

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

ECONOMIC DEVELOPMENT

Tuesday, March 22, 2016

COMMITTEE ROOM

**Department of Transportation and Infrastructure Renewal
Re: Ministers' Rail Advisory Committee**

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ECONOMIC DEVELOPMENT COMMITTEE

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[Hon. Pat Dunn was replaced by Hon. Alfie MacLeod]
[Mr. John Lohr was replaced by Mr. Eddie Orrell]
[Hon. Sterling Belliveau was replaced by Hon. David Wilson]

In Attendance:

Ms. Monica Morrison
Legislative Committee Clerk

Ms. Nicole Arsenault
Legislative Counsel

WITNESSES

Department of Transportation and Infrastructure Renewal

Mr. Paul LaFleche - Deputy Minister
Ms. Shannon Delbridge - Executive Director, Public Works and Strategic Initiatives
Ms. Bonnie Rankin - Manager, Legislative and Policy Services
Mr. Stephen Newson - Policy Advisor
Mr. David Oxner - Executive Director, Motor Carrier and Compliance



House of Assembly
Nova Scotia

HALIFAX, TUESDAY, MARCH 22, 2016

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT

1:00 P.M.

CHAIRMAN
Mr. Joachim Stroink

MR. CHAIRMAN: Good afternoon everybody, I'd like to call this meeting to order. This is the Standing Committee on Economic Development. My name is Joachim Stroink, I'll be chairing this meeting.

The committee will be receiving a presentation from the Department of Transportation and Infrastructure Renewal and the Ministers' Rail Advisory Committee. I will turn it over to Mr. LaFleche shortly.

If we can make introductions, starting with Mr. Maguire.

[The committee members introduced themselves.]

MR. CHAIRMAN: Just a reminder to turn your phones off. The washrooms are on the left. I will turn it over to Mr. LaFleche to make introductions of your members. I ask that before you speak, wait to be introduced so that Hansard can follow along. Over to you, Mr. LaFleche.

MR. PAUL LAFLECHE: Thank you and welcome everybody. We were asked to come here today to talk about the Ministers' Rail Advisory Committee. First I'll introduce the staff and then we've got a deck to go through.

I do apologize, I think every other time I've appeared before a committee I've sort of dispensed with the front end to give more time for questioning. This time we're actually going to talk for a while because I think it's useful that we go through the material and allow some education. I know a number of the members here are quite familiar but perhaps for the public, for those who might watch this video, we will go through the deck for a little while.

I'll introduce the staff who are with me. Mr. Steve Newson is in our rail policy shop and he is a policy officer specializing in rail. He takes care of most of our regulatory issues related to rail, he is on the extreme left. Shannon Delbridge is - wow, they put the titles here. Do you know what? I knew that Laura Lee would get mad if I gave the wrong titles and then be checking the classifications so they actually put them out here so I can't get them wrong.

Shannon Delbridge is the Executive Director of Public Works and Strategic Initiatives. When she was involved in this report she was the Executive Director of Strategic Initiatives. Public Works is something she has taken on more recently. Strategic Initiatives included, as I think some of you know, the Cape Breton Rail file as well as the *Bluenose II* sailing ship and so on. She basically was in charge of commissioning and working with the consultants and all the members of the committee and all of these reports.

On my extreme right is David Oxner. David has a new title there, too - Executive Director of Motor Carrier and Compliance. I had "vehicle compliance" - I was pretty close. Oh, I'm correct because that's wrong, Laura Lee. David is also new to that job. He is here because I felt it's important that we have some history here. I know in the past sometimes we say oh, that was another department, we can't do that. For many years David was an executive director in the Department of Economic and Rural Development and Tourism. He carried the rail file for many years and has a great history. He was also the ministers' representative, along with Shannon, under the Ministers' Rail Advisory Committee because at the time there were two ministers - the Minister of Economic and Rural Development and Tourism, and the Minister of Transportation and Infrastructure Renewal. David was the file person and made many trips with us and participated in all the committee hearings.

Bonnie Rankin is our Manager of Legislative and Policy Services. Bonnie is the person really putting together the regulations under the legislation which was passed about a year ago that concerns abandonment of any railroad in Nova Scotia, not just this one. It's a general piece of legislation and she can speak to that.

I'll go through this deck here. I'm wondering, the lights are shining on the deck, is that okay for everybody? Okay, better, I was worried about the fading eyesight of defenceman Orrell over there.

MR. EDDIE ORRELL: I don't have to have good eyesight to catch you. (Laughter)

MR. LAFLECHE: You have to be able to see slow moving obstacles which are over 60 years old. No goals today, Eddie.

HON. ALFIE MACLEOD: I think you just fanned that shot.

MR. LAFLECHE: So we can go to the second slide because the first one looks correct. I'm going to ask David to speak to this. David and I were there - we were invited with the two ministers, Minister Samson at the time and Minister MacLellan, to meet with Genesee & Wyoming Inc. in April 2014. We didn't know why they were coming in, they didn't give us any advance notice. When they came in, they sort of dropped a bit of a bombshell that they wanted to apply for discontinuance and abandonment of the line.

Up there you can see that they, in fact, have two lines. What they wanted to abandon was the Sydney subdivision. That's from St. Peter's Junction to Sydney. Just like Windsor Junction is not in Windsor, St. Peter's Junction is not in St. Peter's - it's actually nearer Point Tupper. So the part of the railroad going into Point Tupper up to Sydney was what they would like to have discontinued and abandoned at the time.

The Hopewell subdivision goes all the way to St. Peter's Junction, which is at Point Tupper. That, in fact, goes on to the island, so even if they abandoned and discontinued the Sydney subdivision, there is still technically a railroad on the island. I'm just pointing that out because there has been a lot of reporting that the island would lose all its railroad. There is a railroad and continues to be train service over the Causeway to Point Tupper.

So they indicated they would do that, and it basically initiated a legislative process at that time under the URB - the Utility and Review Board. They issued a decision in January, they held hearings - several of us attended those hearings - and Genesee & Wyoming were called to them, as members of the public were, and they were held up in the Cape Breton Regional Municipality. A significant public concern was expressed. David, do you want to add anything about the early stages?

MR. DAVID OXNER: I think when you had the URB meeting in Sydney in December, there was a lot of concern from current rail customers who are currently customers of Genesee & Wyoming, and there was concern from the public and from elected officials about the discontinuance and the abandonment of the Sydney subdivision, which was the line that ran, as the deputy said, from St. Peter's Junction all the way to Sydney.

MR. LAFLECHE: At that time, the abandonment and discontinuance were both heard by URB initially, but then legislation was passed that Fall to ensure that abandonment would fall under the Minister of Transportation and Infrastructure Renewal and discontinuance of the rail service would be heard by the Utility and Review Board, and that's what happened. So in effect, they had to re-file for discontinuance only with the Utility and Review Board, and those were the hearings that were held. Abandonment was

put under the minister, at the recommendation of the Utility and Review Board in our discussions with them.

What really happened was we had an Act, which was quite outdated, from a different era and dealt with things in a way that we would probably not deal with them today. We've had a lot of experience over the past few years with cleaning up abandoned rail sites and other issues. That really requires a different process than discontinuance, which is the stopping of the train. Abandonment is the actual taking apart of the rail line itself - taking up the rails, the selling of the property, the decommissioning of any potential for rail. That's different from discontinuance which is saying: we're stopping the train.

To give you an example, we currently have a discontinued, but not abandoned railroad - the Windsor and Hantsport Railway. It's a very small line that went between Hantsport and looped around to Windsor, and it basically carried gypsum to cargo-handling vessels - bulk cargo vessels - in the Bay of Fundy. It was discontinued about seven years ago, I'm going to say, but they've never filed for abandonment, so the rail line is still there. They can't take up the tracks. They have to keep its integrity while they decide what to do next.

I don't know what they're going to do next, it's owned by a gentleman from the U.S. There's an example of a short line which is discontinued and not abandoned.

We have another short line which is not discontinued and not abandoned, which we regulate, the Hopewell subdivision between Truro and St. Peter's Junction of Genesee & Wyoming. Now we have the third piece, the Sydney line, which the URB did approve the discontinuance on but has not yet been abandoned so it's in the same category as the Windsor-Hantsport line.

Okay, so up there you'll see that as a response to the public concerns and the shippers' concerns around the discontinuance of the railroad in Cape Breton, the two ministers established an advisory committee. They did some legislative changes and they did some community engagement. They wanted to work with the communities to see what could be done, to see if they could change Genesee & Wyoming's mind or to see if there were other potential buyers or see if there was enough traffic for the railroad, what in fact were the facts around this. Why was the railroad company discontinuing?

We brought in new provincial legislation, as I said, that separated abandonment from discontinuance and put abandonment in the ministerial venue, left discontinuance with the URB.

Next slide, please. These legislative changes I'm going to ask Bonnie Rankin to go over them.

MS. BONNIE RANKIN: The changes to the legislation were introduced in the Fall of 2014, actually passed on November 6, 2014. The primary elements of the legislation were to separate, as the deputy noted, the application process for abandonment and discontinuance. The URB continues to oversee the discontinuance of service and ensure the customers' needs are adequately met during that discontinuance period. Then it's up to the minister to determine whether abandonment can be approved, based on a set of criteria that are established in regulation, which will be established in regulation.

It changed the timeline also for both of those processes. The timeline in the original legislation was quite short so the government felt it didn't adequately provide enough time to go over all the information and issues that arise in this kind of situation.

We are also recognizing the differing needs and the impacts and the planning and all of the time that is required to make this type of serious decision. The URB remains responsible for the discontinuance portion and the abandonment decision now rests with the minister. It was designed to try to better balance the interests of Nova Scotians against the interests of the business.

MR. LAFLECHE: Do you want to explain this slide too?

MS. BONNIE RANKIN: Sure. Now the rail operator cannot notify the minister of an intent to abandon and start that process until six months after the URB period of discontinuance has expired. G&W were approved by the URB to discontinue the service on the Sydney subdivision as of October 2015. That means that by the dates of the legislation that G&W may provide notice of the intent to abandon to the minister in April.

Also the application process to abandon will be based on the new regulatory requirements that are in the process of development right now.

MR. LAFLECHE: Okay, I want to go back to that slide for a second. You may say October 15th, we thought the trains stopped running at the end of 2014, could you explain what happened there?

MR. CHAIRMAN: Ms. Rankin.

MR. LAFLECHE: I'm asking questions now.

MR. CHAIRMAN: Did you want to sit here?

MR. LAFLECHE: No, not there - maybe over there.

MR. ORRELL: You're better at asking than you are at answering.

MR. LAFLECHE: A low blow.

MR. ORRELL: You started it. (Laughter)

MS. BONNIE RANKIN: The URB decision was released in January 2015; they required a period of discontinuance to October 2015. During that period the railroad operator and its customers were required to come to terms. They were required to either provide rail service or other service to transfer the goods. So in actual fact the railroad and its customers reached other arrangements and the trains did stop running prior to October 2015. I believe they actually stopped in late January. That was based on agreement with the customers.

MR. LAFLECHE: But that didn't affect the October 2015 date as being the legal date.

MS. BONNIE RANKIN: Right, that was the legal date for the discontinuance period.

MR. LAFLECHE: Okay, let's continue on the next slide, Bonnie, you're on again.

MS. BONNIE RANKIN: There's a new regulatory framework that is proposed to government. Essentially it outlines a very clear process for the railroad in terms of what is expected. It's clear and predictable and it includes sufficient controls, I think, to protect the public interest.

Some of the information requirements that will be included in the regulations, as proposed, will be net salvage value, the details of all the infrastructure and the property that is being considered for abandonment, environmental reports and studies, crossing agreements, and then a detailed abandonment plan - what they intend to do and a time frame.

Some of the mechanisms for protecting the public interests that are included in the proposed plan are: to ensure access for adjacent landowners, and to ensure liability insurance coverage or a performance bond, depending on the circumstances, to ensure the public is protected.

MR. LAFLECHE: I'll get back on the microphone, for the microphone pushers - at least we don't have to do it bilingually here like we have to do in Ottawa.

So why would we do that? Why would we talk about net salvage value? I'll just go into that for a minute. A few years ago my department, Transportation and Infrastructure Renewal, had to pay \$4 million to take out three structures on the old Dominion Atlantic Railway in southwestern Nova Scotia - I'm looking around, I don't see any southwestern Nova Scotians here. Well, you could classify as one, you're close, you could see it if you drove to the centre of the county. I believe that was Moose River, Bear River and Sissiboo? Okay. We had to pay \$4 million to take out these structures.

Why did we have to do that? At one time there was a railroad there with assets. Those assets were then taken out of the province or put in the company, or whatever, they disappeared. Then suddenly there are some liabilities left, right? The taxpayer is left on the hook for the liabilities.

We looked at the federal regulations, the federal guidelines for rail net salvage value. What we're looking at is a situation where if you're going to take out the asset, you don't take out the asset until we have a guarantee that there's enough money around to do the cleanup of everything you left behind so the taxpayers won't be on the hook.

We put in this legislation that it's not just for Cape Breton, it's for any other short line - the mainland, Hopewell subdivision; it could be for the not-yet-abandoned Windsor and Hantsport Railway. The idea is that you cannot just leave with the rail, which is the asset, and sell it or reposition it. You've got all the monetary value out and then when we come looking at you for you to clean up the structures, to clean up some environmental diesel fuel mess or whatever it might be, or deal with issues with adjacent landowners and crossings, we can't find you and the money is gone.

We need to know a lot of this stuff up there. We need to know environmental reports and studies, we need Phase I and Phase II environmental reviews, we need to understand all the crossing agreements, and we need a detailed plan of how you're going to abandon this rail line and what you're going to do. We need to know how you're going to fix the structures and anything else you leave behind because they are a dangerous hazard, or could be, or maybe they're an asset but you have to convince us of that. We need to know all that. When we know all that we're not going to say okay, you take the assets out, the cash out. We want to know that we hold some performance bond or we hold liability insurance coverage or we have money in escrow to pay for the future potential liabilities.

That's what this is all about. It's not a punitive thing. It's about protecting the taxpayers and it's something I talked about earlier that we discussed with the URB at one point - about modernizing the type of discontinuance and abandonment regime we have - to reflect the modern era and a lot of the environmental liabilities that people didn't worry about 30 or 40 years ago but they worry about today, and to protect the taxpayer of Nova Scotia.

MS. SHANNON DELBRIDGE: We'll talk about the work of the Ministers' Rail Advisory Committee for a few minutes. Deputy LaFleche has already spoken to the mandate of the committee, but I'll just review some of the key elements of their mandate. Primarily, their role was to gather information on the current situation to engage with stakeholders on the island and find out what was happening from their perspective.

Also, we wanted them to comment on a business case for the line; for example, any economic opportunities coming up that need to be considered. We also wanted them to advise the minister on any potential buyers for the line, but also when there were gaps in the information needed to address these elements of the mandate to conduct any studies

that they might deem necessary. They were also asked to continually monitor the situation and bring forward issues as they deem it appropriate to the minister.

The Ministers' Rail Advisory Committee was co-chaired by two deputy ministers of TIR and of the Department of Economic and Rural Development and Tourism, and perhaps the deputy would like to speak to the membership.

MR. LAFLECHE: Simon d'Entremont was the Deputy Minister of Economic and Rural Development and Tourism at the time. He and I co-chaired the committee. I think I was the Cape Breton representative and he was the mainland when we had meetings. Do I look like a Cape Bretoner, Mr. Orrell?

MR. ORRELL: No. (Laughter)

MR. LAFLECHE: Can't pass for one. On this committee we had some serious talent. We had the five municipal CAOs from each of the municipalities on Cape Breton Island. You can see their jurisdictions listed up there. They contributed and came to all the meetings. People rarely missed these meetings. Obviously there were some vacations and things, but people attended very well.

We had great support from the Government of Canada - both Transport Canada where we had Peter Fullerton, one of their rail experts out of Moncton, and we had Marianne Etter and Peter Hogan. Peter Hogan, who is the Vice-President, Nova Scotia for ACOA, came to virtually every meeting. So we had great support. In fact, they paid for part of these reports, as did CBRM and ourselves.

On the business side, we had a representation of the users of the railroad. Some of them became former users obviously during this process. They attended virtually every meeting even after they were no longer using the railroad. They gave great input. We had Business Cape Breton and the Cape Breton Partnership participating - again, very good attendance.

So we had a very good team - a team that was able to look at these reports that Shannon is going to describe in a minute, and to have some really good discussions. Even though we're sort of in a hiatus now, the team is still alive and can come back into action and gets updated regularly if need be.

MS. DELBRIDGE: As the deputy mentioned, the MRAC conducted several reports where they believed there were gaps in the information that we needed to have. First I'll describe each of the three reports and what they were intended to do, and then I'll speak to the findings.

The first one basically looked at the impacts of moving freight from rail to trucking - the impacts of that decision or that requirement, but also they looked at it in terms of differences in time, money, and also the availability of services.

The second report basically inventoried the potential economic opportunities that would relate to rail in terms of providing more freight for the line. So we asked the company that did the study for MRAC to look at a number of potential economic activities, including - we mentioned Donkin, Provincial Energy Ventures (PEV) - IIBG was on their list. Of course we looked at the container terminal development and what was happening there, as well as any other opportunities they might see for converting the current intermodal or trucking freight moving to Newfoundland and Labrador, moving that back to rail.

Those are some of the areas we want them to specifically look at but also to identify any other opportunities they might see in the course of their investigation. They did identify a few others that were mentioned, such as Atlantic Industrial Minerals, they looked at the possibility of a car refurbishment centre, and they looked at the tourism train that had been spoken of and so on. That was the subject of the second report.

The third report basically was an engineering review. It looked at information that was available on the quality of the line and they also did a site visit as well. Basically, this report looked at the operating and capital costs both to maintain the line but also to upgrade it to a full Class 3 line. I'll speak to that a little bit more when we get into the findings of the study.

Those three reports were developed, as well as a summary report to bring forward all the highlights from each of the three reports. They were released on September 28, 2015. Now I'll go through a few slides which speak to the findings of each of those reports.

On the first study, the rail versus trucking study, generally the findings were that rail tended to be slower and less expensive while trucking was much faster and more expensive. That's a general conclusion. There is sort of a sweet spot in that if you're shipping less than 500 miles, truck tends to be more efficient, but rail is more efficient if it's more than 500 miles. So depending on the distance travelled, you might make different decisions.

MR. LAFLECHE: We're speaking old language here.

MS. DELBRIDGE: We still use miles for the rails, I'm sorry.

Of course other factors also come into play in terms of timeliness, for example. While a truck could take some goods from Texas in four days, it would take rail up to 21 days so that's a key consideration for shippers, as well as any cargo volume and weight issues. There are differences in terms of what different lines can carry. The Sydney subdivision, for example, is allowed to carry 263,000 pounds; whereas the Hopewell subdivision, that first component, is able to carry 286,000 pounds. That's kind of a technical element of the findings, but it is important in terms of what traffic or what freight the Sydney subdivision can carry.

The last key finding in this study I want to highlight is there was a lot of comment made about the impact of additional trucking on the roads in Cape Breton, so that was a key question as well. What this study found was that the incremental costs of road maintenance were quite small incrementally and basically that's based on the annual truck volumes across the province, in different trunks of the province.

I can go into sort of a technical or a detailed explanation. Basically what they looked at is there are 500 cars travelling on the rail line, for every one car it equals about three truckloads of goods to be travelled, so that is about 1,500 trucks annually going onto highways additionally but the annual amount of trucking actually already on, say, the Baddeck path is 222,000 trucks per year so it's quite a small incremental increase in truck traffic. The conclusion from this study was that additional truck traffic had a negligible impact on road maintenance costs.

Moving on to the second study, the key findings - this study again was the evaluation or the engineering assessment of the rail line. They looked at what it would take to bring the rail line up to a Class 3 standard. Transport Canada defines rail lines according to maximum allowable speeds, based on a variety of factors, largely the safety of the line, the number of curves, and so on. The Sydney subdivision is classified as a Class 3 line; however, in the last number of years the G&W has basically put the trains through at much lower speeds, equivalent to a Class 2 or even a Class 1 - Class 1 being like 10 miles per hour versus 40 miles per hour, which is the Class 3. That speaks to the speed with which a train can travel from Truro to Sydney, for example.

In order to bring this rail line completely up to a Class 3 line they estimated it to be well over \$30 million, so it would require quite an investment in order to bring the rail line up to a Class 3 standard.

We also asked them what it would take to improve the line to a Class 4 standard, but there wasn't current information available to really assess it fully, but it would be well north of the \$30 million range - so very expensive.

The next inclusion on this study spoke to the bridges. One of the questions we had was, is that rail line able to carry double-stacked containers? Double-stacked containers is sort of the new industry standard. It can take more freight over for each carload. What they found was two of the nine bridges were not compliant so it would require a significant investment in order to make them compliant, the vertical heights of a couple of the bridges were not sufficient to meet Transport Canada guidelines. That was another finding that was critical for the line.

On the third study, that spoke to the economic opportunities that could serve to increase rail traffic. This study looked at a number of those projects I've already mentioned - PEV, IIBG - the container terminal is obviously a key one. What they found was with the exception of a container terminal development, there is no one single project or even groups of projects that would create sufficient volume of traffic to make the line viable. They

found that the transit times couldn't compete with trucking for what companies needed. An example there is the length of time it takes to travel from Truro to Sydney - 18 to 23 hours versus six by truck. That's a pretty significant hurdle to climb.

We also asked them to look at whether or not there was the possibility of changing some of the current intermodal or trucking cargo going to Sydney. Could we look at perhaps encouraging companies to put that traffic on rail? They found that there really wasn't sufficient volume to make it feasible, and also some of the impediments around time and speed. It wasn't deemed to be a viable solution by those companies currently using the line. (Interruption) To Newfoundland, yes, to take it over on the ferry.

There are also several types. For example - I'm probably going to get into more technical aspects than we necessarily need to but much of the volume goes on trucks versus containers. Containers can easily move to freight - move to rail. It's obviously difficult for trucks to do that. There is quite a small volume of traffic moving in container terminals that could move to rail.

The timing for the ferry meant that they had to leave the Moncton transload facility at certain times in order to meet the ferry schedule, and they weren't compatible, so that was another impediment.

On the last slide, on the conclusion of the economic studies, basically just to repeat some of the earlier comments, there is no one single project or group of projects that would make the line viable in terms of the economic opportunities that are evident in the next three to five years. Of course, we are still waiting for more information on the container terminal development. That is really the only project that has potential for improving the traffic on the line.

MR. LAFLECHE: You may take some of that as bad news. We don't necessarily take it as bad news ourselves because what it did say is that the container terminal is of sufficient volume in terms of cargo moved to justify the rail line. So there is a silver lining and it is the container terminal.

The conclusions from the MRAC process - one of the things that the Ministers' Rail Advisory Committee process achieved, we feel, is that it educated a lot of the people on the Island and the mainland of the issues related to the railroad. One of the things that David didn't mention earlier, but he and I remember well is - when they first came in to abandon the railroad, we said, what's wrong, is the \$2 million a year we give you not enough? They said, no that's not the issue, we don't want your money. You'll go into that a little bit, Dave.

MR. OXNER: So basically the Department of Economic and Rural Development and Tourism over a 10-year period back in 2003 - because in 2002, Genesee & Wyoming had actually applied for abandonment to the Nova Scotia URB of the Sydney subdivision, and then there were discussions between the department and the company. In 2003 the

department developed a subsidy program and we have been providing an annual subsidy. I think that agreement from 2003 was probably rewritten or renewed about three times. So over about a 10-plus-year period we provided them on average about \$2 million, so about \$25.3 million in subsidies. The subsidies were to cover operating losses, infrastructure maintenance and some infrastructure projects, and there were pre-assigned caps on each one of those where the company would resubmit.

When they came in to meet with us, as the deputy said earlier, in the Spring of 2014, we really weren't sure why they were in to see us or what they were in to discuss. The current agreement we had in place at the time expired in September 2014, and that's what we thought they were coming in to discuss: an extension to the current subsidy agreement. The representatives from the company made it very clear that they were not interested in renewing the agreement. So our discussions with them at the meeting and ongoing were, is there an opportunity here to have a discussion around extending the subsidy agreement, and they just were not interested. The president of the company made it very clear that they felt that was not the right thing to do, and they wanted to move forward with the discontinuance and the abandonment of the line.

MR. LAFLECHE: You can speculate as to why that may be, but that was after the Lac-Mégantic incident and railroad companies had basically lawyered-up. The theory presented to us - we don't know for sure - was that even with a subsidy, there was too much potential liability for them to continue to operate a line which was operating with 500 cars and needed 10,000. They had spent the better part of a decade searching for other traffic. We had funded studies for other traffic, through your department. (Interruption) Do you want to talk about those conclusions?

MR. OXNER: There were two studies undertaken, as I said, when the company Genesee & Wyoming in 2002 applied to the Utility and Review Board for abandonment, when the department started working with them we engaged two studies. I'm not sure around the time frame of them but they were probably somewhere after 2002. Also there was an initiative with the federal government where the federal government put some money in to help fund some of the studies, so it was looking at the current customer base.

If you go back in time, when Devco and the mines were running at full capacity, the Sydney subdivision was carrying about 13,000 carloads of rail goods a year. That, as the deputy said, had declined fairly rapidly; in 2014, they were carrying about less than 500 - I think it was around 425 carloads. Actually the Sydney subdivision was only receiving service once a week. Typically there would be one rail load or one rail car that would be shunted from St. Peter's Junction to Sydney each week.

We did a couple of studies; we analyzed their current customer base of the existing customers they were servicing at that time, in the 2002-03 period. We talked to them to see if there was any potential for their business to grow. We also identified a number of other customers who were currently not using rail and looking at the opportunity of whether they could switch some of their truck traffic or look at their future growth plans to move on rail.

There were two studies that I can recall that were done during that time frame, say between 2002 up to 2014, that tried to identify new opportunities to look at new potential customers and other measures that would help make that part of the line more profitable because basically the line was unprofitable since about 2001 when, like I say, Devco and Sydney Steel at that time started to wind down their operations. As I said, it went from 10,000 carloads a year down to less than 500.

MR. LAFLECHE: Some of that activity around looking for new business was obviously also repeated in the economic opportunities study under MRAC. Our ministers asked us to leave no stone unturned in looking for potential business or future business. We feel that given the decade of studies right up until recently, really that mandate was fulfilled and other than the container terminal which at this point is potential - we'll get to talk about that later - there is no other answer to justifying the continuance of a rail-car running. That's very different than the issue of having track in the ground, okay? I want to separate the two issues.

What did the Ministers' Rail Advisory Committee really do for us? Well, it did give us a few positive things which were very beneficial, I think. It developed more modern legislation, which really needed updating in all cases anyway, particularly given other issues that have transpired on the environmental side and things like Lac-Mégantic. It assisted in the development of a new regulatory framework that Bonnie Rankin talked about earlier that will protect Nova Scotians and Nova Scotia businesses in the future and also facilitate a more stable environment for railroad operators, and the ability maybe to attract new operators one day.

It facilitated a process for some studies to be undertaken so we could fully understand the facts around the Cape Breton portion of the Genesee & Wyoming railroad, and it also enabled a time and space for dialogue to occur between ourselves, Genesee & Wyoming, and more importantly between the promoters of the container terminal, the Port of Sydney and Cape Breton Regional Municipality, and the railroad. As you know, they have signed an MOU. They had some very good discussions. So the time taken to look at this and not to rush into abandonment has been felt to be very good on all sides - a very good result of the process.

That leaves us to where we are today, the current status. As I mentioned before, the committee, even though it has sort of toned down a little bit, it still continues to monitor the situation. Updates and communications go out as they need to, as things occur. Our new regulations, as Ms. Rankin indicated, will be published shortly to be in effect on April 1st.

We have not located though any potential buyers of the railroad. Genesee & Wyoming would be the seller of the railroad - not the Government of Nova Scotia. We don't know what they have done other than what they've told us. They've told us they really haven't done a lot in terms of selling it, that they wish to abandon it, but they have not yet indicated whether they're even going to file an application so we don't even know

that on April 1st - an application which would be an intent to abandon, not an abandonment; it would be an intent. Bonnie can later explain what the difference is.

The province and ACOA are also funding another study on Nova Scotia Gateway. We've had a lot of gateways - the Halifax Gateway, the Atlantic Gateway, et cetera, et cetera. When the Department of Transportation and Infrastructure Renewal took over the mandate from the former Department of Economic and Rural Development and Tourism, we decided that we needed to get fully up to speed on Gateway. They had left us a significant body of knowledge.

So we and the Atlantic Canada Opportunities Agency are working together. We have tendered and awarded a tender to a very prominent international group to look at the Nova Scotia Gateway - a little bit of Atlantic Gateway, but mainly Nova Scotia, to talk to us about our ports, airports, transportation infrastructure in terms of roads, terminals, ferries, et cetera - whatever we need to ship goods and services.

So that study will be coming around June, I think. It's meant to be a very comprehensive study. It will not focus singularly on the Sydney container terminal. That study and that work is being led by the Port of Sydney and the Cape Breton Regional Municipality. Our study is looking at all of our potential assets and opportunities and how we compete against other ports - other airports - that would be in the same geographic area or might be an alternative route to ship goods to the interior of North America or to Europe, et cetera. That's a different piece of information and we hope that information will inform us on our railroads, as well as our roads, airports, and ports.

So that's where we are today. That was 44 minutes. I apologize for that. As I said, I've never spent more than five minutes before a committee, and next week I know I have the Public Accounts Committee. I'm not going to tell you how much time I'm going to spend there, but I probably used up all my Public Accounts time here. (Laughter)

MR. CHAIRMAN: I'll turn it over to Mr. Wilton for the first question.

MR. DAVID WILTON: Thank you for your presentation. With a possible container ship in Sydney, the roads that are there today, would they handle - with the railway being dismantled or whatnot - could the roads handle that traffic without the railway?

MR. LAFLECHE: Well I'll let Shannon start that and then I'll finish.

MS. DELBRIDGE: We haven't yet received an assessment on the container terminal in terms of what kind of traffic they'll be talking about or what the opportunity is so it's somewhat difficult to address your questions specifically.

What we do know is, with the traffic from the discontinued service on the line, that has had a minimal impact on the roads, like less than 1 per cent of a traffic increase so that seems to be fine. But it really depends on what the potential economic return is from the

container terminal, how much traffic it puts on the road, but we don't have that information at this point.

MR. LAFLECHE: My previous time here - I think it was two times ago - I had a gratuitous announcement about Bruce Fitzner's gravel road program. Bruce Fitzner is also flogging a toll highway initiative so we're looking at the potential of road upgrades in Cape Breton, in any event, as part of that initiative. We don't know if Nova Scotians will want that or not want that, we're not taking opinion either way. We're going to lay out the facts in the near future from those studies, which is a separate issue completely, on the roads in Cape Breton and other areas of the province, so that's part of the piece.

The other thing Ms. Delbridge has referred to is we don't exactly know what will happen in Sydney. We don't know if there will be a container terminal and, if there is one, what type it will be. Is it a transshipment one where they bring in containers, reload them onto smaller ships, and then go down the Eastern Seaboard because Sydney can take bigger ships, et cetera, or is it one where we put them on rail cars and then have to compete on the rail costing to the interior - like Chicago - of North America? We do not know any of that yet so it's kind of hard for us to answer the road question yet.

We do know that Cape Bretoners would like safer and better roads, so that's a separate study that Mr. Fitzner is working on. If you need to ask more of Mr. Fitzner, he will be at the Public Accounts Committee on another subject next week, when I'm sure he'll be pleased to speak to the roads.

MR. CHAIRMAN: Mr. MacLeod.

MR. MACLEOD: Thank you very much for your presentation. I guess one of my questions is the regulations. The regulations are very important to my mind as to the next step in this whole process. The law was passed a year ago and here we are almost at the end of the month, with April 1st being the date where abandonment can be applied for, and still no regulations in place.

My concern is twofold: one, why it has taken so long; but two, will Genesee & Wyoming be able to use this as saying that this information and these regulations were put in place just for them, to thwart what they're trying to do with the abandonment process, rather than as you said, Mr. Deputy, it's for all the province? Cutting it so close to the line really concerns me and I just don't understand why it has taken this long.

MR. LAFLECHE: I'll have to let the lawyer here answer that question.

MR. MACLEOD: I knew that was coming.

MS. BONNIE RANKIN: Yes, it did take longer than anybody would like. We'd like to make regulations really quickly but that's not always the best way to go. We developed a discussion paper which we shared with the two short-line railroad operators in

the province. We shared it with Genesee & Wyoming and we shared it with the Windsor-Hantsport railroad. We also shared it with all the members of the MRAC. We wanted to make sure that the regulations were going to be well understood by those that were impacted the most and that we got all the feedback we needed.

We released that discussion paper to the stakeholders who have the most significant interests. We took that feedback and that feedback really shaped the regulations. It's not a short and simple piece of regulation, it lays out a very clear process so it took some time to go through and make sure all the processes were outlined very clearly.

I realize we're getting down to the wire but we think that the product is worth the wait.

MR. LAFLECHE: So, Mr. MacLeod - I see "Honourable MacLeod" there, so you and the Honourable Mr. Wilson probably understand, without me revealing any secrets, when the regulations will be appearing and when they will be deliberated, if they're to do for April 1st, but I cannot reveal that secret stuff. (Laughter) Those of you who are not "Honourable," including Mr. Maguire, whose sign has fallen down, probably don't understand what I just said, but I think you do.

MR. MACLEOD: Where were you on March break?

MR. LAFLECHE: You know where I was. I was on Mont-Sainte-Anne, skiing in Quebec City.

MR. MACLEOD: You're just wound up today like I haven't seen you in a long time. (Laughter)

MR. LAFLECHE: It was two weeks of March break for me. Give me a break. Two 10-year-olds for two weeks.

MR. MACLEOD: Thank you for your answer, Ms. Rankin. (Laughter) You being a lawyer, I just wonder if you have any thoughts about the shortness of time when these will be announced, and do you think there's any chance that the railroad will try to use this as an exercise against the arguments of why they should not be allowed to remove the rail?

MS. BONNIE RANKIN: Certainly they can make any argument they like - I can't predict what they'll do. I think we're within our legislative requirements. They can't file anything until six months after the discontinuance time period; that's in April. They will know the regulations prior to them being able to actually apply.

MR. LAFLECHE: If I could just add a bit to that. If I was worried about this process, I would not be worried about this time issue of April 1st; I think that's a bit of a red herring. I think the issue would be that after they initially filed for abandonment and discontinuance, the legislation was revised, so they may make a case around that. On the

other hand, it was truly a modernization of existing legislation and it does deal with net salvage value which might be their real issue. Net salvage value is, in fact, defined in the federal guidelines and was previously defined.

Whether other jurisdictions have actually followed net salvage value is not our problem. So they could mount a case. Anybody can always sue anybody, right? So that could happen, but on the other hand that takes time. I'll leave it there.

MR. CHAIRMAN: Mr. Wilson.

HON. DAVID WILSON: Thank you, Mr. Chairman. If I could have a couple of questions?

MR. CHAIRMAN: For sure.

MR. DAVID WILSON: Okay, great. Have the regulations gone to Cabinet yet? Are they in front of Cabinet? Have they discussed it or are they going to Cabinet?

MR. LAFLECHE: Obviously Mr. MacLeod's "Honourable" was more tuned up than yours, Mr. Wilson. (Laughter) I think I just answered that question a minute ago.

MR. DAVID WILSON: Could you repeat the answer?

MR. LAFLECHE: I was going to say that we will have the regulations in place for April 1st, and we are now March 22nd. The "Honourable" people would know what that means. (Laughter)

MR. DAVID WILSON: We'll go to environmental liability. You mentioned the province was on the hook on past projects. Have you determined the potential costs or that liability, and if not, who will determine that?

We could say, okay, the owners may come to the province and say, we predict these are the liabilities that we may need to look at, but the province - are you going to do a review? Do you have a predicted cost potentially? If yes or no, what is the path forward for the government to make sure that the best interests of Nova Scotians are taken care of here and we're not dependent on a company that wants to abandon a rail line, telling us what the liability might be?

MS. BONNIE RANKIN: I have to be cautious because the regulations are proposed at this point. What we have proposed includes information requirements that the railroad would have to supply existing environmental studies that they have, that they're required to maintain as part of an industrial operation in this province. They're required to have environmental studies.

Those will be reviewed as part of the process, and if significant concerns arise out of that, then there are options to seek other information.

MR. DAVID WILSON: Is there an ability in the regulation framework for the company to appeal that to the URB, for example? So if the province is saying that we know about a potential site and that's not reflected in the information from the company, what ramification, what kind of framework is there to ensure that Nova Scotians are protected? Can the company appeal somewhere if there's a dispute between what they believe is full disclosure of potential sites that may be concerning to us?

MS. BONNIE RANKIN: The proposed regulations allow the minister to require all that information.

MR. LAFLECHE: I think what you're really asking is, is there an appeal mechanism actually in the regs or in the Act to the URB, or is the appeal to the courts? It's a judicial review. So it's the court.

Like I said before, anybody can launch a court case on any frivolous thing or any important thing at any time, so that answer is always there, but there is no appeal in the Act. The minister has to be satisfied and he can create - we haven't gone through the whole abandonment process because we don't have the regulations, although you do have a copy of the discussion paper in your material. I say that for the eminent ladies and gentlemen in the back and on the side: that material is available, so you can see the gist of it.

The minister has to be satisfied that he has the best information possible to protect taxpayers.

MR. DAVID WILSON: Just one more, if I can.

MR. CHAIRMAN: Yes, sure.

MR. DAVID WILSON: Just on the last one, you touched a little bit on the potential costs of maintenance or upkeep for roads. We know there's an increase in truck traffic now and I think you may have indicated a minimal increase but any increase in truck traffic will have wear and tear on the roads. Have you put a cost to the maintenance or upkeep that is associated with an increase in traffic flow on roads, especially in that corridor across the island?

MR. LAFLECHE: No, our traffic people did look at it and they consider it negligible. In other words, it's within the annual noise level variance. But if the container terminal were opened and if there were no rail and all of that stuff was not transshipped but was actually shipped to Chicago, so to speak, and had to come down to Point Tupper, there would be a significant increase in volume and then we would - but that's not the case yet, we don't know that. As I said before, we're also looking at upgrading potentially, subject to the will of Nova Scotians, that section of the road anyway.

MR. CHAIRMAN: Mr. Mombourquette.

MR. DEREK MOMBOURQUETTE: Thank you for the presentation. Again on the potential of a port in Sydney, I guess, and just hearing the presentation, you are unaware of what the potential is at this point. I had the opportunity to meet with the Chinese delegation that came down last week. They did a tour of the harbour.

At this point is there anything you can elaborate on? Has the CBRM provided any information to you, moving forward, in the potential of that? Are there deliberations with any potential port operators?

MR. LAFLECHE: As part of these studies, what did they supply, Shannon?

MS. DELBRIDGE: As part of these studies there was very little information, really essentially nothing other than it is coming and the information that we all would have heard in the media. There was no specific data, no specific quantum around the potential development or what that would mean for Cape Breton and for Nova Scotia. There is very little information provided. It has always been sort of: it's coming, wait.

MR. LAFLECHE: Now I said, as part of these studies, so with my other hat on in Transportation and the minister's head in the other hat, not the railroad regulator and the MRAC study, but in terms of our responsibilities for Gateway in Nova Scotia, we have been privy to several meetings with Michael Merritt, who is the CAO for Cape Breton Regional Municipality; Marlene Usher, who is the CEO of the Sydney Port Authority; Mayor Clarke; and I think there are a few other gentlemen up there who we've met with - his name escapes me and he'll be mad at me for this because it's on the record. Who is the EA to Mayor Clarke? Mark Bettens, yes, Mark. We've had conversations with them.

In fact, the minister and I went to Montreal to meet with CN. We met with the vice-president of CN and various other officers there, in the presence of the mayor and some of his associates who are marketing the port, and some of the people who are interested in developing the port. I don't recall the name of the corporation, but there's a separate corporation - not the Port of Sydney, which is looking at the connections with, as you mentioned, the Chinese.

So we've been involved in meetings like that. I've been up to Sydney to talk about Gateway and these things. We have heard somewhat of the port, somewhat of the potential, but in the studies that we have done and in the study we're doing with ACOA, we will not get down into a level of detail that would really give us an opinion on whether this port is viable or not, or whether there are real investors. Only Mayor Clarke and his team who are driving this could really give you that detail.

[2:01 p.m. Ms. Suzanne Lohnes-Croft took the Chair.]

MADAM CHAIRMAN: Mr. Orrell.

MR. ORRELL: Thank you for your presentation. When this whole process started, there were a number of different meetings in Cape Breton. The first one was held in the Round Room of the Civic Centre - a huge delegation of people there. On numerous occasions we've heard both the local MPs and people on the Island say that the federal government should be playing a more important role in ensuring the railway stays operative and making sure that the tracks stay in place on Cape Breton Island.

Have there been conversations with the local MPs and the new minister - I think it's Minister Garneau - concerning the federal government's willingness to be involved, and/or what their involvement could be either financially or in discussions with CN about taking over that rail line or whatever it is? Have those discussions taken place and what is the willingness of the federal government to now be involved in the saving of the railway?

MR. LAFLECHE: That's a very good question. We've had two federal governments since this has occurred. The first federal government that left on October 2015, we had many, many detailed discussions at the staff level, the deputy level, and the minister personally. Ms. Raitt, the federal Minister of Transport Canada was down here several times as you know. She was apparently born somewhere in CBRM - Whitney Pier? Not Glace Bay. (Interruption) Whitney Pier. Pretty good.

I will say that we didn't get any indication that they had any programs or were willing to develop any new ones that would put direct subsidies into a railroad to keep it continued.

Abandonment is a different issue. That's not their game, but it was running of the train. They have never historically done it - David, have you ever asked them?

[2:03 p.m. Mr. Joachim Stroink resumed the Chair.]

MR. OXNER: We did.

MR. LAFLECHE: So previous governments, I think, of every stripe have asked and drawn a blank.

There's a new government in now and the new government is presenting a budget probably starting four minutes ago. Is that right? (Interruption) At four o'clock, so starting in two hours and 55 minutes. We don't know what that budget is going to say, but we do know that until that budget drops, the railroad would not have any eligibility under any federal program that we know of for operational subsidies, or - I'm looking at David - would it have any for remediation? It's not an operating railroad.

MR. OXNER: No, my understanding of the federal infrastructure fund is that probably wouldn't classify. It's not operational as well.

MR. LAFLECHE: So as of five o'clock Nova Scotia time today, we'll have to take a look. I will be up in Ottawa; in fact, I'm on a call tomorrow with the Infrastructure deputy - talked to him even yesterday - and I will ask that question. But we have not been in a position because the current Liberal Government in Ottawa has basically had the line of, we are continuing the previous government's programs as is, until our budget. You will see our budget and then you will see if we have made eligibility changes or brought in new programs which have different eligibilities. So the answer is that until five o'clock today, I can't give you a firm answer. I'll know probably in the next few weeks. There was no discussion or indication that there would be something forthcoming so we can't even hint at anything. That's sort of where we are with the federal government.

If we had a good case, if Mayor Clarke came back and said this container terminal is going to open, blah, blah, blah, we would look at different ways in which the federal government could be enticed to support that. I think one of the federal MPs has made some statements.

MR. ORRELL: Yes, because one of the federal MPs that represents my area was very adamant that the former government was doing nothing to help the railway that he thought the government should. Now that they're government, I think that conversation could be back open again. If that conversation was that strong at the time that the Liberal members felt that it was a good thing that if the federal government got involved, I think that conversation should start again if it's not included in today's budget.

I guess the other question I have is, you're talking in the standards about the Class 3 standard of the railway, to increase the speeds and to costing in and around the area of \$30 million over five years - not a huge investment. How long would that investment last if it was to take place over the next five years in the overall running of the railway, as compared to some of the other money that has been spent in the last year or two to try to develop further transportation links that have nothing associated with it? That \$30 million on the railway for the five years, how long would that investment last?

MR. LAFLECHE: Do you want to explain the classes - Ms. Delbridge, you were going to explain the classes, or were you?

MR. STEPHEN NEWSON: I can.

MR. LAFLECHE: Stephen Newson hasn't said anything; let's give him a shot. (Laughter)

MR. NEWSON: With the investment in the track to go up to Class 4 to run to the container terminal, you're talking well over the \$30 million. Over the five years you'd want to see that - they'd have to hire a lot of people so it would be good for jobs and that, but

I'm just thinking - they would spend the \$30 million fairly easily over the five years, obviously, to get the line up and running. Mainly it would be to get the track up and that, so it's potentially possible to do that in the five years.

MR. ORRELL: But how long would that investment last?

MR. NEWSON: It all depends on the traffic.

MR. ORRELL: Well, let me just compare it to other investments. Over the last couple of years we invested \$42 million in the Yarmouth ferry and today we have nothing to see for that investment. With the track, if we invest that in five years with five years' worth of rail and five years' worth of traffic on it, how much longer could that investment last, compared to what we've invested in and have nothing to show for - wind power, for example, with DSME, and so on and so forth. All these big investments have been made and nothing to show for it today, but that investment in the railway would last for approximately how many years?

MR. NEWSON: The rail investment would depend on the agreement the railway has with a container terminal to haul that rail and then would spread those costs over the term of that agreement, which likely would be a 20-year agreement; that tends to be how the industry does it. I can't answer for the other industries. That's generally what they do for any type of mining operation or a large operation, they would go into that type of an agreement.

MR. LAFLECHE: I think the issue here really is not how long it would last. If there are no trains running, then we have a hard time making a business case for investment. We really need to hear that the container terminal is a go. Once we hear it's a go, we see the investment, we see it being built, we get trains running, then we will have a good case to approach the federal government and our own government, and talk about investments in the railroad. But it's kind of hard to invest when there's no trains going.

MR. ORRELL: We had *Bluenose II* not running for the last four years and we made substantial investments in that as well. So in order to make sure that the investment could be there, we have to make those investments to make sure that is there because without either/or, she's a hand-in-hand job.

I'm just concerned that if we don't do the investment in the railroad and the terminal takes two years to develop, then it may cost us a lot more money later to bring that up to the standard it has if the maintenance is not done on it now.

MR. LAFLECHE: I think the studies have shown that if that container terminal is built and it's not a transshipment one, but rather it's one to carry goods to the interior on rail, you will have the rail fixed and you will have companies lining up to do that. So I wouldn't worry about that. We really need to know about that container terminal because that's the key to all of this.

MR. CHAIRMAN: Mr. Wilson.

MR. DAVID WILSON: So in the meantime - and this kind of piggybacks my colleague's question. I know an assessment that was done to maintain that subdivision for Class 3 speed was around \$31 million; people have said it's much more than that. Has the department had any discussions on a monetary number that would be acceptable for the department to be involved to continue to upgrade or maintain that line in hopes of having a container ship there? Or are you saying that government is not going to make a decision unless we hear from the container shipping terminal going forward?

If that's the case, the government is stepping back - we're not going to be involved in maintaining that rail for potential use until we hear that. Is that where the department is or do you have a figure that you're willing to say, yes, we're going to make sure - and I use an analogy like "hot idle" of a company, for example, that may have gone under. Are you willing to step up to say, we want to make sure that we position Cape Breton in a best position for that container ship to go forward? If the decision doesn't happen in the next six months and abandonment happens April 1st, what happens then?

MR. LAFLECHE: If I used those two words you just used, my kids would each get 5 bucks from me. Those are considered swear words and you know why. (Laughter) Anyway, that's not to say it was a bad idea - I'm just saying they're not good words in our vernacular anymore.

I think you're talking about two different things there. One is upgrading the rail, preparing for the future. First of all, the railroad owns the rail - we don't - and so they have to be willing to do that. They're not willing to do that. We have a hard time going to Ottawa and making a joint business case for that.

The other thing you're talking about - a bit different than Mr. Orrell - was how do we ensure that the rail doesn't deteriorate? In other words, it doesn't fall apart, it doesn't get stolen or wrecked or whatever could happen to it, so that it's still there in five years even if no one is running trains on it, so that if that container terminal comes in, we're ready to go. That's a different conversation. That's not a conversation that I personally have had with the company yet. I don't know if you have, Steve.

MR. NEWSON: No.

MR. LAFLECHE: That doesn't mean that conversation won't one day happen, but they have not even applied for abandonment yet, which means they are doing that right now. So if they're doing that right now - protecting the integrity of the rail because they still own it, like the Windsor-Hantsport Railway, Mr. Schmidt who owns that railroad - why would we the taxpayers run in to make those payments?

When they apply and successfully obtain abandonment - and they could because the minister cannot withhold that arbitrarily if they fulfill all the requirements, which could be onerous, but they might fulfill them. When that all happens, there may be a conversation.

I have heard rumours - only rumours - that the Port of Sydney has been involved in such conversations, but we haven't. Not me, not Steve, not Shannon - none of us.

MR. DAVID WILSON: Has the minister?

MR. LAFLECHE: We don't know. Maybe you need to ask him.

MR. DAVID WILSON: I will. (Laughter) Thank you for helping me get questions ready for Question Period.

MR. LAFLECHE: It's really a conversation for the Port of Sydney and for the mayor at this point in time. Why would we have that conversation in advance of any abandonment? It doesn't make sense for the taxpayer.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Are you done? (Laughter)

MR. LAFLECHE: Yes, I'm done, but can I take a second of your time to address an important thing that Mr. Orrell brought up? He talked about a federal contribution.

MS. LOHNES-CROFT: Go ahead.

MR. LAFLECHE: I don't want to leave anyone with the impression that we're not happy with the previous federal government's contribution or we are happy. Either way, it's irrelevant to me. I want to put on the record that they did make a substantial operating contribution to the Port of Sydney to chase up the container terminal opportunity. The province did not - under two governments - but the federal government did.

So even though they said we're not putting anything into the railroad now, they did say we'll help you figure out this business case. I believe the current Liberal Government in Ottawa is continuing that support but I don't have all the facts on that, you'd have to go and ask them.

MR. CHAIRMAN: Ms. Lohnes-Croft, we'll try again.

MS. LOHNES-CROFT: This is for Ms. Delbridge, about bridges. I noted in the notes when you were speaking about the second study, the engineering study, the two bridges were mentioned that are not compliant for double-stack containers. I know what a double dory is but I don't know what a double-stack container is. Are you talking about on trucks, or the trucking?

MS. DELBRIDGE: Basically, you've seen a rail car go by, one compartment; there's a second compartment sitting on top of that rail car so they are double-stack, meaning they can take double cargo if the rail line would permit it.

There are nine structures, nine through truss bridges and overhead structures that were looked at as part of the evaluation of the engineering study. They looked at those structures for double-stack containers against Transport Canada guidelines for certain types of clearances that are required. There are three tests actually: are the clearances sufficient, does the track structure support that kind of weight, and the third is car compliance. Certain types of cars have to be prepared in certain ways in order to comply.

The first test around the track structure was fine, the track is sufficient to handle double-stack cars. The third, around car compliance, dealt with another regulatory body and that was deemed to be fine, but it was around the bridges. So two of the bridges failed to have the right or the sufficient clearances, vertical clearances, to allow double-stack cars so they would have to be remediated if there was a container terminal and if they were using the rail and if they wanted double-stack cars.

MS. LOHNES-CROFT: Okay, thank you.

MR. CHAIRMAN: Mr. MacLeod, back to you.

MR. MACLEOD: Earlier, deputy, you talked about a business case. One of the things I'm very curious about finding out is, how sure are we of that \$31.4 million number that is being used? How accurate, how sure are we that that is the number that it would take to get from here to five years down the road, that investment would bring it up to the Class 3 that we talked about?

If I'm looking at this thing and trying to build a business case, I just want to know how sure, how comfortable the department is with that number.

MR. LAFLECHE: Okay, the thing you need to get into at this point is the difference between Class 3 railroad and at what speed the train goes.

MS. DELBRIDGE: The train is classified as a Class 3 but there are 48 points on the city subdivision segment where G&W have slowed the trains down to address safety concerns, so Class 1 and Class 2. Class 1 track, at the maximum level operating speed for freight trains, is 10 miles an hour so it's pretty slow; it's 40 miles an hour for a Class 3.

MR. LAFLECHE: And that's not only in the Sydney subdivision, it also exists in the Hopewell . . .

MS. DELBRIDGE: No, this examination was just for the Sydney subdivision.

MR. LAFLECHE: But I mean there are points in the Hopewell . . .

MS. DELBRIDGE: There are points in the Hopewell . . .

MR. LAFLECHE: I wanted to point that out. (Interruptions) Right, so what I'm saying is that to get the train down it's not only about upgrading to Class 3, the Sydney subdivision, what we didn't look at was how much it is going to cost to upgrade the Hopewell too.

MS. DELBRIDGE: Absolutely, that's a very good point there. We may, even if we were able to invest in the Sydney subdivision, if there was going to be a container port and the business case was made, the Hopewell subdivision still might not be sufficient to address the future needs. That would be an issue.

Mr. MacLeod, you asked the question about how sure we are that the \$30-plus million is sufficient to bring the rail line up to a Class 3, I would say that's a very conservative estimate, based on the engineering study. At least that \$31.4 million is comprised of a number of factors, both capital and operating, as was mentioned earlier.

The geotechnical work for erosion, the signals and communications, the track maintenance itself, the rail, the ties, the ballast and so on, at least four of those six factors the company felt they were insufficiently estimated, meaning it's highly likely that it would be more than \$31.4 million. So again, that's a conservative estimate to get it up to Class 3.

MR. MACLEOD: I guess my question really is, the \$31.4 million that's given in the report, would that maintain the current operating standard or would it bring the standard up so that they wouldn't have the Class 1 and Class 2 issues, or were we just talking about maintaining what we currently have over the course of the next five years?

MR. NEWSON: The \$31 million would increase the - the trains would be able to run faster at a Class 3, so it would get rid of the slow orders basically that are on the track now, for the reason why it's running at 10 miles an hour in a number of locations. It would increase the speed, yes, to the Class 3, to the 40 miles an hour; it wouldn't take it up to the 60 but at least it would be up to 40.

MR. MACLEOD: So Class 3 is only up to 40.

MR. NEWSON: Up to 40, yes.

MR. MACLEOD: The reason nobody has looked at the Hopewell line is because they're still making money there. So as long as they're making money, they're going to maintain what they believe is a standard to make that work.

What we're looking at is trying to keep a line that they are saying no longer makes money for them and that it costs them money to operate it. Nobody has mentioned the fact that there are a number of jobs in Cape Breton that are now in jeopardy because this line is not here.

I know you said there had been agreement made between the company and the people who were receiving the services but when you tell me that today I'm paying \$100 for a car to come and next week I'm paying \$5,000, I don't know if that's agreement so much as a bullying tactic. I wouldn't go around and use the phrase that there was agreement because there was no agreement, they were forced by this company to look at doing things in a different way, which now put jobs like at Trans Atlantic Preforms and other businesses in jeopardy because the reason they were able to do their work is they bring in bulk materials at a cheap rate - three to one as you indicated. They come in at a cheap rate and so they are able to perform that operation in Cape Breton Island and they ship out their product by truck - the finished product goes out by truck.

I think there's a little disagreement in what I see as an agreement and what I see as bullying on the part of G&W because that's exactly what they did in that case. There is nobody who is going to change my mind on that.

The question I want to ask one more time about the \$31.4 million, and Steve, I think you might be the right guy to answer it, the bridges; we've seen reports of people who have said these bridges are not up to standard, they are not strong enough. Did that study take into consideration all the bridges, like Grand Narrows, Little Narrows, and through that whole central part of Cape Breton where there are a number of trestles?

MR. NEWSON: Yes, the study done by Canarail did look at the bridges. The bridges are in compliance with the weights they are hauling now at the 263,000, so what Canarail would be concerned with is can it haul at 286,000? You have container trains and you want heavier locomotives hauling the traffic - not so much the cars but the locomotives. Then you have to look at the structures. For the most part those structures are all capable of carrying the 286,000 because they were built for a different time period when you had steam locomotives with different types of forces on the track.

So as much as you'll see rust on the structures because railways tend to not paint them, I mean they just let them go the way they are because it really doesn't hurt, because of the way they were built, those structures can handle the container traffic.

I can't say there won't be some work needed on Grand Narrows just because of the type of structure it is with the swing structure on it. I suspect that yes, there will be some work that will need to be done on that structure. But as far as the other ones go, it would be the ordinary maintenance on the structures and you would have to do some track work on the ties, and because you want to haul at a higher speed, you will need to improve some track conditions on those structures.

MR. CHAIRMAN: Mr. Maguire.

MR. BRENDAN MAGUIRE: Just listening to all the comments here today, it sounds like the rail and the train are tied to the new container port that's going to Cape Breton but you keep saying if, if, if. This is an important project for Cape Breton, it's an important project for the rail system - what's the holdup? Why do we not have more information? Why can't you be more definitive on if this container port is happening, and why are we not getting information more freely, if it's such an important tie to the railway?

MR. LAFLECHE: You need a different witness for that answer . . .

MR. MAGUIRE: Who?

MR. LAFLECHE: You need to get Mr. Merritt, the CAO of CBRM, or Marlene Usher, the CEO of the port authority. We have a little more insight than you would have on that - they do share stuff with us, and they might share stuff with the minister and the other MLAs next to you in Cape Breton. But really, that's their project; they're driving that project. We have no more information there than we would have on the Port of Halifax.

MR. MAGUIRE: If you're expected as a department and we as taxpayers to come in and help maintain or keep these rails alive, should we not have more information on a project that is needed to keep these rails alive? Are you not sitting down and having conversations with CBRM and saying, where's the information? Where are we on this project? If you're wanting to spend \$40 million over five years, we need more than just an "if" or "maybe".

MR. LAFLECHE: They know where we are and they know where the process is, so they do know what's happening and what the potential is in the near future. It's up to them to supply us with that information.

I can appreciate that they have been very strict with us, and they have confidentiality agreements and other things, as does the Port of Halifax. In fact, today I believe - or maybe it's tomorrow - I'm meeting with the representative for the Port of Melford, which is another potential container terminal, as you know, in the Port Hawkesbury area, in the Strait area. We have some information from them again but we are not privy to their negotiations with international clients, nor would we get involved in that unless they ask us for something.

Now if they presented a business case to us and specifically asked for something, we would probably have to say, well, we need some information here, but that's not where we are. If we were to make a business case to the federal government - as was suggested by a couple of the members - on an upgrade or maintenance of the track under a future federal program, then we would need a lot more information probably than we have today.

MR. MAGUIRE: So we don't have enough information to put forward a business plan to the federal government is what you're saying.

The other question I have is, apparently after November 8th there's going to be an influx of Americans moving to Cape Breton so - in all seriousness - why not use the train as a form of transportation to and from Cape Breton? It used to be that. We've heard stories about people coming from St. F.X. and different universities back and forth. Why not use it as a transportation train?

MR. LAFLECHE: I can certainly bring that up with Genesee & Wyoming, but typically passenger trains are an add-on to a successful cargo line. You have to have a successful cargo line in order to be able to add the passenger train component, like VIA does to it. So a passenger train in itself - there are very few examples in Canada of that on its own being a successful economic entity that has a business case.

I would think that most of the people coming up after November 8th - and it might actually be after the swearing-in which will be, as you know, I think January 2017, that they would probably drive up, but we'll see.

MR. MAGUIRE: So once again, a lot is riding on this.

MR. LAFLECHE: Yes, and here's a different question - could we have a tourism train if we have a cargo train? I've seen that in the media. There is one that goes up to Moosonee in Ontario, there's another one out West in the Rockies. That's a possibility but that's not something that we looked at, or at least we didn't look at it as a stand-alone reason to keep a railroad open - it would in no way do that. It might be a nice add-on if you already had a railroad running.

So those are all possibilities, but they're not the saviour of the line at this point, the running of the line - not talking about the abandonment; talking about the trains actually running.

MR. MAGUIRE: I just want to be clear that in your opinion - I don't know if you can say this on record - the container yard is the saviour. Do you think?

MR. LAFLECHE: We can only read the reports and we've given the reports to all of you and I think the media have them all and everybody has had them, and we can only tell you what the conclusions of the consultants are. This is what they're telling us and, in fact, Mayor Clarke has not said anything different, has he? This is what he has always gone by, so this is what we sort of believe. If someone could show us a different business case, that could be.

I think we have to remember this line is not owned by the province. The province does regulate it. The province has some jurisdiction. The province has to look out for taxpayers' interests. This line is owned by a private company, Genesee & Wyoming, and

we have to deal with that fact. So they will make business decisions. We may not like some of the business decisions, but as long as they don't violate any reasonable legislation, regulations, similar to what exists elsewhere in Canada, we cannot force them to do things.

As David indicated earlier, we did want to talk to them when they first came in back in April 2014 about continuing compensation for running the line and they did not want to have that conversation. We couldn't force them into it.

MR. CHAIRMAN: Mr. Orrell.

MR. ORRELL: I guess one simple question is, while the discontinuance is being considered, what are the requirements of Genesee & Wyoming for the upkeep of that line when it's in place? We've seen some pictures where there have been sections of track that the spikes have been taken out in certain areas where there might have been a station, say for example, before.

What's to stop, one, vandals, and two, the company, from starting to dismantle the line without anyone's knowledge? Is there something in place that requires Genesee & Wyoming to maintain that line while the discontinuance is going on? If that happens, what would be the penalty or is there anything in place to stop that or prevent that from happening?

MR. LAFLECHE: Discontinuance is in place now. It's abandonment that they're looking at. Steve or Bonnie - who wants to take that?

MR. NEWSON: Currently they discontinued the line and that decision was made by the Utility and Review Board, and if the railway starts taking out ties or starts taking out track and that, then the URB would act under their jurisdiction to say that you're not following our order. So legal action would be taken by them.

I do know that what happens with railways now when they're discontinued if there are issues, say, at a crossing or other issues on the line, we tend to phone up and say, hey, there's an issue with a rough crossing, and they go and fix it. So we really haven't had any issues from a maintenance point, from that aspect of it, and they don't have permission to take up the assets because they can't apply to abandon until April 1st, so that's where it stands now.

MR. LAFLECHE: We've had people phone up - and I would encourage, if someone sees some damage, phone up. We have had people phone up who wanted to use sections of the line or cross them I think, Steve, for events.

MR. NEWSON: Yes.

MR. LAFLECHE: And we've had to contact the railroad to facilitate those.

MR. CHAIRMAN: Mr. Mombourquette.

MR. MOMBOURQUETTE: Just a question on the timeline. You're in the process of designing new regulations, so when April 1st comes, what's the timeline moving forward from April 1st before they can even think about removal of any tracks?

MR. LAFLECHE: Let's go to hypothetical, which I hate to do. We don't even have the regulations, but if they file - I'm going to ask Bonnie this - an intent to abandon on April 1st, which is the earliest date they can do it, what would happen next according to our discussion paper?

MS. BONNIE RANKIN: They can file a notice of intent to abandon. Then there would be a requirement that they advertise the line for sale, basically, and give sufficient time for any interested parties to come forward, time for them to negotiate with potential interested parties. If those negotiations - should any occur - not become fruitful, then they would be required to offer the assets to the province and to municipalities - again, a period for negotiation. If that's not fruitful again, then at that point they would have to apply for official abandonment and provide a detailed abandonment plan about what they propose to do with the infrastructure, and how they're going to ensure that public safety and remediation occur. It's quite a detailed process with lots of opportunity for other interested parties to step forward.

MR. LAFLECHE: It's a good question. If the discussion paper approach were ever adopted by Cabinet, let's say, the intent to abandon would be the first thing. Then there would be a long phase of, who might buy this? So "let's rip up the rail" is not the first thing, that's not at all the first thing. The first thing is go and let's see if someone else wants to operate the railroad. There's a whole process to go through and at the end of that then you can file your intent, your notice of abandonment. Then you have to do all that work up there that Bonnie showed you earlier. We can't tell you because a lot of that depends on how long they take to do that work.

MR. MOMBOURQUETTE: That's the premise of asking that question because at home, when we're at community groups and meetings and there's other MLAs who have been here locally, there's that assumption that once April 1st comes, they can remove the track. But that's not the case.

MR. LAFLECHE: They cannot remove on April 1st, they have a process to go through - not to say that someday they couldn't do it. If they follow all the process and they find - they have to have a business case, they're a business, so they would have to say at the end of the day that it's worth it for us to remove the track.

MR. CHAIRMAN: Mr. MacLeod.

MR. MACLEOD: My question is similar to what Derek had. On the sale portion of it, Bonnie, is there a minimum or a maximum time that that takes place? Can they put it up for sale in the *Cape Breton Post* tomorrow and say that if you don't answer us by Saturday then we're done? Is there a timeline for the different phases of the discussion paper that we're talking about?

MS. BONNIE RANKIN: Yes. We've proposed that they have to leave that period open for at least 30 days, to hear from any potential interested parties and then a period of negotiation after that with any parties that come forward.

MR. MACLEOD: So the public is asked first. Did I understand you to say that then the province and/or municipal units would have a second opportunity?

MS. BONNIE RANKIN: Yes.

MR. MACLEOD: And would it be the same again, the same kind of timeline again, 30 days, plus, plus?

MS. BONNIE RANKIN: Yes.

MR. CHAIRMAN: Are there any other questions? Mr. Wilton.

MR. WILTON: If it was up for sale, what's the value of that track? Maybe Donald Trump would buy the track. (Laughter) Is there a current value of its net worth?

MR. LAFLECHE: We've seen a lot of values in the media, we've heard Genesee & Wyoming say some values. Rarely have I ever heard the same value said twice, rarely have we ever heard it explained whether that's a net value or that just happens to be the value of the steel if it were at the buyer's yard, for instance, like no bring-up costs, no shipping, nothing. We don't know.

The net salvage value has a definition so it's got a lot of things that go into it. We don't have an idea of that. We're looking forward to some studies to illuminate and educate ourselves on that. I know that certain people have run out and said it's \$30 million, I've seen that one. I don't know where they got that but they seem to be pretty confident in what they say, and that's not Genesee & Wyoming. I don't know where all these figures come from but they seem to be circulating.

I would sit back and wait and see how things are. I don't know what the price of rail is, I don't know what type of - is that rail good enough rail to be transplanted elsewhere, or is that rail going to be melted down? These are all questions that cause a variation in the value. So we should just sit back and wait for the process to unfold as it will unduly, and

that question will be answered for us, but I do have a feeling that those at the high end of the spectrum are wrong and those at the extreme low end of the spectrum are wrong.

There have been other railroads, I think, that have come up elsewhere, but they didn't necessarily apply the net salvage value in a way that would protect the interests of the taxpayers all the time. So I wouldn't even go by that. Is there anything you want to say on that, Steve?

MR. NEWSON: No. (Laughter)

MR. CHAIRMAN: Back to Mr. MacLeod.

MR. MACLEOD: In the discussion paper when we're talking about remediation of the railroad, would that consist of just the current operational properties or would it also bring into - like the former roundhouse, there was in Sydney an area where they used to bring the trains in to turn them around. Would that area be part of the consideration of the environmental concerns that might have been developed in the discussion paper? There are some spur lines that have been removed and those kinds of things. Would all of those properties be part of the remediation process that would have to be looked at?

MS. BONNIE RANKIN: Yes.

MR. LAFLECHE: It's all of the properties that are owned by that railroad. I want to be careful because someone may look at a piece of rail up there in CBRM and assume it's owned by Genesee & Wyoming and it may not be. I don't have the list of everybody, but I know there are other sections of rail not owned by Genesee & Wyoming.

MR. MACLEOD: I appreciate that.

MR. LAFLECHE: Steve would know more.

MR. NEWSON: In CBRM it's a bit more difficult as to property ownership and those issues. The actual rail yard in Sydney is already under a remediation that is being taken care of by CN Rail. CN Rail sold the property to CBNS, but there was already contamination identified and that is already being addressed. In fact, I think it's fairly close to being considered remediation. I haven't had an update from the Department of Environment for a while. I think that's the roundhouse area you're talking about - it's included in that area.

MR. LAFLECHE: Steve just triggered an important point that CN, when it sold to RailAmerica - and then it became RailTex?

MR. NEWSON: RailTex before that, then RailAmerica.

MR. LAFLECHE: RailTex, then RailAmerica, then Genesee & Wyoming, but through this all, CN has certain obligations as the original owner. Our deal is not with CN. Our deal is with Genesee & Wyoming so Genesee & Wyoming would have to deal with CN.

MR. MACLEOD: But our deal is to do with any railroad properties in the Province of Nova Scotia. The discussion paper that's being delivered, if I understood you correctly, and the regulations that are being talked about deal with any rail lines within the Province of Nova Scotia.

MR. LAFLECHE: For Genesee & Wyoming, for the Sydney subdivision. They also own the Hopewell subdivision. On the Sydney subdivision, which is under discussion, our deal - our relationship - is with Genesee & Wyoming. They cannot come to us, as I know it, and say, we don't have to deal with this whatever cleanup because CN is going to do that for you. We want CN to deal with Genesee & Wyoming, and Genesee & Wyoming has to satisfy us that it's cleaned up. Whether CN does it or whether ACME Roadrunner Company does it, we don't really care - we want it cleaned up. That's what I'm trying to say.

MR. MACLEOD: Wile E. Coyote is saying that the regulations are for everybody that has rail lines.

MR. LAFLECHE: Right.

MR. MACLEOD: CN could be one of those.

MR. LAFLECHE: Except they're federally regulated in Nova Scotia.

MR. MACLEOD: That's good information for us to have, but then we have the other lines that you talked about. For example, the former line that ran between Glace Bay and the Donkin mine site is now owned by that company, and I'm just wondering if these regulations would apply.

MR. NEWSON: No, they wouldn't apply to it. They would only apply to railways that were licensed under the jurisdiction of the province that operate to the current Railways Act and Regulations. Those are abandoned lands that are actually owned by the federal government - the former railway lands like the Devco lands. Some of them were taken over by Emera - Nova Scotia Power, actually.

MR. MACLEOD: Yes, they were.

MR. NEWSON: No, it would only apply to railways operating under the provincial jurisdiction of Nova Scotia . . .

MR. MACLEOD: That still have rails on the ground.

MR. NEWSON: That are operating railways, yes.

MR. MACLEOD: Now you've said, or somebody said the one in Windsor.

MR. NEWSON: It still has a licence, it's still a railway.

MR. MACLEOD: It's abandoned but it's not . . .

MR. LAFLECHE: It's not abandoned.

MR. MACLEOD: Discontinued but not abandoned.

MR. NEWSON: Yes, so it's covered.

MR. LAFLECHE: If it's abandoned it's too late.

MR. MACLEOD: Right, so that's what I say, you've got to have rails on the ground.

MR. NEWSON: Yes.

MR. LAFLECHE: Well you have to be not abandoned, I think it is, if I could put it that way. Some of them would have been abandoned under a federal procedure before we had jurisdiction, years and years ago.

MR. NEWSON: The easy way to look at it is, if you've got an operating licence in Nova Scotia today and you are a railway, then you are covered under the legislation and the Act. The other railways that were abandoned were under federal jurisdiction so that's where that lies, it doesn't lie with the province.

MR. LAFLECHE: You're not worried about Upper Clements Park, are you?
(Laughter)

MR. CHAIRMAN: Anyway, moving on. I'd like to thank the presenters for coming today. You have a few minutes for some closing remarks. I'll throw it over to you guys.

MR. LAFLECHE: I think in conclusion, we have a twofold job. One is to obviously regulate the railway business for both safety and operations, and regulate the discontinuance and abandonment of lines, short lines. The federal government has jurisdiction over all other interprovincial railroads. We have that but we also have, under

Gateway, an obligation to look at economic activity in Nova Scotia. So the Port of Sydney and the situation happening there, despite my inability to address the questions of a couple of the members opposite here, is a very important thing to us. It's an opportunity for Nova Scotians, and of course we would hope that that opportunity bears fruit. If they approach us and talk to us and they have a business case that we can bring to the federal government or partner with, we will always look at that if we have available programs.

I don't want to feel that there's any discounting of that, it's just that that's not what we're here for today. We're here today to talk about the rail reports - that's sort of a different subject, the opportunities in Cape Breton for a container terminal.

I want to thank all the people who worked in the committee. I think it's particularly important that, with the very good ladies and gentleman who work as CAOs in Cape Breton and the representatives of the companies, that you understand that they put their heart and their soul to it. There was a time when I thought the company representatives would disappear as soon as the rail stopped running and they would lose interest. They did not, they stayed right until the very end. They were active contributors in this process and they were very helpful all the way to our last meeting last Fall. I really think it's important to give a shout-out to them and to the CAOs and to the mayors and wardens who supported them in really taking a hard look at the issue of Cape Breton rail.

I want to thank my colleagues, too, who joined me and made many interesting trips to Port Hawkesbury and Sydney. I do have a couple of questions of my own, am I allowed to ask some?

MR. CHAIRMAN: Go ahead, Mr. LaFleche.

MR. LAFLECHE: One thing that I want to know and Mr. Oxner here can probably answer this, this guy with the cape who is filling gas in my car, do you know why that happened?

MR. OXNER: Yes, I do.

MR. LAFLECHE: Okay, can you fill us in?

MR. OXNER: I drove Mr. LaFleche's vehicle from Enfield to the meeting in Port Hawkesbury and I had to adjust the steering wheel to bring it up so I could see the speedometer because I might have got a speeding ticket. Subsequently I guess I didn't notice that the gas gauge was reporting on empty so at one of the meetings, just outside of I guess Aulds Cove, about five clicks outside Aulds Cove, we actually ran out of gas and we had to seek assistance from our department. At that time I was with Economic and Rural Development and Tourism, so the Department of Transportation and Infrastructure Renewal came to our rescue and was able to give us some gas to make it to Port Hawkesbury.

I will note for the record, though, on a subsequent trip to Cape Breton in which I didn't accompany the deputy, the deputy's same vehicle - I don't know who was driving - it broke down . . .

MR. LAFLECHE: In front of the Antigonish Canadian Tire, the best place to break down, a great dealership. They put us back together in only two hours of pacing on the cellphone, so I want to thank them for the great service of retrofitting a vehicle. It's a Tribeca B9. They'd never seen one before, but they managed to put it back together and got us on the road. So thank you to the Canadian Tire in Antigonish - a little plug.

MR. CHAIRMAN: Thank you, and Mr. LaFleche, we'll see you next weekend. I just want to bring to your attention, Mr. LaFleche, that Mr. Maguire has free haircuts.

MR. LAFLECHE: Oh. Yes, I forgot to say that. That was yesterday, and 10 days ago the Premier ordered me to get a haircut, which I have not gotten since. So I was very pleased to see this morning that there were free haircuts, but then I realized that Facebook post was yesterday. So any other MLAs that have haircuts in their office, I need one before I meet the Premier on Thursday.

MR. MAGUIRE: Just call my office and we'll make arrangements.

MR. LAFLECHE: Thank you.

MR. CHAIRMAN: We'll let the witnesses go and then we have a little bit of committee business to tidy up.

[2:51 p.m. The committee recessed.]

[2:52 p.m. The committee reconvened.]

MR. CHAIRMAN: I quickly call this meeting back to order. I just want to follow up on some correspondence from the Department of Business - information requested on the 12th, I want to make sure that everybody received that. Are there any questions?

Following that, the next meeting is Tuesday, April 12th from 1:00 p.m. to 3:00 p.m. with the Department of Business regarding Nova Scotia Jobs Fund. Following that meeting, depending on when the House sits or how long it sits will be our meeting in May or June, but just to keep in mind that will be our last topic so we will need new topics coming forward for that May meeting, so just a little heads-up on that. Is there anything else that needs bringing to our attention?

MR. WILTON: I'd like to request that the CBRM come in. Can that be done at that time?

MR. CHAIRMAN: Yes, that can be done at that time. It will be at an agenda-setting, and then what will happen is all the three caucuses will present topics. Then we'll take all those topics and . . .

MR. WILTON: Is it possible at that time to get Genesee & Wyoming to make some type of presentation?

MR. CHAIRMAN: We can try to do that. Thank you very much.

This meeting is adjourned.

[The committee adjourned at 2:53 p.m.]