

**Second Session - Thirty-Eighth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Legislative Affairs**

*Chairperson*  
*Mr. Daryl Reid*  
*Constituency of Transcona*

**Vol. LV No. 5 - 6:30 p.m., Tuesday, May 25, 2004**

ISSN 1708-668X

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon	Riel	N.D.P.
VACANT	Minto	
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
VACANT	Turtle Mountain	
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS**

**Tuesday, May 25, 2004**

**TIME – 6:30 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Daryl Reid (Transcona)**

**VICE-CHAIRPERSON – Ms. Kerri Irvin-Ross (Fort Garry)**

**ATTENDANCE - 11 – QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Lemieux, Robinson, Selinger

Messrs. Cummings, Fauschou, Mses. Irvin-Ross, Korzeniowski, Messrs. Maguire, Martindale, Reid, Mrs. Taillieu

*Substitutions:*

Mr. Penner for Mrs. Taillieu  
Mr. Nevakshonoff for Ms. Korzeniowski

**APPEARING:**

Mr. Kevin Lamoureux, MLA for Inkster  
Mr. Leonard Derkach, MLA for Russell

**WITNESSES**

Bill 12–The Highways and Transportation Amendment and Highway Traffic Amendment Act (Trucking Productivity Improvement Fund)

Mr. David Rolfe, President, Keystone Agricultural Producers  
Mr. Michael Martel, Director, Forest Industry Association of Manitoba  
Mr. Bob Dolyniuk, Manitoba Trucking Association  
Mr. Chris Lorenc, President, Manitoba Heavy Construction Association

Bill 24–The Travel Manitoba Act

Mr. Jim Baker, President and Chief Executive Officer, Manitoba Hotel Association  
Mr. Max Johnson, Co-Chair, Ministerial Advisory Council on Tourism  
Mr. Jim Carr, Business Council of Manitoba

**MATTERS UNDER CONSIDERATION:**

Bill 5–The Manitoba Public Insurance Corporation Amendment Act (Claimant Advisers)

Bill 12–The Highways and Transportation Amendment and Highway Traffic Amendment Act (Trucking Productivity Improvement Fund)

Bill 24–The Travel Manitoba Act

\*\*\*

**Mr. Chairperson:** Good evening, everyone. Will the Standing Committee on Legislative Affairs please come to order. Our first order of business is to fill a vacancy in the position of committee Vice-Chairperson. Are there any nominations for this position?

**Mr. Doug Martindale (Burrows):** I nominate Ms. Irvin-Ross.

**Mr. Chairperson:** Are there any further nominations? Seeing no further nominations, Ms. Irvin-Ross is elected Vice-Chair of this committee.

**Committee Substitutions**

**Mr. Chairperson:** Now dealing with committee substitutions, my understanding is there are a number of substitutions.

**Mr. Glen Cummings (Ste. Rose):** With the leave of the committee I would like to make the following membership substitution and effective immediately for the Standing Committee on Legislative Affairs, the Member for Emerson (Mr. Penner) for the Member for Morris (Mrs. Taillieu).

**Mr. Chairperson:** Mr. Cummings has indicated the Member for Emerson will be substituting for the Member for Morris. Is that agreed? *[Agreed]*

**Ms. Kerri Irvin-Ross (Fort Garry):** With the unanimous consent of the committee, I would like to make the following membership substitution

effective immediately for the Standing Committee on Legislative Affairs, the Member for Interlake (Mr. Nevakshonoff) for the Member for St. James (Ms. Korzeniowski).

**Mr. Chairperson:** It has been moved by Ms. Irvin-Ross that the Member for Interlake substitute for the Member for St. James. Is that agreed? *[Agreed]*

\* \* \*

**Mr. Chairperson:** This meeting has been called to consider the following bills: Bill 5, The Manitoba Public Insurance Corporation Amendment Act (Claimant Advisers); Bill 12, The Highways and Transportation Amendment and Highway Traffic Amendment Act (Trucking Productivity Improvement Fund); and Bill 24, The Travel Manitoba Act.

We have a number of presenters registered to speak this evening, as follows: Bill 12, Bob Dolyniuk, Manitoba Trucking Association; Chris Lorenc, President of Manitoba Heavy Construction Association; David Rolfe, Keystone Agricultural Producers; and Michael Martel, Forest Industry Association of Manitoba.

For Bill 24, we have Jim Carr, Business Council of Manitoba, and Jim Baker, Manitoba Hotel Association.

If there are any other members of the public wishing to make a presentation here this evening, if they could see the Clerk at the back of the committee room, we will add their names to the list.

For the information of all presenters, 20 copies of any written versions of presentations are required. If you need help with photocopying please speak to our staff. As well, I would like to inform presenters that in accordance with our rules a time limit of 10 minutes has been allotted for the presentations, with another 5 minutes allowed for questions from committee members. Also, in accordance with our rules, if a presenter is not in attendance, when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

I would also like to inform all in attendance of the provisions in our rules regarding the hour of adjournment. Except by unanimous consent, the

standing committee meeting to consider a bill in the evening must not sit past midnight to hear presentations unless fewer than 20 presenters are registered to speak to all bills being considered when the committee meets at 6:30 p.m. As of 6:30 this evening, there were 6 persons registered to speak to these bills; therefore, in accordance with our rules of this committee, this committee may sit past midnight to hear presentations.

On the topic of determining the order of public presentations, I will note that we do have two out-of-town presenters in attendance, marked with an asterisk on the list.

In what order does the committee wish to hear presentations? It has been suggested that we hear out-of-town presenters first. Is that the will of the committee? *[Agreed]*

Just prior to proceeding with the public presentations, I would like to advise members of the public regarding the process for questions from committee members on your presentation. The proceedings of our committee meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, the Chair, myself, must first recognize the individual to make sure that person is recorded in Hansard. This is a signal for the Hansard recorder to turn on and off the microphones for the individual presenters or committee members. For this reason, the Chairperson would need to recognize you, your name, prior to speaking. I offer that as information for all in attendance here this evening. I thank you for your patience and understanding. We will now proceed to public presentations.

\* (18:40)

### **Bill 12—The Highways and Transportation Amendment and Highway Traffic Amendment Act**

**Mr. Chairperson:** I will now call on Bob Dolyniuk—oh, pardon me, out-of-town presenters, David Rolfe. Thank you, Mr. Rolfe, for your patience. You may proceed.

**Mr. David Rolfe (President, Keystone Agricultural Producers):** Thank you, Mr. Chair.

First off, I would like to introduce myself. My name is David Rolfe. I am president of Keystone

Agricultural Producers. Keystone Agricultural Producers is the largest farm policy organization in Manitoba.

On behalf of Keystone Agricultural Producers, I am pleased to share our organization's position with respect to Bill 12, The Highways and Transportation Amendment and Highway Traffic Amendment Act (Trucking Productivity Improvement Fund).

KAP is a democratically controlled general farm policy organization representing and promoting the interests of agricultural producers in Manitoba. It is an organization run and funded by its members throughout Manitoba.

The Trucking Productivity Improvement Fund will help pay highway repairs required, as well as improvements to highways. As an organization representing farmers who frequently use highways for movement of goods, we do realize the importance of upgrading and maintenance of roadways.

We do, however, have some concerns with this piece of legislation and the potential of unnecessary financial impact on the agricultural industry. This fund allows for collection of permitting fees and fines in relation to overweight and oversized vehicles by the Province.

The money taken in through this fund should be allocated for the maintenance and repairs of roadways where it is actually collected, not allocated to other roadways in various parts of the province. As well, the provincial government must not use this fund to offset its contribution to other programs, such as the Prairie Grain Roads Program.

We need assurance that highway classes will not be decreased by government so that more permits will have to be obtained for carrying the same load. Clause 34.1(3) outlines the method in which payments will be made to the Trucking Productivity Improvement Fund. In section 1 of this clause, it states: "Contributions made by private sector contributors, or other governments, by arrangement or agreement with the Government of Manitoba in relation to rehabilitating or improving specific highways or portions of highways, or specific highway infrastructure." This could be perceived as an avenue to introduce toll roads and, if so, this is of great concern. We need assurance that this is not the intention of this clause.

Clause 68 deals with offences as it relates to excess weight less than 2000 kilograms and excess weight of 2000 kilograms or more, as well as penalties. If the purpose of this bill is to lessen and/or pay for road damage, then the Manitoba government should reconsider the overweight fines. The government should remove the gross vehicle overweight fines and apply the fines only to individual axle overweight.

The last point we would like to make is dealing with clause 87.1. We believe it should be removed. This clause allows the Province to require a permit to cross a highway. The Province should allow movement along and crossing of highways, but there should not be a charge for doing so.

In closing, we would like to stress that farmers must not in any way be put at an unfair disadvantage as a result of this bill. As we stated in the introduction, we do agree with the ongoing maintenance and repairs of our highway infrastructure and hope that our points are given due consideration. Thank you.

**Mr. Chairperson:** Thank you, Mr. Rolfe, for your presentation. Do members of the committee have questions for the presenter?

**Mr. Larry Maguire (Arthur-Virden):** Yes, thank you very much for your presentation, Mr. Rolfe.

I note with interest your comments around this bill. I am wondering if you could give us any insight into how you see these fund packages being set up for each individual road, and what your view might be as to setting up this plethora of categories for road maintenance.

I do not think anybody is against road maintenance, as you have pointed out very clearly, but there has been some concern expressed about how government would manage establishing these funds and targetting them toward a particular road.

**Mr. Rolfe:** Certainly, we realize the need for highway improvements and we have some concerns. I can give one example, Highway 5 between Glenboro and Carberry. There is a stretch of highway on there that has been restricted and you require a permit. As we all know, that is one of the main trucking routes to the potato plant at Carberry, to Carnations. We have some concerns over just a

portion of that highway being restricted that essentially restricts the whole highway.

Now, I guess the question related to how the fund should be structured and set up. Well, in the presentation, we made it fairly clear that any monies collected under the permitting system for one particular stretch of highway should be allocated to that stretch of highway and not just moved into a general fund for highway maintenance and construction anywhere in the province. If funds are being collected on that stretch of highway, then funds should be attributed to that stretch of highway so it can be repaired and rebuilt. That is exactly what the permitting system is designed to do.

**Mr. Maguire:** Thank you, Mr. Rolfe.

I also have a question around if a fund was established for a particular section of road, do you believe that there should be any kind of a limit placed upon that particular road for fines? I mean, it is not just fines in this case. It is permit fees and voluntary private-sector support for that particular piece of road that could be, say, a processing company that wants an approach or some kind of means established in that regard. Would you feel that there should be some kind of a limit for the level at which the total amount of fines collected would be established at and any funds over and above that would go to general revenue?

I heard you say that the funds should not be used for general revenue purposes, but would you be in favour of any kind of a limit on each particular road being capped at a certain, say, maybe it is a quarter of a million dollars, maybe it is \$10,000? I am not suggesting a number, but would you be in favour of any kind of a cap being established for each particular road in that area?

**Mr. Rolfe:** When it comes to fines and permit fees, we would hope there would be a standardized formula across the province.

**Mr. Jack Penner (Emerson):** Well, thank you very much, Mr. Chairperson.

Mr. Rolfe, you have indicated that you would recommend that the designated fines in a given area be designated to a given stretch of road that the fines were obtained on. This is the first time, I believe, that a government has introduced a designated fines

repair fund in the province. I have never seen anything like this before and I am a bit surprised. My biggest fear is that the government of the day might, in fact, reduce the weight limits, as you have suggested they should not, and increase the fines.

I only go back to the spring when many of the roads in our area were reduced to less than half of their normal weight-carrying capacity and people had to move product off their farms and into the marketplace because much of the marketplace these days is on a defined schedule, in other words, on-time delivery.

I think many of the small industries that have been built over the past decade or the previous to past decade under the previous government are such that export a large amount of their product into the export market and again on an on-time basis.

Would it be your view that this government might have taken a look at increasing the funding toward highways and highways repair and the upgrading of highways under the auspices of the Grain Roads Program, which is farmers' money in the first place that was taken out of the cap under the Crow benefit and designated to this which provinces now participate in? Should they, the Province, contribute a greater share instead of designating these fines to repairing highways?

\* (18:50)

**Mr. Rolfe:** There are two points there. One is the use of lower weights on highways as, and I hate to say this, a revenue tool, and we have one fear there that it may be used that way and we talked about toll roads. I hope that this legislation is not designed to be a back door to toll roads within the province and that it would not be used that way.

In relationship to the provincial government's contribution to the Grain Roads Program, we said in our presentation that any monies collected under this should not be used to offset the Province's contribution to the Grain Roads Program. We would hope that, considering the amount of product that is now moving by road, more resources would be allocated to rebuilding the highways and not relying strictly on this Trucking Productivity Improvement Fund.

On the previous question, Mr. Maguire's question relating to the caps on the fund, should the

fund be capped off at—and I think he used the example of \$250,000—we would hope that the amount of money that would be collected under this fund on one particular stretch of highway would not be more than was needed to rebuild the highway or would not be more than the trucking industry or producers' share of what the cost would be to rebuild that portion of highway. As was referred to before, in some cases it is already farmers' money that is being used, especially in the Grain Roads Program. It has been used more than once because the contribution that municipalities make, rural municipalities for the most part, is funded from and produces municipal taxes on that land. So we are paying, I guess if you stretch it out, we are paying more than once for that stretch of highway and now we are being asked to pay again. So it is three times in some cases.

**Mr. Penner:** My biggest fear in this is that the minister's intent might be to set up inspection places close to an industry in rural Manitoba and use the fines to upgrade a specific stretch of road. I simply cannot envision how a government would attempt to put forward this kind of legislation that would even leave the perception that they are thinking along those lines.

Secondly, in my constituency five years prior to this government being elected, there was \$41 million spent in a five-year period on upgrading of roads and this government has not spent one dollar on upgrading even a mile of road in that same constituency. I think, clearly, the agenda of this government is being put on the line. Can you tell me what sort of an alternate program should be put in place other than this kind of legislation to keep our roads operable for the agricultural community in rural Manitoba?

**Mr. Rolfe:** I think, too, you are hinting again at the possibility of setting up restricted sections of highway leading to processing plants that indirectly could be used as toll roads. I have seen that example on Highway 5 where most of the product moves up to the Carnation plant, the Midwest plant there at Carberry.

Again, we need more provincial resources put into highway construction and not just simply a system of fines and tolls. It penalizes our industry. It penalizes agriculture because not only are farm trucks moving up and down there but there is an increasing number of farm products that move by truck since the demise of the railways. It seems that

agriculture always is being targeted as paying its unfair share. There is more than agricultural products move along the highways. Unfortunately, it seems to be agriculture that gets targeted more often than not.

**Mr. Kevin Lamoureux (Inkster):** Just a very quick question, Mr. Rolfe. In your presentation, you state the Province should allow movement along and crossing of highways but there should not be a charge for doing so and then cited concern with regard to clause 87. Are we talking farm machinery, as a general rule anything affiliated with the farms, and that is where your concern is and, if so, is there any indication that that, in fact, would be the case?

**Mr. Rolfe:** Under the legislation, it appears that the Province would want to charge for trucks crossing sections of highway. It may only be simply across an intersection, at least that is the way the legislation appears to read. There may be cases where a producer or a commercial truck, for example, has to cross, a mile of highway to get from one section of highway to another, and we are saying in that case where there are only short stretches of highway involved, maybe a mile, mile and a half, to get to the next road, the next stretch of unrestricted highway, that in those cases permits should not be charged.

**Hon. Ron Lemieux (Minister of Transportation and Government Services):** I want to take the opportunity to thank Mr. Rolfe for giving his presentation. Keystone Agricultural Producers is a respected organization that we respect very much as a government and any suggestions that they have we certainly consider at any time those presentations are made to us. So I just want to take this opportunity to thank Mr. Rolfe for his presentation. Thank you.

**Mr. Chairperson:** Thank you, Mr. Rolfe.

The next presenter on our list is Michael Martel. Is he in the audience? My understanding, Mr. Martel, is that you have a verbal presentation to make? Thank you. You may proceed when you are ready.

**Mr. Michael Martel (Director, Forest Industry Association of Manitoba):** Thank you, Mr. Chairman, members of government and committee members. My name is Michael Martel and I am here as a director of the Forest Industry Association of Manitoba. The Forest Industry Association of Manitoba, or FIAM, represents various small, large, and medium-sized timber producers in the province

extending from The Pas down to the American border, companies spread out throughout the province in small towns, largely in the small towns, small mid-size towns of the province.

I would like to also say I am vice-president of Tembec in Pine Falls, the paper mill there, and have had some experience with productivity permit process during the last two years where we were given the privilege of being a pilot project for the program.

Although originally coming from Manitoba, I also spent 12 years in Saskatchewan working in the forestry sector and at that time saw the birth of a similar process, or a program there, what they called the Highways Partnership Program involving industrial users, where industrial users were given opportunity to increase the weights on the highway infrastructure, given that they were going to pay some of the incremental damage that was created through that program.

I am here, really, to say one thing, and that is that the industry association is in support of this bill and we have three reasons. The first is, we are in a very highly competitive environment. Our industry, we compete nationally, internationally, and certainly within North America for paper products, for solid wood products coming out of our various manufacturing centres. And, as was previously mentioned, we are very much about delivering a product to market as it is required, which is 365 days of the year.

When we are moving products to our facilities, however, we find that we are under significant restrictions in terms of moving timber to places like Pine Falls and The Pas and Swan River. What we see is that the bill as introduced provides an opportunity to even the playing field in terms of our ability to deliver products to our facilities, to move beyond simply the winter season and extending that further out to 12 months of the year, or at least 8, 9 months of the year.

So for us that is a benefit and it makes us a little more competitive with our neighbours, in particular Saskatchewan and Ontario.

Secondly, we like the notion of partnership where we are working with the department of highways. Our experience over the last two years has

shown that it has been a partnership in working with them, looking at the rates and looking at the traffic flows and what the pavement damage can be. It is not just a one-way feedback; it has been two-way feedback, and we think that within any government department that is very positive.

Third, we like the idea that fees get put back into the road system where the traffic occurs. To us, this is key. In the case of Highway 304 north from Pine Falls up towards Manigotagan, we have seen the rates change and fluctuate with the exact estimate of what the incremental pavement damage will be.

We are not here to talk about the specific improvements that could be made to the bill. We will leave that to others within the department. We are encouraged by this bill and we are pleased to be able to speak here today.

**Mr. Chair:** Thank you, Mr. Martel, for your presentation. Are there questions for the presenter?

**Mr. Maguire:** Thank you very much, Mr. Martel, for your presentation, and you certainly do represent an industry that has many heavy loads to move in Manitoba and we respect the contribution that, certainly, the forestry industry makes to the gross domestic product of the province.

I would, however, like to ask a question, and one of the concerns that I did not ask before was in relation to looking at fees going into roads. I know other provinces have partnered in some of these areas before, so this is not inventing the wheel here. I think that I find a difference between fines and permits as opposed to private investment, private players wanting to have a sharing of costs in relation to a particular section of road that you refer to. Would you see any distinction in those?

The distinction is between private investment, which is the third section of one of the three parts that the government can get revenue from in the Trucking Productivity Improvement Fund. It can come from, of course, fines and then permit fees, and of course, private-sector investment. I see quite a difference, is my point, between private-sector investment and a build-up of fines and permits which may not be as negotiable in relation to a particular section of road. Can you just comment on that?

\* (19:00)



**Mr. Martel:** Yes, I can, and I am going to have to speak as an employee of Tembec Industries as opposed to the industry association in this regard. What I can say is that my two years of being in Manitoba, certainly, were very challenged in terms of meeting the needs of all Manitobans for education, social programs, health, and our highways infrastructure.

I think if we are going to move forward, some form of partnerships have to be in place. Now, if that means, for example, at Tembec, where we propose to build a sawmill, we fully anticipate that there will be some engagement in terms of infrastructure when we embark in that way. However, we do believe that it is on the onus of the Province to provide a basic level of infrastructure for all Manitobans, industry included.

In terms of fines paid for violation of the highway regulations, my view is, you break the law and that money is going to go somewhere. I do not really have a position that that should go back into the road system. We are there in our industry to obey all the rules and regulations. How the department uses those fees that the Province sets out, that is for them to decide.

In terms of setting rates for incremental pavement damage, clearly we want to see that directed to the road.

**Mr. David Faurschou (Portage la Prairie):** We appreciate the position and the larger perspective that you have, coming from Saskatchewan, as well. I know this bill putting forward a separate fund here, it is not that we do not trust the Finance Minister here this evening to reinvest all the dollars from there, but it is something that I want to ask you as to how the government of Saskatchewan treats the participation in this type of legislation as it pertains to business transactions.

The penalties that are assessed as fines are obviously under current legislation in Manitoba not effectively recognized as a deductible expense, whereas a permit for overweight, oversize is a deductible expense. How then does Saskatchewan treat an actual direct investment? Is it a capitalized expenditure by the corporation and amortized over a number of years? How does the tax department treat that type of investment?

**Mr. Martel:** In the case that I am familiar with in Saskatchewan, it was a capital investment. You were

allowed to treat that as any capital investment in normal accounting rules for a capital road, 20 years, I believe it was. In terms of the way the partnership program worked there, there was a separate account that was set up, that was co-managed by industry and the department, where you had to have agreement in terms of how the monies were used. A certain portion of that money was used for research to improve the road system. So it could be in looking at ways of engineering roads or it could be looked at in new configurations for trucking.

**Mr. Faurschou:** Do you have any consideration that this fund is managed by the minister without that advisory body that you suggest is in operation in Saskatchewan?

**Mr. Martel:** I think this is a very good first step. I think that that could be a natural evolution, but at this time I think, given the amount of work that has gone into it and the amount of experience we have garnered over the last two years, that this is a good first step.

**Mr. Penner:** It is good to see you here, Mr. Martel. As you know, the southeast part of the province is fairly involved in the forestry industry, which is my constituency as well. Many of the people that I know haul logs out of the bush and into delivery areas and/or directly to market. It is very difficult for them to be able to weigh every load or determine exactly what the weight of a load will be.

Can you see this being applied in an equitable manner or fair manner that would not penalize forestry operators for loading without weighing in the bush and taking that load directly to market? If an overweight did occur, do you think there should be some leeway given there? How should this be applied?

**Mr. Martel:** I believe there should be leeway in terms of looking at penalties with individual operators. A lot of that falls onto education and experience of the officers involved. But at the end of the day, the carrier is responsible for the weight on his truck. It is his job to understand that and to be in compliance. Now, saying that, there are errors that occur with every individual and every walk of life. That comes back to the experience and officers using common sense in terms of how they apply the penalties. I think there could be some movement in

that regard, but certainly in our area that is not a significant concern.

**Mr. Lemieux:** Thank you very much, Mr. Martel, for your presentation. I appreciate your comments very much and your support with regard of this piece of legislation. We look forward to it moving ahead. Thank you for taking the time to present to us and give us your views today on behalf of your organization. Thank you.

**Mr. Chairperson:** Thank you, Mr. Martel.

The next presenter we have on our list is Bob Dolyniuk. Is Mr. Dolyniuk in the audience? Good evening, Mr. Dolyniuk. Do you have a written presentation?

**Mr. Robert Dolyniuk (Manitoba Trucking Association):** Yes, I do, Mr. Chairman.

**Mr. Chairperson:** You may proceed when you are ready, Mr. Dolyniuk.

**Mr. Dolyniuk:** Good evening, Mr. Chairman, ministers, committee members. The Manitoba Trucking Association is an industry association representing truck transportation companies in Manitoba and we are pleased to present our comments on Bill 12, specifically the Truck Productivity Improvement Fund.

The truck transportation industry generates about 1.18 billion of Manitoba's GDP on an annual basis. It directly and indirectly employs 33 000 Manitobans, expending about \$655 million in salaries and benefits annually. Manitoba is home to approximately 12 of Canada's largest companies of which 2 are amongst the top 10 for size in Canada.

From 1993 to 2003 Manitoba's trade with the U.S. has increased from 6.1 billion to 16.1 billion. Approximately 80 percent of the merchandise trade with the U.S. is shipped by truck. That translates into over 350 000 trucks crossing the Manitoba/U.S. border each year.

While Manitoba has enjoyed a prominent place in the Canadian trucking industry, it should be noted that in 1994 Manitoba was home to 5.1 percent of the Canadian commercial driver population and in 2002 Manitoba represented only 4.1 percent, which indicates a 20% reduction.

The trucking industry plays a vital and vibrant role in the economies of Manitoba and Canada. Our industry is not only the dominant mode of freight transportation in Manitoba, Canada and North America it is also a major generator of economic activity within Manitoba. To put this in better perspective, 90 percent of all consumer products and foodstuffs in Canada are shipped by truck and 95 percent of goods moved within Manitoba depend on trucks.

Trucking is a demand-derived industry. The level of economic activity in the truck transportation industry is directly related to the economic well-being of the businesses it services in every region in Manitoba and throughout North America. Conversely, the economic well-being of the businesses our industry serves is dependent in part on well-built, well-maintained, efficient and reliable transportation systems which include our roadways and highways.

We must be cognizant that there are numerous communities within our province that are solely dependent on truck transportation for its transportation needs. To be able to serve these and other communities our industry needs a well-built and well-maintained road network. In Manitoba, our road network has been deteriorating for many, many years. Successive governments have not invested adequately into our highway infrastructure. Today we are faced with the decaying and deteriorating highway system that is quickly reaching the end of its life cycle.

Growth in Manitoba's trucking transportation industry is the result in part of deregulation and NAFTA. Additionally, we have witnessed the demise of the Crow rate, rail-line abandonment, the transition from small local grain elevators to widely dispersed high-throughput grain elevators and a general restructuring of grain movement. These changes have forced more products to be hauled further by truck. In fact, more raw agricultural products are being moved further by truck than ever before both provincially and extra-provincially.

These changes, along with the elimination of agricultural subsidies, have placed significant pressures on our highway infrastructure. This has been exacerbated by the fact that the appropriate and incremental financial investment into our highway infrastructure has not been maintained as these changes occur.

Today approximately \$120 million per year is expended on highway capital programs while there is a need for at least \$350 million per year. While this shortfall is allowed to continue our highway infrastructure continues to crumble. Unless there is a significant change in the funding of our highways the situation will only continue to get worse until such time as our highway system totally collapses.

\*(19:10)

While the Manitoba Trucking Association applauds this government for being prepared to dedicate provincial gas and diesel taxes to highways, roads and infrastructure we strongly advocate that all revenues generated by road users, including all fuel taxes, should be specifically committed to highways, roads, bridges and their related structures. Fuel taxes in whole or part should not be used to subsidize other programs or initiatives.

This recent introduction of Bill 14 will be particularly significant if, in fact, the fuel taxes raised are applied in their substantial majority to cover the actual costs for construction and maintenance. In respect to the proposed Truck Productivity Improvement Fund, the Manitoba Trucking Association specifically recommends:

(1) Any revenues generated by means of the fund process must be committed to the highways/roadways from which the revenue is generated.

(2) Revenues generated by means of the fund must not result in a reduction in the normal Department of Transportation and Government Services capital and maintenance funding of highways from the Treasury Board. Revenues generated by this fund must be in addition to the normal capital and maintenance funding.

(3) The trucking industry must have input into determining the distribution of any expenditures of revenues generated by means of the fund.

Lastly, the Department of Transportation and Government Services must generate and distribute to the public an annual report which includes a detailed accounting of all revenues and expenditures from this fund, including the cost of administering the fund.

Beyond the Truck Productivity Fund, Manitoba must also look to provide for further transportation

efficiencies. Within Manitoba our current highway system allows for limited use of extended-length vehicle combinations. Further efficiencies can be garnered from our existing highway system by extending this network which, in turn, would reduce the number of trucks operating on our highways and, therefore, reduce the wear on those same roads.

These efficiencies would also translate into less greenhouse gases being emitted by our industry. We encourage the Province of Manitoba to aggressively expand this network to allow for these potential efficiencies.

In regard to these vehicle combinations, we were pleased to be previously assured by the Department of Transportation the current use of these vehicle combinations will not result in the application of the Truck Productivity Improvement Fund. In fact, it would only be applied if there was a requirement to upgrade or improve certain sections of roadways for the operation of these vehicle combinations.

Governments must broaden their scope beyond the trucking industry in their quest for highway infrastructure funding. As previously stated, the demise of the Crow rate, the replacement of the local grain elevator with widely dispersed high-throughput elevators and rail line abandonment have forced more products to move further by truck. The elimination of this agricultural subsidy along with the reduction of the railway network and a reduction of the grain collection system have all placed significant pressures on our highway infrastructure. In their efforts to direct further funds to highway infrastructure, governments are focusing on the industry that has been forced to increase its activities rather than those industries whose actions have caused these increased activities. Government should give consideration to the impacts of these actions rather than just focussing on the end users.

Further, if Manitoba wishes to address the infrastructure deficit and direct more funds to highway capital and maintenance, it should be addressing the existing inequities relative to registration costs for trucks. While a significant inequity exists between registration categories, as an example, the largest category for private or for-hire truck is \$4,000 per year, while for a farm truck it is \$600 per year, the primary use of these vehicles is the same and there exists no rationale to maintain these cost differentials. It is also well known within

our membership that there are many farm-plated vehicles operating illegally and in direct competition with for-hire carriers while maintaining this competitive cost advantage. At the same time these operators are subject to little, if any, enforcement. Truck registration costs should be rationalized and these revenues should be dedicated to the highway infrastructure capital and maintenance.

Manitoba also maintains a differential in fuel tax rates, dependent on the truck registration category. While all trucks purchase fuel for the same purpose, to haul goods and products on our roadways, some have a lower fuel tax rate than others, yet all categories have the same impact on our roadways. Farm trucks today are travelling five to six times further to move their products to an elevator. While farm-plated trucks are hauling more products further by road and in many instances acting in the capacity of for-hire carriers, they operate exempt from fuel tax. In this day and age, there is no rationale for a differential in truck fuel tax rates and, therefore, Manitoba should eliminate this differential.

In closing, we strongly recommend that this government ensure that along with the proposed revenues generated from the Truck Productivity Fund, further and appropriate funds be dedicated by the Treasury Board to our highways and bridges. Additionally, all revenues from equitable fuel tax and registration regimes should be dedicated to our highways and bridges. Lastly, Manitoba should give serious consideration to the impact of the actions of the industries that have been the cause of the increased highway activity. Thank you.

**Mr. Chairperson:** Thank you, Mr. Dolyniuk, for your presentation. Are there questions from committee members?

**Mr. Maguire:** Thank you very much for your presentation, Mr. Dolyniuk. Certainly, the Manitoba Trucking Association has got a great stake in the Manitoba economy, and, as you pointed out, many of the largest firms in Canada, the largest companies in the trucking industry, are located here in Manitoba.

I guess I have asked a question earlier just in regard to the issue of fees and permits as opposed to private-sector involvement. I wonder if you would see any differences there. In a private company's entering into a partnership with anyone, with government or another business, to do a particular piece of

infrastructure that would benefit them is, certainly, one thing and as has been indicated by the previous presenter that in some jurisdictions those are capitalized, depreciated over time, the same as any other infrastructure or any other capital investment by a company. But I wonder if you could just give me your views on any differences that you see between permits and fees as opposed to the private-sector investment in relation to a specific piece of highway.

**Mr. Dolyniuk:** I think the private-public partnerships are for specific projects and, you know, whatever the ratio split is between the private sector and the public sector certainly, as was previously indicated, the private sector should have the opportunity to use it as a capital investment.

\* (19:20)

As far as fines are concerned, certainly, the Manitoba Trucking Association has been on record with this government and previous governments that, No. 1, we do not feel there is enough on-road enforcement in place yesterday or today to, in fact, rigidly enforce the weight and dimension rules that we do have in place. Obviously, not complying with the weight regulations is one of the causes of our deteriorating highways.

We encourage if somebody is breaking the law, they should be penalized. We do not have a problem with that. As a matter of fact, as I said, this government and previous governments we have lobbied for more on-road enforcement because we continually hear of people using the back roads and virtually wrecking the back roads to sneak around scales. We do not support that. We do support stiff penalties for overweights.

As far as the permit system, I think the market will dictate, certainly from our part of the industry, whether or not industry will accept a permit. If the cost of the permit is cost-prohibitive to either the trucking company or the person who is buying the services, then that transaction just will not happen. So it obviously has to be a win-win situation. The price has to be acceptable to both the purchaser of the service and the trucking company and, obviously, the department, and if it is not, it is not going to work.

**Mr. Faurchou:** I just want to ask about a clearer definition on "all revenues," which you made in your

presentation here. Are you including driver's licences as well as registration for vehicles and any other revenues which are deemed transportation revenues?

**Mr. Dolyniuk:** Yes, obviously, in our presentation we have said, "all." There would obviously have to be a cost of administering the department, et cetera, so part of the cost revenues generated would have to go to that. But, as an example, Driver and Vehicle Licencing, I may be off a bit, but I believe that they generate approximately \$75 million a year. We believe that that should go into our infrastructure.

**Mr. Faursehou:** Yes, you are quite right in that, and registration fees in addition to it. Clarification in your relationship between farm-plated vehicles and commercial-plated vehicles: Are you suggesting that the practice of using marked fuels be done away with as far as road activity for haulage?

**Mr. Dolyniuk:** In some circumstances, without question. As I said in our presentation, it is well known within our industry, within our members, where they are daily being confronted with vehicle operators operating on farm plates with what one can only assume marked gas in direct competition to for-hire industry.

We have had an issue with that for many years. We have brought it to this government and we have brought it to previous governments that there has to be a rationalization. It has to be reviewed and it has to be rationalized.

In the time, let us go back in history, I do not know, 20, 30 years ago when farm trucks were operating exempt. They were operating one- and three-tonne trucks. They were going from the field to the farmyard, from the farmyard to the local elevator.

Today, we have farm-plated trucks that are 62 500-kg B-trains that are operating throughout Manitoba, western Canada and into the U.S. on farm plates; and as I said earlier, in some instances in direct competition with the for-hire industry.

We cannot accept a differential in fuel tax rates and we cannot accept a differential in truck licence costs with somebody that we are competing with as it turns out. If we want to compete, let us put us all on a level playing field and we will gladly compete.

**Mr. Lamoureux:** A couple of very quick questions. Your association, would that then represent the interprovincial, international companies that would go beyond Manitoba's border? Would that make up—

**Mr. Doylniuk:** As well.

**Mr. Lamoureux:** —for hire?

**Mr. Dolyniuk:** Sorry, Mr. Chair. Yes, our membership would include local, and I say local as far as Winnipeg or Brandon or some of the other urban centres, intraprovincial, some companies that operate just within Manitoba, and others that operate throughout Canada and the U.S.

**Mr. Lamoureux:** I was impressed with the number when you mentioned 350 000 trucks crossing the U.S.A.-Canada border. That is almost 1000 a day, virtually. The thought that came to my mind was, could you give us a sense, your best guesstimate, because that is likely what it would be, as to these four highways in the province that have 80 percent of all the truck traffic—can you just give some sort of an indication on, you know, what, if that is possible in terms of a guesstimate?

**Mr. Dolyniuk:** I think the University of Manitoba would have better statistics in that regard, the engineering department, but I would suggest, Nos. 1, 75, 16 and probably 6 and 10, to me, and No. 2 as well. I would like to say No. 3, but because of its condition it probably is not up there.

**Mr. Maguire:** Just a couple of quick questions, Mr. Dolyniuk. You were referring to the issue of unfair competition in that industry. I assume you were indicating that that was farmers hauling grain for someone else that may not be their own product.

**Mr. Dolyniuk:** I am going to get a slap on the wrist. Grain products, certainly agricultural products, is one thing. There are other products that are being hauled as well.

**Mr. Maguire:** If I could, I noted one of your points here in regard to your recommendations is that there be an accounting of the administration cost of these funds. One of the things that I see with this funds fees permits is that there will be more administration in regard to looking after the little funds of money on each of these roads around that could take a good deal of administration, either that or the fines are

going to have to go up to take care of the administration and the extra costs of administering each of these projects.

I do not certainly have a problem with the whole accounting of revenues and expenditures from the fund, but can you just indicate to me what your views would be on how administration costs have been dealt with so far and how you think that they would be looked at or whether they would be increased or not by this bill?

**Mr. Dolyniuk:** I do not know that I am the appropriate one to speak as to how the department handles its accounting, but I would think, as an example of public-private partnership, that would be a contract; that would be a separate account. If you are talking about permits, there is a permit system. If it was automated, you are generally inputting into a data base, and the data base should be able to keep track of that for the department. As far as fines, again, the same thing, because on the fine there is a location. I do not know that we would subscribe to the concept of putting a fine penalty to a specific highway, but perhaps in a pot where government and industry determines where it should be used. You could do it that way, I believe.

**Mr. Penner:** Thank you very much, Mr. Dolyniuk. You indicate that the Manitoba trucking industry has lost 20 percent of its commercial driver population since 1994. What is the basis you base those numbers on? What records could you table here today or could you send to us that would show that clearly, and what would you attribute that to?

**Mr. Dolyniuk:** Those are Statistics Canada numbers that I pulled from a report that I have in my office that I would be happy to provide. I think there are a number of issues that caused that to happen. One only has to read the *Saturday Free Press* or *The Winnipeg Sun* or some of the regional newspapers to see that we are continually looking, our industry is looking for drivers. It is not a unique situation in Manitoba, but that is the situation that goes on across Canada and the United States.

The reality is that if our industry cannot find drivers in Manitoba, then they will hire them somewhere else. I would suggest to you that there are Manitoba companies that have significant workforces based out of Alberta and Ontario because they have not been able to find enough people here.

Certainly that would be one of the issues right off the bat that would cause it. I have to give some thought to other impacts, but right off the bat that would be one issue.

**Mr. Penner:** You also indicated your concern about farmers hauling other than their own product into the marketplace, be it commercial and/or their own product or their neighbours' products. You indicated also that farm plates were sold at a lot lesser rate than your commercial rates were. How would you license, for instance, a farm truck that travels, let us just for argument's sake say, between 10 000 and 20 000 kilometres a year and is parked the rest of the year, for whatever reason is not operated, compared to a truck that would travel 100 000 to 200 000 kilometres a year? How would you do the licensing procedure? Would you do it on a flat-rate commercial basis, or would you have an elevated basis of licensing fees, or how would you do it?

\* (19:30)

**Mr. Dolyniuk:** I guess if I were the decision maker, I would say that the months or the weeks that you are not using that truck, you submit your registration and the plates are off the truck and it is not operating. The same as a commercial truck: I can license it at the beginning of the year for X number of dollars if I only use it for six months; after six months I turn in the plates and the registration. I do not see why that could not be used for all categories of trucks.

**Mr. Penner:** Mr. Dolyniuk, what if I only have, let us say, two or three loads a month to haul and I have to haul them because we are on a quota system and you have to get your grain to market and you have to have them year-round, so how would you do that?

**Mr. Dolyniuk:** Well, I guess in that situation I would suspect that you would have to buy the plate for a month.

**Mr. Penner:** If you have to deliver three loads a month year-round, on-time delivery; I guess what I am looking for is how you would make the differentiation for that truck that travels, let us say, 10 percent of the road miles that other fully commercialized trucks do. How would you make that delineation if you were the one that was applying the law?

**Mr. Dolyniuk:** I guess, in our view a truck is a truck. It is hauling product. If I take an analogy of

your car and my car. If my car gets 5000 kilometres per year and you live right beside me, and you put on 60 000 kilometres per year on your car and it is identical cars, identical coverage, what have you. The registration cost for your car and my car is the same, regardless of the miles we put on. If I choose to have my car sit in my driveway year-round with the plates on it without using it, then I guess that is the decision that I made.

**Mr. Lemieux:** Thank you very much, Mr. Dolyniuk and your organization is a key stakeholder in the province of Manitoba and we appreciate your counsel any time. There are a lot of difficult issues and we appreciate your support with all the caveats therein and we look forward to having you provide advice to us on other occasions as well. Thank you very much for taking the time this evening to give us your presentation on behalf of your organization.

**Mr. Chairperson:** Thank you very much, Mr. Dolyniuk.

The next presenter on my list is Chris Lorenc. Good evening, Mr. Lorenc. Do you have a written presentation for the committee?

**Mr. Chris Lorenc (President, Manitoba Heavy Construction Association):** Yes, I do.

**Mr. Chairperson:** I think your presentation has been circulated, Mr. Lorenc. You may proceed when you are ready.

**Mr. Lorenc:** Thank you very much, Mr. Chairperson, ministers and members of the committee. I am pleased to present remarks pertaining to Bill 12 on behalf of the Manitoba Heavy Construction Association. My comments this evening will be focussed on the dedication principles. As you may be aware, our association represents the heavy civil construction industry in Manitoba, and during the peak season period we employ roughly, directly and indirectly, 15 000 Manitobans.

Bill 12 establishes the Trucking Productivity Improvement Fund, and we support the purposes to which that fund is directed. We also agree with the substance of comments made this evening relating to the application of funds, the need for accountability and transparency, the need for a larger and more diverse stream of revenues allocated directly to re-investment in the provincial highway system which is under tremendous stress.

We also support the apparent shift in thinking which supports through legislation the notion of dedicating revenue streams back to the system generating it for the benefit of all users and contributors. We support the transparency and audit provisions which are attached to the creation of the improvement fund and we also have some friendly suggestions.

There are two landmark pieces of legislation currently under House review. Those are Bill 12, and 14, The Gas Tax Accountability Act. Our preference would be to create one account under Bill 14 or new legislation to which all sources of revenues derived from road use were deposited, and whose use would be limited to road and highway construction and maintenance programs including those funds proposed to be raised under Bill 12. Road-use revenues could be deposited into a separate interest-bearing account in the Consolidated Fund, in trust for the intended purposes. Separate accounts from within the fund could then be established for permitted expenditures, including the purposes identified in Bill 12. This approach is specifically contemplated in section 34 within the bill.

The above support the underlining accountability and transparency principles. We understand that the practicality of such a change midstream in the process of considering these two separate bills is unlikely. However, we think it is important to observe that an overall approach is what is needed to address the funding challenge. It is, therefore, offered for your consideration as a near future policy area requiring attention.

In our view, departmental costs unrelated to actual construction and maintenance programs should be funded out of general provincial revenues. This requirement would put the pressure to find efficiencies in department expenditures elsewhere without taking the easier way out of either raising fuel taxes, licences, or other charges, or reducing the portion of such combined revenues being applied to construction and maintenance programs.

With respect to financial accountability, we think it is important to establish principles which will be consistently applied to the creation and dedication and accountability for dedicated fund streams. The approach suggested in Bill 12 provides, in our view, a most appropriate level of transparency and public accountability for funds raised and expended. We

applaud the principles enunciated in Bill 12 and, in closing, thank you for the opportunity of making this presentation.

**Mr. Chairperson:** Thank you, Mr. Lorenc, for your presentation. Are there questions of the presenter?

**Mr. Maguire:** I would like to thank you for your presentation, Mr. Lorenc, in regard to the Trucking Productivity Improvement Fund. I have asked others about the differentiation between the fees and the permits and the private-sector involvement. You have made another good suggestion about combining to look at putting the gas tax and any revenues that can be generated through other sources into more of a combined pot, if you will, to look at infrastructure maintenance.

Do you think that there is a difference in how each of those can be utilized. I keep asking this question. As you have noted from the audience, I am sure, I have a concern that if there are a lot of fees and permits on a particular piece of road, then will that offset what private industry would have to put in to a particular piece of road or not? If it would, then does that not leave private industry totally in charge of upgrading a particular piece of road where there are few fines or few permits?

**Mr. Lorenc:** I am not really in a position to give you an informed answer. I frankly do not have much experience in that side of fund administration. We, as an industry association, have long articulated the view that revenues generated from transportation should be reinvested back into the transportation system and that the objective, the public policy objective should be to raise revenues from users which equal the amount of reinvestment required in order to maintain the system in a safe, efficient manner.

The minutiae of what you do with the accounts are best left, perhaps, to others to comment upon.

\* (19:40)

**Mr. Maguire:** I know that it has been noted by the government that these funds are not meant to be a moneymaker in regard to these issues. I find it hard to understand how it cannot be a moneymaker. I thought that was its purpose in regard to providing some funds for upgrading roads in some areas and that that would be a basic premise of this particular

fund being established, to be used for the purposes that have been outlined in the bill by the minister, by the government. I wonder if you can give us any indication as to, as I just previously asked the previous presenter as well, about whether or not the administration can be streamlined enough to prevent the costs from going up in the administration in regard to the collection of fines, the collection of permits, the collection of dealing with private-sector investors in those areas. That would be my first question.

**Mr. Lorenc:** There are really two questions which you have just indicated. With respect to administration costs outstripping the growth of funds, our position again is that the funds should be used for the purposes for which they are intended, which is improvement, and that the administrative costs associated with running the department should come from general revenues. That provides some separation and it requires, then, fiscal discipline to be injected in terms of running and maintaining a department.

With respect to whether or not this is a moneymaker, I think in part the answer is two-fold. The simple one is do not breach the overweight restriction regulations and you have nothing to worry about as a trucker. Secondly, I think the other observation that was correctly made by one of the presenters was one would expect and reasonably anticipate that there would be some amount of discretion exercised by enforcement officers.

**Mr. Maguire:** I, too, would concur that as a former farm leader who was involved with issues of trucking in freight across the Prairies, I would certainly concur that if there are those who are breaching those circumstances then fines will be levied. I know that they have been and will be and that the minister is putting forth a bill to deal with those in a certain way.

I note that yourself, your organization as well as the previous one, The Manitoba Trucking Association, has indicated that there needs to be a more concerted effort in regard to providing funding overall for highways in the province of Manitoba. Having said that, do you not see this as somewhat of a tax on industry or a tax on the setting up of processing or trucking in the province of Manitoba?

**Mr. Lorenc:** Only two things certain in life, Mr. Chair, death and taxes. You are only going to raise



revenues from users through the form of taxes, licence fees or other charges. Our view and our opinion and our position has been that those taxes, licences, fees, et cetera, should be reinvested in the transportation system. I know of no other way by which government raises funds other than licences, fees and taxes. It is a matter of balance and it is a matter then, ultimately, of how and where they are applied.

**Mr. Maguire:** Just a last question, I know that in the area of fees and fines and penalties, certainly, those are one circumstance, however, when private industry is being told that, you know, here is an opportunity for you to invest in infrastructure with us, I guess I look first and see that that maybe a replacement of funds that the government is presently working with today. Or it may be that if this bill is there it is a coercion, if you will, for the private sector to have to come in and say well, it looks like we are going to have to partnership in this particular area or we will not be able to set up our industry here.

Do you see any great concern in that area? I know that those kinds of partnerships do occur with some multi-national companies and that sort of thing but I guess I am looking at the agricultural base in Manitoba. I am looking at the size of that industry. I am looking at the means of individual farm units to be able to enter into those types of circumstances. The last thing I would want to do is discourage small processing opportunities in the province.

**Mr. Lorenc:** Mr. Chair, I think that, really, what we are talking about here is a series of steps that I see the government engaging in. The first step is to clearly indicate support for the concept of dedicating, limiting the purposes to which the funds can be put, in the context of transportation. As a sub to that first, opening the door to public-private partnerships is I think an appropriate step in the right direction. Public-private partnerships are not a panacea. They are not going to apply in each and every instance. There is a matter of how you apportion and balance the risk as between the public and private sectors, whether or not there is an ability to handle the risk depending on the project, what the revenue streams are and so on. So public-private partnerships are one of the options that should be used and are used by government and public agencies as they are in the private sector to address capital investment needs.

The third step is one effort that the Chair chairs, and that is 2020–Manitoba's Transport Vision, which is intended to provide for public consumption and debate an overall picture of how we manage reinvestment in the transportation system.

So I think these steps are all important and, hopefully, at the end of the day will result in a transportation investment strategy that has four corners within which government makes the investment decisions.

**Mr. Lamoureux:** Very quickly, Mr. Lorenc, I think in terms of streets, roads, highways, the different levels of government, it is more of a general question. Whatever you are driving on, it seems as if there is a need to improve the condition of that particular road. If you were to estimate or, again, guesstimate in terms of what sort of a cost factor, an annual cost factor, do you see would be necessary in order for proper roads in the province of Manitoba, whether it is in the city of Winnipeg, Brandon, or highways, because I know your association is quite heavily involved at all levels of government, we get the newsletter on a regular basis from your group, if you could answer that.

The second one would be if you had the federal revenues and provincial revenues that are all associated with the revenues generated from vehicle traffic, do you believe that amount would actually cover the cost of the maintenance that we currently collect?

**Mr. Lorenc:** The provincial government collects approximately \$205 million annually, \$207 million, in provincial road use fuel taxes. The federal government collects from Manitobans roughly \$155 to \$165 million in federal road use fuel taxes. The combined amount is in the vicinity of \$370 million.

The Department of Transportation and Government Services in reports leading to the 2020–Transport Vision process identified that there is an existing investment requirement over the next 10 years of \$350 million in each of the next 10 years to bring the system up to a reasonable standard.

So the short answer on the provincial highway system is that you need \$350 million invested annually in each of the next 10 years before you can start making improvements to the system. So you are looking at a global investment deficit of \$3.5 billion

which is growing exponentially the longer we fail to meet that gap.

With respect to the city of Winnipeg, you are looking at an overall investment deficit of about \$1 billion for street, sewer, water, and related infrastructure. With respect to rural Manitoba, in waste water treatment, as I recall, it is about \$1 billion, and if you look at the numbers under the Canada Infrastructure Works Program, there was about \$2 billion worth of application for funding for a variety of infrastructure assets.

So, in this province, you are looking at well in excess of a \$7-billion investment deficit, and I want to hasten to add that Manitoba is not the only province in that situation. We have a national core municipal infrastructure deficit of about \$57 billion. On the national highway system, it is about \$19 billion, and, I think, on the remaining provincial highway systems, it is probably in the vicinity of \$20 to \$25 billion, so it is a huge problem.

\* (19:50)

If we were in a position where all of the road-use fuel taxes were dedicated to highway construction, you would be able to address the problem. But that, then, still leaves the other infrastructure transportation assets in rural Manitoba, in urban Manitoba that are neglected. So it is a matter of balance.

That is why we take the approach that it took us decades to work our way up to a \$7.5-billion global infrastructure investment deficit in this province. It is not something we are going to fix overnight, and it is not something we are going to fix over the next decade. It is going to take decades to resolve, but the steps that need to be taken in order to address that are some of the steps that we are discussing today: Adoption of and subscription to the principle of dedicated streams of revenue for specific purposes; subscription to the notion that you need to reach out to the private sector and use, where you can, public-private partnerships; then the overall transportation investment strategy, which was the process launched in 2020—Manitoba's Transport Vision.

We also are of the view, and have made this position to government over the last many years, that there needs to be a co-ordination of transportation and infrastructure assets that this province benefits by. That is something that we think provincial

governments should take very serious note of as well, in order to eliminate the overlaps by ministries and, sometimes, the conflicting directions that might be taken by ministries because there is not, over decades, a co-ordination of investment in our infrastructure.

**Mr. Faurschou:** Just in the presentation, Mr. Lorenc, as we heard earlier this evening, similar legislation is in place in Saskatchewan where, in fact, they have third-party or participant direction within the funds expenditures. I know you are a very strong advocate of third-party or interested party participation in fund expenditures. I do not see that in your presentation here tonight.

I would like to give you this opportunity to, perhaps, comment.

**Mr. Lorenc:** Mr. Chair, the observation is correct. As I said at the outset, I came prepared, really, to discuss the principle of dedication as the primary focus of attention.

In my answers, I did indicate that we subscribe to and support the concept of public-private partnerships, with the caveat that they are not a panacea and do not apply to each and every instance, but, where, particularly in high traffic volume areas where you can identify streams of revenue, those might make sense. You will see that in congested areas like Toronto and L.A. and other parts of the United States, where the volumes of traffic are horrific, but can generate revenues because you are providing an infrastructure asset that cuts the travel time or reduces the distance between points, and the payment of fees is justified. In British Columbia, they have done that successfully.

So public-private partnerships are an option. Typically, they have greater application in very high traffic and congestion areas, not the kind of prairie situation that Manitoba is either blessed or cursed by.

**Mr. Penner:** Just one question, Mr. Lorenc. In the agricultural community in Manitoba, we are faced with a situation, as primary operators, whereby when we leave our storage area to get to the marketplace, we are very often faced with a situation where we have to travel on three different weight-carrying capacities of roads. It causes us huge difficulty for the primary producer. This has to be done, as you know, on a far more regular basis than what it used

to be because of the diversity of products we haul these days and the extent of processing that goes on, either on farm or just off farm.

Can you give us a bit of an overview as to what your perception would be of equalizing or providing funding out of a designated fund such as this to upgrade the standards of those roads to give equal access to a producer, regardless of where he operates out of?

**Mr. Lorenc:** I am not sure I have an answer for that question. The purpose of this fund is to try to identify revenue streams and re-invest those revenue streams back into roads for the purposes of their improvement. That is a principle that is worth supporting.

Because I do not have any practical experience in how other jurisdictions may or may not have been working and/or how successful they were, I would really be taking a guess, and I would rather not give you a guess as an answer.

**Mr. Penner:** Well, thank you. The Prairie Grains Roads Program was initially the brainchild, I think in large part, of the farm community when the Crow benefit came along, and was initially intended—and I use the word "intended" for the upgrading of routes for rural access—specifically, for the agriculture community to get to market in a better transportation mode than they do today.

What would your view be of redefining or developing a process of funding that would get us back to that initial principle that was enunciated under the grains roads program?

**Mr. Lorenc:** Well, the Prairie Grains Roads Program, as I understand and recall it, was an arrangement where you had three levels of government pool funds—municipal, provincial and federal—for identified routes which were affected as a result of the elimination of the Crow rate subsidy.

Certainly, an agreement that identifies that routing system makes sense. There is an impact as a result of a federal decision, and the impact is higher than anticipated and heavier than anticipated usage of certain roads in order to get the product to market, and there needs to be some adjustment and compensation for that. But, again, it seems to me that this is not the fund, as I read it, in any event, that is

intended to address significant issues of concern, such as you have described.

What you have described is more properly in the domain of identifying in a public debate what the relative roles of government are as it relates to funding and maintaining of roads, whether they are urban or rural or highway in nature. I do not believe that it is the intention of this particular piece of legislation to address that issue.

This is simply saying we are identifying a piece of revenue, sources of revenue, and we are going to re-invest those funds so that the users can benefit by the reapplication of those funds. You are talking about a much higher level. What should the arrangements be between the federal and provincial governments as it relates to funding of roads? What should the provincial responsibility be as it relates to regional streets, bridges and related structures in the urban context? That, I think, is a much broader area of policy debate, a very interesting one that I would love to engage in, but I am not sure that Bill 12 is about that.

**Mr. Chairperson:** Mr. Maguire, with one short question, please.

**Mr. Maguire:** Just the size of permits, Mr. Lorenc. Can you indicate to me whether you feel that, within sectors—or should all sectors be the same, for the size of some of the permit fees? How would you go about determining what the size of those permit values should be?

**Mr. Lorenc:** Mr. Chair, that is not an area of my expertise, so I am not going to hazard a guess.

**Mr. Chairperson:** Minister of Transportation, did you wish to yield? Mr. Maguire.

**Mr. Maguire:** Okay, thank you, Mr. Chairman, and thank you, Mr. Minister.

**Mr. Chairperson:** We are running short of time.

**Mr. Maguire:** Would you recommend that those permits be the same for all parts of the province?

**Mr. Lorenc:** The same answer, Mr. Chair.

**Mr. Lemieux:** Thank you very much, Mr. Lorenc. As president of the Manitoba Heavy Construction

Association, I appreciate your comments, and also your patience with regard to some of the questions we have posed to you in trying to get some feedback from your organization with regard to your position, and especially your clarity with regard to what Bill 12 is all about. It is not about the bigger picture with regard to financing the highway infrastructure program throughout all of Manitoba, but specifically toward a particular project.

Thank you very much for your input and your comments.

\* (20:00)

**Mr. Lorenc:** Thank you very much.

**Mr. Chairperson:** Thank you very much, Mr. Lorenc.

**Mr. Lorenc:** Good evening.

**Mr. Chairperson:** I think that concludes the list of registered presenters. Is there any member of the public in the audience here this evening who may wish to make a presentation on Bill 12? Seeing none, that concludes the presenters for Bill 12.

#### **Bill 24—The Travel Manitoba Act**

**Mr. Chairperson:** We will then proceed to the list of presenters for Bill 24, The Travel Manitoba Act. The first presenter registered is Jim Carr of the Business Council of Manitoba.

Is Mr. Carr present this evening? Not seeing Mr. Carr here this evening, his name will drop to the bottom of the list.

The next presenter registered is Jim Baker, Manitoba Hotel Association. Is Mr. Baker in attendance here this evening? Good evening, Mr. Baker. Do you have a written presentation for committee members?

**Mr. Jim Baker (President and Chief Executive Officer, Manitoba Hotel Association):** No, I do not.

**Mr. Chairperson:** Then you may proceed when you are ready, sir.

**Mr. Baker:** Thank you, Mr. Chairperson.

Minister and members of the committee, good evening. I am Jim Baker. I am the president and CEO of the Manitoba Hotel Association. I am also a member of the Ministerial Advisory Council on Tourism, which was established in 2002 to provide advice to government on the development of the tourism industry. It is comprised of 28 representatives from all aspects of the industry. I was appointed to the council to represent the interests of our Hotel Association.

I would like to comment that this council has received very positive responses from government. We are extremely proud of our accomplishments to date. In July of '03, we recommended that the government adjust the school year to after the Labour Day weekend, and the government, thankfully, responded positively to our recommendation. As a result, our industry benefits from an extra week of summer vacation and, hopefully, another week of summer, because we do need it this year.

The Ministerial Advisory Council on Tourism has been working closely with the government on the development of a framework for the new corporation, Travel Manitoba. Last spring we presented specific recommendations to transfer delivery of tourism programming to a stand-alone agency. The council has analyzed tourism delivery models in other jurisdictions and is working in consultation with the industry on a made-in-Manitoba tourism solution. We are confident we can build a public-private partnership that builds on the capacity of the tourism sector to serve as a catalyst to economic, social and cultural growth.

We know that to be successful in meeting the expectations of the international tourism market we must have a co-ordinated approach between government and industry. Industry should have a stronger role in marketing, product development, quality assurance and training programs. We need to find new ways for every sector in the tourism industry to partner-invest with Travel Manitoba to realize real growth in the future.

The Manitoba Hotel Association supports the establishment of Travel Manitoba as an agency of the Crown. We believe the operation of Travel Manitoba should be premised on a public-private partnership where both government and the private sector invest to realize mutual benefit.

Those are my brief comments.

**Mr. Chairperson:** Thank you very much, Mr. Baker. Are there any questions of the presenter by committee members?

**Mr. Glen Cummings (Ste. Rose):** In reading the bill, I just wondered if you felt that the opportunity for active involvement and representation by the participating members in the industry was adequate in terms of the new association being responsive directly to the board. Are you satisfied that the conditions surrounding the appointment of the board are appropriate?

**Mr. Baker:** Well, as you probably know, the government has recruited a consultant, Western Management Consultants, to do preliminary work. So very much the formation of the board of directors, the policies, initial budgets and all that are evolving. I have had the privilege of listening to a presentation by that consulting firm and also from the government, and I am confident that there is going to be ample opportunity for the industry to contribute.

**Mr. Cummings:** Well, the reason I asked the question is that over the years I know that the industry has wanted in, as it were, terms of opportunity to be actively involved in the management of the tourism opportunities. That leads me to the question of whether or not we should be looking at any amendments that would further mandate the responsibility of having the industry placed in a leadership role, more than the bill contemplates today.

**Mr. Baker:** This is certainly a major step towards doing exactly what you described. I see it from being involved in the industry for a number of years and sitting on a Crown corp in the tourism business. This gives ample opportunity for representation across the industry on the board of directors. That, of course, will be the critical piece as to the appointees to that board, which will be, of course, by the government. We have assurances, and I believe and trust in them, that we will have ample opportunity to put forward good people, not just people necessarily from hotels or airlines, but for good people who can bring business acumen to the fore. So I think the process is appropriate.

**Mr. Cummings:** I certainly respect your experience and the knowledge that you bring to the table. In

trying to make some comparisons with other examples across the country, it seems to me that there is at least one other example where it is mandated that the industry sectors would be represented from recommendations or appointments that they would make directly to the management.

The alternative, and the reason for asking the question, would be that it could become, with the greatest respect to the minister and the ministry, the playground for the appointment of friendlies.

**Mr. Baker:** Well, the government always has that option by the act, the legislation, to make the final appointment. My experience with government is that, when good candidates are brought forward, they typically are appointed. I really cannot comment on the assertion or the assumption that you advance. There should be a caution, of course.

I think it rests on the industry and all the participants, our 28 members of this council that represent hundreds of private enterprise, to be diligent and do their homework and forward candidates that the government would see the logic in appointing.

**Mr. Cummings:** The other question that I have is regarding the ownership of capital assets. I know that our critic, who is unable to be here tonight, was quite interested in knowing how far the industry felt, or, in this case, how far you believe that the corporation should go in the ownership and management of Crown assets.

**Mr. Baker:** My understanding of the capital assets that this agency would have would be those of minor amounts, meaning computer systems and office furniture and the like, that are presently employed in the management of our tourism industry right now.

If you are alluding to the purchase of a hotel, I would not see that being that appropriate, given the market conditions at this time.

**Mr. Cummings:** That is exactly what I was alluding to. I appreciate your answer. Thank you very much.

**Mr. Larry Maguire (Arthur-Virden):** I just had a question. We have heard a lot about private-public partnerships. I am pleased to hear your statements in regard to that in your opening remarks, and that the industry feels that they can build from that. I note

with interest that in some jurisdictions there have been other funding mechanisms put forward from the private sector being involved in these public-private partnerships. I wonder if you can give me some idea what examples of funding the private part of the operation would be involved in, in some of the other jurisdictions.

\* (20:10)

**Mr. Baker:** Well, briefly, at the present time, there is Destination Winnipeg that is involved in marketing Winnipeg and, obviously, the province. The Winnipeg Convention Centre markets, and every hotel of any major size—I should not say of any size—any hotel is out there marketing their product.

At the same time, we have the Canadian Tourism Commission with some 25 million of marketing dollars. Those dollars are not readily available by smaller operations. There is an opportunity through this agency to combine some of those dollars—some of them are quite sizeable when it comes to the marketing of convention business meetings and convention business by some of our major hotels—to combine in a more effective manner and to also encourage, by the board coming from a broader sector, more co-operation between the various agencies and the industry people—better use of their dollars, focussing.

**Mr. Maguire:** Just briefly, I wonder what your position would be in regard to hotel taxes. It is my understanding that some provinces do have a percentage of a hotel room tax going towards this kind of a partnership at the present time. I know you have indicated, and I understand from working with many hotel members across the province of Manitoba, that they are out there in their communities trying to promote tourism and that sort of thing in every one of their communities on a daily basis. I trust that they are putting more than just their sweat equity into that. There are funds that go into community development as well.

I am wondering whether your association has taken a position in regard to any other direct percentage, as I should say, in regard to that. I guess there is no other way of saying it. It would be another tax in that area.

**Mr. Baker:** This bill does not detail that, does not contemplate that. I do not think we have enough time

for me to give a full discourse on hotel taxes because, in my mind, a misconception about some of these provinces, how they collect and use dollars—indeed, the province of Alberta has a room tax of 5 percent. It goes into general revenues, but some of that goes into marketing. They, of course, do not have a provincial sales tax.

You will get other provinces, British Columbia, for example, where rooms are excluded from the provincial sales tax, but they do, in some areas, have room taxes.

The collection of money by way of taxation is endorsed or acquiesced by the industry where it goes totally into marketing efforts, and there is full participation by the industry. I believe that this government in this act is not moving in that direction. I approve of that lack of direction.

**Mr. Kevin Lamoureux (Inkster):** A couple of very quick questions. The Business Council of Manitoba and the Manitoba Hotel Association, I appreciate the fact that both organizations have their names here. The question that came to mind is in regard to the appointment—you have a board of between nine to fifteen people, three of which are appointees from the government, no matter what happens. There has been some suggestion, including from myself, that there would be benefit if we had outside groups to give it more of an arm's-length, independent feeling, that it might be better to have, for example, Manitoba Hotel Association, to appoint a member within themselves internally. The question I have for you is do you feel the membership of your council would support having the opportunity to be able to appoint a person direct to the board.

**Mr. Baker:** I take it that you are suggesting that the Hotel Association and other associations or interested parties would have an automatic seat at the table, that would be in the legislation. No, I do not think that is very workable at all. I advocate the best candidate put forward. I have learned several things here, this Ministerial Advisory Council, and one of the things is, is to see the intelligence and the focus and the direction that comes from the smallest industry player, including the people that run biking tours in national parks. You do not need big organizations or big associations to get good people. I am very supportive of the quality of people that we have in the industry. What this council has done and this act will do will bring those voices forward as

opposed to having some of those voices perhaps blocked out because you are guaranteeing other voices.

Certainly, from my standpoint, from our association, we will be working diligently to have proper representation on that board. The question is, should it be me as the paid person for the association or should it be somebody that is really involved in the industry and has, perhaps, more hands-on. I would hate to have a system where that type of constriction applies.

**Mr. Lamoureux:** Then your organization would not be able to, then, appoint someone to represent Manitoba Hotel Association to a board if, in fact, it was saw fit to allow it to occur.

**Mr. Baker:** As I take the question or my answer to what I think the question was is that we feel we have an opportunity to bring forward multiple names and candidates for board position. I do not have any concern about representation and if, in the extreme, because I think we are a major player and I would think that that would give some weighting to our suggestion of candidates, but if it did occur that we did not have somebody that is a member of our association, I have great confidence that the representation that will come from the broader industry will not only be adequate and good, but would also provide us for an input because we now have, through the Ministerial Advisory Council, a body to air some of the common interests.

**Mr. Jack Penner (Emerson):** Mr. Baker, the government of Manitoba has, on a number of occasions at least, hinted at the very significant deficit in operations at Hecla Resort in Manitoba. If this board that is being established under this act took it upon itself to want to acquire Hecla and operate it as an industry, do you see anything prohibiting that sort of action being taken by government to divest itself of an industry, and is there anything that would prevent the board from taking over a resort such as Hecla Island and operating it under this act?

**Mr. Baker:** Firstly, the matter of Hecla is currently under review. That board, and I am a member of that board, has been for years looking for ways to improve and to bolster the management and content of that property. It has been a concern of your government when you were in power and, certainly,

from the government currently in power, when going back 20 years.

My opinion would be that this agency would not be actively involved in that type of consideration. I think its mandate is focussed on the marketing, as opposed to managing assets.

**Mr. Penner:** My question, Mr. Baker, was simply: Is there anything preventing the ownership and operation of a resort such as Hecla under this act?

**Mr. Baker:** I would have to review the act. I really cannot offer an opinion. That is a legal opinion, and I am a former accountant.

**Mr. Cummings:** Following up on earlier questions, you have the advantage of being one of two presenters tonight so we get to ask more questions. But under the mandate that is being established here, there are some fairly sweeping powers. First of all, those powers seem to indicate the ability of setting fees and raising funds, which the industry that you work with would be one of the first targets I would assume, which is more potential sources of revenue. Which leads me back to the first question that we asked is about whether or not, and certainly something that we on this side of the table have been considering, whether or not there should be a more mandated way of choosing the members of the board.

Can you give us your understanding of the nature of raising funds that this new board may have capacity for and what areas it might be looking at? Has that been discussed at all?

**Mr. Baker:** Firstly, if you feel you have to ask me lots of questions to justify my time here, I also have to speak at Bill 21 down the hall.

Clearly, our industry is under stress. Whenever there is added stress put to the industry in terms of our responsibilities to collect tax dollars, government dollars, we are going to have concern. Our active participation in the council demonstrated that we have access to government to discuss those issues. I have had many opportunities to discuss those issues with municipal governments as well. It seems that our arguments have been successful. Clearly, I am prepared to defend our positions in regard to extra taxes that we may have to collect. As I said earlier, if there are any dollars generated that do not go to

marketing, I do not think the government would have a problem, seeing that investment in the marketing produces multiple benefits back to the province.

My answer in short is: Common sense in business practice once explained to government would undoubtedly give the answer that there is no room for additional fees.

\* (20:20)

**Mr. Cummings:** Well, I accept your answer and the trust that you are expressing in the system. There is a saying around here that laws and sausages are two things that you should not watch being made. That leads to suspicious questions about what legislation should contain in order to protect the innocent. That was the premise for my questions. Thank you for your time.

**Mr. Baker:** In response to that, my father worked in the packing-house industry for 40 years and I also worked in packing-house industries and I watched a lot of sausage being made, and I eat it. My brother was a lawyer and I watched him being a lawyer. Well, 50-50 is a pretty good deal.

**Hon. Eric Robinson (Minister of Culture, Heritage and Tourism):** Allow me to thank you, Mr. Baker, for presenting tonight. I think that you summarize it quite well in advising the committee that, indeed, the new Travel Manitoba agency will have certainly a greater agility and have the ability as well to respond to tourism market conditions and facilitate private-sector input and participation.

But, more importantly, Mr. Baker, allow me to thank you on behalf of our government for your ongoing participation on a Ministerial Advisory Council on Tourism. You are indeed one of the 28 dynamic men and women that have done a tremendous job in bringing us this far in ensuring that this indeed becomes a reality in the near future. I would like to thank you very much for your presentation tonight.

**Mr. Baker:** Thank you very much for those comments, and thanks to former Minister Lemieux who was responsible for forming that committee quite some time ago. I appreciate having had the opportunity to participate.

**Mr. Chairperson:** Thank you, Mr. Baker, for your presentation here this evening.

For the information of committee members, there has been one additional presenter that has been registered, Max Johnson, co-chair of the Ministerial Advisory Council on Tourism.

Mr. Johnson, if you are in the audience please come forward. Good evening, sir. Do you have a written presentation?

**Mr. Max Johnson (Co-Chair, Ministerial Advisory Council on Tourism):** I do not.

**Mr. Chairperson:** Please proceed when you are ready.

**Mr. Johnson:** I have been fortunate to be the co-chair of the Ministerial Advisory Council on Tourism, and as such I really am pleased to be here today to support The Travel Manitoba Act. The legislation is a very positive response by the government to the requests from the tourism industry that the government establish a stand-alone tourism agency.

The main reason for creating Travel Manitoba is to provide a much enhanced agility in responding to the shifting tourism market conditions, and more importantly perhaps to facilitate considerably more private-sector input and foster considerable growth in the tourism sector.

The industry is a very important contributor to Manitoba's economy. In 2002, the sector contributed over \$1.4 billion to the economy representing 4.1 percent of the provincial GDP. It also represents 60 000 direct and indirect jobs. The Council on Tourism has been working in consultation with the staff from the Tourism division to develop a framework for the new corporation for Travel Manitoba. Last spring we presented specific recommendations relating to the objectives and governance of this organization.

Our vision is to establish a strong corporation that provides leadership in stimulating sustainable tourism growth for the province of Manitoba. The industry has got extremely ambitious expectations for the new organization, and we are confident that the legislation provides the framework for us to achieve the vision that we have. We are delighted that the government is continuing to support the efforts. Independent consulting services that have been alluded to earlier have been recruited to



develop recommendations for the founding business plan of the organization. This week the consultants are meeting with the stakeholders in every region of the province to seek their input in the founding business plan.

It is imperative that this business plan outline a comprehensive tourism strategy. A strategy that identifies actions to address critical research, marketing, product development and training needs. Ideally the strategy will also outline responsibilities of both the new corporation and government in achieving the goals of the tourism industry in the future.

We recognize the need to the members of the tourism industry to find innovative ways to partner with Travel Manitoba in developing the industry. We are confident that by demonstrating success, the new corporation will be able to lever increased investment in tourism. We believe the establishment of Travel Manitoba must be based on a public-private partnership where both government and private sector invest to realize mutual benefit.

We know there are more business opportunities awaiting us from our regional, national and international markets, and the key focus of the new agency, Travel Manitoba, will be to create and take advantage of these opportunities. We all appreciate the value of tourism to the provincial economy and Travel Manitoba will build upon past successes by working more closely with the private sector to explore better ways to grow this industry. Thank you for your time.

**Mr. Chairperson:** Thank you very much, Mr. Johnson. Are there any questions of the presenter?

**Mr. Robinson:** Well, thank you very much, Mr. Chairman. Allow me to thank you, Mr. Johnson, again. Your leadership and your insight into the Ministerial Advisory Council on Tourism are something that all of us value in government. As you pointed out, we as a government try to respond to industry's request that they have more input into the delivery of tourism programs in their desire to have a strong vehicle to facilitate partnerships.

I believe that you and Doug Stephen, the co-chair, have done a tremendous amount of work along with the 27 other men and women that have served on the Ministerial Advisory Council on Tourism both

for the previous minister, Mr. Lemieux, and then later to myself. I believe that your leadership is something that we value a tremendous amount. At the same time, I think that your advice on the direction we are moving is something that we are very thankful for. Allow me to thank you on behalf of our government.

**Mr. Chairperson:** Thank you very much, Mr. Johnson, for coming to make a presentation this evening.

Mr. Carr was called and then moved to the bottom of the list. Mr. Carr, good evening to you, sir. Do you have a written presentation, sir?

**Mr. Jim Carr (Business Council of Manitoba):** I will just read from notes, Mr. Chair, if that is okay?

**Mr. Chairperson:** Please proceed when you are ready.

**Mr. Carr:** Thank you. Well, first let me say how much a pleasure it is to be back in this building, in itself, I would think, a tourist attraction. They do, after all, come from all over the place to feel what it is like to be inside these walls. I, like so many of you around the table, have lots of fond memories of it.

Really, I am here to praise Manitoba and to praise the potential of Manitoba. At a time when the world is looking for ways of making the most of what they have, it is a time for us to reflect on just how bountiful those riches are. I want to say at the outset that I am here to speak in support of the bill and to make two or three modest suggestions about how I think it could be improved, but most of all to get excited along with you about what it is we are promoting here and how special a society it is we have built.

Just in this city, where we are now, within two miles of here, we have some of the finest cultural organizations in the country, perhaps the finest ballet company in Canada; one of the better symphony orchestras; an opera company; three or four dance companies; and three or four theatre companies. So we should be marketing these cultural riches to all of those who are close enough to come and enjoy them, I would think that that would be a radius of four or five hundred miles, that we have within a couple of hours of this capital city, some of the finest recreational property you will find anywhere in the

region, and that the kayaking on our rivers, the fishing in our lakes, the hunting opportunities, and that we are blessed with natural riches that are the envy of so many in the world. Well, why are not more coming here to take advantage of that? I must say that this is not a failure of any government, either current or preceding, but maybe just a lack of energy. It is the energy that I think this bill will inject into the whole idea of promoting Manitoba and Manitoba tourism.

\* (20:30)

The assets are absolutely impressive, and, Minister, you will know more than most, of the potential of the northern part of this province. Do you know that Churchill is probably the No. 1 international destination in the Prairie Provinces, that they come from all over the world? It is sometimes very hard to get the accommodation you need to properly look after tourists. I know that even in my own family and friends, they come from New York City, we know that they come from Europe; they come from Asia because we offer them, in Churchill and in northern Manitoba, a quality of eco-tourism that they cannot find anywhere else. So when they are here, when they have taken that plane ride and when they come through Winnipeg, let us tell them about all of those things that we have here. So, I say that the natural ingredients that we are working with here are really impressive. We have to be a little bit less shy about talking about how impressive they are.

I think that this bill seeks to free up tourism promotion from rigidity, from constraints and, rather, to inject some entrepreneurial spirit into the way in which we see ourselves and the way we know others see us and how we want to present ourselves to the world. The time is right for tourism promotion to become far more important as a priority for this government. I think that the government is on the right road, that this bill will take us a long way to achieving what that potential can be. So I would like now just to make one word of caution before I talk about some specific suggestions. Members around the table will know that very recently there was a new agency set up called Destination Winnipeg. It is the responsibility of Destination Winnipeg to promote Winnipeg to the rest of Canada and to the world. It has some specific functions, but, overall, it really wants to bring capital and people into the capital city. One of the goals of the agency that you are setting up through Travel Manitoba is to do the same thing.

So the word of caution is let us make sure as we establish these two agencies from scratch, as we have done in the case of one and as we are about to do in the case of the other, that they are complementary and not duplicative. We do not have enough resources to spread around in such a way that two are doing the same work. We ought to be doing the work that is specific to each of them.

Three gentle suggestions as to how, perhaps, the bill could be improved. One is the appointment process to the board, Mr. Chair. I see, in reading the statute, that the appointment of the board of directors is left to the Lieutenant-Governor-in-Council in all cases, that there are three appointees who will represent the government, and the remainder will be reflective of a wide series of interests across the province. They are even articulated within the bill itself.

I am just wondering if it would not be wiser, given all of the conversation around western societies about governance, that we ask the government to look at selecting names that have been suggested to it from some of these sectors rather than appointing directly. I think that way the private sector and those who have a particular interest in the success of the tourism industry in Manitoba can be more involved directly in the work of this agency. There are other ways of doing it. There are models that the government can look at, but I think the one that is presented in the bill is not the best one. There are others that I think could maximize the effectiveness of the way this agency will work.

The second is, there is one clause; this could be just a mistake in drafting; this is clause 13, which gives the board the authority to appoint the employees necessary to carry out the activities of Tourism Manitoba. Well, that should not be a board function, Mr. Chair. That should be a function of the chief executive officer, who will be appointed by the board, and that is appropriate. But it should stop there. You do not want a board of directors appointing middle management staff within this agency. They have to be accountable to the chief executive officer, who, in turn, is accountable to the board. I think that can be solved relatively simply. I do not know what the argument would be not to.

The third is that, especially when you are establishing an agency from scratch, you will want to give those who make up the board of directors and

the founding CEO the security of some multiyear funding. It is going necessarily to be a process of transition from the status quo to the agency you hope to create, but the certainty of multiyear funding I think would go a long way in giving the kind of security that those involved in the agency will want, knowing that it is fledgling, that it is being created out of nothing, a concept, an idea.

I think those are three ideas that I would hope that you would discuss and perhaps even adopt. The Business Council of Manitoba, as you know, is a group of 61 chief executive officers of Manitoba's leading companies. We argue what we believe to be the public interest. We pick our spots. Members will know that we do not appear in front of very many legislative committees. The fact that we have chosen to appear in front of this one tells you that the Business Council believes that the tourism industry is vital to the future of our province, that there is a potential that has not yet been realized, that this bill will take us along the road to achieving that potential.

On behalf of them, I thank the government and members of the opposition for this opportunity to share some thoughts with you. Thank you, Mr. Chair.

**Mr. Chairperson:** Thank you, Mr. Carr, for your presentation.

Questions from committee members?

**Mr. Cummings:** After listening to your opening remarks, Mr. Carr, I was remembering fondly why it was nice to have you in these halls regularly. My question is related to your last comment, or almost last comments about the power to appoint. A critic has been working on some amendments to that end to try and make it so that it flows in direct relationship to the civil service and the hiring conditions associated with that and appropriate competition for filling positions once it gets past the initial stages.

I had a more specific question which would relate to funding. Have you given any thought to what areas you would see revenue coming from, once it gets past the initial stages of start-up money from the Province of Manitoba?

**Mr. Carr:** Well, the co-chairs who have just presented to you would have a better answer to that

question than I. They are in the industry. I know that when you talk to hoteliers, for example, they believe that the potential to attract people into this province has barely been scratched—a simple idea, for example, of making Manitoba the bear capital of the world. Leo Ledohowski is very fond of taking the example of *Anne of Green Gables* and the power that *Anne of Green Gables* has had in Prince Edward Island to bring literally, is it billions of dollars or hundreds of millions of dollars into the PEI economy from Japanese tourists? Well, he will also be quick to tell you that if you look at the revenues that come into the Disney corporation, it is by far Winnie the Pooh that outsells Mickey Mouse and Donald Duck and even Daisy and all of the others.

So, if we were to bear down and try to create a series of attractions around the theme of the bear, the Poohseum at the park, making the bear component of the Assiniboine Park Zoo the finest in North America, by leading up to the polar bears in Churchill and creating some niche marketing to Manitoba, that there could be huge revenues that flow into this province. Certainly, the agency would find one way or another to get hold of some of that money.

I am talking about taking full advantage, Mr. Cummings, of a potential that has not yet been realized. There are creative people in the province looking at ways of doing that, investing their own money. I am confident that when the pieces fall in place that there will be a big payoff.

\* (20:40)

There has been a terrific spirit of co-operation and wanting to make the best that this can be amongst senior staff of your department, minister. I want to congratulate them publicly for reaching out to the private sector, for wanting to find the best model, for being candid in sharing what the government has in mind and looking for ways to make it better. It is precisely that kind of co-operation between the business community and the government that will lead to the best model and that co-operatively we can take the best advantage of it.

**Mr. Maguire:** Thank you very much for your presentation, Mr. Carr. I wanted to just go back to one of your other suggestions. I think it is a very good one in relation to the selection of names to be put forward to the board for the government to look

at in establishing the board of Tourism Manitoba. I wonder if you could suggest or if your group has thought through from the Business Council, would that be a group of names presented at random from across the province? I am assuming that Business Council would have a list of areas that they may feel that these people should come from. Could you elaborate on that for me at all?

**Mr. Carr:** Yes, there are a couple of ways of doing it. One is for the government to say, we think that the ideal board would be comprised of people with these qualities and that they would be drawn from various sectors. You always want intelligent generalists. You should never stock a board so full of experts that there is nobody left that is smart and can think clearly. Perhaps that would be the three representatives that the government would represent.

I am just thinking of two possible ways. One is that the government could say to an association that is involved in the industry, give us a name and we will appoint the person that you think is best. Or give us three names, that is okay too. What we are trying to avoid is to have the board full of people who are appointed exclusively by the government and who may not have a balance of expertise that is in the best interests of the agency that you are creating. I think it is possible to be creative by delegating part of that authority to others.

Let us look at some examples. There are committees that approve lawyers who want to become judges at the federal level. You cannot appoint a lawyer who has not applied to be a judge. You cannot appoint a lawyer who has not cleared a committee. That is a safeguard to ensure that those who are ultimately appointed have met some kind of test of a standard.

So those are two possibilities. I am sure the government, if it has the will to follow that path, can find others. It is just a principle to get the best possible people available to serve on this Crown corporation.

**Mr. Lamoureux:** Mr. Carr, you have in essence answered the questions that I was hoping to be able to ask and have asked other presenters in regard to the makeup of the board, because I too just feel that it is so critical, but having said that, I just want to give my best to you. You have always been a

fountain of ideas. It is much appreciated. Thank you for coming out tonight.

**Mr. Chairperson:** Any other questions for the presenter?

**Mr. Robinson:** Well, thank you very much, Mr. Chairman, and Mr. Carr, thank you for coming out this evening. We always value, of course, your advice on any piece of legislation you speak on.

I want to first of all agree with you on the world-class rivers that many Manitobans overlook, the Manigotagan, the Bloodvein, the Berens River further up north, the Seal River, the Hayes River, and all the other rivers that we have. Fortunately, they are all in my constituency as well. We are certainly very proud as well of our community of Churchill being a four-season destination.

I want to say, first of all, that this legislation is something that we are not taking very lightly. It is something that has been worked on for quite some time now

We have worked with the tourism industry and examined the experiences of other provinces on this. The concept has resulted in a Manitoba approach, we believe, in this growing area of the economy and it continues to grow and to prosper. I think we have adopted the best practices from Tourism B.C., Tourism Saskatchewan, Travel Alberta along with the Canadian Tourism Commission.

The research that we have done has told us that success is dependent on a partnership between the public and private sector, one that is based on a joint strategy for growth and where both government and business have shared investment in development and marketing programs. We anticipate at the outset that the government will maintain its current commitment to funding tourism by \$8.6 million in the 2004-2005 year, and that Travel Manitoba will receive an annual grant from the government to support the activities outlined in the business plan. Further, there will be some one-time cost factors that will be involved of course in the transitional period.

I want to say, right at the outset, the three recommendations that you have provided to us certainly I will take under advisement the appointment of the board, but I want to say that this is quite reflective of other agencies that operate

within government. An example would be Manitoba Film and Sound which the previous government had created in 1998 and that appears to be doing quite well. It has grown that industry from around \$19 million annually to over \$100 million today. So we believe that this has the same opportunity. The board make-up is quite similar to what we propose here and, again, the advice that we have received from the Ministerial Advisory Council on Tourism.

Further, 13(a) and (b), this is something that the critic, the honourable Member for Morris (Mrs. Taillieu), and I have talked about, and I will be talking with her, a possibility of an amendment is something that we can consider in that regard because it is not quite clear, but I think, if I could just tell you this, Mr. Carr, that we are open to that.

On the issue of multi-year funding, I think I have addressed that previously in my response with respect to how much the government funds tourism in the province of Manitoba. Multi-year funding is something that we will take into consideration. But the three areas that you have asked us to contemplate, I want to assure you that we will certainly do that.

Let me conclude my remarks by thanking you, Mr. Carr, for your ongoing advice and sometimes very blunt suggestions on where you see us as a government improving ways in which we, hopefully, enrich the lives of our fellow citizens in the province of Manitoba. Thank you very much for appearing before this committee tonight.

**Mr. Chairperson:** Thank you very much, Mr. Carr.

That concludes the list of registered presenters. Are there any other members of the public present here this evening who may wish to make a presentation to this bill? Seeing none, then that concludes the list of presenters to Bill 24 and for Bill 12.

Does the committee wish to proceed with clause-by-clause consideration of these bills and if yes, in what bill order does the committee wish to proceed?

**An Honourable Member:** Numerical.

**Mr. Chairperson:** Numerical order has been suggested. Is that the will of the committee? *[Agreed]*

### **Bill 5—The Manitoba Public Insurance Corporation Amendment Act (Claimant Advisers)**

**Mr. Chairperson:** Does the minister responsible for Bill 5 have an opening statement?

**Hon. Greg Selinger (Minister of Finance):** No.

**Mr. Chairperson:** Thank the minister. Does the critic for the official opposition have an opening statement?

**Mr. Glen Cummings (Ste. Rose):** In this bill and others, would the minister be prepared to answer a question or two about the intent?

**Mr. Selinger:** Sure.

**Mr. Chairperson:** With leave of the committee, we would ask for your indulgence in allowing questions to occur at this point during the opening statements rather than clause by clause. Is that the will of the committee? *[Agreed]* Please proceed, Mr. Cummings.

**Mr. Cummings:** My questions around this very simple bill, my questions are only for some clarity because it is structured the way it is, as an amendment.

The hiring of claimant advisers, can the minister indicate if there are, at this time, any criteria indicated for what qualifications would be required?

**Mr. Selinger:** In general terms, the claimant advisers would be individuals that had experiences as advocates and an ability to interpret legislation in such a way as they can represent the best interests of the people on behalf of whom they are advocating.

\* (20:50)

**Mr. Cummings:** Well, in general, I think this approach is overdue. But I am thinking that one of the problems, if one was to be critical of the no-fault system, is that the concept was always, my understanding was, particularly when it comes to bodily injury, that the intake officers—that is not the right term—but that the adjusters would, in fact, act as an advocate on behalf of the claimant.

That was the concept when no-fault was brought in. The experience, I believe, is that does not

necessarily unfold that way which leads to the need for these advisers.

So I guess I am looking for some evidence that these are more advocates than just advisers. Because there is a problem I would suggest if I may, in fact that people have been led into, or lulled into the feeling that going to the Appeal Commission is a walk in the park. They end up there, undoubtedly everybody intends to be fair, but they are told, you know, you do not need to bring a lawyer, this is a non-adversarial situation. The corporation brings out the best and the brightest that they can put up to defend their position. Hardly fair when a member of the public is there and can be, I would suggest, intimidated a little bit just by the mere presence and qualifications of those who would be there to oppose their claim.

What can the minister point to in this bill that would say that these people would be able to take a somewhat adversarial or certainly an advocate role?

**Mr. Selinger:** I think section 174.2(2)(c) would be the one that would specifically address the member's question. But, in more general terms we need to understand that this new function would be independent from MPIC, although funded by them under a different minister and, therefore, in no way a conflict of interest in terms of who their accountability is to in terms of the legislation.

Secondly, experience in paralleled functions but under other legislation, such as the Worker Advisor Office, has told us that when these individuals, fulfilling these roles, get experience they become very skilled at interpreting the legislation in a way that is effective on behalf of the people that they are representing. The more time they function in those jobs the better they get at understanding what arguments are best made on behalf of claimants and what legislative discretion is available to put their case forward in front of the appeal tribunal.

I think we will find that they will become very effective over time in helping people that in a position of feeling that they have not been given the proper treatment by the corporation to put their case forward, or to advise them when they think their case will not be as successful as perhaps the claimant would like it to be. They will be able to give good advice that way as well. So overall we think that the result will be better representation in front to the

Appeal Commission on points that will allow them to advance their interests as successfully as possible.

**Mr. Cummings:** I have one other item that you might, the minister might want to suggest that it is out of scope. But there is at least one example that has come to my attention, where a claimant going in front of an Appeal Commission was asked if he would provide his own legal opinion, which I think was an affront to the system. I do not expect this minister to answer. I will raise it again on a different bill where it is a direct responsibility of the corporation, but it does apply in these circumstances. I wonder, is there any explanation for that, which makes sense?

**Mr. Selinger:** Once again, that is so specific I really could not address why that happened, but I would say this: With the program we are putting in place here, the claimant advisers would be in a position to challenge the corporation's request in that regard and suggest that it is out of order and put that case in front of the Appeal Commission, who I would also suggest would probably view that very dimly, that kind of a request. We would be able to short-circuit those kinds of demands on people who may or may not have the resources to go out and get those kinds of requests fulfilled.

**Mr. David Faurichou (Portage la Prairie):** Is this claimant adviser position exclusive? Is this exclusive to the Automobile Injury Appeals Commission and specific to bodily injury, or are claimant advisers going to be available for the metal and plastic, fiberglass, glass?

**Mr. Selinger:** The intention was to limit it to bodily injuries, but for the information of the member, section 174.2(5) allows the minister to provide regulations that could add additional duties to be formed by the claimant advisers in the future. I think, as the member understands, we want to start with this in a way that is doable within sort of understandable limits until we get it up and running and see how it goes properly. Then, if there is a case that could be made that other additional duties could be added to the claimant adviser roles in the future, we could consider that. We want to get it off to a good solid operation on an area where it is easier, perhaps, or clearer on how we can make the case for claimants.

**Mr. Faurichou:** The minister has been aware that I have been advocating myself for claimant adviser for

a number of years now. I am pleased to see this legislation come forward.

Could the minister respond to the actual reporting protocols that claimant advisers would exercise insofar as which minister is responsible for reporting? As the minister can appreciate, I have been very critical of the Fair Practices Office reporting protocol where, in fact, I believe the Fair Practices Office should be reporting right back to the minister, rather than to the president and board of MPIC. I believe that it has to be transparent and it also has to be accountable, because this is a monopolistic agency of the province. Ultimately, the persons that are elected must be accountable for the operations of MPIC.

I am hoping to hear from the minister that there is a direct linkage so that we can be advised in the Legislature of needed changes to legislation or improvement in regulation.

**Mr. Selinger:** Just a clarification on the previous question from the Member for Ste. Rose, Mr. Cummings, the Automobile Injury Compensation Appeal Commission right now is restricted to hearing only claims on bodily injuries. Any additional duties would have to be framed within existing legislation. There might be some other additional duties consistent with that intent that we could add later on. But, if we wanted to go broader than that, then we would have to go back and change the role of the Appeal Commission itself to hear a broader array of matters.

On the accountability matters, this section 174.4 indicates that the minister responsible for this, Claimant Advisers, cannot be the same minister in charge of MPIC. So we have made a distinction and a separation there right off the hop.

Yes, the claimant advisers office will report to officials that report directly to me. I will be under the principle of ministerial accountability. You know, myself or whoever my successor is will be responsible to the Legislature to answer any questions you wish to ask, either at this level or in the Legislature itself.

**Mr. Faurchou:** Yes, I once again want to thank the minister for proposing this legislation on the basis of the persons appearing before the commission are faced with more than 30 lawyers on staff of MPIC, to

say the least, almost insurmountable odds as a layperson confronting that type of expertise in putting forward one's position. So I certainly appreciate this legislation.

**Mr. Chairperson:** Is the committee ready to proceed clause-by-clause? Clauses 1 and 2—pass; clause 3—pass; enacting clause—pass; title—pass. Bill be reported.

\* (21:00)

**Bill 12—The Highways and Transportation  
Amendment and Highway Traffic  
Amendment Act (Trucking Productivity  
Improvement Fund)**

**Mr. Chairperson:** We will now proceed with clause by clause of Bill 12. Does the minister responsible for Bill 12 have an opening statement?

**Hon. Ron Lemieux (Minister of Transportation and Government Services):** I appreciate the opportunity to just put a couple of comments on the record. I do not want to be too long. I know that people have stayed quite late this evening to go through the bill and, more importantly, I think it is imperative that we get into the bill and start discussing the bill, if need be.

I want to put a couple of comments on record just to state that this particular Truck Productivity Improvement Fund really deals with a number of different initiatives, but primarily it should be stated that it is voluntary in nature. It gives companies and corporations and businesses an opportunity to participate and partner with the Province in areas where they otherwise may not be able to. We are looking at a fund like this that, essentially, will not be dealing with large sums of money, in fact probably relatively small sums of money. The approach has always been to look at this as a phased-in approach, start taking a look at possibly a few, I hesitate to use the word "pilot" projects, but certainly take a look at a number of smaller projects, in number, yet possibly relatively larger companies that would allow them the opportunity to take a look at either highway infrastructure projects or highways in particular that they feel would need to be addressed so that they could do better business.

Having said that, Mr. Chairperson, I just want to state at this time that I appreciated all the comments that were made earlier with regard to this particular

bill. A lot of good comments were made, and I appreciate the support of a number of the people that presented today. Again, they just focussed on the idea that this particular bill is just dealing with a specific area that needed to be addressed for a number of years, and that is what this bill is trying to do. In fact, there were and are a couple of pilot projects under way right now that are trying to work through a number of issues that are related to this bill. Having said that, I welcome any comments from the critic and look forward to proceeding through this bill.

**Mr. Chairperson:** I thank the minister for the opening statement.

Does the critic from the official opposition have an opening statement?

**Mr. Larry Maguire (Arthur-Virden):** Just a few comments as we move forward, and I would like to just seek the minister's okay to move through the bill on a global basis, if we could, for many of my colleagues to ask questions and that sort of thing as we move forward on that. First of all, I have some comments just for the record in regard to this particular bill.

Just to make sure that while the bill looks pretty straightforward, we do voice the concern that the funds and fees that I have talked about in the questioning of the presenters tonight do get dedicated to these particular pieces of roads or highways in the province of Manitoba that the minister has indicated is the intent of this bill.

The private-sector dollars that I look at that are being invested by these individuals as well; I would not want to have a situation in Manitoba where we were detracting from private industry's ability or other public sectors as well to do business in Manitoba.

I am sure the minister is not trying to impose anything like that, but I want to make sure that it is on the record, as have some of our presenters tonight indicated, that there could be concerns here of these funds being dedicated to certain particular regions and roads, particularly roads, not to regions, could be used to displace funds of the general purposes that the government has in their budget today.

That certainly does not appear to be the intent from the minister's comments and from the answers

to these presenters, but I do want to make sure that I voice that that concern has been brought to me by several groups. Some of them were presented tonight, and I just wanted to put that on the record.

I think that when we talk about an administration and dollars being used up in administration, bills like this can become cumbersome if we are not careful in regard to the setting forth of those funds in a particular dedicated mechanism. I would not want to see any undue administration put in place in this regard.

I would just couch that under a comment to the minister that saying that the permit fees, if that has to be one envelope under a particular road and another envelope under the same road ends up being fines and another envelope under the same road being the private-sector donations or contribution parts in that area, that the government look very, very closely at whether or not we are setting up a whole host of small sums of funds to be used on a particular road and whether there is any balance between those or not to make sure that we are looking at how those can be used collectively instead of in individual pockets for the betterment of the maintenance of certain roads.

It just comes to mind again that those who are seeking the government's contribution towards maintenance and capital investment in the province do look at this as an opportunity to make sure that those funds are used, as the minister has voiced and has been put forward to me in the summary that we had from the minister at the time of the briefing that we had from him on this particular bill.

I wanted to say that I was very pleased to hear the minister state back in February that this bill was not meant to be a moneymaker. That was a quote that the minister gave at that time. I certainly want to just re-voice that that was a concern that was raised this evening. I think that it is very sound to heed that.

I think that there is one example here. The minister has, in the summary of the amendments that they have given us, just to look at larger trucks carrying capacities. You know, there is no doubt that there are efficiencies in load size and that those companies can lower their costs by doing business throughout those.

I guess I have some concern, and I know it has been expressed to me by certain sectors of the



industries, and I have spoken to the minister about some of these in our Estimates process and since, that we not try to look at recapturing all of those savings from a particular industry so that they are on par with where they would have been today. I mean, what is the use of recapturing all of their savings if, in order to provide funds for a better road—we all want better roads—but to recapture all of their savings does not make our industry any more competitive than it is today? You know, it takes away the advantage of them being able to haul larger loads and to be able to try to move product more quickly.

\* (21:10)

We have heard many of the speakers in our presentation tonight indicate that 95 percent of the goods that move in Manitoba move by truck. You know, that is certainly a matter of "just in time" delivery and is becoming a much more, whether it is grain or groceries, fertilizer or cattle, day-to-day process of doing business across North America, and not just in Manitoba. So I caution the minister to make sure we are not doing anything that would inhibit those sectors from giving up all of the advantages that they see and their competitive advantage from other provinces.

I also want to bring to the minister's attention, and just a caution that we were presented with tonight by the Manitoba Trucking Association that indicated that, you know, the number of employees we have got in this industry has gone from 5.1 percent down to 4.1 percent. That is a concern, I think. In Manitoba, we know that there are a good many families depending on the trucking industry in Manitoba, and I caution that in regard to the—you know, it is not a part of this bill, but other bills that have come forward. I believe it is Bill 14, The Gas Accountability Act, and others have talked about increasing costs of diesel fuel and those things. I caution the government that we have to make sure that we keep that trucking industry as competitive as we possibly can in the province, and that we do not set the kinds of permits out of proportion to making it possible for them to move.

This is an incentive, I think, that should be used to try to make the roads better so industry can move more product more efficiently in this province. We should not look at that truck transportation as a detriment to the roads. We have to, of course, build them up to the point where they are the envy, if you

will, of some of our neighbours, in that they want to come to Manitoba to do their hauling in this province.

I would just leave those comments, Mr. Chair. Thank you.

**Mr. Chairperson:** Thank you, Mr. Maguire, for the opening statements.

Shall we proceed with clause by clause with the understanding that, at any point, if any member of the committee has a question, we will stop at that point to allow the questions?

Shall clause 1 and 2 pass?

**Mr. David Faurshou (Portage la Prairie):** Mr. Chair, I was wondering, with the agreement of the others, that we not be totally restricted to just clause by clause in our questioning, to show a little latitude, if you would.

**Mr. Chairperson:** Mr. Faurshou, I have to facilitate the passage of the legislation or the proceeding of the legislation. We have to go clause by clause, but with the understanding that if you have questions at any point, or any committee member has questions at any point, just stop the Chair and we will recognize you and then you can ask your questions under the specific clauses that you have questions relating to it. Are you comfortable with that?

**Mr. Faurshou:** We will see if they are not being done in order. In any case, carry on.

**Mr. Chairperson:** Clauses 1 and 2—pass; clause 3—pass. Shall clause 4 pass?

**Mr. Maguire:** Can the Chairman indicate that he is looking at section 3? We were looking at some questions in regard to section 34.1(1) and 34.1(3).

**Mr. Chairperson:** We are on clause 4, which is on page 3 of the bill. It starts at the bottom of page 3 of the bill. Is there will of the committee to return to clause 3 of the bill? *[Agreed]*

**Mr. Maguire:** Thank you very much, Mr. Chair. I appreciate the committee giving us leave on that.

I just wanted to say that, in regard to 34.1(1)(c), while they are looking at highway rehabilitation

under (a), improvements of load-carrying capacity under (b), is it not somewhat open-ended to look at other projects or initiatives that are described in clause (c)? I wonder if the minister can give us any more indication of what might prevail in clause (c). "Other projects" is pretty open-ended.

**Mr. Lemieux:** Mr. Chairperson, I appreciate the question. The "other projects" refers to, and I think what most people think about this bill, they are thinking about asphalt or roads, and thinking about bridges. What we were just discussing, and I have been advised that what the different sectors involved in this area have commented on, is that you might be looking for right-of-ways, or you may be looking for turn-off turning lanes, or you might be looking at clearance for visual sight for oncoming traffic. So there are other projects like that. It is not just related to what one may typically think of as transportation infrastructure as a bridge or an asphalt road, for example.

**Mr. Maguire:** Well, just a further question to that, Mr. Chair. I know that these other projects or initiatives are prescribed in regulations, as the comments are made in the act here under clause 34.1(1)(c). Can the minister indicate to me if he is using regulations that are already prescribed, or if these are new regulations that they will be prescribing, and can he give us any indication of the timing on those new regulations coming forward?

**Mr. Lemieux:** Just to conclude that what that section (c) does say, it says "for the benefit of Manitobans and the trucking industry"—in other words, it is a specific benefit related to this particular piece of legislation, but with regard to the regulations. No, the regulations are not drawn up as such yet. As I mentioned before, there will be companies who, on a voluntary basis, will be coming forward and wanting to participate in this. But the regulations have not been designed or put in place as yet.

**Mr. Maguire:** That being the case, can the minister just indicate to me how they intend to handle those voluntary applications that will come forward here in the near future?

**Mr. Lemieux:** I thank the critic for the question. These will be done by a specific agreement between the company or corporation and the Province of Manitoba.

**Mr. Maguire:** The minister, in his opening remarks on this bill, indicated that there are pilot projects ongoing. I wonder if he could just elaborate on that and who might be involved in those.

**Mr. Lemieux:** There are four companies currently: Tolko, Tembec, Louisiana-Pacific and Westcan which, I believe, is a bulk fuel hauler.

**Mr. Maguire:** I had a question in regard to the size of permit fees in respect to clause 34.1 in the "Payments into the fund" under this section (3) as well; 34.1(3) Payments into the fund. Can the minister indicate to me—permit fees. I alluded to that in my remarks on this bill as well. I wonder if he can give me an indication of how those will be developed.

\* (21:20)

**Mr. Lemieux:** Thank you for your patience. I think the member is looking at 34.1(3)(a) dealing with permit fees. Those permit fees, if I can classify them as regular permit fees or currently permit fees that exist to date, are currently in regulation now.

**Mr. Maguire:** I have no doubt of the fact that they are in place today. I guess my question was about what the minister's intention is with regard to the size of them. Because of the comments about looking at the productivity of trucking in the province of Manitoba, is there a willingness to look at the size of the fee in relation to the saving made in those areas by that sector? Of course, it follows down with the size of the penalties, as well, in (b).

**Mr. Lemieux:** Essentially, these fees that we are talking about are not looking at the savings and trying to tap into a savings, as the member mentioned. Currently, there is certainly no intention of looking at that. It was supposed to be a benefit for a company, and they are going to arrive at or attain a savings as a result. You want to ensure that that takes place, but the user fee will be based on a formula which factors in required infrastructure improvements or damage caused by increased truck weight and administrative costs, essentially.

**Mr. Maguire:** Just, again, in this section, same subsection, subsection (d), it is a bit open. I guess I have to ask the same question I did under 34.1(3)(c), because here we are talking about payments into a fund. Can the minister indicate to me what any other—just section (d) as it reads, and I quote, "any

other amounts prescribed in the regulations as payable into the fund." To me that is pretty open-ended as well. I wonder if the minister can indicate to me what would be included in that section.

**Mr. Lemieux:** Well, I hate to repeat myself, Mr. Chairperson, but thank you. Again, it is to the benefit of Manitobans and the trucking industry, and it is, I guess, anticipatory, if nothing else, because what you are doing is looking ahead slightly at possible areas where amounts would be prescribed. But again, it deals with the fund itself, where it talks about establishing the purpose of this fund, which is for highway rehab, "improvements in load-carrying capacity, productivity," "other projects or initiatives that are prescribed in the regulations . . . for the benefit of Manitobans and the trucking industry."

So it is anticipatory in the sense that you are looking ahead slightly and trying to—it is not necessarily a be-all or catch-all, but it is put in there for purposes of issues that we have not seen to date that may come up when we are dealing with the fund, and when agreements arise between these corporations or companies and the government of Manitoba.

**Mr. Maguire:** Well, I thank the minister for his answer, but the only reason I ask it is because I do not see in the bill "for the benefit of Manitobans and the trucking industry" included in that particular section anywhere. So that is why I raise the issue. I just wanted the minister to note that. They may make some changes to that down the road or not. I see already "permit fees," "monetary penalties" and "private-sector contributors, or" even "other government" groups, being municipal groups, I would assume, other government-sectors partnering with the Province. So, when you have those already in there, I am wondering why we needed to have a clause like "other amounts prescribed in the regulations as payable into the fund." It just seems pretty open-ended, but I will leave that, in regard to that, with the minister.

I also look at (e), under that area, and, of course, "interest" would be a no-brainer to have it included in the interest payments on these penalties. Private-sector contributors and penalties would be included in there. There, again, you have "interest and other income accruing to the fund," and I am wondering what other income you could have in that particular

area when you have already listed the three sectors that you wanted to be involved in this bill.

**Mr. Lemieux:** Well, just a quick comment. I know the member mentions "interest and other income accruing." What we are talking about in this piece of legislation is the dollars going into a fund coming from this Trucking Productivity Improvement Fund. We are going to be accountable for it. It is going to be transparent, and, there is going to be a reporting system where it is going to show how many agreements between government and corporations, and what the dollar figure is. It is not going to be large dollar figures, but you still have to be able to show that the interest or any other income accruing to the fund is going back to the purpose of this particular legislation.

Again, I mean the primary issue addressed by this particular bill is the creation of a new highway improvement fund for the benefit of the trucking industry and Manitobans. What we are trying to do is have this process be transparent by not only the reporting system, but also interest or other income accruing going to this particular fund.

**Mr. Maguire:** I am pleased to hear the minister's comments in regard to the openness of the funds. Can he indicate to me if he feels that we would be able to track those funds on a Web site on the basis of a—at any particular time, or what is his intention in regard to making those funds as public as he has just indicated, other than what it may say under the "Fiscal reporting" part of this bill where it talks about doing it on a yearly basis.

**Mr. Lemieux:** Mr. Chairperson, with regard to this legislation it talks about the audit system that is in place: "The accounts and transactions of the fund must be audited annually by an auditor," this is 34.1(6), "who may be the Auditor General, appointed by Lieutenant Governor in Council. The cost of the audit is an administrative expense." Also, in "Fiscal reporting," where it states: "Each year, the minister shall cause a financial statement of a fund to be prepared, which is to be included in the annual report of the department over which the minister presides." When I am saying about clarity and transparency, what we are trying to do is ensure that this fund and the agreements between a corporation and the Province, that those dollars, essentially, are public because it is showing that it is going to a particular project and that, essentially, it has been used for that

purpose and will have an openness to it that members of the Legislature, all members, will be able to see and see how it has been used.

\* (21:30)

**Mr. Maguire:** Would the minister consider—and I know he has it in here, that the auditor who would do the annual report may be the Auditor General—a change there to making it "shall be the Auditor General," or is there any reason why they would not have the Auditor General do it?

**Mr. Lemieux:** Well, currently, we are saying that it may be and that is certainly the way the legislation is written. Now, that is not to say that it may not be, but it may be the auditor. Currently, that is what we are looking at, but, I think, the importance behind this, too, is that when you are taking a look at the physical reporting where each year the minister shall cause a financial statement of a fund to be prepared, it is going to be an open statement for all members of the Legislature to see the projects, what project took place and, also, what monies were associated with that.

**Mr. Maguire:** Well, Mr. Chair, I guess my question is in regard to 34.1(6) which says: "The accounts and transactions of the fund must be audited annually by an auditor." "Fiscal reporting" is 34.1(7), in the case of "the minister shall cause a financial statement of the fund to be prepared." Would that be an audited financial statement then?

**Mr. Lemieux:** Well, the Auditor General is a very busy person these days. I know he works very, very hard on behalf of all the citizens of the province. In 34.1(6) it states that it "must be audited annually by an auditor."

**Mr. Maguire:** I guess the question that I have in regard to the contributions of the fund was, "the minister may enter into agreements with the private sector contributors or governments about contributions to be paid into the fund . . . and how the contributions are to be used." Can the minister indicate to us if there are any rules or parameters that he is presently aware of that he is looking at implementing, or that presently exist as to the kinds of agreements that those private-sector people or governments would have with the minister in order to provide the contributions base?

**Mr. Lemieux:** This is an area where you have to build upon one another. We are starting with a relatively new initiative here. There is a uniqueness about each different corporation that you are going to have agreements with. There is no template as such that one puts forward with each corporation. There are some bases between agreements, but there is no template as such. These are agreements that are developed with corporations and government officials, depending on what the projects are, and what expertise you need to bring forward to be able to put together a deal. As such, these agreements will develop in time and so will the template, and so will the agreements between other governments or other corporations.

**Mr. Maguire:** I have one last question on this section. I know the minister has indicated to me and kindly, that there are four private-sector groups that he is working with on this right now, and I respect that. I thank him for telling me where they were.

I wonder if the minister could just give me some indication of—let us just pick one, Tembec, because of their presentation and not because of that earlier—just exactly what kind of an agreement they may have with them, or is he at liberty to tell us in regard to the kinds of private-public partnerships that there will be on those areas.

**Mr. Lemieux:** With Tembec, we are dealing with Provincial Road 304. It is a permit that allows for overweights on that particular stretch of road. It has to be done that way because we do not have the Trucking Productivity Improvement Fund available to us.

So, when we have a, just to use the word "pilot" project in place, you have to use the process that we have in place right now because you do not have the legislation, really, to move ahead on this.

But, really, when you ask about Tembec, what exactly is going on there, well, it is allowing them to use overweights on that particular stretch of road, and whatever damage is incurred on that particular stretch, that is where Tembec will be contributing towards the rehabilitation of that particular stretch of road, or stretches of road.

**Mr. Maguire:** I guess I am wondering if the minister can elaborate as to whether or not—and because I have had many presentations to me on this, that it has

become quite an inconvenience to have to get a permit for every load that a company wants to move.

Can he indicate whether or not the pilot projects that are ongoing have to operate on a permit basis for every load, or if, in fact, one permit can be given for multi-loads in regard to the movement of product by a similar company, or by the same company?

**Mr. Lemieux:** Yes, in this particular case, it is a multi-trip permit that is in place, so should the department, and if the department wants to, they have access to their books to verify the amount of trips and amount hauled and so on. So, essentially, that is what is in place in this particular situation with regard to Tembec.

**Mr. Maguire:** I thank the minister for that answer, Mr. Chair, and I ask him if it is his intention to continue with those kinds of multi-permits under this act.

**Mr. Lemieux:** Thank you very much for your patience. The short answer is yes, where the difference being is that, currently, the dollars go into the consolidated fund whereas, when this legislation is in place, the monies will go directly back into that highway that is being damaged, or may need work as a result of extra weights and so on that take place on that particular stretch.

**Mr. Leonard Derkach (Russell):** Just further to this point, Mr. Chair, if I might. The minister has been approached with regard to unique situations where there is an industry operating in a municipality which is fairly significant, but because the infrastructure has not been put in place, and because of the growth of the industry, for that matter, there are restrictions in terms of products coming in and out of the plant, if you like.

Because of the restrictions on the type of road, the operators are required to get permits for each load. The operator has spoken to the minister, I believe, and has requested the use of multi-load permits to allow those trucks to move freely in and out without having to get a permit for each and every load because, basically, the commodity is the same; it does not change; it is a unicommodity plant.

The owner is prepared to pay the price as he does now for permits but, instead of having to find highway personnel for every single load, they

would like to do it on either a weekly basis, a monthly basis, or something that it is more convenient for the smoother operation of the plant. I am specifically referring to Pizzey's Milling in Angusville, but there are others.

\* (21:40)

**Mr. Lemieux:** Well, thank you very much. I know the people out in Angusville like hockey as well as every other citizen in Manitoba. The Calgary Flames, I understand, won four to one this evening, and so it is a great start.

Having said that, I will try to restrain my enthusiasm and try to get back to Pizzey's. I have to tell you the MLA for the area has been—I do not mind making this public—working very, very hard on behalf of this corporation and company. This is a real challenge. This is one of the challenges I have found, in speaking with the owner of the company. I can understand to a degree there is some frustration there.

We just talked about an agreement where we are dealing with Tembec, for example, on a multi-use or multi-trip permit. Essentially, that is very similar to what this gentleman is asking for.

If we had this act in place—it is companies like that, I believe, I can be corrected if I am wrong by staff here, this is the time they should poke me in the ribs and tell me if that is the case, but my understanding is that once this act is in place, it is to assist companies like Pizzey's in contributing toward improvement of a road that they may be causing damage to. Yet the gentleman who owns the company, my understanding is they started on their homestead. They started farming on this particular piece of land. Their business has grown substantially since. The roads were never made to initially accommodate that particular amount of transport or trucking that takes place. Yet it is a challenge that we face with regard to all of Manitoba, not this particular one. I understand his frustration.

We are attempting to deal with that particular situation right now. We are looking at different options on which is the best way to approach it, but my understanding is that this particular bill is to address situations like that. Hopefully, we will be able to enhance the opportunity for Pizzey's and other companies to do more business and stay in Manitoba and provide more jobs in Manitoba.

**Mr. Derkach:** Well, I do not know whether the minister travelled the road past the Pizzey plant, but it was in relatively poor condition in the 1970s and there has not been very much work done on that road since then. So it is not one we have paid a great deal of attention to collectively.

I can tell you that the council there and one of the councillors made a special effort to upgrade that road, with the co-operation of the owners of the plant. This is a plant that does over a million and a half dollars worth of business a month, so you can imagine the amount of product that has to be moved.

It rivals, I guess, Bunge Foods at Harrowby right now, with just as many employees, if not more. Yet we, as a government, did put the infrastructure into Bunge because it was a significant plant and it is associated with processing and also a number of jobs.

Now I do not think that Pizzey's is asking, and neither are we, that government build that type of infrastructure to their plant single-handedly and quickly, but I think what we have to do is try to find ways in which this company will be allowed to operate in a climate which is conducive to growth and expansion.

I know the minister spoke with Pizzey's. They are not putting a lot of pressure on government to upgrade the road. Rather, they are saying, "Look, we are prepared to pay some of the costs in terms of the wear and tear of the road but we just want to be able to operate."

I would not want to see this plant move because, quite frankly, they have purchased property in the United States and a plant like that can move very easily.

**Mr. Lemieux:** Well, as I mentioned to the member privately, I will say it publicly, we are willing to work and we are trying to work with Pizzey's to see what kind of solution we come out with. I can tell you my own personal feelings. I know in government I was told you are not supposed to have personal feelings when you are part of government. I guess the multi-use, the permits that are multi-trip permits, essentially, I do not know if that is necessarily the way to go when you provide that. I do not know if that is the real answer for it, because it is quite cumbersome administratively. I can see why. It can be very difficult administratively.

When you have companies, sure, if they are willing to open up their books—I do not want this to be misconstrued in any way. I am not saying that people are dishonest or anything like that, but if people are going to be open and willing to share the books, show how many trips they have made, what they are hauling, so there is a track record of sorts that people can determine—quite frankly, there are just not enough inspectors around to be monitoring it. What we are talking about here is the quality of the road and the ability to keep these roads in half decent shape. Regrettably, a lot of them, as was mentioned in the presentations earlier tonight, a lot of the roads, they have seen better years.

All we are trying to do is protect the system we already have. So we are willing to work with Pizzey's and other organizations to see what we can do, because we do not want to be a speed bump or a hurdle in the way of businesses trying to provide jobs for Manitobans. We want them to stay here. We want them to be successful. We certainly do not want to be an impediment in any way, to not be able to enable them to do what they do best, to be entrepreneurs and provide jobs for Manitobans, and pay taxes, and so on. It is important.

**Mr. Faurshou:** Just questioning the actual fund and how a partnership is designed, I know Mr. Chris Lorenc stated he saw high-density type of traffic areas. I see, conversely, low density, such as the logging company opening up a new area where effectively there was no traffic before. So it is a low density.

Are you looking for the logging company to participate in putting resources into a fund which effectively then can be matched by government or amortized through government, so the government can put the road in and then, over a series of years, the logging company can place dollars back into the fund? Is this a development fund as well as a repair fund?

\* (21:50)

**Mr. Lemieux:** This kind of falls into that other category we were talking about earlier where it was never necessarily anticipated that you would build brand-new, put in a new bridge and have the company pay for it because they can haul heavier weights, and so on. I guess, essentially, we were looking at currently existing bridges or existing roads

where you would need to do the rehabilitation after there was damage caused as a result of the company using it.

Essentially, what we are talking about in using this bill is what the Member for Russell (Mr. Derkach) had stated earlier, that you have a company by the name of Pizzey's, that when you collect dollars or you work with a company in partnership, that money will go right back into the system, right back into either asphalt or into a bridge or a culvert system. That is, I think, the essence of this bill. You are talking about, not just taking money and putting it into the Consolidated Fund, you are talking about taking this money and putting it right back into the transportation infrastructure system. That is what is great about this bill. It just opens up many doors for many corporations, which those doors were not available to them.

**Mr. Faurshou:** Just to clarify, are you able to just use monies that are already contributed and in the fund, or can you use effectively the fund to provide financing toward something that will happen out over a number of years that the companies will eventually pay off?

**Mr. Lemieux:** Essentially, what we were looking at doing is debt financing. We were looking at using the money in the fund, essentially, that is coming from the organization or the corporation to put back into the infrastructure. Essentially, that is what we are talking about.

**Mr. Faurshou:** So the money has to be paid in before it is taken out.

In regard to the actual dollars that are going into the fund, I said it tongue-in-cheek during the presenter's point, but very specifically the overweight permits are deductible toward corporate income tax or individual income tax, business income tax, as is the contribution toward a specific structure that is designed as an amortized capital expenditure, as was described in Saskatchewan's situation.

The third scenario is effectively the penalties. Now the penalties, very specifically, I believe one, through the legal system, could potentially say those monies were channelled into a capital purchase, which really is not a penalty anymore; it is actually through the audit, you are seeing an investment and an actual capital item.

Could one then not make the argument that a penalty was either an amortized expenditure or a

deductible expenditure, as far as The Income Tax Act goes?

**Mr. Lemieux:** I thank the member for the question. I am not an accountant and maybe the Minister of Finance (Mr. Selinger) could better answer that question. Essentially, what we are talking about is enabling corporations or allowing them the ability to invest in something where they may not be able to have that opportunity. In other words, an agreement between the Province and a corporation will allow that to take place. I mean, one of the driving forces behind creating this fund was ongoing requests from the trucking and resource industries to carry heavier-than-legal loads on provincial highways, and the fund will provide a mechanism for the private sector to partner with the Province, to address the improvements that need to be done, because of our aging infrastructure.

The bottom line is that this bill enables us and allows us to participate in this way, where you have the dollars going right back into the system, and this is an agreement, of course, between the Province and that corporation. So you try to get those dollars directed right back to that highway or to asphalt or to the bridge. I think that is the essence of this bill.

**Mr. Faurshou:** We are getting into another area of taxation, which the Finance Minister is present, and maybe he can answer at a later time. But this is a very critical area that needs to be explored as far as the bill's ramifications. With an amortized type of investment by a corporation into a particular stretch of roads improvement, whether it be in a bridge or other structure, or even pavement, then an amortized investment in the capital project, is in fact, demonstrating ownership, is it not? That is a question I would like to ask the minister.

**Mr. Lemieux:** Mr. Chairperson, if I can use the fictional example of a million-dollar bridge, if we put in \$500,000 and the corporation puts in 500,000, that 500,000 of ours is amortized on our books. That 500,000 whatever they do with it, I am not sure what they would do in their accounting, but I can tell you that portion, that 500,000 for us is amortized because that is our investment in that infrastructure. I am not sure what they do with their 500,000.

**Mr. Faurshou:** As described with the Saskatchewan scenario, it was just as the minister described. The bridge was co-owned. It was

partnered, and the corporation that put up the other half a million dollars was able to amortize that 500,000 as we are using in this example, over the normal lifetime of that particular structure, whether it be 15 years, 20, 30 years. So, if they are showing amortization on their own books, which the Department of Finance in Saskatchewan is allowing them to do, does that then provide for them as a partial ownership in that bridge?

**Mr. Lemieux:** Well, I realize these are hypotheticals and the quick answer is that, no, a corporation would not own a bridge over our provincial highway. Essentially, if you get a company, for example, that would go bankrupt, does that mean they take half the bridge? Well, the answer is no. They will not own a bridge over a provincial highway. What they are doing is that they are investing in transportation infrastructure in a way that will allow them to do better business in the province of Manitoba, will allow them to carry your heavier loads, and either as a result of damaging the bridge in the first place and then through the agreement that we have, they will be putting money, as an investment, into the infrastructure. They are doing this to create better business opportunities for them. What they do on the financial end or the accounting end that they use, I am not an expert in that area. I do not pretend to be. I have no idea what they would do.

But, through this bill, this will enable them to have an agreement with the Province to be able to do better business in many ways that they would not normally have an opportunity to do so.

**Mr. Faurschou:** Well, I think this needs a lot more explanation before it goes ahead. Very, very clearly, right now, if I am investing into a particular improvement under clause 34.1(1)(b), that for an improvement on a load-carrying capacity of a particular highway, bridge, or that effect, now I am investing as a company, as a business, and putting those monies into this fund, how do I then declare it as far as the Department of Finance in my income tax return is considered? That is what I am wanting to know, how I declare it as a business. Is it a deductible expense? Is it, in fact, an amortized equity position as it is in Saskatchewan?

\* (22:00)

**Mr. Lemieux:** Well, what they are doing is making an investment essentially in the transportation

infrastructure system. Now I am not sure exactly how they would account for it through their accountants or through their business. They are making an investment in an infrastructure system where they would normally not have this ability to do so without this particular bill. I say it tongue in cheek, but I also do not know who the other gunman was on the grassy knoll. Let us face it. This particular legislation is dealing with some specifics that allow companies or corporations to be able to invest in a way that they were not able to do so before. So what they are going to be doing is that.

It may be an asphalt road, may be a section of road, which has taken a lot of abuse because of extra loads that they want to carry or heavier loads they want to carry. But that is the agreement that is going to be signed between the Province and the corporation. Again, it is voluntary. So, prior to entering any kind of agreement, this company is going to go to their accountants. They are going to go to their legal firm. They are going to check out all the ins and outs of doing this, so it is better business for them to be able to make this investment.

The idea behind this intent is to be able to improve their business portfolio, to be able to haul more loads and to make more money.

**Mr. Faurschou:** Well, just in use of the term "investment," it deems equity. When you deem equity, that means that there must be part-ownership. So the choice of words is quite curious that the minister is using tonight.

But there is not going to be one business here in the province of Manitoba that is going to invest in this fund to do just as you describe here, improvements to the load-carrying capacity, productivity or safety of highways, unless you know what accounting is going to be taking place. Are you getting an equity position? Are you just essentially investing on something that you are amortizing through depreciation, and that is how it is accounted for, or is it a straight deduction that is taken from earned income?

These are the very specifics that must be answered; otherwise, you are not going to get one single person investing in this fund.

**Mr. Lemieux:** Well, maybe it is wordsmithing or the terminology that is being used. Essentially, in the



bill, we are talking about a contribution. I was just looking at section 34.1(8) where it says: "Agreements with private sector contributors or governments about contributions to be paid into the fund."

It is a contribution on behalf of this corporation or company. They are contributing towards a fund that will then enhance whatever transportation infrastructure that will be put in place. So, if you want to use the word, yes, they are making an investment in their ability to improve their productivity or improve their ability to do business. I mean, that is another way of phrasing it. But essentially the legislation of the bill is talking about a contribution to be paid into a fund to enhance the infrastructure system.

**Mr. Faurchou:** I do not want to belabour the approach, but this is fundamental to the whole fund. Then, as an investor, as using the minister's terminology, for improvements to transportation infrastructure, how, then, does the minister see it being declared by that particular business in Manitoba when they file their taxation documents with the Minister of Finance?

Is it a deduction? Is it an amortized expenditure to which depreciation is charged and looking at it as a wear-and-tear loss, or effectively is it something else?

**Mr. Lemieux:** Mr. Chairperson, I mean I do not want to belabour the point, but again it is a contribution toward a fund that is going to enhance that particular project, whether it is asphalt—*[interjection]* Well you know Tolko, Tembec, Louisiana-Pacific and Westcan. They are currently looking at making contributions and trying to invest in projects already. So there are, and I believe there will be, a lot of companies and corporations, whether it is Pizzey's near Angusville or others, that will want to invest because it is going to enhance their ability to do business.

Their profit margin will go up as a result. There is going to be a savings. The Province of Manitoba is not tapping into their savings like other jurisdictions. There is going to be a savings, and it is going to be better for business. I mean, that is their contribution. That is the reason why they are going to do it.

**Mr. Faurchou:** There is not a corporation in the land that will invest without knowing how that

particular transaction is to be recorded, because it has a significant bearing as to if it is before tax, after tax or deferred third tax. That is a consideration that has to be addressed prior to any investment. That is the question I am asking the minister tonight. What category does this contribution fall into?

**Mr. Lemieux:** I am not a tax lawyer. I am not an accountant. I would never presume to know all the ins and outs of our tax law in the province of Manitoba or federally, for that matter. Those corporations are going to have to do their due diligence with regard to a contribution. I believe there will be many corporations that will do that, because they will see their profit margin rise as a result of a contribution into a fund like this.

**Mr. Faurchou:** Okay. Moving on, insofar as the designated traffic authority, let us take Portage la Prairie for instance, let us take Provincial Road 240, which is in significant need of upgrade and repair. The City of Portage la Prairie wants to contribute to this fund under 34.1(1)(b), wants to see it improved in load-carrying capacity. Could the City of Portage la Prairie be the contributing body to this fund and ultimately benefit from investment by the Province into this needed upgrade?

**Mr. Lemieux:** Essentially, when we are talking about this bill we are talking about not only corporations. Maybe we talk specifically about those corporations. Maybe those are the ones like the Tembecs and Tolkos and Louisiana Pacifics of the world, or for that matter Inco or Hudson Bay Mining and Smelting. The larger corporations may want to take advantage of this. But it is not to exclude governments, other governments, municipalities or the city of Portage la Prairie, for example, if they wanted to contribute into a fund to do particular work on a road or a bridge or other transportation infrastructures that they deem necessary or want to do. This bill enables us to have a fund and a way to be able to address the costs of such a project.

*Madam Vice-Chairperson in the Chair*

**Mr. Maguire:** I just want to ask the minister, and I know that I have asked the minister in Estimates, and I appreciate the work that he did in regard to trying to get hold of a particular sector of a particular industry for me in Manitoba that I outlined to him last week in Estimates on the oil industry and its relation to heavier than even the regular road

restrictions when there are no restrictions on regular road bans.

I just point out that these kinds of contributions that they have got perhaps are going to have to be specific to very many different industries, and of course the grain industry being such that you can lower the amount you have on a truck, and move with a less volume, albeit it is costly, or you can pay the permit to move a heavier load. Some of the heavy construction industry that was represented here tonight does not have that luxury, because the Cats and the scrapers and that sort of thing that they move, you cannot start taking tracks off very practically to move them and get them down in weight to move them and that sort of thing.

Of course, as I indicated to the minister, I believe that they made contact with some of the people in the oil industry in southwest Manitoba in the last few days that some of their rigs are the same as those heavy construction equipments that they cannot move. They physically cannot cut the weight down off of those units to move them and so therefore they do need a very special permit to move in those cases.

I guess I just want to point out to the minister I think something that is very obvious and came up in the discussions by many of the presenters tonight is that of course it is the government's job to fund infrastructure in highways and transportation in the province of Manitoba. I do not think there is any doubt about that.

\* (22:10)

I would use the example of sewer and water. If you are putting those kinds of infrastructures in place they are done on a direct taxing mechanism. I think a number of these people feel that if they are creating economic activity in Manitoba and making money, they do not mind paying their tax toward the government of Manitoba, and they do. Many of them pay extensive tax to the Province, particularly in the oil sector.

I would want to ask the minister if, in fact, they are looking at providing for opportunities of standard fees and permits throughout all industries or if some of these sectors will be dealt with individually.

**Mr. Lemieux:** I thank the member for the question.

When I take a look at this bill, initially in discussions with the department, it was, you know, how do we go about introducing a bill like this and actually making it work.

The practicality of it is that you are going to have a phased-in approach, whereas this will be able to apply to a number of different sectors in our province. So, as I see it, I mean, permits will apply to all sectors equally. In other words, there are going to be different sectors but it is going to be applying to all the sectors.

Yet, with regard to this bill itself, there is going to have to be a phased-in approach, because administratively there are going to be some challenges with regard to this bill on the administration side of putting together these agreements, also administering the agreements, and so there are going to be some challenges.

So we are hoping to be able to phase this in and see what kind of success rate we have got and be able to approach it that way, but with regard to the permits, you know, they are going to be applied across sectors, not being different, not highlighting certain sectors or excluding certain sectors. It is going to be across the board, I have been advised.

**Mr. Maguire:** I only raise the issue to point out that while you pay for some infrastructure in Manitoba through general revenue, and of course we generally assume that we are doing that in regard to highways as well, that through this kind of a bill, truckers are paying a user fee for the privilege of doing business in Manitoba.

Of course, if it is to their benefit, I guess they will make the decision as to whether they can do that. They do not have those decisions in some of the other sectors, and so with that, I do not have any more questions on this particular part of the bill and am prepared to move section 3.

**Madam Vice-Chairperson:** Clause 3—pass; clause 4—pass; clause 5—pass. Shall clause 6 pass?

**Mr. Maguire:** Just in regard to, I do not think we are moving into section 7 in regard to the permits, are we, Madam Chair, in regard to 87(1), is that part of section 7, 87?

**Madam Vice-Chairperson:** That is clause 7.

**Mr. Maguire:** Okay. We will pass 6.

**Madam Vice-Chairperson:** Clause 6—pass. Shall clause 7 pass?

**Mr. Maguire:** I just wanted to point out that, under "Permits to move certain vehicles and property," section 87(1), this is an area that I had brought up with the minister the other day that I think we need to look at in Manitoba. I do not know whether they can look at this or subsequent legislation where they could look at alternatives being considered to varying geographic regions in Manitoba.

The reason I asked the previous question is that when you look at the oil industry, and of course the lumber industry that was mentioned tonight—there is not much lumber industry in certain parts of Manitoba—most of the oil industry, I would say, is in a particular corner of Manitoba, and most of the mining area is in a particular area of Manitoba—*[interjection]* The Member for Burrows (Mr. Martindale) is quite right, most of the oil industry just happens to be in my constituency, so I have to speak up in regard to their concerns about being able to move their equipment because they do have a very heavy industry.

I want to point out, as I did to the minister the other day, that that industry tells me right now that because of the difference in weight restrictions between restrictions coming off in Saskatchewan at the end of April and staying on here in Manitoba, and I know that they are still on today, I was thinking that they were going to come off today but they are still on, and Saskatchewan has a policy I understand where they can recall these restrictions if they require. So I need to just ask the minister if they had given any further consideration to sort of breaking down the regional changes in regard to some of these weight restrictions because we do have different geographic and climatic regions, I should say, not just the geographics of it.

I pointed out that everyone in Manitoba refers to the southwest of Manitoba as being the dry part of Manitoba, if there is such a thing, and I point out that we have got all kinds of water; we just do not manage it the same way as other areas. It flows through to Hudson Bay all the time. We do not control it and use it to our betterment as much as we should in that particular corner of Manitoba.

I wanted to ask the minister, again, whether or not they have given any consideration to looking at

those kinds of circumstances where in a spring until the snow came on the 16th or so of May, which was very unusual, we were going through one of the driest springs in history again. Those roads were very, very dry in that area. There was not a drop of water in a ditch in southwest Manitoba anywhere. Those heavy pieces of machinery could have been moved very easily in that particular corner of the province without doing very much damage to it. You would not want to do it in a spring like 1999, there is no doubt about that, but I think the sector or the department needs to remain flexible enough that we can allow a particular industry such as that, that creates as much as, I am told, that we have been forgoing about a quarter-of-a-million-dollars worth of revenue a day in the province of Manitoba by not allowing those people to operate because of some of the restricted process.

They are all operating in Saskatchewan. They have left. They will have to be enticed to come back with large amounts of funds. They will come back, but they will be here two months later than they would have been otherwise. I just wondered if the minister can indicate to me whether or not this bill will extend into that kind of a permitting process to allow them to be more flexible than they have been in the past to move in Manitoba.

**Mr. Lemieux:** We do have meetings, I understand and have been advised, with the industry or people from the area. Geographically, the southwest corner has been traditionally dry. In Estimates we raised the point, in responding to a question, that we would be looking at it, we would be talking to people in the area in trying to determine, that is not to say that all of a sudden we are going to end up with many, many different geographical areas or different zones or areas with regard to spring road restrictions, because essentially that is what the member is talking about. So we are certainly prepared to talk to people in the area and to determine what may need to be done, but that is something that the department is going to be pursuing in the next month or so. Hopefully, they will be able to come up with some resolution as a result.

**Madam Vice-Chairperson:** Clause 7—pass; clause 8—pass; clause 9—pass. Enacting clause.

**Mr. Jack Penner (Emerson):** Just a comment, I want to commend our critic for Transportation for having thoroughly gone through this bill. I think it is

clearly an indication that there are concerns and have been concerns expressed about this bill and some of the clauses. I also want to make one further observation. We asked before about the 20% reduction of our trucking fleet or the employees of our trucking fleet and why that has happened. I would make an observation as well that probably the reason that that has happened, that people are hiring drivers, truckers or trucking firms from other parts of the country, is because of the tax situation.

\* (22:20)

*Mr. Chairperson in the Chair*

I know of independent operators, owner-operators, that have moved their operations outside of Manitoba and into other provinces simply because of the tax implication. I think the minister and the government of the day should be very careful in programs they design or how we tax, what sort of tax regimes we put in place in order for our industries and/or businesses to be able to survive on a competitive basis over the long term. I think this trucking industry is seeing the effects of high taxation and high fees and high permitting costs. I would just say to the minister, be very careful how you structure some of this stuff and how you structure some of the legislation, because it can come to bite you, and the less revenue we have, the less taxes you get, no matter what kind of structure you put in place.

**Mr. Lemieux:** I thank the member from Emerson for the comment. It is a challenge. Mr. Dolyniuk from the Trucking Association mentioned very articulately, as a matter of fact, about how it is a challenge right across the whole country. I know we did put money into training and to looking at drivers. Often, Mr. Dolyniuk will tell you there are drivers and then there are drivers. They want the ones who are professional drivers, and they want ones that are trained. We as a government have been trying to work along at least those criteria where you want professional drivers.

When you have \$6 billion in 1993 going to the United States by truck, about \$6-billion worth of merchandise, now it is \$16-billion worth of merchandise going from Manitoba into the United States.

Yes, granted, there are some truck drivers that we need. We need more of a lot of things in

Manitoba but just showing you the increase alone, it shows you that we are doing fairly well with regard to trade and that is only going to increase. So I take the member's point to heart because he mentions, for the benefit of the industry in the province, that we really have to take a look at training drivers and ensuring that we have better drivers for the companies that are available.

So I appreciate his comments on the training. Training is really important and we want to make sure that those drivers are very well trained because the produce or products that we are continually shipping to the United States is only going to grow with the mid-continent corridor that we have and the advantages that we have. We often hear the Premier talking about this and he is absolutely correct. You know we just go straight south of us and we are into Kansas and into Texas and then into Mexico. So there is a great pipeline for us to be able to transport our goods into the United States, our biggest trading partner, and into Mexico, and we want to ensure that that continues.

**Mr. Penner:** I respect what the minister is saying. However, we were not talking about training. We were talking about very well-trained drivers and very well-operated firms of independent operators that have moved out of this province because of the high taxation. If the minister does not understand that, I can repeat this several times for him; maybe it will bear fruit. However, the minister can talk all he wants about training. This is not the reason these people have moved; it is not because of training. They are well trained. It is because they get a better tax deal in other provinces. All I am saying to the minister: Be careful what kind of regimes you and your government put in place because it can come to bite you. I think it already is and at the end you get less revenue than more. So that is all I am saying.

**Mr. Lemieux:** Well this is probably not the time or the place to be debating taxation and the advantages of taxation. It is not normally associated with giving corporations tax breaks, but in Manitoba we have. We have been able to move that tax lower for corporations and thereby providing them a benefit which then in turn provides a benefit to the workers. But this is not the time to be debating, necessarily, taxation or the benefits one way or another with regard to taxation but I can tell you overall we are competitive in Manitoba and we are looking at improving.

I mean, we have never said we are perfect and we never will, but what we are trying to do is slowly and methodically try to get to a point where we are improving the business climate in Manitoba and that includes the trucking industry and includes the benefit for all Manitobans. When you start passing a bill like this one, it improves the transportation infrastructure for us all and hopefully benefits will be incurred by us all.

**Mr. Penner:** This bill does the exact reverse of what the former Conservative administration did. The former Conservative administration helped industry build infrastructure so that they could operate in this plan. This one charges business infrastructure money so that they can keep on operating.

**Mr. Kevin Lamoureux (Inkster):** A couple of possibly very quick questions. One of the presenters, Mr. Lorenc, had indicated that the Province generated in revenues, I believe it was, just over \$200 million through gas taxes and fees.

The question that I have is, because of this particular bill, part of the concern that I would like the bill to address if I get the opportunity in third reading, is revenues that the Province has generated. As opposed to talking about the future, if we were to say, for example, in the fiscal year 2003-2004, and my apologies if you have already answered this in the Estimates that I did not catch, can the minister indicate how much money we have actually spent from a provincial prospective in that fiscal year, and equally how much revenue would have come in through the many different fees and in fuel tax? Again, if the minister does not have the actual numbers now, if he could provide that before third reading I would appreciate it.

**Mr. Lemieux:** Again, I just want to state that, hopefully, the member from Inkster will bear with me, but most of this we did cover in Estimates, and it would be in Hansard, but mainly we dealt with the, I guess, construction and maintenance side of the department and talked about the dollars expended, and so on. Quite a bit has been made also with regard to, I think Mr. Dolyniuk was the one who commented on how approximately \$203 million in motor fuel taxes is collected, and yet we spend, as a province, I believe \$235 million or so on transportation, so far more than what we are taking in in gasoline tax.

Not to make too much politics of this but there is an election right now, a federal election, and we are starting to hear the different parties come out now with their platform with regard to what are they going to do with gas tax revenues. I know that I have repeatedly stated that arguably it is between, let us say, \$155 million to \$165 million of motor fuel tax that is taken out of the province of Manitoba, yet the federal government only put in approximately \$15 million back into Manitoba.

\* (22:30)

I know the leader of the Liberal Party stated to me as saying, "Oh well, we put in over a billion dollars into Manitoba into transfer payments," and I cannot remember what else he was referring to. And he said, "Well, what about that?" And I stated to him at the time that yes, the federal government also used to fund health care at a 50-50 basis and if they that that would certainly allow us in many ways to be able to put more money into the transportation system if they went back to funding health care at a 50-50 basis. That may never happen again, so we are going to have to look at alternatives to be able to fund this system. This bill is just one way of being able to partner with the private sector or other governments to be able to do that.

**Mr. Lamoureux:** I guess I do not necessarily want to get into a political debate in regard to federal transfers and so forth.

Having said that, all I am really interested in knowing because I think it is directly related to this particular bill is that if the minister can provide prior to Third Reading just the number of actual dollars that would have been spent, not necessarily, for example, if you say well, we allocated X number of dollars to infrastructure, so you would not count that because some of that infrastructure dollars would have went for community centres. What I am looking for is just how much money in 2003-2004 did the Province actually spend on the construction or repair of roads, streets and highways in the province. I suspect that if I checked Hansard it would take quite a while to be able to pick through the many answers to try to come up with that number. So, if he could do that, I would appreciate it, along with the revenue side. Again, that would be appreciated. Thank you.

**Mr. Lemieux:** Sure, I would be pleased to provide that for the member from Inkster either privately or

certainly with regard to third reading, as well. I will make sure that you receive that information.

**Mr. Chairperson:** Are we ready to proceed with clause 9? Clause 9—pass; enacting clause—pass; title—pass. Bill be reported.

Thank you to members of the committee. I thank the minister.

#### **Bill 24—The Travel Manitoba Act**

**Mr. Chairperson:** The next bill that we have to consider clause-by-clause is Bill 24, The Travel Manitoba Act.

Does the minister responsible for Bill 24 have an opening statement?

**Hon. Eric Robison (Minister of Culture, Heritage and Tourism):** Very briefly, Mr. Chairperson.

On November 27, 2002, in the Speech from the Throne it indicated that new legislation would be introduced to create a new stand-alone tourism agency. The Travel Manitoba Act will establish Travel Manitoba as an agency of the Crown. This legislation was introduced in March, 2004. It received second reading on April 12, 2004. This legislation is modeled after The Manitoba Film and Sound Act and comparable legislation for tourism agencies exists in other Canadian jurisdictions.

The reason for creating a stand-alone tourism agency is to provide a flexible and agile marketing delivery system with direct participation by the tourism industry. Most Canadian jurisdictions have established stand-alone corporations. It is anticipated that the delivery of tourism functions will be transferred to the new corporation, Travel Manitoba, by the spring of 2005. There is a phasing-in of the tourism delivery functions to Travel Manitoba. I look forward to the support of other members of this committee as well as we get further into the discussion.

**Mr. Chairperson:** I thank the minister for the opening statement. Does the critic for the official opposition have an opening statement?

**Mr. Jack Penner (Emerson):** Thank you, Mr. Chairman. I am really not the critic for this bill. Mavis Taillieu is the critic for this bill. She was not able to be here today, so she sends her regrets. I just want to say that we do have an amendment that Mrs. Taillieu has prepared on this bill once we get to

section 13. I would suggest, however, that we will propose this amendment during report stage. By that time, I would expect that Mrs. Taillieu will be back to deal with this bill. I would suggest, also, that we will reserve comments on the bill to report stage.

**Mr. Chairperson:** I thank the member for the opening statement and for the advice with respect to amendments. We will proceed with clause by clause.

Clause 1—pass; clauses 2 and 3—pass; clause 4—pass; clauses 5 to 7—pass; clauses 8 and 9—pass. Clauses 10 to 15?

**Mr. Penner:** As I indicated in my opening remarks, we will be proposing an amendment at report stage. Mavis Taillieu will be presenting that. I do not know what the process is on that, Mr. Chairperson. Maybe you can help us through this, but I would suspect that we can pass the bill with the notification that there will be an amendment presented at report stage. Is that correct?

**Mr. Robison:** The Member for Morris, Mrs. Taillieu, and I have had the opportunity of talking about this. We are both agreed that there is an amendment 13(a) and (b). I believe that the issue of staff is the issue here. I am quite confident that during the next phase of this process, report stage, we will agree upon a mutually satisfactory wording arrangement which will satisfy both sides of the House.

**Mr. Chairperson:** I thank the minister. For further information for the member, it is my understanding that when the bill comes before the House in report stage a member of the Legislature with appropriate notice can table an amendment to the legislation.

**Mr. Penner:** We will give notice on that.

**Mr. Chairperson:** Thank you, Mr. Penner.

Clauses 10 to 15—pass; clauses 16 to 18—pass; clauses 19 to 22—pass; clauses 23 to 25—pass; table of contents—pass; enacting clause—pass; title—pass. Bill be reported.

The time being 10:40 p.m., what is the will of the committee?

**Some Honourable Members:** Committee rise.

**Mr. Chairperson:** Committee rise. Thank you to members of the committee.

**COMMITTEE ROSE AT:** 10:40 p.m.