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# Standing Committee on Natural Resources

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Chair: Mr. George Chalal





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Monday, November 18, 2024

• (1105)

[English]

**The Chair (Mr. George Chahal (Calgary Skyview, Lib.)):** I call this meeting to order.

Welcome to meeting number 114 of the House of Commons Standing Committee on Natural Resources.

Before we begin, I would like to ask all participants to read the guidelines written on the updated cards on the table. These are the updated cards. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, including the interpreters. You will also notice a QR code on the card that links to a short awareness video.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, June 6, 2024, the committee is resuming its study of the Trans Mountain pipeline expansion.

Today's meeting is taking place in a hybrid format. I would like to remind participants of the following points: Please wait until I recognize you by name before speaking, and all comments should be addressed through the chair.

Members, please raise your hand if you wish to speak, whether participating in person or via Zoom. The clerk and I will manage the speaking order the best we can.

I use these two cards: Yellow is the 30-second warning and red means time's up. I will try not to cut you off mid-sentence, but when time is up, I will ask you to cede the floor.

Now I would like to welcome our guests for today's study.

From the Office of the Parliamentary Budget Officer, we have Yves Giroux, Parliamentary Budget Officer, and Jason Stanton, adviser and analyst.

Welcome to our committee. You have up to five minutes for your opening statement, Mr. Giroux. The floor is yours, sir.

[Translation]

**Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer):** Good day, Mr. Chair and members of the committee.

Thank you for the invitation to appear before you today. We are pleased to be here to discuss our most recent analysis of the Trans Mountain Pipeline, which was released on November 8, 2024. With me today, I have Jason Stanton, advisor-analyst with my office.

Since our last report was published in June 2022, the total project cost estimate for the Trans Mountain expansion project has increased by \$12.8 billion to a total of \$34.2 billion and it began commercial operations on May 1, 2024. Our latest report provides a current financial valuation using a discounted cash flow method on a go-forward basis. The analysis incorporates new data in conjunction with relevant publicly available information. The analysis does not include previously incurred costs, such as the purchase price or capital expenditures prior to 2024. It is also important to note that the report does not present an audit or evaluation of the Trans Mountain expansion project construction or operating costs of the type performed by the Auditor General.

[English]

The report presents two scenarios to illustrate how the value of the pipeline could be impacted by the future servicing and tolling framework.

While most of the Trans Mountain pipeline system's capacity is earmarked toward committed contracts for the first 15 to 20 years of operation, once they expire, it is uncertain what kind of service and tolling framework will prevail. We estimate that a scenario in which contracts are renewed has a current value of \$33.4 billion, while a reversion to a cost-of-service scenario has a current value of \$29.6 billion.

However, there is also uncertainty in some of the underlying assumptions on pipeline utilization, tolls and discount rate, all of which can impact the valuation. This is why the report also includes an assessment of the valuation's sensitivity to these key factors. Based on Trans Mountain corporation's most recent annual report, if the Trans Mountain pipeline system were sold in 2024 at either of the present values calculated in our report, the government would record a loss on the sale. However, whether the government records a profit or loss on the sale of the Trans Mountain pipeline network will ultimately be determined by the price a buyer is willing to pay. This would depend on such factors as the number of interested buyers, their costs to secure the necessary funds, the timing and method of sale, market conditions, and whether some groups are given priority in the sale.

Jason and I would be pleased to respond to any questions you may have, regarding either our analysis of the Trans Mountain pipeline system or other PBO work.

Thank you.

**The Chair:** Thank you, Mr. Giroux, for your opening statement.

We will now proceed to the first round of questioning. I'll begin with Mr. McLean for the first six minutes.

Mr. McLean, welcome to the committee. The floor is yours.

**Mr. Greg McLean (Calgary Centre, CPC):** Thank you, Mr. Chair.

Thank you, Mr. Giroux, for coming to the committee on this important matter. We have a lot to ask you on this, including, of course, your numbers on what this is worth to Canada as a sale.

Let me just go through this.

Before this pipeline was built, Canada had oil pipeline capacity of 4,690,000 barrels per day. The extra 590,000 barrels per day of expansion that the TMX brought to Canada brings us to 5,280,000 barrels per day of expansion. What that has accomplished in the time it's been open is a reduction in what's called the differential. The differential applies to all those 5.28 million barrels. That differential was \$18.65 U.S. a barrel last summer. This summer, because of the opening of the pipeline, it's \$15.05 U.S. per barrel.

About \$3.60 U.S.—let's call it five dollars Canadian differential—across 5.28 million barrels per day equals an extra bump to the Canadian economy of \$9.5 billion and an extra tax take to the government of \$2.8 billion per year.

Were any of these numbers included in your analysis?

**Mr. Yves Giroux:** The analysis looks at the financials involved in the transaction of buying the pipeline and making its expansion effective, as well as the potential costs of an acquirer, or somebody who would buy the pipeline. It does not take into account the broader benefits.

However, in previous reports, we estimated that a reduction in the price discount at which Western Canadian Select sells of five dollars U.S.—that was prior to the pandemic—would entail additional benefits to the country of \$6 billion for every segment of five dollars U.S. in reduction in the discount at which WCS sells.

There are obviously broader benefits, which is probably why the government decided to proceed with the purchase and the expansion of the pipeline.

• (1110)

**Mr. Greg McLean:** Thank you.

One of the biggest risks that isn't in your report here is the risk of government itself. The risk the government brings to this equation is consistent with the Minister of Environment's report last week. He plans to cut emissions in Canada at a rate by 2032 that is, according to every player in industry, an indication that we'll have to cut production by one million barrels per day.

Take that 5,280,000 barrels per day and turn it down by one million per day. Number one, as Eric Nuttall, a portfolio manager, said, "It's economic idiocy." As the minister himself said, "Look around the world, no other major oil and gas producer is doing what we're doing."

In your opinion, will the one million barrels per day of reduced capacity have an effect on the sale price, potentially, of the TMX pipeline?

**Mr. Yves Giroux:** It's hard to assess exactly what the impact of the cap on oil and gas emissions will have or could have on the value of the Trans Mountain pipeline. There is quite a bit of uncertainty with respect to the pricing of such a unique asset, especially given the lifespan of the asset, which we have estimated at 40 years but which could be longer than 40 years. There are pipelines that are functioning well after the initial first 40 years of their building and entering into operation.

I can't pronounce, really, on the impact solely of the cap on oil and gas emissions. We haven't yet studied that. However, there is work under way in my office to look at the economic impacts of the cap on oil and gas emissions, for which regulations were very recently released.

**Mr. Greg McLean:** Thank you.

The toll that Alberta, Saskatchewan and British Columbia shippers pay to get to Westridge terminal from the producing fields and the storage facilities is almost a dollar higher than it is to get to the gulf coast in the U.S. It's a much shorter distance but a higher toll. Can you tell us what impact that will have as a result of the great cost excesses built into building this TMX pipeline?

**Mr. Yves Giroux:** My understanding of the tolling framework is that it guarantees a certain return to the operator. The higher cost of building the expansion and operating the pipeline means that the tolls have to be higher, ultimately, for the users of that pipeline. Cost increases have to be passed on, at least partly, to the users. It increases the cost that oil producers have to pay to use the pipeline, and that probably leads to situations such as the one you mentioned.

**Mr. Greg McLean:** That would lead towards what we call the economic idiocy of making our oil and gas production more expensive in Canada vis-à-vis the oil it displaces around the world. Would you agree?

**Mr. Yves Giroux:** Well, the higher cost of building a pipeline means that in order to guarantee a certain return to the owner, it has to lead to higher tolls, other things being equal.

**Mr. Greg McLean:** I have a final question here, Mr. Giroux.

Do you think there's any connection between an emissions cap and the value of the pipeline at the end of the day?

**Mr. Yves Giroux:** Ultimately, yes, because—

**Mr. Greg McLean:** Thank you.

**The Chair:** We'll now go to Mr. Schiefke for the next six minutes.

Go ahead, Mr. Schiefke. The floor is yours.

**Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.):** Thank you very much, Mr. Chair.

[Translation]

Thank you very much for appearing before the committee this morning.

[English]

Mr. Giroux, the “Trans Mountain Pipeline - 2024 Report” stated, “Whether the Government records a profit or a loss on the eventual sale of the Trans Mountain Pipeline system will depend on what someone is willing to pay for it.”

The Minister of Finance, when she was here before committee, indicated that she’s “confident” that the \$34 billion invested in the pipeline can be returned to Canadians. Given the more optimistic current value of \$33.4 billion that your office attributed to the pipeline, can you expand on some of the current factors that could potentially lead to a higher rate of return on the eventual sale of the pipeline?

• (1115)

**Mr. Yves Giroux:** For example, if an eventual buyer deems that the 8% discount rate that is used by CDEV, the corporation that owns the pipeline, is too high and that we’re to assume a lower discount rate, then the value of the pipeline goes up.

Similarly, if a willing buyer has a cost of capital that is lower than others, then it could see additional value in buying the pipeline.

By the same token, if the government decides to incite or incentivize certain indigenous groups to be partners in a minority stake or even in a greater share of ownership, then a participant, a willing buyer, could see additional value in partnering with indigenous groups and first nations.

These are all examples of factors that could incentivize people to buy the pipeline at a value that is higher than the present value of future flows suggests.

**Mr. Peter Schiefke:** Thank you.

It was assessed that TMX will generate \$92.3 billion in direct and indirect economic benefits to Canada and Canadians over the next 10 years. However, your report didn’t look at all the impacts. You didn’t consider the profits generated by the pipeline while it is owned by our government. You didn’t include the federal tax revenues from the project.

Why did you choose to exclude those benefits from your report?

**Mr. Yves Giroux:** In our view, any buyer would probably take a selfish interest in buying the pipeline. It presumably wouldn’t factor in benefits other than to shareholders if it were to buy the pipeline, assuming it’s a private sector entity or a non-resident entity, as could happen with foreign purchasers. The buyer wouldn’t be concerned about the broader benefits, the economic activity and so on. It would very likely look at the returns on its investment. That’s why we looked at the same things that a private sector buyer would look at.

**Mr. Peter Schiefke:** Thank you.

Obviously, the economic benefits for Canadians and the province of Alberta are enormous; \$92 billion is a lot of economic activity.

Above and beyond, if the Government of Canada was able to sell it for the costs associated with building it and putting it in place, would this project have significant economic benefits for Canadians?

**Mr. Yves Giroux:** I think, without a doubt, that there would be broader benefits. There are already benefits because the pipeline is in operation. As one of your colleagues indicated, the discount at which WCS sells has been reduced, so Canadian oil producers can fetch a better price, presumably, than without the expansion itself.

**Mr. Peter Schiefke:** Thank you, Mr. Giroux. I have one last question for you.

When you consider all of the benefits from the pipeline—the profits while the Government of Canada holds the pipeline, the federal tax revenues, the benefits for the province of Alberta and the broader economic benefits, as well as the sale—do you think the Government of Canada will lose money on this project if you look at the entire picture?

**Mr. Yves Giroux:** It’s hard to say that with certainty. It depends a lot on the price at which the government does sell the pipeline.

**The Chair:** Thank you.

We’ll now go to Monsieur Simard for six minutes.

Monsieur Simard, the floor is yours.

[Translation]

**Mr. Mario Simard (Jonquière, BQ):** Thank you, Mr. Chair.

Mr. Giroux, thank you for coming; I appreciate it.

You started by saying that the analysis doesn’t include previously incurred costs, which correspond to the purchase price plus interest.

How much are those costs?

[English]

**Mr. Jason Stanton (Advisor and Analyst, Office of the Parliamentary Budget Officer):** The sunk costs include the purchase price of \$4.5 billion plus the additional \$34.2 billion in terms of the construction costs. Those are the things that are considered sunk, and those are captured when we look at the overall balance sheet. Those are reflected there.

[Translation]

**Mr. Mario Simard:** Understood.

The government will never recover that money. Is that correct?

**Mr. Yves Giroux:** The government could recover at least a good chunk of it through the sale of the pipeline, but they're already considered sunk costs because the assets cannot be easily transferred. It's not cash; rather, it is an asset in the ground, so it's not easily transferable.

• (1120)

**Mr. Mario Simard:** Right, I understand.

As for getting the money back on the purchase price, you're saying that it's still rather difficult to determine whether the government will manage to do that, because it depends on a number of factors.

The first thing that comes to mind is the context. The context that the government is trying to put forward is the reduction of hydrocarbons through the cap on emissions. My colleague Mr. McLean asked you a question about that earlier.

Consequently, if we consider the context, the rhetoric is inconsistent. On the one hand, they're suggesting, as the Minister of Finance did during her appearance before the committee, that the pipeline is a good thing and that it could be profitable, because it could be sold, allowing the government to recover its investment. She said that. On the other hand, they're putting a cap on emissions to reduce oil and gas production.

I don't want to nag you, since you aren't the commissioner of the environment. However, in your opinion, are the two views irreconcilable?

**Mr. Yves Giroux:** As some MPs—yourself included—have mentioned, this could certainly be seen as contradictory. On the one hand, there's a desire to cap emissions from the oil and gas sector and commit to a net-zero economy by 2050—some countries are aiming for 2060. On the other hand, we're told that a pipeline will facilitate the export of petroleum products and increase the price at which producers can sell them. All that's based on the expectation that a profit will be made on the sale of this pipeline. So a lot of things can be seen as contradictory.

This leads us to believe that the sale price will probably result in a financial loss for the government, given the context and environment in which the future purchaser of the pipeline will have to operate. In that environment, emissions from the oil and gas sector will be limited for entirely desirable public policy reasons—that's what the government wants. So it cannot simultaneously be said that the pipeline will have significant value. It does, but it may not be as high as expected.

**Mr. Mario Simard:** I don't want to make you say anything you don't want to say, but I'd like you to consider the following analysis.

I'm not a businessman, but I understand a very basic business concept called risk management. This means that a company doesn't usually invest capital in a risky project on which it might lose money.

If I look at your first report, I get the impression that no private company would have been prepared to assume all those risks to develop that pipeline infrastructure. The government did, and I don't see why a company would decide, in the future, to assume all the

risks at a cost of \$34 billion, knowing that new technologies may come along and make us less dependent on oil over the next 40 years, at the very least.

Is that a plausible analysis, in your opinion?

**Mr. Yves Giroux:** It's plausible and consistent with what we've seen to date.

Kinder Morgan didn't want to expand the pipeline. The government bought it for that reason. Now, according to our analysis of the costs, which have gone up, if we look solely at the financial transactions, it's likely that the government will lose money on this project. That's why there's a discount rate of about 8%, set by the Crown corporation that owns the pipeline. So your analysis is quite plausible.

However, it's also possible that a buyer feels the risks are much lower than our analysis indicates and decides to purchase it at a price that would satisfy the government.

**Mr. Mario Simard:** Thank you.

[English]

**The Chair:** Thank you.

We'll now go to Ms. Blaney.

Welcome to the committee. You have six minutes.

• (1125)

**Ms. Rachel Blaney (North Island—Powell River, NDP):** Thank you, Chair.

I thank the witnesses for being here today.

Mr. Giroux, I enjoy spending time with you. We did a lot of work on the “marriage after 60” report, so I have a great amount of respect for your work and that of your team.

However, I am a little disappointed with this report. It obscures for me a lot more than it actually reveals, and it muddies the water of an already difficult issue.

My question is about why you changed the fundamental methodology from a net present value to a present value. By removing the net and focusing on only the present value, you consider only revenues moving forward. Canadians really want answers for how they'll be paid back for the immense taxpayer load sunk into this project. It feels like you erased the cost of the purchase in building the pipeline.

Are you assuming that Minister Freeland will simply erase the debt load?

**Mr. Yves Giroux:** No. In fact, we didn't go for a net present value because it would have had to also assume future costs of construction. Now that the construction is over and the pipeline is in operation, the costs to acquire and expand the pipeline are known, so we can rely on historical factors. Given that the pipeline is in operation, some of these costs can start to be amortized as part of the ongoing operations.

That's why we decided to go with what we thought was more appropriate in a future flows analysis. It's what an acquirer could expect to get in future revenues from the pipeline. They can do the simple calculation of looking at what is on the books in terms of assets and liabilities because it's known how much the pipeline cost to acquire and to expand.

We don't need to do a net present value of these costs because they're in the past, and some of these have already started to be written off, as I said, or amortized over the expected lifetime of the pipeline.

It's not at all a judgment that anything will be erased from the books or written off.

**Ms. Rachel Blaney:** Thank you for that, but we have to acknowledge that what we're seeing right now is basically the set-up of a shell company through the Trans Mountain financials, which makes it really easy, in my opinion, for the government to simply erase the debt. The Export Development Act allows a minister to simply order the debt disappeared.

Is this what you were factoring in when deciding to let go of the net present value analysis? Poof—the debt is gone. My concern is that the project will still lose money.

I know you talked about it really being the price a buyer is willing to pay, but it feels like it's now muddier and harder for Canadians to understand what that will actually look like for them in terms of the taxpayer money they have invested.

**Mr. Yves Giroux:** It's true that the ownership structure, through subsidiaries of Crown corporations and other subsidiaries, looks a bit more complex than one would expect. I think the reason for going with that ownership structure is to facilitate the sale to a private sector potential owner or potential bidders.

It doesn't mean that we.... At least, we don't anticipate any debt to be erased, written off or forgone by the Government of Canada. I think the ownership structure is clearly intended to facilitate an eventual transaction.

**Ms. Rachel Blaney:** I feel very strongly that your scenarios are not only highly optimistic but that they also pretend the climate crisis isn't real.

You assume that after 20 years, the contracts will just be renewed. Kinder Morgan, in the original toll methodology, clearly said they wouldn't go beyond a 20-year period because there was simply too much risk.

Would you agree that the world will be in a very dire situation if this pipeline continues to pump out bitumen at full volume for the next 40 years?

**Mr. Yves Giroux:** It's quite possible that their tolling system will be different in 20 years. We mentioned in the report that the two scenarios we have are only two scenarios. They're not the upper and lower bounds of the present value of the future income streams. There could be many alternative scenarios, depending on what happens with oil production in the oil sands sector and depending on future policy choices of the Government of Canada.

These are not meant to be the upper and lower bounds. There could be other scenarios happening. I'm there with you; depending

on what happens with climate policy, the value could be slightly or significantly different.

• (1130)

**Ms. Rachel Blaney:** In your testimony, you talked a lot about what the buyer is willing to pay and about analyzing risk. We see the climate change impacts right now and this growing pressure to change and move forward with a greener opportunity. In that context, how was that assessed in your report in terms of looking through this lens of having something that's actually going to make money for a period of time?

**Mr. Yves Giroux:** We don't include various scenarios as to what happens to Canadian oil production. We looked at the Canadian Energy Regulator's scenarios for oil production in the country and we based it on that.

It's quite possible that lower oil production would lead to significantly different scenarios for pipeline utilization, but given how the tolling framework currently works, even if it were to be lower utilization, it would mean—given that tolling systems guarantee a certain level of return—that tolling would just go higher to ensure there's a minimum return to the pipeline operator.

There are a lot of moving targets, and for that reason it's very difficult to assess exactly how much a buyer would be willing to put up. It depends on their view of longer-term climate policies in Canada and the importance, or not, put on the oil sands sector in Canada. Various actors and potential buyers will have different perspectives as to the future direction of the oil and gas sector in the country and climate policies.

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

We'll now go to Mr. McLean for the next round.

Mr. McLean, you have five minutes.

**Mr. Greg McLean:** Thank you, Mr. Chair.

Mr. Giroux, further to our last questions, there's no serious forecaster in the world who looks at energy production and sees a decrease in the amount of oil produced in the world in the next few years. There's no serious forecaster or western democracy who doesn't see Canada's contribution to that oil as being fundamental for world security and for greenhouse gas emissions because we have very good social outcomes and very good environmental outcomes.

Therefore, the main risk that I see in your analysis is the risk brought on by government, including what they announced two weeks ago about looking at cutting production from Canada. That's going to be a risk not just to the value of this project but also to energy security around the world and to environmental outcomes around the world.

Are you free to comment?

**Mr. Yves Giroux:** As I said before in response to Ms. Blaney's question, what potential buyers see as the future direction of government policies with respect to oil and gas production and environmental standards and so on will affect their willingness to pay a certain amount for the pipeline.

On the issue of broader energy security worldwide, I don't think I'm the best person to comment on that, as it depends on a lot of factors.

**Mr. Greg McLean:** Thank you.

With regard to the cost to capital, the one thing that's going to affect the cost to capital here, of course, is the uncertainty that this government's going to visit upon a buyer or that suddenly the status quo will change, as it does repeatedly with this government and its policies towards the oil and gas industry. Therefore, any buyer is going to require a guarantee that the ground isn't going to shift beneath their feet. That guarantee is going to have to be given by this government, which is going to be a cost.

Further to that, there are two parts to tolls. There's the fixed part of tolls and there's the variable part of tolls. If we oil production in Canada reduced by one million barrels a day, that fixed part of the tolls would be shared among a smaller number of barrels. Therefore, that fixed cost would go up and that would impact Canadian economic activity.

Have you calculated how much that would reduce Canadian economic activity?

• (1135)

**Mr. Yves Giroux:** No, we have not looked at the broader impacts on Canadian economic activity of different oil-producing scenarios. We have looked at the potential value of the pipeline operations, acquisition and potential sale, but not the broader economic impacts under various different scenarios of oil and gas production in the country.

**Mr. Greg McLean:** Thank you.

For the pipeline itself, I'm going to drill into some numbers here.

When the government bought this pipeline, it was supposed to cost \$7.4 billion for the expansion when it was under Kinder Morgan. In 2020, you estimated that was up to \$12.6 billion because it was suddenly more expensive. In 2022, your number was \$21.4 billion, and now that number, as it turns out, is \$34.2 billion. It's increased by a factor of five times, so this is a significant increase.

If you look at a comparable pipeline, you see that the CGL up in northern B.C. went up by almost a factor of two, not five. You can talk about engineering, but that was a new pipeline and a new route.

I think Canadians want to know, Mr. Giroux, where the money went.

**Mr. Yves Giroux:** That's a very interesting question. We didn't do an audit of what happened in the construction phase and whether the funds were well spent or whether there would have been better ways to proceed with the expansion. That is a mission more appropriate for an auditor or an auditor general to look at. It's not within my mandate to look at that type of mission.

**Mr. Greg McLean:** Thank you.

Would you recommend a cost analysis of the \$27 billion of excess spending from the Government of Canada to produce a necessary pipeline to get our most important resource egressed to markets? Would you think that's something that should bear some auditing at the government level?

**Mr. Yves Giroux:** I think it's certainly worth exploring. That is something that this committee might well wish to look at, given the billions of dollars at stake.

**Mr. Greg McLean:** Thank you very much.

The whole thing we're looking at here.... Let's look at the lack of connection between the value of this pipeline, if you will, which is predicated upon a supply of oil getting to market or getting to tide-water, and then two weeks ago, two ministers came out saying that we're effectively going to be cutting Canadian production by a million barrels a day.

I'll quote Michael Belenkie—

**The Chair:** Mr. McLean, your time is up for your question. You can maybe ask in the next round.

**Mr. Greg McLean:** Could I just ask the question?

**The Chair:** You can in the next round. You'll have another opportunity, or somebody on your team will. Thank you.

I'll now go to Ms. Lapointe for five minutes.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Chair.

The report highlights potential anticipated revenues from the expanded pipeline.

Can you elaborate on how the projected increase in revenue from expanded export capacity can contribute to Canada's overall economic growth, especially in terms of benefiting the broader Canadian economy while the government holds the project?

**Mr. Yves Giroux:** We didn't specifically look at the economic benefits of this expansion, but in previous reports we looked at what it would mean to have the Canadian oil. We looked at Western Canada Select and getting a better price for that commodity. We didn't look at expanding production or anything like that, but what it could do to the price that producers can get if more markets were available for WCS, as we call it.

We estimated, I think in 2018, that a \$5 increase in the price of Canadian oil—so the discount being smaller—would lead to \$6 billion of additional benefits for the Canadian economy. That was in 2018, so one can assume that it's increased since then, and we have not updated that number. Assuming that it's still the same number and the government is taking about 15% as usual, the federal government benefits to the tune of about 15% on economic activity, generally speaking, so at \$6 billion, right there, if you do simple math, it's about a billion dollars more in federal tax revenues if that was the reduction in the discount at which Canadian oil sells.



Just from the federal government's perspective, there are significant amounts of money in additional tax revenue each and every year that the pipeline is in operation.

• (1140)

**Ms. Viviane Lapointe:** In considering fluctuating global energy prices and increasing competitiveness in the energy market, your report, as I understand it, covers two potential scenarios. Can you elaborate on the considerations the report touches on regarding future market conditions that might impact the profitability of the pipeline?

**Mr. Jason Stanton:** For the purpose of the report, we assumed two different scenarios, given that there is uncertainty in terms of what's going to happen. I think, as Mr. Giroux said, there is a lot of uncertainty after the initial 20 years of the contract, so the two different scenarios represent two possible scenarios but not a full outlook in terms of what could potentially happen.

**Mr. Yves Giroux:** To complement Jason's point, we didn't look at market conditions per se; we just looked at two scenarios for the pipeline, because market conditions could vary due to the oil production level. It could also vary if there was another way of transporting Canadian oil.

We saw with the U.S. elections that Keystone XL could be back on the drawing board or could become a possibility. Even in the absence of changes in oil production levels, that could affect the profitability or the utilization rate of TMX.

**Ms. Viviane Lapointe:** Are you able to comment on energy security and how that can contribute to national security and national economic resilience?

**Mr. Yves Giroux:** It's hard for me to comment on that, because we didn't look at the energy picture as a whole and energy security as a whole when we looked at one pipeline.

**Ms. Viviane Lapointe:** You ended the report by saying, "a profit or a loss on the eventual sale of the Trans Mountain Pipeline system will depend on...a wide range of factors". Can you expand on the variables you listed and can you tell us what the factors would need to look like for a profit scenario?

**Mr. Yves Giroux:** Sure. There could be a scenario in which, for example, a prospective buyer believes that the discount rate, the value it attaches to flows of money in the future, is higher than what CDEV, the Crown corporation that currently owns the pipeline, puts on these future flows. CDEV discounts these future flows at a rate of 8%. A prospective buyer could say, "No, it's too high. We think that a dollar next year is not to be discounted by 8% but by 6% or 5%", and then that would increase the value that a buyer attaches to buying the pipeline.

Similarly, there could be buyers with lower costs of capital. We can think about Crown corporations or state entities from other countries that decide to buy. If they can't finance themselves at very low rates, they could say it's worth buying because their cost of capital is quite low.

These are two examples of factors that could make such a sale profitable for the Government of Canada.

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

We'll now go to Mr. Simard.

Mr. Simard, you have two and a half minutes.

[*Translation*]

**Mr. Mario Simard:** Mr. Giroux, I'm going to ask you a question that you might consider annoying.

I'd like you to speak plainly, like I do when I ask my parents over the phone whether they need help updating their computer. I have to keep my explanations very short and simple.

How much are the sunk costs? The \$4 billion used to purchase the pipeline is money that will never be recovered.

**Mr. Yves Giroux:** We call them sunk costs because they're amounts invested in immovable assets. We purchased an old pipeline that was already in operation at a cost of \$4.5 billion and undertook its expansion. Consequently, that pipeline was essentially doubled in length to increase capacity. That cost \$34 billion, plus a few million more. If we add those amounts together, it's \$38 billion plus a few hundred million dollars. Those amounts were invested to acquire an asset and double or significantly increase that asset's capacity. Such assets cannot be easily transferred elsewhere. Simply speaking, it's essentially a giant steel hose snaking through the Rocky Mountains. That steel hose transports oil along a well-defined route.

• (1145)

**Mr. Mario Simard:** In short, if I tell my parents that, collectively, we've lost \$4 billion, that would be pretty accurate.

That's what I'd like to hear you say.

**Mr. Yves Giroux:** It depends on how much the pipeline sells for.

**Mr. Mario Simard:** We'd need to sell it for \$38 billion to get our money back.

**Mr. Yves Giroux:** It'd be a bit lower, because profits have already been paid to the Crown corporation. The old line has been transporting oil for some time, and the new line has been operational since May 1. Therefore, it's been making money for several years.

**Mr. Mario Simard:** Understood.

Earlier, my colleague Mr. McLean, whom I quite like, but with whom I rarely agree, said that there was no scenario for reducing oil production. And yet, there is, such as the scenario put forward by the Intergovernmental Panel on Climate Change, or IPCC, according to which limiting global warming to 1.5° implies a 62% reduction by 2050. If no carbon sequestration or capture strategy is applied, that figure rises to 70%.

I find it quite strange that the government, through its environment minister, is saying that it wants to hit the IPCC's targets, but that, at the same time, infrastructure is making us dependent on oil, if we want it to be profitable for the next 40 years.

If that's the case, in my opinion, the chances of that infrastructure being profitable are very low if you hit the targets, and high if you don't hit any of them.

[English]

**The Chair:** Mr. Simard, unfortunately, your time is up. I apologize. I didn't want to cut you off in mid-sentence.

[Translation]

**Mr. Mario Simard:** I'd like to point out that Mr. Giroux was nodding. I believe he's confirming my statement.

[English]

**The Chair:** You'll have an opportunity to get a response in your next round of questioning.

Ms. Blaney, you have two and a half minutes. The floor is yours.

**Ms. Rachel Blaney:** Thank you, Chair. I'm going to watch for nods too now.

One thing I find very frustrating about a lot of this is that information is very fragmented. One part is looked at. If you don't look at the whole context, it makes things hard. I understand that as time moves on, risks and things change, but that fragmentation is a bit frustrating, I think, for me and many Canadians.

We know there's a recent report from the International Institute for Sustainable Development. It shows that allowing the current discounted toll rate could amount to a subsidy of \$8.7 billion to \$18.8 billion.

Have you looked into the toll discounts being given to the oil companies and compared what that might look like for a purchaser?

**Mr. Yves Giroux:** No. We looked at the current tolling framework, which, in my understanding, assumes a certain minimum rate of return for the pipeline owner and operator. I haven't looked at the potential subsidy.

**Ms. Rachel Blaney:** We know oil companies often complain that they're already paying too much when they're only being charged less than half of the full cost. For a company to buy this project and make their money back, they have to charge in the neighbourhood of dollars per barrel. This would have a serious impact on the scenario of high utilization of the pipeline.

Do you think that's the case?

**Mr. Yves Giroux:** I'm not sure. Right now, it seems to be that the pipeline is in operation and is being used to a large extent. Given the contracts in place right now, we have assumed that the utilization rate will be close to full capacity for the next 15 to 20 years. The big unknown is what happens after these long-term contracts expire in 15 to 20 years.

**Ms. Rachel Blaney:** Knowing that risk, how are you assessing that in the report itself?

Again, I'm going to come back to that general idea that Canadians want to know that the money they have invested is going to be

paid back to them. We know that it depends on what the business is willing to pay, but how are these things being quantified? What kinds of risks do you feel that Canada is taking through this process?

**Mr. Yves Giroux:** This risk is being quantified by using a discount rate of about 8%—the same as CDEV—and by having one potential scenario in which the long-term contracts are not renewed for the same percentage of the capacity of the pipeline and where a greater proportion is on the spot market.

However, as I said, there could be multiple other scenarios. Who knows what will happen in 15 to 20 years? There could be a much lower proportion of long-term contracts for the utilization and a much larger proportion on the spot market. That's inherently difficult to quantify.

• (1150)

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

We'll now go to Mr. Patzer.

You have five minutes.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank very much.

I want to just say thank you for coming and for doing this report. It was definitely illuminating, to say the least.

When we had the Minister of Finance here, she gave a statement. It was something along the lines that she hopes we're going to sell it for more than the \$34 billion it took to build it.

Given the report that you've written, that's not very likely, is it?

**Mr. Yves Giroux:** As I said, we don't think that's the price that a willing buyer would be willing to pay for the pipeline. It doesn't mean that nobody will be willing to pay more than what we estimate. It depends on their perspective of the future direction of Canadian environmental policy, oil production and their cost of capital, for example, and whether they partner with other groups, such as indigenous groups, which could make it more desirable. Some may see it as less desirable if such conditions were imposed. There are a lot of variables that come into play.

Based on numbers and the discount rate that CDEV is using, we don't think the government will make a profit by selling this pipeline, but we could be proven wrong.

**Mr. Jeremy Patzer:** Do you think the government was using numbers that were different from what you had available to you as part of the study that would have possibly given them the ability to say that?

**Mr. Yves Giroux:** One of the important factors in assessing the value of the pipeline for prospective buyers is the discount rate. We used the same one as the government is using, so that's a big factor.

One of the others is the future tolling framework, and I don't know that there is any change that's been announced or that's in the pipeline. Maybe the government has information as to interest that has been expressed to them from prospective buyers who are very interested, but we're not aware of any such discussions or of prospective buyers having indicated an interest. By and large, the government would be using the same numbers as we are using.

**Mr. Jeremy Patzer:** When you look at how we got to where we are today, the original proponent was going to build this project, and I wouldn't say it was a lack of interest on their part. I think what happened—and they've made it pretty clearly known—was a lack of political will and regulatory certainty. They already had the approval in place, and then the goalposts kept moving repeatedly. Those delays and the lack of clarity and certainty by the government are what ultimately chased them away, which then forced the government to step in and buy this this pipeline.

A prospective buyer is probably going to want to buy it for as little as possible to maximize their revenue. That is just good business sense on their part. We're here to defend the taxpayers' dollar at the end of it, and we're looking at what the government has spent on it.

When you look at government regulation—again, it prevented the proponent from building—and then you look at the pancaking of these new regulations, like the emissions cap, the fuel regulations that they're imposing and the way the carbon tax is being piled in on top of things, as a proponent, why...?

Where is the future going to be for these guys if they're going to spend that kind of money on a project, yet this is what's happening? How does the government expect to get full value when they're pretty much literally shooting themselves in the foot here—shooting the taxpayer in the foot—by imposing all these policies on people? That has to be a painful pill for a prospective buyer to swallow.

**Mr. Yves Giroux:** That's a very good point.

The government is currently in a situation of owning an asset whose value is determined in part by the government's own policies on oil and gas production, and on the environment. The point you raised is very valid. That's probably why the government is interested in selling. It doesn't want to be judge and party at the same time. It owns a big asset, but it regulates in a way that affects, quite directly, its value. A prospective buyer would have to consider that. The environment in which it evolves determines the value of that asset.

• (1155)

**Mr. Jeremy Patzer:** Thank you.

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

Before I go to our next speaker, I have a follow-up question for you.

It looks like a cost-benefit analysis was not done by you, because you're not looking at the benefits for federal-provincial coffers. In this case, significant dollars will benefit the Province of Alberta, as well as its municipalities.

Why did you not undertake a full cost-benefit analysis of the entire project, regarding its benefit to Canadians?

I have a question to follow up on that one.

Economist Trevor Tombe was here. He suggested that the government could profit between \$4 billion and \$8 billion from the sale of the pipeline. There's a real discrepancy between what he said about his analysis and what you provided today. Could you provide some comment on that?

**Mr. Yves Giroux:** Sure.

Generally speaking, we don't do cost-benefit analyses because although the costs or the revenue streams of different measures are usually measurable, the benefits can be much more diffuse and harder to measure, in many instances. That's not to say they cannot be measured, but it's more difficult. By “more difficult”, I mean it's more subjective.

Furthermore, if we were to do a cost-benefit analysis, it would more squarely put us in the camp of being seen as determining or pronouncing on whether government policies are good or bad, which could put governments in awkward situations. Ultimately, cost-benefit analyses are the resort of legislators in your role of voting on legislation. We provide you with information on the costs, and sometimes the revenues. However, the cost-benefit analysis is better done by the government itself, I think.

With respect to alternative valuations, it's hard to criticize or comment on other people's assessments when I haven't looked at exactly how they are done. However, I know that people sometimes assess a lifespan of more than 40 years, so that increases the value of a pipeline. Given that it's very hard to figure out what oil demand will be in 40 years, going beyond 40 years is even more risky. As you go further out, there are additional revenues, but revenues in 60 or 70 years are of little added value when you're looking at an asset now.

There could be other benefits, as you and some of your colleagues have mentioned, which would increase the value of such a policy move by the Government of Canada. However, they are not relevant for a private sector buyer.

**The Chair:** Thank you for the clarification.

I'll now go to Mr. Jowhari.

Mr. Jowhari, go ahead. You have five minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair, and once again welcome, Mr. Giroux and your team here.

First of all, thank you very much for making the time to meet with us during the constituency week. I had more than five minutes to ask a lot of questions, and you were kind enough to provide the answers.

A lot of questions that I was going to ask have been asked by my colleagues, but I want to go back to table 3. Specifically, when we had the conversation, you talked about three elements. You talked about the pipeline utilization. You talked about the toll. You talked about the discount rate, and you did a sensitivity analysis, plus or minus 2.5%, across the board.

As I was looking at the table, I realized that if we increase the pipeline utilization under a contract renewal and under a present value calculation of 40 years, if it goes up by 2.5%, if the toll goes up by about 2.5%—which is from 11.4¢ to about 11.6¢—and if the discount rate actually comes down by 0.5%, then we are into, roughly, about \$4 billion, whether it's sold at \$33 billion or whether somebody buys it at \$29 billion. Just from an asset point of view, we've made money, forgetting about the economic benefit of \$250 billion a year to the Province of Alberta and all the other job benefits downstream.

One of the areas that really piqued my interest was the discount rate. Having a management consulting background, I know that usually the discount rate is higher when there are more risks associated with the project. The risks include the cost, the timeline and many other factors. When you did the calculation, you talked about the fact that you used 8%, and that was the CDEV rate. When you look at those risks, in your opinion, has the risk been dramatically reduced now that we are in the position that we are?

The pipeline has been completed. We see that utilization going up. Do you see a scenario in which all of these risks should put us in a position to be able to use a lower discount rate, which by default increases the value?

• (1200)

**Mr. Yves Giroux:** If you look at the situation in 2018 compared to now, the risks have significantly gone down because the pipeline has been expanded; it's in operation. These types of risks related to the construction and the operation of the pipeline have gone down significantly. Oil is flowing, so from that perspective, risks have gone down, which suggests a lower discount rate.

The risks that remain relate to future oil demand, which could be affected by the demand on the world markets, the price at which Canadian oil can be sold compared to cheaper alternatives—if that were the case—and whether or not policies, not just in Canada but globally, will affect oil demand. That's why there is still an element of risk.

The question of whether a lower discount rate should be used is a very valid question, and I'm sure that various proponents or potential buyers could see a different discount rate being applied, be it higher or lower. That's why, this being subjective and a value judgment, we decided to use CDEV. They benefit from the expertise of owning and operating the pipeline indirectly and also of having a good window as to the potential market and government policies, as does each and every one of us.

We could have gone for a lower, or maybe higher, discount rate, recognizing that it is a value judgment. That's why we have the sensitivity analysis in our report. Others can have a different perspective on the proper discount rate to use, and they can look at the sensitivity analysis that we performed to use a slightly different discount rate.

**Mr. Majid Jowhari:** Thank you.

Both the minister and the CEO of TMX came and said that we were going to be a smart buyer—

**The Chair:** Mr. Jowhari, you're out of time.

**Mr. Majid Jowhari:** Thank you very much.

**The Chair:** Thank you.

We'll now go to Mr. Falk.

Mr. Falk, you have five minutes.

**Mr. Ted Falk (Provencher, CPC):** Thank you, Mr. Chair.

Thank you, Mr. Giroux and Mr. Stanton, for your attendance here today and for the information in the report you've provided.

I want to clarify a few things.

The initial cost of purchasing the TMX was \$4.5 billion and the construction cost was \$34.2 billion, for a total of \$38.7 billion or \$39 billion. What is the likelihood of the Government of Canada recovering that cost on a sale?

**Mr. Yves Giroux:** Based on the assessment we did on the two scenarios, we don't think it is the most likely outcome that the government will recover all the money it has spent acquiring and expanding the Trans Mountain pipeline.

• (1205)

**Mr. Ted Falk:** Your report also indicates an equity position of \$8.3 billion. Where did that come from?

**Mr. Yves Giroux:** It came from the Trans Mountain corporation's own annual report.

**Mr. Ted Falk:** It was from TMX, Trans Mountain?

**Mr. Yves Giroux:** Yes.

**Mr. Ted Falk:** Okay.

When the government bought it, they bought an equity position, presumably?

**Mr. Yves Giroux:** Yes. They bought the existing pipeline and the rights to expand the pipeline.

**Mr. Ted Falk:** There's been a lot of discussion here about the discount rate. CDEV and you yourself concluded on an 8% discount rate prior to the announcement of proposing an emissions cap: How will that affect the discount rate?

**Mr. Yves Giroux:** It's hard to assess for sure. One can speculate that it could further increase the discount rate, given that it limits the emissions of the oil and gas sector in the country—

**Mr. Ted Falk:** Limiting the emissions would create a scenario in which they would be producing about a million barrels a day less oil and gas. Is that correct?

**Mr. Yves Giroux:** We haven't done the analysis yet. There's work that has started in my office, given the recent release of the regulations on that.

**Mr. Ted Falk:** Do you know if the expansion portion of the TMX is able to facilitate what kind of volume on a daily basis?

**Mr. Jason Stanton:** The—

**Mr. Ted Falk:** My question is whether it is basically the equivalent of the cap discount.

**Mr. Jason Stanton:** The maximum capacity for the expansion pipeline is, I believe, 590,000 barrels per day, but as for the impact of the oil and gas cap, we haven't really factored that in.

**Mr. Ted Falk:** Okay. You haven't really factored that in.

**Mr. Yves Giroux:** Not yet.

**Mr. Ted Falk:** Okay. Fair enough.

What would the toll rate have to be in order to generate a \$39-billion sale price?

**Mr. Yves Giroux: Mr. Jason Stanton:** No, we haven't done that.

**Mr. Yves Giroux:** We haven't done that analysis, not the toll rate itself. We use scenarios of pipeline utilization or the tolling structure, long-term versus shorter-term contracts, but not the levels themselves.

**Mr. Ted Falk:** How could you do that analysis without those levels?

**Mr. Yves Giroux:** Well, the long-term contracts have a value from a longer-term utilization rate, which guarantees an income stream, whereas the shorter-term contracts are more unlikely in terms of revenues that flow into the owning corporation.

**Mr. Ted Falk:** Okay. That is something that the Canada Energy Regulator determines anyway.

**Mr. Yves Giroux:** Exactly.

**Mr. Ted Falk:** If the toll rates do get increased, who pays?

**Mr. Yves Giroux:** It's the oil producer. If the toll rates are higher, it's the oil producer using the pipeline that ends up paying.

**Mr. Ted Falk:** They will pay even though there's a world market price for the oil.

**Mr. Yves Giroux:** Yes.

**Mr. Ted Falk:** It just increases their costs—

**Mr. Yves Giroux:** Exactly.

**Mr. Ted Falk:** —reduces their profitability and reduces the taxes paid to the Canadian government.

**Mr. Yves Giroux:** That's a very good five-second summary of what happens, exactly.

**Mr. Ted Falk:** On a going-forward basis, what will interest rates do to the value? What interest rate did you base it on? That might be a better question to start with.

**Mr. Yves Giroux:** We based it on the CDEV scenario interest rate, did we not?

**Mr. Jason Stanton:** Yes. We based it on the projections of the publicly available documents on borrowing rates. That would be factored into the discount rate that is used as part of the 8%, so it's based on rates that the corporation has. There is a portion that's—

**Mr. Ted Falk:** Would you have used the commercially available rates through national banks, or would you have used the sovereign rate for the Government of Canada?

**Mr. Jason Stanton:** It would be based on the borrowing rate that the corporation has.

Again, in terms of how they specifically calculate it, I think it's best placed with CDEV, because we assumed the same discount

rate that they had. There is a portion of the debt financing that is on a fixed basis, as well as for the initial borrowing, as well as the market rates with the syndicated banks, but again, that would factor into the discount rate.

They would be best placed in terms of providing the exact rates.

• (1210)

**Mr. Yves Giroux:** Maybe I can complement that.

**The Chair:** Mr. Giroux, please be very quick. Go ahead.

**Mr. Yves Giroux:** Okay.

There's a hybrid. Trans Mountain Corporation has financing from the government through the subsidiaries, but they also have some financing through commercial banks. They have a hybrid.

To answer your question on what happens if interest rates go down, the discount rate would normally go down as well. It's determined quite closely with the prevailing interest rates and the longer-term interest rates as well.

**The Chair:** Time's up. Thank you, Mr. Falk and Mr. Giroux.

We'll now go to Ms. Dabrusin.

Ms. Dabrusin, you have five minutes.

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Thank you, Mr. Chair.

Thank you to both of you for being here today. It's been very interesting to hear your input and your ideas.

I want to clarify one thing. I think in some of the questions there was the statement that the cap, which was announced a couple weeks ago now, is a cap on production. I do want to clarify that what was announced and what the draft regulation set out is actually a cap on emissions from oil and gas. I think that's really important to clarify right at the outset.

Mr. Giroux, I also to clarify something that you spoke quickly about. You did not do, when you did this report, any analysis of what the impacts would be on a cap on emissions from oil and gas on the sale. Is that correct?

**Mr. Yves Giroux:** You're right. We did not.

**Ms. Julie Dabrusin:** Okay.

As well, just so I can be clear on this, when you were doing this report, did you calculate the impact of different tax credits for carbon capture?

**Mr. Yves Giroux:** No, we did not. We didn't think that was material in the ownership and operation of a pipeline.

**Ms. Julie Dabrusin:** Thank you.

I can hear the members opposite choosing to chirp a little bit about my questions. I find that interesting. I will just say that I'm trying to clarify what was in the report and what the pieces were. I believe that's something everyone here has had a chance to speak to.

I know that when we were talking as well, you talked about not factoring in benefits. Perhaps we can talk a little bit about what exactly goes into the scope of your study. For example, some of the witnesses we have heard today talked about how there was a difference in the contracts for workers on these pipelines. Before it was purchased by the government, they were not union jobs. Then they did become union jobs.

In all the valuations you do, do you include such things as those kind of benefits to workers, particularly in Alberta?

**Mr. Yves Giroux:** We did not use or look at the downstream—or upstream, in that case—benefits through higher employment and employment income. However, in previous reports, we looked at the economic impacts of the construction of the pipeline. I don't remember it off the top of my head, but we had an estimated impact on the number of jobs and the impact on GDP, gross domestic product. We don't in this report, because we looked at the optics from a private sector buyer who would consider buying the pipeline.

**Ms. Julie Dabrusin:** Thank you.

I also want to clarify your mandate when you're working on these reports. Maybe you can help me clarify what the scope of your mandate is. You did make some comments earlier that were a bit political about what you thought might be government motivations.

Is it in your mandate as Parliamentary Budget Officer to share opinions and create analysis of what government might be thinking, or what the motivations from government might be, other than pure numbers on the prices?

**Mr. Yves Giroux:** My mandate is to provide analysis and information to parliamentarians related to issues of importance and issues they are studying, including things that have an impact on the national economy.

**Ms. Julie Dabrusin:** Is there any kind of political analysis that goes into that?

**Mr. Yves Giroux:** No, and I don't think I made any political comments, if that's what you are referring to. I think I was answering the question as to what could be the factors that impact the sale value or the price that a buyer would be willing to pay for the pipeline and what types of factors could influence the price that the buyer would consider offering to the government.

• (1215)

**Ms. Julie Dabrusin:** Thank you. I just wanted to make sure that I was clear on the scope of your analysis and what it covers, because that helps in figuring out exactly what the next pieces are.

The final piece is just to quickly confirm if I understood correctly. When Mr. Falk asked the question about interest rates going down, that would change the discount rate you apply. Is that correct?

**Mr. Yves Giroux:** Presumably it would, yes. Other things being equal, yes.

**The Chair:** That's your time. You're right on time. Thank you, Ms. Dabrusin.

We'll now go to Mr. Simard.

Mr. Simard, you have two and a half minutes.

[*Translation*]

**Mr. Mario Simard:** Thank you.

I want to pick up on Ms. Dabrusin's comment.

Mr. Giroux, I wish you had made political comments, but I feel you carefully avoided doing so. As much as I would like to hear your thoughts on that, let's focus on what's within your mandate.

I'll give you a little background. In 2022, after your first report was tabled, the Minister of Finance publicly stated that no more public money would be invested in the Trans Mountain pipeline.

Was that the case, based on your latest analysis?

**Mr. Yves Giroux:** Based on historical data that's in the public domain, our analysis indicates that, since that time, construction costs have increased by \$12.8 billion.

**Mr. Mario Simard:** Was any of that \$12.8 billion government money? You talked about a hybrid funding scenario earlier, so I assume some of the funding came from the government.

**Mr. Yves Giroux:** Yes, a lot of the funding comes from Crown corporations that ultimately own the pipeline or the expansion. Since they are Crown corporations, everything is consolidated in the Government of Canada's financial statements.

So, some of the funding was obtained from the private sector, but I believe most of it, or at least a significant amount—my colleague, Mr. Stanton, is too polite to kick me under the table—comes from public loans.

[*English*]

**Mr. Jason Stanton:** If I can add to what Mr. Giroux said, initially there was financing that was provided through TMP Finance and then, as of 2022, when they changed some of the regulations for the corporation itself, they started borrowing directly from financial institutions. The government is providing a guarantee on those loans, but the debt is taken on with the banks.

[*Translation*]

**Mr. Mario Simard:** If I buy a house that costs more than I can afford, I don't get a government guarantee, so I see this government loan guarantee as a kind of financial support.

I say that because—

[*English*]

**The Chair:** Mr. Simard, your time is up. You can continue during the next round. Thank you.

We'll now go to Ms. Blaney.

Ms. Blaney, you have two and a half minutes.

**Ms. Rachel Blaney:** Thank you, Chair.

I have just one question. The Deputy Prime Minister came to our committee and said that she expected to sell the pipeline for more than the \$34 billion spent by taxpayers. Your number suggests that the loss will be in the range of \$6.5 billion to \$15.2 billion. Can you explain to the committee the discrepancy between your numbers and Ms. Freeland's? Does she have information that you don't have?

**Mr. Yves Giroux:** Just to be clear, the loss, based on the numbers that we have, would be lower than the numbers you mentioned because there are already some amounts that have been amortized over time, given that the pipeline is in operation.

It's possible that the minister has had discussions with potential buyers or that she has information as to the potential sale price. This would be normal in the context of discussions to potentially sell an asset of that magnitude, but these are numbers that have been provided to us by the Crown corporation, by the government, and they are in the public domain. Some of the information is confidential, but we were able to use it to assess the value of a potential buyer's willingness to pay.

Maybe she and the department have additional information, but we're not privy to that.

• (1220)

**Ms. Rachel Blaney:** The loss will be lower than the numbers I mentioned, but you also said it is based on how much the buyer is willing to spend.

I'm just wondering how you balance out that discrepancy. I understand there are some things that are being paid off and that process is unfolding, but we actually don't know if those numbers will be lower or higher. I'm wondering if you could talk about that a little bit more.

**Mr. Yves Giroux:** That's a very good point.

When Monsieur Simard referred to buying a house or acquiring a house, there are lots of comparisons, usually, on the same street and in the same city, but assets such as a pipeline are pretty unique. There are a few pipelines around, but they don't serve the same producers and they don't get to the same markets. That's why it's inherently difficult to assess the value of a pipeline.

One method is to look at the value of the future flows of revenue, given that the tolls are regulated. It's one method to assess how much the government could sell that asset for, but a buyer could decide to buy it for economic interests that went beyond the future flows, such as, for example, energy security purposes if it were a foreign entity or other factors if it believed that government policy would change in the future.

In one way or the other, they could be willing to pay more or even less, and then there is the aspect of the number of buyers. A bidding war is possible, but it's very difficult to know exactly until there's a "for sale" sign.

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

Thank you, Ms. Blaney.

We'll now go to Mr. Dreeshen.

Mr. Dreeshen, you have five minutes.

**Mr. Earl Dreeshen (Red Deer—Mountain View, CPC):** Thank you very much, Mr. Chair. It's great to be here to listen to the explanation that many of us have been looking forward to for quite some time.

There was a discussion earlier about the mandate and, as you mentioned, its issues of importance and the impact on the national economy. That became the metrics that you were looking at.

As I mentioned to you earlier, having been on the public accounts committee, I think it's important to talk about the full life cycle of projects, whether it's a 40-year project or 50-year or 60-year project. I think that's important. I related the F-35s and the national defence, PBO and Auditor General time frames that they had. Obviously, there was a fair amount of confusion that had taken place there, but it would be nice if we knew exactly how many years we were going to be putting in there.

I would like a little bit of a clarification on the discussion on the cost of capital and how much of this was government-guaranteed, because if it's government-guaranteed, we shouldn't be worrying. I question what the concern would be as far as the interest rates are concerned and so on.

The other thing is that people have indicated the government bought the right to build a pipeline. Do you have any information on the litigation they would have been subject to had this not gone through?

**Mr. Yves Giroux:** The rate guarantee is implicit in the fact that it is a Crown corporation. It's owned ultimately by His Majesty in right of Canada, as we call it officially, so the financing of government borrowings is done at a rate that is advantageous for the corporation, although it's slightly higher than the cost of borrowing for the Government of Canada.

The guarantees when the corporation got financing on the private market were probably done at a favourable rate, knowing who was ultimately behind the borrowings. From that perspective, the pipeline is benefiting from rather favourable terms of borrowing, both on the private and the public side.

What was the other part of your question?

**Mr. Earl Dreeshen:** The other part had to do with the fact that there's potential litigation over not getting this pipeline built.

Perhaps we can move on from that, because one of the other things you had mentioned is how significant it would have been to have done some auditing at the construction stage. We see reports about woodpecker nests and so on, and how that stops it for a couple of weeks and, if there's an anthill, how much time it would take to be able to sort through that. I know people who have worked on it. It's not that those aren't significant things to consider; it's the length of time it takes to get from one stage to the next.

My concern is how we look at other projects that are going to take place in the country if we've set up these barriers of over-regulation and not getting things done in a timely manner. Is that anything that you could advise upon?

• (1225)

**Mr. Yves Giroux:** It's something that has come up quite often in the context of big procurement projects, notably in the case of national defence procurement projects. What we find is that having a strong project management office with one person, or one group, clearly in charge helps to clear out the hurdles and ensure that whatever needs to happen happens in a timely manner.

That being said, with a project as unique as a pipeline, it probably was much more difficult to achieve that, given that there's not that much expertise in government or, broadly speaking, to make sure that things that need to happen happen in a timely manner, considering the number of regulations that need to be complied with.

It's not a very good answer, I know, but it's not something we looked at.

**Mr. Earl Dreeshen:** That's fine. I appreciate that, because I think it is quite important because we'll be looking at trying to develop policies in order to manage this situation, and I think that's a critical part.

It has also been said that we're waiting until we find the right price. If I had a bunch of canola in a bin or something like that, we often think that way, and then we sell it for what we have to.

It's easy to make this statement that we're going to wait until the right price. What assurances do you have that this is at all possible?

**Mr. Yves Giroux:** It's not for me to determine the right time to buy. I think that's something that clearly falls within the purview of CDEV, and they can ask for private sector or outside assistance to determine market conditions. It's not something I can comment on.

**The Chair:** Thank you.

We'll now go to Mr. Jowhari.

Mr. Jowhari, you have five minutes. Please go ahead.

**Mr. Majid Jowhari:** Thank you, Mr. Chair.

I'm just going to go back to the line of questioning that I was asking. The price, the value that you have put on this pipeline, is based on the present value of 40 years based on certain risk. Now, let's assume that there is an interested buyer who will come forward in the next five years. We're doing a hypothetical situation everywhere, so let's say that in the next five years, an interested buyer comes in.

Can you tell me what elements of the risk that you had taken into account in your calculation could have been eliminated? For instance, would the toll at that time have been finalized, or would the utilization be finalized? Would our position on the discount rate be a little more clarified?

To me, those could position us to make a decision at that time, because I don't think—with all the respect that I have for you, your office, and your work—any buyer is going to come and say, “You know what? The PBO said it's going to be \$29 billion, so I'm not going to pay more than that.”

Can you comment on all the variables that you've taken into account?

**Mr. Yves Giroux:** I would hope that a buyer would not base their offering price solely on a report and I would hope that they would do their own due diligence very thoroughly before coughing up \$30 billion or \$35 billion.

However, if they were to make an offer, I think their cost of capital would be an element of risk that would probably be taken out of the equation because they would have a pretty good idea as to how much it costs them to raise \$25 billion, \$30 billion, \$35 billion or \$40 billion to buy a pipeline. That would be one element of risk removed from the equation.

**Mr. Majid Jowhari:** Then we have pipeline utilization and tolls that are left.

Do you have any comment on that?

• (1230)

**Mr. Jason Stanton:** Based on what the regulator has said, they're still in the process of determining those tolls. In, say, five years under this scenario, based on public statements, you would think that they would be finalized by then, so that would remove some of the uncertainty there.

You would also have some years when the pipeline has been running, so there would be more time that it has been running than right now. You would have more years on which to base what the utilization could be, so that, I think, would reduce some of the risk.

**Mr. Majid Jowhari:** That's exactly why I picked five years. By then, a lot of those things—with the situation down south and all of the government policies around price and pollution—will have been finalized. Then a true value calculation based on known variables or factors will be.... At that time, I believe we will see that the value of this pipeline on its own, as an investment, will be much higher.

Thank you, Mr. Chair. I'm going to yield the rest of my time to Ms. Dabrusin.

**The Chair:** Go ahead, Ms. Dabrusin.

**Ms. Julie Dabrusin:** Thank you, Mr. Chair.

Again, this has been a very interesting conversation today. I very much appreciate the time given to us by the Parliamentary Budget Officer.

Now I believe it's time we get to some of the other pieces we've been trying to work on. I move to resume debate on my motion on wells.

**The Chair:** It's a dilatory motion, so we will proceed to a vote, Mr. Clerk.

(Motion agreed to: yeas 6; nays 5 [*See Minutes of Proceedings*])

**The Chair:** We will now resume debate on the motion.

I will give the floor back to you, Ms. Dabrusin. Go ahead.

**Ms. Julie Dabrusin:** Well, now that we're moving to the motion, I suggest dismissing the witnesses, unless we believe we can go directly to a vote to pass the motion.

**The Chair:** Give me a moment.



I know we previously had a number of folks interested in speaking. I think it would be appropriate to release the witnesses out of respect for the time and consideration they have provided us with today.

Thank you, Mr. Giroux and Mr. Stanton, for joining us today at committee, and for your work.

If the committee proceeds to move, we will release the witnesses. We will suspend so that we can give the witnesses an opportunity to be released. We'll resume in a few minutes.

We're suspended.

• (1230) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1240)

**The Chair:** Ms. Dabrusin, we will turn the floor back to you. We're resuming debate on the motion.

**Ms. Julie Dabrusin:** Thank you.

Why don't I bring us back to where we are at?

I had brought a motion, and it was amended by Mr. Simard. The amended motion would be as follows:

Given that:

There are 1,600 abandoned and orphaned oil wells in Alberta polluting farmland, waterways, and air;

The number of abandoned wells in Alberta are set to increase by an additional 1,800 to 2,000;

These additional abandoned wells will cost more than \$200 million to clean up;

The Government of Alberta sent back \$137 million because they failed to use the funds provided by the Government of Canada to clean up abandoned wells and create jobs in the pandemic;

The Government of Saskatchewan used their allocated funds in their entirety to clean abandoned wells and create jobs;

Companies who abandon wells and fail to pay for their cleanup negatively impact provincial taxpayers and municipalities;

Orphaned and abandoned wells present an economic opportunity to support energy solutions like geothermal energy.

The Standing Committee of Natural Resources begin a five-meeting study on the impact of this failure to clean these [abandoned and orphaned] wells [in Canada], the impacts of the pollution of not cleaning up abandoned and orphaned wells, the costs of cleaning up abandoned and orphaned wells, the federal regulations to hold companies to account for well cleanup, and the potential opportunities associated with cleaning up abandoned wells, and report its findings to the House of Commons.

That is the amended version of the motion that I had brought. I think where we are right now is with an amendment to this motion that was proposed by the Conservatives and that would actually remove the full preamble.

For some reason, the Conservatives want to remove reference to the number—the “1,600 abandoned and orphaned wells [that are] in Alberta”—and to the fact that they're “polluting farmland, waterways, and air”. They are also seeking to remove that “[t]he number of abandoned wells in Alberta are set to increase by...1,800 to 2,000”, as well as the cost of cleaning these abandoned wells, which is the third point: that the “additional abandoned wells will cost more than \$200 million to clean up”. They are also seeking to remove the reference to how the Government of Alberta returned

the federal funds, the \$137 million of federal funds, that had been provided to the province to clean up the abandoned wells.

They're also removing reference to the fact that the “Government of Saskatchewan used [all of] their allocated funds” to clean up the wells and to “create jobs”. They are seeking to remove the reference that “[c]ompanies who abandon wells and fail to pay for their cleanup negatively impact provincial taxpayers and municipalities”, and they are also seeking to remove the reference that “[o]rphaned and abandoned wells present an economic opportunity to support energy solutions like geothermal energy”. All of that would be removed under the proposed amendment.

Furthermore, they would remove reference to “the impact of this failure to clean [up] these [abandoned and orphaned] wells”, reference to “the impacts of the pollution of not cleaning up”, and reference to “the costs of cleaning up abandoned and orphaned wells”.

Basically, the motion would be streamlined down to something that wouldn't actually be studying the costs and pollution impacts of these abandoned wells or studying what the federal government has done to try to support Alberta, and did to support Saskatchewan, in actually trying to address this.

That's where we are.

I oppose these proposed amendments because I think that they detract from the real purpose and importance of this study, which is how we support people in our country to clean up farmland, waterways and air with regard to these abandoned wells.

It's my proposal: that we vote against this proposed amendment from the Conservatives. I'm hoping that everyone is ready to vote on that.

• (1245)

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

I'll go to the next speaker on our speaking list.

Mr. Patzer, go ahead.

**Mr. Jeremy Patzer:** Thank you very much, Mr. Chair.

I thought the parliamentary secretary would maybe be willing to accept our amendment because, as we told her numerous times in the past, the preamble, for one, is factually incorrect. It's actually, I would suggest, a little embarrassing that the parliamentary secretary is willing to put things in here that show that she doesn't know what's going on in her own department.

Then there's also the next part about how resource development is actually the sole jurisdiction of the provinces and that therefore this is an issue that falls within the purview of the provincial government. I think we need to get that point noted right off the start.

Again, we also need to make note that the Province of Alberta didn't want to send that money back: They actually said that they want to use the money to clean up wells on reserve land because those wells on reserve land would actually be federal jurisdiction. There are several companies in Alberta and across the country that are indigenous-owned and operated and that have the knowledge and the skill set to do so, but they would like access to these funds. This government said no to that and demanded that Alberta return the money.

It's a bit of a contradiction to sit here and say that the Government of Alberta "failed" to do so when the reality is they were trying to do it. They were asking for an extension to use the funds that were allocated. This government said no. Again, they were trying to use it to clean up wells on reserve land. Again, the federal government said no. It's important to get more of the facts on the table, since the preamble that's been presented by this government doesn't deal with actual facts.

Another part that she mentioned is that if we got rid of the preamble, we wouldn't be able to deal with any of these things. The reality, the meat-and-potato part of it here, talks about cleaning up—or not cleaning up—orphaned and abandoned wells, so the meat and potatoes of the motion are still there. The preamble is just the political posturing by this government, which is based, again, not on facts but on falsehoods. It is incumbent upon the government to be willing to get rid of the preamble, and then we can actually have a scientific, fact-based conversation and study on orphaned and abandoned wells, and then we can deal with that going forward.

I had the benefit of talking to people who actually worked within this program over the last number of years. I'll play ball here for a second:

The Government of Saskatchewan used their allocated funds in their entirety to clean up abandoned wells and create jobs;

Well, it may have created jobs for a couple of months, but at its core this is about eliminating jobs. If it were about creating jobs, they wouldn't be trying to end the use of oil and natural gas in the province of Saskatchewan. Sure, there are orphaned wells that needed to be dealt with, and they did that to some extent, but part of it too was that a lot of the natural gas wells that were being shuttered by this program were wells that were still capable of producing. One guy described them to me as "gushers" because of the amount of pressure and product that was still there and available, but because of the anti-energy policies that are in place and are coming down the pipe from this government, he said it was an absolute shame to kill these wells. There was so much potential there, in having a product that the world needs and that is so easily and readily available, that it would be very easy to have a robust industry and actually create not just a couple of jobs for a couple of months but hundreds if not thousands of long-term, stable jobs in the region and across the country, if only there were a government in place federally that would get out of the province's way in developing their resources and create export infrastructure and capacity to do so.

I think it's good to get that on the record and on the table.

• (1250)

Those are the kinds of things that I'm sure we would want to talk about that during committee studies.

When we look at why the government doesn't want to get rid of the preamble, it's because it's political signalling and political messaging. It's them trying to get a narrative out there to the public that's not based on truth. It's a government that supposedly said that one of the biggest issues it wants to tackle is misinformation. Meanwhile, we have a preamble here that's chock full of it. You would think they would want to be consistent and try to clear that up.

When you talk about the scientific and fact-based nature of things, an abandoned well is actually a heavily regulated process. When you go on the Government of Alberta's website, for example, and look at the process in place that details what you have to do to properly abandon a well, what you have to do to continually monitor a well and what you would have to do if there was a leak from an abandoned well, you see that there is a very significant, substantive and robust policy in place to make sure any kind of a leak stemming from an abandoned well would be dealt with pronto. The company or the proponent has to outline and lay out very clearly what its plan is going to be to fix the problem and how it is going to prevent another leak from happening or prevent that particular leak from becoming a problem again. There are already written-in measures to make sure that is properly dealt with.

In the preamble, I don't see the government acknowledging anywhere that there is actually significant and substantive policy around how to deal with an abandoned well. They're trying to slip this through, hoping that people don't know or that people don't understand. It's quite clear that the government doesn't even understand what it's talking about when it comes to dealing with this issue and this problem. This is something that I know the municipalities in Saskatchewan are keenly aware of and are keenly concerned about when it comes to the orphaned well side of things. They also know what the process is for abandoned wells in Saskatchewan. There is good work done to make sure that abandoned wells are properly taken care of.

There is a very important distinction that does exist between an abandoned well and an orphaned well. It's one that this government clearly does not know and does not want to know. They would rather be ignorant of it and just operate under the assumption that "abandoned" means bad. They're going to just say this is a horrible thing and create a false narrative around it.

Orphaned wells can also be in many different states as well. They could be inactive or they could be suspended or they could actually be abandoned, which means they've been properly taken care of. Orphaned wells can also still be producing and providing a product into the economy and into the industry.

It's important to note that there are many facts that exist that this government is unaware of, does not want to hear and does not want to address. These are things that we will discuss if we're ever able to get to the actual report itself.

The government should move on from this preamble because, again, Canadians want a fact-based argument. They want to know that the government knows its facts, knows the details and is willing to deal with the actual science and truth of the matter. That's not what we're seeing in this preamble. They're trying to gaslight—no pun intended—Canadians on this and assume that Canadians just don't know.

Canadians do know. When you look at how many people work in this sector and how many Canadians from across the entire country work in this sector, particularly in Alberta, but also in Saskatchewan, in B.C. and in Manitoba.... These are folks from Newfoundland. People travel across the country to get to Newfoundland to be able to work in the industry there as well. It's such a vast workforce, and people are quite often looking to explore new opportunities or different skill sets within it. Maybe someone who has worked on land wants to go work offshore or vice versa. There are many different parts to the industry and sector that offer good employment and good wages. Obviously, the community benefits are off the charts.

• (1255)

It's important to note that it's more than just Alberta and Saskatchewan that have orphaned and abandoned wells. It's interesting that the government would avoid talking about other provinces and what the situation is in those provinces as well. We know that Ontario has quite a few as well. I think that they have over 15,000 abandoned wells. The number of orphaned wells they have is quite a bit higher, too. I think that there were over 7,000 orphaned wells the last time I checked.

I think it's important to get facts on the table and note that this is not just an Alberta issue and not a Saskatchewan issue; this is something that's gone on around the entire country, so it's funny that the parliamentary secretary wouldn't talk about this being a national issue. It shows here again that the government would rather seek to divide Canadians or try to pit Saskatchewan and Alberta against each other by going with the comparative numbers here. Well, Alberta didn't spend all their money, but Saskatchewan did.

That's not a compelling argument, and they ignore, as I mentioned earlier, the fact that one province, the Province of Alberta, was trying to get an extension to be able to use the fund, because they got quite a bit more funding than the Province of Saskatchewan did. I think that's also worth noting as well, because it doesn't talk about the dollar value that was allocated to each province. Alberta was given substantially more money to do this work.

When you look at what happened, I believe that there were three different treaty first nation associations that got together and talked about this issue. They talked about their skill set, and I think when you look at the skill set that their workers have and what they could do with the funds, with \$134 million or \$137 million dollars or whatever the number was that the Province of Alberta was trying to allocate to cleaning up wells on reserve, I think it would be important to take note of that.

First nations contractors have successfully reclaimed over 1,600 well sites in the past, and they've done so in a safe, responsible and efficient manner. Having that allocation of money that Alberta was

trying to get into the hands of these first nations companies to be able to clean up wells on reserve land, which again, is the jurisdiction of the federal government, would have been an important piece of note to have on the record.

Again, these are facts that the government has not included in the preamble that they should have in the preamble.

Another interesting fact that I think the parliamentary secretary would like to know is that indigenous women earn \$115,000 within the oil and gas industry versus about \$43,000 in other industries. When you look at the job opportunities that exist, I think that the income discrepancy that exists between the different industries and different sectors is important. Pipeline jobs for women across the sector pay the most, at \$151,000 for crude oil and \$113,000 if you're working on the gas side of the industry.

• (1300)

[*Translation*]

**Mr. Mario Simard:** I have a point of order, Mr. Chair.

[*English*]

**The Chair:** We have a point of order by Mr. Simard.

Mr. Simard, go ahead.

[*Translation*]

**Mr. Mario Simard:** It's already one o'clock and, unfortunately, I have something scheduled for today.

I think we're going to have to postpone that until Wednesday.

[*English*]

**The Chair:** Thank you.

Colleagues, thank you. We are at 1:00 p.m. and, because of lack of resources, we will suspend.

[*The meeting was suspended at 1:00 p.m., Monday, November 18, 2024*]

[*The meeting resumed at 4:36 p.m., Wednesday, November 20*]

• (6435)

**The Chair:** I call this meeting back to order.

We are resuming meeting number 114 of the House of Commons Standing Committee on Natural Resources.

Today's meeting is taking place in a hybrid format.

I would like to remind participants of the following points.

Please wait until I recognize you by name before speaking. All comments should be addressed through the chair. Members, please raise your hand if you wish to speak, whether participating in person or via Zoom. The clerk and I will manage the speaking order as best we can.

Before we begin, I have one small housekeeping item.

As previously mentioned, there was a request to meet with the minister of natural resources for Finland on Monday, November 25. It's an informal meeting for colleagues from 10:30 a.m. to 11:30 a.m., before our usual meeting time. If the committee wishes to proceed, I would like to give the clerk unanimous consent to make the necessary arrangements to host our guest from Finland.

I'll quickly look around.

**Some hon. members:** Agreed.

**The Chair:** It looks like we have unanimous consent, but I will go to Mr. Angus.

Mr. Angus, go ahead.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you.

Coming from a region with a strong Finnish tradition that has influenced so much of our culture, people and work, I'm very supportive of this.

**The Chair:** Thank you, Mr. Angus, for that.

Thank you, colleagues. I look forward to seeing all of you. Hopefully, you can attend on Monday morning at 10:30 a.m. I believe it's right here, in this room.

We will now move forward.

When we suspended on Monday, we were debating the motion by Ms. Dabrusin as amended, and the amendment by Ms. Goodridge.

In terms of the speaking list, when we ended, Mr. Patzer had the floor.

Mr. Patzer, I want to go back to you to continue your debate. The floor is yours, sir.

**Mr. Jeremy Patzer:** How very kind of you, Mr. Chair, to want to come back to me. I really appreciate that.

When I left off last time, I was talking a bit about oil well abandonment and how an abandoned well is generally considered to be an okay thing. The reason for that is there are extensive regulations and requirements around it. I took a few minutes before this meeting to take a quick look at what some of the provinces do.

In front of me, I have the document for the Province of Saskatchewan. This is a 17-page document on well abandonment requirements. Within the 17 pages, there are several other links to go to further energy regulator recommendations for steps on specific things, like dealing with a sour well or an H2S concentration greater than a certain percentage. There are more extensive requirements, and there are links that will take you to what those requirements are.

This is the main point I am trying to make about the requirements for what an abandoned well actually is. When you look through the table of contents in Saskatchewan for the routine well abandonment methods, you see a whole bunch of different portions on that. When you go to the non-routine well abandonments, there's also a whole bunch of other subcategories. There's a very extensive and exhaustive list of requirements in Saskatchewan to be able to abandon a well.

The Province of Alberta has a 62-page document available online. It also contains a series of hyperlinks to be able to access further regulations for all the different types of requirements. These include making sure that your abandoned well is not leaking, but if it is leaking, the regulations tell you what the cleanup methods are, what the plan is, how you're going to deal with that and how you're going to monitor it and make sure that it doesn't continue. It's important to note that.

The Province of British Columbia has 37 pages, as well as many other links to many different regulations for how you deal with an abandoned well.

Of course, all of these provinces have orphaned well requirements and things in place as well, but I wanted to focus more on the abandoned well requirements.

Actually, there is a neat little three-page document from the Province of Alberta about what happens once a well is abandoned. In order to reclaim the land, the well has to first be abandoned. Again, that underscores the whole point that an abandoned well isn't a bad thing, which is partly why we are arguing that the preamble for this motion that the Liberals have put forward contains a lot of misinformation and misleading points.

Another thing that's worth noting, which is missing from the preamble, is that the Province of British Columbia also returned \$12.8 million. If it was not a motion intended to divide or if it was not a motion intended to go after a specific province, of course the motion would have contained language about the \$12.8 million the Province of British Columbia returned, but we don't see that included. I would hate to speculate as to why the parliamentary secretary's motion didn't contain that language as well. Nevertheless, here we are.

Of course, as I mentioned at the last meeting, there's the issue of wells. There are wells in Manitoba and Ontario. There are wells in numerous provinces that will need to be part of this study if we're going to actually have a serious discussion about the issue of orphaned wells and abandoned wells.

I think getting all that information on the record was very helpful.

With that, Mr. Chair, I will move to adjourn debate on the motion for today.

(Motion agreed to: yeas 6; nays 5)

• (6440)

**The Chair:** Thank you.

Ms. Dabrusin, do you have your hand up? Go ahead.

**Ms. Julie Dabrusin:** I actually also brought a motion to have the Minister of Natural Resources attend on supplementary estimates (B).

I don't know if you need me to read the wording of the full motion—I'd have to pull it up on my screen—but I would move that motion at this time.

**The Chair:** Okay. Thank you for moving that motion, Ms. Dabrusin.

Give me a second here.

What I am going to do, just to make colleagues aware of the motion, is have the clerk read it out. It's for the benefit of colleagues so that we have a clear understanding of the motion Ms. Dabrusin has brought forward.

• (6445)

**The Clerk of the Committee (Mr. Thomas Bigelow):** Thank you, Mr. Chair.

As requested, the text of the motion on notice from Ms. Dabrusin reads:

The Standing Committee on Natural Resources invite the Minister of Energy and Natural Resources and Officials from the Department of Natural Resources to testify on the Supplementary Estimates (B) for the fiscal year 2024-25.

**The Chair:** Mr. Falk, you raised your hand. I'm sorry. Before I go to you, Mr. Falk, Ms. Dabrusin still has the floor.

Go ahead, Ms. Dabrusin.

**Ms. Julie Dabrusin:** I want to explain why I think that this is particularly important in this moment.

As we all know, the time to pass supp Bs through the House will be coming up. We have an issue with how things have been going in the House of Commons with this ongoing privilege motion that's been brought forward by the Conservatives and has been intentionally holding down the time we have in the House of Commons. It's preventing us from getting to these important things.

The reason I mention it is that we need to actually go on with the process right now to be able to pass our supplementary estimates (B). That's how we will be able to flow the funding that we need for so many of the programs that are so important to our communities and to the country, especially when we're talking about issues of natural resources. Having the minister come here is part of that process that we need to see happen.

Among the things that we're not going to be able to fund if we don't have these supplementary estimates (B) passed, one is the extra funding that goes to critical minerals infrastructure, which is something that's important to people right around this table. We need to be able to have the minister come and speak to that, about why it's so important that we have more funding go towards critical minerals and about what would happen if the Conservatives succeed in blocking us in the House of Commons and preventing us from moving forward with the important work that we have in front of us.

Critical minerals is one important piece of that. We know that when we're talking about a lot of the investments that have been happening in my home province of Ontario, such as in batteries and in auto manufacturing, a lot of the businesses are looking to relocate what they're doing to my home province and looking to create really good-paying jobs in my home province because they know we have critical minerals that are accessible. That's one of Canada's strengths, going forward, in the world economy as we know it.

I think it would be really important for us to be able to have the Minister of Energy and Natural Resources come and speak to that piece of the policy, and that's why we need to see it move forward. It would give us a better sense of what the impact would be if the Conservatives actually do manage to continue to hold the House of Commons hostage and prevent us from being able to move forward with the work we're doing.

Another really important piece, particularly when we talk about the last study we were working on—clean electricity—is that Supplementary Estimates (B) committee documents also have funding that goes to the SREP. That is one of the really important funding sources for a lot of the work happening on cleaner electricity. I see it landing in communities right across the country. It's helping them to support clean electricity work. We've just finished doing an entire study that shows us why it's so important and what we need to do. We're also working towards clean electricity regulations. We've seen a draft of those already.

How do we get there? We need to make sure, if we want to have a clean electrical grid, that we are doing the important work to get there. Seeing the funding for the SREP slowed down is a problem on that. We can't have that happen. We know it's what people in different communities that we represent will want to see us do. They want to see this funding come through. It helps us to move forward. It's a really popular program, and a challenge we're facing right now is with the holdup. I think it is really important that we have the minister come and speak to it.

Another piece that's going to be important and that has Supplementary Estimates (B) funding noted in committee documents is the sustainable jobs secretariat. We spent a lot of time around this table talking about sustainable jobs. There were some very long nights as we moved forward on that. As a person who's plant-based, I always say that “meat on the bones” is a really strange term for me to be using, but there you go. We need to—

**Mr. Charlie Angus:** “Plant on the bones” works.

**Ms. Julie Dabrusin:** “Plant on the bones”, yes.

**Mr. Ted Falk:** How about leaf on the bones?

**Ms. Julie Dabrusin:** I love that I'm getting suggestions on it. We can say it's a “Beyond Meat” addition to the bones. Either way, that's not going over well either.

**Mr. Jeremy Patzer:** It's hard to get consensus on that one.

**Ms. Julie Dabrusin:** Well, you get the idea.

• (6450)

We've spent many very long nights in this place working on the Canadian Sustainable Jobs Act. I think it was something that was very important for us to do. Now we need to have the funding go through for the Sustainable Jobs Secretariat. That's going to require the supplementary estimates (B) to go through.

Again, we're in a moment where the Conservatives have been holding up all work in the House of Commons. This means that we haven't passed supplementary estimates (B) yet. Having the minister come here will help us better understand what could happen if they don't come through, and what the impacts will be on all of our communities and on our work on these issues—sustainable jobs, a clean electrical grid, our critical minerals infrastructure and things like that. It's also a chance for us to try to move the process forward.

That's what I think is so important in this moment. We have one month left here together. With one month left together, we can get a whole lot done. We should be getting a whole lot done. Unfortunately, we haven't been at a point to move things forward. I'm really hoping that after hearing the minister, even the Conservatives will have a chance to think a little about whether they want to change what's happening in the House of Commons and see the funding come through to all of our provinces, with all of this work that's happening. It will also support sustainable jobs and try to build the economy of the future for our country. We are all facing a very special moment right now, in terms of being able to do that.

I think those are a few important pieces for us to consider as we go forward. It's been frustrating, over the past many weeks in the House of Commons, to not get a lot of the work done that we would normally do. I know that when my community sent me here, it was not to listen to an extended privilege debate in the House of Commons day after day. They want to see us pass the legislation that we need to pass. They also want to see us make sure the programs we said we would do get the funding they need so they can move forward. There's no benefit to the extended delay we're seeing right now. It's just slowing us down.

With that piece in mind, I brought in this motion so we would at least have a chance for Minister Wilkinson to come and provide us with extra details. In light of the study we had done on clean electricity and beyond talking about the importance of making sure the funding actually flows through on SREP, I think this would be a chance for him to highlight a little more how it fits into everything else we are doing on electricity.

I think it was budget 2023 that had a pyramid that I thought was very helpful. It laid out everything we're doing on electricity. At the base, you have the regulatory side and carbon pricing. Then you have the next layer up. It has different funding sources through the CIB—the Canada Infrastructure Bank—and that kind of thing.

[Translation]

**Mr. Mario Simard:** I have a point of clarification.

• (6455)

[English]

**The Chair:** Hold on one second.

Monsieur Simard, go ahead.

[Translation]

**Mr. Mario Simard:** I am very fond of my friend, Ms. Dabrusin. I like her very much.

Having said that, I need some clarification. I understand what she's saying. She's right, the House is at a standstill, and many bills are not moving forward.

I think everyone around this table will vote in favour of her motion, since everyone would like to hear from the minister, and the committee's work shouldn't be unduly paralyzed.

I encourage my friend, Ms. Dabrusin, to put her motion to a vote now so we can be more efficient and possibly, as she said in her speech, produce slightly more substantive results for everyone.

I understand what she's getting at. That is very commendable, but I encourage her to act in accordance with what she said in her speech and put her motion to a vote. Then, we can move on.

[English]

**The Chair:** Thank you, Monsieur Simard. On your point of order, which.... There's some debate there, but I did want to give you leeway. I was hearing it through translation and I wanted to see where you were going.

I will turn the floor back to Ms. Dabrusin, who has moved a motion and is providing the rationale for the motion.

I do have a speaking order for other members who want to speak. I have been generating one. Just raise your hand and I can get you on the list for debate. Thank you.

Go ahead, Ms. Dabrusin.

[Translation]

**Ms. Julie Dabrusin:** No, I—

[English]

**Mr. Charlie Angus:** I have a point of order.

**The Chair:** We have a point of order from Mr. Angus.

**Mr. Charlie Angus:** You said that you have a speakers list. Could you read out the list?

**The Chair:** Sure. I have Mr. Falk and then I have you, Mr. Angus. Then I have Monsieur Simard.

**Mr. Charlie Angus:** I thought you said you had me second.

**The Chair:** I have Mr. Falk and then you, Mr. Angus

I'll go back to you, Ms. Dabrusin.

[Translation]

**Ms. Julie Dabrusin:** I find it interesting that a lot of people want to discuss this motion.

I agree with Mr. Simard. My motion is quite simple. I don't usually say much about this kind of motion, but I asked for more time for this one because things are a little different.

There aren't usually a lot of issues with the supplementary estimates (B), which the House typically deals with quickly in terms of the debate and the vote. Now, however, we don't know what's going to happen. The Conservatives' privilege motion is taking up an enormous amount of time, and everything is moving at a snail's pace in the House.

I want to thank Mr. Simard for his question. Things are different because of what is going on in the House of Commons. Usually, things happen fast. We know we'll be voting on the supplementary estimates (B) and that all government projects will get the funding they need. This time, things are different. That's why it's so important to get the minister here and give him an opportunity to explain why the funds are needed and what will happen if that money doesn't flow.

I see that these supplementary estimates (B) include credits for critical minerals. All members of the committee have clearly explained the importance of these critical minerals. It's important for the government, for communities and for the economy. It's also important for the technologies we need to have a clean economy. It's also important to have sustainable jobs in this sector.

• (6500)

I live in Ontario and represent an Ontario riding, and we hear a lot of talk about manufacturers producing electric cars and batteries. To do that, we need critical minerals.

There are also clean electricity measures. Regulations have already been proposed for that, and the supplementary estimates (B) contain funding that will help communities acquire more reliable and affordable clean electricity sources. This is very important. We just finished a study on that. That's why we really need to hear what the minister can tell us about how the funding in supplementary estimates (B) will help us build a more sustainable, reliable and clean electricity system. Those are two reasons to invite the minister.

There's another reason why it's very important for us to hear from the minister: The supplementary estimates (B) contain funding to support the creation of sustainable jobs. This committee spent many evenings working on the sustainable jobs bill. Mr. Falk is saying it wasn't that many evenings. He may be right, but we certainly spent many hours working on it.

The supplementary estimates (B) also include funding to create a sustainable jobs secretariat. I wonder how we can move forward without that. The bill was passed and enacted, but we now have to put all the elements together to keep doing this work. That's why I think it's so important.

[*English*]

It's a chance for me to emphasize that what we've been witnessing in the House of Commons is very frustrating. It's very frustrating to see that we can't move quickly on supplementary estimates (B). I would very much ask that all of the members around this table bring the minister here to answer all those questions and to talk to us about supplementary estimates (B).

Maybe I can also take it as a moment to encourage everyone around this table to go back and ask that we find a way to break the

impasse in the House of Commons, because it's not serving our communities and it's not serving what we're trying to do.

**Mr. Jeremy Patzer:** I have a point of order, Mr. Chair.

**The Chair:** Ms. Dabrusin, we have a point of order from Mr. Patzer.

Go ahead on the point of order.

**Mr. Jeremy Patzer:** Perhaps I can help the parliamentary secretary right here. The path forward would simply be for your own government to comply with the will of Parliament, which was reflected by all three parties of the opposition. Comply with that.

• (6505)

**The Chair:** Mr. Patzer, that's not a point of order; it's a point of debate. If you'd like the floor, I'll add you to the list.

I appreciate that you're trying to help, but the help I need from colleagues is to use a point of order for a point of order and use your debate time to debate.

I appreciate that. Thank you.

Ms. Dabrusin, we'll go back to you.

**Ms. Julie Dabrusin:** I appreciate that helpfulness, but I'm not actually here to debate the privilege debate that's in the House of Commons.

**Mr. Jeremy Patzer:** But you have been.

**Mrs. Shannon Stubbs:** You keep talking about it.

**Ms. Julie Dabrusin:** I'm just here to point out why we need it to move forward.

With that, I'm really, truly encouraging everyone to make sure that we do have the minister here to speak to supplementary estimates (B) so that we actually move forward to pass the supplementary estimates (B). I think I've highlighted some of the reasons why the supplementary estimates (B) will be so important to all of our communities and to our country at large.

**Mr. Jeremy Patzer:** Let's vote, then.

**Ms. Julie Dabrusin:** With that, I hope I have the support from everyone here.

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

Now I'll go to Mr. Falk.

Mr. Falk, you have the floor.

**Mr. Ted Falk:** Thank you, Mr. Chair, and thank you to Ms. Dabrusin for putting this motion on the table.

I think it's mostly a good motion that we invite the minister to come to committee—which is his job—to defend the estimates and the supplementary estimates (B) and for us to review them with him; I think it would be prudent that we do that.

I'm also very hopeful that the minister will come with the documents that would help answer a lot of questions that the House has been seized with the last several weeks—the unredacted documents. He could bring them here on his way to the RCMP station, and we could get a preview of them and we could ask the questions that need to be asked to find out why \$400 million of Sustainable Development Technology Canada funds were distributed to SDTC board members and their companies.

**Ms. Julie Dabrusin:** Now we're debating the privilege motion.

**Mr. Ted Falk:** I think to have the minister here to answer some of those questions would be fantastic, and I think that's something Canadians would want us to do.

However, on the issue of the reports and studies that she says we've completed, we actually haven't completed them. We keep getting the agenda switched around here by the Liberals. We start on things. Then we get witnesses cut short during the study, and then they produce a report. We start doing the report, and before we can even approve the recommendations, we jump to some other subject, so we're just kind of willy-nilly jumping all over the map here in this committee and we don't ever finish anything. We start a lot of things, but we don't ever finish. It would be nice if we could finish something soon and actually produce results for Canadians and produce something that we could move forward with.

However, I think the motion, being as good as it is, is missing a date. I don't know when she's planning on inviting the minister. Will it be before Christmas? Will it be next week? Will it be in the new year, in February? It's missing a date, so it would be nice if that date could be provided as well, and it maybe could be included in the motion at the minister's earliest convenience. If she's working on that now with her staff, it would be great to establish a date.

With that, Mr. Chair, I would move that we now adjourn debate and bring it to a vote.

**The Chair:** Are you moving to adjourn debate?

**Mr. Ted Falk:** I'm moving to adjourn debate and bring it to a vote.

**A voice:** Then the parliamentary secretary can come back with a date.

**The Chair:** Do you want to adjourn debate, or take the motion—

**Mr. Ted Falk:** I want to adjourn debate on the motion; let's vote on the motion.

**The Chair:** There are other speakers on the list, so once we exhaust those speakers—there are not many—we can go to a vote.

**Mr. Ted Falk:** I think it has been our practice in the past that when somebody moves to adjourn debate, we then vote on it.

**The Chair:** If we adjourn debate, then we completely.... We will not be voting on the motion. We will be adjourning debate on the motion and we will be—

**Mr. Ted Falk:** We'll vote on the adjournment, and then we'll vote on the motion.

**The Chair:** I'll let the clerk step in to clarify, Mr. Falk. I don't think what you want is possible. I think it could go in reverse. If we continue on with the debate and the debate collapses, we can get to a vote.

As I mentioned, we have two speakers after you, and I'm thinking they're looking forward to engaging and then moving forward. I just want to clarify that you're not asking for that.

**Mr. Charlie Angus:** I have a point of order.

Who are our two speakers—me and who else?

**The Chair:** Mr. Angus, we have you and, as of now, we have Mr. Simard.

● (6510)

**Mr. Charlie Angus:** Okay. Is that it?

**The Chair:** I don't have any other hands up yet, so I'm going to go—

**Mr. Charlie Angus:** If that's it, then I'll vote.

**The Chair:** That's it so far, but it's at the will of the committee. Members can raise their hands at any time, so I don't know. I'll leave it up to you folks.

Mr. Falk is done.

**Mr. Ted Falk:** Yes. I'll withdraw that.

**The Chair:** Thank you for your generosity, Mr. Falk.

I'm going to go to Mr. Angus, who has the floor.

**Mr. Charlie Angus:** Thank you.

I had wanted to know because I was concerned that we were going into another filibuster, and I'm really not interested in filibusters. If there's no filibuster, then I'm ready to vote. If there's going to be a filibuster, I will get the floor and push to adjourn debate.

However, I think the minister should come. It's standard practice for supplementary estimates (B); this is what we have done, so I think we should bring the minister and carry on.

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

[Translation]

**Mr. Mario Simard:** Mr. Chair—

[English]

**The Chair:** Just one second; I want to get my earpiece on.

Monsieur Simard, go ahead. You have the floor now.

[Translation]

**Mr. Mario Simard:** I was the next speaker. I agree with Mr. Angus. Let's vote on it and move on.

[English]

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



I'm going to take one last look. It doesn't look like we have any other speakers on the motion brought forward by Ms. Dabrusin.

It looks like we have unanimous consent for that.

(Motion agreed to [*See Minutes of Proceedings*])

**The Chair:** I'll go to Monsieur Simard. You have the floor, sir.  
[*Translation*]

**Mr. Mario Simard:** I'm going to take this opportunity to move a motion that I wanted to move last Monday. I'll read it quickly and explain the rationale.

That, given the Parliamentary Budget Officer's statements in the Transmountain Pipeline System Report 2024 released on November 8, 2024, the Committee expresses concern about the financial uncertainty regarding the government's ability to sell the Transmountain Pipeline System at a price that avoids a net loss to taxpayers and asks the Chair to report to the House as soon as possible.

Let me explain, Mr. Chair. The Parliamentary Budget Officer came to talk about his 2022 report. At the time, the government had allocated \$21.4 billion for the pipeline. That has now risen to \$34 billion. The Parliamentary Budget Officer's testimony was unequivocal. The federal government is heading for a loss. The unrecoverable amount is nearly \$4 billion. As parliamentarians, I think it is our duty to discuss this issue. I would like it to be reported to the House.

My colleague, Ms. Dabrusin, whom I sincerely respect, told the Parliamentary Budget Officer that it is not his job to share political considerations. I completely agree with her. It is, in fact, my job to share political considerations. The Canadian government, and therefore indirectly the Quebec government, is likely to lose \$4 billion. In addition, with the Trans Mountain pipeline in operation, we don't know if we'll be able to meet our GHG reduction targets. I sincerely believe that Parliament has a duty to ask itself this question and try to shed light on the situation. How can we say this infrastructure will be profitable over a 40-year period when we know very well that new technologies are emerging to solve our energy problem and the climate change crisis? I think we have sufficient justification to bring this matter to the House.

At that point, it will be up to each individual and their conscience to give Canadians a status update on the situation. I realize that my Conservative friends may not see things the same way I do, but it's up to them to present their vision. Similarly, it will be up to the government to defend what I believe is a flawed decision to buy a pipeline and assume the risk for the oil sector, when we know full well that this economic sector is raking in record profits.

For all these reasons, I think we need to debate this in the House. The Parliamentary Budget Officer presented his report to the House. It would be entirely appropriate for us to have this discussion in the public eye in the proper forum, which is the House of Commons.

Thank you, Mr. Chair.

• (6515)

[*English*]

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

Now I will go to Mr. Angus, who's next on our speaking order.

**Mr. Charlie Angus:** Thank you, Chair.

Normally, I believe we should finish a study and present all the reports at the same time. That's a normal practice of the committee. However, I've been very concerned—and people are aware I've been very concerned—about the decision around TMX, including the cost and, of course, the implications it has for the government's proposed climate agenda, which I think crosses itself out.

As much as we are still working through the TMX report, it has produced enough evidence that is of concern and that the public will want to be aware of, so I support my colleague. I think it's a pretty straightforward motion, so I'm ready to vote.

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

Now I go to Mr. Jowhari. Mr. Jowhari, you have the floor.

**Mr. Majid Jowhari:** Thank you.

I'd like to thank our colleague for bringing the motion forward.

We seem to have just concluded this study, and throughout this study we spent a lot of time trying to get an understanding of different perspectives: From the challenges that we had in being able to get this project done—and I'm glad the project is done—to the length of time it took, the changing costs and COVID, we heard a lot. We also heard different perspectives, and I believe it is only fair that all those testimonies and perspectives are put into a draft report that we could look at.

I'm a “the glass is half full” guy, and when I sit back and look at it from that lens, I say, “Yes, there were challenges and circumstances that we could not foresee, such as COVID, and, probably, we could have done a better job,” but I leave that to the conclusion that—hopefully—we'll draw, and recommendations in the report that will be drafted, hopefully very soon. We could have foreseen some of these had we done a bit more due diligence, but the bottom line is there are elements that we really need to consider. I'm also looking forward to the lessons learned in that report.

When it came to economic benefits, we heard a lot. We heard a lot about the economic benefit that it has for Alberta and for the GDP, and also the point of view from PBO. The fact is that we are now pivoting on a PBO report, which suggests that we're going to lose money if we sell now. It used a set of parameters such as the tolls, utilization and the rate that was used, and those were assumptions. The scope of the report did not include any cost analysis; it just looked at a present value of the sale or of the project, given certain criteria. At no point, I believe, did the PBO come back and say that, "Do you know what? The Government of Canada and Canadians are not going to benefit from this, even when we divest ourselves of it."

We looked at it. We looked at the sensitivity analysis that the PBO did, and it was at around 2.5%, both for the total rate that they used as well as the utilization. We clearly saw that on the upside of contracts, this could easily add another \$4 billion or \$5 billion, which puts this project in a very positive position, even though there were challenges and some costs that were incurred.

I think that to jump to a conclusion and say, "Well, the PBO came here and said that we're not going to make any money; let's go report it to the House" also undermines the great work that this committee did, the preparation that so many of our team members did, the work that the analysts are going to do regardless—coming in, looking at and presenting the facts, citing the support for it, coming up with recommendations—and then our getting together, reviewing the recommendations and coming up with lessons learned.

Also, there's an opportunity to really look at all aspects of this. I think that jumping the gun, going to the House and saying, "Well, do you know what? Let's acknowledge it" is also unfair to the committee and to the analysts. They've been so diligently listening, collecting and translating this information.

I'd like to present all those facts. There's a spectrum of points of view. We heard from a group of stakeholders: Some were supportive and some had concerns.

• (6520)

Those need to be properly collected and properly presented. I believe the analysts will do an amazing job. I've been around for nine years now. I've worked with some of the analysts who are sitting around the table. I haven't seen anything but great work from them. I'm looking forward to the report.

Jumping to conclusions and ignoring all those facts makes me very uncomfortable. We could say that what we've heard is good enough: Let's jump to the conclusion. Let's forgo the process that we have developed, that we have agreed on and that has worked in the past. For my part, I don't think that's the right path to go on.

Thank you, Mr. Chair.

[Translation]

**Mr. Mario Simard:** I have a point of order, Mr. Chair.

[English]

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

Go ahead, Mr. Simard.

[Translation]

**Mr. Mario Simard:** I want to clarify my intentions.

I have the utmost respect for the analysts, and their work is very valuable to me. I take it seriously. I read the documents they produce very carefully.

I wouldn't want anyone to suggest that the motion I'm tabling shows a lack of confidence in the analysts, for whom I have the utmost respect. I just wanted to make that clear, with sincere good will toward my colleague and above all, toward the analysts, for whom I have the utmost respect.

[English]

**The Chair:** Thank you, Mr. Simard, for your point of order and for the clarity. It was not a point of order, but through translation I got what you were asking for and the clarity of your intent. Thank you.

We will now go to the next speaker.

Mr. Patzer, you have the floor.

**Mr. Jeremy Patzer:** Thank you very much, Mr. Chair.

I too would like to offer my support for the motion. I do think it is fair for this committee to express its concern with the fact that the government is set to take a loss on the TMX pipeline, as we heard clearly from the PBO. We have also heard from other witnesses and stakeholders that the valuation of the pipeline will also be dependent on such things as policy that the government puts forward and how things like an emissions cap will be problematic for somebody looking to buy the pipeline. Current and existing regulations, such as the Impact Assessment Act, the carbon tax and the Liberal fuel regulations, are all, among many other things, detrimental to any company that would be looking to purchase this pipeline.

I think it's fair for this committee to express its concern to the House. I support this motion.

Thank you, Chair.

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

Now I'll go to Ms. Stubbs.

Ms. Stubbs, you have the floor.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Thank you, Chair.

I would also like to add my voice to supporting this motion and what Monsieur Simard is arguing in terms of the importance for us to all unite about this concern that the independent, non-partisan, non-political Parliamentary Budget Officer has expressed.

I would say this to my colleague Mr. Jowhari: You made a comment about wanting to learn from this about the future, but my colleague Jeremy Patzer has just outlined the combination of the carbon tax; various anti-development policies; Bill C-69, when Conservatives warned about all of the things the Supreme Court said and which has still not been sufficiently remedied, including the job-killing oil and gas cap; unilateral offshore drilling bans; and a tanker ban that the federal government is being sued over by the most locally impacted indigenous community, the Lax Kw'alaams.

All of these things together mean that there will not be more pipelines proposed by the private sector in this country because, unfortunately, after nine years, the consequences of the Liberals' policy agenda are an absolute collapse in confidence in Canada as a place where the private sector can build big infrastructure and major projects, where they can create jobs and powerful paycheques and send all this revenue into multiple levels of government to provide the programs and services that all Canadians in every part of this country value.

It absolutely does behoove us, I think, to act on the concerns and to show as a committee that we also share concerns about taxpayers being made whole and being paid back for the tax dollars spent on a pipeline that never had to happen and never should have happened if the federal government had just given the private sector proponent the legal and political certainty it needed to go ahead and build the Trans Mountain expansion that their own government approved.

They keep saying it's a pipeline built for Alberta, but they approved it in the national interest. That's what it's about. Then, of course, it dithered and delayed and didn't actually take the action that the federal government had, which could have allowed the private sector to go ahead and build it on their dime, on schedule. It would be fully functional.

Here we are. It's half a decade late. The cost increase to build it has risen 360% since the original estimations. The PBO and various witnesses have clearly demonstrated that there remains uncertainty for the kinds of things that purchasers would need to know about, such as the tolls, which won't be set until 2025.

Also, with respect to colleagues, yes, we did this study on the Trans Mountain expansion, but they may recall that we actually didn't even have all of the witnesses here who are proponents, who are groups interested in potentially purchasing the pipeline. It's really not true that we did a comprehensive thorough analysis at that committee. It's just not the case.

None of this had to happen or go this way, but that is the mess the Liberals have made. They can lie in it and answer to their own voters about the collision in the things that they say they care about. I'm sure Monsieur Simard and Mr. Angus will have more to say about that.

These are all the reasons that Conservatives absolutely support Monsieur Simard's motion and believe this has to happen. I think it would be shocking that there's anybody elected and sitting around this table who doesn't think that we should take very seriously what the independent non-partisan, non-political budget watchdog has said, since it is the Liberal government that has put taxpayers in this position and doesn't seem to have been able to figure it out or to control the cost in the Crown corporation that it runs and continues to put money into. Therefore, we do have to have—

Oh, I'm sorry for tapping the microphone if that had an impact on the translators.

This makes the point that we should support our concerns being expressed and we should heed the words of the Parliamentary Budget Officer. That's at least a core responsibility that we owe every single Canadian, since the federal government forced them to be

owners of major energy infrastructure whether those Canadians liked it or not.

• (6525)

Again, Conservatives believe in expanding Canadian energy, in ensuring there is crucial energy infrastructure built by the private sector in all directions, ensuring that we expand Canadian energy products and technology to our allies and around the world to help lower emissions globally and to help energy security domestically in Canada, and also energy security for our allies, who clearly, in the various conflicts going around the world, need Canada more than ever and keep asking for Canada, except the Prime Minister keeps turning away.

For all those reasons, we do support Mr. Simard's motion out of our concern that taxpayers deserve these answers too.

• (6530)

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

We'll now go to Ms. Dabrusin.

Ms. Dabrusin, the floor is yours.

**Ms. Julie Dabrusin:** Thank you.

It's an interesting conversation as it's unfolding.

I'll start by saying that I agree largely with the point that was raised by Mr. Jowhari, which is that we haven't completed the study that we had engaged in here. It seems like such a strange thing for us to be suggesting that it would be a good idea to put forward one report—basically, just one piece of the evidence that came in in our study and put that into the House to debate—when we've heard so much else over the course of this study. It would undermine, I think, the value of all of those other witnesses and all of the other pieces of information that we got.

The PBO officer was also very clear that he has a very limited mandate as to what he looks at and what he doesn't look at, so if we sent this to the House of Commons immediately, without the rest of the context from the study, then we're actually missing a lot of the other important pieces that were put before us by witnesses.

We heard from witnesses, in detail, about things like some of the extra complications about this project. We heard about, obviously, the impact of the pandemic, but also that apparently there were archaeological findings along the way that required attention, and that added to costs. There was an atmospheric river that also had an impact on the construction of it. It was also mentioned that there were many other projects happening at the same time, so there were challenges when it comes to labour and supply of the items required. There were issues about the challenges of geography.

All of those kinds of pieces were being brought forward to us by witnesses. Not all of that's reflected in the PBO report, so we would just be sending a report to the House of Commons without all of that extra context. Why bother having all the witnesses come if we're just going to take the PBO report and send it back? I think that the value in doing a study and bringing to bear everything that we have to say and everything that we have heard brings a value to it, and that's why we do the study.

From my sense, this isn't just about putting forward the PBO report. If we actually care for a thorough study about the TMX pipeline—and we did care so much about having a full study on the TMX pipeline that we all agreed to do the study and we all called witnesses and asked those important questions of witnesses—then I think we should be also making sure that the voices of those witnesses, the reports from those witnesses, their evidence and our findings and the analysis and the recommendations that would come from the work of the analysts should all go together with it. It doesn't make sense to me to take one piece. If we were going to do that, we could have brought any report or any witness's statement and sent that to the House of Commons separately, without all the other contacts, but it's missing things.

I was particularly fascinated by the part about how union labour had not been involved by the private sector beforehand. To me, that's a huge change, actually, and impacts workers, and as Ms. Stubbs said, it would potentially impact costs, but these are the kinds of things about supporting union labour in working on these things, and I hadn't realised that, actually. I don't think that that would be really reflected in the PBO report and analysis either. If you send the report without that kind of context, you're missing some of the factors and the pieces that would be going into the whole piece.

We also had economists who came forward and provided lots of context as to what they saw as the value of the TMX pipeline. Their opinions differed, by the way; they didn't all agree. That kind of context would be missing in bringing that forward.

• (6535)

That's also something important for people to talk about. I think, as Monsieur Simard recognized when he was speaking, the PBO was talking about how he was working within very strict parameters. I don't know why we would choose to keep ourselves within those strict parameters when we refer this to the House of Commons. We'd be in a better place if we put the whole study together and then had all of this go forward. We can debate all of the pluses and minuses regarding the costs and how this all came to be. That is, I think, one important part.

I also want to respond to what we heard from Mrs. Stubbs.

She said that the Conservatives believe in Canada's energy products and exports. The Liberal government does too. In fact, we have been very much supporting the development of energy in Canada. The offshore wind bill we passed was the whole of Bill C-49. All of that debate on Newfoundland and Labrador, Nova Scotia and offshore wind was about an entire energy industry right here in our country. It's new and important, and it will have a very big impact on Atlantic Canada. Frankly, the Conservatives were not supporting us in moving forward with that bill.

I want to very much counter the idea that the current Liberal government isn't supporting energy. We put forward that bill and worked with the Atlantic provinces to make sure it moved forward. That's a very important thing we did.

If you want to talk about our support for energy products, look at nuclear power. That is an important piece we've been moving forward.

Do you know what? I want to talk about that. It's easy to chirp back at me when I'm talking about these things, except for—

**Mr. Charlie Angus:** I'm sorry. There is an issue of relevancy.

**Ms. Julie Dabrusin:** I was responding to what Mrs. Stubbs—

**The Chair:** Ms. Dabrusin, I'm asking you to hold.

**Mrs. Shannon Stubbs:** I'm getting water. I have no idea what she's going on about.

**The Chair:** Mr. Angus, do you have a point of order?

**Mr. Charlie Angus:** Well, the issue is on the relevancy of whether or not we referred to what the PBO said. I agree it is under strict parameters, but it has nothing to do with nuclear or wind. I think we have to decide. It also does not mean we are not.... Unless we need clarification from Mr. Simard, I don't believe his motion means we're not going to finish our study and pass it on with all of the relevant information.

**The Chair:** Thank you, Mr. Angus. When Mr. Simard gets the floor, I'm sure he will provide a rationale for all of that. Thank you for pointing that out.

Ms. Dabrusin, before I go back to you, I'll go to Mrs. Stubbs on a point of order.

Go ahead.

**Mrs. Shannon Stubbs:** Since Charlie got to give his input, I just thought I'd get in on that action.

**The Chair:** Is this a point of order, or—

**Mrs. Shannon Stubbs:** Since the parliamentary secretary referenced me, I'm going to say it.

I guess what I'm confused about is this: There's nothing whatsoever in Monsieur Simard's motion that precludes our committee from finishing this study and putting out a report. This entire thing is some sort of bizarre straw man argument. Is that right?

**The Chair:** Mrs. Stubbs, on your—

**Mrs. Shannon Stubbs:** Maybe I used it in the wrong context, but I'm just reinforcing what MP Angus said, since Julie mentioned my name.

**The Chair:** I'll ask folks to use points of order for procedural matters. I know Mr. Angus asked about relevancy, and I think Mrs. Stubbs was alluding to that. Mr. Simard will comment on that, if he feels that way.

Ms. Dabrusin, you have the floor. Colleagues have concerns about the relevancy of the argument you're making. Because I think you're going somewhere with that, I'll go back to you to continue on.

**Ms. Julie Dabrusin:** Thank you. I appreciate that.

The reason I was responding to those pieces, Mr. Chair, is that I feel like there's sleight of hand happening when the Conservatives say, "Well, you know, this Liberal government is anti-energy, and that's what this is all about." That's what was just said, so I was responding to say that in fact our Liberal government has been supporting energy production here and energy exports from our country. I didn't want to leave that unanswered. I felt I had to respond to that as a piece of it.

I could go for quite a while about this, but I won't—at least, not at this moment. However, if I'm going to respond to the challenge that the Liberal government doesn't believe in the development of Canadian energy, with offshore wind, nuclear, critical minerals and what we're doing with hydrogen.... We're doing so much in so many different ways. We have agreements with international partners and we are supporting our allies, so I think it's very much a misrepresentation to say it in that way.

I will also clarify the point about the study versus a PBO report. I, along with everybody around this table, very much agreed that we should do this study on the TMX. It is an important study. I agreed with it and voted for it, but I feel that sending the PBO report to the House of Commons without the context of the full study leads us onto a path where we're going to have one debate that is on only one page of the whole report, essentially, in the way it works out.

My argument is that it wouldn't be the best way to go ahead. I think we should complete the report. We could do that. We actually have the time ahead of us right now to be able to do that. Finish the TMX report and then we can put it all in. The PBO report is part of it because a PBO officer came and spoke.

That's very much where I'm coming from in all of this.

Now, if I understand it correctly, the motion that was brought by Monsieur Simard—I'm reading it in English—is:

That, given the Parliamentary Budget Officer's statements in the Trans Mountain pipeline system report 2024 released on November 8, 2024, the committee expresses concern about the financial uncertainty regarding the government's ability to sell the Trans Mountain pipeline system at a price that avoids a net loss to taxpayers and asks the chair to report to the House as soon as possible.

What I would propose is an amendment to that motion to replace the words "expresses concern about the financial uncertainty regarding" with "recommends". I'd then add "should do everything in its" following the word "government's". I'm moving that amendment to the motion.

• (6540)

[*Translation*]

**Mr. Mario Simard:** I'm sorry—

[*English*]

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

Hold on.

[*Translation*]

**Mr. Mario Simard:** I'm sorry, but I would ask my colleague, Ms. Dabrusin, to repeat that, because I missed part of what she said.

[*English*]

**Mr. Charlie Angus:** I think I need to see it in writing. I couldn't follow it.

**The Chair:** Okay, colleagues—

**Mrs. Shannon Stubbs:** I do too. The way it was read out doesn't make any sense.

**The Chair:** I'm going to suspend here so we can get a written copy out to everybody with an appropriate translation. It will probably take around 10 minutes or so.

We'll suspend.

• (1740)

(Pause)

• (1805)

• (6605)

**The Chair:** We are back from our suspension.

Everybody should have a copy, including you, Mr. Schiefke, with the amendment that's been placed by Ms. Dabrusin.

Ms. Dabrusin, I'm going to pass the floor over to you to continue.

**Ms. Julie Dabrusin:** Thank you, Mr. Chair.

Just to be clear on how the recommendation reads and what the change is.... I'm sorry; I'm reading, as we do, to make sure that the French looks exactly like the English to me, and it does.

The original motion was:

That, given the PBO's statements in the Trans Mountain pipeline system report 2024 released on November 8, 2024, the committee expresses concern about the financial uncertainty regarding the government's ability to sell the Trans Mountain pipeline system at a price that avoids a net loss to taxpayers and asks the chairman to report back to the House as soon as possible.

The motion would read, if the amendment I propose is adopted, and I am hoping that it will be:

That, given the PBO's statements in the Trans Mountain pipeline system report 2024 released on November 8, 2024, the committee recommends the government should do everything in its ability to sell the Trans Mountain pipeline system at a price that avoids a net loss to taxpayers and asks the chairman to report back to the House as soon as possible.

[*Translation*]

Mr. Simard, the change I'm proposing is that we don't say we're concerned.

It removes the following part: “the Committee expresses concern about the financial uncertainty regarding the government's ability to sell the Transmountain Pipeline System at a price that avoids a net loss to taxpayers and asks the Chair to report back to the House as soon as possible.”

I want to replace that part with this: “the Committee recommends the government should do everything in its ability to sell the Transmountain Pipeline System at a price that avoids a net loss to taxpayers and asks the Chair to report back to the House as soon as possible.”

• (6610)

[English]

I think it's a little bit stronger in some ways, because it recommends something that the government do, rather than just sharing an expressed concern, and I think that is quite a bit. It also has a bit of a bolder statement. Rather than just expressing an opinion or a concern, it says what we think the government should do. To me, it strengthens the wording of the motion.

It's not in my amendment, but I will just say that it seems like a strange translation to me in the original that “*président*” was translated to “chairman” in the English version. Usually it would just say “chair”. I'm not going to make a huge issue of that, and I expect that won't be a big issue for members of the committee if we went back and looked at that. I know that we're not talking about that amendment, and it wasn't in the amendment I proposed. It's just unusual language that I'm not used to seeing.

Going to the main point of what I was saying, I continue to have very grave concerns, as I've expressed, about the idea that we would be sending this report back without having our full study and our full ability to put all of the witnesses' opinions and our recommendations and all of that before the House. I would say that it's kind of funny because, in some ways, this could almost have been a recommendation to our study that we could have put to the House and had the government respond to.

However, if we are going to be in a position of talking about putting something directly to the House and skipping the step of our study, it would seem to me that this is stronger wording that better expresses what I think the committee is looking at, which is that we don't want to see taxpayers have a net loss on this. These amendments would share our joint belief, but I think there would be agreement around this entire table that we don't want to see taxpayers have a net loss, so we believe that the government should do everything in its ability, when the Trans Mountain pipeline is sold, to sell at a price that avoids a net loss.

I feel that this would go further.

I'm going to restate my position. I think we'd be in a better place if we did the full study and just had this as a recommendation to the study, rather than setting it separately.

I still have grave concerns about sending just this PBO report back to the House of Commons without taking into account all of the work that we have done on this study. I think it loses a lot of its context and it loses a lot of points that could go either way in this debate. The evidence goes in many places. Different opinions have

been expressed about it. It would give us a chance to actually raise all of those parts of the debate as well. Given the PBO's more limited mandate, those wouldn't be put forward if we just put forward that study.

If we were in a position where we were going to just have the report go forward, I think these amendments make a stronger statement. My recommendation would be that we try to pick up from there to go with this stronger wording.

I'm hoping the other members around the table will support this and agree that this makes the kind of positive change that at least allows us to make a statement rather than just an expression of concern or an expression of opinion. I'm hoping that I have made a convincing argument for everyone here that this new amended wording, if we're going to have to go ahead with this motion, is something worth considering.

I will put it back to you, Mr. Chair, with a note that we might want to change, as a translation issue, the word “chairman”.

• (6615)

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

The clerk has caught the note on that.

I'm going to go to the next speaker on our list.

Mr. Jowhari, you have the floor on the amendment.

**Mr. Majid Jowhari:** Yes, it is on the amendment. Thank you, Mr. Chair.

During our recess, I had the opportunity to talk to MP Simard to try to get an understanding of how we can work together, the real reason a motion like this has been put forward, and why we are not following our standard procedure to able to get to the report. MP Simard said that he wants to be able to debate this in the House.

Well, I want to debate this in the House as well. One way we could debate this in the House would be through an opposition day motion. Unfortunately, as everyone knows, we have been stuck in a matter of privilege for the last two months. As I understand it, there's no opposition day allocation left for the Bloc. In his view, this is a way in which he would be able to get concurrence and be able to debate it in the House.

Okay, that's fair enough. Now that we understand the underlying reason MP Simard wants this, we can take steps to see how we can work together. I think what PS Dabrusin has recommended is a fine, delicate balance. I like the way she qualified by saying that we should finish the report and we should put this as a recommendation in the report, and hence the elimination of “expresses concern about the financial uncertainty regarding” and the replacement, “recommends”.

This will be a recommendation in the report. If it isn't, I'll be the one putting it in as a recommendation in the report, because that was the conclusion of everybody. I think all the members across the table have said that we don't want to show loss. We've heard from the minister that we will not lose money. We've heard from the CEO of TMX that they'll be the smart seller. We've also heard from the PBO that if you look at other elements, other benefits of it, the Government of Canada, and as such Canadians, will not lose the money. Therefore, I see this as a recommendation that we would put in the report.

Then we come to “should do everything in its” power. Again, that's something that would have gone as a recommendation in the report. When you look at the amendment, it removes “expresses concern about the financial uncertainty regarding” and replaces it with “recommends the government should do everything in its ability”. Basically, now we are taking a recommendation that will be in the report—our side is supporting that—and giving MP Simard the vehicle he was looking for to be able to run concurrence and debate it in the House. Unfortunately, in my opinion, it falls into the hands of the opposition to be able to keep this filibuster going.

I believe the amendment is one that is acceptable. It is a recommendation. It gives you the vehicle you're looking for. If we agree and we have that concurrence debate, I'll be in the House and I'll be participating in that debate.

I would strongly suggest that we support this amendment and look at it as a recommendation that we still do in the report, and that we give MP Simard the vehicle he's looking for to be able to run the debate that he wants to run in the House. I personally commit that I will participate in it.

Thank you, Mr. Chair.

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

I'm just taking a look to see whether on the amendment—

[*Translation*]

**Mr. Mario Simard:** I'm ready.

[*English*]

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

[*Translation*]

**Mr. Mario Simard:** I think we're all ready to vote on the amendment, if I understand my colleagues correctly.

[*English*]

**The Chair:** Okay.

We are on the amendment. Everyone has a copy. It's been well discussed. We will proceed to a vote.

(Amendment negatived: nays 6; yeas 5)

**The Chair:** With the amendment defeated, I now have....

Sorry. I'll put you on the list, Mr. Simard. I have a speaking list on the main motion still established, because we had jumped to the amendment. I can add you to that, if you'd like.

You do. Okay. I'll add you to it.

Mr. Jowhari, I had you next on the main speaking list. Do you still wish to speak on the main motion?

• (6620)

**Mr. Majid Jowhari:** I actually had hoped that we would come to a consensus, because it gave everyone the opportunity that they were looking for. To me, that wordsmithing is the same as the challenge that we were going through when we had the preamble for the abandoned well motion, but here we are.

If I have an opportunity to move another amendment, the amendment would add the following after “...to the House”:

and have the Government of Canada provide a response to this report pursuant to Standing Order 109

and the way it would read is as follows:

That, given the PBO's statements in the Trans Mountain pipeline system report 2024 released on November 8, 2024, the committee expresses concern about the financial uncertainty regarding the government's ability to sell the Trans Mountain pipeline system—

[*Translation*]

**Mr. Mario Simard:** I have a point of order, Mr. Chair.

[*English*]

**The Chair:** Mr. Jowhari, we have a point of order, so as you read, I'm going to go to Mr. Simard.

[*Translation*]

**Mr. Mario Simard:** I'm sure you will understand that, given the substance of the amendment my colleague seems to be proposing, it is difficult for a francophone to navigate this based on the translation.

Mr. Chair, I just want to point out how ironic it is for my Liberal friends to condemn filibustering in the House and resist shedding light on the purchase of a pipeline that is causing significant losses for the government, which is a matter of public interest in the House.

The foundational principle in democracy is that the debate and decision-making process happens in full view of everyone. I will never understand a political party that tries to throttle the amount of information given to the public. The purpose of the motion is solely and simply to have a debate in the House on an issue that was raised by the Parliamentary Budget Officer.

I can understand my Liberal colleagues wanting to improve and amend the motion I tabled. However, my sense is that people are now trying to run out the clock and adjourn this debate. That's not what I want.

If my colleagues' goal is to introduce an amendment that would be incomprehensible to me so as to run out the clock, I find that objectionable. My understanding of what Mr. Jowhari said just now is that he is proposing an amendment that I would be unable to accept or reject because I don't have a good grasp of it via translation.

[English]

**The Chair:** I was listening intently and trying to catch everything you said, Monsieur Simard, on what was not a point of order but a point of clarification, to get an idea of what is happening here.

Mr. Jowhari, I am going to go back to you because you were in the process—

**Mr. Charlie Angus:** I have a point of order.

**The Chair:** Go ahead, Mr. Angus, on a point of order.

**Mr. Charlie Angus:** I was really hoping we could get some things cleared up so that we could move on, but it doesn't look like we will.

Are we suspending at 6:30 p.m.?

• (6625)

**The Chair:** Well, we have five minutes. We might—

**Mr. Charlie Angus:** Okay, I just want to know what our timeline is.

**The Chair:** In the next five minutes, if we can get something done, it's up to colleagues how we'd like to proceed after that.

**Mr. Charlie Angus:** I'm perfectly willing. I just want to know at 6:30 p.m., and then we can pick it up on Monday.

**The Chair:** All right. I'm going to go back to Mr. Jowhari.

**Mr. Majid Jowhari:** Thank you.

If Mr. Simard will allow me, I will read the whole amended motion a bit more slowly this time. I will highlight the section I'm talking about afterwards. While it's being prepared to send out in both official languages, I will go back and address MP Simard's concern.

The motion reads as follows in English:

That, given the PBO's statements in the Trans Mountain pipeline system report 2024 released on November 8, 2024, the committee expresses concern about the financial uncertainty regarding the government's ability to sell the Trans Mountain pipeline system at a price that avoids a net loss to taxpayers and asks the chairman to report back to the House

So far, everything is as you have it in your motion.

This is the addition: “and have the Government of Canada provide a response to this report pursuant to Standing Order 109 as soon as possible.”

With this amendment, the whole purpose of what we are trying to do is to find agreement so that we can give you the platform to have that conversation in the House of Commons. As I committed to you, I will be there. I'm sure all of our colleagues would be there.

This is the genesis, and I hope we'll have your support on that.

**The Chair:** We have an amendment on the floor.

I'm going to you next, Mr. Simard, on the amendment.

Mr. Jowhari, could you please provide a copy of that to the clerk? He will have to get translations done.

Mr. Simard, in the meantime, I'm going to hear what you have to say, because you might have a great suggestion, as you normally do.

[Translation]

**Mr. Mario Simard:** If the amendment merely adds to the text of the motion that the government must respond to the committee's report as soon as possible, I fully agree. We could do that very quickly.

I think my Conservative colleagues agreed with the motion. If the proposal is simply to add that the government must respond quickly, I would be more than happy to vote in favour of the amendment. We can adopt the motion by the end of this meeting, which will allow us to move on to something else next Monday.

I therefore encourage my colleagues to vote quickly on the amendment and the motion so we can continue to conduct our business properly.

[English]

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

We have a point of order.

Go ahead on a point of order, Mr. Dreeshen.

**Mr. Earl Dreeshen:** I'm interested in whether the clerk could tell us what S.O. 109 is. That was part of the discussion. I think it is important that everyone understand what the ramifications are of that.

**The Chair:** Thank you, Mr. Dreeshen. Regarding your point of order on S.O. 109, I'll have the clerk get clarification on that in the meantime.

Mr. Jowhari, in the interim, you have the floor. I want to make sure you sent your amendment over so all members of the committee have it, and so the clerk, most importantly, can get it reviewed, in order to make sure there are no irregularities. Then he can get it translated for colleagues.

**Mr. Majid Jowhari:** Mr. Chair, I believe the amendment in both official languages is being sent to the clerk imminently. Given that...

I'm sorry. I'll leave that to you.

**The Chair:** Thank you.

I'm going to get the clerk to respond to Mr. Dreeshen, once he's able to.

**Mr. Charlie Angus:** I have a point of order.

**The Chair:** There is a point of order from Mr. Angus.

**Mr. Charlie Angus:** The last time we waited, everyone disappeared on us. I think they were upstairs having a nice drink in the room while we all sat here waiting. It's 6:30. I say we've run out of time. We'll pick it up on Monday.

**The Chair:** What I will propose....

I'm sorry.



• (6630)

**Ms. Julie Dabrusin:** I want to say that there was nothing to show that anyone left this room to have a drink. I think that's—

**The Chair:** Colleagues, what I'm going to propose here as—

**Mr. Majid Jowhari:** Are we suspending?

**The Chair:** Hold on.

I'm going to propose something, and I want everybody to listen clearly to make sure there's no miscommunication.

In the first hour, we have a guest coming. We'll have the guest attend. Once we're done with the guest, we will resume with this. I will put on the agenda that we will continue debate on this motion.

I would like to adjourn the meeting today so we can finish clean. We can start with Mr. Jowhari having the floor next meeting, when everybody will have a copy of the translated version.

**Mr. Jeremy Patzer:** Can you do that if you adjourn?

**The Chair:** He just moved an amendment, so—

**Mr. Jeremy Patzer:** Shouldn't you suspend, though, for that reason?

**The Chair:** We can do it the way I've proposed, so the Hansard evidence can be done for this meeting and everything can be completed, so that's what I'll propose.

We will have a schedule going out with what I've just said today. We'll continue in the second hour, or around 11:30, resuming the conversation of this important motion and the amendment.

Okay. Colleagues. We will now adjourn. Thank you so much. Have a great day, a great next few days of your week and a great weekend. I'll see you on Monday.

We're adjourned.

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