of the federal government by incorporating new environmental and clean energy practices and innovative technologies into the design and construction of regional projects.

Four critical infrastructure projects that will influence social, economic and environmental outcomes by supporting our most vulnerable communities while generating more jobs, trade and commerce include affordable housing, a new waste-water treatment plant, a new trade corridor and broadband.

With affordable rental vacancy rates at virtually 0% in Niagara, our wait-list continues to grow. Our proposed multi-residential modular project outlined in our federal rapid housing initiative funding program application was intended to create new housing for people with the highest core need. This innovative delivery model was an optimum solution because it would house tenants much sooner than if we relied on conventional building models.

Full federal funding would have offset the capital costs and allowed Niagara region to operate the building as 100% geared to income, as there would have been no mortgage required. This was a perfect opportunity to begin to address a significant problem in Niagara. However, Niagara's unsuccessful RHI application has stalled this shovel-ready project.

With respect to the planned south Niagara Falls waste-water treatment plant, eligibility requirements appear ambiguous under the yet-to-be announced ICIP green stream fund, and questions regarding this project's potential qualifications and available funding remain unclear. Since this project will be highly dependent on ex-

ternal funding, considerable uncertainty has been created about whether it can proceed without timely funding.

With three access points between Canada and the U.S., Niagara region is a significant economic hub that is central for enabling cross-border trade and tourism. As Niagara region will continue to grow by 30% over the next 20 years, there will be an increasing demand on Niagara's highways, and it will be important to construct alternative trade routes through the region. Niagara region has experienced challenges qualifying for national trade corridor funding, which may be corrected should the program be expanded to include indirect transportation routes, which are the essential building blocks for a complete trade corridor, to international markets.

I will now pass this over to Councillor Rob Foster, who will speak to our challenges with broadband service.

• (1600)

The Chair: Welcome, Rob.

Mr. Rob Foster (Regional Councillor, Town of Lincoln, Regional Municipality of Niagara): Thank you, Chair Bradley.

Thank you, Chair Badawey. It's good to see you.

As you, MP Bittle, MP Baldinelli and MP Allison are all aware, Niagara region comprises a large rural base that has experienced tremendous challenges throughout the pandemic in staying connected and informed. This has been due to the lack of broadband service. The region certainly appreciates the government's recent \$4.4-million investment to expand broadband in Niagara region. Nevertheless, 54% of Niagara region's roads and 13% of its land parcels remain underserved, and \$100 million will still be required over the long term to meet the broadband Internet needs of the Niagara community.

Therefore, it is essential for the federal government to invest in scalable broadband technology that will be relevant over the next decade, as opposed to funding short-term solutions that may not meet the ever-increasing broadband demands. In addition, it is paramount that the coordination between the funding programs be improved to ensure that organizations are not duplicating efforts by bidding on the same broadband service areas, which has resulted in nullified applications. A coordinated funding approach will better alleviate the gaps in coverage in our underserved areas.

Mr. Jim Bradley: That concludes our opening remarks, and we welcome any questions should there be any.

The Chair: Thank you, Chair Bradley and Councillor Foster.

We're now going to move on to the Coastal First Nations Great Bear Initiative.

I'm not sure, Mr. Clerk, if Ms. Smith-Martin is logged on. Is she logged on?

Ms. Christine Smith-Martin (Executive Director, Coastal First Nations Great Bear Initiative): I certainly am.

The Chair: That's great.

Welcome, Ms. Smith-Martin. It's great to have you out. We have Mr. Kariya alongside you. I will leave it up to you two to present for five minutes.

• (1605)

The Clerk of the Committee (Mr. Jean-François Pagé): Excuse me, please, do you have a headset?

Ms. Christine Smith-Martin: I have AirPods.

The Chair: Do you have a microphone with those, Ms. Smith-Martin, that you can actually move up to your mouth?

Ms. Christine Smith-Martin: No, I don't. I can move this to my mouth. Is that a bit better?

The Chair: We can try that, if that's all you have. We'll do the best we can. It's just that the interpreters might have a bit of a problem hearing you and, therefore, interpreting. Do the best you can.

Go ahead.

Ms. Christine Smith-Martin: Okay. I'll hold it as close as I can. Thank you.

We'd like to thank the standing committee for the invitation to participate in your important study to understand how targeted infrastructure investments can better influence and impact social, economic and environmental outcomes, with a particular emphasis on rural connectivity.

We commend the committee on bringing indigenous voices into the targeted infrastructure discussion, particularly—

[*Translation*]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): I have a point of order, Mr. Chair.

The interpretation isn't working.

[*English*]

The Chair: Is the interpretation having a hard time hearing Ms. Smith-Martin?

The Clerk: They cannot hear, so they cannot do their job properly.

The Chair: Ms. Smith-Martin, we're going to have a problem with the interpretation, because they can't hear you coming through.

Mr. Kariya, do you have a headset?

Mr. Paul Kariya: I do. Is there no other way to do this?

The Chair: Unless Ms. Smith-Martin has a headset....

Mr. Barsalou-Duval, go ahead.

[*Translation*]

Mr. Xavier Barsalou-Duval: I switched to the French channel and I can't hear the interpretation when you and Mr. Kariya are speaking. The problem may go beyond Ms. Smith-Martin not having a headset.

[*English*]

The Chair: Mr. Clerk, can you check this out with interpretation, please?

[*Translation*]

The Clerk: Certainly, Mr. Chair.

Mr. Barsalou-Duval, a number of people were speaking at the same time, so that's why the interpretation stopped. It should be working now.

[*English*]

The Chair: Thank you, Mr. Clerk.

Thank you, Mr. Barsalou-Duval.

Without a headset, Ms. Smith-Martin, the interpreters can't pick up what you're saying and, therefore, we can't translate .

Mr. Kariya, are you able to make the presentation? I see that you have a headset.

Mr. Paul Kariya: Yes, I could do so.

The Chair: We'll go forward with that. I apologize, Ms. Smith-Martin.

Ms. Christine Smith-Martin: That's okay. Thank you.

The Chair: Thank you.

Mr. Kariya, go ahead. You have about four minutes left on the timer.

Mr. Paul Kariya: Thank you, Mr. Chair. You have my apologies for the challenges we face.

We commend the committee on bringing indigenous voices into this targeted infrastructure discussion, particularly because, for senior governments, programs are often targeted at indigenous communities yet all too often we are left out of sharing our valuable insights and lived experiences with your programs and policies, and our perspectives on the delivery of programs intended to address essential infrastructure gaps within these traditional territories.

The Coastal First Nations is an alliance that includes the Wuikinuxv, Heiltsuk, Kitasoo/Xaixais, Nuxalk, Gitga'at, Metlakatla, Old Massett, Skidegate and Council of the Haida Nation, with approximately 20,000 members.

For the past two decades, the Coastal First Nations Great Bear Initiative has charted a course that has strengthened the connections between our communities, our environment and our economies. Choosing our future means planning and taking actions that will result in the kinds of communities we want to live in and pass on to our children and to our grandchildren.

We are pleased that you recognize the importance of high-speed Internet and transportation networks throughout our region, as they are catalysts for economic reconciliation through expanding investment opportunities, well-being and self-determination.

Transportation access and high-speed Internet remain priority areas for our member nations, with connectivity being a foundational component of B.C.'s Declaration on the Rights of Indigenous Peoples Act, DRIPA, Bill 41. Many Coastal First Nations communities are accessed only by ferry or plane transportation, so affordable access is critical and high-speed Internet is foundational for our resiliency.

Meaningfully addressing the indigenous digital divide requires political will and a courageous cross-governmental call to action to address long-standing policy, funding and regulatory issues serving as barriers to achieving our mutual goals. Leadership must include a sustained community engagement effort to regularly inform the design, criteria, timing and delivery of targeted infrastructure funding programs and a range of capacity planning supports that directly meet communities' digital priorities.

For Coastal First Nations, this includes our world-renowned science, research and stewardship initiatives, the guardian watchmen programs, our conservation economy, carbon credit offset priorities, language and cultural revitalization, clean energy transition, traditional food security needs, and high-value nation trade and investment export opportunities such as seaweed, kelp, herring and fish.

We are taking responsibility for our leadership role and investing our time in identifying our connectivity needs and working with all partners to find solutions. However, we continue to operate at a digital disadvantage, excluded from the basic online services and supports most Canadians take for granted. Funding is critical and it is needed, so we commend you for that commitment with the universal broadband fund and other infrastructure programs that have been delivered.

Given the timing and short turnaround for the UBF, many Coastal First Nations communities could not apply. They were too overwhelmed in addressing COVID impacts. The federal and provincially funded Connected Coast transport network is going to be completed by March 2023, and communities are eager to be connected through that investment. However, without capacity supports for nation-led last-mile digital preparedness, the community benefits may not be realized.

Targeted infrastructure investments that aim to prioritize the needs of indigenous communities must address the long-standing policy, regulatory and funding barriers that, after decades of study and dialogue, still exist at the federal level outlined in various previous studies. Access to passive infrastructure like hydro poles is still a major barrier to accelerate the deployment of high-speed and Coastal First Nations plans to address this issue.

• (1610)

The Chair: Mr. Kariya, could you wrap it up?

Mr. Paul Kariya: For the nations, access is within reach, but there are still barriers to catalyzing these first nations-led job creating opportunities and to having this necessary connectivity. The pandemic has highlighted for us now how critical investment in

telecommunications infrastructure is, not only for Canada's recovery but also for the rollout of the next generation of mobile services enabling Coastal First Nations to innovate and expand global stewardship.

We are ready to unlock and unleash indigenous digital potential.

Thank you very much.

The Chair: Thank you, Mr. Kariya.

We will now go to our first round of questions. Starting us off for the Conservatives will be Mr. Scheer.

You have the floor for six minutes.

Hon. Andrew Scheer (Regina—Qu'Appelle, CPC): Thank you very much, Mr. Chair.

Thank you very much to all our presenters today. I really enjoyed listening to all the different perspectives on some of the issues affecting the various stakeholders.

I would invite any of the representatives of the municipalities here today to take a crack at this. In the last little bit, we've heard a lot from the Auditor General about the lack of this government's ability to keep track of projects and to track whether or not the program is even hitting its own targets. We've also heard a lot about delays and the backlog in the approvals process. I would invite any of the representatives to speak to why, in their experience, they think it's taking so long to get approvals through the current government's infrastructure plan.

The Chair: Mr. Bradley.

Mr. Jim Bradley: Mr. Chair, we've not found that to be a great problem. It's a dilemma for the government, of course. Mr. Scheer mentioned, first of all, the fact that you want accountability and that the Auditor General is looking at that, yet the more accountable we must be, the more information we must provide, which really means that we probably delay having a project approved. By and large, though, we have found the system to be acceptable.

The challenge we have is with the specific criteria. When there's not flexibility in the criteria, it's often difficult to fit it. For instance, an overall allocation of funding without—I hate to use the term, because you won't want to hear this—"strings attached" is much more viable than those with established criteria that are difficult to meet. Those are the very competitive ones that are based on various municipalities competing for them, of course. It's much better for us if we can have that flexibility. Then we can apply the funds to the areas that we feel are best.

Again, there's a contradiction there. On the one hand, you want to please the Auditor General. On the other, if you please the Auditor General too much, there's not flexibility in the program.

• (1615)

Hon. Andrew Scheer: Perhaps I could take a crack at that. I think you're absolutely right in terms of the flexibility piece. The accountability piece, though, is important. That's the follow-through to make sure that if the government says they're going to spend this amount of money, and they're hoping to achieve these targets.... That type of mechanism, if done properly, shouldn't delay the project approvals. It's more about tracking to make sure the money was spent properly after the fact.

Perhaps we can dive down on the flexibility piece. This is one where I absolutely agree with you. We see the government announcements for big envelopes of money, all with various lenses and criteria. We have had some witnesses at this committee point to the various criteria that are preventing good projects, ones that are ready to go, from being initiated. They spend a lot of time trying to fit municipal projects into the various criteria the government has put forward in the programs.

I'm wondering if your stakeholders, your municipalities, would like to see a system where we say, Canada's a big country with lots of different needs. Some communities need help with public transit. Some don't. Certainly, for some projects, such as bike lanes in cities—it's not as easy to move around by bicycle in Regina as it is in Toronto—those types of decisions can be left to the municipalities themselves. Mayors and councils can inform their voters on what types of projects they believe they need. The federal government doesn't need to get into dictating to the level that it currently is.

Is that something you would generally agree with, or would you have a reaction to that?

Mr. Jim Bradley: I think flexibility is necessary. Let me give the example of the green stream program. We have a waste-water treatment plant that will be new. The eligibility requirement is for “upgrade” or “rehabilitation”. To get our interpretation so that we can get the funding, we would have to say that the new waste-water treatment plant was indeed an upgrade to the whole system of treating waste water as opposed to a specific plant. Just allowing that little bit of flexibility would allow us to be eligible for the kind of funding that we would need, whereas now, if we're looking at the specific definition, it would say upgrade or rehabilitation.

Mind you, when we have discussions on this with public officials, with the civil service, we can often overcome those problems. I think allowing the public service to have a little flexibility in this regard would be beneficial to municipalities.

Hon. Andrew Scheer: Mr. Chair, with the time I have left, maybe I could invite Mr. Smith to comment.

You represent the Association of Municipalities of Ontario, and one of the things that always strikes me when I drive from Ottawa to Regina is how big Ontario is. It takes a good couple of days to get out of the province of Ontario. You have such a wide variety of different types of municipalities of all different sizes and in very different regions.

Would you like to make a comment on the flexibility aspect of the current infrastructure programs and what your members are telling you?

Mr. Graydon Smith: I can think of a couple of points.

To your first point in your question about whether the money is flowing, I think we have some members who would say that specifically under ICIP it's been a slow flow at best and maybe a trickle. Applications for some projects were put in a long time ago and in some cases they still haven't been formally announced. I know there are bilaterals between the province and the federal government, so I'm not going to speculate on where the logjam is, but municipalities need those dollars and need to be spending them in the appropriate places.

In terms of flexibility in appropriate places, in Ontario we all have asset management plans and we're all working to improve those plans on a regular basis. We have identified the priority projects within the community and we adhere to a set of principles and plans to identify them. If we can have programs that allow us the flexibility to spend where we have identified our most urgent needs, then so much the better. Having predictable, sustained funding that allows us to target investments in all 444 municipalities is the goal.

• (1620)

The Chair: Thank you, Mr. Smith, Mr. Scheer and Chair Bradley. That was a great way to start off the dialogue today. Great job to all of you.

We're now going over to the Liberals.

Mr. Rogers, you have the floor for six minutes.

Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.): Thank you, Mr. Chair.

It's a pleasure to welcome so many witnesses from the municipal side. As a former mayor of two different towns, and having served as the president of Municipalities Newfoundland and Labrador and as an FCM board member, I recall many of the debates around infrastructure funding and the gas tax fund and others. I want to ask my questions about those two particular issues.

Our government knows that during the pandemic, municipalities big and small have been on the front lines of the fight against COVID-19. To acknowledge this, our government front-ended last year's gas tax fund payment and will be doubling the payment for this year.

Mr. Smith, and maybe Mr. Demers, can you speak to the importance of this funding for municipalities in terms of providing flexibility to address the needs of your communities? Perhaps Mr. Smith can go first and then Mr. Demers.

Mr. Graydon Smith: The gas tax fund and the doubling of it, first of all, are certainly appreciated, as I noted in my comments. It is very much the type of funding that municipalities can use and put to work right away. It allows certain flexibility for different types of projects under the terms and conditions of the funding. I believe that has expanded a bit over the years.

Again, stable, predictable and flexible are three key priorities, and that type of funding does fit the bill.

[Translation]

Mr. Jacques Demers: I quite like what Mr. Smith just said.

We, of course, need flexibility, so the terms and conditions of the funding need to be examined to ensure the money can be used, especially when more funding is available. Greater flexibility is key. Too often, we are forced to carry out very specific projects.

It's normal for the government to set standards and priorities, but when those priorities are addressed, municipalities need to be able to invest where it's needed. It might be a fire station or a garage. In many cases, projects have to adhere to too many standards, so we end up giving money back to the government. Meanwhile, we are taxing residents because we aren't allowed to use that money. The gas tax is a good example. Before that, we had a lot more flexibility, but now, we have less and less. We were at least able to put the provincial portion towards something else, but that is no longer allowed. The legislation did not change. It was considered acceptable, and people thought they could use that portion. Now, the rules are being tightened and the funding is going up. The problem, however, is that municipalities won't have a chance to use the funding. The program was designed first and foremost for municipalities, so give them some flexibility. A wide range of investments are needed at the municipal level, so the federal government really needs to look at how it can help with that.

[English]

Mr. Churence Rogers: Thank you, gentlemen.

I recall that the program was very restricted in terms of what you could use that gas tax money for. It's a much wider shop these days.

Gentlemen, in our last study we were working on the Canada Infrastructure Bank, and many of the folks on our benches, including the chair of the committee, have vast experience working at the municipal level of government and know how important P3s are.

Can you discuss the benefits of P3s and how they can be a helpful tool in getting projects built in your regions? Also, do you have any examples that you might be able to point to?

Thank you.

• (1625)

The Chair: Mr. Sendzik, you haven't had the floor yet. Why don't you jump into that question?

Mr. Walter Sendzik: Thank you, Chair Badawey. That's an important question.

I'm going to pivot away from the environmental side for a second. When we look at P3s, what we found successful in our community right now is building affordable housing. I know that's not

an area we're talking about right now, and it's outside the jurisdiction of what I'm talking about through the Great Lakes and St. Lawrence Cities Initiative. However, in our community of St. Catharines, we have examples of the private sector—private developers—working with our social agencies and the federal and provincial governments to create the right funding envelopes to allow for the build-out of affordable and social housing.

If we're really going to tackle that issue, we need to bring the private sector to the table and create the framework that allows them to be effectively there and participating in what should be a significant investment into housing and community.

I'm just going to leave it there, but from our perspective P3s do work, especially around the housing models, as long as you have the right parameters in place from the federal government.

The Chair: Thank you, Mr. Sendzik.

Mr. Demers.

[Translation]

Mr. Jacques Demers: Thank you, Mr. Chair.

We just heard that the program had been expanded and that it could be used for more purposes. An explanation would be important, because that is not the answer we got, quite the contrary.

Municipalities regardless of size, but especially the smaller ones, need predictability of funding the most. They need to know in advance whether they will be able to count on these funds. That's why this is one of the best programs. The federal gas tax fund is predictable, and that's fine. We thank the government for that, but there is a lack of flexibility and openness.

Under the first program, municipalities used the funds to plan the construction of a fire station, for example, and now that they are about to build it, they are no longer allowed to use that money. I could give you a number of examples. There was no opening, but there was a closing, and it is easy to demonstrate.

[English]

Mr. Churence Rogers: Thank you, gentlemen.

Mr. Chair, I'm not sure if there's any time remaining.

The Chair: No, that's it. Thank you, Mr. Rogers and Mr. Demers.

Mr. Churence Rogers: Thank you.

The Chair: Also, thank you, Mr. Sendzik.

We're now going to move on to the Bloc Québécois. Mr. Barsalou-Duval, you have the floor for six minutes.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

I'm looking forward to asking questions, but I will introduce a motion first, since I didn't have time to do so at our last meeting. It reads as follows:

That, pursuant to Standing Order 108(2), the Committee undertake a study of one meeting on the issues arising from aeronautical circular AC 700-048 on the use of Twin Otter-type aircraft on short runways; that the Committee invite witnesses including Transport Canada, the Canadian Federation of Outfitter Associations and Air Inuit to appear at this meeting; and that this meeting be held no later than April 30.

[*English*]

The Chair: Thank you, Mr. Barsalou-Duval.

I apologize to the witnesses. We're going to pivot to a motion. Mr. Barsalou-Duval, your time has been stopped.

Members of the committee, are there any questions or comments? Please use your raise hand function.

Mr. Rogers, you have the floor, followed by Mr. Fillmore.

Mr. Churence Rogers: Mr. Chair, I'm not sure we should be getting into any other studies of any kind. As we referenced last day, we seem to be going all over the place and are not focused on the studies we've already agreed to.

I certainly have no real issue with this, other than I think that if it's going to be something we decide we're going to do, we should remove the April 30 date and at least say to get to it as soon as possible following some of the other studies we prioritized.

The Chair: Thank you, Mr. Rogers.

Go ahead, Mr. Fillmore.

Mr. Andy Fillmore (Halifax, Lib.): Thanks, Chair.

I agree with what Mr. Rogers has said.

I would just note that this appears to be a complete list of service providers, but if we're going to go ahead with this, I would like to add Viking Air as well. If I could, I'll propose an amendment to add "Viking Air" to the list, and if Mr. Rogers did not propose the amendment that the April date be replaced with "as soon as possible, taking into consideration other committee business", I'd like to propose that amendment too.

• (1630)

The Chair: I'll take that amendment into consideration.

With that, I will allow Mr. Barsalou-Duval to speak, as it's his motion that's been brought to the floor, and then I will go directly to the amendment, asking members if they have any questions. Then there's the voting on the amendment and, of course, with that, depending on the outcome, the main motion.

Mr. Barsalou-Duval, you have the floor. Go ahead.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

I'm quite comfortable with the amendments proposed by my colleagues, but with one reservation on one point.

In terms of adding Viking Air, I'm fine with that. In terms of re-moving the April 30 date, I understand that it is close. However, the idea behind having one meeting is precisely so that we don't replace and delay the studies that are under way.

It would not be appropriate to hold the meeting at the end of all the studies, because we should hold it quickly. The situation is quite difficult and urgent for the outfitters, for the Northern Inuit and also for the Cree. I think we need to hold this meeting quickly.

[*English*]

The Chair: Thank you, Mr. Barsalou-Duval.

I have just one comment. I'm trying to expedite this because we have witnesses who are here and I want to respect their time.

Members, I mentioned this at the last meeting. We've done numerous studies, most of which—if not all—were studies that were proposed by the opposition parties. To complete those studies, we need to have reports come back to committee, be ratified and be presented to Parliament. We have yet to do that, and that's going to take time. I know that time is the problem here, unless folks want to work through the summer, which, by the way, I have no problem with. To meet a lot of the requests for further studies past what we agreed upon will be challenging. That's point number one.

Point number two is that I am attempting to schedule a business planning meeting. That within itself is challenging, because we have scheduled meetings with witnesses attached to those meetings in the upcoming week or two, so we probably won't get to that business planning meeting until after a week or two. At that time, when we do enter into that discussion during that meeting, we can then discuss a reprioritizing if members of the committee wish and, with that, try to fit into the queue a lot of your desires with respect to existing as well as future studies.

I want to re-emphasize my earlier point: Doing studies is not too productive if you can't finally get a report to Parliament. We can do all the studies we want, but if we can't finalize them by having a report to present to Parliament, then it's all for naught. My intention, my priority, as the chair of the committee, is to in fact attempt to steer committee to getting to that point with the studies that have already been completed. With respect to bringing those reports to Parliament, we're looking at bringing at least two before June, hopefully, and then from there, we can continue on with the studies we establish during the planning session and that would then, therefore, be re-established in the queue.

With that, if anybody has any further questions....

Mr. Clerk, I'm going to accept those amendments as friendly and add them to the motion just as a matter of respecting time. The motion has had some flexibility added to it with respect to Mr. Fillmore's and Mr. Rogers' interventions.

Mr. El-Khoury, I see your hand up. Do you have a question?

[*Translation*]

Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.): Thank you, Mr. Chair.

Honestly, you just said what I wanted to say. Also, since we are running out of time, our agenda is quite packed and our responsibility is to produce reports, I am interested in discussing Mr. Barsalou-Duval's motions. I would also like to hear the opinion of our Conservative and NDP colleagues on these subjects.

[*English*]

The Chair: Are there any further questions or comments?

The clerk is telling me that I cannot, by the rules of the House, accept the friendly amendment, so I will have to ask for a vote on that. To that, are there any further questions or comments on the amendment made by Mr. Fillmore?

Go ahead, Mr. Sidhu.

Mr. Maninder Sidhu: Mr. Chair, thank you for the opportunity to intervene here.

I think what you mentioned is important. We need to get the reports completed, and I understand the urgency of different matters that colleagues bring up. However, we do need to present some reports to the House. In my mind, bringing all these witnesses out, studying something and then not producing anything from it... We can go on about this every week and something new will come up, but I think there should be some type of agenda that we should follow as a committee to produce some good results and reports that we can pass along to other colleagues in the House.

That's my input, but I would like to hear from my other counterparts among the Conservatives and the NDP on Mr. Barsalou-Duval's point.

• (1635)

The Chair: Thank you, Mr. Sidhu.

Are there any further questions or comments on the amendment?

(Amendment agreed to: yeas 11; nays 0)

The Chair: We'll now go to the motion as amended.

Members, are there any further questions or comments?

Mr. Bachrach, you had a question.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): I'll be very brief, Mr. Chair.

I haven't weighed in yet, but I have spoken with Mr. Barsalou-Duval and reached out to the guide outfitting industry in northwest B.C. This is an issue of interest to them, so I support the motion as amended.

The Chair: Thank you, Mr. Bachrach.

(Motion as amended agreed to: yeas 11; nays 0)

The Chair: Thank you, Mr. Barsalou-Duval and members of the committee.

Mr. Barsalou-Duval, the floor is yours for another five minutes.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

Clearly, my first question is for Mr. Demers.

Mr. Demers, during your opening remarks, and even in response to the questions from my various colleagues, you strongly emphasized the importance of having a flexible federal gas tax fund.

What actually surprised me initially, when we talked about the gas tax amendments, was the denial that there had been any change to the federal gas tax fund. However, after careful reading, we realized that there had in fact been a change. Although the change was relatively minor on the surface, it made a major difference.

Let me give you an example. Saying that a program has priority items, but that the money can still be used for other purposes, is the difference between saying it's exclusive and it's non-exclusive. We see, for example, city halls, fire stations, municipal garages and warehouses that cannot be built and cannot be supported by the federal gas tax fund because of these changes.

We, on the other hand, fully support that approach. We have had the opportunity to speak to Minister McKenna about this on many occasions, but each time we came up against a sort of non-answer.

Could you tell me how important this is to you?

Mr. Jacques Demers: It is very important and we have been talking about it for a number of years now.

The change to the federal gas tax fund is about the use of the funds. The wording has not changed.

Previously, municipalities could use the federal gas tax fund for a number of projects. In Quebec, a minimum of 20% of the fund came from the province and could be used for various projects. Now, that is no longer the case. We cannot use it for anything other than what is stated.

Right now, we want to reopen Canada's economy. We have an opportunity to invest money, as the government is doing.

This is a fine grant. I certainly don't want to criticize it. It is predictable funding already in place. However, it needs to be improved. It is important to allow municipalities to use it for other projects once they have dealt with drinking water and roads, for example. It is important to ensure that the roads stay in good condition for 10 or 12 years. If they stay in good condition only for one year or two, there will be problems a few years later.

There have been high water flows in various locations, particularly in Quebec, and some dams need to be upgraded. That's a municipal responsibility. Why can't we use the money for that? This is what I'm objecting to.

Earlier, I said that we had permission to use the fund to design a fire station that we were going to build. When it came time to build it, we were told that the program had changed and that we could not use the fund for that purpose.

That needs to be corrected. We would like to see more flexibility. We are not asking for more money. We are asking to be able to use that money without having to return it or impose a property tax on people.

• (1640)

Mr. Xavier Barsalou-Duval: I would like to ask you another question.

In my riding, there are as many medium-sized municipalities of 20,000, 30,000, or 40,000 people as there are small municipalities of 1,000 people or less. I find that small municipalities make these kinds of claims much more often than large ones because the large municipalities have so many projects that they can use the money to do other things. Am I wrong in saying that?

Mr. Jacques Demers: You are mostly right. Large municipalities often employ engineers. We often learn about a program or a grant a few days before the deadline. Smaller municipalities do not have the flexibility to sign up for these programs, whereas the federal gas tax fund is predictable. The tax is paid for five-year periods. We know how much money we will receive and that allows us to manage it better. That's the distinction between the federal gas tax fund and other programs.

That's why we want to make sure that all of the programs are not just about getting projects done quickly. We need predictability. The danger of funding the same types of projects at the same time is that there is a lot of work for certain trades, which drives up costs. The government wants to see more investments, but that's not what ends up happening.

When you build a fire station or a city hall, you bring in other trades. Our construction projects go beyond roads and allow us to have and keep a diverse workforce in our regions.

[English]

The Chair: Thank you, Mr. Demers and Mr. Barsalou-Duval.

I very much appreciate it, Mr. Demers. You raised a good point about the sustainability of the gas tax fund, especially when you're entering into larger projects that you're going to debt finance. To have that guaranteed revenue stream coming in every year makes it a lot easier to plan well in ahead. That was a good point.

We're now going to move on to our second round, for five minutes.

Starting us off, with the Conservatives, is Mr. Baldinelli.

Mr. Baldinelli, welcome.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Chair, and thank you to all the witnesses for appearing today.

I'd like to begin, if I could, with regional chair Bradley—

Mr. Taylor Bachrach: On a point of order, Mr. Chair, I think you may have missed me in the lineup there.

The Chair: Did I miss you?

Mr. Taylor Bachrach: I won't read anything into it. Don't worry.

Mr. Tony Baldinelli: You have my apologies, Mr. Bachrach.

Mr. Taylor Bachrach: It's not your fault, Tony.

The Chair: Mr. Baldinelli, hold off for a second.

Mr. Bachrach, you are correct. Go ahead.

You have the floor for six minutes. I'm sorry. I'll even give you a little extra time.

Mr. Taylor Bachrach: You'll give me an extra 20 seconds? Thank you very much, Mr. Chair.

The Chair: Go ahead, Taylor.

Mr. Taylor Bachrach: I appreciate the accommodation.

I appreciate that the study is starting. It's such an important topic. I thank Ms. Jaczek for allowing me to amend it to include a particular focus on rural Internet, an issue that is so germane and so critical for northwest B.C.

I'm really happy that we were able to hear from Coastal First Nations, from Mr. Kariya. I'm sorry that Ms. Smith-Martin wasn't able to connect. I hope we get to hear from her again in the future.

Mr. Kariya, I have a few questions to expand on what you told us about the situation facing indigenous communities on B.C.'s north coast. I wonder if you could start by describing the current state of connectivity for indigenous communities. What Internet speeds do coastal communities currently receive?

• (1645)

Mr. Paul Kariya: Thank you, Mr. Bachrach.

I don't know the exact speeds offhand, what I do know is that, in terms of service, it goes from absolutely abysmal—no service—to, at times, pretty decent service. Useful tools like Internet in schools are not possible in a number of the communities because the service isn't there. Everyone's really keen about things like virtual doctors, but those aren't available because there is no service. It's a bit of a hodge-podge of service availability, but generally and unfortunately, it's poor.

Mr. Taylor Bachrach: Thank you, Mr. Kariya.

The federal government has committed to delivering high-speed Internet, and I believe the minimum standard is 50 down, 10 up. They've committed to delivering that standard to 98% of Canadians by 2026. I wonder if Coastal First Nations is concerned that the remaining 2% could be in our region, on the north coast in small, remote indigenous communities.

Mr. Paul Kariya: Yes, thank you.

Certainly it's a concern, but let me respond in two stages. We have to bring the game up to where communities have basic service. That's what we're struggling with with a number of the communities on the north and central coast of British Columbia. We would love to be discussing and arguing about getting it up to that better level, but we're pretty basic right now.

While we appreciate the government programming, a big concern is the way it's been set up, this targeted infrastructure program that wants to get the business community involved in providing service—and everyone's for that. I think there was a P3 question earlier. The concern is that, in that business case approach, we're leaving it open to the big service providers and others so that they're chasing the business case and not the values. That means they get to pick the winners and losers, and again, some of the most difficult communities to reach will remain underserved because they don't provide that opportunity to make a buck.

However, these are Canadians. This is Canada. We need to make sure that the level of service to all our citizens, including the most remote and difficult first nations communities, reaches a basic level.

Mr. Taylor Bachrach: I really appreciate that answer, Mr. Kariya, it reflects my observation, which is that when the private sector is relied on to serve rural communities with services like broadband, there has to be a business case. The most densely populated areas, of course, get service first, leaving people in the most sparsely populated areas at the end of the line.

I'm wondering if you could reflect a bit on what a better model needs to look like, and how we get these very small communities like Klemtu, Hartley Bay and others in the region I represent, connected to even basic service.

Mr. Paul Kariya: Thank you.

I think that working together is really important. In this band of communities that you're aware of, which we represent, those nine communities, there are some larger groupings and then some very small ones, which you've mentioned. If we can work together and

maybe be a broad service provider that scales up, that permits the possibility of technicians and technical people to be shared, I think that's the only way to do this.

Indeed, that's the premise of Coastal First Nations. We're a not-for-profit owned by our member nations. We have no skin in the game, so to speak. We are not the rights and title holder. Those are the nations, but we provide this service of bringing people together. I think that scaling-up opportunity is a practical way to go for both senior governments and funders, and maybe even the private sector.

Mr. Taylor Bachrach: Thanks for that, Mr. Kariya.

You mentioned the universal broadband fund in your remarks and the fact that the application process landed in communities at the same time as they were scrambling to deal with the impact of the pandemic.

When it comes to that last-mile infrastructure that's going to be so critical for communities to tap into the connected coast project, which is a tremendously exciting infrastructure project on the north coast, are you pushing the federal government to extend the deadline to reopen the universal broadband fund or to create some other model that allows communities to get that vital infrastructure that last bit of the way?

• (1650)

Mr. Paul Kariya: Let me answer it this way, Mr. Bachrach. If we truly are going to take a reconciliation approach, then why are we placed into a competitive situation such that, if for whatever unforeseen reason we don't get our applications in or if we are the smallest incapable nation—incapable only because of the lack of people and timing—and we are pitted against larger better-served nations, we are then told we didn't make the cut-off, so sorry but there's no more funding?

I don't think that's the way to approach this in a country like Canada. I don't think this is the way to approach a basic service such as last-mile connection to the backbone.

The Chair: Thank you, Mr. Kariya.

Thank you, Mr. Bachrach.

Mr. Baldinelli, this is the second round. You have the floor for five minutes.

Mr. Tony Baldinelli: Thank you, Chair.

Again, thank you to the witnesses.

As I indicated just a little bit earlier, I was going to go with my first question to the regional chair, Mr. Bradley. He was discussing the region's needs in Niagara and the priority areas being affordable housing, the trade corridor, the free trade zone, the waste-water facility and broadband. During his comments he mentioned the impediment of ambiguous criteria for the infrastructure programs and the need for additional flexibilities.

With regard to the, I believe, \$130-million waste-water facility that's going to be built in south Niagara, has the region formally submitted an application? Has it already been speaking with government officials on that and are there concerns at present?

Mr. Jim Bradley: The answer is yes, we have been in communication with federal authorities on this. They are aware of our need for funding from the federal government.

I mentioned that it was somewhat ambiguous. The criteria said if you wanted the green fund—which you would think this would be part of—it was for rehabilitation purposes or upgrades. Well, this is a brand new plant. If I want to interpret that appropriately for funding, I would say it's an upgrade or an improvement to the overall system of treating waste water. If it could be defined in that particular way, it could be eligible for funding. Certainly affording any project in the hundreds of millions of dollars would present a major challenge for a local municipality or a regional municipality. That is why we are seeking funding for it.

There are a couple of purposes there, and the councillor and Mayor Sendzik spoke about the need for the Great Lakes. As you know, from time to time when there's a major storm, waste-water treatment plants across the country tend to have to open up and “let 'er rip” to put it bluntly, because they cannot take the capacity—the volume of water coming into the existing waste-water plants.

Environmentally speaking, this would be a project that would benefit the environment—the Niagara River in this case and ultimately the Great Lakes. Also, it would accommodate growth, including the new hospital in Niagara Falls, of which portions have received early approval. Having this new waste-water plant available would allow that to proceed and would allow development around the hospital, which will inevitably come, to proceed as well.

Being able to define that as an improvement to the overall waste-water system as opposed to strictly an upgrade or an improvement to an existing facility would be very beneficial.

Mr. Tony Baldinelli: Thank you, Chair.

I concur with that assessment. I think it is vitally important to alleviate the stress that is put on facilities such as those in north Niagara and in Fort Erie and to help facilitate not only the \$130-million hospital that will be built but also development in the entire south Niagara area, especially with the trade corridor and the free trade zone. I wish you good luck in working with government officials to ensure that we get the flexibility that is required in terms of that program.

Second, Chair, I'd like to go to Councillor Foster and talk about broadband in Niagara. I know that in January, through SWIFT, there was an announcement of about \$21.2 million of broadband upgrades connecting another 5,629 homes. That included \$8.8 million—\$4.4 million from the province and \$4.4 million from the federal government. Despite that, we're still talking about 54% being underserved in our region alone.

Mr. Foster, in terms of that, when we go forward with a project such as this, which brought in another \$12.4 million leveraged from the private sector, how long would that project take from the initial seeking of provincial and federal support to the rollout and announcement in January?

● (1655)

Mr. Rob Foster: Through you, Mr. Chair, the reality is, with SWIFT and these other programs we have in place, that it is a long process that we go through. As you know, Niagara has been a member of SWIFT right from the start. The \$21.2 million that came onto the table in January has been an awful lot of work that we've had to progress through and move forward with. As you also know, it has only touched a piece of what it is we need to do within Niagara.

By the way, I'm quite impressed with everybody else's remarks today. This is a common theme throughout the country. The rural broadband is one of those things that we need to be focusing in on to make sure we have adequate funding in place. We need to make sure—and going back to one of the earlier topics—about the flexibility that's coming into place. We seem to get caught up in red tape, whether it's on the provincial or the federal side of things, when it comes to some of these programs as we move along.

Long story short, I'm very pleased with the federal investments in this, and I am looking forward to solving some of these problems over the next couple of years.

The Chair: Thank you, Mr. Foster and Mr. Baldinelli.

Mr. Tony Baldinelli: Thanks, Mr. Foster.

The Chair: It's much appreciated.

We're now going to move on to our next speaker for five minutes.

Mr. Sidhu, you have the floor.

Mr. Maninder Sidhu: Thank you, Mr. Chair, and to our distinguished witnesses who are on our panel today.

Mr. Kariya, you mentioned connectivity in your opening remarks. To my understanding, we are on track to connect roughly 98% of Canadians by 2026. I know that this is very near and dear to the minister. There is definitely lots of good work being done, and I understand many communities are excited to be connected.

Mr. Kariya, just last week, our government, with the Government of B.C., committed to making the needed investments in the critical cellular infrastructure that will improve safety along Highway 16, also known as the Highway of Tears. Solving the problem of cellular gaps between communities along Highway 16 was among the Highway of Tears symposium report's 33 recommendations aimed at enhancing safety for indigenous women and girls.

Can you discuss the impact of improving connectivity along this highway and particularly how this investment will improve the safety of women, especially indigenous women?

Mr. Paul Kariya: I think this area of Highway 16 leading into Prince Rupert from across the middle north of B.C. is absolutely important. I think the investment made and the results that could come from that are welcome, certainly from our nations that are all on the coast—the terminus end of that highway, if you will, the Highway of Tears. This would be very welcome. Thank you.

Mr. Maninder Sidhu: Thank you for that, Mr. Kariya

Mr. Kariya, yesterday Minister McKenna announced \$1.5 billion in funding for green and inclusive buildings. I know in my riding, these buildings, such as our local library and other community centres, help address the social, physical and mental well-being of my constituents.

Can you speak to the importance of these types of investments in your region and how they will help create good jobs and build a greener future for all Canadians?

Mr. Paul Kariya: I will maybe answer it this way. In terms of the communities that I work for through CFN, sadly, they are among the worst in terms of greenhouse gas emissions—through no fault of their own. We are working on getting off diesel programs, and insulation for housing and all of that. It really does require a coordinated effort.

The work that your colleagues, Minister McKenna and Minister Wilkinson, are doing is very much appreciated, but there is so much more that needs to be done in this coordination. There's no point in putting heat pumps into homes that are so poorly put together that it makes no sense to do that. It makes little sense to do things in an ad hoc way.

I think it's by working through collectives like Coastal First Nations that we can achieve some of this. I don't say that because I work for that outfit. We are mandated by our chiefs and leaders to take that kind of position. We welcome the initiatives, but continue to work through us in a stronger way.

Thank you.

• (1700)

Mr. Maninder Sidhu: I appreciate that. Definitely, there's lots to be done. I agree with you.

Mr. Foster, Minister McKenna has been working extremely hard to support transit projects across the country. There's quite a significant number of transit funding commitments.

How are you utilizing the transit funds that have been announced?

Mr. Jim Bradley: We find the fund to be very helpful to us. We're in the process now of establishing a region-wide transit service, inter-regional, intercity and intertown. The federal funds have enabled us to move forward in that regard. We already have a basic service.

Our local municipalities, at least three or four of the larger ones, have bus service at the present time. They certainly utilize the funds to an even greater extent than the region. Now that the region is expanding into intermunicipal service and service that we hope will some day bring GO Transit down our way, we find these funds to be extremely useful.

We would not be able to expand our service as quickly, as extensively or as environmentally sensitively without the funding that's coming from senior levels of government, including the federal government. We would welcome a continuation of funding in that regard.

Even though I know there are times when you have to have the funding come through provincial governments, one of the things we always want to ensure is that, when funding comes through provincial governments—to any municipality—the funding from the federal government actually makes its way down through the province to the local governments, because we don't want it to be lost somewhere along the way.

I haven't seen any examples where that's the case, so thumbs-up to that. Continue sending the money, and we always welcome more. Local municipalities appreciate the kind of funding you're providing, and we hope it will continue well into the future.

The Chair: Thank you, Mr. Bradley, and Mr. Sidhu.

We're now going to move to our next set of questions from the Bloc Québécois. We have Mr. Barsalou-Duval, for two and a half minutes.

[Translation]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

Mr. Demers, we have noticed that one part of the investing in Canada plan refers to something interesting in terms of allowing municipalities to prepare for disasters and climate change. However, the program requires a minimum investment of \$20 million from municipalities.

Do you think this is a problem for smaller municipalities? Is there any chance that they will be able to invest that amount in a project?

Mr. Jacques Demers: You are quite right. We even forget how Quebec was built.

Quebec has 1,108 municipalities. We can talk about large and small municipalities, but we forget that barely 100 municipalities have more than 20,000 inhabitants. Only 10 municipalities have more than 100,000 inhabitants.

My municipality, Sainte-Catherine-de-Hatley, has 2,600 inhabitants. Our budget is about \$3.5 million. It has just passed the \$3 million mark. Now, municipalities are being asked if they can afford to invest \$20 million. My municipality is in the top third of municipalities in Quebec. This shows how unreasonable the requested investment is.

The federal government has just changed its definition of large and small municipalities. Before that, large municipalities were those with 250,000 inhabitants or more. That excluded everyone, or almost everyone. They improved things by reducing the population to about 100,000.

Even across Canada, there are very few large municipalities. I don't understand why the numbers are set so high. They don't match the investments we are able to make. So we understand why the government is targeting the larger communities.

• (1705)

Mr. Xavier Barsalou-Duval: Thank you, Mr. Demers.

We often hear about problems with access to poles for Internet connection.

Are there things the federal government could do to ensure that there are fewer obstacles to the deployment of the Internet in the regions?

Mr. Jacques Demers: What I hear in Quebec is that it seems to be finally moving forward. A beneficial agreement has just been signed between the federal and provincial governments, announcing \$846 million. I think we are making progress.

I can complain about projects that I think should be moving faster. However, I still believe in the one providing Internet connection. I think Quebec will have about 30,000 homes left to connect by the end of 2022. According to the current program, we will be able to connect everyone with fibre optics. That is good news.

[English]

The Chair: Thank you, Mr. Demers and Mr. Barsalou-Duval.

We'll now move on to our next speaker, Ms. Kusie.

Taylor, I'm just kidding.

Mr. Taylor Bachrach: That's a good one, Mr. Chair. It's good to see you have a sense of humour, as I sit here and steam.

The Chair: Mr. Bachrach, you have the floor for two and a half minutes. Go ahead.

Mr. Taylor Bachrach: Thank you very much.

I have one more question for Mr. Kariya, picking up where I left off last round.

I had a conversation with the Nuxalk recently, and they brought an interesting issue to my attention about IT capacity in indigenous communities. As we see more and more communities getting access to high-speed Internet and as many indigenous nations have vi-

sions for autonomy and ownership of those services, it feels like there's a gap in the IT service capacity within communities, especially in the transition to these more improved services. I know the block funding for reserve communities from ISC is very constrained.

Mr. Kariya, I wonder if you could speak to any capacity challenges that might exist for first nations in northwest B.C. during this transition as we move towards communities having broadband access.

Mr. Paul Kariya: As others have commented, the bigger backbone that's going to be laid—a fibre optic cable up the coast that's cost-shared between the federal and provincial governments—is terrific. That's absolutely necessary. However, when it comes to shore—and it will link all of our communities to that—the problem becomes what happens for the last mile. The funding for that is quite confused, and what is available tends to be snapped up by the private sector. Sadly, the smart operators are just using government funding and saving their own for other things. Also, as I said earlier, for the nations, and particularly the smaller ones, it becomes a competitive process. They work against each other rather than together to get a proper last-mile connection.

What you further asked about is the second part of this. Even if you get the connection, if you don't have people trained up in the capacity to utilize and maximize, it's a tool that's suboptimally used. We do need funding support to make sure that people are trained and prepared. Again, it's not just a matter of throwing out a few bucks and saying we'll put them in a university course. That's not the way it works. Everybody knows that for first nation communities to come out of the dark period of time in our history, it's about more than that.

We're prepared as CFN to work with our member Nuxalk and others to get that kind of training and capacity, but we need support.

• (1710)

The Chair: Thank you, Mr. Kariya and Mr. Bachrach.

We're now going to the Conservatives.

Ms. Kusie, you have the floor for five minutes.

[Translation]

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you very much, Mr. Chair.

My thanks to the witnesses for being here.

My first question is for the representatives from the Fédération québécoise des municipalités.

The investing in Canada plan, which was launched in budget 2016, has five components: public transit, green infrastructure, social infrastructure, trade and transportation, and rural and northern communities.

It seems to me that, although the plan details different modes of transportation, there is a sort of disconnect with transportation in rural areas. How does the new plan address public transit in rural Canada?

What steps must the government take to improve transportation in rural Canada?

Mr. Jacques Demers: Thank you very much for opening that door.

It is really interesting, especially after the problem we have recently experienced in the Gaspé. I will let Mr. Boulet explain the issue, since he is very familiar with it.

Mr. David Boulet: In terms of the investing in Canada plan, you know that infrastructure programs in Quebec often take the form of bilateral agreements with Canada. We still want some of the money to be in agreements so that it goes to the communities and that governments work together so that the programs can be put in place quickly, especially in rural communities.

Transportation in remote or sparsely populated areas is certainly a recurring problem in most regions of Quebec. In our opinion, the federal government must assume some of the responsibilities related to transportation. The Gaspé is a good example. We were talking about road transportation in the Gaspé earlier, but investments were made in its railway for several years, until it was taken over mostly by the provincial government, which now wants to restore the line to the tip of the peninsula. This is the kind of issue to which the federal government needs to commit in order to ensure that the sectors have the funding they need.

Mrs. Stephanie Kusie: May I continue, Mr. Chair?

[English]

The Chair: Yes, go ahead, Ms. Kusie.

[Translation]

Mrs. Stephanie Kusie: My next question is about the federal gas tax fund. It's a permanent source of funding that is paid twice a year to the provinces and territories. They receive two payments per year. Municipalities determine which projects they want to prioritize and have a great deal of flexibility in how they use the funds. They can bank the funds or use them as collateral for loans, as well as pool them.

However, it sometimes seems difficult to determine which projects municipalities can use the funds for and which are not eligible.

Do you think the categories of eligible infrastructure projects have to be expanded?

Mr. Jacques Demers: You are absolutely right. They must be expanded. We cannot be limited in the use of that money, all the more so now the government has decided to make more significant investments. We must ensure that we use that money well.

As I was saying earlier, once we finish repairing all the water projects, like sewers, we move to roads, but once that is done, we have buildings to renovate and other major investments to make. We should also include dams. We want to protect waterways more

and more in order to prevent flooding. We have to protect ourselves against that and it requires major municipal investments.

So, yes, let's expand the criteria. That's all we are asking. We simply want to be able to use those funds for municipal purposes, as the program should allow.

• (1715)

Mrs. Stephanie Kusie: What types of projects should be eligible for the federal gas tax fund, but are currently not?

Mr. Jacques Demers: Municipal buildings, fire stations and community halls are some examples. Also dams, which are major infrastructures that are very expensive. That would be a good place to invest that money. It seems to me that they are exactly the kind of investments that the feds were looking at, namely municipal investments in municipal infrastructures. We understand the framework they want for the program. We agree with staying within that framework, but we are looking at projects that will really be of use for everyone.

It is a pity, because currently, some municipalities are returning money to the federal government and using their residents' property taxes instead. If those people knew that the federal money coming to them was being returned and the difference was being made up out of their pockets, they would not be happy. It's an easy problem to solve, as I see it.

[English]

The Chair: Thank you, Mr. Demers.

Thank you, Mrs. Kusie.

[Translation]

Mrs. Stephanie Kusie: Thank you, Mr. Chair.

Thank you, Mr. Demers and Mr. Boulet.

[English]

The Chair: Now we have our next Liberal speaker, Ms. Jaczek.

I sense this is going to be somewhat of a reunion here between two former provincial ministers.

Ms. Jaczek, you have the floor for five minutes.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Thank you very much, Chair.

I certainly appreciate all the testimony from all the witnesses.

The topic of the hour does seem to be connectivity and access for all Canadians to high-speed Internet.

I am on the industry, science and technology committee. We have been studying the accessibility and affordability of high-speed Internet in some detail, so I am well aware of the fact that our government has, since 2015, committed to an investment of some \$6.2 billion—98% by 2026—in terms of ensuring connectivity for all Canadians.

It's all very well, of course, to make these big announcements. The purpose here today is to try to understand how these projects are actually going to be actioned and what your experience is on the ground.

I would like to turn to my former colleague, Chair Bradley. We were together for more than 10 years in the Ontario legislature.

I have a really friendly question to start off with, Jim. I'm sure you are embracing all this new technology with your usual enthusiasm.

Mr. Jim Bradley: The answer to that is yes. The chair has had to remind me to unmute myself only twice out of three times, so that is the case. We do appreciate it.

We have noted that it's particularly important during the period of COVID-19, where people are reliant upon the Internet. They're reliant upon broadband to make sure that there is that connectivity. While it's fine in the large urban centres, in the more rural parts—of Niagara, for instance—it's a major challenge.

I'll ask Councillor Foster to elaborate on that as well.

Ms. Helena Jaczek: Thank you, Chair Bradley.

Councillor Foster, you did talk about difficulty in navigating the application process and so on.

In York region, where my riding is situated, the region has taken the lead in terms of trying to assist some of the smaller municipalities within York region with the whole application process on behalf of some of their residents. I do know that there is something called the pathfinder process that apparently assists.

Could you describe how things are working in Niagara region?

Mr. Rob Foster: Thank you for the question.

I also happen to be sitting on the board of SWIFT in Ontario and on the AMO board, along with Graydon. Of course, the whole topic of broadband comes up over and over again.

I like the SWIFT model that we've been following. It is tying together municipal and the two upper levels of government to have a specific program in place. If I can be blunt, the big thing out of this is that the coordination effort needs to go on amongst all of the partners as we move along. You mentioned yourself that a decent amount of money has been put into the system. I know that we, here in Niagara, as well as the Province of Ontario, have been looking at things.

There are so many different programs that seem to be coming in front of municipalities. I happen to know that some of our lower tiers are out actively going after other funding programs. It's adding confusion to the way some of these partnerships are coming into play. I am looking at a well-rounded, coordinated effort that needs to go on.

I hope that answers your questions, Madam.

• (1720)

Ms. Helena Jaczek: I was just wondering if you had heard of the pathfinder. It's supposed to assist municipalities in the process.

Mr. Rob Foster: Yes, we have. Taking a look at what's happening with Niagara region, the reality is that we were early adopters of the SWIFT program, so we've been actively participating within that. No, we haven't been active within that area.

Ms. Helena Jaczek: Mr. Smith, speaking for AMO, have you had any particular role? Councillor Foster just alluded to some role for AMO in terms of assisting some of the smaller, more rural areas in accessing funds for high-speed Internet.

Mr. Graydon Smith: We've certainly played an advocacy role with both levels of government. Obviously, my being here today is part of that. I am with the provincial government on funding. We have a team at AMO that is working diligently to coordinate all the information out there and share it with the municipalities throughout Ontario.

As we've heard, circumstances differ greatly throughout the province in terms of the level of organization. You have SWIFT in southwest Ontario and EORN in eastern Ontario. In northern Ontario there's not quite the same level of coordination. Even in my own area in Muskoka, there isn't really a group that we're part of. On a district level, we have an RFP going out shortly to try to capture some of the dollars out there. It is confusing.

AMO is trying to play as much of a role as it can in terms of getting information out to municipalities to make sure they are aware of the programs out there and aware of the opportunities. Of course, the Rural Ontario Municipal Association has done an extensive amount of work on that as well. They have really taken the lead in terms of sharing information with their partners too.

The Chair: Thank you, Mr. Smith, Ms. Jaczek and Mr. Bradley.

We'll now move on to our third round, starting with the Conservatives.

Mr. Kram, you have the floor for five minutes.

Mr. Michael Kram (Regina—Wascana, CPC): Thank you, Mr. Chair. I believe it's Mr. Shipley's turn, if I'm not mistaken.

Mr. Doug Shipley (Barrie—Springwater—Oro-Medonte, CPC): Yes, Chair, we switched out.

The Chair: My notes still show Mr. Kram.

Mr. Shipley, go ahead. You have the floor.

Mr. Doug Shipley: Thanks very much, Chair.

I would first like to welcome all the witnesses. I think on this committee we have a great wealth of knowledge on municipal infrastructure and politics, and now today we have an overwhelming number of people who have been involved in municipal politics for a long time. It's great to have such great witnesses here.

I'll direct my first question to Mr. Smith and maybe Mr. Demers. When I was on council in Barrie, many times we talked about our infrastructure deficit. We called it almost a looming cliff that was going to be approaching us quickly. I'm sure Mr. Smith and Mr. Demers have heard this from many of their members, so maybe they could express what they're hearing from their municipalities on the size of the infrastructure deficit and how that will be impacting municipalities in the near future.

Mr. Graydon Smith: Certainly, the deficit is enormous and one that the municipalities cannot tackle alone. There's tens of billions of dollars staring down municipal budgets, and we need assistance, quite frankly, to make things happen. To give an example, we've had ICIP for the last number of years. That has been discussed today in a couple of different ways. Within that program, there's a component for community culture and recreation projects, again a bilateral between the federal government and the province. That total was I think around \$400 million in Ontario between the two levels of government.

It was simply not enough. When that program came out, it was oversubscribed 10:1. That is indicative of some of the challenges we face with respect to infrastructure deficits. Most communities who applied got the rejection letter and were left wondering what to do now. My community was one of those. We were replacing 180 years of combined infrastructure with an arena and a library. I know that the merits of the project were as strong as they could be, yet we weren't able to access funding. I would put that squarely on the fact that there's just not enough money in the program.

The infrastructure deficit is enormous. It is something that municipalities need help with. Again, that level of flexibility to make investments in communities with targeted projects and targeted dollars is incredibly important, but the quantity of those dollars is certainly important as well.

• (1725)

The Chair: Mr. Demers.

[*Translation*]

Mr. Jacques Demers: I will hand over to Mr. Boulet, who is better able to talk about that.

Mr. David Boulet: The same kind of situation certainly exists in Quebec. Municipal infrastructure here is funded either annually or by project. So there is always a deficit in terms of undertaking and completing infrastructure projects.

Mr. Smith talked about communities wanting to build cultural or recreational infrastructure but getting rejection letters. I did not understand everything he said. The same thing happened in January in Quebec with a program that probably came from the same flow of federal funding and was established in collaboration with the Government of Quebec. Most of the projects, such as arenas and sport infrastructures, were rejected because the funding was simply not enough.

According to the Fédération québécoise des municipalités, given the situation of a possible economic recovery and a pandemic, failing to invest money in dynamic economic action and in the long-term renewal of infrastructure is certainly a problem.

The problem can also be attributed to municipal funding. I believe that, in Quebec as elsewhere, municipal funding raises questions. Municipalities do not have the tools they need to finance their infrastructures, as an example. Many solutions exist. However, the infrastructure deficit really is significant, and the solutions are not clear.

[*English*]

Mr. Doug Shipley: I'll ask a quick question to Mr. Smith.

During the COVID pandemic, I know, for a lot of municipalities, two of the only ways they have of getting funds are through property taxes and user fees. I know some municipalities have tried to help residents through assisting with property taxes and user fees. Some funds have been provided. I know through the Association of Municipalities of Ontario that a lot has been received from the provinces.

Are municipalities still calling for more money for infrastructure to help assist, with some federal funds or programs?

Mr. Graydon Smith: Yes, absolutely we are. We've been pleased with the support we've received, both federally and provincially, so far. Recently we received some solely provincial money—around \$500 million—for operation and infrastructure for municipalities.

I think the thing to keep in mind is that, if municipalities don't have sufficient operating funds and if their revenues are impaired, what we have to do to stay afloat, so to speak, in terms of providing the services that we normally provide.... If our revenues have been impaired on the operating side, then you start to see scavenging on the capital side and infrastructure doesn't get built and projects start to get scrapped or pushed back or delayed.

That's why the funding to support municipalities today in terms of operational and infrastructure challenges is so vitally important. We've seen user fees crater, and transit ridership crater. The cost of delivering these services continues to rise for us, because we have to do it in unique ways, but they're all services our communities need. Continued investment in municipalities in all forms is needed and welcome.

• (1730)

The Chair: Thank you, Mr. Smith and Mr. Shipley.

Just as an FYI for members of the committee, I am going to get through this round, so Mr. Barsalou-Duval and Mr. Bachrach, you will have opportunities for your interventions.

We're now going to go on to the Liberals.

Mr. El-Khoury, you have the floor for five minutes.

[*Translation*]

Mr. Fayçal El-Khoury: Thank you, Mr. Chair.

Welcome to our guests.

My first question goes to Mr. Demers.

Mr. Demers, last month, our government took its collaborative approach to investment in broadband to a new level. Together with the Government of Quebec, it announced an investment of more than \$800 million to speed up broadband projects in the province. This new investment will allow every Quebecer to be connected to high-speed Internet by the end of 2022.

Could you tell us how crucial investments in broadband infrastructure are for the province's economic recovery, particularly after the COVID-19 pandemic?

Mr. Jacques Demers: You are totally right.

It is one of the best investments that the government could make. I don't know if people realize how important it is. It is not actually a recurring investment. By investing in this way, you get the fibre into homes and you provide each one with an Internet connection. After that, the service pays for itself and nothing else needs to be asked for.

We need a rotational management plan for our infrastructure. We know that. The issue will come back in a few years and we have to find the means to address it.

As you were saying about the Internet project, investments have been made. In 17 months, all households in Quebec should have their connection complete. As an investment, it's super.

I think it's the same everywhere. In the COVID-19 pandemic, students were told that they have to study from home. Everyone has been told not to go to the office and to work from home. In other words, everything has to be done from home. But we realized that things don't always work properly from home. In a number of homes, it could not be done, which was an incredible problem. The situation has now gone to another level.

I met the Premier a year and a half ago and I told him the same thing. However, in that year and a half, the situation has changed. Once, we used to say that an Internet connection was essential. Now, because of the COVID-19 pandemic, it has become indispensable.

With that investment, the government has just taken a very important step. I hope that all Canadians will be able to obtain Internet service as quickly as possible.

Mr. Fayçal El-Khoury: Thank you.

Mr. Demers, the Minister of Infrastructure and Communities recently announced that her department would undertake a national infrastructure assessment. The assessment will start a process to identify future infrastructure needs in Canada.

How can our government make sure that our infrastructure investments are building inclusive and green communities—especially green—in which we all want to live?

Mr. Jacques Demers: I have two answers for you.

First, I would say “great job”. We really need a management plan, which I still say must be a rotational plan.

Our highway infrastructures are in particular need of maintenance. We know that, after 10 or 12 years, the pavement must be changed and the road bed must be excavated once more. Asphalt pavement has to be redone according to the volume of traffic using it. Our engineers are able to calculate that. That's why the plan is rotational.

Once that is in place, you can tell the residents exactly when the work will be done on their streets. That does not vary by one year or several years. You know when the work has to be done again, because it keeps recurring. In a lot of places at the moment, work that has to be done every 10 or 12 years is being done every 30 years.

Your second question was about how to make the infrastructure greener. We know a lot about that here. We do it with our parking lots and in the way we protect them, but we could easily do it with our roads as well. To build roads, you have to excavate the road bed for several kilometres, and at double width, because they have two sides. Given that type of construction and what is called the lower third method, we are able to excavate them and protect them at the same time. So it's not just a question of taking soil away but of protecting the infrastructure so there is less erosion. A lot of methods along those lines should be considered.

Even when grants are provided, methods that are known by the department of transport must be considered. They must also be used in municipal areas. If we want to protect the infrastructure and keep it in good condition over the long term, let's build it in a much greener way, with proven techniques. These are not recent inventions. They have been tested and used in a number of places for 10 or 15 years already.

● (1735)

[*English*]

The Chair: Thank you, Mr. Demers.

Thank you, Mr. El-Khoury.

We're now going to move on to the Bloc Québécois.

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

Here is another question for you, Mr. Demers. You are very popular today. I hope you feel good about that.

Since I have been sitting on this committee as the critic for transportation and infrastructure, I have noticed a kind of mania on the part of the federal government in announcing a string of new programs. It becomes a little complicated to make head or tail of them. Then, because it's a temporary program, it means that when there's no more money, there's no more program. Two years later, they announce another program, but they have changed only a comma here and a comma there. Can that situation be a problem for you in your area?

We know that the federal government has to come to an agreement with the Government of Quebec before the municipalities can get access to the programs. When the federal government does not operate in good faith, it means that there is almost no money anymore or, at least, the investments are late when they finally come.

In addition, having all kinds of new programs that change all the time makes things difficult for small municipalities, who no longer know what is going on. In fact, they often have no full-time employees assigned to seek out grants. Would the ideal situation not be to guarantee some predictability and stability?

Mr. Jacques Demers: I feel that predictability is needed whatever the size of the municipality, but for small municipalities in particular.

That is why I would find it worthwhile to do a study to assess the state of our infrastructures. A number of municipalities have already done so but I am aware that some have not. They usually say that, even if they wanted to do more, they do not have the means. So they stop at what is most urgent.

You are absolutely right when you talk about predictability. Programs should be developed with the various levels of government working together. Then, once municipalities get access to them, they must be given the freedom to manage them according to their needs. Needs can change from one place to another, which is why we talk about flexibility.

At that point, you can predict. So, when we receive major grants, we are able to ask for things according to the rotational management plan, because we see which infrastructures are moving forward and what remains to be done. That flexibility would be useful, not only to the government, which could see how the work for that municipality was moving forward, but also for the residents, who would understand the issues and the progress their municipality is making.

One elected municipal official might want to delay taxes, for example. However, then another one arrives and he feels that everything needs to be done over. But with a big picture, things are less complicated. I feel it is essential if we want to take a long-term view.

Mr. Xavier Barsalou-Duval: Thank you.

[English]

The Chair: Mr. Bachrach, you have the floor, for two and a half minutes.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I'd like to round out this meeting with one final question to Mr. Kariya. It's a bit of a two-part question.

First, could you speak to the risks and challenges that result when communities in our region don't have access to adequate broadband and communications infrastructure?

Second, could you speak to the way you feel broadband—and you spoke a bit about this at the beginning—can unlock the economic potential of coastal communities?

• (1740)

Mr. Paul Kariya: The big risk or challenge is that these are communities, these are nations, that are trying very much to be a part of Canada. That may sound so trite, but after having spent 40 years, both as a public servant, federally and provincially, having been a professor studying this stuff, and now working directly with the nations, I don't say that kind of stuff lightly.

All of us know the challenges, particularly when these are nations that have rights and title. That's a huge challenge. These are communities struggling to succeed and to be part of the fabric of Canada. There is great opportunity.

Canada has indicated a green recovery and a blue economy. These are nations that have been working with Canada, for example, on the oceans protection plan. Where the risk comes in, if we don't succeed with connectivity, is with regard to human health and safety.

We're on a major reconciliation initiative on fish and fisheries. We need that technology to do things like catch monitoring, having guardians and monitors out there checking the fishery, as well as the safety of family groups and fishermen out fishing. There's a huge opportunity to embrace first nation communities on the north and central coasts.

In fact, the expanse is from northern Vancouver Island to the Alaska panhandle. This is huge. These are nations that have worked together with Canada and British Columbia. We've made some great strides, but we have a bit to go.

I would like to end with the following comment. We've done a good job together on the highway so to speak, the broadband and backbone linkage. Where we're failing a bit, and there's a lot of room to improve, is on the road linkages—using that metaphor—to the nations with the last mile. That's where we need to put our efforts. We're prepared to do our part. We're open-armed in terms of working with Canada and British Columbia on that.

The Chair: Thank you, Mr. Kariya and Mr. Bachrach. You took up the time with a great answer there.

Before I move to adjourn, I want to give Mr. Smith an opportunity to clarify one thing based on the great answer he gave earlier. That was about sustainable funding, the gas tax, etc. We very much respect this process, because a lot of this testimony finds its way to the analysts, and of course, they come back with a report based on testimony. With that said, I want to give Mr. Smith an opportunity to get that testimony into the record.

Mr. Smith, you mentioned earlier sustainable funding. My question to you is this: If the amounts were to increase, for the gas tax, for example, and the municipalities were then able to have that sustainable funding envelope in place—with that said and debenture opportunities then becoming more relevant because you have that sustainable funding envelope that can offset that annual debenture payment on your operating budget—do you think that would, in fact, mitigate the oversubscription of the programs that we are actually offering as well as expedite infrastructure work?

Mr. Graydon Smith: It would, to a point, but I don't think it would solve it entirely. I think there is still a need for programs that address major capital infrastructure pieces.

I'll use the example of my own community again. We planned for 10 years for an eventuality where we received funding, and we didn't get funding. We're going to use a significant amount of our available debenture capacity to move forward with the project regardless, because of the age of our facilities.

If you are in a small community and want to build an arena, it costs just as much as if you're in a big community and want to build

an arena. The capacity in small communities for debt is certainly limited, so I'm not going to say that the money wouldn't be welcome, wouldn't be appreciated and wouldn't be put to good use.

As I've said, sustainable, predictable and enduring funding is important. However, at the same time, there is only so much debt capacity for—especially—small communities to tap into because their tax bases are just so small.

The Chair: That's a good point.

Gentlemen and ladies, thank you. This was a great session. I think it was one of the best sessions we've had this term. I want to thank each and every one of you for your time today. You put a lot of time in, with a lot of great answers.

Members, those were a lot of great questions. It was a very productive meeting.

With that, I thank you all, and I will take this opportunity to adjourn this meeting. We'll see you all next Tuesday.

Thank you.

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