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# Standing Committee on Transport, Infrastructure and Communities

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Chair: Peter Schiefke





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Wednesday, February 25, 2026

• (1630)

[English]

**The Chair (Peter Schiefke (Vaudreuil, Lib.)):** I call this meeting to order. Welcome to meeting 23 of the Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motions adopted by the committee on Thursday, September 18, 2025, and Thursday, December 11, 2025, the committee is resuming its study of the Canada Infrastructure Bank's financing of new vessels for British Columbia Ferry Services Inc.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

I'd like to make a few comments for the benefit of witnesses and members.

First, please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you're not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function.

I remind you, colleagues, that all comments should be addressed to the chair. The clerk and I will manage the speaking order as best we can. We appreciate your patience in this regard.

Colleagues, I'd now like to welcome our witnesses for the first hour today.

Appearing before us, we have the Honourable Gary Anandasangaree, Minister of Public Safety. The officials accompanying the minister today are, from the Department of Public Safety and Emergency Preparedness, Mr. Richard Bilodeau, senior assistant deputy minister, national and cybersecurity branch, and from the Canadian Security Intelligence Service, Vanessa Lloyd, deputy director of operations.

Welcome to all three of you.

Minister, we will get right into it because I know we're eager to ask you questions. With that, it's my pleasure to turn the floor over to you for five-minute opening remarks.

**Hon. Gary Anandasangaree (Minister of Public Safety):** Thank you, Chair. I'll be very brief in my opening remarks. I'll leave enough time for questions.

I'd like to start by acknowledging that we're meeting on the traditional, unceded territory of the Algonquin Anishinabe people.

[Translation]

Thank you, Mr. Chair and committee members, for inviting me to appear before you today.

[English]

Many British Columbians, especially in coastal communities, rely on ferries as modes of transportation for connection to the mainland. The decision by BC Ferries last year to procure its new ferries offshore was a decision made by the province after conducting its own due diligence to accommodate growing demand and need for service.

The committee is understandably concerned about the implications of this deal for national security. While Public Safety Canada has authority to conduct security reviews of foreign direct investments under the Investment Canada Act, it does not review procurement decisions at the provincial level, such as this one. Therefore, we would not have had the authority to conduct a national security review in this case. Only after outreach from Transport Canada did Public Safety officials engage with BC Ferries. BC Ferries had already made the procurement decision.

[Translation]

Our government is currently undertaking a number of initiatives to strengthen our economic and national security and sovereignty in the face of ever-changing threats.

[English]

We continually examine how to protect and promote Canada's economic security. This includes expanding both domestic and international collaboration, as well as identifying key areas of engagement and focus. We see maintaining and bolstering economic security as crucial to our growth and sovereignty. This requires a whole-of-government approach across all levels of government, industry, indigenous communities and partners, academia and international allies.

Mr. Chair, once again, thank you for the invitation to appear at this committee. I welcome your questions and comments.

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

We'll begin the line of questioning today with Mr. Albas.

Mr. Albas, the floor is yours. You have six minutes, sir.

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

Thank you, Minister and officials, for the work you do for our country.

Minister, is China your government's new strategic ally, or is China—as Canadian security agencies have repeatedly stated—the most sophisticated and active state cybersecurity threat to Canada today? It cannot be both, sir.

**Hon. Gary Anandasangaree:** I believe the Prime Minister has said that we want to meet our trading partners where they are, not where we want them to be. With respect to the work of the Prime Minister, as you're aware, we're facing significant difficulties with our closest and best trading partner, the United States. We have embarked on an international effort to expand trade relations, including with China. I would suggest that the work the Prime Minister does, including his upcoming visits to India, Australia and Japan, is part of this broader narrative to expand our trade by 50% over the coming years, which will ensure that both our economic security and our jobs will be protected in Canada while we're going through some trade difficulties at our southern border.

• (1635)

**Dan Albas:** First of all, that makes no sense because we're talking about jobs being skipped over here in Canada for a Chinese hybrid shipyard. Also, Minister, it sounds as though you're saying—and again, I believe in being clear-eyed about these things—that national security interests should be subordinate to trade interests. Is that the case?

**Hon. Gary Anandasangaree:** I believe you can do both.

What we've undertaken with China—and I can ask my officials to expand—is an agreement that speaks to issues around safety and security. We have an MOU that was signed, as you're aware, when the Prime Minister was in China last month. However, we're also working towards greater economic engagement. Similarly, we're doing that with India and many other countries. I believe that we're able to do both, and in fact, the moment calls for us to do both.

**Dan Albas:** Minister, you mentioned officials. I will say that, in the unclassified document this committee has received from Transport Canada, Transport Canada warned, “There have been media reports of surveillance technology embedded [in] equipment...port cranes and drones”, raising concerns about hidden sensors and data-harvesting technologies in foreign-manufactured transportation assets.

Given this, what specific national security assessment has Public Safety conducted to rule out embedded surveillance, hardware or software in ferries that are being built in China?

**Hon. Gary Anandasangaree:** As I indicated in my opening remarks, there was no security assessment. It was outside the scope of the work that our national security apparatus does. This was a procurement that was undertaken by BC Ferries and the Province of British Columbia. It is very much outside the scope of the work that we undertake.

**Dan Albas:** Minister, I have to say, the fact that no security review has been done is unfathomable to me.

Transport Canada plainly states that Canada does not have comprehensive legislation to manage the risks identified on this file and that existing oversight focuses only on “performance and safety rather than mitigation of national security concerns”. The example given is “unauthorized data access or surveillance”.

Why would Public Safety permit foreign-built ferries to be imported before the government closes this legislative gap? What do you have to say, sir?

**Hon. Gary Anandasangaree:** Mr. Albas, I don't want to demean your understanding of Canadian federalism, but let me take this moment to say that we are the federal government. This particular procurement was undertaken by the Province of British Columbia, as you're aware. They have every authority to do that. They have their own laws and guidelines that they follow. It is very much in that vein that this particular procurement was undertaken.

**Dan Albas:** There was no security review by Public Safety Canada. Transport Canada says that we have legislative gaps that do not cover this kind of stuff.

Minister, Transport Canada also warns that vessels built in China “will have access to Canadian waterways” and could gather information related to “critical underwater infrastructure...as well as a critical North American supply route.”

Minister, what is Public Safety's threat assessment regarding foreign-built ferries' mapping, scanning or otherwise collecting intelligence on underwater cables or other important data infrastructure?

**Hon. Gary Anandasangaree:** I can say that every vehicle, every vessel, that comes here will have to meet Canadian standards.

**Dan Albas:** You've said there's no review, sir.

**Hon. Gary Anandasangaree:** They are two different things.

**Dan Albas:** There's a safety review by Transport Canada.

**Hon. Gary Anandasangaree:** One is a review. One is the safeguards that are in place.

In this particular case, the B.C. government procured these vessels.

**Dan Albas:** The B.C. government has the right to put our national security and Canadians' own national security at risk. Is that what you're saying, sir?

**Hon. Gary Anandasangaree:** I'm saying that they have the prerogative to undertake—

**Dan Albas:** They have the prerogative...?

**Hon. Gary Anandasangaree:** —procurement, according to their laws, according to their rules. In this, case that is exactly what has happened.

However, I can say that vehicles, whether they be EVs or those vessels that are being procured, still need to be in line with Canadian standards.

**Dan Albas:** Mr. Chair, I'm just going to take a really quick second here.

These vessels, effectively, have a 25% tariff. The CBSA is the agency that is supposed to collect those tariffs, unless there's a remission order. Does the government plan on giving these foreign-built vessels a pass, effectively locking out Canadian workers while making the vessels cheaper for BC Ferries to bring in at the expense of our industries?

What is your answer, sir?

• (1640)

**Hon. Gary Anandasangaree:** As you're aware, the CBSA is an independent agency. They're not represented in the panel today. If you would like further information, I would be more than glad to get that for you.

**Dan Albas:** However, you're listed in the Customs Tariff act specifically. With that response—

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

Thank you very much, Minister.

We now turn our attention to Mr. Greaves.

Mr. Greaves, the floor is yours. You have six minutes, sir.

**Will Greaves (Victoria, Lib.):** Thank you, Mr. Chair.

Good afternoon to our witnesses.

Minister, thank you so much for joining us today, sir.

As the member of Parliament for Victoria, as you know, I represent constituents who rely on BC Ferries. This is critical infrastructure in our part of the country. It's necessary for daily life, for economic growth, for vitality and for all manner of services and connectivity throughout our province and, indeed, the entire west coast of Canada.

People in my community know first-hand that the aging of BC Ferries' fleet is creating real challenges and that it is a drag on our economic productivity and the diversification of our economy on the west coast. From our perspective, new ferries are necessary, and to be honest, they can't come quickly enough.

In this vein, knowing as we do that the shipyard in China that was selected by BC Ferries for the construction of these new vessels has also produced ferries in use by many of our allied countries—notably, France and Denmark, as well as others—I'm wondering whether we could clarify the record. I'll ask you a very direct question: Does Public Safety Canada have any reason to believe that this procurement of new vessels by BC Ferries poses a national security risk for this country?

**Hon. Gary Anandasangaree:** Thank you for the question.

Let me just comment, at the outset, on the need for increased ferry services in British Columbia. I've tried to go to Victoria and Nanaimo, from Vancouver, on a number of occasions, and I've sometimes had difficulty attaining a ferry in a timely manner. Other

modes of transportation, as you know, are weather-dependent in many cases, and we often find ourselves washed out and not able to travel. I fully recognize the needs of your community, of British Columbians, as well as of those in Victoria, Nanaimo and other major areas where these ferries will be utilized.

Having said that, I think it's appropriate for our national security officials to answer the question vis-à-vis the vessel itself.

We'll start with Ms. Lloyd and then go to Mr. Bilodeau.

**Vanessa Lloyd (Deputy Director, Canadian Security Intelligence Service):** Thank you very much for the question.

Through the chair, perhaps I'll start by offering to reassure the committee members that the national security community writ large, including CSIS, takes the ongoing investigation, monitoring and, when appropriate, mitigation of threats seriously every single day.

As the minister said, in this case, the procurement of the vessels was not subject to a review. I think the committee would understand that, given the concerns raised by the former Minister of Transport that there could be national security concerns, we are alert to that potential.

I can explain to the committee what we do in those cases. We make sure to engage with our stakeholders at the provincial level and at all levels of government, as well as with industry partners. This is to make sure, going forward in the building and engagement under this contract, that those entities have the opportunity to engage—for example, with the Canadian Security Intelligence Service—and to report any concerns they have.

I will also highlight, as the minister mentioned, connected vehicles. These ferries are not connected vehicles, so some of the concerns the committee might have with respect to data sovereignty or other concerns around EVs, in my current understanding, don't apply in this case—although I would defer to Transport Canada to speak specifically to the technology in these particular ferries.

**Richard Bilodeau (Senior Assistant Deputy Minister, National and Cybersecurity Branch, Department of Public Safety and Emergency Preparedness):** Thank you very much, Chair.

One thing I will add, just in terms of the tool kit, is about a bill that's before Parliament and in committee right now, Bill C-8, which contains some provisions in part 2 that would address critical cyber systems in federally regulated sectors—transport being one of them. This will increase the protections in place for that and other sectors as well, such as energy, telecommunications and finance. Those important tools are being studied right now and will be relevant to the transportation sector.

**Will Greaves:** Thank you very much for those responses, Minister and officials.

Minister, you stated in your opening remarks that Public Safety Canada does not review provincial procurement decisions. I'm wondering whether you could tell us this: From the perspective of your department and the public servants who work in service of our country, would it be feasible and legal for the federal government to intrude on provincial jurisdiction by having that kind of involvement in what is ultimately, under our federal system, provincial decision-making?

• (1645)

**Hon. Gary Anandasangaree:** Right now, the mandate to undertake such reviews is within the Investment Canada Act. This is an area in which we routinely review the circumstances of each transaction and comment on it.

It is essentially led by Industry Canada, but Public Safety has a very important role. If there are security concerns, we can extend the time of the reviews. We can come back with a fulsome response that will enable the government to make a decision accordingly: to block a transaction, to ask for a wind-down of an entity. A range of options are available, including mitigation, which happens in many cases, when we try to mitigate any impacts on national security if there are reasons to believe that there could be some opening. We attempt to mitigate cases where we can.

**The Chair:** Thank you very much, Minister, and thank you, Mr. Greaves.

[*Translation*]

Mr. Barsalou-Duval, you have the floor for six minutes.

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

Thank you, Minister Anandasangaree, for joining us.

I would like some clarification.

You told us that no security review was carried out in connection with the contract awarded to BC Ferries. I understand that BC Ferries is a British Columbia entity. However, the loan wasn't provided by a British Columbia entity. The Canada Infrastructure Bank, or CIB, is a federal institution. Loans totalling close to \$1 billion were provided.

Is there no national security review process for investment decisions made by the Canada Infrastructure Bank?

**Hon. Gary Anandasangaree:** Thank you for the question, Mr. Barsalou-Duval.

[*English*]

Let me just say that the Investment Canada Act is the vehicle by which we can review transactions that are of concern. They are mandated; they're very strict in scope, and this is a referral that we get from Industry Canada.

The Infrastructure Bank is an arm's-length entity of the government. There is no direct link between the Infrastructure Bank and Canadian review of procurement. It is there in order to leverage, and it allows jurisdictions such as provinces and territories, as well as municipalities, to leverage their dollars.

[*Translation*]

**Xavier Barsalou-Duval:** Okay. I understand.

So you're more or less confirming what I said in my question. In other words, your department doesn't carry out a security review of investment decisions made by the Canada Infrastructure Bank. Even if it decides to invest, for example, in an economic partnership with Iran or North Korea, the CIB would be free to do so.

Is that right?

I find this quite surprising, given that the investment was made with federal money. This entity falls under federal jurisdiction. I even think that a former head of the CIB is very close to the Prime Minister. We're told that the CIB is an independent body. However, we sometimes see surprisingly close relationships, especially when we see that the former head of the CIB is now in the Prime Minister's Office.

Don't you find this surprising?

[*English*]

**Hon. Gary Anandasangaree:** I would correct you with respect to such countries as North Korea and China. They're not countries that we do business with. We don't have diplomatic relations with them. They're not necessarily part of our trading bloc, and there's no reliance on trade with either one of those countries. Frankly, those scenarios are absurd, but I would suggest—

[*Translation*]

**Xavier Barsalou-Duval:** I'm asking because you told me that no security review is carried out when the bank makes investments. You said that this wouldn't happen. This may be the case, but there's nothing to prevent it from happening.

Honestly, I don't think that we should overlook the investments in China and economic relations with that country either.

I'm not saying that we shouldn't have them. However, I'm concerned that no security review process is in place for decisions made by crown corporations, which fall directly under federal government jurisdiction.

Don't you find that worrying?

• (1650)

[*English*]

**Hon. Gary Anandasangaree:** We go back to the procurement itself, which is undertaken by the province. I'm going to use the example of Quebec as illustrative. If, for example, we undertake a review of a procurement that's undertaken by the Province of Quebec or the Government of Quebec, I think there would be a bit of out-stance—

[*Translation*]

**Xavier Barsalou-Duval:** I didn't mean for you to interfere in provincial jurisdictions. By saying that, you know perfectly well that you're provoking us, to some extent. I would never want to see federal institutions blocking a transaction with Quebec or a Quebec government investment.

That said, we're talking about Canada Infrastructure Bank investments. This isn't a British Columbia investment. I understand that this is the basic idea. I don't see how you could say no to the Canada Infrastructure Bank. That wouldn't necessarily or automatically compromise the transaction. We could find other financial partners in Quebec.

It seems logical that it should work this way. I find the situation worrying.

Was either your department or your office told, at any point, that the CIB planned to make this investment?

Were you ever informed in any way?

[English]

**Hon. Gary Anandasangaree:** Well, the CIB's decisions are independent of government. The CIB reports through the government, but it is, by all means, independent—like the Business Development Bank of Canada, for example. It's an independent Crown corporation.

[Translation]

**Xavier Barsalou-Duval:** When were you informed of this?

Did anyone inform you of this at any point?

Did you hear about it in the media? Did you find out from the committee here?

[English]

**Hon. Gary Anandasangaree:** Let me ask Mr. Bilodeau to answer that question.

**Richard Bilodeau:** The department was made aware sometime towards the end of April or in early May that BC Ferries was going to select, or had selected, a Chinese—

[Translation]

We learned in late April, early May, that the entity in British Columbia had decided to purchase these vessels. In May and June, we had discussions, as you could see from the documents. I can't say when the minister was informed. However, we were informed at that point, in the department.

**Xavier Barsalou-Duval:** Thank you.

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

[English]

Thank you very much, Minister.

Next we'll go to Mr. Muys.

Mr. Muys, the floor is yours. You have five minutes, sir.

**Dan Muys (Flamborough—Glanbrook—Brant North, CPC):** Thank you.

Minister, to me it seems like a bit of a cop-out to say that this is a provincial procurement decision. I mean, obviously, these are not just hulls. These are floating IT systems with all sorts of capabilities. Is that not a national security concern?

**Hon. Gary Anandasangaree:** Essentially, this was a decision made by the Government of British Columbia. It is able to make

these decisions. When vehicles or vessels come into Canada, they need to be in compliance with Canadian laws. This is expected of anyone bringing transportation vehicles—of all sorts—into Canada. There are regulations in Canada that dictate a range of issues. That is what our regulatory process does.

In terms of a review from a security perspective, it's not something that is required or routine. In my opinion, this was somewhat of a routine exercise by the Government of British Columbia.

**Dan Muys:** Even though this is a Chinese state-owned corporation and we know there have been issues with Chinese foreign interference, not just politically but economically, that didn't raise any alarm bells at Public Safety Canada.

**Hon. Gary Anandasangaree:** Well, I would say that the matter came into the public domain sometime in late June. I think I took the office sometime in mid-May. I was made aware of it. It was after the fact; the procurement was completed. In any event, there was no mechanism for us to undertake such a review. Again, it is the prerogative of the Government of British Columbia to undertake a procurement of this sort.

**Dan Muys:** There's no mechanism for Public Safety Canada to undertake a review in this circumstance. Okay.

If we accept that—and I don't think that we do—is there any effort to change the procedures? I mean, this is obviously of concern. We're bringing this to your attention now. You've now been the minister for nine months. Is this something you're going to look at going forward?

• (1655)

**Hon. Gary Anandasangaree:** I look forward to the report of this committee.

**Dan Muys:** That's fantastic.

**Hon. Gary Anandasangaree:** I know you've been studying this for a while, so I look forward to recommendations from the committee. We will respond to those accordingly.

**Dan Muys:** Okay, it's the province's fault, and now we'll wait for the committee as it's our responsibility.... I mean, the former minister—

**Hon. Gary Anandasangaree:** Well, sir, I would suggest that you're studying this for a reason. If that reason is to have constructive assistance in changing policy and changing laws, then that is the purpose. I would have to yield to and respect this process. As I said, I'm looking forward to recommendations that may stem from this.

**Dan Muys:** The previous minister of Transport wrote to you on June 18 asking your department to have some level of review on this. Have you ignored that since then?

**Hon. Gary Anandasangaree:** I would say that we had no authority to undertake that review.

**Dan Muys:** Okay, so matters of national security—

**Hon. Gary Anandasangaree:** It's an *ex post facto* review. It is not something we're able to do.

**Dan Muys:** Okay, it's passing the buck again.

This is a matter of national security. We know the company is owned by a foreign government that there have certainly been questions about in the past. There's no accountability or responsibility, especially when the alarm bells have been raised by people whom you sat at the cabinet table with for that period of time, such as the previous minister of Transport.

**Hon. Gary Anandasangaree:** I'm here to answer your questions. I don't know if there's a question there.

**Dan Muys:** Okay.

There are other critical pieces of federal infrastructure. Obviously, there are going to be many. Whether it's in the transport sector or other sectors, there's going to be a lot of investment into critical infrastructure. That's in the budget.

Is there going to be a process in which, if this particular company or other companies that are state-run companies from China...? Is that going to be reviewed in any way? I understand the Investment Canada Act, but what other responsibilities are there in national public security, which you head, that should be undertaken?

**Hon. Gary Anandasangaree:** For all the major projects that are going through the review process, there is a security component. Colleagues here can speak to that if you wish.

I think we're out of time.

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

Thank you, Mr. Muys.

Next we'll go to Ms. Nguyen.

Ms. Nguyen, the floor is yours. You have five minutes, please.

**Chi Nguyen (Spadina—Harbourfront, Lib.):** Thank you, Mr. Chair.

Minister, thank you for joining us today to have this important conversation on BC Ferries.

As my colleague noted, several of our close NATO allies, including the Netherlands, Sweden and France, have also engaged in off-shore shipbuilding procurement projects with the same company that BC Ferries used to do their ferry procurement.

Could you tell me a bit about how Public Safety assesses potential risks associated with foreign-built vessels, especially when similar procurement decisions are being made by Canada's trusted security partners?

**Hon. Gary Anandasangaree:** I'll ask Mr. Bilodeau to shed some light on that.

**Richard Bilodeau:** Thank you very much.

Maybe Ms. Lloyd will be able to supplement and share on this.

Obviously, exchanges with our allies are key components not just of the intelligence community but of public safety as well in understanding the landscape. My understanding is that part of the procurement process from BC Ferries was to understand the procurements in other jurisdictions.

Without getting into specific details of intelligence, obviously, we use information from all around the world to inform our deci-

sion-making and our advice to government in terms of different risks. That's just generally speaking, not necessarily in this situation. Understanding those risks is a key component of our analysis, whether it's in the Investment Canada Act or, as the minister highlighted, in supporting work that's undertaken by the Major Projects Office.

**Chi Nguyen:** Thanks very much.

Ms. Lloyd, given your position at CSIS, could you expand a bit on whether there are any concerns that you have identified with BC Ferries and this particular procurement?

**Vanessa Lloyd:** Through the chair, I thank you very much.

Perhaps I will start by saying to the committee that our underlying assessments of the risks have not changed. The pragmatic and principled approach of this government has national security and economic security at the core. As I mentioned earlier, we are constantly collecting intelligence relevant to economic security threats, including foreign interference, espionage or cyber-threats. As well, we are constantly, as Mr. Bilodeau said, producing intelligence and information to inform the government. Our job, at this point, is to make sure they are navigating those partnerships with an informed perspective.

As it relates to these particular ferries, our role, at this point, after a procurement decision has been taken, is to be available to our stakeholders—the province and BC Ferries—should they have concerns. It's also to make sure they are equipped, as the member referenced, to understand the various risks in engaging with a state-owned enterprise in this particular context. What that looks like is making sure they are equipped with tools prior to travelling to a country or engaging with different entities, so they can understand what foreign interference looks like and be extra confident that they understand how to report to the national security agencies—CSIS, the RCMP and the Canadian Centre for Cyber Security—any concerns about those engagements.

● (1700)

**Chi Nguyen:** Thank you. That's helpful context as I learn more about this part of the work.

Minister, one thing that has been very clear throughout the process of the study is that establishing clarity around the roles and responsibilities of each jurisdiction is important, especially around the role of procurement. To clarify, I've learned that BC Ferries operates independently from the federal government, meaning that there's no direct federal involvement when it comes to the procurement and contracting of these ferries.

Tell me a little about the role the federal government and Public Safety play when stepping in to support this.

**Hon. Gary Anandasangaree:** Particularly when business investments are made, there are certain provisions that, under the Investment Canada Act, will require a review. We do routine reviews. In fact, the first set of reviews is undertaken by Industry Canada. From there, it comes to us. If there are security concerns, we undertake the review.

Oftentimes, we approve it. We may also recommend mitigation, and then Industry Canada writes some mitigation into the approval. It may also be denied. At certain times, we may seek a wind-down of the operation.

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

Thank you, Ms. Nguyen.

[*Translation*]

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

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

Minister, you said that no security review is carried out for decisions made by independent entities.

Let me give you another example.

Via Rail must decide who will build the next trains to replace its fleet of long-distance trains.

If Via Rail decides to do business with a Russian or Chinese company, that's its business, and you have no say in the matter.

Is that right?

[*English*]

**Hon. Gary Anandasangaree:** We now have a buy Canada mandate, which we announced several weeks ago.

[*Translation*]

**Xavier Barsalou-Duval:** However, this doesn't apply to the replacement of Via Rail's fleet. That's what your government said. This is what the media reported publicly.

Are you announcing today that you plan to ensure that these trains are manufactured in Canada or Quebec? That would make me happy.

[*English*]

**Hon. Gary Anandasangaree:** Please allow me to continue.

Essentially, we have a buy Canada mandate across government. We want to be able to buy Canadian at every opportunity, especially when federal procurement dollars are at work. We want our economy to be built as a Québécois and Canadian economy, but in areas where that may not—

[*Translation*]

**Xavier Barsalou-Duval:** I just told you that this procurement doesn't apply, according to your own government or the people who speak on your behalf.

You didn't answer my question either. If Via Rail were to decide to buy from a country that could potentially engage in foreign interference, would you have any say in the matter, yes or no?

• (1705)

[*English*]

**Hon. Gary Anandasangaree:** Federal procurements are different. Maybe Mr. Bilodeau can respond.

[*Translation*]

**Richard Bilodeau:** Thank you.

It's a slightly different situation, given that the purchase is made in a federal government context.

Our colleagues at Transport Canada also have access to information from our colleagues at the Canadian Security Intelligence Service, or CSIS, to support certain decisions. It's a slightly different context.

Ms. Lloyd and her team work with other intelligence services to provide information to decision-makers in order to enlighten them. It's much easier to support this type of information in a federal procurement situation.

**Xavier Barsalou-Duval:** Do you plan to apply this to the CIB?

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

[*English*]

Next we have Mr. Gunn.

Welcome to committee. The floor is yours. You have five minutes, sir.

**Aaron Gunn (North Island—Powell River, CPC):** Perfect. Thank you, Chair.

Minister, my first question is for you. Do you believe China's Communist regime poses a security threat to Canada?

**Hon. Gary Anandasangaree:** I would say, Mr. Gunn, that Canada is in a moment when it is expanding trade. As I said earlier and as the Prime Minister has said, we will meet the countries where they're at, not where we want them to be. With respect to China—

**Aaron Gunn:** Are they a security threat, yes or no?

**Hon. Gary Anandasangaree:** With respect to China, we have an MOU to address the issues around safety and security in both countries.

**Aaron Gunn:** I'll be a bit more direct. Do you have evidence that the Communist regime in Beijing has previously targeted Canadian institutions or strategic assets with cyber-attacks and other forms of espionage?

**Hon. Gary Anandasangaree:** Yes, there have been reports of that in the past. Some of them have been documented.

**Aaron Gunn:** You're the Minister of Public Safety. Do you have evidence?

**Hon. Gary Anandasangaree:** There's definitely documented evidence of that, yes.

**Aaron Gunn:** Do you have evidence that the Communist regime in Beijing has targeted the House of Commons and the private information of parliamentarians?

**Hon. Gary Anandasangaree:** I will say, for the purpose of this particular transaction, that this procurement was undertaken by the Province of British Columbia.

**Aaron Gunn:** You don't deny that, then.

**Hon. Gary Anandasangaree:** There have been a number of incidents. I'm not sure we're here to litigate every one of them.

**Aaron Gunn:** Wow.

**Hon. Gary Anandasangaree:** There is a need right now for Canada to ensure that it is clear-eyed and ensure that it has a track that deals with safety and security. That is something we're doing.

**Aaron Gunn:** That's fair. Minister, I appreciate your openness and honesty.

I just want to make sure we're on the record—because I think it's a position that you can hold—that you think it's reasonable to use taxpayer money to help subsidize the procurement of critically important transportation infrastructure from a regime that is currently engaged in espionage and other cybercrimes against Canada. You think that is reasonable.

That's what's happening.

**Hon. Gary Anandasangaree:** As I've said a number of times, the procurement was undertaken by the Government of British Columbia. This is—

**Aaron Gunn:** It was taxpayer money. It was federal tax dollars.

**Hon. Gary Anandasangaree:** This is within their purview. The Canada Infrastructure Bank was a funder in this.

**Aaron Gunn:** Do you regret that taxpayer money was used to bankroll the purchase?

**Hon. Gary Anandasangaree:** The procurement itself was undertaken by British Columbia.

**Aaron Gunn:** Do you regret that federal tax money was used to bankroll the purchase through the Infrastructure Bank?

**Hon. Gary Anandasangaree:** The Government of British Columbia made a decision on this procurement. The funding did go from the Canada Infrastructure Bank. However, the decision itself is on the Government of British Columbia.

**Aaron Gunn:** That's fair enough. Are you concerned, as the Minister of Public Safety, that we are subsidizing the shipbuilding infrastructure of an adversarial nation?

**Hon. Gary Anandasangaree:** Our desire and the Prime Minister's desire—we made it very clear as a government—is for procurement to be done in Canada. We want to have Canadian companies that can compete for these very important infrastructure purchases. That is precisely what we're doing with our defence infrastructure—

**Aaron Gunn:** Would you have preferred it if those ships were built here in Canada?

**Hon. Gary Anandasangaree:** Absolutely.

**Aaron Gunn:** Why, then, did we bankroll—

**Hon. Gary Anandasangaree:** If I may, I would say that every Canadian would say that we would prefer to have our infrastructure dollars spent in Canada. That is not always the reality. I would suggest that in this particular case, the procurement was done by the

Government of British Columbia. I'm going to give them the benefit...by saying it was done in an open, transparent and fair manner. They have chosen this particular vendor.

**Aaron Gunn:** This is just so we're on the same page. This is an important procurement. Obviously, there are public safety and security concerns for Canadians.

Are we on the same page that China is a communist country?

• (1710)

**Hon. Gary Anandasangaree:** Factually, yes.

**Aaron Gunn:** Okay. That's perfect.

Do you agree that President Xi is a dictator?

**Hon. Gary Anandasangaree:** I could suggest that we go around the world and put tags on individual leaders—

**Aaron Gunn:** We certainly can.

**Hon. Gary Anandasangaree:** That is not what I'm here to do. I'm here to advise this committee that the process by which we undertake these procurements, in this particular case by the Government of British Columbia—

**Aaron Gunn:** Have you done a security review?

**Hon. Gary Anandasangaree:** We talked about it before you came here, Mr. Gunn.

**Aaron Gunn:** I just want to get it on the record.

**Hon. Gary Anandasangaree:** You may want to review the transcript, because—

**Aaron Gunn:** I found it hard to believe. I was told we hadn't done it. Is that true?

**Hon. Gary Anandasangaree:** I can ask Mr. Bilodeau to answer that question. We've already answered that, but if you want it to be repeated, of course, we can do that.

**Richard Bilodeau:** There was no security review done for the ferries that B.C. purchased. When we got involved in late April, early May, the decision to purchase the ferries had already been made.

**The Chair:** Thank you very much, Mr. Gunn.

[*Translation*]

Thank you, Mr. Bilodeau.

[*English*]

Next we'll go to Mr. Kelloway.

The floor is yours. You have five minutes, sir.

**Mike Kelloway (Sydney—Glace Bay, Lib.):** Thanks very much, Mr. Chair.

Minister, it's great to see you here.

Ms. Lloyd and Mr. Bilodeau, thank you for being here.

I have a couple of questions, but I'll start with Ms. Lloyd.

Does the procurement of these vessels pose a national security threat to Canada? I just want to be clear on the answer—yes or no.

From your perspective, your expertise and where you work—Mr. Bilodeau, I'll ask you to chime in as well—to be clear with Canadians.... From your perspective, your intelligence and your work, can you talk to us about that? Does it pose a threat to Canadian citizens, yes or no?

**Vanessa Lloyd:** Thank you, Mr. Chair, for the question and the opportunity to give a clearer response.

Not having reviewed the procurement and not being in a position to understand the technologies that will be on the actual vessels, because that has not been our role so far, my current understanding is that there are no national security threats that would raise concern. These are not connected vessels, and they do not pose the types of things we would be concerned about in terms of data sovereignty, for example, or private information that could be collected on Canadian citizens through the use of those ferries. At this point, there is nothing to flag to the committee.

**Mike Kelloway:** Okay, so that's a no.

Mr. Bilodeau, would you like to chime in, sir?

**Richard Bilodeau:** The only thing I would add is that there is legislation before Parliament on protecting critical infrastructure and federally regulated infrastructure—for example, in transport—that would require operators to have certain protections in place. That's a piece of legislation that would help support the protection from a cyber perspective.

**Mike Kelloway:** Thank you very much, both of you, for answering the question very succinctly for those in the room and those watching at home.

Minister, I want to go to you next.

Given that the CIB operates at arm's length, and reports to, I believe, the infrastructure minister, I wonder if you can confirm that public safety doesn't direct its lending decisions. I think this is important in the distinction of the division of powers between the provinces and the feds.

**Hon. Gary Anandasangaree:** It does not, but I want to offer, Mr. Kelloway, that we are quite involved with the Major Projects Office. I think it would be instructive for this committee to understand a bit more of that work.

I can ask Mr. Bilodeau to elaborate on what we're doing with the Major Projects Office.

**Richard Bilodeau:** Thank you, Minister.

The Major Projects Office has a number of projects that it's considering or might consider in the future. Part of the legislation includes a national security review. We have been supporting, along with our partners at CSIS, the RCMP, the CSE and others, the conducting of reviews of some of the projects, providing advice on national security concerns and feeding that into the decision-making.

**Mike Kelloway:** Thank you for another succinct answer.

Minister, I'll go back to you now. Do you think conflating provincial procurement decisions with national security authorities runs the risk of confusion about the scope of Canadian law?

**Hon. Gary Anandasangaree:** I would suggest that the federal government being involved in procurement decisions can cause a great deal of turbulence for our federation. The provinces have their own policies in place. They have their own systems in place. They are subject to regulation if their vessels are regulated by the federal government. However, with respect to a security review, this is not within any of the provincial or territorial mandates or processes.

● (1715)

**Mike Kelloway:** Thank you.

I have less than a minute left. I'm going to take this time for one last question for you, Minister.

Would you agree that effective national security policy requires steady and evidence-based leadership granted in law, rather than reactionary decision-making?

**Hon. Gary Anandasangaree:** Absolutely, and we've learned a lot from the Investment Canada Act process in terms of how to undertake these decisions.

It's based on the available evidence, interviews and other research, and we have a robust system in place when it comes to federal investments that are subject to the Investment Canada Act.

**Mike Kelloway:** Thank you very much.

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

Thank you, Minister. On behalf of all the members of this committee, I would like to thank you, as well as your officials, for your time today and your testimony on this very important study.

Colleagues, we're going to suspend for a couple of minutes as we set up for the next round of witnesses. The meeting is suspended to the call of the chair.

● (1715)

(Pause)

● (1730)

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

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, December 11, 2025, the committee is resuming its study of supporting, diversifying and modernizing Quebec's and Canada's ports.

I'd now like to welcome our witnesses for the second half of today's meeting.

From the Prince Rupert Port Authority, we have Ms. Katherine Bamford, vice-president, business development. Welcome.

We also have Kevin Moraes, director, government and external relations. Thank you, sir. Welcome.

From the Vancouver Fraser Port Authority, we have Mr. Peter Xotta, president and chief executive officer, joining us by video conference. Welcome to you, sir.

[*Translation*]

We're also joined by Eddy Métivier, the mayor of the City of Matane.

Welcome, Mr. Métivier.

[*English*]

We'll start with our....

Yes, sir.

**Dan Albas:** Could I just quickly take the floor?

**The Chair:** Is this a point of order?

**Dan Albas:** Yes. I have a quick point of order, Mr. Chair.

Going back to the Minister of Public Safety's appearance, I will just note that Conservatives are very disappointed. Instead of continuing with another rotation, as is the habit of committees, there was a 45-minute appearance, which is not satisfactory for a minister when we've been seeking for over 160 days to have them here.

I want to make sure that this practice is stamped out. Obviously, there are other names that need to come forward. However, at this committee, when we have issues of national security, 45 minutes is simply not enough.

**The Chair:** That's noted. Thank you very much, Mr. Albas.

The chair will be sure to ask for names for all the boxes on the sheet of questioners to make sure that, if we do have additional time, all members will be afforded that time. Thank you for raising that, sir.

We'll begin with our first opening remarks.

For that, I'll turn the floor over to you, Ms. Bamford. You have five minutes, please.

**Katherine Bamford (Vice-President, Business Development, Prince Rupert Port Authority):** Thank you and good evening.

I would like to thank the committee for inviting us to speak about port diversification and modernization.

I'd like to acknowledge that the Port of Prince Rupert operates on the traditional land of the Sm'alg̱ax-speaking Ts'msyen people.

Located in northern British Columbia, Prince Rupert is one of Canada's strategic trade gateways, anchoring the fastest shipping route to Asia-Pacific markets. The Prince Rupert Port Authority gets its mandate from the Canada Marine Act, which outlines that port authorities must be commercially oriented and manage strategic port assets in the national interest.

We take this mandate seriously, implementing development plans that have grown the Port of Prince Rupert from one single-use dry bulk terminal to a diverse commodity ecosystem and Canada's third-largest port by value of trade. The Port of Prince Rupert han-

dles \$60 billion of trade annually and provides access to Asia-Pacific markets for western Canadian resource sectors such as energy, agriculture, forestry, mining and petrochemicals. It also enables imports to Ontario and Quebec and supports the manufacturing and consumer sectors, including the auto industry.

Canada's reputation as a reliable trading partner depends on the fluidity, efficiency and reliability of its national supply chains. Canada's economic sovereignty depends on diversifying trade and ensuring greater supply chain resiliency. To achieve these goals and meet the needs of Canadian shippers, Canada needs to focus on three priorities: building more trade-enabling infrastructure, enhancing trade corridor capacity and providing an efficient regulatory environment so that investors can have confidence in timely decisions.

In Prince Rupert, our focus has been on these priorities.

In collaboration with port industry and indigenous partners, we are currently delivering a \$3-billion development plan that will double trade volumes to 50 million tonnes over the next decade. Several projects will become operational in the next six to 18 months that will help position Canada as an energy superpower, improve supply chain resilience and enable speed to market for diverse exports.

Building on the success of the AltaGas and Pembina energy terminals, the \$1.4-billion Ridley Island energy export facility, known as REEF, will be a common-user, multiliquid bulk terminal that will drastically increase trade capacity for Canadian energy exports such as propane and butane. Prior to the commissioning of energy terminals in Prince Rupert, Canadian propane was landlocked, and producers could only sell to oversaturated U.S. markets at discounted rates. Today, Canadian propane represents 14% of South Korea's total imports, 11% of Japan's total imports and 6% of China's total imports, and these numbers will grow when the REEF terminal is commissioned in the next 12 months.

The port is also growing the container ecosystem, anchored by the Fairview container terminal operated by Dubai Ports World. With 1.6 million containers of annual terminal capacity in place, our focus is now on building complementary container transload facilities. Instead of sending back empty containers to Asia, the \$750-million CANXPORT project, operated by Ray-Mont Logistics, will fill 400,000 containers with Canadian exports, such as plastic resin from Dow's \$10-billion Path2Zero project in Fort Saskatchewan, Alberta.

We are not stopping here. We plan to become a 100-million-tonne gateway by 2050, ensuring that Canada has two major west coast gateways, providing greater resiliency, efficiency and options for Canadian exporters.

As this committee considers recommendations to modernize Canadian ports, we invite you to help us execute the next phase of Prince Rupert's development. First, establish a consistent and efficient project regulatory process. A one-window review process can be implemented by enabling the Canada Marine Act to allow port authorities to coordinate and efficiently manage port development review processes with required federal regulators. Second, ensure federal investment is directed to expand corridor capacity and trade-enabling infrastructure. In Prince Rupert, land preparation for greenfield projects costs between \$1 million and \$2 million per acre. Previous investments through the national trade corridors fund helped us to prepare land and build infrastructure to host our current developments. Please consider these priorities in your deliberations.

We thank you for taking the time to hear our remarks, and we look forward to your questions.

• (1735)

**The Chair:** Thank you very much, Ms. Bamford.

Next we'll go to Mr. Xotta.

Mr. Xotta, the floor is yours. You have five minutes for your opening remarks, sir.

**Peter Xotta (President and Chief Executive Officer, Vancouver Fraser Port Authority):** Thank you very much, Mr. Chair. I want to say thank you for giving us the privilege of participating in the committee discussion today.

I also want to acknowledge that I am participating virtually from the traditional territories of the Musqueam, Squamish and Tsleil-Waututh peoples, and I extend my thanks to them.

These are extraordinary times for Canada, which have been discussed at length in the trade press. Trade rules have been upended, and Canadians are feeling anxious. I think I speak on behalf of all Canadians when I say thank you to the committee for your work, and thank you to government for rising to the occasion with a bold agenda to double Canadian exports to non-U.S. markets over the next 10 years. It's going to take a team Canada approach to make more stuff like metals and minerals, wood and energy products, agri-foods, machinery and equipment; to sell more stuff to customers who want and need what Canada makes, especially in the Indo-Pacific region, where 50% of global GDP will reside by 2040; and, importantly, to move more stuff via port authorities to where it needs to go reliably.

The good news is that the Port of Vancouver, Canada's largest port, is right at the nexus of this activity. Today, we handle 350 billion dollars' worth of Canada's trade every year, whether it's retail products from Ontario, Manitoba canola, Saskatchewan potash, Alberta oil, B.C. lumber or other products. You name it; there is a good chance we move it, and 80% of those products are already headed to non-U.S. markets.

Decades of investment—about 9 billion dollars' worth—has occurred in this corridor over the last 15 years or so. This has resulted in about a 75% increase in trade volume through the port of Vancouver to international markets. Interestingly, doubling that is about another 50% in the next 10 years.

The point is that we've done this before, and we can do it again. We need to fully unleash the power of Canada's ports as an engine of Canada's trade diversification strategy, and we're pleased to see this committee advancing a study of Canada's ports to inform and galvanize policy choices to help deliver the Government of Canada's bold trade agenda. We see, as do my colleagues from Prince Rupert, three big opportunities for Canada's ports.

First, we need to make permitting more efficient. As a country, we need to get nation-building, trade-enabling infrastructure projects across the finish line, such as our Roberts Bank Terminal 2 project, which will build new industrial land and expand container trade capacity by \$100 billion each year. Dredging at Second Narrows in Burnaby, B.C., will let tankers leave from the Trans Mountain Westridge terminal, passing under the bridge at full capacity instead of 70%, as is the case today.

New levers, including through the Major Projects Office, will help. However, broader regulatory modernization, including permitting, is the biggest opportunity. In an ideal world, the MPO will lead us to make systemic changes to our regulatory frameworks, such as by expanding port authorities' permitting powers.

In Vancouver, for example, in recent years, we've permitted substantive projects, such as the Centerm expansion project and G3's new grain terminal. Each of those projects is worth about half a billion dollars.

We run through environmental assessment processes, including robust consultation with first nations, and critically, we deliver timely decisions—91% within our targets—which is pivotal to attracting investment. I say, empower port authorities to do more for Canada on permitting. We have the experience, the skills and the track record.

Second, we need to invest in port and rail infrastructure, including supporting roads, bridges and tunnels. Canada's export growth opportunities centre on the bulk sector—grain, potash, steel-making coal—and this hinges on rail capacity and reliability.

Over the past 15 years, as I mentioned, the Canadian government has helped invest in two major waves of rail-supporting infrastructure in this gateway, through the Asia-Pacific gateway and corridor and the national trade corridors fund. To double exports, we need to do more in this space.

We need to prioritize supply chain infrastructure investments and other capacity-building initiatives, including last mile infrastructure. We look forward to the government's swift launch of the new \$5-billion trade diversification corridors fund, announced in budget 2025, and hope that projects supporting Canada's largest international trade gateway will be seriously considered for funding support.

It's not just about adding capacity; it's about making networks more efficient. We must work together to keep adopting new digital tools and tech to help supply chain partners optimize and share data to move products faster, more safely and more sustainably. We have had tremendous success with some of these initiatives, such as our active vessel traffic management program in Vancouver.

Third, we must address labour stability. Frequent labour disruptions are a blemish on our reputation as a trading partner. Acting on the recommendations of the Industrial Inquiry Commission on West Coast Ports is a must, and we need to act swiftly. Our global customers are watching. Performance is key.

● (1740)

Lastly, it goes without saying that to be successful, we must be bold, ambitious and nimble. Equally importantly, we must renew our commitment to doing things right to minimize environmental impacts and work closely with indigenous communities. On this, Canada is a leader, and the Port of Vancouver is a leader, having secured the consent of 27 nations to build the Roberts Bank Terminal 2 project, to name one example. Let's keep making how we do things our competitive advantage in this country.

In closing, I know Canada is ready to get to work, and so are we at the Port of Vancouver. Let's go. Let's fully unleash the power of our nation's ports. Let's show the world we're open for business and deliver for Canadians.

Thank you.

**The Chair:** Thank you very much.

[*Translation*]

Mr. Métivier, you have five minutes for your remarks.

Thank you.

● (1745)

**Eddy Métivier (Mayor, Ville de Matane):** Thank you, Mr. Chair.

My name is Eddy Métivier. I'm an engineer. I've worked in the industrial sector for nearly 30 years. I've been the mayor of Matane since 2021.

I would like to thank you, Mr. Chair, and the committee members for the opportunity to present our brief.

The City of Matane is located 400 kilometres east of Quebec City, on the south shore of the St. Lawrence River. It has a population of 14,316.

With its strong maritime tradition, our city has recently experienced significant economic growth in its industrial port area. As mayor, while I'm encouraged by this new economic boom, I'm also deeply concerned that it's being undermined by the dilapidated state of our seaport, which was built in the late 1960s by the Canadian government.

The challenge lies in the fact that the commercial wharf, built around 1967 by Transport Canada, is nearing the end of its useful life. That will be reached in 2033. That is soon. We're hoping that we won't have any marine incidents. That could be the case, for example, if a ship were to accidentally enter the seaport. The wharf deck is very shaky, and its bearing capacity is only 14 kilopascals, rather than the standard 50 kilopascals.

There are therefore currently lost opportunities in terms of transport due to the weak and precarious state of the deck. It's in very poor condition. The concrete has eroded and the reinforcing bars are exposed. The deck and piles are severely corroded due to the highly corrosive nature of the marine environment.

The dilapidated state of the port therefore poses a very serious risk to our economy. Our businesses, around 18 of which are located in our industrial park near the port, are closely linked. The port provides 1,140 direct and indirect jobs. Nearly one-tenth of the jobs in Matane are linked to the seaport. In Quebec, the gross domestic product, or GDP, is \$167 million per year, and tax revenues are \$20.5 million.

We also serve major export flows. Over 311,000 tonnes of products are transshipped per year. Currently, we export nearly two-thirds of these to Europe and Asia. In doing so, we are complying with the wishes of the Government of Canada.

Our port is an essential logistics link for the Bas-Saint-Laurent, Gaspésie and Côte-Nord. It is now one of the ports managed by the Société portuaire du Bas-Saint-Laurent et de la Gaspésie.

The Port of Matane is a multi-purpose deepwater port. It is located in the heart of an industrial port zone, the only one in the Bas-Saint-Laurent recognized by Quebec's Ministère de l'Économie, de l'Innovation et de l'Énergie. It connects sea, road and rail. It has a Class 1 rail connection, which includes a rail ferry, owned by Canadian National. It's right next to our seaport.

I'm here before you today because I'm concerned that the Quebec government is delaying authorization for the Société portuaire du Bas-Saint-Laurent et de la Gaspésie to move forward with the project, despite the fact that the port's renovation is part of the Quebec government's 2025-35 infrastructure plan, despite my political representations to ministers, and despite the funds provided by the Canadian government, which, incidentally, do not meet the actual needs for the sequential construction of two wharves, the development of storage areas and the upgrading of services.

The amount is underestimated, given the scope of the work. This is due to the extreme deterioration of the port and postpandemic inflation, because the funding was provided in 2020. The cost of the work has increased, there was a lack of vision, a lack of initial investment and a lack of maintenance of the port when it was owned by the Canadian government, which at the time wanted to divest itself of it. It's also an unrealistic amount in relation to climate change. For example, the harbour's breakwaters need to be raised due to rising water levels.

It would therefore have been a good practice for the Government of Canada to conduct a serious assessment of the port's repair and modernization needs, and to carry out the work in collaboration with Quebec before transferring it to our province. It could also have provided some capital investment to support the port's future maintenance.

Given the current context of the tariff war, we're asking the Canadian government to promote the diversification of our economy toward new markets outside the Americas.

Given that, in the current economic context, the Government of Quebec is delaying the authorization of sequential work on two wharves at the port, as mayor, I'm asking that the Canadian government sit down with Quebec to adjust its contribution to the Matane port project so that the province can give the green light to the Société portuaire du Bas-Saint-Laurent et de la Gaspésie regarding the two-stage port renovation project with two wharves.

In the context of a tariff war, a contribution to decarbonization is therefore an opportunity to be seized, for the benefit of Canada's collective prosperity.

Thank you.

• (1750)

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

[English]

We'll begin the line of questioning with Mr. Albas.

Mr. Albas, the floor is yours. You have six minutes, sir.

**Dan Albas:** Thank you, Mr. Chair.

Thank you to all the witnesses here.

Mr. Chair, originally, Ellis Ross was hoping to come in as a member of Parliament from northern B.C., particularly because the Prince Rupert Port Authority is in his area. Unfortunately, there was a death in one of the first nations communities, and he can't be with us. His constituents are quite concerned, however, so he sent me a list of questions on their minds.

I'll go right to the port authority.

Can you confirm that the Prince Rupert Port Authority is responsible for discharging the Crown's duty to consult and accommodate first nations communities whose interests are affected by developments in the port of Prince Rupert, yes or no?

**Kevin Moraes (Director, Government and External Relations, Prince Rupert Port Authority):** Yes, it is. The Prince Rupert Port Authority's jurisdictional boundaries include six indigenous communities. I—

**Dan Albas:** That's fine.

Are you aware that the honour of the Crown is a fundamental constitutional principle that requires governments and their agents—such as the Prince Rupert Port Authority—to act with honour, fairness and integrity in their dealings with indigenous people, yes or no?

**Kevin Moraes:** Our role continues to be very focused on ensuring the appropriate duty of consultation. We do this on behalf of the Crown. We do it in collaboration with different Crown entities, such as Transport Canada, Environment Canada and other relevant regulators involved.

**Dan Albas:** Are you familiar with Metlakatla First Nation?

**Kevin Moraes:** Yes, we are. They're one of our six first nations.

**Dan Albas:** Metlakatla's traditional territory includes the lands and waters within the boundaries of the port of Prince Rupert. Is that correct?

**Kevin Moraes:** They are one of the six nations. That's correct.

**Dan Albas:** PRPA has a duty to consult and accommodate them on decisions that affect Metlakatla interests. Is that correct, sir?

**Kevin Moraes:** We go through a consultation process to assess accommodation. Those consultation processes look at social and traditional use impacts. We work through a process related to that project.

**Dan Albas:** Is it true that the Prince Rupert Port Authority failed to inform Metlakatla that it had granted extraordinary contractual rights to a Dutch oil and gas company for handling bulk liquid products in the port of Prince Rupert?

**Kevin Moraes:** The consultation process involved in any project looks at traditional use and other social impacts related to the six nations.

**Dan Albas:** Is it true that the port failed to inform this first nations community, sir?

**Kevin Moraes:** The question—

**Dan Albas:** It's yes or no.

**Kevin Moraes:** The question you raised is around commercial agreements. We at the Prince Rupert Port Authority focus on long-term terminal operating agreements that incentivize investment and performance while ensuring that the gateway remains open and accessible to diverse shippers. PRPA continues to support growth and diversification aspirations—

**Dan Albas:** It was a simple yes-or-no question.

You are aware that the PRPA granted those contractual rights in 2015 and that those extraordinary contractual rights are now held by Vopak Development Canada Incorporated and AltaGas Limited. Is that correct?

That's a yes-or-no question.

**Kevin Moraes:** I will say this, then: Given that this matter is before the courts, it would be inappropriate to comment any further on that.

**Dan Albas:** It doesn't sound as though you are being transparent with this committee.

Are you aware that Vopak, AltaGas and the PRPA have refused to disclose to the Metlakatla the contractual terms that the PRPA and Vopak agreed to in 2015?

**Kevin Moraes:** Those are commercial agreements. We have commercial agreements with many partners in the region.

More importantly—

**Dan Albas:** It is a yes-or-no question.

**Kevin Moraes:** They are commercial agreements. I could probably say that we do not disclose commercial agreements, as they are confidential, sensitive agreements.

**Dan Albas:** Do you realize that you're at a parliamentary committee, sir? I've asked you a direct question.

**Kevin Moraes:** I would state again that commercial agreements are confidential.

**Dan Albas:** Please note, Mr. Chair, that the port is not being cooperative.

I'll try this: Would you not agree that the Metlakatla are entitled to know what specific contractual rights Vopak and AltaGas hold in their traditional territory?

**Kevin Moraes:** I will ask, then, whether that is a matter of duty of consultation put forward as part of the Crown. It's not, to my understanding, but I will circle back with our legal...to better understand that and maybe take it up with you off-line, if that helps.

**Dan Albas:** I don't think you need to take it up with me off-line, sir. Again, these are not my constituents.

However, the committee asked you a question. I think you can submit it to the clerk and the chair. I appreciate that you have a business to run, but I also believe that, in the House, we have questions to ask. We expect to have accountability, whether it be from the government itself or their agents.

Thank you.

• (1755)

**The Chair:** Thank you very much, Mr. Albas.

Next we'll go to Mr. Greaves.

Mr. Greaves, the floor is yours. You have six minutes, sir.

**Will Greaves:** Thank you very much, Mr. Chair

Thank you to our witnesses.

It's delightful to have two west coast ports before the committee today. I'm absolutely thrilled.

My first question is for Mr. Xotta online.

Thank you for joining us, sir. I'm glad that one of us is in B.C. at the moment.

My question for you is, as the leader of Canada's largest port, can you give us a bit of a sketch of the scale of economic impact that the Vancouver Fraser Port Authority has for the surrounding region in southern British Columbia? You can be as broad or specific as you'd like, but it would be helpful if you could put in context the role that the port plays in the western Canadian economy and in the government's strategy of diversifying our trade exports.

**Peter Xotta:** My prepared remarks referenced 350 billion dollars' worth of trade. Those are numbers that are difficult to digest in some cases, but fully 50% of the containers in and out of this country come through this one port. Seventy per cent of what we do, through the Port of Vancouver, is the bulk commodities that I mentioned: potash, agricultural products, coal, sulphur and others. This all generates about 110,000 jobs across the country, 50,000 of which are within the region around the Lower Mainland, providing employment at port facilities. There are also transportation, transloading and other activities that support ports.

Canada has a disproportionate dependence on a very few ports on the west coast—that is, the ports represented here today. It's why we are very passionate about the importance of making timely investments in the supply chain to allow us to continue to play that important role and restore what I believe is confidence in the Canadian supply chain in terms of being able to get our stuff to you, whoever you are, in whatever part of the world you're interested in shipping it to.

**Will Greaves:** Thank you for that response.

In that context, we've seen reports recently about Canadian companies looking to American ports in order to meet their export needs.

Can you please elaborate, Mr. Xotta, on how the proposed Roberts Bank Terminal 2 expansion project will help increase our number of trading partners and increase the capacity of the Vancouver Fraser Port Authority to grow in the future?

**Peter Xotta:** The Roberts Bank Terminal 2 project has been contemplated for quite some time. It was part of a strategy developed very many years ago. It was, in part, intended to depressurize Burrard Inlet and create a place for Canada's trade to continue to grow outside the more populated parts of the region.

Roberts Bank Terminal 2 is really a manifestation and a further step in that strategy. It is a land mass of about 350 acres that would be created to host a container terminal—one part of the port's business—but the knock-on effect of that is to other parts of the port's jurisdiction. As I said, it would depressurize Burrard Inlet to allow other commodities to continue to grow.

The other investments that I mentioned—and my colleagues from Prince Rupert mentioned similar types of things—are about making sure that first and last mile performance.... Keep in mind, many of the networks approaching port facilities, not just on the west coast but all ports, were designed and implemented many years ago. Of course, there's been a lot of urban development around them. Continued investment is needed in the supply chain to make sure that for the economies created by new facilities, whether mining or agricultural facilities on the Prairies, those economies and transportation are realized when you get to port. Longer sidings, more sidings, a reduction in the impact of level road crossings and loading grain in the rain are examples of optimizations that are intended to allow us to remain competitive as a nation.

Again, on the west coast, Prince Rupert and Vancouver are key to making that happen and restoring confidence so that investments in productive capacity in other parts of the country are made with confidence that those commodities can be shipped to their final destination reliably and competitively.

• (1800)

**Will Greaves:** Great. Thank you for the response.

In my remaining time, I have a question for Ms. Bamford and Mr. Moraes.

Thank you for being with us today.

As you're aware, budget 2025 included an announcement of a \$5-billion trade diversification corridors fund. Can you please describe how this fund, once the budget implementation act is passed, will support the Prince Rupert Port Authority in your plans to expand your operations and remain a critical economic outpost on the B.C. coast and, in particular, for the northern part of our province?

**Katherine Bamford:** We'll spend some time talking about the current fund and translate that into what the future fund could look like.

The national trade corridors fund has been an absolutely vital tool for the Port of Prince Rupert. NTCF funding was a catalyst for the CANXPORt project, which is the 400,000-TEU facility. It's also been vital for the Zanardi Bridge expansion, South Kaien Logistics Park and Trigon Pacific Terminals' berth two project, with roughly \$225 million in funding.

These investments helped the Prince Rupert Port Authority to develop port land and common user infrastructure, which has enabled \$3 billion in new infrastructure. This represents 7.5% of the overall investment and has significantly drawn other investment to the gateway.

We look forward to working with the Government of Canada when the new trade diversification corridors fund opens, to utilize federal investment in developing more land that will incentivize new private sector investment.

**The Chair:** Thank you very much, Mr. Greaves.

Thank you, Ms. Bamford.

[*Translation*]

Mr. Barsalou-Duval, you have the floor for six minutes.

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

Thank you to the witnesses for being with us today. Forgive me for focusing my remarks on the Port of Matane in particular, since it's a Quebec port that is represented today.

Mr. Mayor, earlier, you talked a bit about the problem you're experiencing in Matane, that is to say the fact that important work that needs to be done at the port has been passed on by the federal government. If I'm not mistaken, the envelope given by Ottawa at the time of the handover was \$148.8 million for the ports of Matane, Rimouski, Gaspé and Gros-Cacouna. So we're talking about four ports.

Just for Matane, what is the estimated cost of the work?

**Eddy Métivier:** When it was announced by Minister Chantal Rouleau in 2022, it was \$81 million, which is clearly not enough to cover the costs. There is the current wharf 1, which is supposed to reach the end of its useful life in 2033, but wharf 2 would have to be built before repairing wharf 1. Otherwise, we'd have to shut down the economy of Matane and an entire region for at least three or four years while the work is done, which we can't do.

So, we need to build wharf 2 perpendicular to the current wharf 1. Once it's built, we'll be able to restore wharf 1. That will make it possible to have more storage space and to get additional tonnage. Right now, opportunities are being lost because the deck has deteriorated so much. We're going to go from 300,000 tonnes to 500,000 tonnes, or half a million tonnes a year, which is an asset. That's not to mention the additional jobs created. Opportunities are being lost right now because the current wharf is in very poor condition.

**Xavier Barsalou-Duval:** What will happen if you don't get that funding?

Would that jeopardize continuing port activities?

**Eddy Métivier:** Yes, it would.

As I explained earlier, more than 1,144 direct and indirect jobs rely on the port. That's practically 10% of Matane's population, which is about 14,000. The end of useful life is coming in 2033, which is right around the corner. These are major projects, and they will take several years to complete. It's essential that this project be carried out. Otherwise, I wouldn't bet on Matane and its industries.

In addition, a German factory has just set up shop in Matane. It has 240 employees. Minister François-Philippe Champagne travelled to Matane. Canada Economic Development for Quebec Regions, or CED, helped bring this factory to Matane, and it's a game changer for us. The wind energy sector is also present, with Marmen Énergie, which builds wind turbines. Quebec is looking to initiate wind power projects that will provide a capacity of more than 8,000 megawatts. There's also the start-up Les Habitations Mont-Carleton, which will build highly prefabricated modular housing. We know there's a housing shortage. That business is going to be very dependent on the port to export those modules.

There are many other examples. Silica is also sent through the Port of Matane to the Port-Daniel cement factory, rather than using 1,800 trucks. Nearly 80,000 tonnes of silica are leaving the port for Port-Daniel and Belledune, New Brunswick, where they will be stored. So we're saving the roads and also reducing greenhouse gas emissions.

• (1805)

**Xavier Barsalou-Duval:** It's clear that the port is essential, not only for Matane's economy, but for the entire region, because of the large-scale activities it supports. It has large-scale needs as well.

The Minister of Transport was here this week. He said it's important to optimize existing infrastructure because that often costs less than building new infrastructure.

Anyone can see that the wharf has been poorly maintained for years.

Do you feel that you were handed a poisoned chalice, in the sense that this wharf is nearing the end of its useful life?

Do you think that, had the necessary investments been made, this problem could have been prevented?

**Eddy Métivier:** That's why I'm asking Government of Canada representatives to come back to the table with people from the Government of Quebec and the Société portuaire du Bas-Saint-Laurent et de la Gaspésie. The port has indeed been neglected for far too many years. The existing wharf cannot be restored. The corrosion really is way too advanced. That's why we need to build a new wharf perpendicular to the existing wharf.

As you can imagine, there will be additional costs. Federal government officials should have started by sitting down with Government of Quebec officials to discuss the options and then proceeded to rehabilitate and modernize the existing wharf. It could then have been divested by paying a sum of money for its future maintenance, instead of allocating money for a port that's at the end of its life.

Rehabilitating a seaport is a major undertaking. The 2033 deadline will be here in no time. The most important thing to keep in mind is that two-thirds of the 311,000 tonnes of goods transshipped at the port of Matane are already leaving—

**Xavier Barsalou-Duval:** Thank you. I'm sorry to interrupt.

I just wanted to add that I feel like folks were taken for a ride. The federal government offloaded responsibility for the port at minimal cost, and the entire community of Matane will suffer the consequences if the port ever has to shut down because necessary investments were not made.

**Eddy Métivier:** You're right.

Plus, that's only if nothing unfortunate ever happens at the port. If a ship ever collides with the wharf, which is very fragile, equipment will be destroyed and our jobs in Matane will be jeopardized.

**The Chair:** Thank you very much, Mr. Mayor.

Thank you, Mr. Barsalou-Duval.

[English]

Next we'll go to Mr. Muys.

Mr. Muys, the floor is yours. You have five minutes, sir.

**Dan Muys:** Thank you.

In March 2023, this committee conducted a national study on large port infrastructure. In fact, we toured a number of ports across the country, including that of Prince Rupert. There were 12 recommendations from that report in terms of competitiveness, streamlining approvals and strengthening financial flexibility. The Government of Canada responded to that report in May 2023, indicating that port infrastructure was a priority.

That was three years ago, yet we're still hearing the same concerns. We heard them at the last meeting as well in terms of faster approvals, greater flexibility and removing the structural bottlenecks. As for the 12 recommendations, since the government has declared ports a priority, what tangible federal reforms have you seen implemented? That's for both the Prince Rupert and the Vancouver port authorities, since we're talking about a significant portion of our national trade.

**Katherine Bamford:** As I mentioned, the national trade corridors fund has been absolutely critical to the success of the Port of Prince Rupert. The idea was that we could catalyze investment or draw investment by receiving \$225 million in funding. With that investment, we are now enabling \$3 billion in new infrastructure. This is a spectacular opportunity to take this forward into the next trade corridors diversification fund. That would be one example.

• (1810)

**Dan Muys:** Could I hear from the Vancouver port authority?

**Peter Xotta:** Sure. I will essentially echo what Katherine said. The national trade corridors fund and programs like it are critical from the perspective of delivery of infrastructure at tidewater and these supporting pieces of infrastructure.

In the context of what has happened, we're in the process of delivering an overpass in the city of Burnaby, adjacent to Vancouver. That overpass allows a significant increase in rail capacity because of the elimination of a level crossing, which has increased the capacity to North Vancouver, where there are several bulk terminals, by about 10%. These are projects that are not insignificant in terms of their scale. They take time to put in place. Part of the challenge, as we mentioned previously, is the planning and permitting for them.

We look forward to availing ourselves of some of the funding available under the new program in a targeted way to keep the momentum going. As I said previously, the Vancouver port authority and the Port of Vancouver have grown tremendously on the backs of some of these investments. What we're talking about in terms of doubling trade is entirely within reach. It's about getting busy and making it more streamlined in terms of execution.

**Dan Muys:** Okay, but I would ask this: Obviously, as both of you indicated in your opening statements, you've been doing significant work, and some of that is on you, but what specifically has been done from a federal perspective three years on from these recommendations?

Do you have the agility that you need from a governance perspective? Do you have the flexibility in terms of financial tools? We heard constantly that in this particular study, in the report, these things were insufficiently addressed in the failed ports bill, Bill C-33, which died on the Order Paper when the Prime Minister called an election.

You compete globally, and you've made reference to that. You're competing with U.S. west coast ports. You've said, "Let's go. Let's show up. Let's be open for business, and let's ensure that regulatory certainty." However, what's been done in three years to actually make that happen?

What needs to be done so that this is not something that we're talking about three years from now and that is still not accomplished?

**Peter Xotta:** I'll start. I'm happy to have my colleagues contribute.

One of the main and most significant changes that I've seen, really since the current government took over, is the establishment of the Major Projects Office. We see that as both a pathway to improving, on several fronts, the issues we've identified and also a profound statement about Canada's recognition of some of the challenges associated with getting major projects done in this country.

We're looking forward to working with the Major Projects Office on both the specific projects that we have in mind, such as RBT2, and on guiding them on some of the broader issues that we mentioned earlier in our prepared remarks.

**The Chair:** Thank you very much, Mr. Xotta.

Thank you Mr. Muys.

[*Translation*]

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

**Stéphane Lauzon (Argenteuil—La Petite-Nation, Lib.):** Thank you, Mr. Chair.

Thank you to the witnesses for being here.

I'm going to ask my questions in French, and I'm going to start with a question for everyone that ties in to the three testimonies we've heard today.

You've all identified a need for greater capacity and better maintenance. You've said existing facilities should be optimized and more facilities should be added. That's essentially how I would summarize the three testimonies I heard.

Today, you have the opportunity to tell this committee how capacity can be increased the right way while minimally impacting the environment. Tell us about the direct and indirect jobs this will create.

Tell us about the importance of the supply chain as well.

Ms. Bamford, please start by telling us about the fact that, in your region, you have a 58-km corridor connecting to Asia, that it's important to enhance trade corridors and that 80% of exports aren't going to the United States.

Can you tell us a bit about that and give this committee an opportunity to fully understand the situation?

[*English*]

**Katherine Bamford:** Thank you for the question.

I'm going to concentrate on regulatory barriers and the potential for permitting certainty, permitting changes and permitting consistency, as this will lift capacity through speed to market.

I'd like to say that there is a significant need for regulatory agility. Canada's current project review and permitting system for port lands involves excessive regulatory red tape due to overlapping and duplicated roles among federal departments. This has created a fragmented consultation process, redundant approvals and unpredictable timelines, which have put investment and trade diversification infrastructure at risk.

As the federal land manager mandated to enable Canadian trade, the Prince Rupert Port Authority acts as the sole federal entity responsible for ensuring the port's timely and sustainable development to meet our shared economic priorities. We need a modern framework that grants port authorities more autonomy to respond to rapid changes in changing supply chain needs.

The Prince Rupert Port Authority has put forward actionable recommendations to create a one-window, one-review process. This will create a more efficient and accountable federal administration process for port development. The recommendations will reduce regulatory duplication, ensure meaningful consultation and expedite the development of new infrastructure across Canadian ports. This one-project, one-review approach will eliminate jurisdictional duplication and set firm statutory timelines for reviews without compromising environmental standards, which is the key.

Thank you.

• (1815)

[*Translation*]

**Stéphane Lauzon:** Thank you.

Before I go to Mr. Xotta, I'd like to hear from Mr. Métivier.

Mr. Métivier, you can comment on the previous question, too.

Can you tell us more about the regulations and legislation that govern importing and exporting?

Tell us about the direct and indirect jobs you touched on briefly, as well as why it's important for your regions to have a port in Matane.

**Eddy Métivier:** Thank you very much for the question.

We know business opportunities in shipping are being lost every day because the deck is operating at about 28% of a wharf's usual capacity in terms of the load it can bear.

That's why we need to build an additional wharf, wharf 2, which will be perpendicular to the first. This will ensure that wharf 1, which is currently at the end of its useful life, can continue to operate while the new wharf is being built. At that point, the two wharves will be able to handle increased tonnage, and the port will finally be able to meet the needs of shipping companies.

We'll go from 300,000 metric tons a year to almost 500,000 metric tons a year to meet customer demand. We'll create 400 direct and indirect jobs per year over and above the 1,144 existing jobs. We'll go from 1,000 jobs to 1,500 jobs. At that point, more than 10% of the population of Matane will depend on the port. We'll add \$54 million to the \$167 million we currently contribute to Quebec's GDP. We'll also be adding \$9 million to the current \$20.5 million in tax revenue. This opportunity must be seized.

The Canadian government is open to the idea of reducing its dependence on the American coast. We already export two-thirds of our goods to Asia and Europe. That's why we want to move forward with this project.

**The Chair:** Thank you very much, Mr. Mayor.

Thank you, Mr. Lauzon.

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

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

Mr. Mayor, what your community is going through is deplorable, and you're not alone. Wharves all over Quebec are in a terrible state. In my riding, in Verchères, there's a wharf that has been aban-

doned for 30 years. I know there are more of them in the Gaspé, on the Côte-Nord and in the Îles de la Madeleine. Less than a month ago, a wharf in Quebec City actually collapsed. All of that speaks to the federal government's failure to invest in its own infrastructure.

I'd like to talk to you about another aspect of this issue.

The government announced the creation of a new trade diversification corridors fund that includes port corridors. This is kind of a new version of the national trade corridors fund. These funds are often used for major projects, very sexy projects announced with great fanfare.

In many cases, the regions are ignored. Smaller projects are sometimes frozen out of these programs. The program criteria have not yet been announced. A Port of Québec official appeared before the committee this week. She really wants existing infrastructure to be part of it.

Do you think that certain criteria, which could benefit your region, should be taken into account before they're made public?

• (1820)

**Eddy Métivier:** Yes.

That's a really important criterion for the regions if we want them to contribute to the province's economy and the country's economy. We already export goods to Asia and Europe. The government should continue to support and encourage regions that contribute to economic development. We have the rail ferry. Coast Guard and RCMP vessels even dock here in Matane. All kinds of opportunities are being lost because the wharf is decrepit.

If we lose the port of Matane, we'll lose our maritime roots and our contribution to the economic development of the province and the country. That's totally unacceptable. There has to be a place for regional ports, for all the ports along the St. Lawrence. Big ports are essential, but they have to be connected to the regions. That's critical. Smaller ports and ports in the regions must be served. This program must take that into account.

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

**The Chair:** Thank you very much, Mr. Mayor.

[*English*]

Next we have Mr. Albas.

Mr. Albas, the floor is yours. You have five minutes, sir.

**Dan Albas:** Thank you, Mr. Chair.

I'm going to start with Mr. Xotta from the Vancouver Fraser Port Authority. Sir, the World Bank has an index every year, and—as I'm sure you know and it doesn't come as a surprise—unfortunately, your port is not as productive as we all might like.

Minister MacKinnon came here and told us he felt that getting your port to be more efficient is going to be a key component of the government strategy to increase and diversify our trade. I'd like to hear, first of all, where you feel you are at and what things the government can tangibly do—what we can recommend in our report—that would help you in this.

**Peter Xotta:** Thanks for the question, MP Albas.

The World Bank report is something that ports up and down the west coast look at. What I would say is this: The Port of Vancouver, in 2025, had record volumes in potash, grain, oil, autos and, yes, even containers. We have had three consecutive years of growth in containers. Our market share of containers on the west coast has continued to be very stable, notwithstanding a period of time over the last two years when we had reliability challenges, both weather-related and self-induced, including the heretofore mentioned labour situation.

Our recommendation to the Minister of Transport has been to pay close attention to the labour environment and to look at means by which we might signal internationally and, in fact, deliver more reliability going forward. That'll be a key condition for attracting investment and, of course, delivering reliable service to the importers and exporters in this country.

Another thing Minister MacKinnon said was that we should do more with what we have. I would point to one of the projects that I mentioned previously, which is the Centerm expansion project, in which we increased the land mass of the terminal by 15% and increased its capacity by 60%. That is what we need to be doing.

The investments that many of my colleagues have mentioned are about increasing the density on the available footprint and using the scarce resources that we have—the land and rail capacity to the west coast—as efficiently as possible. I believe that if we continue to make investments, both at tidewater and in the first and last mile improvements that I mentioned previously, we will continue to grow this gateway and we will continue on a path to delivering the doubling that our Prime Minister has talked about.

**Dan Albas:** When it comes to weather-related events, I understand that there have been a number of challenges. All ports have some of those from time to time, but particularly, when I mentioned anchorage to the minister, he did not seem to think this was an issue. I've heard that the port has often had to encourage that large cargo ships be held back when weather occurs, and it's a bit like the Wild West; there's no central authority that will come in unless it's the Coast Guard. The Coast Guard doesn't actually set where anchorage is, so it seems like the Wild West.

What do you think needs to happen? Does the port need to be given the authority, or should the government be consulting and trying to figure out how best to do it? If we're going to have more ships coming in, then to me it makes sense that we need to have a place to put them when weather-related events keep them from docking.

• (1825)

**Peter Xotta:** The use of anchorages within Burrard Inlet, in Vancouver's jurisdiction, as well as those in the southern Gulf Islands, an area where there are another 33 anchorages, is under the administrative control of the port authority. In other words, we administer it, but we don't control those locations. They're outside our jurisdiction.

Weather has an impact on the utilization of those anchorages, but I would point out the fact, as I mentioned in my prepared remarks, that something called active vessel traffic management, as well as our centralized scheduling system, has put us in a much better position to predict when those events will occur.

I'm pleased to say that over the last two years, the utilization of the anchorages in the southern Gulf Islands in particular has not exceeded 50% for any period of time. The number of concerns that have been expressed by residents in that area has dramatically dropped since we implemented the system.

It's an example in which technology, aided in some cases by regulation but certainly supported by the federal government, can be very helpful in addressing legitimate concerns expressed by residents in those areas.

We are a port and a port region, so there will be vessels, and locations to put them will become important from time to time. We think that investment in technology and better communications can be very helpful in addressing concerns and certainly have been over the last two to three years.

**The Chair:** Thank you very much.

Finally for today, we'll go to Mr. Kelloway.

Mr. Kelloway, the floor is yours, and you have five minutes, sir.

**Mike Kelloway:** Thank you, Mr. Chair.

Thank you to the witnesses from British Columbia and Quebec. This has been a really good discussion on supply chains.

MP Barsalou-Duval, I really liked your question about smaller ports and how they fit into the mix here, or how they will fit into the mix, but I want to pivot a bit, if I can, to recruiting and retaining labour.

We all understand that ports across Canada often face unique and acute challenges when it comes to their operations. I'm assuming the things that ports face in Quebec or the Port of Prince Rupert are different in terms of scope and things of that nature.

I'll cut to the chase: What can the government do to help ports with recruitment and retention when it comes to labour and the specific needs that ports have?

We'll start with the Prince Rupert Port Authority, please, and then we'll go to our guests on the screen.

**Kevin Moraes:** I appreciate being here with our west coast colleagues from Vancouver.

Prince Rupert is unique, as one of Canada's major trade gateways. We are located in a small northern community in B.C. It's a town of 12,000 people. From a labour availability standpoint, our concern is always going to be about whether we have enough labour supply locally in the community.

As Katherine had mentioned, the \$3 billion of new construction coming online is going to bring on hundreds of new jobs locally. We're really focused on working with our local municipal partners and industry partners on how community infrastructure—housing, water infrastructure and water treatment—can be implemented so we can recruit and retain labour in the community.

One benefit from the Government of Canada was investment into local water infrastructure. That is being implemented right now by the City of Prince Rupert. Going forward, investments into something like water treatment, so that we have clean drinking water in the community, would be of vital importance.

**Mike Kelloway:** Ms. Bamford, do you have anything to add?

**Katherine Bamford:** I don't have anything. Thank you.

**Mike Kelloway:** Maybe we'll go to our witnesses online.

What can the Government of Canada do to support you in recruitment and retention when it comes to your ports?

**Peter Xotta:** I'll jump in from Vancouver, sir.

I would think the aforementioned recommendation around reliability will continue to attract investment in the gateway, thus creating greater opportunity for employment. That would be fundamental to it.

There's an ongoing conversation on advancing productivity in the supply chain, particularly at the waterfront. I think training and development funding for adoption of new technologies is important.

Fundamentally, in the waterfront and in broader parts of the supply chain, there's probably not as much diversity as we would like. I think that training and finding pathways to increase diversity across the workforce is something that government can and should turn its attention to.

**Mike Kelloway:** Thank you very much.

Monsieur Métivier, would you like to comment, sir?

• (1830)

[Translation]

**Eddy Métivier:** Rehabilitating Matane's port would definitely create additional jobs, and the spouses of port workers could take other jobs in town. It's always beneficial to invest in our ports.

The regions have trouble attracting workers, and enhancing ports in the regions could support contingency plans for the largest ports in the province and the country.

[English]

**Mike Kelloway:** There used to be a show on CBC Nova Scotia called *Reach for the Top*. It was between high schools. You probably had something similar. They would say, "Okay, we'll have some short snappers, and we'll go around the horn."

Maybe we can start here with Prince Rupert.

You talked about waste water. For the purposes of a report, is that a recommendation for further investments or are there other things that we could be doing?

We can then quickly go around to the witnesses who are online.

**Kevin Moraes:** We would say that the top recommendation is fundamentally water treatment for the local community. The local municipality would also agree with that.

**Mike Kelloway:** Thank you.

Monsieur Métivier, we'll go to you.

[Translation]

**Eddy Métivier:** I'm sorry. Can you repeat the question, please?

[English]

**Mike Kelloway:** Is there a recommendation you would like to see in the report that will support the Government of Canada in supporting you in terms of retention and recruitment?

[Translation]

**Eddy Métivier:** As I explained, investing in the port would help us attract more high-quality workers. Those workers would come with their spouses, who would also join the workforce. The regions need workers, and workers are hard to get right now, so investing in the port sector is an asset. It also has an impact on other modes of transportation, such as rail and road.

[English]

**Mike Kelloway:** We'll go to the Port of Vancouver for the win.

**Peter Xotta:** We are very fortunate in Vancouver in terms of our ability to attract and retain labour. I will come back to one of our primary recommendations, which is greater certainty of investment. That's going to serve Canada's broad ambition, but it will also create greater employment in the region and in the supply chain.

**Mike Kelloway:** Thank you very much.

**The Chair:** Thank you very much, Mr. Kelloway.

On behalf of all members of this committee, I would like to thank our witnesses for appearing before us today and for contributing to this very important study.

Colleagues, this meeting is adjourned. I look forward to seeing you after the break.

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