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# Standing Committee on Finance

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Chair: Karina Gould





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• (1715)

[*English*]

**The Chair (Hon. Karina Gould (Burlington, Lib.)):** I call this meeting to order.

Welcome to meeting number 20 of the House of Commons Standing Committee on Finance.

I am delighted to welcome Minister Steve MacKinnon to finance committee. He's accompanied by two officials: Arun Thangaraj, deputy minister, and Vincent Robitaille, associate assistant deputy minister for programs.

Thank you so much for being with us.

Without further ado, Minister MacKinnon, we'll turn the floor over to you.

Thank you.

[*Translation*]

**Hon. Steven MacKinnon (Minister of Transport):** Thank you, Madam Chair.

I would also like to thank the committee members for this opportunity to speak to the new high-speed rail network act in Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

Canada is facing extraordinary threats to its economy and Canadians' quality of life. The Prime Minister was very clear when he described this moment in history as a rupture. We need a team Canada approach to protect our economy starting now and to position ourselves for the future within a profoundly different world order.

[*English*]

For Canada to remain competitive through this structural shift in the global economy, we must once again build the ambitious nation-building projects that have shaped our country and delivered prosperity and economic opportunity for generations of Canadians. Like other nation-building projects of our past, such as the St. Lawrence Seaway and the Confederation Bridge, the high-speed rail network will be a testament to the greatness and potential of Canadian innovation, ingenuity and Canadian society.

Our high-speed rail should be understood as the beginning of a transformation. This generational project won't just connect 18 million Canadians in Ontario and Quebec. It will also create over 50,000 jobs, contribute \$35 billion to our economy and increase

productivity. It will also alleviate congestion on shared tracks, enabling freight to move more efficiently and ensuring that Canadian goods reach markets faster and more reliably.

Following our buy Canada principles, high-speed rail could potentially source several hundred thousand tonnes of Canadian steel, lumber and concrete while employing local businesses and contractors along the route and across the country, including in rural areas and communities between Quebec City and Toronto. Few infrastructure projects in Canadian history have generated an industrial demand of this magnitude. It will deliver enormous benefits to Canadians, who will see the time between our major cities in the corridor cut in half. It will create good-paying jobs for skilled labourers and lucrative contracts for businesses. It will protect our environment by reducing emissions equivalent to removing 100,000 cars off our roads. It will allow Canada to compare ourselves to our G7 peers in having a high-speed rail network deserving of a leading global economy.

However, none of this can be easily realized without the passage of the high-speed rail network act. This act is a result of our engagement with the provinces of Quebec and Ontario. Its measures draw directly from, and align Canada with, the well-established and effective infrastructure legislation in both of those provinces. This includes Ontario's Building Transit Faster Act, 2020, and Quebec's Act respecting expropriation.

This act aligns its measures with the provinces so that we can cut red tape and provide greater clarity and certainty around the regulatory regime while eliminating costly duplicative processes. It helps prevent delays, provides predictable project timelines and increases project efficiency. It will better support consultation and efficient, timely communication with landowners. It will ensure that impact and environmental assessments are conducted for each project segment. It will enshrine the Official Languages Act into the operations of Canada's high-speed rail network.

This legislation also reiterates how a meaningful and respectful relationship between the Crown and indigenous peoples is fundamental to advancing reconciliation and completing this project.

• (1720)

[Translation]

This commitment includes early, significant and ongoing engagement and consultation, while recognizing that indigenous knowledge shared in confidence will be protected.

This being the largest and most complex infrastructure project in a generation, consulting with local communities and a wide range of stakeholders will be essential.

Alto's first round of consultations is already under way in communities along the proposed route, with more than 26,000 people submitting comments via the online portal. The consultation process is ongoing, forming an integral part of the impact assessment process made possible under this legislation.

The bill seeks to minimize impacts on individual landowners, while recognizing the realities of building such an extensive and complex rail network. We will also continue to work productively with our provincial partners throughout development and construction.

In conclusion, I was extremely proud to announce recently that the first segment of the rail network will run between Ottawa and Montreal. If this bill is passed, construction of the segment should begin in just four years.

[English]

The high-speed rail network is an investment in Canada's future, connecting communities, creating tens of thousands of jobs and driving enormous economic growth. Our country cannot afford to miss this opportunity.

[Translation]

I am pleased to take your questions.

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

[English]

Pursuant to the order of reference of Wednesday, December 10, 2025, and the motion adopted on Wednesday, December 10, 2025, the committee will consider Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

I'm just reminding colleagues that we're here on the BIA.

I see Mr. Albas is joining us today, and he will be kicking this off with six minutes from the Conservatives.

Mr. Albas.

**Dan Albas (Okanagan Lake West—South Kelowna, CPC):** Thank you, Madam Chair.

It's great to be here.

Minister, it's great to be joining you on this committee today. As the critic for transport for the Conservatives, my motto is have questions, will travel.

Let's start with this. Minister, section 98 of the Canada Transportation Act exists so that the agency can examine whether a pro-

posed rail line is reasonable for the affected communities and landowners.

Why does your bill eliminate this independent review entirely? Wouldn't an expedited CTA review preserve oversight without delaying the project?

**Hon. Steven MacKinnon:** It would delay the project.

**Dan Albas:** Minister, you said...in just four years. That's just for a small component of it.

Is there any harm, Minister, in restoring even a 90-day expedited CTA review so communities can have a legal avenue to be heard?

**Hon. Steven MacKinnon:** We believe that this project, as the bill references, is for the general benefit of Canada. That is why we've taken the steps that you see in the bill to make sure of that. Whether it be a major energy project, for example, a major mine or a major piece of infrastructure elsewhere in the country, we've determined that moving quickly on projects that have existed in the public's imagination or the public's consciousness over many years is important. We need to accelerate these things.

This is something we felt strongly enough about that we made it a major part of our platform in the last election. With respect to high-speed rail, this is a project that, while it was announced prior to the last election, we spent a long time debating and figuring out how we could get to a decision to construct this piece of infrastructure in an accelerated time frame.

This is the proposed—

• (1725)

**Dan Albas:** No one is talking about eliminating the project or padding on big, bulky consultation processes. A 90-day expedited CTA review would give it independence and give people a trusted body to which they can make those representations.

Now, Minister, under your bill, a landowner can wake up to a right of first refusal or a prohibition on work notice without any warning, instantly freezing their land. Why not include a simple 120-day mandatory notice so that farmers, homeowners and small businesses aren't ambushed by your process or lack of it?

**Hon. Steven MacKinnon:** Let me first state that common sense will predominate in this process. We will, of course, approach landowners to indicate interest and attempt to negotiate a fair market value for the limited amount of corridor that will be required for the project.

There is obviously every interest on the part of Alto and on the part of the government to have good and effective relationships with people along the route. This is a significant piece of linear infrastructure. It requires a limited corridor, but a continuous one. Once we announce the specific corridor and the specific alignment that have been selected, we will, of course, in all cordiality and in all willingness to negotiate, approach landowners on a “no surprises” basis.

**Dan Albas:** Mr. Minister, quite honestly, it doesn't say that we're going to show common sense in the legislation; it says nothing at all. In fact, what is your government's objection to giving landowners reasonable notice before Ottawa freezes their property?

**Hon. Steven MacKinnon:** Again, this is a corridor, a very small 60-metre corridor. The measures you're referring to have—

**Dan Albas:** With 120 days, just give them the chance so they can plan properly. Right now, the clock is on them, not on you. That's not fair. That's not property rights.

**Hon. Steven MacKinnon:** A right of first refusal does not preclude someone from negotiating a purchase and sale agreement. In fact, the process for—

**Dan Albas:** A freeze on work could cause considerable problems. You said four years, but what if it goes longer than that, Minister?

**Hon. Steven MacKinnon:** A freeze on work is actually a courtesy to landowners so they don't end up planning significant improvements to a piece of land—

**Dan Albas:** Minister, put yourself in the shoes of someone who's worked their whole life, they're about to make a sale, and suddenly they get a freeze on what they can do on it; suddenly the value of that property is totally in question. Imagine if you were that person, someone who's near retirement. Isn't that the equivalent of pulling the rug out from under them and their property rights?

**Hon. Steven MacKinnon:** No. Again, the very common-sense principle will be one of fair market value for this limited amount of land that is required.

**Dan Albas:** You could freeze someone up four years or longer where they can't do anything.

Minister, your bill also allows for land to be expropriated on a fast track, but it doesn't guarantee compensation based on independent appraisals or even cover a landowner's legal costs. Why not ensure compensation is based on the highest and best-use value, verified by two independent appraisers? Why not allow, again, a fair market value that is actually appraised by experts rather than what you think it is, Minister?

**The Chair:** Give a brief response, please.

**Hon. Steven MacKinnon:** Again, the first principle of fair market value ought to be established in a very common-sense conversation between Alto and the landowner, where we attempt to establish a negotiated price.

• (1730)

**Dan Albas:** A large corporation and an individual, it's not fair.

**The Chair:** Thank you, Mr. Albas. That concludes the time for this round of questioning.

We're going to continue with Mr. Leitão for six minutes, please.

[*Translation*]

**Carlos Leitão (Marc-Aurèle-Fortin, Lib.):** Thank you, Madam Chair.

Good afternoon, Minister.

Thank you to the deputy minister and assistant deputy minister for being here.

I think there will be other opportunities to discuss these issues, Minister. In your opening statement, you likened the rail network to great projects of the past, the St. Lawrence Seaway and the Confederation Bridge—at least, in importance. I was intrigued by that comment. Could you elaborate on why you view the rail network in that light?

**Hon. Steven MacKinnon:** This has been said and observed multiple times, but in general, it is harder and harder to accomplish great things in Canada. We have so many frameworks, municipal, provincial and federal laws, and processes that final decisions about infrastructure investments are never made.

As I said in my opening statement, both the Quebec and Ontario governments have legislation in place to fast-track transit projects. We drew a lot on those measures, so this isn't uncharted territory. We saw, for instance, that the process behind the Réseau express métropolitain worked, resulting in the rapid transit system's running all the way to the island of Laval and other parts of Montreal and providing even further coverage in the future. This major infrastructure project is the result of that process.

We are drawing not only on existing principles in provincial legislation, but also on the desire to accelerate major projects. Because of that, I do think we can compare the high-speed rail network project to the building of the seaway and the Confederation Bridge, times in our history when Canada dared to dream big.

**Carlos Leitão:** Thank you, Minister.

In connection with the rapid transit system, yes, Quebec did pass legislation. I am well aware.

In your studies, consultations and conversations with the governments of Quebec and Ontario, especially at a political level, thus far, have you noticed a willingness from both governments to work with the federal government on advancing this project?

**Hon. Steven MacKinnon:** We have laid the foundations for very co-operative relationships with both provinces and the municipalities all along the corridor. Obviously, consultations have been held and will continue to be held with relevant stakeholders, including the municipalities along the corridor. We are very fortunate we've had the co-operation of the other levels of government, and we hope it will continue.

**Carlos Leitão:** Thank you very much. I hope so too.

I get the feeling that the two provinces, along with the municipalities between Quebec City and Toronto, have long been waiting for a project like this. This is really the beginning of a critical phase, and things are going to move quickly.

Obviously, we want to make sure that the project is completed in a reasonable time frame. That is paramount. If progress is delayed, if the plan is to start in four years but things end up taking much longer, the price tag will go up. We've seen that happen before.

In order to achieve this goal collectively and to ensure the project's completion within a reasonable time frame, the government opted to align its legislation with existing legislation in Quebec and in Ontario. Were both governments supportive of that? Were they pleased with the approach?

• (1735)

**Hon. Steven MacKinnon:** We received excellent advice from both governments. We did indeed draw on the principles they had set out. I just want to reiterate the fact that we aren't reinventing the wheel here. We are acquiring the same tools those governments have, precisely to carry out a major project.

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

We now go to Mr. Garon for six minutes.

**Jean-Denis Garon (Mirabel, BQ):** Thank you, Madam Chair.

Thank you for being with us today, Minister. We are very appreciative.

I want you to know that the Bloc Québécois is not against the project. We are not against the rail project. We think such a project may be necessary, but we have concerns about the government and Alto's approach. We have a job as parliamentarians, and that is to shed light on the issue. We want to make sure that the rights of our citizens are respected.

The case law and current state of the law already confer enormous expropriation powers on the government. Let us not forget the tragedy involving the Mirabel airport. You said in the House today that it was just a 60-metre wide corridor, but in 1969, despite needing just three acres, the government took 97,000.

Setting aside all partisan affiliations, I, as an MP, have to tell you something, Minister. If you haven't spent a significant amount of time with the people who were scarred by those events, you can't understand their pain. I detected a bit of that in the House today, and I'd like to believe it was unintentional, Minister.

A few days ago, Alto released a proposed corridor that runs through Mirabel, among other places. As I understand it, very few of the mayors concerned were contacted. The mayor of Mirabel found out from me. I know that a number of mayors in the area learned about it from my Facebook page. Members of Parliament were not informed, except for Liberal members. Alto says that reaching out to people was your job. Do you agree with Alto?

**Hon. Steven MacKinnon:** I have here a list of 10 interactions with just the municipality of Mirabel.

**Jean-Denis Garon:** We know that closed-door meetings took place with public servants, Minister. I was the one who broke the news, one Friday afternoon, to the mayor of Mirabel about the corridor running through her municipality.

**Hon. Steven MacKinnon:** Like the mayors of all the other cities along the corridor, the mayor of Mirabel was—

**Jean-Denis Garon:** Minister, was it your job or Alto's to do that? The people at Alto are saying it's your job to reach out, not theirs.

**Hon. Steven MacKinnon:** Alto has a formal consultation process, which is under way.

**Jean-Denis Garon:** Do you take responsibility for that? Was it your job?

**Hon. Steven MacKinnon:** No.

**Jean-Denis Garon:** Thank you.

**Hon. Steven MacKinnon:** It's the company that was commissioned to carry out the consultations.

**Jean-Denis Garon:** It's fine, Minister. You answered the question. Time is a precious commodity. Don't be like Minister Champagne.

You're saying—

**Hon. Steven MacKinnon:** The work was commissioned—

**Jean-Denis Garon:** The answer is no.

**Hon. Steven MacKinnon:** You agree that—

**Jean-Denis Garon:** You answered no, Minister. It's fine. I believe you.

**Hon. Steven MacKinnon:** —we have a company here, which is responsible for carrying out consultations.

**Jean-Denis Garon:** You said you copied the law that came out of Quebec City. You said that in the House today. Under that law, though, once the first expropriation notices go out, people are entitled, at the end of the process, to apply to the Superior Court to obtain fair market value for their land. We did some research and found that the Superior Court has dealt with many such cases.

Under this bill, you are giving yourself, as the minister, the personal power of making the final decision regarding land value, on the basis of common sense.

**Hon. Steven MacKinnon:** The decision can be appealed to the Federal Court of Appeal.

**Jean-Denis Garon:** What you're telling people, then, is that they can leave it in the Federal Court of Appeal's hands. Great. Thank you.

**Hon. Steven MacKinnon:** It's the same for the Superior Court of Quebec.

**Jean-Denis Garon:** Who asked that Bill C-15 take rights away from citizens? Was it Alto, or was it you?

**Hon. Steven MacKinnon:** No one's rights are being taken away.

**Jean-Denis Garon:** You're taking away people's right to have an impact assessment and their right to challenge the decision, Minister. We pointed that out in the House today.

Did Alto ask for the part of Bill C-15 that is before us, or was it your idea? Did it come from the government?

**Hon. Steven MacKinnon:** There's a desire to speed up the project, and obviously, when the construction of a major infrastructure system or nation-building project is being proposed, we consult with all relevant stakeholders. Of course, we sought advice on how we could accelerate completion of this great project.

• (1740)

**Jean-Denis Garon:** If I understand correctly, you are saying that the reason Canada is no longer able to do great things is that citizens have too many rights when it comes to expropriation. That is the country's problem, in your view. After a decade in power, you haven't been able to accomplish great things because the citizens of Mirabel, people who are deeply scarred because of the treatment they received from the federal government in the past, people who are worried, have too many rights.

Is that what you're saying?

**Hon. Steven MacKinnon:** No. I'm not going to let you put words in my mouth, Mr. Garon.

We introduced a process to accelerate the completion of this linear infrastructure project, while upholding the rights and principles already in use in other jurisdictions, specifically Quebec and Ontario, and making sure that landowners have the right to be heard and to negotiate—

**Jean-Denis Garon:** They also have the right to be expropriated without prior notice, as Mr. Albas pointed out.

**Hon. Steven MacKinnon:** It's not true that there is no prior notice. The process provides for prior notice, Mr. Garon.

**Jean-Denis Garon:** Minister, you are giving yourself the right to control people's land, once they've been notified, for two years, rather than 120 days. It's 120 days for every other project in Canada, but for us, it's two years.

Are you willing to make an exception for agricultural land, knowing that no one is going to want to build condos or call in an engineer to increase their land value because the land is the subject of negotiations? Productivity and food security come into play. Under Bill C-19, your government announced that it would be sending out cheques to help people.

Would you be willing to reduce the time frame to 120 days for farmland in the agricultural zones of the Commission de protection du territoire agricole du Québec?

**The Chair:** Please give a very brief answer.

**Hon. Steven MacKinnon:** The principle set out in the bill seeks precisely to prevent a landowner from planning major improvements to their property. It's not about preventing them from planting—

**The Chair:** Thank you, Minister and Mr. Garon.

That concludes this round.

[*English*]

We're going to continue with Mr. Albas for five minutes, please.

**Dan Albas:** Minister, earlier we were talking about independent appraisals, but I'm really confused. You said earlier, in response to Mr. Garon, that the bill specifically protects and gives people a

heads-up when their land is going to be changed. Can you point out to me which section?

**Hon. Steven MacKinnon:** I'll ask my deputy. I don't have the bill at hand.

[*Translation*]

Mr. Robitaille may be able to answer that.

[*English*]

**Vincent Robitaille (Associate Assistant Deputy Minister, Programs, Department of Transport):** In the bill, what you have is only the sections that will change. Is that right? All of the other sections of the Expropriation Act will remain the same. The thing about prior notice before expropriation starts will remain, as will the notice of expropriation after.

**Dan Albas:** How long is the appropriation notice?

**Vincent Robitaille:** I will confirm the time, but it is well in advance of expropriation.

**Dan Albas:** Okay. I'd like to know a number for “well in advance”.

Minister, while that's being looked at, the bill essentially lets Ottawa freeze or take land, but it gives landowners no statutory right of appeal. Why would your government oppose giving Canadians a simple right to seek a review at the Federal Court?

**Hon. Steven MacKinnon:** It's in the bill. There's a possibility of appealing all of this to the Federal Court, just like any citizen can appeal any federal matter to the Federal Court.

**Dan Albas:** Okay. That's an important protection for them to have.

Minister, again, what about the ability to have two independent appraisals? What happens if you have a retiree who is unable to afford to get their own independent appraisal and to contest these at the Federal Court? What happens to the cases of those people? Your own government has said that people are experiencing an affordability crisis.

[*Translation*]

**Hon. Steven MacKinnon:** Mr. Robitaille can comment on appraisals.

[*English*]

**Vincent Robitaille:** Again, it's important to read the change as only specific amendments. The rest remains the same. Landowners have the opportunity to have an independent appraisal of their land and that it be taken into account in the value of the land that's being purchased.

• (1745)

**Dan Albas:** Talking of having the ability to do so, in the case I just gave you of someone who can't afford to do so, that's not a right at all.

**Vincent Robitaille:** No. In this case, the cost of doing this work is included in the compensation that's going to be provided to landowners.

**Dan Albas:** Will they be given two independent assessments, or will it be Alto simply giving its assessed value, and then they have to contest that value at court as being the lowest it starts at?

**Vincent Robitaille:** In this case, we need to take into account that Alto can purchase the land on a “willing buyer, willing seller” basis. If we get to expropriation, it is the minister of PSPC who does it. I just wanted to clarify that. The minister of PSPC would get their own appraisal. If the landowner wants to get their own appraisal, it is possible, and it's an eligible cost—

**Dan Albas:** Will it be for the highest and best use?

**Vincent Robitaille:** On this principle—

**Dan Albas:** Answer yes or no. Again, it's the highest and best use. It's either yes or no. When you freeze someone's land, that undermines the cost of it.

**Vincent Robitaille:** Yes, the principle of expropriation takes into account the different uses of the land.

**Dan Albas:** Okay, so again, the answer is no.

The bill also lets Ottawa impose a right of first refusal and work prohibition notices with no expiry date, which can depress land value indefinitely...even the people around it. Why not limit these freezes to 18 months unless a judge approves an extension?

**Hon. Steven MacKinnon:** The principles that you just discussed, whether they be on improvements or the right of first refusal, are in fact to allow landowners the clarity that significant improvements to the land should not be contemplated. That's a pretty easily explainable principle. There should not, of course, be construction on an identified piece of corridor of linear infrastructure.

The right of first refusal does not prevent a landowner from entering into a purchase and sale agreement; it just allows the government to match it.

**Dan Albas:** Minister, again, if you've frozen the use of something and there is no defined timeline, like 18 months.... You said right away that it's four years for just the first phase. This could be—

**Hon. Steven MacKinnon:** Remember, to put it in context, that this is after a specific piece of land, a 60-metre wide corridor, has already been identified as part of the recommended alignment.

**Dan Albas:** Minister, I know you want to minimize it—

**The Chair:** Thank you, Minister.

Thank you, Mr. Albas.

**Dan Albas:** —but again, 18 months—

**The Chair:** That concludes the time we had. We're going to move to—

**Dan Albas:** I'm just going to finish my words here.

**The Chair:** No, Mr. Albas. Your time is up.

Mr. Sawatzky—

**Dan Albas:** I want to say, Minister, it's important for people to know that 18 months—

**The Chair:** Can we please cut Mr. Albas's mic? His time is up. Thank you.

Mr. Sawatzky, you have five minutes. Thank you.

**Jake Sawatzky (New Westminster—Burnaby—Maillardville, Lib.):** Thank you very much, Chair.

Thank you, Minister, for coming today.

I, for one, am very excited about this. I think many Canadians are, especially considering the global context of needing to invest in our own country, connect provinces together and stimulate more transportation. This is a really important thing that for a very long time we'll be looking back at and we'll be very happy about the investments into the long term.

You can add on the context that Canada is one of the only G7 countries without high-speed rail. It seems as though we are lacking in that department, and this will be long overdue to really help that.

With budget 2025, this is, of course, a generational initiative. It's going to boost our economy, create tens of thousands of good-paying jobs and, of course, unlock enhanced productivity with the increased transportation.

Could you share with this committee what message that building this very ambitious project will send to our allies, our trading partners and our international investors? How is this going to set up our reputation around the globe?

**Hon. Steven MacKinnon:** Thank you for that.

Indeed, Canadians will be making this decision in the interests of the generations that follow us. There will be people sitting in the seats we all occupy right now. I hope you're one of them in a couple of decades who will thank us for doing this work.

This is an avant-garde project, but more importantly it shows the world that Canada can still contemplate, decide and complete big things like the St. Lawrence Seaway and the Confederation Bridge that I know Mr. MacDonald knows very well.

Remember that, faced with threats from south of our border, Canada decided to build an east-west railway across the great expanses of the Prairies and the Rocky Mountains, and did so in four years. I'm not sure that some of the methods used in those days would be appropriate in the current era, but it is the spirit of accomplishment of the CPR that I think ought to inspire us.

In terms of the more tangible benefits, we're taking cars off the road. We're allowing smaller cities like Trois-Rivières and Peterborough to imagine a new kind of economic future. We're allowing students, residents, travellers, tourists and business people to imagine a much reduced and much easier travel time between some of our great economic centres in this country.

This is an incredible thing. It would be the first such infrastructure on North American soil, and what a hopeful, ambitious and incredible message for Canada to send to have brand new high-speed electric cars come into some of our greatest cities and be able to come and go with a frequency and accessibility that would allow anyone to board them and use them to conduct their affairs and live their lives on a daily basis.

• (1750)

**Jake Sawatzky:** I certainly agree that this is very forward-thinking for our future generations, and I absolutely hope I will still be here to see the day when it's all done and be able to ride it myself.

Of course, we'll be using a lot of Canadian materials to build it as well. I was wondering if you could speak to that. I am from British Columbia. We have a lot of lumber industry, so maybe you could speak to the lumber that will be used, and the steel and aluminum, as well as the jobs that this will create?

**The Chair:** You have about 20 seconds left.

**Hon. Steven MacKinnon:** We have a buy Canadian policy, and obviously the animating spirit of this government is that we shall be building great national projects with our steel, with our lumber, with our aluminum and with the men and women in our skilled trades. The demand I outlined in my speech for all of those materials and for that labour is quite substantial.

**The Chair:** We're going to have to conclude this round.

Thank you, Mr. Sawatzky.

[*Translation*]

It's now over to Mr. Garon for two and a half minutes.

**Jean-Denis Garon:** Thank you, Madam Chair.

Certainly, Minister, you need this bill in order to meet your construction schedule, since you designed the schedule knowing that you would be introducing the bill. It's like a dog chasing its tail.

Now I want you to look me in the eye and tell me something. When expropriation notices are issued to residents of Mirabel, a place whose history we are familiar with, it is the government's position that giving the individual the right to be heard by the tribunal and conducting an impact assessment are problematic; all that does is slow down the government's great project. Please tell me, so it's clear to the people of Mirabel.

**Hon. Steven MacKinnon:** Mr. Garon, I've spoken to a lot of people in the Lower Laurentians, including in Mirabel. A few years ago, I went to Mirabel to speak with members of the Union des producteurs agricoles. Although I can't appreciate what happened in the same way that someone who lives in Mirabel can, I fully understand the mistakes that were made in relation to the Mirabel airport project.

**Jean-Denis Garon:** Do you know that the impact assessments—

**Hon. Steven MacKinnon:** You want me to look you in the eye, but you're interrupting me.

**Jean-Denis Garon:** You're not answering my question. That's why.

As you know, the right to be heard and the right to an impact assessment in relation to an expropriation notice exist because of

what happened in Mirabel. Bill C-15 takes those rights away from the people in my riding. Those legal provisions exist because of what people in the area went through.

• (1755)

**Hon. Steven MacKinnon:** Mr. Garon, I would suggest a different approach. Instead of spreading fear and instrumentalizing symbols of past mistakes—

**Jean-Denis Garon:** Minister, do you think we are spreading fear and terrorizing people?

**Hon. Steven MacKinnon:** Yes.

**Jean-Denis Garon:** Mayors are finding out what's going on via Facebook or email, and Alto is lying to reporters.

**Hon. Steven MacKinnon:** Take, for example, Highway 13, which is in—

[*English*]

**The Chair:** I'm sorry. There's a point of order.

Mr. Fragiskatos.

[*Translation*]

**Peter Fragiskatos (London Centre, Lib.):** Thank you, Madam Chair.

There's a lot of interrupting going on, so I can't follow the discussion between the member and the Minister.

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

I'm going to ask both of you not to talk over one another, so the interpreters can do their job.

**Jean-Denis Garon:** Madam Chair, I'd like to comment on the point of order.

We are parliamentarians, and I can tell from the look on the minister's face that he doesn't like the questions I'm asking. That's fine; they aren't meant for him to like. Nevertheless, the people where I'm from have told me they're scared, and I am trying to deliver their message. I don't think the way to make progress on this issue is to engage in personal attacks, as the Minister is doing today. I urge the Minister to adjust his attitude and take a different tack.

I'm out of time. Thank you, Madam Chair.

**The Chair:** Thank you, Mr. Garon, and Minister.

**Hon. Steven MacKinnon:** Am I not allowed to respond to that?

**The Chair:** No, we don't have time.

[*English*]

We will continue with Ms. Cobena for five minutes.

**Sandra Cobena (Newmarket—Aurora, CPC):** Thank you, Madam Chair.

Thank you for being here, Minister.

The budget implementation act includes provisions related to the Alto high-frequency rail project, a multi-billion dollar initiative that will involve significant procurement, financing structures and long-term public contracts. Given the serious and well-documented concerns about the potential conflicts of interest involving Brookfield, including its proximity to the Prime Minister and its extensive role in global infrastructure financing, can you answer clearly and unequivocally whether Brookfield will be barred from bidding on, participating in, advising on, financing or otherwise benefiting from any aspect of this high-frequency rail project?

**Hon. Steven MacKinnon:** What I can tell you is that a private consortium, led by a Canadian pension fund, is the private sector partner. They have a number of other affiliated companies, many world-leading, and most of them are owned by Canadians, including Air Canada and many others. That is the private sector entity we have chosen to accompany the Crown corporation that's developing this project.

**Sandra Cobena:** However, given the serious concerns about Brookfield specifically, can you please confirm clearly whether they will be involved or not?

**Hon. Steven MacKinnon:** I have no idea whether Brookfield will be involved.

**Sandra Cobena:** You're not preventing it from being involved, given the potential conflicts of interest here. They could technically—

**Hon. Steven MacKinnon:** I have no knowledge of that.

**Sandra Cobena:** —be able to participate.

**Hon. Steven MacKinnon:** I think that question is purely hypothetical.

**Sandra Cobena:** No, it's actually quite simple. Will they be able to participate and benefit from this project or not—

**Hon. Steven MacKinnon:** I don't—

**Sandra Cobena:** —based on the way you have structured it?

**Hon. Steven MacKinnon:** The way we have structured it is with a private sector consortium led by a Canadian pensions fund.

**Sandra Cobena:** Yes, but it is Brookfield, which has a potential conflict of interest, very clearly documented. It is not just another private sector company. Will they be able to participate or not?

**Hon. Steven MacKinnon:** There is currently no involvement by Brookfield in this project.

**Sandra Cobena:** They could be involved.

**Hon. Steven MacKinnon:** Well, yes, but Joe's Plumbing on my street could also be involved.

**Sandra Cobena:** Then the answer is yes, they could be involved. There's nothing....

I have another question.

In Bill C-15, there is a provision that would grant ministers sweeping new powers to exempt any entity, corporation or individual from almost any federal law, with the exception of the Criminal Code. Why did you feel that was needed?

**Hon. Steven MacKinnon:** I don't know what law you're referring to.

**Sandra Cobena:** It's clause 208 of division 5, part 5, where it is allowing any minister to exempt any entity from any provision of any law for which the minister is responsible, for a period of up to three years, with the exception of the Criminal Code.

• (1800)

**Hon. Steven MacKinnon:** Yes, that's the law that we both voted for. It's Bill C-5. It's the Building Canada Act.

**Sandra Cobena:** No, this was included in the budget implementation act. This was not included when the budget was presented in November. It was not debated exclusively, separately. It is here—

**Hon. Steven MacKinnon:** That's what we're doing now.

**Sandra Cobena:** —so why do you feel that you and the other ministers around you, as well as the Prime Minister, need the power to exempt anybody from any federal law, except for the Criminal Code?

**Hon. Steven MacKinnon:** This is specifically designed at accelerating the progress and the ability to move, plan, contemplate and build large projects.

**Sandra Cobena:** You do recognize that now individuals or corporations are not going to have any interest in changing the law. They will just lobby you personally because you have that power.

**Hon. Steven MacKinnon:** We had an open process in terms of procuring the partnership that I referred to earlier. It's called Candence. That followed all of the openness and transparency requirements that are established in Canadian law.

We are not proposing here a significant modification of applicable law in respect to acquisition of property. We are proposing to shorten it, though.

**The Chair:** Thank you, Minister.

Thank you, Ms. Cobena. That concludes the time.

We will conclude this appearance with five minutes for Mr. MacDonald, please.

**Kent MacDonald (Cardigan, Lib.):** Thank you, Madam Chair.

Thank you, Minister, for coming.

If you would like to take the time to answer Mr. Garon—you were cut off—please go ahead, but do look into his eyes.

[*Translation*]

**Hon. Steven MacKinnon:** Mr. Garon began by saying that he was not opposed to the project. Frankly, he is right not to be opposed to the project. It is a project that has generated a lot of enthusiasm in Quebec, Ontario and the rest of Canada. We have been discussing it for a long time.

It is a linear infrastructure project. Even though the high-speed rail line will be fairly narrow, it will also be straight, because high-speed trains do not like curves. We want to act with the utmost respect, while taking into account the fact that this is a narrow corridor, as was contemplated in Mr. Garon's riding with the Highway 13 extension project, which is part of the Quebec infrastructure plan. We will do this work using the lessons learned from the past. Yes, there were expropriations in Mirabel, and that left scars. So we will act with the utmost sensitivity. However, the situation is not the same at all in terms of land requirements, subject to the specific and unique aspects of the project I just mentioned, such as the fact that the route will be straight. We will proceed in Mirabel as we will elsewhere in Quebec, that is, by following the principle of mutual agreement. This is preferable. We will take rights-of-way near other public rights-of-way whenever possible, while collaborating with municipalities and provinces. We can therefore imagine that the route will follow corridors such as highways or power lines where possible.

However, I don't like it when people draw analogies from the past when they are not perfectly congruent with what we are trying to do. I spoke to some young people from the Mirabel area who are very excited about being able to go to Laval and then take a train to Quebec City or Ottawa in a very short time. This feeling also exists in the Lower Laurentians, as it does everywhere else. I went to Trois-Rivières, in the Mauricie region, where people are very excited about the possibilities for economic development. At the Université du Québec à Trois-Rivières, the possibility of developing this campus, the possibility of—

• (1805)

[English]

**Kent MacDonald:** Minister, that's wonderful news for Quebec. I want to get a little bit in about P.E.I.

**Hon. Steven MacKinnon:** Yes, okay. I know a little bit about that, too.

**Kent MacDonald:** Coming from P.E.I., we both should know a little bit about the requirement for efficient and reliable transportation.

Since our government took office in April, we know that the Prime Minister has been focused on investing in infrastructure projects and investing in Canadians.

On August 1, we had a reduction announcement in P.E.I. The ferry crossings fares were reduced by 50% and the Confederation Bridge toll was reduced to \$20. That had a major impact on the P.E.I. economy, even though it was only announced August 1.

In terms of the P.E.I. ferry service, they had 100,000 more passengers to the Wood Islands ferry in my region over 2024. We can see the impact that improved transportation systems create.

Could you speak quickly to what P.E.I.'s experience is and then look at what this high-speed rail project can do for business, for tourism and for those people who live along those junctions of the proposed route?

**Hon. Steven MacKinnon:** I know how important safe, reliable and efficient transportation corridors are when you're born on an island. That gets brought home in significant ways. We live in

Canada, we live in a country where we always have to look at the weather.

**The Chair:** Thank you, Minister. That concludes the—

**Hon. Steven MacKinnon:** Are we out of time?

**The Chair:** We're out of time for this—I'm sorry—but because we started a bit late, we still have time for another....

**Hon. Steven MacKinnon:** Hopefully, we can talk a little more.

**The Chair:** I'm sure someone would love to ask you more questions.

We have about 10 minutes left.

If it's okay with the committee, we'll do four minutes for the Conservatives, four minutes for the Liberals and two minutes for the Bloc.

[Translation]

Is it all right?

**Some hon. members:** Yes.

**The Chair:** Perfect.

Mr. Lefebvre, you have the floor.

**Eric Lefebvre (Richmond—Arthabaska, CPC):** Thank you, Madam Chair.

Minister, thank you for being here.

I am going to talk about a sensitive subject. On July 6, 2013, at 7 a.m., I sent a text message to one of my acquaintances, asking, "What can I do?" The person replied: "Pray." Forty-seven people died that night, an entire town centre burned down, and a population was left scarred forever. I am talking about the tragedy that took place in Lac-Mégantic, near my home. I want to take the time to tell the people that we are still thinking of them, that we are thinking of the families. In the municipality and in the greater Lac-Mégantic area, people are still very affected by this.

In 2018, seven years ago, the former Liberal prime minister promised a bypass, but nothing has been done about it. So my question to the minister is this: is the Quebec City-Toronto high-speed rail line more important than the Lac-Mégantic bypass?

**Hon. Steven MacKinnon:** Allow me, as a Quebecker, to add my voice to yours. We all woke up that morning to learn of this horrible tragedy. I can assure you that it also left its mark and scars at Transport Canada.

**Eric Lefebvre:** Minister, I have very little time. I understand that you want to join me, but I need an answer for the people of Lac-Mégantic who are listening to you right now.

**Hon. Steven MacKinnon:** The hearings before the Canadian Transportation Agency have just concluded. If all goes well, construction of the bypass should begin next year.

**Eric Lefebvre:** So, construction of the bypass will begin in 2027.

**Hon. Steven MacKinnon:** In 2026.

**Eric Lefebvre:** Did you say 2026?

Have you spoken to the mayor of Lac-Mégantic?

**Hon. Steven MacKinnon:** Yes. That would be Ms. Morin, if I am not mistaken.

**Eric Lefebvre:** Yes. Well done, Minister, I congratulate you.

Have you visited Lac-Mégantic?

**Hon. Steven MacKinnon:** Not yet, but she and I have committed to a visit, actually.

**Eric Lefebvre:** Thank you for your commitment to Lac-Mégantic, Minister.

**Hon. Steven MacKinnon:** I often speak to your colleague as well, Mr. Berthold. Of course, I consult with the local MP.

**Eric Lefebvre:** Yes, and he does excellent work in the field.

Minister, as has been said, the bill to implement the budget involves several billion dollars. I am concerned about the response you gave earlier, in English, to my colleague regarding the possible conflict of interest with Brookfield and the possibility that this company might invest in the project. You said that no measures would be put in place to prevent Brookfield from participating financially in the project.

• (1810)

**Hon. Steven MacKinnon:** We have laws that govern conflicts of interest. There is an ethical framework in Canada, in the Parliament of Canada and in our public procurement, that prevents conflicts of interest. So I can assure you and your colleague that there will be no conflicts of interest.

**Eric Lefebvre:** However, you cannot guarantee that Brookfield will not invest in a project like this one.

**Hon. Steven MacKinnon:** I can guarantee that there will be no conflicts of interest.

**Eric Lefebvre:** Don't you see any conflicts of interest between the Prime Minister and Brookfield?

**Hon. Steven MacKinnon:** I can assure you that there will be no conflict of interest in the construction of this project.

**Eric Lefebvre:** Let's talk about the proposal to conduct a 90-day study to reassure the public, farmers, entrepreneurs and landowners.

Do you agree that there should be a study to reassure the public about the land where you are going to build the high-speed rail line?

**Hon. Steven MacKinnon:** Are you asking me if I agree to a study being conducted?

**Eric Lefebvre:** Are you going to carry out a study to meet with the population and reassure them? Are you going to meet with people individually?

**Hon. Steven MacKinnon:** Yes, this is a project that is still subject to the Impact Assessment Act.

**The Chair:** Thank you, Minister.

Thank you, Mr. Lefebvre.

[English]

We are going to continue with Mr. Fragiskatos for four minutes.

**Peter Fragiskatos:** In fact, Madam Chair, we're going to split the time. Mr. MacDonald will begin, and then he'll throw it over to me.

**Kent MacDonald:** Thank you.

Just where I left off, Minister MacKinnon, can you elaborate on what the expected contributions and benefits of the high-speed rail project are going to be to the Canadian economy and to Canadians?

**Hon. Steven MacKinnon:** Well, the first thing I want to say is that I know how important safe, reliable ferry service is, especially to the people of Cardigan. That will be there forever, as far as I'm concerned. We all remember the date of the opening of the Confederation Bridge and how much of a transformative event that was for Prince Edward Islanders. This is no less transformative. In fact, it may be more so for people living along this route, close to this route or within driving distance of this route.

Also, remember that the goal is to have multimodal accessibility on this route. We want to be close to the REM in Montreal. We want to be close to Metrolinx. We want to be close to public transit in Toronto. We want to be close to other regional services for transit and for transportation. This will be a transformative project.

**Kent MacDonald:** Thanks for the clarity.

I'll cede the rest of my time to my colleague.

**Peter Fragiskatos:** Thank you very much, Mr. MacDonald.

Minister, thank you for being here.

I have a general question, seeing that I only have a short amount of time.

Can you speak to the complexity of getting something like this built? Many other advanced industrialized democracies have had high-speed rail for a very long time. There's this ongoing question that's been posed frequently, I would say, by constituents over the years: Why not high-speed rail in Canada? Why haven't we been able to get it done, and how can we get it done now? I think all MPs have had this experience.

**Hon. Steven MacKinnon:** Let's agree that this is a project of significant complexity. It's over 1,000 kilometres of dedicated line, straight line; there aren't many curves. There can be some, but in order to achieve the speeds that we're looking for, this is a piece of linear infrastructure. Anyone who studies the construction of linear infrastructure projects around the world will tell you just how difficult they are. We must do the engineering and the land assembly. We must plan, in some cases, intricate entries into cities like Montreal and Toronto. This is a major engineering project; it's a major construction project. It's one where if we do not take active measures to shorten the planning process, that will significantly delay the construction.

I should mention that delaying the construction by any amount, delaying in any significant way, costs billions and tens of billions of dollars. Canada can do itself a favour by moving forward the date at which we begin the construction of that first segment between Montreal and Ottawa and by then closely after that following in parallel to construct the Toronto to Ottawa and Montreal to Quebec City portions of the project.

This is a popular project. It makes people imagine a better future in many cases. It offers new possibilities to up to 40% of Canada's population, and it is a test and a sign of our ability to get big things done. I think it is an outstanding proposal. This is but one measure that we are proposing to make sure we can get to creating the projects. It's interesting to me that many of the debates we have in the House of Commons are about how we accelerate projects and that—

• (1815)

**The Chair:** Thank you, Minister.

We're going to have to conclude that round here.

**Hon. Steven MacKinnon:** —many of the debates we're having here are about how we can remove the means to accelerate those projects.

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

[Translation]

Mr. Garon, you have the floor for the last two minutes.

**Jean-Denis Garon:** Thank you, Madam Chair.

Minister, I am going to surprise you by saying that I agree with you on one thing, and perhaps even more than one. I, too, am a member of Parliament in Ottawa. I, too, am eager to have a fast train between Montreal and Ottawa. We clearly have a transportation problem. I am one of the enthusiastic people.

It's like Daniel Bélanger's song, *Tout est dans la manière*: It's all in the way you do it. You are amending the law specifically for the Alto project. There has been talk of impact assessments, the right to a hearing before a commissioner, and so on. It is clear that this will change the balance of power in the negotiations and that there will be private negotiations. It's obvious that, by definition, this will change things. It's also obvious that it will speed up the project; I agree with you.

However, you said something interesting, namely, that because of existing laws, it may no longer be possible to build anything big

in this country. So why change the law just for the high-speed rail project? Why didn't the government simply decide to use the Expropriation Act, as it did for Mirabel, for the Lower Laurentians and for this linear infrastructure corridor? If we are unable to build, why not simply change the law? Doesn't the fact that the government is not doing so confirm that the current law is highly legitimate?

**Hon. Steven MacKinnon:** We were talking about Lac-Mégantic earlier. I understand the heart-wrenching debate that took place in that region regarding the bypass. Some people were not happy with the railway bypassing the town because of the impact it would have on the community. However, we cannot deny the number of years it took to get to this point. For me, this is the perfect example. Whether you like the decision made regarding Lac-Mégantic or not, it illustrates my point very well. It is 13.5 kilometres of—

**Jean-Denis Garon:** Why not change the entire act? Why change it just for the high-speed train?

**The Chair:** Please provide a brief answer.

**Hon. Steven MacKinnon:** We are amending the Expropriation Act specifically for a project that will only be done once. Amending the act for all future work seems senseless to me when we will only be building one high-speed train.

**The Chair:** Thank you, Minister.

That concludes Mr. Garon's speaking time.

[English]

On behalf of the committee, I would like to thank Minister MacKinnon, his deputy minister and Mr. Robitaille for joining us today.

That concludes this hour with the Minister of Transport. We will take a brief suspension before returning.

Thank you, colleagues.

• (1818)

(Pause)

• (1828)

• (1825)

**The Chair:** I am calling this meeting back for the second hour. We will resume the meeting.

I would like to take a minute to welcome our witnesses.

From Alto, we have Martin Imbleau, the president and CEO; Robert Godbout, vice-president of finance; Félix Turgeon, chief legal officer; and Marc-Olivier Ranger, chief strategic policy and partnerships officer.

Welcome. We are delighted to have you here today.

I would just like to remind everybody about interpretation because this might be your first time. It's available in both official languages. There is a QR code, I believe, on the desk for using the headsets.

You will have five minutes for your opening remarks.

Mr. Imbleau, I'll pass it over to you, please. Thank you.

[Translation]

**Martin Imbleau (President and Chief Executive Officer, VIA HFR – VIA TGF Inc.):** Madam Chair, thank you for giving us the opportunity to discuss Alto and the implications of Bill C-15.

[English]

Alto is a true high-speed rail service, like the kind we experience in Europe. It will span nearly 1,000 kilometres of fully electrified, dedicated passenger tracks linking Toronto to Quebec City. It's fast, frequent and reliable.

Alto will cut travel times in half and strengthen economic productivity across Canada's busiest corridor.

Last February, the government made three foundational decisions. It chose a high-speed rail option; it selected Cadence, a consortium with strong Canadian roots and international expertise, as Alto's private partner; and it provided funding to move the project forward.

In September, the government committed to a four-year construction start. In December, Minister MacKinnon and I announced that its first phase will connect Ottawa to Montreal, and construction would start in 2029. In 2025, we shifted from the “why” to demonstrating the “how”.

Two weeks ago, Alto began a corridor-wide public consultation process that includes open houses, virtual sessions and round tables. The first phase of the consultation process is built on best practices: start early, be transparent and use what we hear to refine the work. A second round will follow this fall, at which point we will present the detailed alignment. Although this approach takes much more time up front, it will ensure longer-term success.

The level of engagement to date has already exceeded our expectations. To this day, more than 2,300 people have attended our open houses and 1,800 people attended our virtual sessions just this last Saturday. This week, we will be in Toronto, Terrebonne and Saint-Eustache.

● (1830)

[Translation]

We will also be adding sessions in Mirabel and Ontario in the coming weeks.

At the same time, consultations with indigenous communities are continuing, of course. The comments gathered will also be used to determine a specific route, which we will present to the affected communities next fall.

[English]

A project of this scale cannot move forward without a clear framework on all aspects. That clarity is essential not only for Alto

but also for the industries, stakeholders, indigenous partners and landowners. Predictability is the name of the game.

The measures proposed by the government are critical for Alto to deliver the project with clarity and certainty. Without proper measures, you will call me in a few years to question me about the delays in starting the construction and the extra costs associated.

That said, these measures come with responsibilities. Anything affecting private property is deeply sensitive and “expropriation” is a loaded word. It's not something we take lightly. It has real impacts on peoples' lives.

[Translation]

Obviously, the Mirabel region is even more sensitive in this regard. We are fully aware of this.

[English]

I also want to be very clear about one thing. Right now we are evaluating a corridor that can be up to 10 kilometres wide. That is not the footprint of the railway. In reality, high-speed rail typically takes around 60 metres in width.

Projects of this scale also require legislative tools that support sound cost management and reduce financial risk. Of course, voluntary agreements with landowners will be the preferred approach. That has been what I have done for 30 years on big projects.

[Translation]

However, the bill provides for changes to expropriation measures. Alto could, and undoubtedly will, have to resort to them. The right of first refusal will help prevent land speculation. The provision prohibiting certain types of work is intended to prevent non-essential work from artificially increasing the value of land that may be required. These tools must be put in place now so that the mechanisms are in place and known once the route has been chosen.

Thank you for your attention.

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

[English]

We will start with Mr. Muys for six minutes, please.

**Dan Muys (Flamborough—Glanbrook—Brant North, CPC):** Thank you, Madam Chair, and thank you to all of the witnesses who are here today.

Building a rail line takes a lot of steel. I'd like to ask if you have an estimate of the volume of steel that would be used in the Alto project, the number of tonnes or a range of the number of tonnes.

**Martin Imbleau:** It requires tonnes of steel, concrete, copper and aluminum. In terms of steel, it's probably a bit more than 600,000 tonnes of steel. One third of it would be for the tracks. The rest would be for the structural steel that is required.

**Dan Muys:** That is quite a large volume, 600,000 tonnes. Certainly, the federal government, the minister and you have all stated that these high-speed rail projects will prioritize the use of Canadian steel. In fact, the government held a famous rail summit in the steel town of Hamilton in August. I asked an order paper question of the government back in June 2024. This government acknowledged that it does not track and has not historically tracked whether federally funded infrastructure projects use Canadian produced steel.

Therefore, given the lack of clarity here—and you spoke to that in your opening remarks—what specific mechanisms will also be put in place to track, verify and publicly report the portion of Canadian steel used in this project versus steel from elsewhere?

• (1835)

**Martin Imbleau:** I sometimes joke, saying that this project is a “weapon of mass construction”. It's going to be a huge undertaking.

I was there in Hamilton for the summit. Since then, even before the buy Canada policy was implemented, we reached out to the industry. The intent is to maximize the local usage of steel and also to prepare for the supply in 2030 or shortly thereafter. The industry has to prepare to supply us, and the intent is to try to focus and to supply basically all materials as locally as possible, while keeping the competitive tension to afford the right price.

**Dan Muys:** You didn't quite answer the question. Are there mechanisms that are actually going to track and verify that? It's great that the conversations have been held, and it's obviously important that those have been held in Hamilton, which is Steeltown. However, are those processes going to be in place as you get into the details this fall, which isn't that far away?

**Martin Imbleau:** We will definitely track the local content and Canadian content for the transparency of the process down the road, both for steel and for other components.

**Dan Muys:** Would you also commit to providing Parliament with periodic updates on that steel sourcing—again, the origin, the volume and the value—so that those claims can be independently verified?

**Martin Imbleau:** We will, definitely. I think the intent is to do it and to provide an annual report on local content.

**Dan Muys:** Okay.

I know that one concern with large infrastructure projects is often with some of the early procurement decisions, when you kind of lock in suppliers, maybe unintentionally, before some of the details have become known.

What safeguards are also going to be to put in place to ensure that the early stage procurement—and surely that's being fleshed out now—doesn't intentionally crowd out Canadian steel suppliers before the full project approvals are in place? Having worked on a large infrastructure project in the private sector prior to being elected to Parliament, I know that this could happen, particularly with those early decisions.

**Martin Imbleau:** We are not going to procure steel for some time; probably not this year. We'll maybe start the process later next year. Therefore, no decisions have been taken. We're not committed. No contracts are in place.

Right now, we are doing a market sounding with all of the Canadian players in Quebec, Ontario and elsewhere to see what they can provide and also what we can do at Alto and within the government to help them be prepared to supply more steel.

**Dan Muys:** Notwithstanding the fact that you don't have the contracts in place, there is the assurance that this will be a Canadian-produced deal.

**Martin Imbleau:** We will definitely respect the buy Canadian policy and try to maximize all local content that there is out there.

**Dan Muys:** Okay.

You mentioned in your opening remarks that there's a four-year construction timeline for the Ottawa to Montreal portion. For the other portions—from Toronto, for example, and extending to Quebec City—what is the timeline on those?

**Martin Imbleau:** We don't have a very precise timing today because we haven't done sufficient work. The environmental process will only start early next year, and then we'll do detailed engineering for two years on the first segment. When we start the construction of the first segment, shortly thereafter we will start building the other segments potentially a couple of years after.

There is no commitment today because I want to be prudent. I want to do my homework before throwing out dates, but it is potentially two years after the initial construction period.

**Dan Muys:** It is potentially a six-year wait for people in Toronto.

**Martin Imbleau:** Something similar to that. We start in 2029 or 2030 and maybe 2032 or 2033, but this is a guesstimate at this point in time. 1,000 kilometres is such a large endeavour. Engineering is the name of the game. We need to be in the field doing the detailed work.

**Dan Muys:** For the Toronto to Windsor corridor, in terms of eventually connecting that to Chicago and U.S. markets, how is that going to integrate with high-speed rail?

• (1840)

**Martin Imbleau:** The potential expansion to the west is something we've been mandated to study.

**The Chair:** Apologies, Mr. Imbleau. We're going to have to pause it there.

I wanted to ask one question, though. Following up on Mr. Muys, does Canada currently produce the kind of steel that Alto would require?

**Martin Imbleau:** For two-thirds of the steel that is required, we have no concern that locally produced steel will not be available and competitive. For the rails themselves, today Canada does not manufacture that. We're looking at ways to entice the industry to see if it's possible or at least use Canadian steel, but it's just too premature to commit at this point in time.

**The Chair:** Great. Thank you very much for that.

We will now continue with Mr. Fragiskatos for six minutes.

**Peter Fragiskatos:** Thank you, Madam Chair.

Thank you to all of you for being here today.

Mr. Imbleau, I have a question on the locations. How are they determined, exactly? Obviously, there is ridership, among other factors such as cost-benefit analysis and the geographical terrain. All of these things fit in. However, I want to ask you specifically about the place of population growth in the decision to decide on particular locales, stations, the route and these kinds of things.

**Martin Imbleau:** Of course, high-speed rail has to be fast, which involves limited stops, a very direct line and connecting as many people as possible while also thinking about how we connect people in the future. The seven stops we have—Toronto, Peterborough, Ottawa, Laval, Montreal, Trois-Rivières and Quebec—were in the mandate when I joined the corporation.

Our job has been to update and provide a corridor where we could build this. We're looking at different options. As for the seven stops, they were there, but the specific locations of the stations are still not defined. That's what the consultation is all about. It's the same thing for the very precise alignment. It's a process that will take the full year of 2026 before it's finalized. We've committed to present that before the end of the year.

**Peter Fragiskatos:** It's a very interesting and exciting project. My intent here is not to throw cold water on it at all, quite the contrary in fact.

I represent London, Ontario. London is one of the fastest-growing communities in all of Canada. The most recent data, in fact, points to the fact that it's in the top five when it comes to communities that are growing very substantially in terms of population. In Ontario, it leads the way and has for the past few years now.

If you take into account London and surrounding communities like St. Thomas, for example, where the Volkswagen plant is going, Strathroy, Komoka and other neighbouring communities as well, you're talking about a region that has in excess of 600,000 people. Ridership—the Via Rail numbers, obviously—has gone up over the years. It doesn't align exactly with Toronto, but it's growing substantially.

I would not be doing my job if I didn't ask if London has been considered in all of this. I would even extend beyond London to Windsor. You'd have a route that would go from Windsor to London then Toronto into Quebec. Was this looked at at all, and where is the place of southwestern Ontario in the overall vision?

**Martin Imbleau:** It's already 1,000 kilometres, the largest public infrastructure—as we've heard the minister say—since the St. Lawrence Seaway. I like to say to people, let's focus on delivering what we have in front of us. We've been mandated to study potential extensions to the west of Toronto. It's something we will do in the coming months with our partner.

It's still very preliminary. It's probably where project Alto was a few years ago. There is no conclusion yet, but it's something we will be studying in the next year or so.

**Peter Fragiskatos:** Apart from contacting their members of Parliament, naturally, which constituents have certainly done, what advice would you give those two proponents of high-speed rail in my community—the wider southwest region and municipal leaders as well—who want to see high-speed rail in the region? What would you say to them?

**Martin Imbleau:** I think my first comment would be this: Let's make sure that this project, as it is targeted today, is a big success and give us some time to study a potential extension. We really want to be successful with what we have on our plate today. It's so big that expanding more, too fast, could be detrimental to the rest of the project. But we'll definitely be studying that in the coming months.

**Peter Fragiskatos:** Are there things that Alto would need to see here? What would have to be in place for a decision to be made in the affirmative such that the southwest region would be included in a high-speed rail project?

• (1845)

**Martin Imbleau:** Well, I guess that's a question that probably should be put to the minister who was sitting in the chair before me. It's a policy decision. For us, the mandate is really to look at the technical feasibility—

**Peter Fragiskatos:** With all due respect—I don't mean to interrupt you, but I have limited time—you know as well as I do that the decision would be based on evidence. Alto would be consulted when it comes to the various metrics that would need to be in place in order to ensure that an expansion goes ahead. What are some of the factors that would go into that?

**Martin Imbleau:** They would be similar to what we've done in this first project—feasibility, cost, speed and ridership. Is true high-speed really required or is it something else? It's looking at different options. We call it a “multi-criteria” assessment. There's a list of various criteria that we definitely need to consider to envisage any expansion going to the southwest.

**Peter Fragiskatos:** Thank you very much.

I have about 45 seconds left. Can you talk a little bit about the consultation in terms of the work that's been done up to this point? You're talking about some very impressive expressions of interest, if we can put it that way, among citizens who have been engaged thus far. Who are you talking to—municipal leaders, indigenous communities and those along the affected route? It would be all of the above, I suppose.

**Martin Imbleau:** Indigenous consultation has already started. It is following a different path. This time we're doing something that we don't see very often. It's a very wide approach on consultation. We're presenting something that is very large, and we don't know everything, so we want to be out there with officials and the public in general: What should we be thinking about to update and potentially improve or change part of the project? That's what consultation is all about.

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

Thank you, Mr. Fragiskatos.

[Translation]

We will continue with Mr. Garon for six minutes.

**Jean-Denis Garon:** Thank you, Madam Chair.

Gentlemen, thank you for being here.

Let's start with the usual caveat. As I said to the minister, we are in favour of a train. We think it's a great project. I am the first to suffer from the difficulties of travelling between Ottawa and the metropolitan area. It is important to repeat this, but once again, we have parliamentary work to do. In some respects, our current position is that Bill C-15 still goes quite far.

It was a somewhat general question, but I asked the minister why, if the expropriation laws prevented us from building anything large in this country, we did not simply change them so that everyone would be equal before the law.

Why are we only doing it for this project? He replied that it would be senseless. So what the minister himself is telling us—he said it here, it's on the record—is that these legislative amendments are senseless, except for this project. What makes what is senseless elsewhere make sense for Alto?

**Martin Imbleau:** I don't think it's my place to answer theoretically for other projects. What is clear is that a project like this is being developed by the government itself. It is not a private project. The public interest is at the heart of the project. We are here for the public. So it's something quite unique. It's not a private project.

Secondly, linear projects are particularly difficult because the social and demographic reality changes with every kilometre. So, measures are needed to ensure that a certain pace of development, construction and operation is maintained. Having been involved in linear projects for 30 years, I know that without a standardized, modified process, it is difficult to complete a project of this scale within the targeted time frames.

**Jean-Denis Garon:** This implies that the minister should simply have introduced a separate bill, held hearings and amended the act in general.

There is someone here who is more knowledgeable than I am in the legal field. So please excuse my language, because I'm an economist. Generally, in life, under the current law, before Bill C-15, a person receives a notice of expropriation and, after that, is told that they are going to be expropriated. That's how it works. I know you're going to praise the mutual agreement, but you can spare me that, because I know that's where we end up. At some point, the person may say that they want to be heard by a

commissioner, that they are entitled to a hearing. Now, however, that part of the process is being removed from the law.

I would like to know this: If we left the law as it is, do you expect many people to exercise this right? What would your expectations be?

**Martin Imbleau:** Despite the preamble, it is certain that we will want to reach an agreement with the owners. We are talking about the next 100 years. We will not get there by rushing. We want a harmonious relationship with our neighbours.

Furthermore, what the bill does is speed up certain administrative procedures. It provides a framework for a process. The right to contest remains, modified, and the right to contest market value also remains. It is therefore an amendment that allows landowners to be satisfied and to have a defined framework.

• (1850)

**Jean-Denis Garon:** I would just like to come back to my question, which is specific. I will say it again: Time is a rare commodity in places like this.

In the first stage, a person who wants a hearing before a commissioner will not have a hearing before a commissioner. Without Bill C-15, would you expect many people to exercise this right?

**Martin Imbleau:** The right to object remains in place. It is standardized, it is provided for in the law, and these are processes that follow—

**Jean-Denis Garon:** I am talking to you about the commissioner. I am talking to you about what is in the current law. A person who has received a notice of expropriation can request a hearing before a commissioner, an environmental impact assessment, a community impact assessment, and so on.

My question to you is this: without Bill C-15, would you expect many people to exercise this right?

**Martin Imbleau:** The impact assessment has not changed. The Canadian Impact Assessment Agency has its legitimate place. We are not proposing to do away with impact assessments. On the contrary, we will subject all three segments to impact assessment without hesitation.

**Jean-Denis Garon:** I would like to ask you this: Without Bill C-15, would you expect a large number of people, once they have received a notice of expropriation, to appeal to a commissioner to be heard?

**Martin Imbleau:** I think you are talking about a hypothetical situation. What I'm saying is that a structured, well-regulated process allows us to retain the right to oppose and challenge, but also to have a schedule that avoids excessive delays.

**Jean-Denis Garon:** You see, Mr. Imbleau, it's this kind of non-answer that bothers me. Someone who receives a notice of expropriation today may want to be heard. You heard the minister, didn't you? Ministers here are not the most sensitive people in the world. They certainly don't have your sensitivity with regard to Mirabel, I can guarantee you that.

There is concern. Normally, these people might say to themselves, "I have a notice of expropriation, I'm going to be heard by a commissioner. It's going to take some time. That's part of my bargaining power. It's something that works to my advantage, I agree." Then these people say they are going to appeal to a commissioner. I am telling you that Bill C-15 will remove that part of the process. You call it simplification; I call it taking away someone's right, a right in the process.

I ask you if you expect many people to request it, and you are uncomfortable answering. Perhaps the answer is yes.

**Martin Imbleau:** I think that's an assumption of my motives.

**Jean-Denis Garon:** No, the question is clear.

**Martin Imbleau:** The transparency of a process is very important to us. In the case of a high-speed rail, once the route is determined, it's clear that it will pass through those places. Giving false hope of an opposition that will take some time means that the debate is on—

**Jean-Denis Garon:** You're saying that if you aren't going to listen to them, you might as well not give them the right.

**Martin Imbleau:** The right to object remains in place. It's limited.

**Jean-Denis Garon:** It's more expensive.

**Martin Imbleau:** It's regulated, and so is the right to challenge compensation.

**The Chair:** Thank you, Mr. Garon and Mr. Imbleau.

We will now continue with you, Mr. Lefebvre, for five minutes.

**Eric Lefebvre:** Thank you, Madam Chair.

Thank you to Mr. Imbleau and the other witnesses for being here in committee.

Right from the start, you talked about sound cost management. I think that's important. You also said that you need a clear framework on all aspects of the project. I'd like you to talk about the fiscal guardrails for this project. How will you be able to ensure that you maintain the guidelines for management?

**Martin Imbleau:** One of the project's very clear mandates is affordability and transparency. I would say that from a governance perspective, on a scale of one to ten, Alto is probably at seventeen, because we have an independent board of directors; we have the Auditor General; we report to Transport Canada; we systematically publish every progress report, the quarterly reports. Everything is completely, completely public. That's really the foundation of the governance that's in place.

Second, not putting forward costs or promises too early is a good way to go. Today, we still have only a working hypothesis that the project could cost between \$60 billion and \$90 billion. Once I have done enough work, I'll be happy to come back and tell you what the budget is for the first segment, how we intend to stick to it and what the contingencies are. That will come a little later in the process.

**Eric Lefebvre:** In 2018, the European Union conducted an audit on high-speed rail projects, whose costs had increased by an average of—get this—78%. I don't know if you have seen that or

looked at it. If you have looked at it, what mistakes were made? You're basically lucky to be able to consult those projects so that you don't repeat the same mistakes. Were you aware of the mistakes that had been made in that regard?

**Martin Imbleau:** Yes, of course. If we look at examples elsewhere, such as California, which is really not a good example, or the recent examples in England and the failures—

• (1855)

**Eric Lefebvre:** I'm sorry to cut you off, but could you give me an example of what was done wrong in the California project?

**Martin Imbleau:** The mistakes were having no budget to do the project, doing it piecemeal, starting in the middle of nowhere and going to the middle of nowhere: a recipe for disaster. In the case of the England project, the mistake was to have land acquisition processes that weren't standardized enough, which meant construction was carried out without a defined framework for land acquisition. That meant that construction would begin but have to stop, resulting in delays and drastic increases in costs.

The universal recipe for success is to take our time to get started and to do our homework before making promises. Once the project is well defined, announcements are made and things speed up. We don't do the opposite. We don't speed up too quickly. We take our time at the beginning. We'll move faster tomorrow.

**Eric Lefebvre:** My colleague said it earlier. As elected officials, every day, we deal with human beings who are experiencing human tragedies. Our role is to try to support our fellow Canadians in response to the various challenges they face. Expropriation will be a very emotional process for people, whether they're young families, farmers or seniors.

Can you guarantee that these people will be met in person? These are human beings who are behind these lands, who own these lands. Will there be meetings with these people to discuss the process that will be followed and to reassure them?

**Martin Imbleau:** Mr. Lefebvre, I personally promise you that any owner who wants a physical meeting with a living, breathing person, a human with a beating heart at Alto, will meet with someone, without exception. That's how I've done projects in the past. Maybe a procedure will be used, but at least we'll have established a human relationship with all the people who will be affected by this project. I give you my word on that.

**Eric Lefebvre:** Mr. Imbleau, I greatly appreciate that, and I thank you for making that promise today.

This is really a question: In terms of environmental studies, are we looking at a provincial study, a federal study or both?

**Martin Imbleau:** Since the project is federal and crosses provincial borders, it will be subject to the federal environmental assessment process, which will begin a little later this year or early next year. We have had the opportunity to inform our provincial partners that we will obviously seek to involve them and take into account their concerns, objections, suggestions, and perhaps also their criticisms, as part of the environmental assessment process, which will be led by the federal government.

**Eric Lefebvre:** Bill C-15 allows for expropriation notices to be sent in a simple email. Would you agree with us moving an amendment to remove that power to ensure that, as you committed to ensuring, people will be able to meet with a member of your team?

**Martin Imbleau:** We'll meet with everyone in person; I promise you that again. The email will be the owner's choice. If they prefer a more formal process and a registered letter to keep track of documentation, we'll be happy to follow that longer process. Really, if somebody says they're more comfortable with a registered letter, as in the good old days, we'll follow that process exactly, no problem.

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

Thank you, Mr. Lefebvre.

Mr. Leitão now has the floor for five minutes.

**Carlos Leitão:** Thank you very much, Madam Chair.

Good evening, Mr. Imbleau, and your colleagues. Thank you for appearing at this meeting.

I have a question about your earlier comments on steel. You mentioned that about two-thirds of the steel you will eventually need could be supplied by Canadian producers. However, there's still a missing third that Canadian producers can't supply at this time.

A number of other public services, such as Hydro-Québec and Ontario Power Generation, have turned to private sector suppliers through long-term framework agreements that include certain guidelines. Could Alto consider that kind of agreement with private sector companies that could supply the remaining third of the steel?

**Martin Imbleau:** That's indeed the goal of this consultation with the Canadian industry.

What are the characteristics of the contracts needed to ensure that long-term supply? We're talking about 4,000 kilometres of steel rail. For us, that's enormous. That's over 200,000 tonnes of steel. For the steel industry, let's be honest, it's pretty small. They need predictability over perhaps the next 10 or 15 years, then. We're prepared to provide that predictability. It remains to be seen whether that's enough to make significant changes to existing infrastructure or to build new capacity. That isn't clear. We don't have the answer yet.

• (1900)

**Carlos Leitão:** Thank you for the clarification.

One of my colleagues mentioned earlier the lessons that could be learned from what went wrong in projects abroad, whether in England or California. The California example is indeed very interesting.

When it comes to major Canadian infrastructure and transportation projects in Quebec and Ontario in recent years, are you talking to your colleagues at the Réseau express métropolitain, or the REM, or at Metrolinx, for example, to assess what has worked less well, what hasn't worked at all, and what has worked very well?

For example, recently, everyone who lives in the Montreal area knows that there have been a lot of comments about the effects of temperature on the REM. Yes, it's cold. Surprise, surprise.

Are you talking to your colleagues at the REM, then, for example, or other Canadian companies that have recently built major infrastructure projects?

**Martin Imbleau:** It's essential to do so, because the lessons learned from the LRT in Ottawa have been passed on to us. There are lessons to be learned. Metrolinx is currently developing some of the largest transportation infrastructure projects. There are many lessons to be learned there, whether in terms of tunnels or other extensions, so we're in regular contact with our partners at Metrolinx. It's the same thing for the Montreal metro or the REM. In our consortium, we're fortunate to have the people from the Caisse de dépôt et placement du Québec who managed the REM.

It's hard to do infrastructure projects. We have to stay very humble about the right ways of doing things, so we welcome all recommendations and all lessons learned. If we're missing anything, let us know: We'll make ourselves available to learn.

**Carlos Leitão:** Now, to go back to a more basic level, you'll be having conversations with the major steel producers and the major equipment manufacturers. However, when it comes to Canadian small and medium-sized businesses, or SMEs, in Quebec, Ontario and the rest of the country, are you going to put processes in place to ensure that the benefits of this very large project are maximized for those Canadian businesses?

**Martin Imbleau:** This is particularly close to my heart. I'm currently touring all the chambers of commerce along the corridor. My message is always to get ready, because the object in the mirror is much closer than it appears, so businesses have to be ready to respond to fairly large calls for tenders. They're told that if they want to maximize the benefits, they have to join forces so that small businesses can benefit.

**The Chair:** Thank you, Mr. Imbleau and Mr. Leitão.

Mr. Garon, you have the floor for two and a half minutes.

**Jean-Denis Garon:** Thank you, Madam Chair.

Mr. Imbleau, I just want to come back to the right to be heard.

If sections 8, 9, 10 and 11 of the Expropriation Act are suspended, that leads to the situation that the minister described, which is that the expropriated person can challenge the minister's decision in Federal Court. That's called the right of appeal. Do I understand the conditions surrounding the expropriation decision?

**Félix Turgeon (Chief Legal Officer, VIA HFR – VIA TGF Inc.):** What I'd like to add is that once the owner receives the notice, their first recourse is to inform the minister of their opposition. Once the owner has indicated their opposition to the minister, if the minister still decides to proceed with the expropriation, and the owner requests it, the minister has to write to the owner and set out the various reasons for their decision. Then the process continues to move forward, and it becomes a question of money, or the value of the acquisition. If the parties don't agree on the amount of the transaction, everything comes back to the general legislation. Bill C-15 doesn't change the process set out in the general legislation.

**Jean-Denis Garon:** However, the audience with a commissioner is removed in the first part.

During your activities in Laval, people from my riding, former expropriated people, went to see you and asked you to hold a consultation in Mirabel. I'm very pleased that you confirmed today that you will be coming to visit us. I think people will give you a warm welcome. In Mirabel, we know how to live and to welcome people.

I heard that when they went to see you, they were told that you had agreed to hold a consultation panel in the parish hall in Sainte-Scholastique, which is where, historically, expropriated people have held their meetings. Do you accept this invitation to take questions in a panel format before the sugaring season? It's very important for us.

• (1905)

**Martin Imbleau:** It's a promise: We'll do it before the sugaring season. As for the parish or the municipal hall, I don't know.

That said, the reason we have opted for this format at this time is that it's the best in the world. We're there for hours and hours and hours. Whether you have two, eight, 200 or 400 questions, we're going to answer all your questions. If you have any comments or observations to share with us after you return home, you can come back to do so at the second meeting. You can even do it online. It's much better than a panel. A panel isn't the right way to do it.

**Jean-Denis Garon:** I'll interrupt you to tell you that it's the best in the world, but only because you have never set foot in the parish hall in Sainte-Scholastique, I can assure you.

Thank you, Madam Chair.

**Martin Imbleau:** It will my pleasure to be there.

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

[English]

We're going to continue with Mr. Kelly for five minutes, please.

**Pat Kelly (Calgary Crowfoot, CPC):** Thank you.

You said in response to an earlier question that the best guess at this preliminary stage is a cost of \$60 billion to \$90 billion. Others have estimated the cost will be much higher than that.

What assurance can you have that there will not be catastrophic overruns on this project and that you won't, in fact, be back at a committee like this one or perhaps public accounts to explain yourself?

**Martin Imbleau:** To have overruns, you need a budget that is established. To have a budget, you need engineering. To have engineering, you need an alignment. Today, we are at the stage of a corridor. We will have an alignment in the fall. We will do a couple of years of engineering. That is when we will have a credible budget.

That's why I prefer to use the expression "working assumptions" and I'm not advancing this as a budget, because the work has not been sufficiently advanced. We will have a budget later on in the process.

**Pat Kelly:** Thank you. Understood.

I do understand the inability to have a detailed budget at this preliminary stage, but I think Canadians would be forgiven if they took little comfort from this.

I bring to the committee's attention the example of the Trans Mountain pipeline. Parliamentarians were assured when the government, after it had chased out private capital to build this project, purchased the Trans Mountain pipeline and created a Crown corporation structure to build it. The cost overrun on that project was, I guess, somewhere between 500% and 1,000%, depending on whether you want to count Kinder Morgan's initial budget or the first budget that was given to Parliament.

Canadians need some real assurance that \$60 billion won't turn into \$300 billion. How quickly could you give a real budget that's realistic, could be adhered to and could be successfully reported back to Parliament and the public accounts one day?

**Martin Imbleau:** Thanks for the question. I appreciate the concern.

The best practices are that you need to spend 5% to 10% of your potential cost to have a detailed estimate. That's how big projects get done. If you look at the recipe, what's been done elsewhere and the book that was written on it, you need to invest at least 5% to 8% or 10% of it.

We're not there yet. That's why having the alignment later in the year and detailing the engineering and getting the permits is very sensitive before presenting a budget estimate. Before next year, I won't be in a position to have a budget estimate because sufficient work has not been done.

**Pat Kelly:** What per passenger subsidy will be necessary to operate this?

**Martin Imbleau:** The intent of this project is to be self-sustaining from an operational standpoint.

**Pat Kelly:** Okay. Thank you. That's good.

What's the current per passenger subsidy on the existing rail that you operate?

**Martin Imbleau:** I don't have that, but that may be something we can find. Where I was going is that—

**Pat Kelly:** Two dollars for every one received in passenger fares is, I think, generally understood.

I wondered whether you had confirmed that.

**Martin Imbleau:** The 25 million passengers this project will attract will cover not only the cost of the operation but also remove the subsidy being granted to Via Rail in the corridor today. We will absorb the operational costs as well as the subsidy.

• (1910)

**Pat Kelly:** Okay. One certainly hopes that's how this will go down.

Again, I hope you understand the extent to which Canadians will wish to hold the government to account for being able to deliver a project that doesn't become a massive taxpayer boondoggle as so many others have before.

We've become accustomed to the government announcing amounts and assuring or claiming to Canadians that things will be built only to find massive overruns. I don't know how many times in my own city the government has reannounced the funds to build the green line, which is still not built. It was a Harper-era initial announcement that has been reannounced so many times by this government that I've lost track, yet it is not complete with only a very small portion of that track even being built.

Canadians will want to have assurance that this infrastructure is not only built but is built under a budget that's adhered to and becomes a financial success in moving Canadians across the country.

I'd be happy to hear any assurance you can give this committee.

**The Chair:** Thank you very much, Mr. Kelly. That concludes your time.

We will conclude now.

[*Translation*]

I'm turning now to Mr. Lavoie.

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

**Steeve Lavoie (Beauport—Limoilou, Lib.):** Thank you, Madam Chair.

Mr. Imbleau, thank you for being here today.

We have met a few times in the past. I don't know if you remember me, but I was president of the Chambre de commerce et d'industrie de Québec. I even invited you to talk about the high-speed rail project and take part in a number of consultations on the matter. You'll understand, then, that I'm going to be wearing my Quebec City citizen hat a bit today.

How can you assure the people of Quebec City that the high-speed rail will actually come to Quebec City? I ask because I heard that the project would be carried out in a number of phases. From what I understand, the Quebec City-Montreal phase won't be done

first, but the people of Quebec City would like to know today what stops the high-speed rail will have in Quebec City.

I'll then ask you some economic questions about you.

**Martin Imbleau:** It's good to see you again, Mr. Lavoie. I'll be fortunate enough to be in your old stomping grounds next Monday. I'll be making the same presentation to the Chambre de commerce et d'industrie de Québec.

I've said it before, and I'll say it again: My mandate is written in black and white by the government. There will be seven stops, seven stations, covering nearly 1,000 kilometres. In no scenario is there a possibility of excluding a station in Quebec City. So there will definitely be stations in Trois-Rivières and Quebec City.

**Steeve Lavoie:** Thank you, Mr. Imbleau. It's on the record. I will be pleased to keep that information in mind.

I would like to know what mechanisms are currently in place to guarantee that the project will be carried out and that costs will be controlled. Earlier, we heard a lot about cost overruns, but I'd like to hear you talk about the mechanisms in place for that. I know you look ahead, that you want to make progress before deciding on certain costs, but what mechanisms are in place to ensure that the project is completed and that costs are kept under control?

**Martin Imbleau:** Thank you. The two are somewhat related, Mr. Lavoie.

For our part, we have no projects other than the high-speed train. We're not the ones who are going to carry out the project. We're a project office that partners with a private consortium, and they will manage the project for the most part. Our job, first and foremost, is to oversee the project and be its moral compass and public guarantor in order to move it forward.

We'll oversee the Cadence consortium's work, which will be paid to move the project forward. It will be our job to supervise everything related to its procurement and advancement strategies. At the same time, we will report regularly to our board of directors, Transport Canada, the Auditor General and, finally, Parliament.

Our only job is not to do anything else but manage the project with the best talent in the world. We have hired engineers, lawyers, people from all over the world, who have developed major projects and who also have experience in high-speed rail. They are now part of our team.

**Steeve Lavoie:** Thank you.

You talked about being a moral and public guarantor. What is your area of intervention compared to the private group? Can you intervene, for example, to tell them that something costs too much, or tell them to do one thing rather than another? What are your limits for intervention compared to the private group?

• (1915)

**Martin Imbleau:** The owner of the project remains the Government of Canada. We are an extension of the government, and we are the ones who can decide on borders, limits or changes. So we are really the ones overseeing Cadence's work. There's a contractual regime that's in place. We want to give the consortium some leeway, but the policy decisions are made and will always be made by Alto, together with the government.

**Steeve Lavoie:** You are confirming for us today that there really are mechanisms in place that will protect, if you will, the budget, which I talked about a little earlier. Along the way, will you be able to intervene, instead of reaching the end and being met with surprises, such as cost overruns?

**Martin Imbleau:** Visibility is going to be super important. It's not the end, but the visibility to come.

One of the reasons an initial section of 200 kilometres was proposed was to learn well in a slightly more controlled environment. It will not be easy, but it is still a little more limited than 1,000 kilometres, to properly deploy best practices, to learn, and then be able to move faster when we head toward Toronto and Quebec City afterwards.

**Steeve Lavoie:** I see that time is running out. I would like a brief answer.

Once the 1,000 kilometre corridor is completed, how many people will use it? What was your estimate of the economic impact?

**Martin Imbleau:** Today, there are approximately 4 million passengers using the corridor. By mid-century, there will be 25 million,

and later, at the end of the operating period, maybe close to 75 million to 80 million passengers.

We've had a chance to look at this, to do some microeconomic and macroeconomic analyses, and we can say that, once the trains are up and running, the economic contribution to the GDP of the country will be \$25 billion.

**Steeve Lavoie:** Per year?

**The Chair:** Thank you, Mr. Imbleau and Mr. Lavoie.

That's all the time we have for today.

I want to thank the witnesses for being with us.

[*English*]

You are free to go.

I want to remind colleagues that tomorrow we are going to be having the Minister of Finance here to discuss Bill C-19 for one hour from 6:30 to 7:30. I don't believe a notice has been sent yet, but it will be sent shortly.

We will be spending a lot more time together this week.

With that, I look to the committee to see if there's consent to adjourn.

• (1920)

Thank you very much. Have a great evening.

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