



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Natural Resources

RNNR • NUMBER 060 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Tuesday, December 4, 2012

Chair

Mr. Leon Benoit

Standing Committee on Natural Resources

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• (1100)

[English]

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

We're here today, pursuant to Standing Order 81(5), to deal with the supplementary estimates (B) for 2012-13. We're dealing with votes 1b, 5b, 10b, 15b, 20b, 25b, and 30b under Natural Resources, referred to the committee on Thursday, November 8, 2012.

We have two one-hour sessions today. In the first hour we have witnesses from the Department of Natural Resources, and in the second hour we have the Minister of Natural Resources.

Starting the first hour, we have from the Department of Natural Resources, Serge Dupont, the deputy minister; Anil Arora, acting assistant deputy minister, corporate management and services sector; and Thérèse Roy, director general, financial management branch, corporate management and services sector.

I welcome all three to the meeting.

Monsieur Dupont, I understand you have a presentation to make first and then we'll get to our usual question and comment session. Please go ahead with your presentation.

[Translation]

Mr. Serge Dupont (Deputy Minister, Department of Natural Resources): Chairman, members of the committee, I welcome your invitation to present Supplementary Estimates (B) for 2012-13 for Natural Resources Canada. I will keep my remarks brief and would be pleased to respond to any questions that you may have.

[English]

As members are aware, Natural Resources Canada outlined 2012-13 expenditures of just over \$2.85 billion in the main estimates presented earlier this year. The main estimates still reflect the department's budgetary needs, with the exception of a supplementary request for additional net funding in supplementary estimates (B) of \$1.2 million. A number of transfers are also proposed under these estimates.

The supplementary estimates presented today include the following items, most of which were announced in budget 2012: \$54.2 million in funding to support the Canadian forest sector by expanding market opportunities and promoting innovation; \$7.7 million to revitalize NRCan's three satellite receiving stations; \$6.9 million to advance the development of alternatives to existing medical isotope production technologies; \$4 million for a Government of Canada advertising campaign explaining the contribution to

Canada of our natural resource industries; and \$2.5 million to assist Natural Resources Canada with the restructuring of our corporate support groups. As a result of these amounts, NRCan will have an increase in its voted appropriation of \$75.2 million. I'll set aside, in the interests of time, some of the smaller amount transfers.

[Translation]

Mr. Chair, these amounts are largely offset by the re-profiling of \$40.3 million of previously authorized monies under the clean energy fund and from \$34.9 million in savings identified as part of budget 2012 savings measures. The net increase in the department's spending authority is therefore \$1.2 million, as I mentioned.

• (1105)

[English]

I will mention briefly the proposed funding for the Natural Resources portfolio agencies. The supplementary estimates (B) requests for them are as follows: \$77 million for Atomic Energy of Canada Limited; \$8.6 million for the Canadian Nuclear Safety Commission; and \$5.9 million for the National Energy Board.

The AECL request will allow the agency to meet operational requirements for its nuclear laboratories for the remainder of the year. These operational expenditures are consistent with AECL's overall budgetary plans for 2012-13, so they are not a function of any cost overrun.

Finally, let me elaborate briefly on NRCan's savings measures as announced in budget 2012. As reflected in the economic action plan 2012, NRCan's contribution to the government's deficit reduction objectives is \$112 million annually by 2014-15, or 10% of the department's review base.

It is worth putting this budget 2012 reduction into the broader context under which NRCan is now operating. After increases to its budget over the last few years, largely in response to the economic downturn of 2008, NRCan is returning to a smaller budget. Our budget doubled between 2008-09 and 2010-11, as we were called upon to deliver on government priorities, including a suite of one-time economic action plan investments.

Change and transformation have been constant themes in NRC's history, encompassing what we do and how we do it, and we stand ready to support future government initiatives.

[*Translation*]

Mr. Chair, members of the committee, I would conclude by assuring you that NRC manages its funds prudently with the goal of contributing to the prosperity of Canada.

Thank you.

The Chair: Thank you, Mr. Dupont.

[*English*]

We'll go now to the seven-minute round of questions and answers.

For the information of members, this meeting will be divided into two parts. We'll start with a seven-minute round for each meeting, and each party can handle it as they wish.

We start the questioning and comments with Mr. Anderson, for up to seven minutes.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

I want to thank the witnesses for coming once again.

I'd like to talk for a few minutes about some of the nuclear issues. In your opening remarks I think you mentioned that \$77 million is committed to AECL. What's that being spent on, and what impact is that going to have?

Mr. Serge Dupont: Essentially, the funding is there to allow the nuclear laboratories to conduct their work, in terms of the production of medical isotopes, the management of the site at Chalk River, and the conduct of research that is taking place at that site. This is largely in line with the requirements that were set out by AECL at the beginning of the year. Therefore, contrary to prior years, whereby in some cases this committee and others were essentially facing funding requirements to address cost overruns, this is very much in line with planning and is the required amount to meet the regulatory and operational requirements of the Chalk River laboratories.

Mr. David Anderson: Okay. Some of us have been on the committee a little longer than others, and we've come through a couple of discussions about isotope production. I would like to have you take a few minutes, if you don't mind, to talk about the isotope technology acceleration program. We've got two or three streams in the process. I'm wondering if you can tell us a little more about where that's going, how that's developing, and where we sit with that.

Mr. Serge Dupont: I will do that gladly.

You may recall in budget 2010 the government provided an investment of \$35 million over two years to try to develop non-reactor-based sources of medical isotopes for Canadians. That funding supported four projects: two cyclotron and two linear accelerator projects. They're two different technologies, cyclotron and accelerator, both in the nuclear technology world, but none are reactor based, and indeed both technologies would not create the kind of high-level radioactive waste that there is with the existing sorts of medical isotope supply.

Those projects advanced the science, advanced the technologies, and budget 2012 then announced a further investment, \$17 million over two years, to be awarded on a competitive basis, to try to bring these technologies to the point of commercialization. As you know, the government has been clear about its goal to phase out production of medical isotopes at the Chalk River site by 2016. That is not an economic proposition for Canada, and it's not a good use of facilities over time. New technologies that can provide the services and the medical isotopes for Canadians may come from some of these technologies that can be distributed across Canada on a smaller scale, closer to the patients, closer to the needs.

We're very encouraged by the response we had to the request for proposal that we issued in June 2012, and quite encouraged by the prospect of having some solid proposals to bring these technologies, if not to market, very close to market, within the timeframe.

• (1110)

Mr. David Anderson: Are you able to give us any more information about the four choices that were made?

Mr. Serge Dupont: Mr. Chair, we are expecting to announce the name of the recipients of the contributions in January. That is when we will have tied down the negotiation of the contribution agreements. I think it's fair to expect that we will again be encouraging research into two competing technologies, the cyclotron and the accelerators, and ensuring at the end of the day that either both technologies find a role or that the best of the two technologies succeeds in making it to market.

Mr. David Anderson: Did you have any comment to make about some of the things that are going on in the United States in terms of this as well? They seem to have decided to put some fairly large resources into this at the same time that we have.

Mr. Serge Dupont: The U.S. has been putting some significant resources into this, greater amounts than we have, but I'm not sure they have had the kind of successes that we have had to date in terms of bringing together different partners from the medical research community, from industry, from research centres such as TRIUMF and others to work together to find those solutions. They're struggling in the U.S. right now. They're looking at other technologies. Some would be more expensive; some would be larger scale. We're not unhappy with where we are right now, frankly.

Mr. David Anderson: In terms of the funding—I don't know what percentage—how much of it has gone towards setting up that collaborative structure and how much of it is actually geared toward the research projects themselves? The money which to this point has been spent on bringing people together and trying to get them working together, can you explain that a bit more as well?

Mr. Serge Dupont: In the first instance, some of the money was going to some of the research infrastructure, to pay for the cyclotron and the accelerators, but basically there has been very little overhead money here. The money has been largely allocated to the partners. Each of the proposals has come in with different partners, again, from academia, from the research community, from industry. They're bringing in their own resources as well.

In the second stage, we're saying that we're not going to fund infrastructure this time because that infrastructure is there and there is equipment out there to work from, but we will fund some of the other costs, some of the testing and so forth. There's a series of costs that we're prepared to fund. Again, we're very confident that those moneys can be used productively.

Mr. David Anderson: I think I'm getting close to the end of my time, but I see an item in here about revitalizing Natural Resources' satellite station facilities. I'm wondering if you'd be interested in explaining to us what that means and how we're involved in a number of different things in terms of geomapping, satellite management, and all of that. Can you talk about that a bit?

Mr. Serge Dupont: As members will appreciate, earth observation essentially is a growing field that can serve a range of public policy purposes and, indeed, a range of private sector purposes as well. It is important in that context both to have the devices in space to signal back to the earth and to have the receiving stations on the ground, in order to be able to capture the images from the satellites, process them, and make them available to the users.

We have antenna facilities right now in the north, in Inuvik, and in Prince Albert, Saskatchewan, and here in Gatineau. We needed to revitalize these facilities and basically buy new antennas because they were coming to the end of their lives, and they were not equipped to capture the signals from the new generation of satellites that will be launched by Canada—the new RADARSAT Constellation mission—or other satellites that will be launched from other nations. This is going to give us not only the dish, but also the infrastructure that is required, the software to convert those signals into usable information and then to disseminate it under a very open system of dissemination that we're fostering at Natural Resources Canada and in partnership with many other departments in town.

• (1115)

The Chair: Thank you very much, Mr. Anderson.

We'll go now to Mr. Julian, for up to seven minutes.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thank you very much, Mr. Chair.

Thanks to our witnesses.

I am very interested in this transfer to Atomic Energy of Canada. Can you remind us of how much money taxpayers received from the government sale of Atomic Energy?

Mr. Serge Dupont: The actual sale amount was \$15 million, Mr. Chair—

Mr. Peter Julian: Okay.

Mr. Serge Dupont: —with as well some royalties for future sales of reactors from Candu Energy, and also some royalties from some

of the refurbishment work that they would be willing and able, of course, to carry out.

Mr. Peter Julian: Okay. Thank you.

On the \$15 million, what was the value of the assets that the government sold for \$15 million?

Mr. Serge Dupont: The value of the assets—I mean, the books of AECL at the time—I don't have those numbers in front of me. It would have been very difficult to ascribe a value to the assets. The books at the time actually had AECL in a deficit position, given overall the kinds of liabilities that had been accumulated over time.

Mr. Peter Julian: Yes, but I'm speaking of the assets, right? What was the asset figure?

Mr. Serge Dupont: Essentially, the asset that was sold was, frankly, fundamentally human resources. There was—

Mr. Peter Julian: No, I appreciate that, but you did say.... You mentioned the liabilities, so you obviously saw or were aware of the accounts. I'm wondering whether you have the asset figure, and if you don't have it—

Mr. Serge Dupont: I don't have the figure with me.

Mr. Peter Julian: Okay. Could you provide it to the committee?

Mr. Serge Dupont: Yes, absolutely, sir.

Mr. Peter Julian: That would be wonderful. Thank you.

Has AECL signed any contracts subsequent to the sale?

Mr. Serge Dupont: For AECL, the crown corporation that remains, no, it has not, because it has basically gotten out of the business of pursuing commercial sales of reactors. Candu Energy is now working on a new contract in Argentina, which is a refurbishment of the reactor in Argentina.

Mr. Peter Julian: When was that announced?

Mr. Serge Dupont: That was announced in the summer of 2011. It was actually announced shortly before the sale that the contract would be going ahead.

Mr. Peter Julian: Would it be correct to say August 2011?

Mr. Serge Dupont: I think that's correct, sir.

Mr. Peter Julian: Yes. And the sale was announced on June 29?

Mr. Serge Dupont: I don't know whether any of my colleagues would know that date.

The transaction was negotiated by AECL, on the condition that it could be transferred over to Candu Energy.

Mr. Peter Julian: Okay.

What was the value of that contract?

Mr. Serge Dupont: I would like to confirm with you in writing, but if memory serves, it was in the range of \$450 million.

Mr. Peter Julian: Okay. We sold assets of potentially hundreds of millions of dollars, and a contract that was negotiated by AECL of \$440 million was announced shortly after the sale. Just to confirm, we obtained for the taxpayer \$15 million, plus some royalties.

I'm not trying to put you on the spot; I just want to confirm—

Mr. Serge Dupont: No, that's okay.

Number one, you said hundreds of millions of dollars of assets. I did not say that; you said that. I will have to come back to you on the assets.

On the contract, the \$400-some million—\$440 million, as I recall—is essentially a revenue stream that has to be matched by the actual commitments on the part of Candu Energy to meet that requirement, to do the work.

I will remind the committee that AECL had also received some funding and revenues from some of its contracts, but had managed to lose a lot of money on those contracts. The fact that there is a sale number attached to a contract does not mean there is a value unless there's a company that's able to produce that for less than the revenue.

Mr. Peter Julian: I understand your explanation, but I think the taxpayers would be hard-pressed to understand the logic behind this.

We have an additional payment, then, that is in effect a subsidy, of \$76,800,000.

I appreciated your answers to my questions. I would certainly appreciate getting the asset amount.

Mr. Serge Dupont: Can I—

Mr. Peter Julian: No, I'm going to move on, because I only have another minute or two.

• (1120)

The Chair: Mr. Julian, I think it's important.

I like the members to manage their time as much as they can—

Mr. Peter Julian: Yes, and I—

The Chair:—but I think it's important to allow the witnesses to answer.

Monsieur Dupont, go ahead.

Mr. Peter Julian: Mr. Chair, I want to go on to the pine beetle funding. You could certainly ask a Conservative to follow up on that.

On the pine beetle funding, I'd like to know—

The Chair: Order, please, Mr. Julian.

Go ahead with the answer, please.

Mr. Peter Julian: Mr. Chair, I would appreciate asking about pine beetles.

The Chair: Mr. Julian, order, please.

You will get a chance to do that.

Mr. Peter Julian: Mr. Chair, if you would please allow New Democrats to speak, you can certainly have.... I'm sure Conservative members will have ample opportunity to follow up on the question.

On the pine beetle funding, I'm looking at the amount that was allocated—

The Chair: Order, please.

Mr. Peter Julian: Mr. Chair, you are not to show bias in the chair.

The Chair: Mr. Julian, I have the floor, please. Order, Mr. Julian.

Monsieur Dupont, go ahead with the answer that you wanted to give. I think it's important. Witnesses are allowed to give their answer.

He certainly was not stalling for time.

Mr. Peter Julian: I realize that.

The Chair: Mr. Julian, allow the deputy minister to answer.

Go ahead, please, sir.

Mr. Serge Dupont: I'll take 15 seconds.

I just wanted to indicate that the \$77 million is for Atomic Energy of Canada Limited, the crown corporation, which is now the nuclear laboratories. It is not a subsidy to a commercial enterprise.

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

If you'll allow me to continue my questions, on the pine beetle funding, you talked about the forestry funding overall. I'm looking for the overall—

The Chair: On a point of order, Mr. Anderson.

Mr. David Anderson: I think Mr. Julian needs to stay within the context of the supplementary estimates (B) that we're talking about today. If he's going to be asking questions about that, he needs to find that in this document somewhere. We'll be asking him to do that.

The Chair: Mr. Julian, please do stick to the topic at hand, which is the supplementary estimates (B).

Mr. Peter Julian: Yes, Mr. Chair.

As you know, the pine beetle funding and links to the Canadian forestry sector funding are extremely important.

What I would like to know, and I would appreciate your answer, is how much was allocated for pine beetle funding and how much was actually spent.

Mr. Serge Dupont: I'm afraid I don't have those numbers with me at the present time, so I will have to get back to the member. I apologize for that.

Mr. Peter Julian: Thank you for that. If you could provide that to the committee, it would be much appreciated.

Now, my final question is around the clean energy funding, which as you know was for funding designed with ecoENERGY, to provide—

Mr. David Anderson: Point of order—

The Chair: On a point of order, Mr. Anderson.

Mr. David Anderson: Mr. Chair, the witnesses were asked to come here to speak to supplementary estimates (B), and I'm sure they've come prepared to speak to the estimates related to supplementary estimates (B).

Mr. Julian seems to be fishing through a number of years of documents and budgets. Perhaps he could stick to this document, and then they would be able to answer those questions.

The Chair: Yes. Mr. Julian, I would appreciate it if you would stick to supplementary estimates (B) and subjects directly related to that.

Mr. Peter Julian: Mr. Chair, if the Conservatives are going to play this kind of game, I think it is really unfortunate and irresponsible.

We have in the presentation a reference to the clean energy fund. Our invited guests made a presentation, and referenced the clean energy fund. As you know, I am following up on a question that was part of this presentation.

Now, are Conservatives going to continue to interrupt every time a member of the opposition asks a question, or are they going to show some respect for parliamentary accountability? I certainly hope they will, and will stop with these useless points of order.

Under the clean energy—

The Chair: By the way, Mr. Julian, that's a two-way street. When the chair calls for order, it's also important that you respect that.

Go ahead. You have one more question and then your time is up.

Mr. Peter Julian: On the clean energy fund, you mentioned previously authorized moneys. To what extent was this money that was set aside for the refitting of Canadian households?

Mr. Serge Dupont: For the refitting of...?

Mr. Peter Julian: Canadian households, Canadian homes, an energy refit.

Mr. Serge Dupont: That's a different envelope altogether, sir. The clean energy fund was intended for other purposes. It was intended to fund research and development, to fund some demonstration programs, and to fund some carbon capture and storage demonstrations.

Mr. Peter Julian: Thank you very much.

The Chair: Thank you, Mr. Dupont. Thank you, Mr. Julian.

Go ahead, please, Mr. Eyking, for up to seven minutes.

Welcome to our committee, by the way.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair.

While it's great to be here, there's a little bit of friction and not a lot of love in the room here. Hopefully we can simmer down before the minister gets here.

Mr. Serge Dupont: Can I just clarify something?

Hon. Mark Eyking: Go ahead. My time hasn't started yet.

• (1125)

Mr. Serge Dupont: Perhaps I could clarify one point for the honourable member in his prior question.

The Chair: Go ahead, please, Mr. Dupont.

Mr. Serge Dupont: If I may, sir, just to clarify, of the original funding in the clean energy fund—so I apologize for that—\$205 million of the original \$1-billion clean energy fund was transferred subsequently for the home retrofit program. That was in the earlier phase of the home retrofit program. It was not part of the last round of funding of the home retrofit program that came from budget 2011.

The Chair: Thank you for clarifying that.

Mr. Eyking, we'll start your time now. Go ahead, please.

Hon. Mark Eyking: Thank you, Mr. Chair.

In Cape Breton we had Devco coal mines. Ten years ago, Natural Resources, or the government... The coal mines were closed, and a fund was set up to remediate the sites where all the coal mines were. I think it was over \$150 million.

Overall, I think, over the last 10 years they've been doing well in cleaning up all these coal sites. I think the disappointing thing for the community is how the money was transferred over to ACOA and then used for purposes other than cleaning up the sites.

My question for the department is, first of all, why did they do this? They were doing a good job, so why didn't Natural Resources just finish it up themselves? Second, how did you book this? Was it booked under Natural Resources or was it booked through ACOA?

Those are my first two questions.

Mr. Serge Dupont: Mr. Chair, that would have been quite before my time. I'm afraid I just don't have those facts at my disposal.

Hon. Mark Eyking: But wouldn't it be booked right now? Wouldn't it be booked somewhere in your expenses right now?

Mr. Serge Dupont: Not in the current flows of ins and outs that you would have in supplementary estimates (B), or indeed in the main estimates.

Hon. Mark Eyking: You have nobody here from your department who could give an answer?

Mr. Serge Dupont: Not right now. I'd be happy to undertake to give you an answer, but I just don't have that with me right now.

The Chair: Mr. Anderson, on a point of order.

Mr. David Anderson: On Mr. Eyking's reference to love in room, we actually did come here to do supplementary estimates (B), and if the opposition members are not prepared to do that, they can look through the document, but there's nothing to do with what he's asking about in this document.

The department is not prepared to come and deal with that, obviously, because it doesn't have anything to do with what we're talking about today.

An hon. member: A point of order.

Hon. Mark Eyking: Is this my time?

Mr. David Anderson: If we could ask them to stick to the content of what we've come for, I think they'd probably be happier with the answers.

Mr. Peter Julian: A point of order, Mr. Chair.

The Chair: Excuse me, Mr. Julian.

Yes, Mr. Eyking, make sure you stick to the supplementary estimates (B) and the issues surrounding them. And yes, we did stop the clock, to answer your question.

Mr. Julian, on a point of order.

Mr. Peter Julian: Mr. Chair, I am really appalled at how the Conservatives are acting today. I would appreciate it if they would stop interrupting opposition members.

The Chair: Mr. Julian, if we're going to have effective committee meetings, it's important that we stick to the issues that we're actually dealing with at the committee meeting. It's important to respect the relevance, when it comes to questioning and making comments, to the issue that we are dealing with.

We're dealing with supplementary estimates (B) today. It's important that members of the committee stick to questions that are related to supplementary estimates (B). It's a matter of having an effective committee. We have had to date, and I hope this continues into the future.

Go ahead, please, Mr. Eyking. You still have five and a half minutes left.

Hon. Mark Eyking: I would just like to state that Mr. Anderson and I came here at the same time, and he was in opposition in those days. When staff would come from the departments, any questions could come forward. He asked lots of questions that weren't pertaining to the point at hand. How soon we forget, Mr. Anderson, the days of old.

I would like to go back to the question regarding the big cuts to the energy efficiency program. My numbers here are that it's \$47 million this year. It's going to go up to \$49 million or \$50 million by 2014-15.

From what I know from back home in my riding, it was a very good program for individuals and companies. We have a company in my riding that produces high-efficiency windows, and their sales have gone pretty well flat because of the changes to this program.

From the department's point of view, and I know you guys are all into numbers, is there any number you have for what they spent? How much money was generated with that money that was available in those years? When you talk about \$47 million or \$48 million being spent, how much did it generate in the local economies? What is backfilling that? What programs or money do you have that will backfill what that program used to do?

• (1130)

Mr. Serge Dupont: Number one, the program did fund 640,000 Canadian households which benefited from \$934 million in total program spending between 2007 and 2012. That clearly has had some significant economic impact, and also an impact in terms of reducing greenhouse gas emissions.

There continues to be in the department a range of energy efficiency undertakings that we are pursuing. There is funding that was provided in budget 2011 of \$195 million over five years with respect to energy efficiency efforts in homes, in work, in the road, but there is no longer the same program of direct subsidy to households.

Hon. Mark Eyking: That brings me to my point. If that money were available, you would think the manufacturer of windows in my riding would keep selling windows. There's something happening with the new program that is not doing what the old program did.

Mr. Serge Dupont: There are issues around ensuring that there's information available to households, to businesses, to industry, and various other ways—through research and technology and so forth—to try to grow the potential for this industry over time.

Other things are happening in the economy that are trying to develop and foster the market for this. Some utilities and some provinces are contemplating advancing some of the moneys which homeowners can repay through their utility bills or through their tax bills or whatnot. Those are sensible investments for households to make. They typically generate good payback, in three or five years. There would be an expectation at some point that after considerable government support, the market would take over and pursue those opportunities through other means.

Hon. Mark Eyking: Okay, so it's a market-driven thing.

I don't know if you have in your estimates the new spending the Department of Natural Resources is doing on—I don't know what you call it, promotion or propaganda, but all those commercials.

Are they in your estimates? What's the difference between how much you're spending on all this so-called promotion now from what might have been spent in previous years? Has it gone up? What are the numbers?

Mr. Serge Dupont: In these estimates there is an amount of \$4 million that is funding for additional television and Internet advertising that will take place in 2013. There was also \$5 million set out in supplementary estimates (A). In total there's \$9 million. These funds are provided to inform Canadians about the responsible resource development initiative capacity of Canada, the potential, and directs Canadians to the actionplan.gc.ca website in order to learn more about resources and what those industries mean for Canada.

Hon. Mark Eyking: I'm well aware of it.

I am just wondering why there is such a big increase in spending. Is it a self-promotion tool for the government?

Mr. Serge Dupont: It is all part of the government's overall advertising envelope that is allocated annually, based on the priorities of the government. Certainly the resource sector, representing 20% of the GDP in this country, is considered a priority for Canadians to become aware of.

The Chair: You have half a minute.

Hon. Mark Eyking: I have no more questions.

The Chair: Thank you, Mr. Eyking.

We go now to Mr. Calkins, for up to five minutes.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Chair.

I want to start off by welcoming Mr. Eyking to the committee today. I'm just going to warn him that I'll be talking about the oil and gas sector as it pertains to pipelines, and I don't want anybody to get their feathers ruffled too much and go down the wrong road here.

My question pertains to the supplementary estimates. We see with respect to the National Energy Board an adjustment of roughly \$5.9 million. That brings the total from roughly \$55.8 million to \$61.7 million insofar as dollars go. I just want to find out what that funding is for.

Also, I'd like to know if you could remind the committee about the total length, capacity, and distance of pipelines that the National Energy Board is a responsible regulator for.

As well, if we can talk a little bit, I'd like to find out the volume that those lines will take into account on an annual basis.

Could you tell me what this funding is for? This is about a 10% increase. I'm not aware of any massive increase. Obviously, new pipelines are being built and pipelines are being decommissioned, but I just wonder why we have this 10% adjustment in the budget.

• (1135)

Mr. Serge Dupont: Thank you for the question.

Mr. Chair, the NEB, National Energy Board, regulates in Canada more than 70,000 kilometres of oil and gas pipelines. Basically the amounts—I don't have the volume—but the value of the oil and gas shipped through those pipelines in 2010 was \$85.5 billion. It is obviously a very important component of the infrastructure for this country and the economy.

Through these supplementary estimates, the National Energy Board is receiving authority to spend an additional \$5.89 million. This is in line with the commitments in budget 2012 to enhance the safety capacity of the National Energy Board, essentially to hire additional safety staff. This will allow the National Energy Board to increase the number of annual inspections it conducts from 100 to 150. There will be a 50% increase in inspections. It would also allow it to double the number of comprehensive audits of pipeline companies that it conducts, from three to six annually. These amounts will be cost recovered from the industry.

The way it works, estimates still have to be voted to give the National Energy Board the authority to spend the moneys. The National Energy Board then charges the companies back for those amounts. In fact, these are not net draws on the fiscal framework, but rather are going to be cost recovered, but you still need the estimates.

Mr. Blaine Calkins: Okay. Thank you very much.

Is it because of the cost recovery aspect of it that we don't see... That expenditure appears in the program expenditures line. There is nothing in the contributions to employee benefit plans and so on. When you talk about increasing the capacity to do so, we're not talking about it from that perspective insofar as ongoing costs go, but these are simply....

Can you explain the cost recovery and how that works a little bit better for me?

Mr. Serge Dupont: I'd rather get back to you on that part of it, but fundamentally it is cost recovered.

Mr. Blaine Calkins: That's fine.

Let's talk about it, then, from a broader perspective. If we're going to increase the audits and increase the inspection capacity, I'm assuming this is in response to some issues and some public concerns that are there. What's the safety record with these pipelines from the National Energy Board insofar as it is a regulatory body?

I believe over 99.9% of the product is safely transported to its end destination. The enhanced audits and enhanced inspection have to do with what—increasing the net record?

Mr. Serge Dupont: Fundamentally, yes. The actual safety record, as the minister likes to mention, is 99.99996%. I may have one nine

too many or too few there. Obviously, it is a very solid safety record that stands well in terms of international or other comparisons.

That being said, it is always important to keep a focus on safety. Obviously, some of the pipelines are growing older. There has to be continued diligence in ensuring the best safety standards are met and respected. That's why you need to conduct the inspections and the audits to meet the expectations of Canadians in regard to safety.

Mr. Blaine Calkins: Thank you very much.

The Chair: Thank you, Mr. Calkins.

We go now to Mr. Trost for up to five minutes.

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

In a similar vein to my colleague who was talking about the National Energy Board, I see here the CNSC, the Canadian Nuclear Safety Commission, is being allocated \$8.6 million in new funding for the fee-exempt licensees: hospitals, universities, etc. Could you break down for me first of all the why? Why are we seeing a greater demand in that sector? Is McMaster University doing more programs? Are hospitals more involved? What is going on there to increase the demand? Then, could you break down the how? Is the agency hiring more personnel? Where specifically are the expenditures going to go? First the why, then the how.

• (1140)

Mr. Serge Dupont: What really is happening here, Mr. Chair, is that this funding had traditionally, historically, been provided through the CNSC, but it was sunset as of March 31, 2012. There may be a small increase, but those moneys were basically paid to the CNSC before. It was a sunset, and the government had to make a decision. Do we change this pattern and start cost recovering from those currently exempt licensees, or do we make this permanent and continue on with roughly the same funding structure we have had in the past? The government has decided on the latter choice, to make it permanent so that schools, universities, hospitals, and others would not have to pay. This had to be recorded. First it had to be enunciated through the budget, and then confirmed through the supplementary estimates. It was not in the mains because the mains would have reflected the sunset of those funds for the CNSC.

Mr. Brad Trost: Okay. Effectively, there's no increase; there's nothing. It's just business as usual; it's just accounting. Okay, it's good to know that.

There's another thing, and I'm sure I'm not the only one who's eye it caught. I'm a bit curious how this works out. There is some work Natural Resources Canada is doing with and for National Defence. There's a \$1 million transfer from National Defence for Resolute Bay, and then a second transfer of \$170,000 for the Canadian safety and security program. That's a little unique and not standard from my history on this committee. It's not normal from what I remember being on committee over the last few years. Could you elaborate on what those programs involve?

Mr. Serge Dupont: In fact, I'm not sure I would dispute the word "unique", because it's actually a very productive kind of partnership with National Defence, particularly with regard to the \$1 million in the north. We at Natural Resources Canada basically run the polar continental shelf facility in Resolute Bay in the north. That is a base basically for our researchers, other researchers from the Government of Canada, and others who go in the north. Obviously, that station is used mostly in summer months when it's reasonable for researchers to go up there.

National Defence wanted to train its workforce in the harshest conditions, more in the winter. We have established a partnership whereby they are contributing to growing the facility for us and expanding it. It allows them to have a base for training in the harshest conditions in the north in the wintertime. It also provides additional capacity for us to actually host researchers in the summertime. It's a good agreement between two departments that have common cause here to have an infrastructure in the north, and to share it on an optimal basis. DND in this context here in this year is contributing \$1 million to building that expanded facility.

Mr. Brad Trost: With reference to my point about it being unique, are there other opportunities, or is this fairly rare, that departments can support each other and more effectively utilize their infrastructure?

Mr. Serge Dupont: We are constantly looking for those kinds of opportunities.

The two arms of the Geological Survey of Canada, for example, in both east and west are co-located with the Department of Fisheries and Oceans, in terms of those research facilities. We have other research facilities co-located with universities. We have another Geological Survey of Canada office in Quebec City co-located with l'Institut national de la recherche scientifique. McMaster, as you know, is where we now have our new laboratory for materials, on the McMaster research park, in close collaboration with the university and other universities, and so forth.

That has to be the way we do things going forward. Basically you try to leverage every dollar with other partners, whether internally in the Government of Canada or externally, to try to get the most mileage from the tax dollar.

The Chair: Thank you, Mr. Trost.

We go now to Mr. Nicholls, for up to five minutes.

[Translation]

Mr. Jamie Nicholls (Vaudreuil-Soulanges, NDP): Mr. Chair, I hope I will not be interrupted with points of order. Everything I am going to say has to do with the Supplementary Estimates (B).

With respect to the National Energy Board, we see on page 107 that the program expenses are in the order of \$55.8 million, with adjustments of \$5.89 million. My colleague, Mr. Calkins, spoke a bit about it.

The section on voted appropriations on page 110 lists an amount of \$5.89 million. Is that the same amount?

An hon. member: Yes.

Mr. Jamie Nicholls: Okay. We're talking about vote 25.

Of that amount, how much money should be used to strengthen the capacity to promote the safety of oil and gas pipelines? How much money is reserved for actions to address heightened public awareness of pipeline safety?

• (1145)

Mr. Serge Dupont: The full amount will be used to strengthen safety measures and increase the number of checks and inspections. I mentioned it earlier, and it's a matter of increasing the number of inspections from 100 to 150, and the number of completed checks from 3 to 6. The entire amount will be used for that, to respond to the concerns of Canadians.

Mr. Jamie Nicholls: When we talk about vote 25 and say, "to take actions to address heightened public awareness of pipeline safety", is that different from the first part of the sentence, which reads, "...to strengthen the capacity to inspect oil..."? Is it the same thing?

Has the department spent money on advertising to convince the public?

Mr. Serge Dupont: No, no part of those amounts is for advertising.

The National Energy Board may have measures like that on its website. But overall, it's to have the labour force necessary to ensure safety and, in turn, reassure Canadians.

Mr. Jamie Nicholls: Yes, but there may be amounts given to change the websites or...

Mr. Serge Dupont: To give...

Mr. Jamie Nicholls: ...to put ads in newspapers.

Mr. Serge Dupont: With respect to ads in newspapers and the breakdown of those expenses, you should direct your questions to Gaëtan Caron, the chair of the National Energy Board.

Mr. Jamie Nicholls: So we won't be seeing advertising on television funded with these amounts intended for the National Energy Board. Is that what you're telling me?

Mr. Serge Dupont: I'm saying that the amounts are set aside for pipeline safety. It's normal that part of that amount be used to provide information to Canadians through the website, for example.

Mr. Jamie Nicholls: Of that amount, how much money will be used for that information for Canadians?

Mr. Serge Dupont: As I said, that should be discussed with the chair of the National Energy Board.

Mr. Jamie Nicholls: Thank you.

I have a second question for you.

Let's talk about contributions to the Canada-Newfoundland Offshore Petroleum Board. That amount is on page 106. The amount is \$7.75 million. Of that amount, how much money is reserved for translation services for consultations on exploitation on the west coast of Newfoundland in communities that are predominantly francophone, such as the Îles de la Madeleine?

Mr. Serge Dupont: I will have to refer to those offshore boards to provide an answer. I don't have the breakdown for that either.

Mr. Jamie Nicholls: I can give you an answer. It was zero.

I attended consultations for the Îles de la Madeleine, and there were no translation services. I find it appalling that, with \$8 million, no money could be allocated for translation services in a community that is mostly francophone. It doesn't make any sense. I hope it will change in the future.

I hope you might be able carry a message back to your department and say that it would be a good idea to provide translation services when the Canada-Newfoundland Offshore Petroleum Board wants to hold public consultations.

Do you agree with me?

Mr. Serge Dupont: I will be very happy to raise the issue with board's directors.

Mr. Jamie Nicholls: Okay.

Since I don't have much time left, I will give Ms. Liu the floor.

Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP): I would like to thank my colleague.

We all want to know more about the eco-energy retrofit program. You have already been asked some questions about it.

We know that the minister stopped accepting applications for this program in January 2012 before the funding ran out. We also know that the government has already boasted about having allocated \$400 million to that fund.

What proportion of the \$400 million has not been used?

• (1150)

Mr. Serge Dupont: As we indicated on our website, the envelope at the outset was \$400 million. Of that amount, about \$185 million will have been spent.

[English]

The Chair: Thank you, Ms. Liu and Mr. Nicholls.

We go now to Mr. Allen for up to five minutes.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Mr. Chair.

Thank you to our witnesses for being here.

I want to talk a little about forestry and some of the funding that you talked about in the supplementary estimates with respect to \$54 million in contributions. I want to know exactly what those contributions are going to be used for. Are these grants and contributions going to fall under existing programs?

The reason I ask is that we're coming out of a very good time when we had the pulp and paper green transformation fund, one which companies used very effectively in terms of lowering greenhouse gas emissions and reducing their carbon footprint. What are some of these programs going to do in this reallocation? What specific programs would they fall under?

Mr. Serge Dupont: One very important part of the grants and contributions money is funding for forest product innovation, which is the largest and I think most successful partnership for forest research and development in the world between governments and the private sector.

Under this \$54 million, the program generally is going to be composed of two parts. One part will go to expanding market opportunities. We've already been very successful in opening up new markets, working with partners in China and in other Asian economies. For example, exports to China have increased from \$166 million to \$1.45 billion in the span of only four years. Exports to South Korea have doubled.

Under this program we will continue to work with partners to grow these offshore markets and also to look at growing exports and domestic use of wood in non-traditional areas, for example, non-residential construction, schools, hospitals, and so forth. That means in some cases working with various partners to try to ensure that the building codes recognize how wood can be used safely in those kinds of construction.

The second part of the effort is around innovation. It is supporting the emergence of breakthrough technologies, the kind of work that we've been doing in the past through FPInnovations, for example, encouraging the development of a technology called nanocrystalline cellulose. We're told of considerable promise with a mill now in Windsor, Quebec, serving as a demonstration plant. These are various efforts.

We think the future of the industry means both innovating in terms of its products and processes and having new markets geographically and sectorally in order to grow. The industry does have to change, but we think it has started to turn the corner and it has a much better outlook now than it did three or four years ago.

Mr. Mike Allen: What is the plan for how the moneys for these programs will be rolled out? Is it going to be on an application basis or is it based on these supplementary estimates? Is it for companies that have already applied and are rolling out new technologies?

Mr. Serge Dupont: We have other programs that are more on the basis of.... We've had the investment in forest industry transformation, for example, which was announced in budget 2010, I believe, and was \$100 million for four years; that one was kind of on the basis of applications coming in.

The bulk of this one is really in working with FPInnovations and with select partners to try to advance very specific kinds of pursuits and goals.

• (1155)

Mr. Mike Allen: Is FPInnovations playing a role with organizations like FPAC and others in terms of promoting some of these innovations?

Mr. Serge Dupont: That's right. Many of these other organizations also are represented on the board of FPInnovations, so it is very much the place where you have discussions with the industry around areas where Canada could best advance its interests globally and in Canada.

Mr. Mike Allen: Okay, thank you.

I want to switch back to the isotopes. I have a quick question.

I think I might only have about half a minute left, Mr. Chair.

The Chair: You have 15 seconds for a very short question.

Mr. Mike Allen: What is your timeline with respect to the isotopes when you're talking about these new projects? What is the timeline for when we expect to start getting results from some of these programs?

Mr. Serge Dupont: Well, again, we know now from the projects we've already funded that they can produce the technetium-99, which is the substance that goes into a patient's body. We know they can produce it and they can replicate that process.

The question now is about ensuring that you would have the right kind of purity of the product on a consistent basis, and that you would meet the regulatory requirements, and also about trying to develop some kind of standardization of the process so that you can do it on a commercial level or a commercial scale. That's what we still need to do with this additional funding support to get it there. Clearly, we would like to have, by 2016, a reasonable dissemination of those technologies in Canada, to start meeting the needs of Canadians when the NRU basically comes to an end as regards the production of medical isotopes.

The Chair: Thank you, Mr. Allen.

We'll go to our final questioner for the officials. That is Ms. Liu, for up to five minutes.

Go ahead, please.

[*Translation*]

Ms. Laurin Liu: Thank you, Mr. Chair.

I share the concerns of my colleagues regarding the \$4 million allocated for advertising on responsible resource development. In the NDP, we believe that it is more important to consult with the First Nations and Canadians properly rather than simply spend these funds on advertising.

My question has to do with the expected savings in the Natural Resources Canada portfolio. In 2012 and 2013, we expect to save \$67.8 million. Can you tell us how many positions will be eliminated following the 2012 budget?

Mr. Serge Dupont: Yes.

In total, we have to eliminate 250 positions within the department as a result of the 2012 budget and the action we have agreed to take to reduce the deficit. The adjustments have already started. We had to and will have to make other adjustments to take into account additional financial constraints.

As I mentioned earlier, the Natural Resources Canada budget was doubled at one point. After the economic action plan, it was brought back to the previous level. We have to make adjustments, and we have already informed all employees. Most of them know exactly what to expect. We worked closely with the unions on this. We should be able to implement the adjustment set out in the 2012 budget.

Ms. Laurin Liu: Thank you.

I would like to share my time with my colleague, Mr. Gravelle.

[*English*]

The Chair: Go ahead, please, Monsieur Gravelle.

Mr. Claude Gravelle (Nickel Belt, NDP): Thank you.

There's \$54 million in the estimates to support the forestry sector, including \$17.2 million for marketing and \$10 million for innovation. How is this little bit of money going to reverse the catastrophe in the industry, with job losses of 222,000 in Ontario, Quebec, and British Columbia? Where will the jobs come from with so little money invested in forestry?

Mr. Serge Dupont: Number one, there had been a number of very significant commitments made for the forest sector over the last number of years. There was the \$1 billion for the pulp and paper green transformation program which has been fully disbursed. That has helped mills across the country improve their productivity, improve their energy use, and become greener.

There has been, as I mentioned earlier, \$100 million over four years invested in the forest industry transformation.

These sums, the ones you're citing, are actually making a difference in terms of expanding new markets and putting new technologies into—

• (1200)

Mr. Claude Gravelle: But, sir, we're dealing with the supplementary estimates (B) and it's \$54 million. It's not the numbers you're citing—

Mr. Serge Dupont: That's a fair comment, but simply to put this into context—

Mr. Claude Gravelle: —so how is \$54 million going to help?

Mr. Serge Dupont: I was mentioning to an honourable member earlier that these amounts are used, for example, to expand our presence in other markets. I mentioned the exponential growth in exports to China, which is basically transforming the industry in British Columbia at this time and having some ramifications across the country as well. On the technology side it is about looking at new products that are going to be the products for tomorrow. I think it is having an impact.

We are continuing the dialogue with the forest products industry at many levels.

Mr. Claude Gravelle: Thank you.

I have one more brief question.

With respect to Ontario forestry job losses every single year since 2005, all of these stats, these records have disappeared from the Natural Resources website. Some 220,000 job losses are embarrassing to the government. Why were these stats yanked from the website? Who makes the decision to yank these stats from the website? Is it you, is it the minister, or is it the PM's office?

Mr. Serge Dupont: I'll have to look into the issue of whether or how statistics would have been taken off the website. I'm not aware of that, so I'll have to look into it.

Mr. Claude Gravelle: Can you get back to the committee on that?

Mr. Serge Dupont: Sure. I have no problem getting back. In fact, I may be learning something in the process, because I didn't know those stats were removed from the website.

The other thing I would say, Mr. Chair, and I think it's acknowledged by the industry and by others, is that there are a number of global structural developments that have hit—no question—and cyclical factors of the forest industry. There's the downfall of the U.S. housing market and the fact that, obviously, there's less demand for newsprint today. That's meant radical change and radical adjustment for the industry. The government has tried, through targeted programs, to make interventions that would be productive, but the industry could not sustain itself in the same way that it had been operating in the past.

The Chair: Okay, thank you, Mr. Gravelle and Ms. Liu.

Thank you very much to the officials from the Department of Natural Resources for being here today and for answering questions and doing a great job of it.

We will suspend the meeting now for a couple of minutes as we change witnesses. The minister will be coming to the table, and we'll get into his statement and questions and comments after we reconvene.

•(1200) _____ (Pause) _____

•(1205)

The Chair: Good afternoon, everyone.

We'll reconvene meeting 60 of the natural resources committee. We're dealing today with supplementary estimates (B) for 2012-13.

Appearing as a witness in the second part of our meeting today is the Honourable Joe Oliver, Minister of Natural Resources. Welcome to you, Minister. With the minister remains the deputy minister, Mr. Dupont.

Minister, if you could go ahead with your presentation, and then we'll get to questions and comments.

Again, thank you very much for making yourself available.

[*Translation*]

Hon. Joe Oliver (Minister of Natural Resources): Good morning.

Thank you for this opportunity to meet with the committee.

Mr. Chair, members of the committee, since the government's economic action plan was first introduced in 2008 to respond to the global recession, our top priorities have been to support jobs for Canadians and to sustain Canada's economic growth. Today, I'm proud to say that Canada is making progress on both of those important objectives.

[*English*]

Since 2009 employment has increased by over 820,000, more than 390,000 above its pre-recession peak, and the strongest job growth among G-7 countries. More than 90% of all jobs created in Canada since 2009 have been in full-time positions and about 75% of these jobs are in the private sector and nearly 70% are in high-wage industries.

This strong record of job creation sets Canada apart from many nations, and could be clearly seen in our economy with the best growth in GDP in the G-7 since the recession. Certainly, Mr. Chair,

our nation's natural resource industries have played and will continue to play a key role in Canada's ongoing economic resilience. Nearly 20% of our economy is dependent on natural resources and more than 50% on our exports.

In 2011 the forest, energy, and mining sectors employed nearly 800,000 people. With indirect employment that total increases to 1.6 million jobs with even greater contributions in the future.

Over the next 10 years, there is potential for more than \$650 billion to be invested in over 600 major resource projects in Canada. That means the creation of hundreds of thousands of new jobs.

The funding requested from supplementary estimates (B) will continue to help bolster our resource sector and create jobs and economic growth.

•(1210)

[*Translation*]

With our Supplementary Estimates (B), Natural Resources Canada's 2012-2013 funding will show total budgetary authorities of \$2.85 billion. NRCan's supplementary request calls for additional net funding of \$1.2 million. This net funding request of \$1.2 million is the result of various proposed funding increases and transfers.

For example, we are increasing funding in a number of priority areas including \$54.2 million to expand market opportunities and promote innovation in the forestry sector; \$7.7 million to revitalize our satellite receiving facilities, in addition to transferring some internal funds of \$3.9 million for this purpose; and \$6.9 million to advance medical isotope production technologies.

[*English*]

Our government is committed to ensuring the safety of pipelines throughout the country. Pipelines are the safest form of transportation of oil and gas, and we are taking steps to further improve that safety record.

Supplementary estimates (B) provide \$5.9 million in funding to the NEB, which will be used to hire additional security staff. This will increase the number of pipeline inspections by 50%, as well as double the number of comprehensive pipeline audits. It's important to note that this funding will be fully cost recovered from industry.

The government is also seeking supplementary funding for other parts of the natural resources portfolio, about \$77 million for Atomic Energy of Canada Limited, AECL, and \$8.6 million for the Canadian Nuclear Safety Commission.

The AECL request for \$77 million will allow the crown corporation to meet operational requirements for its nuclear laboratories for the remainder of the year. These operational expenditures are consistent with AECL's budgetary plans for 2012-13 and do not reflect cost overruns or unexpected items.

[*Translation*]

Mr. Chair, members of the committee, our government's sound fiscal management is definitely paying some dividends for Canadians and Canada's economy.

To maintain this positive economic momentum, economic action plan 2012 focuses on the drivers of growth and job creation—innovation, investment, education and skills development—underpinned by our ongoing commitments to keeping taxes low and to returning to balanced budgets over the medium term.

[English]

This comprehensive forward-looking plan will continue to deliver high-quality jobs, economic growth, and sound fiscal management, all of which help Canada to maintain its strong position in the global economy.

A key part of our government's plan for the economy is to expand and diversify Canada's energy markets for both oil and natural gas. The International Energy Agency is now predicting that the United States will become the world's largest oil producer by 2020 and will be close to energy self-sufficiency by 2035. Essentially, this means that Canadian oil exports to the U.S. will be competing for a declining portion of U.S. imported oil. This massive shift in U.S. energy production will have far-reaching implications for Canada, given that we export virtually all of our oil and natural gas to U.S. markets.

This IEA projection underscores the fact that our government is doing the right thing today in helping to diversify Canada's energy markets in the Asia-Pacific and elsewhere, as the U.S. ramps up its own energy production. That's why Canada must also build and expand the infrastructure needed to move our product to coastal regions for export.

The expectations are also very high for Canada's mining sector. With major projects anticipated over the next decade, the need for skilled workers will also expand. According to the Mining Industry Human Resources Council, Canada's mining sector will need to hire more than 100,000 additional workers over the next 10 years.

The mining industry is among the country's largest private employers of aboriginal people, who make up 7.5% of its workforce. Aside from their proximity to major mining and energy projects, aboriginal communities can leverage another important asset, a young workforce. According to the Public Policy Forum, in the next 10 years approximately 400,000 aboriginal Canadians could enter the workforce. That's why our government's economic action plan 2012 provides more than \$690 million to make sure aboriginal youth are job ready.

There is a tremendous new global opportunity for Canada to thrive economically, so long as we make the right decisions today to capitalize on our vast resource development potential.

In addition, we need to continue to focus on innovation in the natural resources sector, through such programs as our ecoENERGY innovation initiative, which supports a wide range of investments to promote energy efficiency in buildings, communities, industry, transportation, and advances in clean electricity, renewables, and bioenergy. I look forward to the advice of this committee as part of your study on innovation in the energy sector.

Mr. Chair and members of the committee, I have travelled to current and potential markets over the past year and a half to promote the great economic attributes of Canada's resource industry: energy, mining, and forests. At every opportunity I have witnessed

great admiration, and even envy, for Canada's accomplishments and potential. It's clear to me that the world is taking notice of Canada as a reliable and responsible source of energy and resources. Other nations and their business communities see Canada as a place to invest safely and as a source of high-quality products and resources.

• (1215)

The choices Canadians make today will determine our success in the future, so I urge all members of Parliament to work in the spirit of cooperation to ensure that Canada does indeed seize the great potential of increased jobs, growth, and long-term prosperity for generations of Canadians from coast to coast to coast.

Thank you again for this opportunity to speak. I'll be pleased to answer any questions you may have.

The Chair: Thank you very much, Mr. Minister, for your presentation.

One cannot help but get excited about the potential for the natural resources sector in the years ahead.

We go now to questions and comments, a seven-minute round, starting with Mr. Leef.

Go ahead for up to seven minutes, please, sir.

Mr. Ryan Leef (Yukon, CPC): Thank you, Mr. Chair, and thank you, Minister, for appearing today.

You touched on this toward the end of your statement, that Natural Resources is making large investments in electricity and renewables and bioenergy. In my riding, in Yukon Territory, we certainly benefited from the investment in the Mayo B hydroelectric project. That was the largest green infrastructure project at the time, I think, at \$71 million. Obviously, it had a major impact in the Yukon on the clean energy we produce in supporting the communities.

I think a lot of Canadians were keenly attuned to the announcement the Prime Minister made on the Lower Churchill Falls project over the past weekend.

I'll give you an opportunity to speak more about the renewable energy projects in Canada generally.

• (1220)

Hon. Joe Oliver: Our government will support any clean energy project that is economically viable, that substantially reduces greenhouse gas emissions, and is of regional or national significance. As mentioned by the member for Yukon, this includes projects from coast to coast. The hydro project in Mayo B has significantly reduced the Yukon's reliance on emitting power sources. With this in mind, the Lower Churchill project will provide significant economic benefits to the Atlantic region and will help significantly reduce greenhouse gas emissions. In fact, Nalcor Energy estimates that the projects will help reduce up to 4.5 million tonnes of greenhouse gas emissions, which according to estimates is the equivalent of taking 3.2 million cars off the road.

In addition, in Newfoundland and Labrador, it's estimated the projects will generate \$1.9 billion in income to labour and business, \$290 million in taxes, and result in an average of 1,500 jobs during each year of construction, with peak employment during construction of approximately 3,100 people.

Mr. Ryan Leef: Thank you.

You mentioned at the beginning of your statement that the economic action plan was introduced in 2008 to respond to the global recession, and accurately reflected, of course, that our top priorities have been to support jobs for Canadians and sustain Canada's economic growth. With that in mind, in previous testimony earlier today, Mr. Dupont talked about how the budget was doubled in 2008-09 and 2010-11 to support one-time economic action plan initiatives, and is now really just being restored to pre-recession levels.

Can you touch on what the doubling of those investments and the one-time economic action plan investments have meant, as we move forward in our current investments in the supplementary estimates (B), for innovation and market development? How has that doubling of investments helped support our innovation and market development?

Mr. Dupont, if you would like to support any response to this as well, feel free to comment.

Hon. Joe Oliver: Those investments covered a number of different areas.

I might mention as an example the forestry industry, where the government has invested more than \$1.7 billion, and this is creating results with close to a 1,000% increase in Canadian softwood lumber exports to China.

The budget also provided over \$100 million to support continuing transformation of the forestry industry in areas of innovation and market diversification. A couple of the examples are the expanding opportunities program to help to diversify Canadian wood and help develop the non-residential school and mid-rise construction markets in North America. Another is the forest innovation program of some \$66 million to support the emergence of breakthrough technologies that will extract greater value from the wood we already harvest.

There are other areas such as the clean energy fund, which relates to, among other things, carbon capture and storage projects that we have been supportive of. I think it's understood that Canada is a leader in the field of carbon capture and storage at both the provincial and federal levels, and \$2 billion has been invested in that particular innovative technology.

There have been a number of areas where the economic action plan response to the recession has not only enabled the country to emerge more quickly and in better economic shape than other countries, but has also enhanced particular industries in the natural resource area.

• (1225)

Mr. Ryan Leef: I have one minute, so I have a quick question.

I noticed toward the end of your presentation you said that the government's economic action plan 2012 provides more than \$690 million to make sure aboriginal youth are job ready.

I was in my riding two weekends ago and was able to announce \$4 million for college training specifically related to the natural resources sector, taking opportunities that had been created through the economic action plan. Clearly, this level of investment around these natural resource sectors has come as a result of consultations with first nations people, identifying capacity issues and wanting to take advantage of this job market.

Could you touch on what you've heard from aboriginal and first nations communities about their desire to take advantage of the growing natural resource sector?

The Chair: Answer very briefly, please, Minister.

Hon. Joe Oliver: Thank you for the question. It's a very important one, because it touches on a number of things.

One is the tremendous positive transformative implications of resource development for aboriginal communities. We're talking here about projects, as I mentioned, that could total some \$650 billion, of which \$100 billion is in the north. Many of these projects are at or near aboriginal communities, so there's a tremendous opportunity for them to participate economically in terms of jobs and so on. It's good for aboriginal communities, and it's good for development.

We have put in a very significant amount of money, almost \$700 million, for training to get the communities, particularly the youth, ready to participate in the market and help the development to continue apace. I've had an opportunity to speak to aboriginal leaders. What we are doing from a government perspective is continuing to meet our constitutional responsibility for consultation and working with them as partners for the benefit of their communities.

The Chair: Thank you, Minister. Thank you, Mr. Leef.

We go now to Mr. Julian, and if there's time left, Mr. Nicholls, for seven minutes.

Go ahead, please, sir.

Mr. Peter Julian: Thank you, Mr. Chair. Yes, I will be sharing my time with Mr. Nicholls.

I appreciate your being here today, Mr. Oliver. As you know, ministerial responsibility means answering questions, even embarrassing questions. I certainly hope Conservatives will allow the opposition members to ask those important questions today.

I'm struck by the allocation in the supplementary estimates of nearly \$77 million going to AECL. As you remember, Mr. Oliver, very controversially last year the government sold off hundreds of millions of dollars in assets from AECL for the amount of \$15 million. It was called a fire sale at the time. It was called a sweetheart deal. Even greater was the outrage and concern when it was learned just a few weeks later that AECL had actually negotiated an additional contract for \$440 million that was part of this sweetheart package.

I note that in your presentation you mentioned a commitment to fiscal responsibility. Here we have a fire sale of government assets, where hundreds of millions of dollars of assets and a \$440 million contract are sold off for \$15 million. It would be like my saying I'm going to buy your car for \$100, but you give me the car and \$10,000 back. I think the public understands that was just a poorly negotiated, sweetheart, fire-sale deal.

My question for you is this. Is the \$77 million serving to sweeten the pot for subsequent sales, or is that money that is being transferred to the buyer of AECL assets for \$15 million?

Hon. Joe Oliver: Thank you for the question.

I have to note it was called a lot of things mainly by you and your party, so I don't think that necessarily reflected the views of Canadians.

The reason the CANDU reactor division of AECL was sold was to put an end to the very large demands for capital that the company was generating. In that regard we were therefore protecting Canadians. We also wanted to put it in the hands of a company with a great deal of expertise in the area and with experience and presence internationally.

As it turns out, at the end of the day, while this was a totally open process to buyers from the entire world, only one buyer remained at the table. We concluded a deal which, in our opinion, served the interests of Canadians and served them well.

In respect to the—

• (1230)

Mr. Peter Julian: Mr. Oliver, I'm going to have to interrupt you, because I have other questions, but thank you very much.

Hon. Joe Oliver: I'd like to answer specifically on the \$76.8 million.

The Chair: Mr. Julian, give the minister a chance to answer, please.

Mr. Peter Julian: Please go ahead.

Hon. Joe Oliver: There is a supplementary estimate, which includes a total of about \$77 million for Atomic Energy, which consists of \$76.8 million required to continue to meet operational requirements for its nuclear laboratories—that money does not go to SNC-Lavalin—and \$0.165 million, which represents a transfer to the Department of National Defence for the Canadian safety and security program for the acquisition of equipment.

Mr. Peter Julian: Thank you, Mr. Oliver.

I'm going to transfer things over to Mr. Nicholls.

Mr. Jamie Nicholls: Minister Oliver, my constituents are writing me letters and writing letters to the editor about wasteful government spending, namely the \$4 million mentioned on page 108 for advertising programs. While you're doing this advertising, government is promoting itself while cutting valuable services and innovation in science. We tried to put the department back on track by proposing a study on innovation in the energy sector.

I can tell you that my constituents who are concerned about safety and pipelines don't appreciate being called radicals. They don't appreciate being called radicals on the public dime.

They write letters to me and they write letters to the editor. I notice you're a fan of writing letters to the editor too and attacking concerned citizens and journalists. Unlike \$4 million spent in advertising, writing letters to the editor is free, so it's good: you're saving taxpayers' dollars by writing letters to the editor.

[*Translation*]

But certainly, with all the changes made to Bills C-38 and C-45, it will be difficult to convince Canadians that their interests will be taken into account. The changes made show that the government is not at all interested in incrementalism. They are instead showing that our government is a radical one. The power is concentrated in your office. You already have the ability to overturn the decisions of the National Energy Board.

Canadians are right. It's a split with the public. I can describe that as something radical.

Would you support what Premier Marois and Premier Redford proposed? Would you support the joint consultations with the provinces for projects that are under way, such as Enbridge's line 9?

Hon. Joe Oliver: You are asking a lot questions and making a lot of accusations, but I will try to answer you.

[*English*]

First of all, I'm pleased that you read my letters to the editor. I think you will find a lot of information in them.

As to this oft-repeated and often mischaracterized statement about radicals, what I said was that there are some groups who are opposed to every form of resource development. Since making that statement, which was clear at the time, the facts have become even more abundantly obvious because there hasn't been a single major resource development in this country that has been proposed since I became Minister of Natural Resources that has not been opposed by some group or another. That is regrettable because I think analyzing the projects on their merits, and from a political perspective, waiting for the regulatory organization to make its independent, scientific, objective analysis and come to its conclusions, is what responsible parliamentarians should do.

You talked about advertising, so let me respond to that point, and then go on to some of the others.

• (1235)

[*Translation*]

Canada's natural resources play a crucial role by creating jobs and fostering economic growth in all regions of the country. Natural resources support close to 1.6 million jobs and place fifth overall in Canada's economic activities.

An additional amount of over \$4 million will be used to purchase advertising that will appear on television and on the Internet.

[*English*]

The point is to provide facts to Canadians about measures taken by the government to protect the environment and provide other information on responsible resource development. All details regarding the advertisements will be published by the government in the annual report on government advertising activities.

The Chair: Thank you, Minister, and thank you, Mr. Nicholls and Mr. Julian.

We go now to Mr. Eyking for up to seven minutes. Go ahead, please, Sir.

Hon. Mark Eyking: Thank you, Chair.

Thank you, Minister, for coming.

A month ago, I led a delegation of MPs and senators from Atlantic Canada. We spent a few days in northern Alberta. We visited Syncrude's oil and gas operation. We visited the site where former Prime Minister Chrétien signed a big deal with the oil companies and the provinces, which kind of fostered the big development out there.

We also went to Fort McMurray and met with the chamber of commerce, the airport authority, a college, and MLAs. They see the big expansion.

It's just a note to you, Mr. Oliver, that you should tell your infrastructure minister to get up there. They need help with their expansion of the infrastructure, the airport, everything. They're busting at the seams.

You already mentioned in your briefing that you're well aware of the numbers, of the impact to the economy in that region. We're talking 20% of GDP in exports. When you look at the numbers, going from 1.5 million barrels a day to over 5 million barrels a day, the amount of increased production is going to be phenomenal.

I don't know if you have read the article in the latest *The Economist*. It pretty well states that your government has a great opportunity, if it handles it properly, but if it's not handled properly, we're going to lose that big opportunity and you're going to see the big players cutting back on their venture capital and investing.

We also met with stakeholders in Calgary. They see this as your government's and the Prime Minister's having to take the lead on this, just as they took the lead 150 years ago when the railroad was built. They have to take then lead on getting these pipelines in place. They cannot leave it to the private sector because the private sector is not going to be able to do this on its own.

I have a couple more comments. I'm on the foreign affairs committee. Right now, we're studying the future of the Arctic. That opens up not only a whole pile of challenges, but also opportunities, of which, as the minister, you're well aware. Just the other day a witness talked about the potential of piping oil to Churchill and oil tankers coming out of Churchill. It's a big challenge, but it could be an opportunity.

That all being said, and assuming you might be minister of this department for the next three years, you're going to see a ratcheting up of production out west. Of course, you're well aware that the United States is becoming more self-sufficient, and we need these other world markets. You mentioned that it has to come out of a pipeline one way or another.

My first big question is, what is your game plan, not only yours, personally, but with your colleagues as well? This can't be pulled off by your department alone. Therefore, what is your game plan along with your colleagues and your provincial counterparts? With reference to the railroad, in order for the railroad to be built 150

years ago, the Prime Minister had to take a real, vested interest in making that happen. I'm concerned about leaving it to the private sector.

If you're going to have this job for the next three years, what is your game plan to do this right, along with your colleagues and your provincial counterparts? If it's not done right, the capital would stop coming into the region, all those jobs out there would be lost, and we would lose this great opportunity for the economy.

Hon. Joe Oliver: Thank you for your question. I'm pleased you see the enormous economic potential for the Canadian economy, and for individual Canadians right across this country.

You say that the private sector can't do it on its own, and certainly government has its role too. I hope you're not suggesting, however, that the federal government support the resource companies because that's not where we're heading.

What we need, clearly, is a collaborative effort between the federal government and the provincial governments, and between the provincial governments themselves, because we are talking here about resources and responsibilities that the Constitution has divided between the two levels of government. Some are within federal jurisdiction, some are within provincial jurisdiction, and some are shared, and so we all have a critically important role in that regard.

I should also mention the role of the regulatory bodies. We have been very clear, as a government, that no project will go ahead unless it's safe for Canadians and safe for the environment. We take environmental protection and safety of Canadians very seriously. That is why, in our responsible resource development legislation, we put significant amounts of money into maritime safety and into pipeline safety. We will continue to move forward to make sure that the safety is utterly world-class. This means it's a never-ending task because as technology and science improve, we're going to require industry to move with them.

Our vision is long-term prosperity and security for Canadians, based upon the responsible development of our immense natural resources from coast to coast. Everything we're doing is geared to achieving that overarching objective.

• (1240)

Hon. Mark Eyking: Can you explain in a little more detail when you say that you are doing everything to do this? We're looking at a small window here, and what I heard from the oil companies is they do not want money to help build their pipelines. They don't need that money. They don't want this to go roughshod over people's land or create bad environmental practices. They want leadership from the Prime Minister and your colleagues.

You're talking about the provinces, but I'll go back to how we built the railroad: it has to come right from the Prime Minister's Office to push this and to sit down with premiers who have a problem with the line or whatever. I guess that's where I'm getting to. Is that going to be done? Can you sense that within your cabinet? Can you sense within your colleagues that this could be a great opportunity lost if you guys don't take the bull by the horns in the next couple of years?

Hon. Joe Oliver: Well, we of course have been actively involved in doing precisely what you're suggesting. Our low-tax policy for jobs and growth is entirely consistent with those objectives. The responsible resource development, which streamlines regulation while enhancing it at the same time, has been received exceptionally well in foreign countries that I have visited. I have been to China twice, to India and Japan twice, and to Korea, the Philippines, Europe, the United States, and Israel. We've been talking about and promoting the enormous natural resources of this country and we've been promoting free trade. We have been encouraging investment.

We're open for business and we're telling the world about the Canadian story. It is resonating extremely well. This is under the Prime Minister's leadership; he personally has been involved. My colleague, the Minister of International Trade, and I have been going to the markets where there is enormous complementarity. You see, Canada absolutely must diversify its markets in light of the fact that 90% of growth in demand in energy is going to come from non-OECD countries, and the U.S. is going to become energy—

Hon. Mark Eyking: Self-sufficient.

Hon. Joe Oliver: —self-sufficient.

We need this. Many of these countries in the Asia-Pacific market have a key strategic objective of diversifying their sources of supply.

Hon. Mark Eyking: I have one more question.

The Chair: I'm sorry, Mr. Eyking. Your time is more than up, by about a minute and a half.

We'll go now to Mr. Allen, for up to five minutes.

Mr. Mike Allen: Thank you very much, Mr. Chair.

Thank you, Minister, for being here today.

I want to pick up on a couple of Mr. Eyking's comments. I'm glad that the Atlantic caucus from the Liberals went up to the oil sands to see the potential benefit of that. There's a tremendous benefit. I'm glad he is supporting us in developing that and looking for all the opportunities to get our resources out to market.

One of the things, Minister, that we have heard about a lot in the news lately is the reversal of Line 9 and the potential pipeline coming east as an opportunity to open up more markets for oil sands product, which I think is tremendous. I'm sure that my colleague, Mr. Calkins, would be very happy that we're exploring all these markets as well.

In the estimates, where you talk about the funding of \$5.9 million to strengthen the capacity to inspect oil and gas pipelines, are those dollars going to be something that will improve our record on pipeline safety? In your view, does that prepare us for when we start to expand our pipelines and potentially look at a pipeline east?

•(1245)

Hon. Joe Oliver: There's great interest in a Line 9 reversal because it holds the promise of bringing a less costly light crude, initially, to Quebec and maybe Atlantic Canada, to the refineries in Lévis, in Montreal, and in Saint John. I was just at the Ultramar refinery in Lévis. I will be going fairly soon to the Irving Oil refinery in Saint John. It will create jobs. It will provide a lesser cost crude to

the refineries. It has the potential for reducing the cost of fuel at the pump. It's quite positive.

Our government is providing new resources to ensure that the Canadian pipeline system is the safest in the world. In the jobs, growth, and long-term economic prosperity budget, new funding was devoted to increasing pipeline safety. The new funding in supplementary estimates (B) will allow the National Energy Board to hire new safety staff. The additional staff will allow the NEB to increase the number of annual inspections it conducts by 50%, from 100 to 150. It will also double the number of comprehensive audits conducted on its regulated companies. The funding will be, as I mentioned, cost recovered from industry.

Our government remains committed to having the strongest pipeline safety regime in the world.

Mr. Mike Allen: Thank you.

I want to switch gears to forestry. In the previous session, Mr. Dupont talked about the forest innovation program and the expanding market opportunities program. He specifically pointed out a couple of statistics. China is growing from \$166 million to \$1.5 billion, and in South Korea the market is actually doubling.

I know, Minister, you've done a significant amount of travelling, and that's why I said it was promoting resources, and not just the resources, but also our forestry resources abroad.

I wonder if you could speak to some of the other potential opportunities for the forest industry and to the market opportunities program. Are they in continued expansion in China and South Korea? Do you see an expansion in value-added products being exported out of Canada as potentially helping our forest industry grow and continue to grow and innovate?

Hon. Joe Oliver: In response to an earlier question, I talked a bit about the expanding markets opportunity program and the forest innovation program. We see enormous continuing demand in China, India, and Japan. The markets are different. The Japanese market is looking for high-quality wood.

I was in the Sendai district, which had been hit by the tsunami, and I was very moved to see a ship carrying B.C. lumber that had come in. That lumber is being used for reconstruction efforts in that country and is greatly appreciated. Canadian wood is very well respected there.

In China, I was in an area where the very first four-storey wood-frame building in the entire country had been constructed. There's a cultural issue there. We need to propagate the advantages of wood. Wood lasts a long time—the Forbidden City is made of wood—and the Chinese know that, even though they don't have many homes that are built from wood. It's more resistant to earthquakes, and, depending on the quality, it can be very attractive for price-sensitive buyers, which the Chinese market has.

There is enormous potential. Given the huge increase in the middle class in China and India and the demand for second homes, which can often be wood-frame homes, we see tremendous opportunity.

Frankly, if it weren't for the Chinese market, I don't know where the Canadian lumber industry would be today. I've heard that expressed on numerous occasions. Frankly, that market plus the \$1.7 billion that our government has invested actually saved the industry.

● (1250)

The Chair: Thank you.

Thank you, Mr. Allen.

Mr. Trost, go ahead for up to five minutes, please.

Mr. Brad Trost: Thank you, Mr. Chair.

In looking through our voted appropriations, I see there's a line, "Funding to support the Isotope Technology Acceleration Program to advance the development of alternatives to existing medical isotope production technologies".

I won't be asking about the exact amount, but having been on this committee in the days when Chalk River had its difficulties, shall we say, I'm wondering if you could elaborate on where that program is going as we're looking toward finding alternative sources for isotope production.

Hon. Joe Oliver: Thank you for the question.

The health and safety of Canadians is clearly a priority for our government, and we continue to work domestically and internationally to promote a more secure supply of medical isotopes.

The economic action plan 2012 provided \$25 million over four years to continue the development of non-reactor-based isotope production to help secure the supply of medical isotopes for Canadians. This investment reinforces Canada's leadership in medical isotopes. It opens technology export opportunities, and it supports high-quality jobs at home.

Investment also contributes to nuclear safety and non-proliferation by removing the need for highly enriched weapons grade uranium and nuclear material in the production of medical isotopes. It would furthermore significantly reduce the amount of radioactive waste generated for medical isotope production. We're very encouraged by this technological innovation.

Mr. Brad Trost: Thank you, Mr. Minister.

The Chair: Mr. Trost, I just want to let you know that I'm going to have to reduce your time by a little bit. We need a couple of minutes. I want to give the opposition some time, and we need a little bit of time to go through the actual votes so we can have the supplementary estimates reported to the House.

Mr. Brad Trost: How much more time do I have, Mr. Chair?

The Chair: You have about two minutes.

Mr. Brad Trost: Thank you, Mr. Chair. My stopwatch is going again.

Earlier, your deputy minister's notes, and yours might too, noted that the goal for NRCan to help the government reach its deficit reduction objectives is \$112 million annually by 2014-15, or 10% of the department's base, because on certain issues natural resources is just an accounting for funds coming in and on, a sort of offshore banking we do for some of the provinces.

Where are you in progress to that \$112 million in terms of your target? Is there a possibility that you could exceed that and find more savings than had been originally forecast?

Hon. Joe Oliver: Let me start by saying the taxpayers expect the government to use their money wisely, and reducing the deficit requires the government to be responsible with funding.

In fact over 70% of the savings government-wide are in operational efficiencies, such as reducing travel expenses by using virtual tools such as teleconferencing, video conferencing, and virtual presence, and reducing duplication across departments by combining administrative functions like human resources, financial services, communications and IT, and replacing paper publications with online content.

We continue to find ways to save money. The questions we ask of the department are whether the programs support our core roles, whether they're effective, whether they're affordable in our current fiscal environment, whether we can deliver services more efficiently. The savings have to take into account the change in economic and fiscal circumstances. In some cases programs are simply scaled back to maintain affordability, such as in areas where industry is now better positioned to assume a greater proportion of the costs.

● (1255)

The Chair: Thank you.

Thank you, Mr. Trost.

We go now to Mr. Gravelle, and Ms. Liu if there is time left, for about three and a half minutes.

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

I just want to notify the committee that we will be moving the motion requesting tabling of details on staffing cuts and service level impacts of the spending review.

Mr. Minister, you talked about big projects being developed. There's a big project in northern Ontario called the Ring of Fire. The Premier of Ontario has called it the most significant mining development in Canada in a century. Members of your party have called it the oil sands for Ontario.

We have a chance here to get it right and do something for the environment, do something for the economy, do something for first nations' rights, all at the same time, and create hundreds of jobs for hundreds of years, by getting everyone at the table at the same time to do, as a first nation is requesting, a joint federal-provincial review that covers everything. A joint federal-provincial review is not the same thing as a comprehensive study.

Why not do that? Why not get everybody to the table and do it right the first time?

Hon. Joe Oliver: I certainly agree that the Ring of Fire has enormous potential for economic development for Ontario and for Canada. There are vast chromite deposits there, some 50 billion dollars' worth. I think it would also create employment and economic benefits for aboriginal communities. We are delighted that there is this opportunity in Ontario. We're going to be taking a whole of government approach to this opportunity and working as appropriate with the province going forward.

I haven't personally received a specific request about that, but we're very interested in how we can be helpful to advance development in Ontario's north.

Mr. Claude Gravelle: Thank you.

It sounds to me, from your answer, that you're willing to do a joint federal-provincial review that covers everything. Is that what I hear you say?

Hon. Joe Oliver: No, you didn't, actually.

Mr. Claude Gravelle: I thought I did.

Hon. Joe Oliver: Well, there you go.

Mr. Claude Gravelle: Don't you want to help the first nations? Don't you want to create jobs for hundreds of years? Don't you want to get the environment right? This is our future. This is the future of Ontario.

Hon. Joe Oliver: We absolutely do. We absolutely want to be helpful. I'd like to talk to my colleagues about the precise mechanism to do that.

In response to your question, the critical point is that we want to work on a collaborative basis with our provincial colleagues, including, of course, the Government of Ontario.

Mr. Claude Gravelle: Thank you.

Madame Liu.

[*Translation*]

Ms. Laurin Liu: Thank you, Mr. Gravelle.

I would like to discuss what is on line 9, which states that Quebec can implement a public consultation process to study this project. Are you committed to respecting the conclusions of that process?

Hon. Joe Oliver: I misunderstood the question. What process do you mean?

Ms. Laurin Liu: If Quebec sets up a public consultation process, will you respect that process?

Hon. Joe Oliver: The process that involves line 9.

There is currently a regulatory process. Enbridge very recently made a request for half of the pipeline.

• (1300)

Ms. Laurin Liu: I'm talking about the process set up by the Province of Quebec.

Hon. Joe Oliver: The Government of Quebec has its own process. They have not yet asked us to take part in it.

Ms. Laurin Liu: So you are not going to respect the conclusions of the process.

Hon. Joe Oliver: The provincial government expects the federal government to respect their jurisdictions and we respect their jurisdictions. They are in the process of doing a scientific and regulatory analysis, and we respect their right to do so.

Ms. Laurin Liu: Even if the people of Quebec...

[*English*]

The Chair: Sorry, Madame Liu, we're out of time for today's meeting.

I would like to thank the minister very much for his presentation and for answering questions today in such an able fashion, and Monsieur Dupont for being here for the second part of the meeting as well.

The meeting is adjourned.

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