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• (1105)

[*Translation*]

The Chair (Peter Schiefke (Vaudreuil, Lib.)): I now call this meeting to order.

Welcome to meeting number 24 of the Standing Committee on Transport, Infrastructure and Communities.

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

[*English*]

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 our witnesses.

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 are 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.

This is a reminder that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

[*Translation*]

Colleagues, I would now like to welcome the witnesses.

Today, we have with us a representative from the Montreal Port Authority, Mr. Julien Baudry, chief of staff and vice-president of communications and external relations. We also have a representative from the Saguenay Port Authority, Carl Laberge, president and CEO, who is joining us via video conference.

Welcome, gentlemen.

Mr. Baudry, you have the floor for a five-minute presentation.

Julien Baudry (Chief of Staff and Vice-President, Communications and External Affairs, Montreal Port Authority): Thank you very much, Mr. Chair.

Ladies and gentlemen of the committee, thank you for inviting me to testify.

Canada is at a pivotal moment. Against a backdrop of geopolitical upheaval, the reorganization of supply chains and increased competition, ports are no longer merely infrastructure; they are platforms for resilience and instruments of economic sovereignty.

The Port of Montreal, like all other Canadian ports, does not operate in isolation. Our role is to provide local businesses with reliable, competitive and predictable options for accessing global trade via maritime transport. This is what we do every day; goods worth over \$400 million pass through the Port of Montreal, and we support nearly 600,000 jobs. From Germany to India, China, or Morocco, current and future economic agreements are at the heart of what we do.

However, we do not operate in an environment where we are on a level playing field with our American competitors.

Internationally, the picture is clear: The ports that stand out as leaders are fully integrated; they manage logistics hubs, they develop intermodal platforms and they offer licensed services. For example, the Port of New York—New Jersey alone handles more containers than all Canadian port authorities combined. Its revenue streams are diversified, deriving notably from toll bridges and real estate assets. It has investment capacity supported by simpler, more predictable and faster regulatory processes.

In short, global leaders do not just build docks; they build ecosystems that generate and capture greater value while offering businesses a smoother experience.

An article in *The Globe and Mail* recently pointed out that a large proportion of our fruit and vegetables, as well as other foodstuffs, even if they come from abroad, pass through U.S. ports. This is a strategic vulnerability that exposes us to the decisions of the Washington administration, which on its own has the power to slow down, impose surcharges on, or halt essential flows.

The same logic applies to many manufacturing inputs, which cost more because U.S. wholesalers must pay international customs duties.

On the U.S. east coast, it is estimated that between 500,000 and 600,000 containers destined for Canada currently pass through a U.S. port rather than Canadian infrastructure. Uncertainty surrounding labour disputes, combined with the strong performance of U.S. ports, is a major factor in this trade diversion. Whether to repatriate these goods or to meet Canada's ambition to double exports outside the U.S., local businesses need capacity.

Let me be clear: the Port of Montreal is ready to meet the challenge. Last year, our growth exceeded the average for the U.S. east coast. The competition is fierce, and maintaining century-old infrastructure whilst adopting new technologies or adapting to climate change is a daily challenge.

In 2025, we reached a utilization rate of 72.4%. If the trend continues, we will reach 86% by 2030. Above 85%, costs rise, the carbon footprint increases and business opportunities are lost.

[English]

No vacancy is not an option.

[Translation]

The expansion project in Contrecoeur is therefore coming at just the right time. After more than a decade of preparations, 50 consultations and 388 conditions for implementation, preparatory work has begun.

As North America's first low-carbon container handling terminal, Contrecoeur will offer a clear competitive advantage: its location will reduce the carbon footprint of trucking and rail transport compared to other options, notably the nearest alternative, which is the Port of New York.

I want to return to an important point: there is the Port of Montreal, but also the model we have for the port of the future.

Last year, as of December 31, it was estimated that seven out of 10 container ships worldwide could enter the waters of the St. Lawrence. Of the 600 container ships that have been built and ordered for 2025, the segment experiencing the strongest growth is precisely that of container ships capable of calling at the Port of Montreal, namely 6,500-TEU container ships. We are talking about growth of over 500%.

Of course, we must mention mega-ships. These mega-ships essentially shuttle between Asia and Pacific ports, or to ports such as Halifax or Saint John, with which we collaborate and work.

In short, there is a future for inland waterway transport, but to ensure an even brighter future, I would like to make three recommendations.

Firstly, the Port of Montreal, like all other Canadian ports, needs to be able to act as a genuine economic development agency. We need to be more agile and make targeted amendments to our letters patent to enable us to generate additional revenue, but also to respond more quickly to market fluctuations and business demands.

• (1110)

Next, we need a national supply chain strategy that is consistent with port operations, but above all focused on bringing food and goods intended for Canadian businesses back into the country.

Finally, we must treat ports, but above all corridors, as systems. The reality is that trade and food security do not depend on one port or another; they depend, in particular, on intermodality between rail, trucking and warehouses. Ports that work together will, of course, benefit greatly from having not only physical infrastructure but also digital infrastructure. Digital corridor projects enable us to make better decisions and, above all, to offer greater predictability and competitiveness to the businesses that use our services.

I will stop there. I look forward to answering the committee's questions.

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

Mr. Laberge now has the floor for a five-minute opening statement.

Carl Laberge (President and Chief Executive Officer, Saguenay Port Authority): Good morning, everyone.

Thank you very much for inviting me to speak to you today.

I'm going to give you some information about the Port of Saguenay.

The Port of Saguenay is located on the Saguenay River and forms part of the wider family of St. Lawrence—Saguenay ports. The St. Lawrence is one of the most important shipping routes in North America.

A distinctive feature of the Port of Saguenay is that it was relocated in the early 1980s. Originally situated in the city centre, back when it was part of the former town of Chicoutimi, the port was moved outside the city centre. It is now located away from the city centre, far from residential areas. The move was specifically intended to take advantage of the deep waters of the Saguenay River, which is one of its major benefits. Indeed, Saguenay is capable of accommodating very large ships. We also wanted to encourage industrial development around the port, so that it could act as a catalyst for economic growth.

The port is open all year round. As I said, it can accommodate the largest ships in Quebec. One of the port's distinguishing features is the size of its land holdings. Currently, the Saguenay Port Authority owns over 1,200 hectares of land directly adjacent to the port, designated as an industrial zone to accommodate large-scale industrial facilities. That's around 12 square kilometres of land, so it's very large.

We are currently planning the development of one of the largest port industrial zones in Canada, in collaboration with the Government of Quebec and the City of Saguenay, both of which have announced, alongside us, significant investments in the infrastructure of the port industrial zone. We are currently building a multi-user bulk handling system, at a cost of \$110 million, which will be operational from June. We are putting in place infrastructure that will enable us to handle large volumes of bulk cargo efficiently. We have had the support of the provincial and federal governments for this project.

We also stand out because of our location, which is further north in Quebec, slightly inland thanks to the Saguenay River. This gives us excellent access to the entire hinterland of north-western Quebec. We are well connected to the existing railway network, which extends as far as the Chibougamau—Chapais area—one of the most prolific mining regions at present, particularly for critical and strategic minerals. We therefore have a good connection to this network.

The Saguenay-Lac-Saint-Jean region, where we are located, is well known in the industrial sector. It is one of the main aluminum-producing regions in North America, amongst other things. There is a significant metallurgical sector and a wide range of industries here. Furthermore, one of Saguenay's neighbours is the Bagotville military base, one of the largest military bases in the country.

What we see in the region is a port that is developing assets with a view to industrial transformation; it is a port with a large capacity to accommodate ships; it is a well-located port, with good connections to the northern parts of Quebec where mining projects are under way; it is a port that provides us with a good link for trading with Europe, amongst others, and with other countries. That is what we are currently seeking.

We are in the process of building this infrastructure. We have the support of the Government of Quebec and the City of Saguenay. We are also working with the federal government and the Canada Infrastructure Bank to develop the financial models that will enable us to complete this infrastructure. This is extremely strategic. We believe our positioning fits very well with what we are currently seeking to develop in Quebec and Canada, namely having west-east corridors to export our goods, particularly in the mining sector in our case, given the proximity of our resources. We also want to be able to generate added value by establishing industries around the port. That is what we are currently setting up. We plan to start construction on this infrastructure this year, in fact. We are at that stage now.

• (1115)

That is where we currently stand. To build on our momentum, we are seeking the federal government's support to fund certain additional infrastructure projects that we require. A number of programs were announced last week, and we hope to be able to benefit from them. In fact, last autumn, as part of the most recent budget, the government made announcements regarding port infrastructure. We are very pleased with these announcements, but we will also need support for industrial infrastructure. We expect the Canada Infrastructure Bank, amongst others, to support us in this regard.

We are a small Canadian port authority, but we are experiencing very strong growth, and thanks to our capacity and location, we have the potential to significantly help Canada achieve its goals regarding the processing and export of critical and strategic minerals. We therefore need the resources that will enable us to grow.

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

I would like to thank you both for your opening statements.

We will now move on to our question period.

Mr. Lawrence has the floor for six minutes to start.

[*English*]

Philip Lawrence (Northumberland—Clarke, CPC): Thank you, Mr. Chair.

I apologize to the witnesses; I'll start with a brief bit of house-keeping. I believe all parties are on board, so hopefully this should go quickly.

I would like to move the following motion:

That the committee invite Peter Neil Verleysen to appear as a witness for the committee's tentative meeting on the changing landscape of truck drivers in Canada on March 23, 2026.

Of course, Peter's sister was a victim of a tragic accident involving a transport truck, and he would very much like to testify.

I expect and appreciate all members' support there.

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

I believe that members understand the motion, and there have been discussions prior to today's meeting.

Do I have unanimous consent from members?

(Motion agreed to)

The Chair: Mr. Lawrence, the floor is yours, sir.

Philip Lawrence: Thank you.

I appreciate all members' support. It means a lot to Peter and his family.

Mr. Baudry, most of my questions will be directed toward you.

You're now in a position to start the Contrecoeur expansion, but I want to talk a bit about where we are before we get there.

Currently, the World Bank's global port index ranks Montreal 351st out of 405. To what would you attribute the poor performance of the Port of Montreal?

[*Translation*]

Julien Baudry: Thank you for your question.

In our view, Canadian ports as a whole, particularly those known as destination ports, are not valued in the same way as other ports. Let me give you an example. The index in question does not take into account the fact that ships are fully loaded and unloaded in Montreal, i.e., 100%. In the methodology used, this aspect is actually not taken into account. Yet, in reality, we are a very productive port.

However, we can certainly do better. There is no doubt that, in order for us to perform as well as the world's top-performing ports, we need better intermodal coordination, particularly by working with all levels of government. At present, the challenges facing the Port of Montreal are also linked to the equipment investments required at both the provincial and municipal levels. This work would go a long way towards improving overall performance.

I cannot stress this enough: The reason why some ports elsewhere in the world are performing better than us is that we are not competing on a level playing field. These ports have higher revenues, more diversified revenues and greater digitalization capacity, particularly because they possess both a scale and network effects that we do not have in Canada.

• (1120)

[English]

Philip Lawrence: Thank you very much for that.

The discussions for the expansion that's going to be starting, I believe, started in the 1980s, over 40 or 50 years ago. Someone at the Port of Montreal at that point had the vision. How would you say that the federal government specifically—because we're in the House of Commons; we're the federal government—has been as a partner to work with over the last 10 years? Has it given you the support you needed to get the work done?

[Translation]

Julien Baudry: Our consultation process, which included preliminary consultations and was managed by the agency, was very long. Of course, the Canadian government has helped us in the past by giving us grants. However, the fact is that things are totally different now that we're collaborating with the Major Projects Office. That doesn't mean we skip the queue; the Contrecoeur project is not being accelerated in any way. However, having a central agency that is also able to coordinate efforts means that we're now in a very good position to deliver, on time and on budget, a quality project that will meet businesses' needs.

Let me go back to what I said a little earlier and emphasize that certain amendments to laws and regulations definitely can and should be made more quickly. Ports, like all Canadian businesses, want predictability. Faster is better. Lastly, I want to emphasize that, whether we're talking about Contrecoeur or activities in Montreal, the best way to help Canadian ports is to maximize their existing capacity. At the Port of Montreal, capacity has been affected by labour instability. We're neither the employer nor the union, but a work environment that results in greater stability also helps us convince Canadian companies to use Canadian ports.

[English]

Philip Lawrence: This is consistent with what we've heard from many witnesses. The uncertainty from what has occurred over the last decade in the Canadian economy has really held the economy back.

That being said, what is the date for the Contrecoeur expansion to be completed?

[Translation]

Julien Baudry: Our current timeline would enable us to begin operating as early as 2030. As I said in my presentation, if the trend continues, our usage rate will be 86%. If commissioning were delayed, some of Canada's ambitions could be difficult to achieve. Right now, if 6% of Canadian exports to the United States are sent elsewhere, the Port of Montreal will not be able to meet the demand, which is mainly from Quebec and Ontario. If we have to delay the project past 2030, there will be complications and lost opportunities for Canadian businesses.

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

[English]

We'll go to Mr. Greaves.

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

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

Good morning, colleagues.

Thank you to the witnesses for joining us today. Good morning.

As we've heard before in conversations in this committee, and as we've heard extensively from the Prime Minister and from the government, it's clear, I think, that we're all on the same page. Canada must diversify its trading partners, and we have to increase our exports around the world, with a focus on expanding beyond the North American continent.

The government's \$5-billion trade diversification corridors fund is part of the strategy to double non-U.S. exports over the next 10 years and will support projects across the country, including national and regional trade bottlenecks affecting some of Canada's ports.

For the witnesses here this morning, could you please share how funds from the national trade corridors fund in 2024, and now, the new trade diversification corridors fund, will help your ports to expand to meet these targets for non-U.S. exports within the next decade?

Perhaps we could begin with the Port of Montreal and then go to the Port of Saguenay.

• (1125)

[Translation]

Julien Baudry: Thank you for the question.

I want to make it very clear that any investment of public funds in a project at the Port of Montreal, whether by the Government of Quebec or the federal government, is essentially a lever. In the case of the Contrecoeur project, public investment allows us to reduce risk and, subsequently, get the port authority to make investments that will come from the private sector.

In other words, every investment made through the national trade corridors fund is not only for the port, but also for users. In our case, past investments have resulted in India being the port of Montreal's third-largest partner. Why is that? It's because we have infrastructure that allows us to better serve western Canada through terminals like CanEst and increased rail capacity.

At the end of the day, it's not just the port that's more competitive; it's the product that's in the container or in the ship destined for export. This applies to all countries, and it's the same dynamic we see. The end user benefits from these investments.

Carl Laberge: Mr. Baudry is right: We're making these investments for users and to have more efficient and competitive infrastructure.

One of the things I mentioned was our bulk handling project, which will end in June of this year. We had support from the national trade corridors fund, which was critical to our being able to do this.

We also need to expand our port facilities to meet existing demand as well as future demand resulting from the development of strategic and industrial critical minerals projects in the port industrial zone. Last fall's announcement about the new trade diversification corridors fund is critical to this development.

An organization like ours has limited financial resources but significant responsibilities in serving its industry, so it needs the support of its partners, including the provincial government and the federal government. In our case, even the municipality of Saguenay is involved because we manage public infrastructure for the good of the public, and there is a fairly significant level of risk upstream. That said, it pays to have this infrastructure when we need it, but it takes a long time to develop it.

Will Greaves: Thank you, gentlemen.

I'd like both of you to clarify something. What is the current capacity of your respective ports? What would their maximum handling capacity be if they had all the necessary resources?

Let's start with the Port of Montreal, and then we'll see what the situation is for the Port of Saguenay.

Julien Baudry: At this point, the Port of Montreal can handle 2.1 million containers, but that's a theoretical number, because the reality is that, at an 85% utilization rate, our capacity is closer to 1.73 million containers. The closer we get to that peak, the less competitive we are. To simplify, I would say that there are times when there's lots of space and times when we have to turn customers away and send them elsewhere. That volume is spread out over a whole year, and some seasons are busier than others. That happened in 2019, when we had more difficult seasons. Anyone in import-export will tell you that.

Thanks to these investments, especially in digitization—which I consider very important—and optimization, we're able to reduce costs and our carbon footprint. At the end of the day, we're making the port more competitive and, more importantly, there's a multiplier effect on the products we ship out. The Port of Montreal primarily serves Europe, which is still very interested in low-carbon products, but it also serves Asia, to which we export 25% of our vol-

ume, and it is increasingly serving Africa, as you can see. Those are essentially the needs we are going to meet.

Capacity limits relate directly to the principle of supply and demand. The more capacity you have in a system, the more companies can take advantage of it and do business internationally with fewer logistical barriers. Again, that creates jobs here.

• (1130)

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

[*English*]

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.

I'll start my first round with Mr. Baudry.

Welcome to the committee. We're very happy to have you here. We're always happy to have people here.

On February 23, the committee had the opportunity to hear from the Minister of Transport, Steven MacKinnon, and I told him about the following situation. Consultations for the Contrecoeur expansion project were held in the immediate vicinity of the port, in Verchères and Contrecoeur, not in Boucherville or Varennes. Like it or not, containers that go through Contrecoeur have to be transported either by road or by rail. If the project is equivalent to 60% of Montreal's current capacity—1.15 million containers—that means a lot of containers being moved, some of them by rail through cities. We therefore expect noticeable impacts on residents of Boucherville and Varennes. When I told the minister about this, he said that my request to hold consultations in Boucherville and Varennes with representatives from Transport Canada, the Montreal Port Authority and CN was entirely reasonable.

Would the Montreal Port Authority be willing to take part in such consultations?

Julien Baudry: Thank you for the question.

I should point out that the 2017 impact study considered increased road and rail transportation. In addition, during the consultations, which were conducted not by the port authority, but by the agency, people from Boucherville and other municipalities throughout the Montérégie region and elsewhere in Quebec sent in comments. People from Verchères, Varennes, Contrecoeur and Boucherville submitted briefs.

It was a designated project, so we focused on the impacts of the project first. We're no longer at the consultation stage, but the Montreal Port Authority holds events, such as information sessions. We have mechanisms to make us good neighbours. We're always happy to listen to questions and answer them.

With respect to doing more and being involved in a consultation process, as I'm sure you know, we don't own the railway infrastructure; it belongs to CN. Regardless, those questions and comments have been forwarded to the agency, and we will respond to them. I am taking note of the recommendation to do more for these residents and municipalities. We'll continue to answer questions.

Xavier Barsalou-Duval: Basically, I understand that you will say yes if you receive an invitation from the minister's office, Transport Canada, CN or the City of Boucherville.

I understand that, as you did mention, the track belongs to CN first and foremost. That doesn't prevent alignment challenges, because what's going to transit on the track will come from the port. Therefore, the port authority may be in a better position to answer some questions. That's why I think it would be important for you to be there.

I've learned that some of the land where the work is going on, where the preparatory work has started, is contaminated. People have told my office about their fears that drinking water could be contaminated, particularly as a result of runoff and snowmelt. We explored that a bit further. According to the City of Contrecoeur's documents, two lots in particular are affected by contamination: Lot P-252 contains cadmium, copper, nickel, lead, petroleum products and zinc, while the lot located at 1920 route Marie-Victorin contains aluminum, ammoniacal nitrogen, cadmium, copper, iron, nitrate, nitrite, sulfides, vanadium, zinc, chrome, manganese and nickel.

However, under the Environment Quality Act, before a municipality issues any permits, contaminated land like that must be subject to a rehabilitation plan approved by the ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs. Obviously, it is the responsibility of the Government of Quebec. I understand that, true to the habits of most federal entities, the Montreal Port Authority has not applied for a permit from the city or submitted a rehabilitation plan to the Government of Quebec.

Nevertheless, I would like to know what the port's intentions are regarding the treatment of contaminated land. Will it be treated properly?

Julien Baudry: Thank you for your question.

First of all, it should be noted that the vast majority of the site used to be intended for agriculture, particularly growing corn and soybeans.

Now, in the western part of the land, where these two lots you mentioned are located, there have indeed been industrial activities. In this case, a characterization was done of the sites. All of that was also shared with federal authorities.

Since we are already at work, the necessary measures have been put in place, starting with the installation of barriers to prevent runoff into the nearby creek. It's also important to note that, even when work is done on the site, the vehicles are mechanically cleaned, so there is no contamination beyond the site. When the vehicles have to leave the site, we apply the Quebec regulations, meaning we use the Traces Québec program.

I really want to reassure committee members that the entire site is managed in an exemplary manner and that we report on the measures we use to the authorities. I'm talking about federal authorities, of course. I want to emphasize one point as well: We are not asking for permits from the Quebec government or the municipality, but the Quebec government took part in the consultation process that resulted in a favourable decision statement. We made the choice not to apply for a permit, but it's the same as any agent of the Crown. We followed the federal guidelines.

• (1135)

The Chair: Thank you, Mr. Baudry.

Thank you, Mr. Barsalou-Duval.

[*English*]

Next we have Mr. Muys.

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

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

Thank you to the witnesses who are here with their expertise.

Back in March 2023, this committee did a national study on large port infrastructure. In fact, the Port of Montreal was our first stop. Thank you for hosting us.

From that, we made 12 recommendations in terms of competitiveness, streamlining approval processes and strengthening financial flexibility. The Government of Canada at the time responded to say that this was a priority, yet we're three years on and we're still talking about some of the same issues.

My question comes in two parts.

First, in the last three years, have you seen any tangible removal of bottlenecks or reforms by the federal government to get out of the way, let you expand the port and let you do your job?

Second, can you amplify why it's so important that we can't talk for three more years and that we need to have action and actually get things done? We're losing economic opportunities around the world.

[*Translation*]

Julien Baudry: Very pragmatically, there is no doubt in our minds that our designation by the Major Projects Office is something that allows us to move forward, since we also benefit from the office's unique expertise. I want to emphasize that there are no acceleration measures. However, being on the fast track when you have to work with multiple departments and services helps us, but it also helps the private sector. A vote of confidence on a project also makes it easier to mobilize private capital. There would be legislative aspects to amend, as we've already discussed, so that the Port of Montreal would be able to work more with other ports in Canada, as it wants to do. However, the reality is that the executive aspect of such a message is also important to us.

There is certainly an international appetite for trade diversification. It's not just in Canada. Last year, as many German companies visited the Port of Montreal as in the previous five years. Why? It's because not only Canada, but the entire global economy wants to diversify to be less dependent on our neighbour to the south.

Signals are certainly important, but so are decisions. We talked about the trade corridors diversification fund. Timely decision-making will also allow us to put in place projects and mechanisms that can create beneficial effects. I want to emphasize that the benefits go beyond the economy. When we work quickly, we can put environmental compensation measures in place more quickly.

[*English*]

Dan Muys: This question is directed first at the Port of Saguenay, but the Port of Montreal may want to weigh in as well.

One thing we have heard consistently—a few years ago when we did the study and ever since—was the need for financial flexibility. There were limitations on port authorities in terms of borrowing and their ability to access capital to make these expansions happen. As a smaller port authority, the Port of Saguenay may be constrained by the limitations on financial flexibility.

There was Bill C-33, which didn't go far enough and was underwhelming. It died on the Order Paper when Prime Minister Carney called the election. Even the insufficient reforms of financial flexibility and giving more financial tools were cast to the side.

Maybe you can talk a bit more about how it's important for you to have flexibility.

● (1140)

[*Translation*]

Carl Laberge: It's very important for us to have access to capital to be able to carry out our projects. You said it right at the outset. Our organization is smaller than, for example, the Port of Montreal. However, building a wharf costs us the same as it costs the Port of Montreal for a wharf of a similar size. We need funding instruments

that are potentially adapted to smaller ports such as ours, which has had to face significant costs. That has to be reflected in the infrastructure programs and it has to be in place. The national trade corridors fund has done a good job of that. We need to have enough capital for it. In our specific case, however, we need greater financial flexibility and different funding levers.

For example, we built a \$110 million conveyor project. For that, we received financial assistance from the governments of Quebec and Canada, but we also needed some of the funding in the form of loans. Given our size, our current borrowing limit did not give us access to that funding in a traditional way. Therefore, the Government of Quebec, through Investissement Québec, lent us the money. It's a bit paradoxical in our case, given that we are a Canadian port authority and, as such, we manage assets that belong to the federal government. However, there were no tools at the federal level, so the Quebec government stepped up to help us. Right now, we're very hopeful that the Canada Infrastructure Bank will be able to play that role in our case as well, in terms of loans.

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

[*English*]

Thank you very much, Mr. Muys.

[*Translation*]

Ms. O'Rourke, you have the floor for five minutes.

Dominique O'Rourke (Guelph, Lib.): Thank you, Mr. Chair.

I would like to welcome the witnesses who are with us this morning. Their testimony is extremely useful.

We saw this during the COVID-19 pandemic, just as we saw afterwards when a ship remained stuck in the Suez Canal: Events like these caused a lot of problems in global supply chains, and we saw the impact on prices.

How can strengthened Canadian port infrastructure help ensure the resilience of domestic supply chains in future disruptions?

Mr. Baudry, you quickly raised the idea of climate change. How should ports adapt to future climate change?

I'll ask Mr. Laberge the question as well.

Julien Baudry: Maybe I'll let Mr. Laberge answer that first.

Carl Laberge: Yes, no problem.

To answer the first part of the question, I would say that, in our case, the role we can play is definitely to have infrastructure available when we need it. As I was saying earlier, it takes a long time to develop port infrastructure. It's expensive. We can't build infrastructure when events occur, as we saw last week. You have to plan well in advance. We have to have a certain capacity in front of us to be able to respond to events. That's what we can do, and that's what we're about to do. All Canadian port authorities have that mandate in mind, I believe. It's about being ready when the time comes. That's one of the things we can do on our side here in Canada in terms of capacity.

When we talk about climate resilience, it really depends on infrastructure. We're not all in the same position. We have to make sure that, whatever events occur, we will once again be able to have available infrastructure. It could involve raising the level of the wharf or draining our infrastructure to deal with extreme events while also ensuring respect for the environment when new events occur. It's important to be able to adapt to that. The port infrastructure was built many years ago, for the most part, so there are adaptation needs and investment needs for that, which are indeed significant.

• (1145)

Julien Baudry: As my colleague Mr. Laberge said, our infrastructure is aging. We need to maintain it, create new infrastructure and make technological changes at the same time.

Certainly, port authorities need diversified revenue streams. Just as an example, the port of New York-New Jersey generates \$27 million a day from tolls on a bridge that was built to help the port of New York. That is not at all our situation when it comes to revenue.

I want to emphasize that, if we also want to improve resilience, we need to repatriate supply chains to Canada. When your supply of fruits and vegetables goes through Philadelphia, for example, between Philadelphia and consumer centres, be it Toronto, Montreal or any other region in Canada, others can make decisions that will increase costs.

Why aren't we repatriating supply chains right now? It's because we prefer to pay a little more to have more resilience or better performance.

I want to emphasize that. For example, the state of Georgia alone has invested \$4.2 billion U.S. in its port infrastructure, and it's not a coincidence that it has been able to develop a significant manufacturing industry. Why is that? It's because there's less risk in the system.

Dominique O'Rourke: Let me follow up on something you touched on, Mr. Baudry, about food going through the United States.

In an opinion piece published in November, Professor Sylvain Charlebois from Dalhousie University, my former neighbour, explained that the new trade corridor diversification fund was really an investment to improve supply chains, which could lead to a reduction in food costs.

Do you share that opinion?

What other infrastructure investments would be essential to reduce food and other costs?

You also said that, when a product is more competitive, users are the ones who benefit.

Julien Baudry: Thank you for the question.

In the case of the food sector, we definitely need capacity to repatriate supply chains, whatever the port, obviously. However, we also have to be able to build real ecosystems not only in the food sector, but also in the advanced manufacturing sector. We need electrical capacity to install what are called reefer, or refrigerated containers. When they run on electricity, it's better for the environment. It also makes some products more competitive. A number of international companies have already chosen to return to the port of Montreal because its connections are now electric and because the international head office has commitments to decarbonize. Without this equipment, these goods will not be coming back here. I do want to address the fact that some American states have set up incentive programs as well.

The Chair: Thank you, Mr. Baudry.

Thank you, Ms. O'Rourke.

I will now give the floor to Mr. Barsalou-Duval for two and a half minutes.

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

I'm going to follow up with Mr. Baudry.

You have no doubt seen a study by Henri Chevalier and Éric Pineault, commissioned by SNAP Québec, on the economic viability of the expansion project or, at least, its justification. The study essentially states that the Montreal Port Authority's past forecasts for future growth have not materialized and that there is currently no bottleneck at the port.

Given that there are currently no bottlenecks at the Port of Montreal, is it really urgent to build an expansion?

That is my question, but there may be other aspects of the study that might interest you or that you would like to answer.

Julien Baudry: We welcome any academic work. In this case, we wrote to the University of Waterloo student and the sociologist who produced the document to inform them that the document unfortunately contained many factual errors. The depth of the river is not right, the size of the vessels is underestimated by 44% and, above all, the economic context and business need are not taken into account.

The Port of Montreal makes its forecasts based on data from the Bank of Canada and Export Development Canada. You're right, the projections we made in 2017 have not come to fruition. We live in a totally different world. In past years, we have unfortunately had some labour disputes. The good news is that we made good use of that time to advance the project's engineering and get a partner in the project.

Now, as for the future, we are here to meet the needs of Canadian businesses, and the message we have from businesses, but also from governments, is that they want—

• (1150)

Xavier Barsalou-Duval: Thank you. I'm going to interrupt you, because I don't have much time left and I'd like to be able to ask a question to the representative from the Port of Saguenay before my time is up.

Mr. Laberge, as you mentioned earlier, your project focuses a lot on mineral extraction and proximity to mines.

First, how do you see the possibility of doing not only extraction, but also processing on our territory? To what extent is that part of your vision? What's the way to get there?

Second, how can this development be reconciled with the presence of belugas in the Saguenay?

Carl Laberge: Thank you very much for the question.

That's exactly what we're developing here at the Port of Saguenay. We have the opportunity not only to export minerals, but also to process them. To be able to process them, we need enough space to accommodate the industries. We also need access to all kinds of other things: energy supplies, such as electricity and natural gas; labour; expertise and so on. Those are all things that we have here, in Saguenay, and that we can offer.

That's really what we're aiming for: to have projects where mining activities are concentrated in the north to reduce volumes and, once the time has come to ship to markets, to try to do one or two additional processing steps here, at the port site, to create jobs at home and grow the economy.

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

Thank you, Mr. Barsalou-Duval.

[English]

Next we have Mr. Albas.

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

[Translation]

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

Thank you to the witnesses.

I would like to direct my questions to Mr. Laberge.

Welcome, Mr. Laberge.

You said that the opportunity for your port was enormous. I discussed the same thing with the dynamic member for Chicoutimi—

Le Fjord. This is absolutely a fantastic opportunity for Canada, and particularly for Quebec and Saguenay.

Can you explain that opportunity to us again, please?

Carl Laberge: Yes. Thank you very much for the question.

As I said, we're actually currently developing infrastructure here to be able to do that, but there's another interesting thing. We're going to have the capacity. It's very big, so we'll be able to develop projects over a number of years. Right now, we're well connected to northern Quebec and Chibougamau by rail. However, there's also a way to improve those rail connections in a very prolific mining sector that stretches from northern Quebec to northern Ontario. A west-east railway would help us facilitate the transport of minerals—even from northern Ontario, across all of Quebec, right to the Port of Saguenay—to ship raw materials or do additional processing.

This is something unique that we have to offer right now. It's a huge opportunity for Canada. It's based on existing infrastructure and existing planning that's already well under way in the communities concerned.

We hope that governments, including the Government of Canada, will work with the region and northern communities to improve this infrastructure so that mining projects can be carried out and our markets can be diversified.

Dan Albas: Your port is in a strategic location, particularly given the geopolitical situation. My leader went to Germany to promote natural resources, such as liquefied natural gas, and discuss reserves of critical and strategic minerals. It seems to me that your port could play a huge role in that. However, the federal government has shut down your efforts. For example, I'm thinking of the liquefied natural gas project you proposed in 2022, which is a very important project, particularly for our allies.

Do you agree with me about the strategic nature of your port?

• (1155)

Carl Laberge: Yes, we very much agree on that. As I said earlier, it's quite exceptional to have a port site around which it's immediately possible to develop major industrial activities.

We did have a liquefied natural gas project, which had been proposed for a number of years and was rejected by the governments of Quebec and Canada in 2022.

I would say that we're really looking at all the opportunities that come our way right now. There are many of them that have to do with critical and strategic minerals. However, there's also great potential for other types of industrial projects, such as energy projects. It's something that has a lot of long-term value, so it's worth investing in this kind of infrastructure. It's something the world is going to need for a long time. It's perfectly in line with the strategies we currently have in Canada.

Dan Albas: It's important to address the over-regulation of ports, as well as the funding issue that you have talked about in committee.

Perhaps you can reinforce your message to the Minister of Transport and the Minister of Housing and Infrastructure regarding the opportunity you mentioned, which the dynamic member for Chicoutimi—Le Fjord also spoke to me about.

Carl Laberge: Indeed, as I said earlier, it's important to invest in port infrastructure. A program for that has been announced, and we hope we'll be able to make full use of it. However, for us to develop our industrial infrastructure and benefit from mining projects, we have to take that a little further. We have to make access roads, for example. We need certain basic infrastructure, such as railways and other things, that can accommodate projects like that and help us develop industrial capacity.

For a port authority like ours, it's definitely extremely important to have access to additional financial levers and programs that go a bit further so we can access capital and take risks that we're unable to take. I'm referring to things like the involvement of the Canada Infrastructure Bank, which is important.

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

[English]

Thank you very much, Mr. Albas.

Finally for this panel, we have Mr. Kelloway.

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

Mike Kelloway (Sydney—Glace Bay, Lib.): Thank you, Mr. Chair, and hello, everyone.

I think what we've established here today is that the government is working to diversify trade and ensure that exporters can access markets around the world. We know that modern and efficient ports are critical to making this possible. All the witnesses have talked about that.

I'm wondering if you can tell us, from your perspective, how important the federal investments in port infrastructure are, including the trade corridor programs, in ensuring that Canadian exports can reach international markets and make Canada more globally competitive.

I think you can look at this from both of these perspectives: You can look at the \$4.2 billion that was invested in the diversification corridors fund. I believe that \$847 million of that \$4.2 billion in the NCTF was spent in Quebec. You can talk about the monies that were allocated or the new monies, the \$6 billion in the new diversification corridors fund. How is this going to make us more competitive?

I wonder if you can boil it down to maybe three or four points. We can start with Mr. Laberge to kick us off.

[Translation]

Carl Laberge: The national trade corridors fund was indeed very important for us because it enabled us to fund our bulk handling project, among other things.

The new program that was recently announced is also crucial for infrastructure like ours to be able to quickly increase its port capacity so that it's possible to quickly meet this demand, as well as deal with events that will, as we know, happen in the future. That's what we're currently preparing. We hope that this fund will also be flexible enough to help us develop certain transport infrastructure related to industrial development and enable us to take advantage of the opportunities that this affords us.

[English]

Mike Kelloway: Thank you for that. You said a key word, flexibility, in terms of the current allotment of dollars that were approved through the budget.

I'm wondering if we can go to our next witness.

Monsieur Baudry, would you like to comment on investments that are in the budget and how they will help? You can also speak to the past investments made through other funds that Quebec has accessed.

• (1200)

[Translation]

Julien Baudry: Thank you very much for the question.

There's no doubt that public investment in port projects has a very significant leverage effect. I would remind you that ports don't receive funding for operations, which means that every project we carry out ultimately belongs to the Crown. It's public, then, but it's funded by the private sector. That means that when there's a public contribution that reduces the investment risk—as is the case in Contrecoeur, as well as in other projects we have done on the island of Montreal—the public asset then becomes even more valuable.

I want to come back to that leverage effect. In Montreal, but also in Contrecoeur, we're going to support nearly one million jobs a year through freight transportation. The value of goods that pass through the Port of Montreal at some point is equivalent to 10% of Quebec's GDP. That leverage effect is significant, and the impact is being felt right in Canadians' homes. These are everyday products. When funding is available to help, it's a step in the right direction.

However, it's important to be able to maintain a balance between the private and public sectors. The private sector has a role to play. Of course, we hope that the new version of the program will allow for an even stronger private-public balance and, as my colleague said, more flexibility and vision to ensure that the port system is more resilient.

[English]

Mike Kelloway: I really appreciate your last point in terms of the jobs that can be created. The export of product and bringing product in are important things, not just to financial stakeholders but to how we cut down costs on everyday products. The jobs this creates in Quebec are substantial. It's a huge engine.

I think I have about 30 seconds left. I'll stick with you, Mr. Baudry, in terms of this particular question, and then we'll go to Mr. Laberge. If there were one or two bottlenecks you would recommend that the Government of Canada focus on, in collaboration with you, what would they be?

[Translation]

Julien Baudry: The biggest bottleneck right now is a data issue. We need more visibility in terms of data to make better decisions. Physical infrastructure is crucial, but in the world we live in, digital infrastructure is essential for keeping ports running and for providing more visibility. A number of projects are on the table, particularly for the St. Lawrence. They're essential for making good use of all the investments in physical infrastructure.

Carl Laberge: For my part, I would say, as I mentioned earlier, that a small port authority like ours needs access to capital and loans that are specifically tailored to our type of organization.

When it comes to large-scale projects, for us and for our clients, there's also the whole permitting process, which I'd say is very lengthy in Quebec and across Canada. We need to finance projects, but after that, things get pretty complicated. If we could be faster and more flexible, and if we had more resources for financing, we'd be better partners and much more effective.

The Chair: Thank you very much, Mr. Laberge and Mr. Baudry, for taking the time to be with us this morning.

[English]

Colleagues, we're going to suspend to allow the clerk to welcome the next round of witnesses.

The meeting is suspended to the call of the chair.

• (1200) _____ (Pause) _____

• (1210)

The Chair: I call this meeting back to order.

[Translation]

Colleagues, I would now like to welcome our witnesses.

First, by video conference, we have Anick Métivier, president and chief executive officer of the Trois-Rivières Port Authority.

Then, we will hear from Hélène Reeves, spokesperson for Vigie Citoyenne Port de Contrecoeur.

[English]

From the Windsor Port Authority, we have Mr. Steve Salmons, president and chief executive officer.

Welcome to you, sir.

It's great to have you all here.

We're going to start with our opening remarks, and for that, Mr. Salmons, I'll turn the floor over to you. You have five minutes, please.

Steve Salmons (President and Chief Executive Officer, Windsor Port Authority): Thank you, Mr. Chair, and all honourable members of the committee.

First of all, allow me to recognize and thank each of you for your particular attention and focus on the support, diversification and modernization of Canada's port system. As you may be aware from my colleagues, who have made many presentations now, and the Association of Canadian Port Authorities, we've been diligently advocating for reform to the Canada Marine Act and, more recently, regulatory reforms without any necessary changes to the act. These things would provide Canada's national port system with the flexibility and the tools necessary to prosper and meet the full intent of the act, which is to contribute to the competitiveness, growth and prosperity of the Canadian economy.

I always begin by reminding the audience that Canada has many coasts. It has the east, the west and the north, but it also has an underutilized southern corridor, Canada's fourth coast: the St. Lawrence Seaway system, or more descriptively, the Great Lakes St. Lawrence Seaway System. Surrounded by two provinces and eight states, collectively, we make up the world's third-largest economy. However, we allow this corridor to languish at less than 50% capacity.

While it is now obvious to everyone that we must reduce our reliance on U.S. trade and diversify to include non-U.S. trade, I would submit that this southern corridor trade continues to be essential to the economies of our country. The shipments of grain, aggregates, salt, fuels, iron ore, steel, aluminum and so many more products are as essential to our mutual Great Lakes economies as containers are to the east and west coasts, and collaboration, not competition, is how it all works.

Windsor takes grain from Thunder Bay and ships protein meal to Quebec. Quebec ships steel and aluminum to Windsor. Windsor sends asphalt to HOPA. In short, we are a system, mutually dependent on the strength of each port, with each port contributing their strengths and serving their local economy. Strong economies across the Great Lakes St. Lawrence Seaway System mean a strong Canada.

Despite the current geopolitical climate, the U.S. ports are also an essential part of that system. I don't compete with Detroit, Monroe or Cleveland. However, their governments compete with me by providing a steady stream of funding and financial supports to encourage renewal and product diversification in their markets.

People are always surprised to learn that Canada's ports do not receive annual funding from the federal government. We are designed and tasked to be self-sufficient, with all the tools provided in the act. However, our system is aging, and our revenue model has peaked; the regulatory restrictions are limiting our growth options, and the Americans are moving forward with or, I fear, without us. Cleveland, Monroe, Detroit, Illinois and Duluth all provide short-sea shipping of containers to world markets for their industry and their local economies.

While Windsor is building, and Hamilton and Quebec City are ready, we have been hamstrung by regulatory barriers, the worst of which has been the inability of CBSA to provide the necessary support. This is in the face of a recently commissioned study by the Great Lakes ports, which overwhelmingly verified that in each and every port, the short-sea shipping of containers on the Great Lakes is faster and cheaper for industry. In fact, at Port Windsor, it would reduce shipping time by eight days and shave off \$3,000 per container for industry. All CBSA costs would be recovered in under 90 days each year. The short-sea shipping of containers provides supply chain capacity, security and, most importantly, opportunity.

The last big idea on the Great Lakes was in 1959, when we opened the St. Lawrence Seaway. Perhaps after nearly 70 years, it's time to be bold once again.

Thank you very much giving me the honour and privilege of providing my comments and attending your committee today. I'll use my last few seconds to acknowledge and say hello to my MP in Port Windsor, Harb Gill.

• (1215)

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

[*Translation*]

Ms. Reeves, you have the floor for five minutes.

Hélène Reeves (Spokesperson, Vigie Citoyenne Port de Contrecoeur): Good afternoon, Mr. Chair.

Good afternoon, members of the committee.

Vigie citoyenne port de Contrecoeur is a group of citizens concerned about the environmental, social and economic effects of the Contrecoeur port project.

Let's talk about the economic aspect first.

Recently, on CBC News's *The National*, Professor Jean-Paul Rodrigue, a marine traffic specialist at Texas A&M University, said that the Contrecoeur port project should have been built 20 years ago, but that it's no longer relevant. He explains that this is because new container ships are getting bigger and bigger and can't navigate to Contrecoeur or Montreal because of the shallow draft of about 11 metres. Mr. Rodrigue believes that this \$2.3 billion expansion would not open up new markets but would cannibalize the existing

one in Montreal. In his view, the future lies with deepwater ports starting from Quebec City.

A recent academic study by Éric Pineault of the Institut des sciences de l'environnement at the Université du Québec à Montréal also concludes that the port of Contrecoeur is at risk of being underutilized, unprofitable and a financial burden for Canadian taxpayers. The study explains that the Port of Montreal, far from being saturated, is already missing its traffic targets and fails to account for climate change, which is lowering the river's water level, threatening the viability of a terminal that is already unable to accommodate the majority of the global fleet. The Port of Montreal handled 1.5 million containers in 2025, the same volume as in 2014.

On the environmental side, the destruction of an exceptional ecosystem on the banks of the St. Lawrence, adjacent to the Îles-de-Contrecoeur national wildlife area, would be an invaluable loss.

It would never occur to members that a port in Stanley Park would cut down 13,000 trees and pave over hundreds of acres.

Preserving Contrecoeur's 100-year-old forest is just as essential, because it serves as a natural lung next to an already very heavy industrial area.

Air quality is at stake, as the port would also contribute to greenhouse gases and polluting emissions from its machinery, ships at dock burning fuel oil around the clock, and the 1,200 trucks per day expected to use the facility. We are concerned for the health of citizens, as a public health report has already noted a higher rate of lung disease and cancer in the region.

The health of the river is also at risk, as the shorelines are suffering from massive erosion due mainly to the wake of commercial vessels, which would be greatly increased by the project.

We are concerned about water quality because the port construction will take place on land that is designated by the City of Contrecoeur's regulations as contaminated due to the presence of many metals and petroleum products. However, the Port of Montreal won't comply with the permits required for construction, and the mayor says she's going to have to yield to the port's demand to negotiate financial compensation behind closed doors instead.

We are asking the committee for its assistance in ensuring that the port complies with the City of Contrecoeur's regulations, as the contaminants present could pollute the river and the Contrecoeur drinking water treatment plant, located five kilometres downstream.

This failure to comply with city regulations is also cause for concern because the port has awarded DP World, a company based in the United Arab Emirates, a 40-year contract for land-based operations and the management of the Port of Contrecoeur. Recently, however, the Caisse de dépôt et placement du Québec suspended its investments with DP World due to its CEO's ties to Jeffrey Epstein. In the United States, Congress has opposed DP World's investments in several ports on national security grounds. We are calling for a review by the Office of the Inspector General for National Security and Intelligence Activities regarding the consequences of handing over control of the Port of Contrecoeur to DP World for 40 years.

For all these reasons, we are calling for a moratorium on the Contrecoeur port project so that independent experts can reassess its viability, given that its \$2.3 billion cost, including \$580 million in subsidies, and the fact that it does not seem to be an effective solution for diversifying our markets and reducing our dependence on the United States.

Thank you very much for listening. I will be pleased to answer any questions you may have.

• (1220)

The Chair: Thank you, Ms. Reeves.

Mr. Métivier, the floor is yours for five minutes.

Nick Métivier (President and Chief Executive Officer, Trois-Rivières Port Authority): Mr. Chair and members of the committee, thank you for having me here today.

The Port of Trois-Rivières handles more than four million tons of cargo annually and sees 70,000 trucks, 11,000 railcars and nearly 250 ships pass through its facilities. It serves businesses located throughout Quebec, Ontario and as far away as western Canada that operate in key economic sectors, including manufacturing, agri-food, mining and energy.

The Port of Trois-Rivières is currently carrying out the largest investment project in its history. Between 2024 and 2027, more than \$300 million will have been invested by the Trois-Rivières Port Authority, its partners and the governments of Quebec and Canada to rebuild or construct two docks and three terminals. This project is the culmination of a major upgrade effort launched in 2008 that has modernized a large portion of the port's freight infrastructure. However, as soon as they are completed, those facilities will be operating at full capacity. To help businesses access overseas markets, the Port of Trois-Rivières will need to be able to deploy additional capacity.

In the St. Lawrence corridor, several infrastructure projects are reaching the end of their useful life. Rebuilding them is no longer a matter of maintenance, but a matter of economic continuity and logistical sovereignty. However, it would be a mistake to simply rebuild infrastructure designed to meet the needs of 100 years ago. Modernization must go hand in hand with reconstruction. Supply chains have evolved significantly, with larger ships, more specialized terminals and increased integration with the rail and road networks. At the same time, ports must contend with growing environmental requirements that are set to intensify over time.

Our port network is currently facing a challenge of unprecedented scale: supporting Canadian businesses as they diversify their export markets amid a rapidly changing global landscape. Now more than ever, our businesses must be able to rely on a strong, agile, and resilient port network. This resilience depends on a complementary port network, in which each port along the St. Lawrence River plays a specific role. Within this network, the Port of Trois-Rivières occupies a strategic position. Located at the heart of the St. Lawrence corridor, it helps stabilize supply chains and provides key industries—including aluminum smelters and critical minerals—with access to global markets.

Ports must serve both as gateways to international markets and as partners to the local community. They must therefore balance global challenges with local needs. It is within this context that the development project for the waterfront of the Port of Trois-Rivières, located near downtown and integrated into the urban fabric, is taking shape. To bring these ambitions to fruition, we are working closely with Transport Canada to secure the necessary authorities.

The work of this committee has highlighted the limitations of the current framework. Port authorities are being asked to manage public assets that will last for generations, make massive investments and be financially self-sufficient, all while playing an increased role in the energy transition and integration into the local community.

In this context, three concrete courses of action clearly emerge.

First, it's important to explicitly recognize that rebuilding and modernizing existing infrastructure is a strategic investment essential to market diversification and economic resilience.

Second, federal levers need to be accelerated and made more predictable, particularly for projects that are ready to move forward and supported by communities.

Third, the regulatory framework must be adapted to enable ports to fully play their dual role of acting as gateways to global markets while acting as integral partners within their local communities.

Finally, one factor that keeps coming up is time. The projects are ready, the needs have been identified, and the partners are on board. What is needed now is a swift, consistent and predictable deployment of federal levers. In this regard, we welcome the recent launch of the call for proposals for the trade diversification corridors fund and the Arctic infrastructure fund.

In conclusion, in an unstable global context, Canada must strengthen its entire port network in order to truly diversify its markets, reduce its vulnerabilities and bolster its economic sovereignty. It must also provide ports with the tools they need to operate effectively today and for decades to come.

Thank you for your time.

• (1225)

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

We'll start with you, Mr. Muys. You have the floor for six minutes.

[English]

Dan Muys: Thank you, Mr. Chair.

Thank you to all the witnesses for being here and for taking the time to share your thoughts with us.

I had the opportunity, on January 16, to be in Windsor with my friends and colleagues Mr. Gill and Ms. Borrelli. We discussed, with a number of businesses, various issues in Windsor. I had a session with the Windsor Essex Chamber of Commerce at the end of the day. Unfortunately, you were not available. There was someone who asked a couple of questions on your behalf. Frankly, I think it's better if we ask those questions directly and have the discussion here. It will be more fulsome.

I'm really glad that you talked about Canada's fourth coast because HOPA—the Hamilton Oshawa Port Authority, which is in my backyard—has done some great work on this. We know about the huge opportunity being missed with the Great Lakes St. Lawrence Seaway, particularly when it comes to short-sea shipping, as you talked about. You mentioned Cleveland, Duluth, Detroit and others on the U.S. side that are galloping ahead.

What do we do to catch up and ensure that we're going to leap ahead on short-sea shipping?

Steve Salmons: The answer is not a lack of willingness or readiness among the ports. We have been advocating for this for years. In fact, the ports I mentioned, both HOPA and Quebec City, have ready-made and ready-to-go facilities. With the last trade corridor funding program in the early twenties, Port Windsor was successful. We are currently building a terminal that will be ready and enabled for short-sea container shipping.

The problem we face is really one of securing proper support from CBSA. We have been in regular communication with them. They have regularly responded that it's about lack of resources. They are unable to support this. We were very gratified to see, in the last budget, some direction to CBSA and Transport Canada to provide support, starting with Hamilton and Quebec City, but it's not enough, quite frankly.

Yes, Hamilton and Quebec City have to get going, but the system on the Great Lakes will work only when all ports are participating. Unlike the east and west coasts, where you'll bring in a ship of 8,000 to 12,000 containers, we're looking at 800 to 1,200 containers. It's a milk run. You pick up a few hundred and drop off a few hundred. You go right through the Great Lakes and pick them up. It will be efficient and successful when we're all in it, including our American partners.

Having said that, we can't wait for the next two years as Hamilton and Quebec City get on board, then look at Windsor, then look at Thunder Bay and then look at Picton. We can't wait for a decade. By the end of this decade, we will have six major American ports up and running.

• (1230)

Dan Muys: Thank you for amplifying the importance of the CBSA facility for the system at Windsor—and the fact that we can't wait.

This dovetails into my next question.

You talked, at the outset, about regulatory reforms and the advocacy work you and the Association of Canadian Port Authorities have been doing. We've heard from them that they're hamstrung by regulatory burdens. This committee toured ports and talked about port infrastructure three years ago. Then there was Bill C-33, which really didn't address a lot of the issues we heard. It died on the Order Paper.

What needs to be done? We're not waiting through another three years of talk and no action. What can be done now to ensure that we're not waiting and falling further behind those U.S. ports?

Steve Salmons: We met with senior policy officials at Transport Canada to lay out a go-forward strategy in the absence of Bill C-33. We advocated right from the beginning, during the first discussions on the modernization of the Canada Marine Act, that most of what ports need can be done without modernization. It's about regulatory features, lending—you've heard a lot about this, I know—the environment and flexibility in allowing us to move forward in lines of business that are marine- and logistics-related and consistent but restricted under the current act.

Allow collaboration among ports. We have been engaged with our colleagues in Hamilton, Thunder Bay and other ports to create consortiums, but this is restricted.

Dan Muys: This is helpful, because we've heard about the financial flexibility, and that was one of the levers addressed in Bill C-33—although, in our view, it was insufficient. I'm curious to have your view on it, because it limits what you can do to expand and seize all of those opportunities.

Steve Salmons: Yes. When it comes to borrowing, our argument has always been that ultimately we have to go to the markets—banks, most likely. No criteria that officials in Transport or Finance can put before us are going to be tougher than those of the banks. There has always been an argument that ultimately it comes back to the Government of Canada. We own the assets. We own the liability. We have a feature in the act that says we are unable to pledge the Crown as a guarantee. We've suggested the solution is as simple; we cannot pledge the Crown to guarantee the liability.

The Chair: Thank you very much, Mr. Salmons and Mr. Muys.

Next, we'll go to Mr. Greaves.

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

Will Greaves: Good morning to all of our witnesses, or at least good morning from British Columbia. Thank you for being here.

I'd like to build on my colleague's question about some of the regulatory or red tape obstacles to your ports' efficiency and expansion. I might ask both of the representatives of our ports here today to say if there is a single nonfinancial action that the federal government could take to help streamline your operations or reduce your regulatory burden. Can you tell us what your top priority for that action would be?

We can start with Mr. Métivier and, after that, go to Mr. Salmons.

[*Translation*]

Anick Métivier: Good morning. Thank you for the question.

However, I would like you to clarify your remarks a little. You're talking about a non-financial action, right?

• (1235)

[*English*]

Will Greaves: That's correct. Outside of new investments, what single action would have the biggest impact that the federal government could take for you?

[*Translation*]

Anick Métivier: As we discussed earlier, when it comes to any new project, it is certainly important to ensure a quick response and processing time, as well as efficient support as a project sponsor. Some processes should be sped up a bit, without compromising the quality of environmental work. That's really where there could be an improvement.

[*English*]

Will Greaves: Mr. Salmons, I'll ask the same question of you.

Steve Salmons: I would absolutely agree with my colleague. As part of the national trade corridors funding project, in which we're building a new port capable and ready for short-sea containers, we have been through three years of regulatory approval processes with Parks Canada, Fisheries, navigation, environmental assessment and impact assessment. It has been three years, and we don't even have a shovel in the ground. We may not get one in the ground until 2027, because we're simply running out of building time during the season. It will be four years from approval to construction. We need to collapse the time.

As my colleague said, it's not just the legitimate requirements to prove we are not harming the environment and what benefits we're contributing. It's the duplication of requirements. It continues to confound me that each department and regulatory process we go through wants unique and separate indigenous consultations. Two of them each wanted distinct and separate impacts on fish species and water flow. We had one requirement to prove that infilling an inlet of about 60 feet across and maybe 150 metres long would not affect the Great Lakes levels by emptying them out. These things are just ludicrous.

My suggestion to the committee would be that we need to give departmental officials an opportunity to use common sense and to have thresholds for which they can make calls at the field level without having to tick every box on the sheet.

Will Greaves: Thank you very much for those responses.

In a slightly related vein, one thing we've heard about at this committee, both today and from previous witnesses, is the role gaps in other supporting infrastructure play in preventing efficiencies and growth in these ports.

Beginning with Mr. Salmons, and going to Mr. Métivier afterwards, could you point to either a single or a small number of off-site infrastructure bottlenecks that limit the growth of your port facility, whether for rail, road or something else? Is there anything else you want to flag for the committee in terms of other investments in addition to the port itself that would be necessary for your future growth plans?

Steve Salmons: I concluded my comments by talking about the opening of the St. Lawrence Seaway in 1959. The seaway has served this region and this country very well, but unfortunately, it is too limited seasonally.

To the credit of the St. Lawrence Seaway corporation, it is in fact looking for means to extend the season. There has to be a commitment, an objective and a goal to achieve year-round shipping.

I'm not saying for every day. They do have to close for maintenance. There are going to be days when you can't fight Mother Nature and there's too much ice. However, we in the marine industry—shippers, operators, ports—in our discussions with the leadership of the seaway corporation, believe that with the right investments, the right creativity and the right thinking, there can be measures to open up the seaway to 365-day operation.

Will Greaves: That's great. Thank you very much.

[*Translation*]

What do you think, Mr. Métivier?

Anick Métivier: Thank you for the question.

Whenever a port becomes more efficient through improvements to its infrastructure or equipment, it inevitably has an impact on road and rail networks. When a port can accommodate more ships, it naturally follows that it can accommodate more trucks and trains, so it's important to consider the impact on road and rail networks outside the port's boundaries. It's important to take a holistic view. Improving and modernizing ports is one thing, but it's also important to ensure that they can maintain a flow of traffic outside their boundaries that doesn't hinder development. It's therefore important to ensure that infrastructure outside the port, particularly road and rail networks, can develop at the same pace as port improvements.

• (1240)

The Chair: Thank you very much.

[English]

Thank you very much, Mr. Greaves.

[Translation]

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

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

I'm going to start with Ms. Reeves.

In your opening remarks earlier, you mentioned the issue of contaminated soil at the Contrecoeur site at the Port of Montreal. I myself asked the port representative on the previous panel about this, and there seemed to be a commitment of some kind to address contaminants.

I'd like to know whether those comments reassured you, and whether you have anything to say about the commitments that have been made to date.

Hélène Reeves: No, it's not reassuring. There are City of Contrecoeur regulations that are public regulations that must be complied with. I don't see how a federal agency can say that it won't comply with city regulations. That seems like a very dangerous precedent to me. These are public regulations and documents, and citizens have access to all of them. That's very important.

I would also like to point out—since I hold a law degree from the Université de Montréal—that the Court of Appeal and the Supreme Court have ruled on environmental matters and stated that we must practise co-operative federalism, which means respecting each level of government, because the ultimate goal is to protect the environment and the health of citizens. We cannot put that at risk.

Furthermore, as I said, the construction will be entrusted to DP World, a company based in the United Arab Emirates. So, if we haven't established a process to ensure compliance with the regulations and laws of all levels of government—whether municipal, the Government of Quebec, or the Government of Canada—we will completely lose control. So, how are we going to handle this?

This is also extremely important because all the sites where the work will take place are located along the St. Lawrence River. If the St. Lawrence River becomes contaminated, the consequences could be catastrophic. Furthermore, the Contrecoeur drinking water plant is located five kilometres downstream. This is extremely concerning for residents.

Xavier Barsalou-Duval: Thank you very much.

With that, I'm going to take this opportunity to move the following motion to the committee:

That the Port of Montreal make its remediation plan for the contaminated lands in Contrecoeur available to the public and submit it to the committee, pursuant to Standing Order 108(1)(a), and that the committee invite the Port to comply with municipal regulations and Quebec environmental laws.

I don't know if we need to suspend or if people are ready to talk about this.

The Chair: I'm going to suspend for a few minutes to consult with the clerk.

• (1240)

(Pause)

• (1250)

[English]

The Chair: I call this meeting back to order.

There's been an agreement to discuss the motion put forward by Mr. Xavier Barsalou-Duval at the beginning of the next meeting.

For now, we turn the floor over to Mr. Gill for five minutes of questioning.

Harb Gill (Windsor West, CPC): Thank you, Chair.

It's great to see you here, Mr. Salmons.

Through you, Chair, I've known this gentleman for over 10 years, and he has been a loyal servant of the entire region of Windsor and, especially, the port.

I give a shout-out as well to the harbourmaster, Peter Berry, who has been nominated as an honorary captain of the Canadian navy.

Is that correct, Mr. Salmons?

Steve Salmons: It is absolutely correct.

Harb Gill: He is a dedicated professional and public servant.

I'm not sure whether you can answer my question, Mr. Salmons, but when is the bridge going to open? This is the concern we both have, as do many people in the Windsor-Essex region and the entire country. As we both know, over 30% of the trade for the country goes through there. Half a billion to a billion dollars' worth of goods cross the bridge every day, and people are looking for the second bridge to open.

Have you been involved in any talks with Bridging North America, or have you been kept in the loop by the ministry of infrastructure—or the Minister of Infrastructure, for that matter? The bridge is in your jurisdiction. Have they kept you in the loop to say when the bridge will open, what the toll rates will be or when the rates will be published?

Steve Salmons: Thank you, Mr. Gill.

As members may know, Port Windsor is the host of three international crossings: the Detroit Windsor Tunnel, which also goes through the port; the Ambassador Bridge, currently; and this bridge.

Of course, there's a desperate need for a new crossing. It is slow. Our trade depends on it. When there was a protest a couple of years back, we came to understand what happens to our economies when the bridge shuts down. We understood it during COVID as well. With that problem, we're anxious to see it open.

I can give you a guess. I don't know.

Harb Gill: Go ahead. Give me a guess.

Steve Salmons: I'm hoping it will open early in the summer. It could be as late as August. It's encouraging that U.S. Customs are now on-site on the American side. They're commissioning. They're training. They weren't there at Christmas, which meant there was nobody until they went through their four- to six-month opening process, so this is encouraging.

Harb Gill: Is the holdup on the U.S. side, then? Is that your understanding?

Steve Salmons: Until they're ready, they won't be opening.

Harb Gill: Why is there a lack of transparency from our side, from our ministry, about these issues? This is the first we've heard that the holdup is on the U.S. side. We have had no communications, from our side of the government, to say what's holding it up.

Steve Salmons: The port authority, even though it is the host site, is not at the table with the bridge construction project. We were a major supplier: We supplied all the pre-stressed concrete pieces that went in, the concrete and the asphalt. A lot of material went through Port Windsor, but we were a supplier. Unfortunately, we're not the operator. We're hoping and waiting for it to open because a lot of product that comes into Port Windsor goes into the States—into the manufacturing system there, the integrated market I talked about in my opening comments. Therefore, we want the bridge open as soon as possible.

Harb Gill: What's the port's long-term strategy to ensure that Windsor becomes a major logistics hub as opposed to a waypoint or a bypass zone for people to get to other places?

• (1255)

Steve Salmons: Port Windsor is the only national port on the American border. A lot of ports will say they're 10 minutes, or 30 to 40 miles, from the international border. We are the American border crossing point. Though land crossings aren't our forte, the integration with road, rail and marine creates a unique multimodal hub that can't be duplicated anywhere in the country, just because of geography.

The truth is, we are fully serviced by rail. We are the terminus of Highway 401. We are at the doorstep of the United States' whole highway system. We have a fourth crossing: We have a rail tunnel. The CP rail tunnel goes through Port Windsor. We couldn't be more integrated, and this presents an opportunity. A question for us is, will this new Gordie Howe bridge be an opportunity of economic prosperity, or will it be an economic bypass?

I can tell you that, on the American side, they are working, through containers and through connections with highways, on re-connecting their highway system. New transloading facilities are going to take advantage of this new crossing. This is why Port Windsor is working desperately hard to get into the container world. We are also looking at building warehousing to take advantage of the free trade zone designation.

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

Thank you, Mr. Gill.

For our final line of questioning for today, we have Ms. O'Rourke.

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

Dominique O'Rourke: Thank you, Mr. Chair.

Mr. Salmons, I'm the member of Parliament for Guelph. We have a lot in common. We're all about ag and auto parts and a thriving southwestern Ontario, so it's a pleasure to meet you.

Some of my colleagues took my questions around how we reduce the regulatory burden and how we see better integration for full multimodal, so I'll shift to something a little different.

You mentioned that with the short-sea shipping, Windsor can do \$3,000 less per container and you can reduce shipping by eight days. Canadian food economists have said that the trade diversification corridors fund, by modernizing ports, railways and airports, can ease bottlenecks so that goods can move faster and perishable products can arrive faster and more cheaply.

Given the agricultural powerhouse and the location of all those greenhouses, tell us how improving the port, improving the inter-modal, can facilitate the distribution of food in Canada and reduce food prices.

Steve Salmons: It creates world markets.

Dominique O'Rourke: That's good too.

Steve Salmons: The reality is, by creating these multimodal nodes across the Great Lakes and the St. Lawrence through Quebec, we create a system of multimodal transfer points. We will simply choose the most convenient and most expeditious mode. Marine is always the greenest and the cheapest form of transportation.

Right now there are 20,000 containers going in and out of Windsor-Essex County every year, and 100,000 come into Ontario every month. Unfortunately, they're all by rail and truck. It's bad for the environment. It's costly, and it's time-inefficient. If we can begin to move product....

The movement of greenhouse produce is not going by container because we don't have container facilities. It's simply not an option for them, and yet we truck it to a facility somewhere else in Canada or, sadly, into the United States. A colleague who just came back from Aruba was eating cucumbers from Leamington that were brought in on a container, but not through the port of Windsor.

We can do better.

Dominique O'Rourke: Speaking of improvements in the port of Windsor, I have a list in front of me of some recent funding allocations, but it's my understanding that they are for occupants of the port. There is up to \$12.5 million for the Essex Terminal Railway Company for a cargo terminal infrastructure expansion. There is \$5 million in funding for a port of Windsor warehousing capacity project. I think you referenced it. There is also up to \$26.3 million for a grain terminal expansion.

Are those projects under way? How do they integrate with the other improvements you would see for the port of Windsor? What does this mean for jobs and the economy in all of southwestern Ontario?

Steve Salmons: Every one of those projects you listed was matched by two, three or four times the equity from the port and the private sector. The key is leveraging federal contributions to provide the seed money to move forward. They spent \$85 million on top of the money that went to ADM. ETR is building the container port. That's another \$25 million on top of it.

The warehouse will provide capacity for us to deal with transshipment of goods from the Gordie Howe and to and from the port. This is along with container capacity that will leverage the entire region, whether it's industry, agriculture or construction goods. These things feed the local economy, integrate with the Great Lakes economy—the third largest in the world—and export to the world. Right now, we're missing a huge chunk of it.

• (1300)

Dominique O'Rourke: Thank you.

The Chair: Thank you very much, Ms. O'Rourke.

On behalf of all members of the committee, I want to thank our witnesses for joining us today and sharing their expertise on this very important study.

Speaking of studies, colleagues, we have some housekeeping.

As you are all aware, we've distributed the budget for this important study on ports.

Mr. Albas, are you moving a motion that we approve the budget?

Dan Albas: I have a quick question.

Again, Mr. Chair, I apologize, because I have just had a chance to review this.

Previously, when we brought in the Canada Infrastructure Bank for an earlier study, for example, we asked them if they had other government business they could have attended to. These are all federal entities with their own existing budget. Ms. Reeves is obviously from a civil society group, so by no means am I applying this to her. However, anyone from a federal Crown corporation or similar should be asked if they've done other meetings, and if they have, then maybe we should be asking them to pay their own way.

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

That's duly noted. I will confirm with our regular clerk, who is not here today, that this indeed continues to be the standard practice of this committee.

Do I have any objections to adopting this budget?

Go ahead, Mr. Albas.

Dan Albas: Are we going to do the review and then report back?

The Chair: Is this what you would like us to do before approving the budget?

Dan Albas: Yes, if you wouldn't mind, Mr. Chair. If I had thought of this earlier, I would have raised it earlier so that we could have done this in one fell swoop.

The Chair: I will confer with our clerk, and I'll respond to the committee.

Thank you all very much.

The meeting is adjourned.

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