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Chair: Mr. Vance Badawey



## Standing Committee on Transport, Infrastructure and Communities

Tuesday, April 27, 2021

• (1835)

[English]

**The Chair (Mr. Vance Badawey (Niagara Centre, Lib.)):**  
Good evening, everyone, and welcome to the 28th meeting of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

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. Webcasts 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 to follow.

First off, 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 either floor, English or French audio. 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. I remind you that 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, as always, the committee clerk and I will do our very best to maintain the order of speaking for all members, whether they are participating virtually or in person.

Members, 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.

It's my pleasure to welcome as well as introduce our witnesses this evening. We have, from the Association of Consulting Engineering Companies - Canada, John Gamble, president and chief executive officer. From the Federation of Canadian Municipalities we have Garth Frizzell, president, and councillor for the city of Prince George; and Matt Gemmel, director, policy and research. The National Trade Contractors Council of Canada is represented by Sandra Skivsky, who is the chair.

To all of you, welcome. I'll start off with Mr. Gamble.

Mr. Gamble, you have the floor for five minutes for your opening remarks.

**Mr. John Gamble (President and Chief Executive Officer, Association of Consulting Engineering Companies – Canada):**  
Thank you and good evening, Mr. Chair.

I am John Gamble, president and CEO of the Association of Consulting Engineering Companies - Canada. I thank you for the opportunity to contribute to your deliberations this evening.

We are the national voice of over 400 firms that provide engineering and other professional services to both public and private sectors across Canada. Our members are experts in infrastructure and are directly involved in all aspects of its planning and delivery. Canada is globally recognized for its engineering services. Our member firms are among the largest and most successful providers of engineering services in the world.

It is well documented that investments in infrastructure grow our economy, strengthen communities and improve our overall quality of life. While strategic approaches to infrastructure can potentially yield greater returns on investment, the local and varied needs of communities must also be considered. Targeted investments should not become top-down decisions imposed on communities. Therefore, the extent and the means by which investments should be targeted needs to be considered in the context of the size, nature and the required outcomes of infrastructure projects and programs. This means a suite of programs whose criteria should offer agility, flexibility and scalability.

The infrastructure investments that have been made in recent years by successive governments have been historic and laudable. It is both understandable and appropriate for government to leverage infrastructure investments as a tool to fulfill social, economic and environmental outcomes. These kinds of transformative projects are important, but a balanced approach is also needed. This is especially true when you consider the ongoing infrastructure deficit that was identified by the 2019 Canadian infrastructure report card.

The federal government, therefore, must also ensure that communities have reliable, core, nuts and bolts infrastructure that provides the economic capacity to invest in the other, more transformative projects. Whether infrastructure programs are strategically targeted or locally driven—and we need both—they need to be flexible and scalable. That's why we're pleased to see such things as the government's recent proposed investment of an additional \$2.2 billion in the gas tax fund.

For more strategic and prescriptive programs, like the investing in Canada plan, every effort should be made to ensure that eligibility criteria focus on outcomes and that screening lenses are appropriate and proportional to the size and nature of projects.

As we all know and recognize, the sophistication, the capacity and the needs of communities across Canada and within first nations are incredibly varied. The government can help communities invest in the right infrastructure by helping build their capacity and increasing their access to best practices.

For example, imagine if communities with robust and well-considered asset management plans could easily demonstrate their strategic goals that address their local needs. We would like to see the government not only continue to provide and expand support for these asset management plans, but also allow municipalities and first nations to use the implementation of their asset management plans as the basis for funding, rather than constantly reapplying for funding on a project-by-project basis. I hope we'll have a chance to discuss this further.

Building a growing community capacity can be achieved, in part—and easily—by reinstating the national guide to sustainable municipal infrastructure, also known as InfraGuide, which ran from 2001 to 2008. It was a partnership between our friends at the Federation of Canadian Municipalities, the National Research Council and Infrastructure Canada. Its network of public and private sector experts produced a collection of case studies, best practices and e-learning tools for sustainable municipal infrastructure. Today, it would be closely aligned with much of the government's vision for infrastructure. Its reinstatement, or the creation of a comparable program, would provide resources, tools and capacity-building opportunities to communities, public agencies and stakeholders.

On a final note, I believe my aforementioned comments could potentially align with the national infrastructure assessment on which the government is undergoing consultations. This is the kind of undertaking that, if done well, has the potential to facilitate sound decision-making by providing accurate and reliable information on the state of our infrastructure. It would provide a home for state of the art information, for best practices and, just as importantly, for monitoring our progress. Such an initiative, combined with sufficient investments and well-designed funding mechanisms, will ensure that Canadians continue to enjoy social and economic benefits well into the future.

In summary, targeted infrastructure investments based upon asset management planning provide the most value to communities and the best return to the taxpayer. Therefore, targeting investment works best when we help communities develop and grow their capacity and when we make the necessary resources and best practices available to them.

Thank you again for the opportunity to speak with you all this evening. I look forward to your questions.

• (1840)

**The Chair:** Thank you, Mr. Gamble. Well done.

We're now going to move on to the Federation of Canadian Municipalities. We have Mr. Frizzell, as well as Mr. Gemmel.

Gentlemen, you have the floor for five minutes.

**Mr. Garth Frizzell (Councillor, City of Prince George, and President, Federation of Canadian Municipalities):** Thank you very much, Mr. Chair.

[*Translation*]

Good evening.

[*English*]

I'm coming to you from Prince George, B.C., on the traditional unceded territory of the Lheidli T'enneh.

I'm joined by Matt Gemmel, as you noted. He is the director of policy and research at FCM.

On behalf of FCM's 2,000 member municipalities, we commend you for tackling this important study.

Municipalities own 60% of Canada's public infrastructure, and we influence over half of Canada's greenhouse gas emissions. From our place on the front lines, we identify and deliver investments that meet local needs and drive national outcomes. That's critical. As the country looks to infrastructure investment, it's going to support a sustainable, inclusive economic recovery. I'm going to offer three examples of how municipalities are leveraging federal investments to grow the economy, to fight climate change and to improve people's lives.

The first is public transit, where the federal government has committed \$15 billion over the next eight years. That's on top of the investing in Canada infrastructure program funding.

Better transit supports economic growth by creating jobs, easing congestion, shortening commutes and boosting productivity. It enables inclusive growth by connecting people to jobs, especially low-wage workers, women and racialized Canadians. It promotes low-carbon growth by reducing greenhouse gases from the transportation sector. As municipalities, we turn federal funding into outcomes. We build out subway, light-rail and bus networks; and adopt low-emission, made-in-Canada electric buses. We expand active transportation for cyclists and pedestrians.

The new national transit plan also acts on two long-standing FCM recommendations.

First, Canada now has a dedicated fund for rural transit. That's going to help the smaller communities connect residents to health care, education and jobs in regional centres, especially students, seniors and persons with disabilities.

We also welcome the new permanent transit fund, starting in 2026 at \$3 billion annually. Its predictability helps us plan in the long term. That includes integrating transportation and land-use planning, and it helps us build low-carbon neighbourhoods on the road to net zero.

Second is better Internet access. That's a huge economic priority for rural and remote communities.

FCM welcomed the new universal broadband fund, and we were pleased to see a billion-dollar boost in last week's budget. Now the priority is to deliver the funding quickly and efficiently. We want to drive some real results on the ground. It's a solid start to the ongoing investment we're going to need from all orders of government on the road to universal Internet access.

• (1845)

[Translation]

A third important sector is community infrastructure. We are talking about libraries, recreation centres, swimming pools, curling rinks, concert halls. These places are the heart of communities, but they are not able to meet today's needs.

According to Statistics Canada, 40% of libraries, 45% of arenas and 50% of swimming pools are over 20 years old. The good news is that retrofitting these facilities is a great way to reduce energy consumption, operating costs and GHG emissions.

The federal and municipal governments are working together to upgrade these aging buildings to ensure they meet the needs of residents. We are doing this through FCM's green municipal fund and Canada's new green and inclusive community buildings program.

[English]

We're also using the gas tax fund for community infrastructure, from a new rec centre near me in B.C.'s Cariboo Regional District to a new cycling path in Terrebonne, Quebec.

The commitment to double this year's gas tax transfer, as the Canada community-building fund, is going to bring hundreds more projects to life, and it's going to create up to 20,000 jobs.

Why is that so effective? Why does this tool work? It's because it's predictable and it's direct.

There's insight here for infrastructure investment in general. If you want to build this country, if you want to move national, economic and climate numbers, you do it one community at a time. You do it by directly empowering local leaders who know what's needed and what works on the ground. That idea is baked into tools like the gas tax fund, and we leave you with that insight as you move forward. All pandemic long you've seen local leaders delivering for Canadians in your own communities, of all sizes, and that's where Canada's recovery needs to take root as well. Whether it's

building job-creating infrastructure, scaling up local climate solutions or connecting all Canadians to high-speed Internet, with a durable solution to municipal operating budget shortfalls across the country, municipalities are going to be eager partners in driving that strong recovery that Canadians deserve.

With that, we look forward to answering any of your questions.

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

We're now going to move to the National Trade Contractors Council of Canada.

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

**Ms. Sandra Skivsky (Chair, National Trade Contractors Council of Canada):** Thank you, Mr. Chair and members of the committee, for once again inviting me to participate in your discussions. It's a pleasure, other than the fact that I have *Rocket Man* now as an earworm playing in my head. Thank you so much.

We are talking about targeted infrastructure in underserved communities, which in many cases are those remote and rural areas.

As you know, I am still the chair of the National Trade Contractors Council, and we represent about 12,000 trade contractors across Canada and about half a million employees, so my perspective on this is from the practical, pragmatic, "how do we get this done?" point of view.

I want to start by reiterating the importance of infrastructure investments and their ability to improve socio-economic conditions for these underserved areas as well as being a proven way to spur economic growth and create jobs overall. We appreciate the government's recognition of the importance of infrastructure in the recent federal budget, but, as was the case with those gentlemen who preceded me, I cannot stress enough the need to accelerate approvals and delivery of funding to projects, particularly in the short term. There are still many issues brewing in the construction industry, some of which have not fully played out yet, and having that stability in the market is extremely important.

Having ambitious plans for transformative green infrastructure projects is critical to our country's future. However, it does not replace the need to address existing local priorities that will be key to building local capacity in rural and remote communities. It puts the construction sector in a strong position to meet these objectives and ambitions of the government now and well into the future.

When considering the ability for targeted infrastructure investments to influence social, economic and environmental outcomes, one of the most important considerations from a contractor's perspective is having a sustained labour capacity based on these community-specific projects and needs.

In order to ensure that a project has a meaningful impact on a community, the project first needs to be informed by community-specific needs. I know broadband was one of the key focus areas, and it is a basic service, but it could be an underutilized investment if there are more pressing core infrastructure needs, such as housing or water supply systems.

These programs need to be designed with community-to-community flexibility, prioritizing the end-user's needs and building sort of... It's like a pyramid. You have to build that foundation layer on which you can build future infrastructure investments. For example, you're not building a health clinic if you don't have a safe and secure water supply, so that is a consideration to keep in mind.

Earlier I mentioned capacity. Oftentimes in these projects, contractors will transport workers, materials and equipment to the rural and remote areas, and in some cases they are using ice roads, barges and small planes. There's a lack of local supplies and skilled labour in these communities, so consideration needs to be given to these projects, because some of them require timing. If you miss getting your equipment over while the ice road is operating, you're out by a year. All of these considerations need to be included when targeting some of these investments. Many trade contractors are very experienced in these logistics, but they are an important consideration when discussing this topic.

Very last, it's about building and sustaining that project over time to ensure the success of that investment. A broader effort needs to be made to train and build capacity for local workers to be part of the construction project, but also to be able to sustain and maintain that project over time instead of having to bring people in all the time or having something fall into disrepair and having to wait a very long time to get it fixed.

Local capacity to provide workers in the construction phase is important, and many of these contracts require local hiring practices, but generally what happens is that people are hired; they are on the periphery of the project; the project's over; the contractor leaves, and there's no sustainable benefit in terms of added skills or knowledge left in that community.

This issue is slowly being addressed. As I said, sometimes it involves an individual contractor making provisions if they know they are doing projects in a certain area, to get some training sent out there ahead of time.

• (1850)

However, there needs to be a more holistic approach to this to see how can we move the needle. With technology now, it's getting easier and easier, but by just coming in, building something and leaving, you're not moving the needle as far as you possibly could, and you're not getting the best bang for your investment dollar.

In closing, we appreciate the committee's undertaking this study and looking at this. These types of investments are needed to reduce the overall infrastructure deficit and to improve the socio-economic conditions for all communities, particularly those that have been underserved in the past.

However, a great deal of thought needs to be placed on the complexity and magnitude of each individual project. You know, construction isn't as simple and straightforward as in some other places. To make a difference to the local community for the longer term, training local people should be a consideration and not on an ad hoc, individual contractor basis.

It comes down to what that community wants and what it's able to sustain. You have to address both the broad issues and the local ones, and examine questions such as these: Who is going to implement this project? How are they going to do it? What are the socio-economic impacts? What training is required? How will the project have a sustained positive impact beyond this initial development?

This is where the federal government can play a significant role. As the funder for the targeted projects in these communities, the government can ask these important questions and work with various stakeholders to bring them together.

Again, thank you for the opportunity to participate in this study. I look forward to answering your questions.

• (1855)

**The Chair:** Thank you, Ms. Skivsky. Well done, once again, for the second time in, I believe, the last three months. It's great to have you out again.

We're now going to start off on our first round. Each party is allowed six minutes, and we are going to start off with the Conservatives.

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

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

Thank you to all our witnesses. It's great to see you. I know that the FCM has been here before.

Sandra, it's great to see you again. I'm not sure if the clerk has informed you, but if you appear before this committee one more time, then your fourth appearance is free. I think there's something in the standing orders that....

It's great to have all of you here to help inform this committee as we deal with some very difficult and challenging issues but also issues that are very important and very necessary for our communities. I really appreciate the testimony and some of the materials that your organizations have put out in the past.

I can tell you that on the side of the Conservative Party, we believe that infrastructure is very important. That's why we made a rock-solid commitment in the last election campaign to maintain the levels of funding for infrastructure, and it's why we've been particularly disappointed at the abysmal record that the current government has in terms of getting projects built.

I put a question on the order paper just recently, and it was just answered yesterday, actually. It shows that the department of infrastructure let \$8 billion lapse. That was between the time this government formed in 2015 to just before the last election in 2019.

Eight billion dollars of infrastructure dollars went unspent. That was money that was committed and that municipalities were told they would be eligible for, but the department's own records show that the money didn't flow. Of course, the Canada Infrastructure Bank, which was supposed to unleash billions of dollars of private-sector investment, according to the Parliamentary Budget Officer, has resulted in no private-sector dollars being committed to these projects.

That's why I think this study is so timely. As you know, we need to find a way to fix what's going on, to right the ship and actually get some of these projects built.

Maybe I'll start with Mr. Gamble.

You talked about the top-down decisions. I just want to give you an opportunity to speak about that again. One of the things that....

I represent Regina, a community that has its own particular challenges and needs. It's very different from Vancouver; it's very different from Halifax. In speaking with mayors over the course of my career, I've heard it's sometimes very difficult because a government in Ottawa will set terms, set parameters and set filters. There are very real needs that the people of Regina need to address, and their tax dollars are going to fund these infrastructure programs—they're paying into them—yet many times the City of Regina will say, "We don't really fit into this box because of our size and because of our geographical location."

I just want to give you an opportunity to expand on that: the need for local flexibility and not a one-size-fits-all approach.

**Mr. John Gamble:** Agility and flexibility are very key to successful infrastructure. It's entirely appropriate for the government to have prescriptive programs that are trying to achieve certain things, but they're not going to solve all the problems for all the municipalities. There are a lot of municipalities in this country that do not need LRT. However, there is room for both types of programs, and to some degree there are both types, but the challenge we have is getting the right number of the right programs for the right needs. This is where infrastructure assessment and planning comes in.

If I can use a bit of a metaphor, if you're a homeowner and you want to put hardwood floors in your house, that's terrific. It increases the value, increases people's enjoyment, and it's a great invest-

ment. On the other hand, another homeowner might want these hardwood floors, but they have to repair their roof and that has to happen first. What happens if you are ready to repair your roof but all you can find are large-scale programs for hardwood flooring?

It's really the need to match the needs and requirements and goals of municipalities and other infrastructure owners with the available funding, and that's very difficult to do. It's improving because we have seen a lot of effort into asset management planning, and that's key. If we can roll these up into a national infrastructure assessment, I know there's a lot to be written on that yet and I think it's going to be worth investing a lot of time and effort into getting it right, but it's really building the capacity of municipalities where they don't have it and listening to the ones that do.

The other piece I said I hoped we could come back to, if you'll indulge me, is that we have municipalities that are investing significantly in very good asset management plans, yet they have to come back and apply for funding, usually project by project, hoping there's a program available when they need to develop a certain type of asset. What if we were to give the option to municipalities or first nations, anyone with a plan, and say we will fund the implementation of your plan over the next several years, and as long as you follow the plan you do not have to come back to us for each new project? You don't have almost the trope of you getting money for pavement, so you pave your roads, and the next year you get money for sewers, so you rip up the pavement to put in your sewers.

If we can give a lot of latitude to municipalities to follow their plans, it will help us map out the project pipeline; it will make sure all these infrastructures mesh together, and it will help give a good forecast for the types of programs we need and the scale of programs we need.

I hope that answered your question.

• (1900)

**Hon. Andrew Scheer:** That has helped for sure.

It's always tough to fit all these questions in, but maybe I could go very quickly to Mr. Frizzell on the fact that the government did let \$8 billion of infrastructure spending lapse. We're still trying to find out how that happened.

In your experience with FCM, would you say it's because there weren't projects? Was it because municipalities didn't have the need for that spending?

Were there projects that could have gone ahead had the government figured out exactly how to make sure it got shovels in the ground quickly, or was it just that there were no projects to be applied for?

**The Chair:** Mr. Frizzell.

**Mr. Garth Frizzell:** Thank you, MP Scheer. It's great to see you again since our meeting in November with all of FCM.

Municipalities plan five years out, so we have a great number of projects. We acknowledge that some of the ICIP rollout has been slow, but certainly we have a large number of projects.

Some of it, I'll have to speak from experience, has been effective. In my community, we're building a brand new swimming pool that was financed through a referendum with our citizens, but there was a \$10-million contribution through ICIP that will create a pool with greenhouse gas reductions of 90%. It's in the downtown, so it's going to be serving some of our more vulnerable population.

That said, yes, there are lots of projects, and with members in all the ridings in Canada, you can be assured it's a pretty wide and diverse set of projects we're managing.

If I can follow up on Mr. Gamble's comment on the asset management piece—

**The Chair:** Mr. Frizzell, I'm going to have to hold you off. You can hopefully squeeze that into another answer. We're running a little over time here for the next speaker. Thank you.

Thank you, Mr. Scheer.

We're now going to move on to the Liberals. We have split time between Mr. Iacono and Ms. Jaczek.

Mr. Iacono, I assume you're going to go first. You have the floor for three minutes, followed by your colleague Ms. Jaczek.

[*Translation*]

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you all for being here this evening.

Mr. Chair, I'm very pleased to hear Mr. Frizzell's comments on our investments, as well as Mr. Gamble's comments. He mentioned that we allocated \$15 billion to public transit. Imagine that. That's almost the amount the Conservatives were planning to cut in 2019.

Our government's many investments have prompted a variety of projects to make our communities greener, such as the \$30 million invested in the biomethanization plant in my riding. In the case of Laval specifically, I would be very curious to find out which projects would have been affected by the \$18 billion in cuts planned by a Conservative government.

My question is for the representative from the Federation of Canadian Municipalities.

In your opinion, how can our government ensure that our investments in infrastructure continue to build these green and inclusive communities?

• (1905)

**Mr. Garth Frizzell:** Thank you very much, Mr. Iacono. I'm sorry, but I have to continue in English.

[*English*]

The programs we have been implementing have been wonderful. We've appreciated them, but what works best for municipalities is when we can get predictable, sustainable, green and inclusive funding. The doubling of the gas tax fund was a real benefit. We've heard from our members all across Canada that it was welcomed and applauded.

The gas tax fund is a proven tool. It's very effective at getting money out. Municipalities keep a really close eye on what we need most in our own communities. Finding projects to work with isn't the challenge, and delivering them in a green and inclusive way is something we have history and immense skill with.

I'm going to ask Mr. Gemmel to elaborate on the difference between grant programs and direct programs. We've had some new unprecedented systems.

**Mr. Matt Gemmel (Director, Policy and Research, Federation of Canadian Municipalities):** Thank you, Garth. It's a pleasure to be with all of you today.

I have a couple of comments along those lines. On the topic of the study at hand about targeted infrastructure investments and the difference between a direct allocation like the federal gas tax fund—now the community-building fund—versus application-based programs, it's been FCM's view that there is a role for both. However, for the reasons given by both Mr. Frizzell and Mr. Gamble earlier, there's a lot of strength in the predictability that comes with a direct allocation, like the gas tax fund, which is why FCM is consistently held up as an ideal model for delivering infrastructure funding.

Regarding the \$15-billion commitment on transit funding, I have a couple of points as to why FCM feels it's so important. First is the predictability—consistent with the mechanism of the gas tax fund—that the proposed permanent transit fund will bring. This is starting in 2026, a commitment to an annual investment of at least \$3 billion per year.

Transit planning, as you all know from the experience in your regions, takes many years, especially the big LRT subway projects. These are 10-year planning horizons. Having that long-term predictability is key. The FCM is very pleased to see that commitment.

In the near term, as part of the economic recovery, FCM is very pleased to see the specific allocations for rural transit as well as active transportation, and investments to transition toward low- and zero-emission transit vehicles.

I wanted to outline those elements of that \$15-billion transit commitment.

**The Chair:** Thank you, Mr. Gemmel, and thank you, Mr. Iacono.

Ms. Jaczek, you have the floor.

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

Thank you to the witnesses. I certainly hear that you appreciate the additional funds we're putting into infrastructure in the 2021 budget. As you know, as a result of COVID-19, we have the resiliency stream, where we've expanded eligibility for projects to even include schools and hospitals.

In particular, I'm very pleased about schools. Not only will this improve ventilation, but here in southern Ontario, we know that in June and September—most of us do believe in climate change—our kids were absolutely sweltering in many cases. Increased ventilation in schools is something I'm extremely enthusiastic about.

Ms. Skivsky, you talked about accelerating approvals. Can you give us some ideas on how you would do that? We know that the resiliency stream has had a number of approvals to date, but give us some specific ways that our government can improve the process.

**Ms. Sandra Skivsky:** My point is that there are so many programs that got rolled out so quickly, particularly due to the pandemic, so part of it would be like a rapid deployment fund. There are projects that are probably very close to being ready to go. Under this sort of rapid deployment, you might want to look at the criteria of what's holding stuff up and where the bottleneck is, because I still hear from the front lines of all these programs, from the people who are doing the constructing, that there still isn't that flow of projects that increases the confidence in the industry.

I'm not talking about all of the programs in their entirety, but in cases like this, where conditions are still very volatile with supply chain issues, etc., if you had a rapid deployment fund that could very quickly move and change the end results and get things going.... Again, it's a matter of looking at what filters you're going to apply and what conditions go to those. I have heard of different provinces putting projects forward and not hearing back for a while, and of projects that should be going forward but are still awaiting the last signatures.

It's about that sort of movement into shovels in the ground. "Shovel-ready" is a very difficult concept for me to get my head around. "Shovel-ready" means delayed. "Shovel in the ground" means it's working.

• (1910)

**The Chair:** Thank you, Ms. Skivsky and Ms. Jaczek.

We're now going to move on to our next speaker for six minutes. From the Bloc, we have Mr. Barsalou-Duval.

You have the floor for six minutes.

[*Translation*]

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you, Mr. Chair.

Good evening to all our witnesses.

My first question is for you, Mr. Gamble. In your remarks, you mentioned something that caught my attention: it is important that the programs put in place by governments have some flexibility. Over the last few years, we have seen the opposite. Instead, the criteria have been tightened and increased in number. For example, in Quebec, the federal government keeps adding new criteria for using the transfer money, which delays the agreements and often means that we cannot use these amounts within a reasonable time.

Do you find this sort of practice desirable?

[*English*]

**Mr. John Gamble:** Yes, I'd say that getting projects approved is much more complicated, and for a host of reasons, some of them quite justifiable. In other cases, I think we just sometimes need to stop, take stock and ask if all these steps in the program or project approval are necessary.

Sandra spoke about a rapid response fund. This is a bit of a weak answer, but what I find is that we should actually have contingency for this sort of thing and discuss these when it's not a crisis. The worst time to come up with a crisis contingency is during the crisis, but if you have a crisis contingency on how we can get money out faster, then you can ask yourself why we can't do this all the time. I'm not a management consultant, but I think there should be an opportunity for continuous improvement.

The other piece, too, is approving programs rather than individual projects and building that upon the asset management, because there is an interrelated plan whereby municipalities look at their needs, the future and how all their different projects are going to work together. Once there's agreement on that vision, then the opportunities.... Instead of having a project-by-project application, you can say, "We're going to support you with  $x$  amount over the next years to implement that program, so go, and we'll just ask you to make sure and demonstrate that you're following the program." I think that would solve a lot of problems.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Thank you very much.

Mr. Frizzell, in your opening remarks, you talked about the importance of allowing people to make decisions that are right for them. Because they are very familiar with the lay of the land, they must have that opportunity.

You also talked about predictability. Quebec has the gas tax fund, which also exists elsewhere in Canada. In the past, municipalities spent the rest of the money on other projects that did not necessarily meet the federal government's criteria. Today, this is no longer possible, and Quebec municipalities have very strongly criticized the fact.

Unfortunately, we were not able to reach an agreement with the federal government to resolve the issue. For example, funding is needed for community centres, city halls and fire stations. This is actually the bulk of the infrastructure in small municipalities. Large municipalities have the opportunity to invest the money elsewhere, but small municipalities cannot do the same.

Does the Federation of Canadian Municipalities want that sort of flexibility?

• (1915)

**Mr. Garth Frizzell:** Thank you, Mr. Barsalou-Duval.

I don't know the technical terms in French, so I will answer your question in English.

[*English*]

FCM agrees that there is room to improve the eligibility criteria—which you spoke to—for example, for emergency service equipment, municipal buildings or municipal water control structures for eligible projects under the gas tax fund or the investing in Canada infrastructure program.

This leads us back to the discussion I wanted to get into a little earlier, and that's the success we've had with our municipal asset management program. When we laid that program out in partnership with the federal government, the uptake from municipalities

was substantial and nearly immediate, so much so that the extension of the program has been widely welcomed. I'll ask Mr. Gemmel to elaborate on that in a moment, but I can tell you that the asset management programs in place in communities are recognized and they're successful, here in Prince George and across Canada.

Mr. Gemmel.

**Mr. Matt Gemmel:** That's right.

Mr. Barsalou-Duval, you spoke about the opportunity to empower municipalities. As Mr. Gamble said, a big part of that empowerment is around capacity building. We do that directly through the municipal asset management program funded by Infrastructure Canada. There is a significant opportunity there, especially as this committee is looking at improving environmental, social and economic outcomes related to infrastructure investments.

There's an opportunity there to support municipalities at the local level to improve technical expertise, human resource capacity and training around how to design, plan and build infrastructure so that it achieves those outcomes. That capacity-building element is an important solution to this juxtaposition between federal conditions on the funding versus ultimate flexibility on behalf of municipalities.

Municipalities welcome and fully support the priorities the federal government has set for infrastructure, particularly around climate, social inclusion and economic development. Improving municipal capacity to design and build infrastructure, as I say, to meet those objectives is a really important way that we can work together. It is a way that moves money quickly and directly to where it's needed so that it delivers results for Canadians. It doesn't hold that money up in lengthy approval processes.

**The Chair:** Thank you, Mr. Gemmel, and thank you, Mr. Barsalou-Duval.

We'll now go to the NDP.

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

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair, and thank you to our witnesses for appearing today. It's great to continue this discussion. It has been an interesting one so far.

It's especially good to see my friend, Mr. Frizzell, from Prince George, a mere four-hour drive down the road. In our part of the world, that pretty much constitutes being in the same neighbourhood. I'd like to start with Mr. Frizzell.

As someone who worked in local government for over a decade, I've sympathized with local governments for their plight in the pandemic. My first question is the following. When it comes to infrastructure, could you lay out for the committee the impacts of the pandemic on the municipal sector?

**Mr. Garth Frizzell:** Certainly, and thank you, MP Bachrach. The honorific used to be “Your Worship”, but I'm not sure right now.

It's been substantial, and it has been gutting to our budgets. With the transit fund, over the last year, with ridership down 70% to 90%, we were in serious trouble all across the country, and our operating budgets took a hit. What that meant is that we immediately had to swing into action by cutting our infrastructure. In Prince George, for instance, \$25.9 million in projects that we needed—roads, water, other projects—had to be put aside and put off.

In the fall we really welcomed the safe restart program. The impact that had on operating budgets was substantial and important.

The knock-on effects of putting off or cancelling infrastructure projects are substantial. What we saw were the jobs that would have come in through those construction projects. We also saw that things we needed to get done are not being done across the country. When you slow down the economy because of a pandemic, you slow down infrastructure because of the pandemic. These aren't projects that are want-to-haves; these are need-to-haves, so yes, there has been a substantial impact across the line.

I want to say that in particular it's really highlighted some of the cracks in our broadband. The digital divide was really highlighted, because we needed to have a stronger reliance on the Internet all across the country for health care and education, and in our case, for provincial government services, like applying for a ballot to vote in our local election. This is substantial, and it's important, and it has been highlighted.

• (1920)

**Mr. Taylor Bachrach:** Mr. Frizzell, you mentioned the safe restart agreement, and I understand that the emergency funding that was provided through that agreement for municipal operations and for transit, in particular, is starting to run out. Is that something you're hearing from your members?

**Mr. Garth Frizzell:** We have needs, and the needs don't go away. We would welcome another commitment and would welcome having more discussions along that line.

Right now municipalities are dealing with a lot of uncertainty. Many of us just finished either a budget or going through the final stages of that, and none of us knows what's ahead.

One of the things that has really shone out in Canada throughout this pandemic is the partnership between all the orders of government. We didn't abandon each other. We got closer together to solve the problem for our constituents, and if that's a lesson we can take away for Canada, thank you. It was appreciated.

**Mr. Taylor Bachrach:** When it comes to transit specifically, the safe restart money has been helping transit services survive through this difficult period when their fare-box revenue has essentially dried up.

Now we're hearing from those transit authorities that the funding through the safe restart isn't going to last them forever. What are the risks if transit authorities don't get additional support? We still haven't seen ridership recover. We don't know how long that's going

to take. What's at stake here when it comes to Canada's transit systems?

**Mr. Garth Frizzell:** Let me say that the biggest impact was the transit revenue. Ridership has been impacted, and we're expecting that to be a problem for years to come. The recovery on that is going to be, as I said, gut-wrenching.

We all need to work together. We have transit commitments that are coming to fruition, but we need a more durable solution to transit and the operating budget shortfalls. We have to build on the SRA, and it's a solution that's going to need the provinces and the territories involved.

With some additional targeted operating support, municipalities won't be forced to cut services as much or defer capital projects. Those are things that create jobs, and if we have to defer capital projects on transit to cover our operating shortfalls, we all lose.

We're ready to step up. We want to be full partners in Canada's recovery.

**The Chair:** You have time for one quick one, Taylor.

**Mr. Taylor Bachrach:** Mr. Frizzell, I think the permanent transit fund is something a lot of people welcomed. It's certainly something the NDP has been calling for for a long time.

We were a bit concerned to see that it begins only in 2026. Is that something you're hearing from your members from the big cities across Canada? Would they have liked to see that permanent transit fund start earlier, say, in the current fiscal year?

**Mr. Garth Frizzell:** We welcome the government's commitment on this one. We're really pleased. Yes, we got substantial support right across the board.

Of course, we always want to get things moving as quickly as possible. We'll celebrate the wins. We're eager to get this going as soon as possible.

• (1925)

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

Thank you, Mr. Bachrach—those were great questions.

We're now going to move on to our second round, starting off with the Conservatives.

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

**Mrs. Stephanie Kusie (Calgary Midnapore, CPC):** Thank you, Chair.

Thank you to all of our witnesses for being here today as we continue this study.

Ms. Skivsky, I'll start with you.

You mentioned, in your last response, supply chain issues. I was hoping you might be able to expand upon the supply chain issues that your members face, please.

**Ms. Sandra Skivsky:** Thank you.

Where do I begin?

Never mind the cost of materials—we've all heard about lumber and wood, steel, aluminum and components for HVAC systems. You just name it, and there's an issue either with the delivery, the overall availability or the cost. For some things, they only hold the prices for 24 hours. How do you bid on something when you don't know what the price will be next week?

There's that side, and we're struggling with labour. As I said, we haven't gotten everybody back. I think the retirements that we've all talked about for years are starting to really roll out, particularly in the trades. That's hard, physical work.

Productivity is behind, and as I said, there are a lot of issues that are overlapping each other. The fact that the industry has done well and maintained safety standards better than most is a positive.

Whenever you're planning infrastructure, one thing you have to consider is who's going to bring it to fruition, and that is constructors and workers. We have to plan, too, in terms of training and having that labour force available.

The worst thing that could happen is that the market for construction gets hot, and then there are a whole bunch of additional public sector expenditures on top of that. Then you're in an overheated market, and you have another set of issues that arise coming out of that.

Anything where the plans can be a little more consistent over time and there's a sense of what's rolling out each year... It obviously will need to be adjusted. This is a fluid situation. Construction always is, but the more planning there is, the more everybody is on the same page knowing what's happening over a shorter period of time.

It can be readjusted, but to say that a program is going to put out a lot of money in these years, no matter what's happening in the market, that's going to create problems for everybody, for municipalities, for governments, for the private sector and for the construction industry itself.

This pandemic has created a hit to training. It's still going on, but it's reduced. We have capacity constraints and everything else, trying to keep everybody safe and moving forward. To say that the industry is operating at full capacity is not accurate.

**Mrs. Stephanie Kusie:** You talk about capacity. In regard to supply chains, do you ever hear of concerns about port capacity?

**Ms. Sandra Skivsky:** That's probably a step removed from most trade contractors, but anything that constrains products coming in.... That's one thing about construction; you try to source locally a lot. It's more cost-effective. There are things that come in from oth-

er countries, and anything that constrains that movement creates a ripple effect.

It's just that right now it's sort of unprecedented, as I said—the pricing of products and the delivery.... Just in our own organization, we're trying to buy a truck for training, a big semi, and they're talking about December or January maybe. You multiply that across the country, and you can see everybody sort of grappling with this.

I agree with a lot of things that both John and Mr. Frizzell have said. I was focused a bit more on remote and rural communities that are really hard to provide services to and tend to be underserved a lot. There are just a lot of things you need to consider from the building, construction and implementation side, as well as everybody else's perspectives on top of that.

I think I've answered your question, and then some.

• (1930)

**Mrs. Stephanie Kusie:** I think so. Thank you very much.

**The Chair:** Thank you, Ms. Skivsky, and thank you, Ms. Kusie. We're now going to move on to the Liberals. We have Mr. Rogers, and I believe Mr. Rogers is splitting his time with Mr. El-Khoury.

You're up first for three minutes, and then we'll move on to Fayçal.

You have the floor, Mr. Rogers.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thanks, Chair.

Welcome to our witnesses. It's great to see former FCM board of tables director Garth. I have a question that I'm going to direct to him, as president of course.

When I was a mayor and president of the municipal sector provincially in Newfoundland and Labrador and a board member of FCM, one of our favourite topics of discussion, President Frizzell, was gas tax, what it could do for municipalities, and the importance of that fund as we roll it out and as we've seen for the past number of years.

During this pandemic, of course, our government has realized the impact it has on municipalities big and small, realizing that you guys have been on the front lines of the fight against COVID as well. Of course, because of that we've decided we're going to double the gas tax fund. It's an important contribution to municipalities.

Garth, if you could, I would like you to speak to the importance of this funding and the flexibility it provides to you and your organization for the needs of communities.

**Mr. Garth Frizzell:** Thank you, Mr. Chair.

MP Rogers, it's great to see you again. I really appreciate seeing all of the recognition of the municipal experience around the table. The gas tax fund is absolutely critical. All across Canada it's a very simple and effective way to get funding from the federal government to local governments. It gives us the flexibility to apply it where we need it in very different ways all across the country.

The doubling of the gas tax fund, as I said earlier, was welcomed all across the country. It's fast and it's effective. Municipalities are incredibly accountable for the dollars spent. As an order of government that all across the country has an inability to run deficits, having the extra funding available for our capital projects has been critical, particularly in this year when many of us had to put off capital projects and have been suffering from a devastating hit to our operating revenues. Particularly if we look to our members in the prairie provinces, they've been very hard hit with the municipal revenues. Getting this additional revenue, getting this commitment that could roll out so quickly, is highly welcome and much appreciated.

Does that answer your question?

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

Mr. Rogers.

**Mr. Churence Rogers:** Mr. Chair, I'll pass the rest of my time to Mr. El-Khoury for his questioning.

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

Mr. El-Khoury, you have the floor for the remaining time of three minutes.

[*Translation*]

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

Welcome to our witnesses and guests.

My first question is for Mr. Gamble.

The social inequalities in our communities have been exacerbated by the COVID-19 pandemic.

How can infrastructure investments help address these systematic inequalities?

[*English*]

**Mr. John Gamble:** That's a bit like asking, how long is a piece of string? There are so many ways that infrastructure can impact people's lives.

I can give you an example, something that is maybe not considered nuts and bolts infrastructure, but something like community housing, community centres, and what is sometimes called soft infrastructure. When somebody has trouble getting work, because they can't access a workplace, we can create a situation where they are in close proximity to where the jobs are, or create transit systems or transportation systems that allow people to access livelihoods. In that way more people are able to contribute to the tax base, which in turn contributes to more people helping to shoulder the burden of financing infrastructure.

Infrastructure creates value. We have to find ways to capture that value, so it's reinvested infrastructure and so we get that cyclic ef-

fect. It creates jobs in the short term, not just for engineers and constructors. One thing about infrastructure is that it continues to generate benefits long after my members and Sandra's members have gone, long after people have put away the blueprints, long after the ribbon cutting, and long after everyone involved in this call is done.

These assets are going to continue to provide benefits for decades, and we have to view investment infrastructure accordingly. If we want the best outcomes—societal, environmental, or economic—we can't treat infrastructure as an expense to be minimized, but rather an investment to be leveraged.

That would be my greatest advice in creating important societal change and getting the infrastructure we need. That would go a long way toward ensuring we're getting the right infrastructure.

Sometimes public procurement can constrain the design options. It can constrain the visioning that happens. I have many members who have big visions and big ideas on how to address the very problems you raise. We don't want to be hamstrung by unnecessary red tape, or procurement that encourages us to be as unimaginative as possible.

• (1935)

**The Chair:** Thank you, Mr. Gamble, and thank you, Mr. El-Khoury.

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

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

[*Translation*]

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

My question is for Ms. Skivsky.

We often hear about the great need for infrastructure, but we also hear a lot from municipalities about the fact that infrastructure is expensive, which is normal. Are there ways to bring the costs down? I have a number of ideas in mind, but I would like to hear your thoughts.

It seems that some contractors are reluctant to sign up for certain programs or projects because they wonder whether they will get paid next year, in five years, or in 10 years. Contractors sometimes worry that they won't get their money. They think they may not be financially strong enough to wait that long to get paid.

Could other methods be put in place to help our local contractors? A wider range of contractors, as well as local people, might sign up. Some also say that the big city companies always get the contracts and the small ones are often left behind.

[English]

**Ms. Sandra Skivsky:** It's true that there is a reduction in the number of firms that will bid certain types of projects. We hope that when the federal government gets prompt payment implemented, some of the payment issues will be a bit relieved on some of these projects.

I do take your point. For a trade contractor to take on a project, they have to invest at least two months' worth of work, labour and everything before they start to get paid. They can only take on so many projects. If the project is too big, it will impact the company's cash flow to such an extent that any payment delay could be catastrophic.

Bundling projects into large megaprojects doesn't always work to get local people, local firms, working on those particular projects. If they were given out as separate contracts, you could probably get more local interest.

You're right. Anything that stretches out a payment term for a small contractor is difficult. Your pool of available bidders becomes reduced, and as I said, bundling several medium or small-sized projects into one large project also starts to exclude some of these players.

The other thing I would emphasize is that if it's infrastructure spending, Canadian firms should be looked at preferentially, because bringing in foreign companies to do work in Canada with taxpayers' dollars is another topic about which some of our NTCCC folks are particularly sensitive.

You're right, these projects could be made more accessible.

● (1940)

**The Chair:** Thank you, Ms. Skivsky and Mr. Barsalou-Duval.

We're now going to move on to the NDP, Mr. Bachrach, for two and a half minutes.

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

Mr. Frizzell, the recent budget included \$1.5 billion towards the rapid housing initiative, but this falls considerably short of what it's going to take to meet the government's stated goal of ending chronic homelessness in Canada. Could you tell us, from FCM's perspective, what it is going to take to meet that goal?

**Mr. Garth Frizzell:** We did our forecasting for our pre-budget submission, and it's going to cost \$7 billion. This addition to the rapid housing initiative is welcome and it's helpful, but we still have a ways to go on our shared goals towards ending chronic homelessness.

I'm going to pass it to Mr. Gemmel for the details, but this partnership is unprecedented, and having that connection directly from the federal government to local governments is welcome and critical to us.

**Mr. Matt Gemmel:** Thank you, Garth.

I'll say a couple of things about the rapid housing initiative. The first is relevant to our discussion today about the mechanisms around how funding is delivered to other orders of government. The rapid housing initiative is a model in that regard, in that it

doesn't follow a strict federal-provincial-territorial funding agreement model as so much other affordable housing and infrastructure funding does. It has an element that provides funding directly to municipalities on an allocation basis, based on population and need. That's quite a change from how affordable housing funding has been delivered in the past.

The second thing that's noteworthy is that it's quite an innovative funding model in that it responds very directly to the unique context presented by the COVID-19 pandemic. It provides funding for municipalities, non-profits and housing providers to purchase properties, hotels and apartment blocks that are at a low market value as a result of the pandemic, with the goal of reducing overall operating costs. Municipalities and social housing providers spend a lot of money renting motels and hotels to provide emergency housing for the most vulnerable residents in their communities. Providing permanent housing and in certain cases supportive housing that involves wraparound social and health supports is a proven best practice and is more cost-effective for the taxpayer.

In terms of the need, the federal government has made the commitment to end chronic homelessness, and that is a laudable goal that FCM and our members fully support. It's going to require serious long-term resources and a long-term funding commitment.

The commitment we saw in the recent budget is the right rate of investment, but it doesn't provide the length of commitment that we are looking for and falls short of the overall \$7 billion figure that FCM and other housing stakeholders arrived at as a cost of providing permanent supportive housing for the estimated number of Canadians who are experiencing homelessness.

**The Chair:** Thank you, Mr. Gemmel and Mr. Bachrach, for your questions and the interventions.

We're now going to move on for five minutes to the Conservatives.

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

**Mr. Gerald Soroka (Yellowhead, CPC):** Thank you, Mr. Chair.

Mr. Frizzell, you spoke about Internet. That's been a big issue for a lot of people in my riding as well. I'm concerned about the failures of this government, being in power for six years and having five different funding streams and poor communication between each one of the organizations that offer funding.

I know municipalities can't apply for all the funding levels from these different grant programs, but are you finding or have you heard from other municipalities that they're either putting fibre optic or they're trying to connect in one community and they'll jump over two and three communities to get to another one? They're poorly servicing rural Canada. Have you experienced this?

**Mr. Garth Frizzell:** Thank you very much, MP Soroka, through the chair.

Let me start by saying that the news today is from a small community northeast of mine, Tumbler Ridge, which lost its entire Internet connectivity when a beaver chewed through the fibre optic line. As for constructing new lines, that was a one-off, funny incident, but it's not so funny in rural Canada, because we see that a tractor can go through a line and, in 2017, the wildfires that razed northern B.C. eliminated Internet connections as well.

As it's being constructed, yes, we see that there are.... I'm thinking of local examples, where the Internet implementation jumps from community to community as they're doing consultation. With the universal broadband fund, while we were happy that the intake was extended, but here are a few of the things that we're calling on the federal government to do right now.

We want to maximize the investment outcomes by ensuring effective coordination between the Internet service providers and the local government through FCM, and with provincial and territorial governments and federal departments and agencies.

We want to deliver on the commitment to expedite funding delivery. We want streamlined application processes and a one-window intake, especially for the smaller communities you're talking about. They need help. They need to have some support, because they just don't have the capacity.

Third, we're asking that we continue to measure and report on the progress and regularly reassess timelines and the level of public investment that's required.

This is urgent. We've got to get all Canadians connected.

• (1945)

**Mr. Gerald Soroka:** I know that the gas tax is quite a benefit. That was actually started by the Conservative Party. They first implemented that.

One of the things I wanted to ask you about is when you take that \$2 billion and divide it amongst all the municipalities. It's nice, predictable, stable funding, but the problem is that for a large municipality it comes down to only about a couple of hundred thousand. You can't even pave a kilometre of road for that kind of money.

Does the FCM have a recommendation for where it would like to see that number, or is this something that's not even talked about?

**Mr. Garth Frizzell:** Thank you.

Our recommendation was to double the gas tax for three years coming out of the pandemic.

I did want to emphasize one of the benefits with the funding that comes through the gas tax fund. It's not just creating new infrastructure. It's also maintaining existing infrastructure. That can be incredibly helpful for small and large communities alike. We'll always welcome increases to the volume, of course, to the size of the funding, but we're certainly able to welcome the doubling.

Thank you.

**Mr. Gerald Soroka:** My next question, Mr. Chair, is for Mr. Gamble.

You mentioned that there's a lot of money that goes out to municipalities that apply for funding, but it's not necessarily for a need for their community. They have to apply because the grant is there for a water system or a road, but they need to have housing, and that grant isn't available. Are you finding that these should be better tailored to each community versus just a generic grant application?

**Mr. John Gamble:** Well, again, I think part of the solution is leveraging the asset management plans that many municipalities have invested in. For municipalities and other communities—and this is certainly true of first nations, where there may be less capacity to develop these plans—we should do everything we can to give them this capacity. The idea is to match the available funds to the actual needs that have been determined on the ground.

The other piece of this that I alluded to is that there is a potential for the national infrastructure assessment to make them more global, because one thing infrastructure does is that it doesn't just build communities. It also connects communities and allows commerce and all these other important things to happen.

There's a real opportunity there to make sure that programs are right-sized and rightly targeted, and that in terms of capacity in the municipalities—and this was alluded to by Mr. Frizzell, I think—if we have great capacity and decision-making in the municipalities, it takes a lot of the burden off the federal government to put on all these check boxes and lenses and filters. If we're relying on the public servants and elected officials in the community to make sure funds are invested correctly and in a reasonable way, that will help.

I don't think we have to throw out the baby with the bathwater to get to where we need to be, but I think we have to get all the parts working together a little better.

• (1950)

**The Chair:** Thank you, Mr. Gamble, Mr. Frizzell and Mr. Soroka.

We'll go now to our last speaker.

Mr. Fillmore from the Liberal Party, you have the floor for five minutes.

**Mr. Andy Fillmore (Halifax, Lib.):** Thank you, Chair.

To our witnesses, thanks so much for joining us tonight and for sharing your experiences and observations. It's very important that we hear from you.

I'm not quite sure where to start here. My colleagues on the committee know that I was a city planner for more than 20 years before coming to this job. I look at my work through that lens. You can't take the planner out of the kid, I guess. Because of my closeness to this file, I want to make sure we all understand that it was actually Paul Martin and the Liberal government that created the gas tax fund and made a requirement for integrated sustainable community funds and so forth that allowed access to that fund. Of course, that was in response to the starvation diet that cities had been on in a previous Conservative government. Then we saw that pattern repeat, leading up to the Liberal government in 2015.

We don't have to think back too far to remember the famous FCM report card on the state of municipal infrastructure in 2014-15. The phrase I remember is "a ticking time bomb of unfunded liability". I certainly quoted that report card on just about every doorstep I stood on in the 2015 election.

What a distance we've come since then. We are now in a generational investment in community infrastructure. We are changing the appearance and the functionality of our country in our communities from coast to coast to coast. We have thousands of projects approved under the ICIP, with \$180 billion at stake and with, of course, I should point out, no funding lapses. There's no such thing as funding lapses. It just gets carried over into the following year.

Right when we were hitting our stride with that, along came COVID. We answered the call again with the safe restart fund that we mentioned tonight; doubling the gas tax to puff up municipal coffers in their moments of need; and the rapid housing initiative. In fact, at two sites in Halifax, holes were dug in just the last week under the RHI.

There's a lot going on here. In fact, in the pandemic period just since March 2020, we approved over 3,100 projects worth over \$4 billion. The vast majority are under way. They have actually commenced. I mean, these are the times when the planner in me can hardly believe it. I've been waiting for this my whole life, and I think maybe the witnesses have too. It's something that I could only dream about, back as an idealistic student, in terms of investing in communities in this way.

I know that I got a lot off my chest there, but I'm very excited, as you can tell. I want to land with the \$1.5-billion green and inclusive community buildings fund. What we're trying to do is bring the economy back and create jobs, reduce GHGs, and create an inclusive economy and recovery in which everybody can participate. Community building is a beautiful way to do that.

Ms. Skivsky, I was particularly interested in your connection of that to building local capacity and local knowledge and training. I wonder if you or anyone else would like to jump in and talk about the impact of that program on communities and on our recovery.

**The Chair:** Ms. Skivsky.

**Ms. Sandra Skivsky:** I'm not sure I can speak directly to that very effectively. On my point about the training and leaving behind that skill and knowledge set, I think John mentioned the continuing impact of infrastructure long after we've all finished dealing with it. Part of that is making sure that those skills are there. A lot of that skill capacity is part of that construction contract. If we could im-

prove on that, and have that training for people to participate in not only the construction aspect but also the maintenance, repair and ongoing support for that infrastructure moving forward....

Again, I'm talking about remote communities where every time the pump breaks you have to fly somebody in to deal with it. You want to get away from that. You want to create more sustainability at source.

**Mr. Andy Fillmore:** Does anyone else want to jump in on the impact piece?

**Mr. Garth Frizzell:** My brother is chair of the Sunshine Coast minor hockey league, so I'd be remiss if I didn't point this out: We're responsible for 7,000 hockey rinks all across Canada. That's central to Canada. There's a big opportunity here for energy retrofits. It's substantial, so we're looking forward to implementing that. In fact, I think tomorrow is our first webinar on accessing that community building retrofit fund.

Thank you.

● (1955)

**The Chair:** Thank you, Mr. Frizzell. Thank you, Mr. Fillmore.

Well done to all of you.

We had great interventions and great questions from the members.

To the witnesses, I want to take this opportunity, on behalf of the committee as well as the government, and all of us in the House of Commons, to thank you for coming out and giving us your time, for passing on your thoughts and experiences with respect to working with the federal government, particularly as it relates to infrastructure.

As a former mayor for 14 years here in Niagara, I have to say it's a blessing we have such a close-knit connection between the federal government and our local government municipalities. I won't even say municipalities, I'll say communities. It's like a house compared to a home, a municipality compared to a community.

To all of you, thank you for that and for those interventions.

As well, I want to extend my sincere appreciation to a lot of you for mentioning asset management, and, of course, from asset management, the PSAB, which you all work on. I know it's very difficult to capitalize your assets, of course attach an asset management plan to that when it comes to repair and maintenance throughout its life cycle, and, obviously, when this life cycle then concludes, to replace that facility. I know a lot of you are trying to really top up those reserves to keep up with that maintenance, and then, obviously, at the end of the day, that replacement. You're starting to do it, though, and hopefully you're doing it with our help.

With that, again, thank you for what you do at the local level, and thank you for working very closely with us. We look forward to working with you folks well into the future. You folks have a great evening.

Thank you.

To members, we are now going to adjourn the public portion of this meeting, and we're going to step into an in camera meeting. I will give you about five minutes to log out and log back in.

*[Proceedings continue in camera]*

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