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Chair

Mr. James Maloney

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• (1530)

[English]

The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)): Good afternoon, everybody. Welcome back after our brief hiatus from Ottawa. Today we have a full agenda.

We're going to be discussing, reviewing, and asking and getting some answers to questions on the main estimates for 2016-17 with respect to the areas that fall under the jurisdiction of this committee, those being Atomic Energy of Canada Limited, Canadian Nuclear Safety Commission, National Energy Board, Department of Natural Resources, and Northern Pipeline Agency.

In that respect, we are very fortunate to be joined by the minister for a second time. We're very grateful, Minister, for you taking time out again to be with us, given your very busy schedule, as well as deputy minister Bob Hamilton for the first hour. Gentlemen, thank you very much for being here today for the first hour.

In the second hour, I understand Mr. Hamilton will stay with us and be joined by another one of his colleagues and we can continue our discussion.

On that note, I am going to turn the floor over to you, Minister, and we can discuss the estimates.

Hon. Jim Carr (Minister of Natural Resources): Good afternoon, Mr. Chair, and members of the committee.

I'm glad to be back again, and so soon. We had a very good conversation the first time I had a chance to sit down with you. I think I said then, and I'd be pleased to say again, that I really believe this is at the very heart of Parliament; members from all sides having an open debate about issues that matter to Canadians.

We may disagree on some of the detail, but we certainly agree on one thing and that is that we all care about the best interests of our country. I am very pleased to spend the next hour with you talking about the Natural Resources Department. I'll talk about the main estimates for the current fiscal year, the supplementary estimates (C), and of course our government's first budget.

As I said when I was here in February, we share a big responsibility with this portfolio. Our task is to ensure Canada's natural resources are developed sustainably as part of a strong economy and a clean environment, and in ways that ensure local communities are the true beneficiaries. All of these things depend upon the choices we as parliamentarians make, the priorities we set, the principles we establish, and the investments we make. The main estimates are part of that. They provide the fiscal base for the coming

year, but the main estimates are only part of the story. Budget 2016 fills in the details. It outlines our overarching vision that Canadians are ready and eager to embrace the low-carbon, clean growth economy of tomorrow. Economic growth and environmental protection are not competing interests, but vital components of the single engine of innovation. Canadian ingenuity can rise to the challenge of solving today's problems, bettering our lives, and bringing us the future; a future that will be better, brighter, and more prosperous than we can imagine.

In many ways, our first budget reflects the great opportunities we see in Canada's resource industries: to support research and development, to invest in clean technology and innovation, to promote clean energy and alternative fuels, to engage in more meaningful consultations with indigenous people and local communities, and to develop greener ways to extract and process our natural resources and get them to market.

All of these things are front and centre in budget 2016, with Natural Resources Canada figuring prominently in our government's investment plans.

Those highlights include \$87.2 million over two years to update the facilities that support research in forestry, mining, and minerals, earth sciences and mapping, as well as innovation in energy technology; \$82.5 million over the next two years for the research, development, and demonstration of clean energy technologies; \$62.5 million over two years for recharging stations for electric cars and refuelling stations for vehicles powered by natural gas and hydrogen; \$50 million to invest in technologies that will reduce greenhouse gas emissions from the oil and gas sector; and \$2.5 million to support regional dialogues and studies that identify the most promising electricity infrastructure projects.

It's a lengthy list, but each of those investments is designed to speed Canada's transition to the low-carbon economy of the future.

There is more. We are also investing \$128.8 million over five years to develop new energy efficiency programs and policies. We want to help Canadians save money as they reduce their environmental footprint.

We've committed \$81.3 million over five years to support marine conservation activities. Budget 2016 also extends the 15% mineral exploration tax credit for another year. It permits certain costs associated with undertaking environmental studies and community consultations to continue to qualify as Canadian exploration expenses. That's good news for junior mining companies seeking the venture capital they need to finance exploration. It also serves as an incentive to individual investors attracted to the flow-through shares that finance grassroots mineral exploration.

Taken all together, it's a game-changing budget that delivers on our promises to Canadians.

●(1535)

I would be remiss, though, if I did not point out that budget 2016 also gives substance to the international commitments we've made over our first six months in office, including commitments made at the COP 21 climate change talks in Paris last November; at the North American energy ministerial I hosted in Winnipeg earlier this year; in the joint statement on climate, energy, and Arctic leadership that Prime Minister Trudeau and President Obama agreed to in Washington last month; and with our pledge, as one of the 20 founding countries of Mission Innovation, to double government investments in clean energy research and development over the next five years, as well as spurring private sector investments in clean technology.

For example, budget 2016 provides for more than \$1 billion over four years beginning in 2017-18 to support clean technology. That includes innovations in the forestry, mining, and energy sectors. We realize that the marketplace will ultimately decide how quickly the global economy goes green, but governments can point the way. We can provide the necessary nudges by pricing carbon, by ending subsidies for fossil fuels over the medium term, and by investing in and supporting the low-carbon, clean-growth economy of the future.

We can also show leadership by building consensus for major resource projects. That's what our interim approach does for assessing and reviewing major resource projects already in the queue.

How? It does so by restoring public confidence in the process; by renewing our nation-to-nation relationship with indigenous peoples through meaningful consultations; by ensuring direct and upstream greenhouse gas emissions linked to a project are considered; by basing regulatory decisions on science and evidence; and by ensuring this evidence includes traditional indigenous knowledge. Our government's approval of Woodfibre's proposed liquefied natural gas project near Squamish, British Columbia, is an example of doing things the right way.

I'm pleased that budget 2016 also includes \$16.5 million to implement our interim approach over the next three years. It's a vote of confidence in our efforts to bring Canadians together, to find common ground, and to ensure Canada's resource industries remain a source of growth, employment, and new opportunities in a world that increasingly values sustainable practices. That's why I've also been hosting round tables across the country from Halifax, Saint John, and Toronto to Winnipeg, Calgary, and Vancouver. When you bring industry representatives, indigenous peoples, and environmental leaders into the same room, often for the first time, you

quickly discover that there is much more that unites us than separates us.

As I've said before, I have great faith in Canadians and their ingenuity. We are a nation of hard-working, resilient, and visionary people who always seem to rise to the occasion, and I'm convinced that we will do so again.

Great things are within our grasp for Canada's resource industries, and budget 2016 will help us achieve that. Through innovative ideas and important investments, we will redefine our resource sectors and reset our economy for generations of prosperity.

I'm here today, Mr. Chair, to seek your support for our spending plans, to invite all of you to work with us, and to answer any questions you may have.

Thank you.

●(1540)

The Chair: Minister, thank you very much for your comments.

Before I turn it over to questions, Deputy Minister, do you have any comments you'd like to make?

Mr. Bob Hamilton (Deputy Minister, Department of Natural Resources): No. Thank you.

The Chair: Thank you very much.

I'm going to open the floor to our first seven-minute segment.

Mr. Tan.

Mr. Geng Tan (Don Valley North, Lib.): Thank you very much, Minister, for coming today and for your statement.

The main estimates identify a funding commitment of \$969 million for Atomic Energy of Canada Limited, AECL, in this fiscal year. Can the minister tell us what this money is for?

Hon. Jim Carr: Well, we want to keep our institutions absolutely safe and modern. There will be a refurbishment of facilities. As you know, in this industry, it is of paramount importance that we keep our facilities in a condition that is safe. We believe these investments will ensure their safety, and we will ensure that there will be monitoring of the way these funds are spent.

We believe that nuclear energy has been very important for Canada. People don't actually understand how important it is. There's a question that I sometimes ask people when the subject comes up: what percentage of Ontario power generation do you think is nuclear? When they hear that the answer is 62%, they're very surprised.

Nuclear energy has been important to our past as Canadians. We want to ensure that we keep up necessary investments so that our facilities are state-of-the-art safe.

Mr. Geng Tan: Okay.

Let me come back to the \$969 million number again. This number is a big increase compared to the amount of \$390 million in previous years. Why is there such a big change?

Hon. Jim Carr: Previously, AECL received funding through a variety of sources at different points in the year, including main and supplementary estimates, payments from Natural Resources Canada, and Treasury Board central votes. In 2015-16 the total government funding to AECL from all sources was close to \$640 million. The government is investing \$800 million over five years to renew the laboratories, including new and renewed science facilities that will serve the needs of Canadians as well as the industry.

Mr. Geng Tan: Right now AECL's nuclear site remains the property of government but is managed by contractors by private sectors.

Hon. Jim Carr: That's right.

Mr. Geng Tan: How is the safety of a nuclear operation maintained by this kind of business model? What are AECL's plans and priorities, and who is going to keep an eye on those managing it?

• (1545)

Hon. Jim Carr: As you know, AECL delivers its mandate through a GoCo model, whereby the operations of its nuclear laboratories, including decommissioning and waste management work, are delivered by Canadian Nuclear Laboratories. Under this model, AECL continues to own the land, facilities, assets, and liabilities, whereas the workforce, the licences, and all other aspects of the running of the sites are part of Canadian Nuclear Laboratories' business. AECL is a small crown corporation whose role is to oversee the contract with Canadian Nuclear Laboratories and act as a smart buyer on behalf of the government in order to bring value for money to Canadians.

Mr. Geng Tan: You just mentioned that our nuclear industry is a small industry globally. How is the ministry going to work to promote our CANDU technology in the global market, for example, in China?

Hon. Jim Carr: As a matter of fact, the parliamentary secretary was in China just this past week as part of the Canadian delegation talking about the nuclear industry in Canada. I will have opportunities to travel within the next number of months to Japan for the G7 energy ministerial meeting and then later in June to the G20 ministerial meeting in Beijing. We will be very attentive to the opinion of others, our partners around the world, on the state of the industry, Canada's role in it, and the future potential for Canada to be an important player.

The Chair: Thank you.

Ms. Stubbs, you're next.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you to both the minister and Mr. Hamilton for being here with us today.

I would like to focus my time on the National Energy Board.

Minister, as you know, the budget for the NEB increased this year compared to the 2015-16 main estimates. It was due to an increase of \$18.3 million specifically for energy transportation and infrastructure from the previous government's 2015 budget. In fact, the

previous Conservative government committed \$80 million over five years to the NEB to contribute to safety and environmental protection and to enhance engagement with Canadians related to transportation infrastructure. The funding was intended to be fully cost recovered from industry.

Recently, as you noted in your opening comments, the Minister of the Environment and Climate Change announced new transitional pipeline review measures that are in addition to the existing NEB process. Of course, we know proponents of Canada's world-leading and sustainable natural resources projects have invested millions of dollars in what they believed was a predictable, responsible, and robust approval process. Now your government is changing the rules of them mid-project, which is perpetuating uncertainty and instability at what I think we can agree is the very worst time. Previous governments, through their significant investment in budget 2015, signalled to industry and to Canadians that safety, environmental protection, and enhanced engagement on energy and transportation infrastructure are important issues that demand appropriate investment from the federal government and they delivered on that.

I have some questions for you relating to the NEB and your government's intention. I'll ask them all at once.

One, does your government intend to continue the \$80-million investment in the NEB announced last year by the former government? If not, what will your investment be and how will it assist the board in doing their work?

Two, given your government's insistence that an extra review process is necessary, in addition to the great work of the NEB, do the chair and the experts at the NEB have the confidence of your government, yes or no?

Three, do you plan on making any management changes to the NEB, given your government's ambiguity over confidence in their work and the need for an additional process?

Hon. Jim Carr: The answer to the first question is yes, the funding that was announced will be maintained. The answer to the second question is the government has confidence in the chair of the National Energy Board.

We also understand that we have a mandate from Canadians to reform the National Energy Board. That's something we have started to do already in two phases. The transition phase will include those five principles that you know very well.

When it comes time for the energy east pipeline to be assessed by the National Energy Board, we have agreed we will appoint a number of temporary commissioners to help the board in its work to assess that very long and complicated project.

I must say, Mr. Chair, just before question period today the member from Grande Prairie—Mackenzie in his member statement asked the government to approve the energy east pipeline. This is before the application has been lodged with the regulator, and that is part of our problem. If there are members of Parliament who want the government to make decisions on major energy projects even before those projects have been assessed by the regulator, it's no wonder Canadians have lost confidence in the regulatory process.

Our ambition is the same as the ambition for the member from Portage—Lisgar and the same as the ambitions of members of her caucus, and that is to move our natural resources to tidewater and to market sustainably. This is what we all want, but to assume that decision can be made by government before the regulator has even looked at the application is part of the reason we're having to reform the regulatory process.

That is how we will reform the NEB in the short term. In the long term we have a mandate to reform the environmental assessment process in Canada. That will be a responsibility of the Minister of Environment and Climate Change and the Minister of Natural Resources. We will be working together; we will be consulting Canadians; and very importantly we will be consulting members of this committee.

We will be posing the question: if you had to create a Canadian regulator from scratch, what would it look like? What would the principles be that would determine the structure? What would the legislation we would ask Parliament to pass consist of? What would the values be? What is the relationship ultimately between the government and the regulator?

That is the longer-term reform of the NEB. The process we have introduced now seeks to establish a broader consensus across the country.

● (1550)

Mrs. Shannon Stubbs: I would like to clarify one of the points you just made. After the reform and the changes you say you want to make to the NEB, because obviously you don't trust the process or the experts there, then you want to appoint temporary commissioners to help the board after the proponents have made it all the way through the additional layers and costs you're going to add.

How does that indicate you trust the evidence-based decision-making of the experts of the NEB if you also want to appoint temporary commissioners to so-called help them, as you just said?

Hon. Jim Carr: We will appoint the temporary commissioners during the assessment process of the National Energy Board once the application from the proponent has been lodged with the regulator. That hasn't happened yet.

Mrs. Shannon Stubbs: Who are they?

Hon. Jim Carr: We haven't appointed them yet.

Mrs. Shannon Stubbs: What will the appointment process of the measures be?

Hon. Jim Carr: We've announced a new system of appointments. It will be available for parliamentarians to see. We think there are values to appoint temporary members of the National Energy Board to ensure the diversity of the country is represented, to ensure that indigenous cultural practices are a part of the review, and those will

be the qualities and the skills we'll be looking for when the appointments are made.

Mrs. Shannon Stubbs: What will be the timeline for the appointments?

Hon. Jim Carr: I would say those appointments would be made sometime after the proponent has lodged the application to the National Energy Board. That hasn't happened yet.

You know there was an attempt to do that, but the National Energy Board sent back 30,000 pages because they said it was too complicated even for their experts so I'm presuming some editing is going on right now.

Once the editing is done and the National Energy Board sees the application, then the clock begins to tick on the timelines that will govern the energy east review process. Sometime during that period we will give the National Energy Board more resources to do its job effectively.

The Chair: That's a good segue, Minister. The clock is ticking.

I apologize, Ms. Stubbs, but we have to move on.

Over to you, Mr. Cannings.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you again for coming here once again.

I'll start by asking about the Ring of Fire. I notice that in the estimates again there was no mention at all of funding to support the Ring of Fire. Neither was there any mention of it in the budget. The Province of Ontario has called for matching funds of \$1 billion for infrastructure to unlock this potential. Where is this government's support for this huge development for the future of northern Ontario? Why is your ministry abandoning this region that's been hurting for so long?

● (1555)

Hon. Jim Carr: I wouldn't describe it as abandonment, I would describe it as a keen interest in the priorities that the Government of Ontario advances to Canada for spending infrastructure dollars, based on the principle of provinces setting priorities.

It's a very timely question. Just within the last week I've had conversations with Minister Gravelle from the Government of Ontario and with Grand Chief Day about the Ring of Fire project. What I said to them I'll say publicly now, and to the committee, that when the Government of Ontario wants to approach Canada about what its priorities are for infrastructure spending, and if it is a priority of the Government of Ontario, working with indigenous communities, then the Government of Canada would be very pleased to sit down with Ontario and those communities to determine the best way forward.

Mr. Richard Cannings: Okay.

After going through these estimates, and having gone through the budget presented two weeks ago, it looks like much of the so-called new money for clean energy in budget 2016 is actually just filling holes left by the Conservatives and replacing sunsetted funds. There doesn't seem to be any new or change of direction here, let alone any real change.

How do you account for this?

Hon. Jim Carr: I can't account for a lack of change, but I can reiterate the depth of change that's in this budget, as I reviewed during my remarks and would be glad to talk about now. There are significant investments in green infrastructure; significant investments in alternate sources of energy, in electric vehicles and in stations that will recharge those vehicles; major investments in innovation right across the government; and investments even in the oil sands of Alberta to build on some of the very good work that has already been established by Canada's Oil Sands Innovation Alliance, COSIA, which really is a model among those countries that seek to work together to increase their competitiveness internationally, that put aside intellectual property issues, that work as an industry. They have invested I think \$1.3 billion in over 800 projects in order to advance the interests of Canada's oil and gas sector—together, without any attention being paid to what might be an advantage for a particular company.

There's plenty in this budget that goes beyond what past budgets have committed. It also looks to incentivize the private sector. We have a belief in the ingenuity, the innovative power, and the entrepreneurship of Canada's resource sector. We have seen it time and time again. I had the pleasure of speaking to the Prospectors & Developers Association meeting. The member from Portage—Lisgar was there. We were reminded yet again that Canada leads the world in sustainable development in mining. So we are investing in sustainable mining development as well.

How is this budget different from all other budgets? I would say significantly, in ways that are consistent with the campaign commitments we made to the Canadian people, consistent with the mandate letters given to us by the Prime Minister, and I think also consistent with what many of those sitting on the other side of the House would agree to be common national objectives.

Mr. Richard Cannings: We also see in the forest sector the sunseting of a number of programs and initiatives, including forest innovation, expanding market opportunities, and investments in forest industry transformation. None of these were mentioned in your budget. In fact there doesn't seem to be any dedicated funding for forestry.

Given the hard times the sector has faced for a long time now—I was just at the Council of Forest Industries meeting in Kelowna last week, and I heard a lot about this—what are your plans beyond these initiatives? What help can this important sector, which is so important to so many provinces and communities, expect going forward?

Hon. Jim Carr: We're expanding the market opportunities program by delivering \$29.4 million over two years to increase offshore exports, to increase the use of wood in non-residential and mid-rise construction in North America, and to support environmental reputation through science. NRCan funds a maximum of 50% of the majority of activities. The forest innovation program is delivering \$56.8 million over two years to support emerging and breakthrough technologies in bioenergy, nanotechnology, and next generation forest products. Those are two examples.

In investments in forest industry transformation, there is \$190.4 million available between 2010 and 2018. This accelerates the commercialization of highly innovative, first-in-kind technology at Canadian forest facilities. Also, there is a \$1-million investment in

the aboriginal forestry initiative. As you know, the Prime Minister met with President Obama in the White House on March 12 and began a high-level conversation about renewing the softwood lumber agreement, asking officials to report back within 100 days.

For these and many other reasons, we are moving on the forestry front. We realize how essential the forestry sector is to Canada, and will continue to be.

● (1600)

The Chair: Thank you. That's right on the button.

Mr. Serré, over to you.

Mr. Marc Serré (Nickel Belt, Lib.): Thank you, Minister.

Thank you, Mr. Hamilton, for coming to the committee again today.

I hear my colleagues talking a lot about the impact that low oil pricing is having in Alberta and parts of the country. Northern Ontario and Canadian communities are also concerned about the drop in mineral pricing. According to Stats Canada, the job numbers last week showed Sudbury has the highest unemployment rate in Ontario, and the second highest in Canada.

The people in northern Ontario are also concerned about the missing opportunities we are having with the Ring of Fire, and the tremendous opportunity that this has as one of the most promising developments in the Canadian mining industry in the last hundred years. We've had companies like Noront Resources and KWG Resources that are really pleased with the budget in 2016. As you mentioned earlier, we've made significant investments with the municipalities in infrastructure and education capacity-building with first nations. The Ontario government is really pleased to finally have a partner at the table for resource-based initiatives like this.

My question to you is, when we look at the government's support for the Ring of Fire, for the mining industry...and it's also related to the investment of innovation and research for the forestry, mining, and all the resource-based...on the R and D.

Hon. Jim Carr: I'm glad you asked that question because I can take a little bit more time to complete my answer from the previous question.

Forestry, as a part of a series of natural resource sectors, also qualifies for additional investment over time. For example, there is \$1 billion over four years starting in 2017-18 to support clean technology in the forestry, fisheries, mining, energy, and agricultural sectors as part of the innovation agenda.

Also there is \$87.2 million over two years for Natural Resources Canada projects across the country that support research in forestry, mining and minerals, earth sciences and mapping, and innovation in energy technology.

I also want to say that we know they impact families and individuals, and we try to make this a part of every answer we give to questions about low commodity prices. We know there is hardship when commodity prices are as low as they are, and we know that in Alberta times are tougher than they have been in a very long time. We're attentive to the statistics, but they're more than that, they have human consequences. That's why the government is responding, through transfers, through infrastructure investment, through changes to employment insurance, through these investments in new technologies that will ultimately rely on the innovative skill and, I would say, entrepreneurial genius of so many in Alberta who have built that economy, and will rebuild it again. Many of the investments are across the sectors of NRCan's responsibilities and the government, including forestry, mining, and oil and gas.

• (1605)

Mr. Marc Serré: I also wanted to ask, from an infrastructure perspective, about the investment that is needed in railway and roads to bring products to market, and how important that is. Our previous government had indicated that the roads and railway had to be funded completely by the private sector.

What is our role? We've had a budget that has looked at significant investments in roads and infrastructure across Canada. How important is that, to then be able to access mineral deposits such as in the Ring of Fire and other remote areas?

Hon. Jim Carr: We are committed to funding infrastructure across the country. You know that these announcements will be made in a phased-in way, with certain priorities linked to those projects that are ready to go. You also know that the priorities of the Government of Canada will be linked directly to the priorities of the provinces and the municipalities. We have become far more flexible in the application of that funding formula. In the case where municipalities are unable to be equal partners, we will be partners with provinces on a fifty-fifty basis. That is where we take our cue. We understand that the local priorities are the ones that matter most. Those are the problems that we want to help solve, and those are the investments we want to make with our partners in the provinces. I would think that the Government of Canada would be keen to look at those priorities that are consistent with knitting together national transportation infrastructure, especially green infrastructure.

The Chair: Very good. Thank you.

Mr. Barlow, it's over to you. We are now into the five-minute round.

Mr. John Barlow (Foothills, CPC): Thank you, Minister, for being here. I appreciate your time.

Looking through the mains, I'll quote the finance minister from his budget speech, "Wherever the sun shines and the wind blows, farmers and landowners can become energy producers. Particularly for rural regions hurt by falling commodity prices, the opportunities for economic diversification are enormous."

Now, as much as that is not the greatest comment on what farmers, ranchers, and rural Canadians do, to me it sends a message that you are going to be looking at renewable energy as a way to diversify Canada's economy, which I think is something that all of us here would agree is worthwhile. However, when I look at the mains that you brought out, there is a decrease of \$93 million in the clean air agenda program, a \$70.6-million cut from the energy efficiency practices and lower carbon energy sources, a \$21.8-million cut from the ecoENERGY for biofuels producer initiative, a \$13.6-million cut in the wind power production incentive program, and an 85% cut in the responsible natural resource management program, a decrease of \$163.5 million.

To me this sends a mixed message, if you are going to delay projects like energy east—I am not saying that we want to rubber-stamp it tomorrow, because it has to go through the program, but you have said you are going to delay it—and if you want us to look at other ways to make up the loss of these jobs, including 100,000 in Alberta alone. You have been saying that we are going to look at renewables as a way for these jobs to be found, and yet you are making substantial cuts to programs that help fund and innovate renewable energy.

Hon. Jim Carr: Actually, those are sunsetted programs, funding of which has been replaced by initiatives in budget 2016-17. These are not cuts of investments in those areas. There are five-year tranches of funds that ran out in March 2016, and therefore it shows a reduction in funding. However, they have been replaced by new commitments and new investments in similar and additional projects in budget 2016-17.

Mr. John Barlow: Can you give a couple of examples of what new programs are going to be available?

• (1610)

Hon. Jim Carr: Yes, I have done that already.

I could give you other examples of investments in green infrastructure, innovation, electric vehicle storage, etc. When you total it, it's hundreds of millions of dollars of new investment, replacing some of the sunsetted programs to which you have just referred.

Mr. John Barlow: Thank you.

You talked about some of these programs that are going to be changing, and Mr. Tan brought up Atomic Energy of Canada Limited. This is the first year that nuclear sites will be managed under a government-owned, contractor-operated model. This restructuring is reflected in massive increases in the estimates, from \$119 million in 2015-16 to \$968 million in 2016-17. This is an increase of about \$850 million.

What is the reason for this restructuring, and what will be the benefits of it?

Hon. Jim Carr: AECL is receiving \$969 million in the 2016-17 main estimates that will allow AECL to carry out its mandate of managing Canada's radioactive waste and decommissioning responsibilities, and enable nuclear science and technology. Increased funding in 2016-17 will allow AECL to advance the decommissioning and remediation of old and contaminated infrastructure sites, and to revitalize the infrastructure at the Chalk River Laboratories. The government is investing \$800 million over five years to renew those laboratories, including new and renewed science facilities that will serve the needs of Canadians as well as industry.

Mr. John Barlow: What criteria was used when you were looking at some of these programs to determine which programs would be getting increases and which programs would either not be renewed or would be seeing decreases?

Hon. Jim Carr: That's a really good question. I remember going back to my days as a legislator in Manitoba, a very long time ago, 1988 to 1992, when I was in opposition. I always thought it made total sense to every year at budget time pose the question, is a program working? If it's not working, how can we make it work? And if we can't, then we should stop funding it. That's the prism through which I look at all public expenditures.

We must be able to convince the people who brought us here, and the people who fund these programs, that they are being run effectively. My several months' experience as minister tells me that our senior public servants believe that to be a value and an important one of prudent budgeting as well. The way you go about it is you assess the impact, the effectiveness, and whether or not it's a justified renewal.

In the case we've been talking about over the last 10 minutes or so, some funds have been sunset, so the department looked at the best way to renew them, learning from the experiences over the last five years, so new dollars could be spent more effectively and more efficiently, in part on the strength of what we've learned from what happened the five years previously.

So I'm with you. There really ought to be a way of examining, rationally, why we're spending any dollars that taxpayers—

Mr. John Barlow: Results-based budgeting is kind of what you're talking about?

Hon. Jim Carr: That's the way I see it. That's my inclination. I spent 16 years as president of the Business Council of Manitoba. I have a respect for the importance of ensuring money that's spent is spent efficiently and in the best possible way.

I have every reason to believe the fine public servants of NRCan agree with that.

The Chair: Thank you, Minister.

Mr. Harvey.

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): First of all, thank you, Minister, for attending today.

In your opening remarks, you indicated that budget 2016 proposed funding for clean technology projects. I'd like to cite a specific paragraph on page 7. Budget 2016 provides “more than \$1

billion over four years [beginning 2017-18] to support future clean technology investments, including in the forestry, fisheries, mining, energy and agriculture sectors.”

Can you elaborate on how these investments and these specific pillars will spur innovation in each of those given sectors?

Hon. Jim Carr: This will be a cross-government initiative. We'll be working very closely with Minister Bains and Minister McKenna across government to ensure the innovation investment is directed to where we think it can do the most good. If you look at the mandate letters that were sent to those ministers by the Prime Minister, you will see there is a very important cross-government commitment to innovation, in general, and in particular to clean green growth. We will be working with the private sector. We will actually be asking for proposals from the private sector to work with us.

We don't assume government has all the right answers on how these investments should be made. We do assume those investments will be more impactful if we work in partnership with those people who are devising some of the innovation, and who are implementing some of the innovation. You will find, over the next number of months and years, this government reaching out to the innovators, to the entrepreneurs, so we can work together in both the public and private sectors to make a difference.

By the way, on that very point, 20 prime ministers and presidents from around the world signed a mission innovation in Paris—I think November 30 was the date—that commits those 20 governments to doubling their investment in clean technologies, but there's also a private sector component. International billionaires, such as Bill Gates and Mark Zuckerberg, have also committed themselves to put together a group of private investors who will join the public sector, globally, to ensure we can lever up these investments.

The same thing is implicit in the commitments we've made in this budget in the ways in which we will reach out across the sectors to entrepreneurs and innovators to ensure we're getting maximum leverage for the money we spend through the taxpayer.

• (1615)

Mr. T.J. Harvey: Next, in your opening remarks, you referenced your criss-crossing of the country in speaking with industry stakeholders, indigenous leaders, environmental groups, community leaders, and, of course, provincial leaders.

My question is specifically around this year's budget. What do these stakeholders in these given backgrounds have to say about your plans for natural resource development and specifically the innovation in clean tech that you've presented?

Hon. Jim Carr: The response has been very positive, for the most part. People understand that we ran on a campaign platform of investments in Canadian people and in the Canadian economy and that we've delivered on those investments. You will always have disagreement among people who think that more should have gone here and less should have gone over there but, generally speaking, the response I have received in our office and in my travels across the country is that people think we're on the right track.

We also don't assume that we have all the right answers or all the best ideas. That's why we listen to ways in which we can improve the investments we've announced and the investments we will make. I think a hallmark of this government is not only its interest in reaching out to those who have good ideas—and in some cases better ideas—but to even be aggressive about it. That's the way we were in the pre-budget consultation. That's the way we'll be as we invite ideas from the private sector, from other governments, and from Canadians to take this template of budget 2016 and make it better and stronger.

The Chair: Thanks.

Ms. Bergen, we'll go over to you.

Hon. Candice Bergen (Portage—Lisgar, CPC): Thank you very much, Minister, for being here.

I'm going to change topics a bit. There's been a lot of talk, a lot of investment, and a lot of attention from this government on so-called clean energy and green energy, and we all support that, but the evidence and the experts tell us that fossil fuel consumption will be increasing over the foreseeable future, and that probably over the next 40 years it will be increasing.

I don't want to assume anything. I want to ask if you believe that if the world is going to be using fossil fuels, I assume you would agree with me that it should be the most responsibly extracted and transported.... You're nodding your head, so I'm assuming you agree with that.

Hon. Jim Carr: I do.

Hon. Candice Bergen: Would you agree that Canadian oil is extracted, comparatively speaking, in the cleanest and most responsible way? Would you be able to say that in all honesty in your heart of hearts?

• (1620)

Hon. Jim Carr: Well, I wouldn't rely on my heart or my opinion. I would rely on the investments of the COSIA group, who are experts in the sector and in the industry, and who are spending hundreds of millions of dollars to improve their processes. If you were to ask them the question you just asked me, their answer almost certainly would be that “we can do better, and we are doing better”.

Your question was, are we extracting fossil fuels in the most responsible way possible? I would say that there are others in the sector who are saying that there are more responsible ways and there are better ways and that's why we're investing in those technologies. They seek, as much as anybody else, to make sure that the way in which we extract our natural resources is as sensibly done as possible.

Hon. Candice Bergen: In your role as Minister of Natural Resources, one of your jobs is to talk about natural resources around the world and to talk specifically about our oil and energy sector. When you're abroad, are you able to tell potential customers that Canadian oil is responsibly extracted? You might know that there's quite a campaign going on right now in Alberta. “Oil Respect” is one of the campaigns. There are a number of campaigns that want to dispel the myths and the rap that Alberta oil has gotten from around the world. We just saw it in Edmonton, of all places, this past

weekend, when Alberta oil was getting a bad rap from certain people and certain ways of thinking.

For you, as the Minister of Natural Resources, based on the evidence and on our human rights record in Canada and our labour laws, and in comparing us to other oil producers in the world, are you able to promote Canadian oil abroad? Do you, as the Minister of Natural Resources, have confidence in the way our oil is extracted and transported?

Hon. Jim Carr: I've had the pleasure over the last number of weeks to give keynote speeches at the CERAWEEK conference in Houston, and at the Bloomberg conference in New York City just last week. At the same time I was meeting with investment bankers, who were looking at Canada for what they believed to be its stable politics, its growing economy, and its reliability as a partner. They are expressing their keen interest in investing in Manitoba, in Canada. I have no problem talking to the international community about ways in which Canadians believe that we can always improve processes. I can give examples. I understand your question.

Hon. Candice Bergen: It would appear, I don't think it's just me, that the money is showing investors are looking for not only a stable political environment but they're looking for a political environment that believes in its own natural resources.

I wanted to switch topics again and go back to your announcement, which was news to me. Just to clarify, after energy east submits its application to the National Energy Board at that point you will be appointing three new members to the NEB who will then be part of the NEB only during the energy east application process. Is that accurate, or can you clarify that?

Hon. Jim Carr: They're temporary members of the National Energy Board whose job will be assigned to them by the chair of the National Energy Board. That is not the job of the Government of Canada, and the chair of the National Energy Board will determine the best way to deploy this increased capacity of the board to do its job. That will happen sometime after the application has been lodged. It won't be a long time after that, and it will enable the National Energy Board to do a better job than it could do if it didn't have these additional temporary members.

Hon. Candice Bergen: And it will only be for energy east?

The Chair: Thank you, we're out of time.

Mr. McLeod, over to you for five minutes.

Mr. Michael McLeod (Northwest Territories, Lib.): Thank you, Mr. Chair.

I want to point out, first of all, that I'm really happy to see the amount of consultation that this government is doing with people from across Canada. I'm really happy to see that your department is engaging in round table discussions on the different areas of Canada.

My experience in the Northwest Territories is that the companies and the projects that involve the communities and people, and communicate the best, always have the best success rate. The indigenous people from across Canada are certainly expecting meaningful engagement on all fronts, and that doesn't exclude economic projects. They want to be part of all parts of a resource project from construction through the operation through the cleanup. They want to be part of the training design and opportunities as well as the employment opportunities. The communities that are close to the resource development also have very high expectations regarding their participation in, and deriving benefits from, resource projects employment through ownership opportunities. How does this government, more specifically your department, plan to help address this?

• (1625)

Hon. Jim Carr: The most important value for me, and the lesson learned, is that the relationship indigenous people have with the land and the water is a generational relationship. When we approach a discussion about what to do with our resources that run through indigenous land, we hear time and time again that generations of ancestors have delivered the land and the water to us, and that we have an obligation in our time to leave the land as we have found it, or better, to the generations who come after us.

This is a wisdom and a perspective of understanding the relationship between the human and the land that gives us water, that gives us food, and that gives us life itself, which is very special.

If proponents of major energy projects are imbued with that sensitivity, with that clarity, and can understand that trusting relationships don't begin the day before you seek approval of a project and don't end the day after the project has been approved, but are relationships that extend years and in some cases generations, it is that meaningful consultation about values and about the power of culture and the relationship with the land and the water that will have to be an essential part of any approval process moving forward, in Canada.

That, to me, is one of the principal values at stake as we move forward.

I also know, in my conversations with indigenous leaders across the country, that they want economic development opportunities for their children. They want their kids to have the same aspirations that mine have, the same educational opportunities that mine have had, the same apprenticeship chances, the same professional aspirations that we find in all of our young people wherever we go in Canada, and that natural resource projects are economic development drivers. They want to be partners as we drive our natural resource economy forward with the very special understanding that we can't do it without that relationship with the land and the water.

Mr. Michael McLeod: Thank you for that response.

In the north we have very high unemployment. In some communities we have up to 60% unemployment and a lot of social issues, but at the same time we have a lot of opportunity. We have a lot of potential in terms of resource development and a lot of mines are seeking some exploration in the area. People want to be reassured that the regulatory process works well and that the environment is

protected, but they also want to see that the benefits are there for projects that are close to the communities.

We still see a lot of fly-in workers from all parts of Canada and the world coming to work at the mines and on the oil and gas projects.

How would you encourage companies to give enough upfront notice so that the communities can prepare themselves? We have generations of people who were not employed before so we need to be able to start opportunity as soon as we recognize it.

• (1630)

Hon. Jim Carr: I believe that companies are getting better and better with experience, with some setbacks and some successes. I believe that those relationships are developing and they are deepening as they must do if we're going to be moving on together. It's up to the companies and the regulator, as they prepare their applications, as those applications are assessed, to know that the evidence we are assessing as a government includes the evidence of indigenous cultural background and values.

I am quite optimistic, through my conversations with industry leaders, and at these round tables that we were talking about a few minutes ago, at which indigenous leaders, environmental activists, and industry leaders are together for a number of hours. Sometimes they've never spent any time together. What they're hearing about cultural practice might be for the first time, or expressed in a far more eloquent way than I can by those who feel the generational importance of these natural resource projects and decisions.

If we can generalize, I think that Canadians are open and diverse in our backgrounds. We embrace difference and I'm hopeful that the kinds of differences that you and I are articulating now will be seen as a strength for the country and a strength for the resource sector in Canada.

The Chair: Minister, thank you very much.

We're going a little bit over time. Mr. Cannings, you have three minutes, and I'm going to adhere to it strictly.

Mr. Richard Cannings: With that time limit, I just want to quickly follow up. We finished my question, and you were talking about the softwood lumber agreement. I was, as I say, just at the Council of Forest Ministers and talked to a Global Affairs Canada representative there. She pointed out that Canada's position was more or less ready to go. I just wondered what you might be able to tell us about that position, considering that things are quite different now than they were when we last set this agreement.

Hon. Jim Carr: I know that Minister Freeland has been criss-crossing the country talking to industry coast to coast to coast, and she has a very good understanding of the various points of view that are being expressed. By the way, it's not one point of view. As you know better than I do, especially in that world, it's the job of the Government of Canada to adopt a negotiating position that on balance and in all circumstances is the best position for Canada to put forward. We also know that this is a tricky file. We know that it's important to have the influence and the buy-in of the President and the Prime Minister. We saw evidence of that in Washington on March 12. There is now a mandate for officials to come back within 100 days, and our department acts as a support for Minister Freeland as she begins to negotiate with the United States. We'll stay close to her, and I would like to stay close to you and other members of Parliament who have an important financial stake, industrial capacity, in the forest industries in your parts of the country to ensure that we're putting the best position forward on behalf of Canada.

The Chair: Minister, thank you very much for indulging us.

We went a little bit over time, but we're very grateful to you for making time again. In the span of two short months, you've been kind enough to appear twice, and we very much appreciate that.

On that note we're going to suspend the meeting for a minute and then we're going to carry on.

• (1630) _____ (Pause) _____

• (1640)

The Chair: We're going to carry on with the second part of the meeting.

We have Deputy Minister Hamilton who has been kind enough to hang around. He's joined by Kami Ramcharan, assistant deputy minister and chief financial officer, corporate management services sector.

It's 4:40 now and we have to conclude by 5:30. I'm told we need about 15 minutes to vote on the estimates. I propose to carry on in our normal format, but cut it off at 5:15 unless anybody objects.

Hearing no objections, shall we go straight to questions?

Mr. Lemieux.

[*Translation*]

Mr. Denis Lemieux (Chicoutimi—Le Fjord, Lib.): Thank you, Mr. Chair.

I want to thank our two witnesses.

One of the questions suggested to us by the Library of Parliament researchers really drew my attention. I will read it to you:

In this year's estimates, there is an increase of \$14.1 million for the Investments in the Forest Industry Transformation (IFIT) program. IFIT was created in 2010 to "support Canada's forest sector in becoming more economically competitive and environmentally sustainable." The program was renewed in February 2014, with an additional \$90.4 million over four years. The renewal is intended to "help bring the next wave of innovation to market and ... solidify Canada's position as a leader in forest industry transformation."

What is the breakdown of the renewed IFIT's \$90.4 million over the program's four-year duration?

Mr. Bob Hamilton: Thank you for the question.

That program is very important for the forest industry.

I will ask Ms. Ramcharan to give you more details on the breakdown of the funding.

That program is among a large number of initiatives in this sector whose goal was to provide assistance and encourage renewal in the wake of 2008-2009. It was necessary for the sector to change its production methods and even its products.

That is one of the Natural Resources Canada programs that have been very successful. This encourages renewal in the sector. I think that we will continue to develop these kinds of programs in the future. I am talking about programs that act as catalysts for innovation in the forest industry, but also in other natural resource sectors.

I will yield the floor to Ms. Ramcharan, so that she can give you an exact breakdown of the amounts.

• (1645)

[*English*]

Ms. Kami Ramcharan (Assistant Deputy Minister and Chief Financial Officer, Corporate Management and Services Sector, Department of Natural Resources): It's the industry forestry innovation technology. It's really bringing some technology to market. The breakdown would normally go between our regular operating funds and our grants and contributions.

In the first year, in 2016-17, we'll have roughly \$2 million in our operating funds and \$35 million in grants and contributions. That's kind of the profile that it would take over the next four years, with a very small amount to help the operations. The large percentage of it would be in grants and contributions. The majority of the overall \$90 million that we have, a large percentage, if not 90% of the amounts, would be for grants and contributions.

[*Translation*]

Mr. Denis Lemieux: That raises another question in my mind, concerning the model forest concept developed by the Canadian Forest Service and launched at the Earth Summit in Rio de Janeiro in 1992. Since then, about 15 model forests have been created in Canada.

Canadian model forests were financially supported by the federal government under the model forest program from 1992 to 2014. The program was cancelled in 2014, and only eight model forests remain.

Is the government planning to bring back the model forest program?

Mr. Bob Hamilton: I cannot speak for the government concerning policies, but I will ask the assistant deputy minister, Glenn Mason, who is responsible for the forest sector, to talk a bit about what the program was like in the past.

As for the future, the government will have to make a decision.

My colleague may be able to provide a bit more details on what the program was like in the past.

Mr. Glenn Mason (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources): Thank you for the question.

You are right, the program was launched in Rio de Janeiro in 1992. We supported the program for years, but after a while, its funding was reduced. That happened when the latest government cuts were made. However, we continue to support international networks through the International Model Forest Network Secretariat under the responsibility of Natural Resources Canada.

[English]

The international program continues to grow spontaneously. There are about 59 of these model forests around the world, but we no longer fund them domestically.

[Translation]

Mr. Denis Lemieux: Do I have a bit of time left?

[English]

The Chair: You have one more minute.

[Translation]

Mr. Denis Lemieux: Thank you.

Last week, the Government of Quebec announced its energy policy, which prominently features green energies and biofuels. The program that encourages investments in renewable energies—the ecoENERGY for biofuels initiative—ended in March 2016 at the federal level.

According to Natural Resources Canada, what will be the repercussions of those programs' sunset on the availability and accessibility of biofuels to replace fossil fuels in Canada?

Mr. Bob Hamilton: You are correct, the program has ended.

As for the future, that is a question the government will have to answer. The government decides what programs will be implemented.

As the minister said, \$1 billion will be injected over the next four years in clean technologies or in various energy-related technologies.

We are now starting a consultation process with experts in the field to renew those programs. Funding may be allocated to a few biofuel programs, but it may not. We will see what will happen. Be that as it may, many investments will be made in technological developments. The government will then have to decide whether or not biofuels will be part of those programs.

Now that the program has ended, the government may start targeting new alternative fuel priorities. So new priorities will be defined and new programs created after the consultation period.

• (1650)

[English]

The Chair: Mrs. Stubbs.

Mrs. Shannon Stubbs: Thanks, Mr. Chair, and thank you all for being here.

I asked the minister about the NEB and I would like to follow up with you for clarity and specifics on that issue if it is possible.

Regarding the minister's claim about a perceived lack of confidence in the review process, what evidence is there that this is indeed the case? What facts were used to determine that these transitional review measures are needed and how will they actually change or improve the work of the NEB?

For example, we all know upstream greenhouse gas emissions are already assessed by the provinces. This is a standard that doesn't apply to any other infrastructure project in any other sector. There aren't any specifics around when the crown has recently failed its duty to consult first nations. I would like to understand how the government got to the position that these new transitional measures were needed. What will be the actual impact on the NEB work?

In the case of the temporary commissioners, why are they needed, what will be the process, the timeline, the cost, and the parameters around their selection? Will there be new temporary commissioners appointed for every new project application that goes through the NEB process?

Mr. Bob Hamilton: In a couple of those questions, I think you're asking why the government decided to do this or that. Rather than respond to that since I'm part of the public service, I can explain to you some of the things that I understand people are saying and why the government might have chosen to do what it did.

Certainly, as we look at the pipelines and other projects that have been proposed in recent years, there has been a lot of debate and a lot of opposition. People have been questioning whether or not we have a good process in place, so the government said they going to review the environmental assessment process. They said that they were going to look at it to see if it's good as it should be and whether there are some things they should change to inspire greater confidence in the system as we go forward.

That review will start, but it's going to take some time. It's good to do that, but we actually have projects in front of us right now, so the government decided to put in place an interim strategy using the five principles. This is what we will do now while the review is under way. The principles, as you know, are things such as science-based evidence and greater consultation. I think that one of the issues we have seen in the reactions we get is that there's a need for greater involvement of communities, of indigenous communities as well as others enveloped in these major pipelines and projects.

We have put that in place, and that will apply until any new regime comes about.

Certainly, some of the key projects that are in front of us right now are the energy east pipeline, the Trans Mountain pipeline out west, the Pacific NorthWest project, and other LNG projects. We have a number there for which we have to decide what we will do. In its interim policy, the government decided to say that for two pipelines, Trans Mountain and energy east, we will extend the time to make the decision to allow greater consultation.

on the TMX process, the NEB part of it is almost over. We normally would give three months for the government to make its decision, based on the NEB report, and we've said that we'll give it another four months. That takes it out to probably the end of December of this year.

On energy east, it hasn't started yet, as the minister indicated, so there's more time to change the process and to do different things. One of the things that will be done is that for the period in which the NEB is reviewing it, the government will appoint three or four—I guess the number hasn't been determined—additional temporary members, which is allowed under the legislation, and then the chair of the NEB will decide what those people are to do. They could be involved in extra consultations along the route on the project itself, or on whatever the chair decides, but it's an opportunity to have more consultation and perhaps more balance in the makeup of the NEB people looking at this project. That will go on. Also, as part of the interim policy, that period was extended as well, so the government will take a bit more time for its decision.

That's how the interim policy will play out for those two pipelines.

I think your last question had to do with whether there will be new members appointed for every project. It's hard to say right now whether that will be the case. I would just say that this interim policy is in place while the government consults on what to do with the environmental assessment process more generally and on what to do about modernizing the NEB. These are measures that are in place until that's done, so I'm not clear on whether there will be other temporary members put in place for other projects.

•(1655)

Mrs. Shannon Stubbs: Will the parameters and the determinants for the temporary appointments be made available publicly?

Mr. Bob Hamilton: My understanding is that these appointments will be made consistent with the government's new appointment policy that was laid out in the past few weeks. The government will be making these appointments consistent with that, in what I understand to be a very transparent process, so I'm expecting that there will be a lot of public information. Also, typically when we make big appointments like this, there would be an advertised process, so I'm expecting that there will be for this, in which case people will be able to see what the parameters of the job will be.

The Chair: Thank you, Mr. Hamilton.

Mr. Cannings, over to you.

Mr. Richard Cannings: In your department's report on plans and priorities, it shows planned spending on a category or program called "energy-efficient practices and lower-carbon energy sources". It shows that funding will decline by more than \$130 million between fiscal 2013-14 and next year. That's a reduction of 40%.

I want to know how much of this gap will be addressed by budget 2016, and how planned funding in the budget compares with the resources that were spent in 2013-14.

Right now the estimates for 2016-17 are \$183 million, and that's a big decline. I wondered how the budget will address that shortfall.

Mr. Bob Hamilton: As the minister indicated in his remarks, this year a number of programs sunsetted or ended at the end of 2015-16.

They were in a basket called "clean air agenda" or something to that effect, and it was energy efficiency, clean technology. Those programs were set up over a five-year period, and they were scheduled to expire at the end of last month.

Every time a government has that kind of a situation, they have to make a decision about whether we continue those, we increase them, or we decrease them. What we saw in budget 2016 in the area of energy efficiency, which you have raised, was there has been a commitment to spend \$129 million over five years in the area of energy efficiency. That's in a sense a renewal or a continuation of those energy efficiency programs.

In the area of clean technology there was some additional money in this budget. There was some green infrastructure money for charging stations for electric vehicles, for example. There were some things there. But as the minister indicated, there was also another \$1 billion set aside without a specific program beside it to look at clean technology investments in the natural resource area as well as other sectors going forward.

Some of what's going to continue over the next five-year period is going to be decided based on consultations that we will be having over the course of the coming months and conceivably could be set out in, say, the next budget.

There were programs that were in place. Some of the funding has gone forward. Some is going to be subjected to further consultation to see how best to spend that money. Another example of things that were continued and renewed was money spent on adaptation. There were programs in place for that, and that's continued for our international climate change negotiations.

I haven't given you an exact comparison—you may have noticed—between what's going to be spent over the next five years versus what was spent in 2013-14. I can endeavour to try to get you that answer, but unless Kami has it right at her disposal, which she might because she's the CFO—

•(1700)

Ms. Kami Ramcharan: I do have a little bit of detail for you.

Just in terms of the overall difference between the 2015-16 main estimates and the 2016-17 main estimates, roughly \$70.6 million, much of it is, as Deputy Minister Hamilton has mentioned, related to the clean air agenda. We'll be seeing roughly a \$30 million coming back into that area of spending this current fiscal year.

There are other two areas where we have had a little bit of a decrease. It really is related to our funding profile for these programs. We don't have funding profiles that are always constant throughout the entire program. They ramp up, and then they ramp down. One of those programs that is ramping down is the ecoENERGY for biofuels program. Its funding profile is going to go down about \$20 million, which was expected.

The other area that we see a decrease in is the wind power program initiative, which is also going down roughly \$13.6 million.

All of those things combined explain the \$70-million difference between the 2015-16 main estimates and the 2016-17 main estimates.

Mr. Richard Cannings: I have a general question related to this. The budget contains detailed numbers on two years of budgeting out, but a lot of these programs seem to be rolled out over four or five years.

I don't expect you to have these numbers now. I think you alluded to that. Can we get a commitment for you to come back to the committee with detailed plans for the three years following the next two?

Mr. Bob Hamilton: Yes. Could I just make a commitment to come back after we talk to our Department of Finance colleagues about exactly what the numbers are, and we'll be happy to give you what we can?

Mr. Richard Cannings: Just to finish up quickly on NEB again, those numbers seem to be going down by \$5 million in the coming year. With all the new commitments that you've made around the NEB, and the new work it has to do, why are the numbers going down instead of up? Maybe I don't understand this.

Mr. Bob Hamilton: My understanding is that the NEB numbers would be going up, although I might be caught. We have an interesting situation right now because we have the main estimates, followed by the budget. Obviously, anything that was in the budget is not included in the main estimates, but my understanding was that the numbers for the NEB were going up.

Kami, does that ring true?

Ms. Kami Ramcharan: I think that's the case; we have a bit of a timing issue. From what I understand, money is announced in the budget for NEB for this upcoming year. That would not be part of the mains right now.

Mr. Bob Hamilton: Perhaps what we could do to make life easier for all of us would be to take an NEB number that consolidates both the budget proposal—and it is still a proposal at this stage—with the main estimates and give that to the committee so you understand.

The Chair: Thank you.

Mr. Harvey, we'll move over to you.

Mr. T.J. Harvey: Thank you once again for attending. I just have one quick question.

When I look at the supplementary estimates—and we never got to the question while the minister was here—with investments in clean technology, and specifically around the energy sector, has there been any talk of investments toward small-scale nuclear or modular nuclear, and, if that was to roll out, how we would see that in the supplementary estimates?

• (1705)

Mr. Bob Hamilton: I certainly have been involved in discussions with companies and others that have been advancing the potential for small-scale nuclear. One of the places where it comes up is in getting power to remote communities. There's nothing per se in the budget for that, other than a reference to trying to increase our efforts to get cheap, reliable, clean power to remote communities. Under the broad heading of that, it's possible that small-scale nuclear would be one of the technologies that's exploited on that front. Certainly some people think this has potential for that. At this stage, it isn't proven. Whether it's something that we should be spending some time on, that'll be part of the consultation that we undertake going forward, as well as

some of our own internal work, to figure out: is this a technology that's going to be productive, and over what time frame? Obviously, the issue of getting northern, remote communities off diesel is one of the policy issues that we will need to look at going forward, so that's a potential option.

Mr. T.J. Harvey: That answers my question. That's what the context was around: remote communities, and specifically under two different sizes, so smaller than, say, 500 megawatts, and then also small, small scale, so 5, 10, 15, 20-megawatt units, and both through fission and through small-scale fusion. I guess what I'm asking at this point is: has any work been done in the past on this, cross-collaboration between government and the private sector?

Mr. Bob Hamilton: I think up till now, at least as far as I'm aware, it's been mostly receiving information from private sector companies that have come to say there is this potential. I think going forward probably they'll be a little more of an interactive dialogue on this. I should just say it is one of many options that we can consider and one of many issues, frankly, to consider in something like a Canadian energy strategy, which talks about how we get energy where it needs to go in this country and in what format, and how we can use new innovations and technologies. I think a debate has started, but it hasn't probably matured as far as what you're describing. I would hope that it would over the near term.

The Chair: Thank you, Mr. Harvey.

We're a little ahead of schedule, so I think unless somebody else has another suggestion, I will thank the two of you again for coming out today and joining us, and express our appreciation for your taking the time to be here.

Mr. McLeod.

Mr. Michael McLeod: Thank you. Mr. Chair. I just had one quick question and I won't take too much time.

I wanted to ask about the mineral tax credit. At many gatherings across the country, and especially in my neck of the woods, companies have talked about this tax credit and the desire to see it continue and increase. I'd like to ask about the future of this tax credit program.

Mr. Bob Hamilton: Certainly. This tax credit has proven to be quite attractive for the mining sector, and in budget 2016 it was decided to extend it. It's a temporary credit, so it needs to be extended every year if it's going to continue, and this year it was decided that it would be extended. Certainly people in the industry will say that's very important, particularly at a time when we see low commodity prices across the board, but in the mining sector in particular. This credit is really pointed to something that works in combination with flow-through shares in the sector to really deliver tax benefits to mining companies.

It has been extended for another year, and certainly people in the industry have been quite vocal in coming forward to say it's very important, particularly at this time when we see commodity prices declining.

•(1710)

Mr. Michael McLeod: Just as a follow-up, then, I'm assuming that we're going to see this program stay in place for some time, for the long term?

My next question would be, are we going to see this program increased at any point? Is there consideration on that front?

Mr. Bob Hamilton: As I said earlier, that's probably a good question for the government. It's not such a good one for me. I don't know at this stage. The government has decided to extend it for a year, and sometime between now and March 31 of next year, there will have to be another decision as to whether to extend it further, whether to extend it for a longer period of time, whether to increase or decrease the rate. Those are decisions that will be taken, and I can't really say at this stage how those decisions will turn out.

The Chair: Mr. Tan.

Mr. Geng Tan: My question is similar to what Mr. Harvey asked. There used to be a concept of using a small modular reactor for oil fields, to provide a supply of power for the extraction process, or even provide steam for the oil sands. I wonder if that idea is still alive. It has been the practice for several years.

Mr. Bob Hamilton: Yes, I've heard something about that idea. It could be the people in the department are more familiar with it. I haven't heard much about it recently, but certainly finding a way to get cleaner power into extraction of natural resources is worth pursuing. There was money put in the budget, \$50 million, to try to find technologies that can reduce the greenhouse gas emissions in the oil and gas sector, and so I think, as came up earlier in the discussion, part of what we do as we move to a cleaner society is look for new technologies, but also look for ways to extract resources in a cleaner way. Whether it's small modular nuclear or some other technologies, I think those are part of what's on the radar screen as we go forward trying to look for technological advancements that allow us to produce whatever energy we're producing in a cleaner way.

The Chair: Thank you.

We're going to end this part of the meeting. Thank you both for joining us today.

We'll suspend for 30 seconds. Nobody else leave their seats, please.

•(1710) _____ (Pause) _____

•(1710)

The Chair: Would everyone take their seats, please?

We have to now vote on the estimates. There are five aspects to it, as I mentioned at the beginning, and what we're doing is voting on the estimates less the interim estimates that have already been passed by the House.

I propose to go through them individually, and I think we can get through this quickly. I went through them at the beginning, and the first one is dealing with the Atomic Energy of Canada Limited.

ATOMIC ENERGY OF CANADA LIMITED

Vote 1—Operating and capital expenditures.....\$968,615,589

(Vote 1 agreed to on division)

The Chair: For the benefit of the rest of the people on the committee, does anybody need clarification what that means? "On division" means that the vote carries. It's not unanimous, but we're dispensing with the necessity of identifying who was voting in favour and who was voting against.

CANADIAN NUCLEAR SAFETY COMMISSION

Vote 1—Program expenditures.....\$38,686,934

(Vote 1 agreed to on division)

NATIONAL ENERGY BOARD

Vote 1—Program expenditures.....\$80,581,081

(Vote 1 agreed to on division)

NATURAL RESOURCES

Vote 1—Operating expenditures.....\$450,234,684

Vote 5—Capital expenditures.....\$53,318,447

Vote 10—Grants and contributions.....\$292,249,050

(Votes 1, 5, and 10 agreed to on division)

NORTHERN PIPELINE AGENCY

Vote 1—Program expenditures.....\$701,095

(Vote 1 agreed to on division)

The Chair: Shall I report the votes on the main estimates, less the amount voted in interim supply, to the House?

Some hon. members: Agreed.

The Chair: Perfect. That takes care of the business on the agenda.

There are a couple of other things that we need to deal with. We're coming back here on Wednesday and we are going to have two groups of witnesses—three with the first group and one with the second group—but they're going to come at the same time in the first hour. They're going to make consecutive presentations, and then we can ask questions so we will have some time at the end of that. I propose that we use the balance of that meeting as a committee as a whole to set our agenda going forward from now until the end of June.

In that vein, I would like people to take a look at the witness list again and turn your minds to it when you're ready to talk in terms of timing, who, when, and whatnot so that we can get that tightened up and get that finished.

The second thing is that there is a delegation of Indonesian parliamentarians in Ottawa. They've expressed an interest in meeting with the members of this committee and the members of the environment committee. There is an informal meeting over coffee on Thursday morning between 9:30 and 10:30. We'll circulate a note.

Last, Mr. Cannings, just to clarify, you proposed that Deputy Minister Hamilton may come back. Is that what you're proposing?

•(1715)

Mr. Richard Cannings: Well, I was asking if he or his staff could provide the figures that I was asking for. I don't know if it's necessary that he physically be here, but I was just more interested in the numbers.

The Chair: All right, that's fine. I just wanted to clarify that you weren't making a formal request that he return, because if you do that then we have to deal with that procedurally and collectively, and I don't know that we'd get that done.

Unless there's any other business, I think we are adjourned for the day. I will see everybody on Wednesday.

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