



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Natural Resources

EVIDENCE

NUMBER 055

Tuesday, March 7, 2023

Chair: Mr. John Aldag



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• (1540)

[English]

The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)): Good afternoon, everyone. I call this meeting to order.

Welcome to meeting number 55 of the House of Commons Standing Committee on Natural Resources. Pursuant to the order of reference made Wednesday, February 15, 2023, the committee is meeting on Bill S-222, an act to amend the Department of Public Works and Government Services Act regarding the use of wood.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. I'd like to remind everyone that screenshots are no longer permitted when we're in session. There are a few quick things. I think we have lots of old hands and experienced people online with us.

Welcome, retired former senator and Mr. Angus. If you need to speak, use the “raise hand” function, and I'll ask anybody online to mute yourself, or unmute yourself, as necessary. Comments should be addressed through the chair. We'll use our handy card system. You'll have five minutes. When your time is up, I'll give a 30-second warning, and the red card is for time's up.

We're going to start with some opening statements from the sponsors of the bill. We have Richard Cannings, member of Parliament, who is the House sponsor, and Hon. Diane Griffin, retired senator, as the Senate sponsor.

We're going to take the first hour to go through with our first panel, and then we'll switch and have Natural Resources and Public Services and Procurement Canada for the second hour. At the end, I need to save a bit of time for a study budget and a quick question on committee travel, so that'll be the business for today.

With that, we'll go to Richard.

If you're ready to give your five-minute opening statement, I'll turn the floor over to you.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you, Mr. Chair.

It's certainly an honour to be here before the natural resources committee, a committee that I spent six enjoyable years on previously.

I'm here to talk about Bill S-222. It's clearly a Senate bill, as we've heard, but it's essentially the same as my Bill C-354 of the 42nd Parliament, which passed through the House in 2018. Of course, I'd like to thank my friend Senator Diane Griffin for reviv-

ing this bill in the Senate in this Parliament, and to Senator Jim Quinn for carrying the torch after Diane retired.

Since it's such a short bill—one clause is really all there is to it—I will just read it. It amends the Department of Public Works and Government Services Act as follows:

(1.1) In developing requirements with respect to the construction, maintenance and repair of public works, federal real property and federal immovables, the Minister shall consider any potential reduction in greenhouse gas emissions and any other environmental benefits and may allow the use of wood or any other thing—including a material, product or sustainable resource—that achieves such benefits.

That's it. I want to spend a couple of minutes explaining why I tabled this bill back in 2017 and persisted through to this day, to today, to get it passed.

First, it speaks specifically to the important role that buildings play in our carbon footprint as a country, as a society, and therefore the important role they must play in our efforts to significantly reduce that footprint. Buildings account for up to 40% of our greenhouse gas emissions. A significant part of those emissions is tied up in the materials we use to construct them.

Wood is an obvious candidate in sequestering carbon dioxide from the atmosphere and storing it for the long term in buildings and other infrastructure. Indeed, the early forms of this bill from previous Parliaments—this goes back to 2009 with a Bloc Québécois bill—were specifically about promoting the use of wood. That name “use of wood” remains attached to this bill, but this bill was amended in the 42nd Parliament to broaden its impact by simply asking for an analysis of environmental benefits.

Second, the government procurement that could flow from this bill would provide support for the forest sector in Canada. I don't need to go into much detail about why the forest sector needs our support, but if we can develop new markets for our forest sector, particularly domestic markets but also internationally, I think we can maintain and grow our forest industries, creating jobs and wealth across the country.

Third, although it's not specifically mentioned in this bill, it's meant to promote engineered wood or mass timber construction. This innovative technology is taking hold in North America, with leading manufacturers being in Canada in both British Columbia and Quebec. These companies and others like them would greatly benefit from government procurement that would allow them to grow and maintain this leading position in the continental market.

There are other models of this bill out there. This is not a new idea. There are several pieces of legislation in provinces, notably British Columbia and Quebec, and in other countries, especially throughout Europe. France offers incentives for meeting embodied carbon and net-zero energy targets that plan to move from 5% wood buildings to 30% over the next 30 years. Other European countries, including Germany, the Netherlands, Sweden, Switzerland and the U.K., require or promote full life-cycle analysis and embodied carbon reporting.

Right now, only about 5% of our buildings use wood as the main structural component. The rest are built with concrete and steel. This bill would not exclude those sectors. The cement industry wants the government to look at infrastructure projects with the dual lens of a carbon footprint and overall lifetime cost. That's exactly what this bill asks.

I'll close by saying that this bill is about recognizing the big role that buildings have in our greenhouse gas emissions and about making sure that we take steps now to lock in emissions savings for the future. With wood playing an important part in these savings, we can create beautiful, safe buildings with a low-carbon footprint and support the forest industry across the country.

Thank you.

• (1545)

The Chair: Great. Thanks, Richard, for your opening comments.

We'll move right away to the Honourable Diane Griffin.

Senator, if you're ready to go, we'll turn the floor over to you. When you begin, I'll start the clock so that you have five minutes.

Thanks for joining us today.

Hon. Diane Griffin (Retired Senator, As an Individual): Thank you for the opportunity, Mr. Chair, to speak to this bill.

As my colleague noted, the bill is straightforward. It amends the Department of Public Works and Government Services Act to require that, when the government is building or refurbishing publicly owned property, it consider using wood as a material and that the comparative carbon footprint of materials be considered.

I have seen first-hand that engineered wood can be used in the construction of buildings. Several years ago, our Standing Senate Committee on Agriculture and Forestry travelled to British Columbia and we visited Brock Commons, which is an 18-storey building. It's a student residence at the University of British Columbia. It's a beautiful structure that demonstrates some of the best qualities of engineered wood buildings.

Engineered wood structures sequester carbon. The production of engineered wood beams is less intensive than that of concrete or steel, and the carbon within the wood is stored for the life of the

building. Given that buildings account for such a large percentage of carbon emissions, adopting this technology more widely would help with our greenhouse gas emission targets.

Engineered wood structures can be erected quickly. Using a crew of nine people, the mass timber construction of Brock Commons was completed less than 70 days after the prefabricated components arrived on the site.

Also, as already noted, using wood products supports the Canadian forest industry. A healthy forest industry obviously means more jobs for workers in rural Canada. A further advantage is that wood is a renewable resource.

This is an area in which the federal government can lead the way. As the largest procurer in Canada, the federal government's use of engineered wood in even a handful of projects could begin to turn the tide. As architect Michael Green told this natural resources committee in 2017, "it's really, again, just an emotional shift that has to happen to embrace the science we already know."

Other countries, including France, Finland and the Netherlands, have similar legislation in place. As already noted, in Canada, British Columbia and Quebec have legislation to support the construction of engineered wood buildings. In 2018, Alberta's Minister of Municipal Affairs announced that Alberta would allow wood building construction for up to 12 storeys. He noted, "Not only will this decision support the forestry industry and land developers, it will provide affordability to homebuyers, bolster employment, and give Alberta a competitive advantage."

Engineered wood construction presents a huge opportunity for value-added forest growth for both domestic and international markets due to the amount of untapped potential in the forestry sector.

In closing, I also want to thank the New Brunswick senator, Honourable James Quinn, for taking over sponsorship of Bill S-222 after my retirement from the Senate. Again, I thank MP Richard Cannings for his sponsorship of the bill in the House of Commons. As he noted, he's had a long journey on this one, going back to when it was Bill C-354.

As well, thank you to the committee for your consideration of this bill.

The Chair: Thank you for your opening comments. I really appreciate your joining us in your retirement. It's good to have you here.

With that, we're going to have time for one round of questions, which will be six minutes for each of the parties. Then we'll see where we are, but that should take us to the end of this first panel.

I'd also like to welcome Sameer Zuberi on the government side and Tako Van Popta on the Conservative side.

I have Mr. Van Popta as our first questioner.

I'll turn it over to you, Mr. Van Popta. You have six minutes.

• (1550)

Mr. Tako Van Popta (Langley—Aldergrove, CPC): Thank you, Mr. Chair.

Thank you for welcoming me to the committee. It's an honour to be here.

Senator Griffin, thank you for being with us.

Mr. Cannings, it's not every day that we have a fellow member of Parliament from British Columbia here as a witness. I didn't want to miss the opportunity to meet with you and ask you a couple of questions about an industry that is so important to British Columbia—our forestry industry.

You said in a speech that you gave in the House introducing Bill S-222 to Parliament that this bill is modelled on the Wood First Act in British Columbia. I'd like to zero in on that a little bit. That might be a good model for us to see what impact Bill S-222 might have on the Canadian economy.

What difference did the Wood First Act of British Columbia make in British Columbia's forestry industry?

Mr. Richard Cannings: The Wood First Act in British Columbia was really meant, I think in the words of the government of the time, to “create a culture of wood” and wood construction in government infrastructure buildings in British Columbia. It hasn't forced the government to build with wood, but that bill, like this one and the *Charte du bois* or the wood charter in Quebec, was designed to put a spotlight, as you say, on wood as a great construction material for modern buildings, especially with mass timber construction.

Since the Wood First Act in British Columbia was introduced, there have been many provincial infrastructure builds, including the airport in Smithers. A fire hall on Vancouver Island was built out of engineered wood. That's what the Wood First Act in British Columbia was meant to do—to complement that across the country with federal infrastructure.

Mr. Tako Van Popta: Thank you for that.

I know that the British Columbia legislation provided the provincial government an opportunity to showcase engineered lumber and timber, so nobody would argue with that. My question is whether it had a marked or measurable impact on the industry. I'm looking at the Statistics Canada report. If I look at the number of hours worked in wood product manufacturing over that almost 15-year period, I see this made almost no difference at all.

This is aspirational, but is it having a real impact?

Mr. Richard Cannings: What I would say is that the Wood First Act and the wood charter came early on in the uptake of mass timber construction. When those bills were introduced, there were literally only two companies producing mass timber products in Canada. There was Chantiers Chibougamau in Quebec and Structurlam in Penticton. Now there are many more, depending on how you define that. There's StructureCraft in Abbotsford, and the mem-

ber from Abbotsford's brother, I know, is involved with that. There's Kalesnikoff Lumber in Castlegar. It is growing.

The reason I first introduced this bill is that I've talked to the people involved in these industries, and they've needed some help with government procurement to really get them going. They were leading in North America, but it was such a small part of the market that they wanted that added government procurement to boost them.

The forest industry has been through such turbulent and tumultuous times that I'd be hesitant to put any stock in the numbers of hours spent building this or the number of projects, but the number of projects for mass timber has gone from 10 across the country per year in 2010, to about 50 now. There has been a quintupling of the growth in the last 10 or 12 years. I think that's a better indication of where this part of the industry is going.

Any time you promote the use of mass timber, you're promoting the use of the two-by-fours and two-by-sixes that go into that construction from mills across the country.

• (1555)

Mr. Tako Van Popta: Thank you.

I have a quick question for the senator.

In your address in the Senate you highlighted the fact that this legislation could put Canada in a better position with respect to our trade with the United States. I would note the lack of a softwood lumber treaty with the United States.

I wonder what your comments are with respect to this filling in where the Liberal government has failed to secure a softwood lumber treaty.

Hon. Diane Griffin: You're right that softwood lumber has been quite an issue over the years, as we know.

My experience is primarily from the maritime provinces. I'm from Prince Edward Island. In the maritime provinces this type of a bill, Bill S-222, would really benefit us, because we haven't had the same kinds of issues in the Maritimes as perhaps the rest of Canada has had with softwood lumber. I see this as being entirely beneficial in that respect.

Thank you for the question.

The Chair: We're out of time on that round.

I'm going to go now to my second person. I have Mr. Kody Blois for his six minutes.

Mr. Blois, over to you.

Mr. Kody Blois (Kings—Hants, Lib.): Thank you, Mr. Chair.

I would like to echo the comments of my colleague to you, Mr. Cannings, and, indeed, to Senator Griffin. Thank you so much for this project, for this bill. Senator Griffin, let me also say, of course, you being from the Maritimes, it's great to see a fellow Maritimer. Thank you for all your work and service on behalf of Canadians, but specifically those in Prince Edward Island as well.

I'm supportive of this bill. I really echo, Mr. Cannings, what you had said around the prospect for mass timber and the ability that this piece of legislation, and indeed the concept, represents.

In Atlantic Canada, we are working.... I say "we", but there is a company called the Mass Timber Company that is trying to actually echo and build some similar plants to those that exist in British Columbia, Ontario and Quebec. We have the ability to use Atlantic Canadian wood products to help support the northeastern United States and, indeed, our own country.

I'm generally supportive of the bill. The few questions I have are around the use of "may allow the use of wood." When I read the provision itself it seems as though, for those who might not be in the wood sector who are concerned about how we might be giving preferential access to wood products in the building, you were very intentional in the language by saying this is really about putting a lens on the reduction of greenhouse gas emissions associated with procurement and may use wood products.

Was there an issue in the past of why wood products couldn't be used, or is it more about using that language just to promote the industry writ large?

I'll start with you, Mr. Cannings.

Mr. Richard Cannings: In the early versions of this bill that were basically just to ask the minister to consider the use of wood, there was no mention of the other products so there were concerns around picking winners and losers and even some perhaps trade implications that, as Canada is a wood-producing nation, we would be favouring ourselves in these things.

It was specifically amended to highlight the greenhouse gases, the greenhouse carbon footprint aspect of these materials. It says the use of wood or any other material that may achieve these benefits. That goes to when I talk to the people in the cement industry and they say that cement is such a long-lasting product and they have new ways of incorporating carbon into it, so that they would be able to compete. I said great.

Mr. Kody Blois: I think about CarbonCure, for example—

Mr. Richard Cannings: Exactly.

Mr. Kody Blois: —a company in Dartmouth that's finding ways to put carbon emissions into the concrete itself. I appreciate the fact that this is promoting the wood products industry, but also it's keeping it open-ended in terms of any product that is going to be focused on GHG emission reductions.

Obviously, this is going to help promote and make sure there is a lens on wood products being used in procurement on the federal side. Have you had, Mr. Cannings, or perhaps you, Senator Griffin, any thoughts around on how we might have to amend building codes or federal standards? It's one thing if we have a lens on procurement in the country, that's good, but if our building standards

don't allow these types of products in the actual standards is that something we have to look at above and beyond this bill as well?

• (1600)

Mr. Richard Cannings: Yes, and that has been ongoing. The latest national building code of Canada moved up. Wood buildings are now allowed to be 12 stories high under the new code. That was entirely the result of the development of mass timber construction. As Senator Griffin noted, Brock Commons is 18 stories. Those buildings are done on a case-by-case basis, where you bring in the local fire chief and the special engineer designs and everybody signs off on it.

We have to keep up with those codes. We have to keep up with the education of architects and engineers and construction people to make sure they know this is available and how to do it.

Mr. Kody Blois: I also want to ask about the full life-cycle analysis.

Mr. Cannings, you mentioned, of course, that's something the department should be looking into.

Obviously, you mentioned you had a prior bill. You are sponsoring this in the House with the help of our Senate colleagues. Have there been conversations with Public Services and Procurement Canada about their analysis tools and if they have adequate mechanisms right now to make sure that is in place? Have you had any conversations about that? Obviously, the concept is good. I want to make sure, if there's work we have to do on the government side to prepare, that we know about it.

Mr. Richard Cannings: Yes. When I first introduced the bill a few years ago, those things were being started. I have met with PSPC more recently. They said this fits in perfectly with how we're doing things. They are developing these tools. Some are already there. Again, it fits in with the demands of cement. They said we should be using life-cycle analyses, and cement in many cases would do well.

That's what I want to hear.

Mr. Kody Blois: This passed unanimously in the House. I think we're all on board. I think we support the concept.

Mr. Cannings or Senator Griffin, do you see this as a tool that we should be using more widely, beyond wood and forestry?

I'm the chair of the agriculture committee. I think about the idea of trying to procure local foods and having that type of lens. Do you think this is something the Government of Canada should be using, even beyond wood products in general?

Mr. Richard Cannings: I think we have to look everywhere we can. The climate crisis is something... We have to do everything we can to alleviate it. Part of that is choosing, whether we're citizens or governments, what we buy or build things with. That's happening.

Mr. Kody Blois: Thank you, Mr. Chair.

Thank you, Mr. Cannings and Senator Griffin.

The Chair: Thanks.

Moving on, we will go to Monsieur Simard, who will have six minutes.

[*Translation*]

Mr. Mario Simard (Jonquière, BQ): Thank you very much, Mr. Chair.

I would like to welcome Mr. Cannings, with whom I served on the Standing Committee on Natural Resources in 2019, and the senator.

I am quite pleased to see this bill before us today. As Mr. Cannings mentioned, the Bloc Québécois introduced a similar bill in 2009. In 2014, when it was reintroduced by the Bloc Québécois, I laid the groundwork for the bill.

The bills introduced in 2009 and 2014 were somewhat based on the Quebec Wood Charter. That policy allows us to maximize the use of wood in government buildings in Quebec. Innovative wood solutions must be employed, as stated in the Wood Charter.

Personally, I find it very interesting, especially since the government is introducing new measures to promote green building practices, even though it did not set an example itself. In my opinion, it was high time to introduce a bill to promote the use of wood, especially since all the forestry sector stakeholders are in complete agreement on this type of measure. The forest industry council comes to mind as an example.

In fact, establishing a carbon footprint policy is one of the demands in the common road map. Today, we are going even further. Indeed, we are seeking to have the carbon footprint taken into account when awarding government contracts. In doing so, a material like wood will always have an advantage.

Incidentally, earlier, my colleague Mr. Blois asked why we wanted to use wood specifically. As any engineer will tell you, there is no similar material with such a low carbon footprint.

Mr. Cannings mentioned Chantiers Chibougamau. What Chantiers Chibougamau is doing with glulam and cross-laminated timber makes it possible to use what is called pulpwood, the small pieces that no one wants, to create huge infrastructure. There's a tremendous value added, but unfortunately, it's mostly outside Canada that these beams are being used. They aren't used as much in Canada or Quebec. Incentives are therefore welcome.

Mr. Cannings or Senator, have you considered using language in the bill that is a little more binding, that would emphasize the incentive aspect? As I read the bill, it struck me as wishful thinking, but that may be because of the legal jargon.

Do you think it would be possible to propose an amendment to make the bill's wording a little more binding as far as the government's use of wood was concerned?

• (1605)

[*English*]

Mr. Richard Cannings: Personally, I like the way this bill presents things. As you say, engineers who know about wood and architects who know about building with wood and engineered wood know what a good product it is. They know that it's beautiful, it's safe, it's cost-effective and it helps the Canadian economy.

What I really wanted to do, and what I think the Quebec wood charter and the Wood First Act in British Columbia do, is point to wood. We should be thinking of wood. Too often, people who are building buildings have been building with cement, concrete and steel for so many years. That's all they think about. This would point them in the direction of wood and say, "You should consider using wood. It's a great product, and it's widely available."

That's the approach I thought would be best, rather than prescriptive use. You know, across Canada we have some provinces like Quebec and British Columbia that are very wood-centred, but other provinces are not. I think this process is very beneficial and would achieve the same.

[*Translation*]

Mr. Mario Simard: I understand completely, Mr. Cannings, but let me give you an example to illustrate my point.

In 2021, before the election campaign, I believe, a person came to see me. She was distraught because the Canada Revenue Agency was planning to erect a new building in Shawinigan, and the use of wood had been totally overlooked. This person, who is in the glulam business, was told that the subcontractors didn't have a wood culture.

If it's not binding, then, I'm afraid that people responding to government calls for tenders will focus on materials currently in use and won't make an effort to use wood. If we want a change in culture, I have the feeling that we will need more binding language.

I don't want to change your bill, but there may be a need for more appropriate language to make sure, at the very least, that people make an effort to use wood.

[*English*]

The Chair: We're out of time, but I'll give you a quick response.

Mr. Richard Cannings: Again, I think it's always a delicate balance between being prescriptive and running into legal problems and, as I say, trade issues and things like that. What we really need here is for people to think about wood. It's a generational type of change we're after, and this is a pretty strong push in that direction.

The Chair: Thank you.

Last but not least, we'll go to Mr. Angus for his six minutes in this round.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you, Chair.

Thank you, Senator Griffin, for participating.

Mr. Cannings, I know my colleagues sometimes think.... They miss you greatly. I don't know what that says about my being your replacement that they always talk about how great it was when you were at committee, so I'm going to be super on my game in cross-examining you and questioning you.

In the language of the bill, it focuses on the need to consider the GHG emissions of building materials. The Quebec Forest Industry Council says that one cubic metre of wood is about 60 kilos of carbon, compared to 252 kilos for steel and 345 kilos for the same volume of concrete. If this were implemented, it would certainly give a benefit to wood, and I, representing a region heavily dependent on the wood industry, would be very favourable to that.

I want to ask you a question. Do we have any sense that the government will do anything beyond rubber-stamping and saying this is a wonderful issue and then continuing to carry on? Have we seen any shift in how procurement is being done to make sure new wood materials are being considered in buildings?

• (1610)

Mr. Richard Cannings: You can perhaps question PSPC very shortly on some of the details with that, but we have the greening government strategy, where companies must disclose the amount of embodied carbon in building products and work to reduce that, so there is that shift going on within government. There is also that shift going on within concrete and steel as well. As I said, the cement industry is keen to compete on these terms. That's why I was happy to change the language of the bill to broaden it so that we focused on the environmental benefits rather than the actual products we end up using.

Mr. Charlie Angus: Thank you so much for that.

Our committee is beginning a study of the impacts of Joe Biden's IRA—the Inflation Reduction Act, not the paramilitary group—and they have put aside \$100 million for government agencies to “make determinations” on selecting “materials and products” that meet the standards that will “reduce greenhouse gas emissions” of federally funded building infrastructure and construction building. The funding will also help identify “low-embodied” greenhouse gas emission materials in products across the IRA.

That is a huge financial incentive. One reason that New Democrats have pushed for this study on the IRA is the real possibility that Canada could be left behind in the development of a sustainable economy if the Americans are putting that much financial muscle into this.

Mr. Cannings, in your work, do you think our putting this legislation in place will help set the table for Canada to be able to compete? As a follow-up, will we need to be putting aside funding, as the IRA is doing in the United States, to incentivize these wood products?

Mr. Richard Cannings: Yes. Thank you. The IRA is certainly an issue that I think a lot of committees are looking at. We're looking at it on the international trade committee as well. I think it is a serious issue because of the vast amounts of government money being out there for all sorts of things, including building materials, as you say.

Now, the advantage that Canada has with wood, for instance, is that we are the leaders in engineered wood and mass timber construction in North America. I mentioned Structurlam, a company in Penticton. They have a facility in Arkansas. They moved south of the border some years ago in order to expand, but the trees used in these products are in Canada for the most part. We have that advantage, but I think Canada as a whole has to really double down on anything that would create the climate to take on the IRA. Whether it's in natural resources or in clean-tech products, we have to be very cognizant of that and do much more than we're doing now.

The one thing I will mention about mass timber products is that we can ship them to the United States and export them without tariffs under the softwood lumber agreement. It's a manufactured product, so it's not hit by those tariffs. There's an opportunity for increased market there.

• (1615)

Mr. Charlie Angus: That's good to know.

I want to end on the fact that it seems this bill is receiving support from across all party lines, which is quite interesting in this Parliament. We've been getting strong stakeholder support.

I just want to get this on the record in terms of safety, because I've always been very careful when it comes to considering our firefighters. I've heard many times from firefighters about going into buildings where they're concerned about the standards and about the need to really bring up higher standards to make sure that, when they are going into fire situations in buildings, they are not going to be put at risk.

I just want to put this on the record: How safe are these products, and have you had any meetings with the firefighters over this issue?

The Chair: Please give a brief answer. We're at the end of the six minutes here.

Mr. Richard Cannings: I would simply say that mass timber or engineered wood construction is as safe as, or safer than, concrete and steel, based on studies that the NRC has done. These are very different products from the sort of “wood stick” construction of smaller buildings.

The Chair: Thank you. Given where we are with the time, I don't think we have time for another round.

I'd like to thank both Mr. Cannings and Senator Griffin for bringing this bill forward to us. We will have to suspend for about five minutes while we switch panels. We have a couple of people appearing online, and we need to do a quick final sound check.

Before I do that, since we have a few minutes, a copy of the budget for this particular study—the one happening today and Friday—was circulated to the members. The total amount is \$5,350. That includes some witness travel, headsets and working meals. If anybody has any questions, I'd be happy to open the floor. Otherwise, I'll call the vote in favour of passing this budget for the study at \$5,350.

(Motion agreed to)

The Chair: Thank you very much.

With that, thank you to our panellists for being here.

Senator, have a wonderful retirement. I hope to see you back on the Hill from time to time, unless, of course, you don't want to come back to Hill. Enjoy, and thank you so much for joining us today.

With that, folks, we'll suspend. We'll be back in a few minutes.

• (1615) _____ (Pause) _____

• (1625)

The Chair: I'd like to call the meeting back to order.

We're now back in session. Once again, no photos are allowed until we adjourn.

I'd like to welcome our online guests and our one in-person guest. I'll introduce you momentarily.

For those who might be appearing for the first time, if you have anything to say, just use the “raise hand” function and then you'll have to unmute yourself. For language, you have the choice of floor, English or French at the bottom of your screen.

With that, on our next panel we have representatives from Natural Resources Canada and Public Services and Procurement Canada. First of all, online we have Gregory Smith, director, economic analysis division, with the Canadian forest service. From Public Services and Procurement Canada, online we have Stéphan Déry, assistant deputy minister, and in person we have Jean-Rock Tourigny, acting director general, technical services, both with the real property services branch. We welcome all three of you.

With that, we have an opportunity for a five-minute opening statement, so I will go to the Natural Resources representative first.

Mr. Smith, you may take the floor. I use a card system, so if the camera is on me and you see the yellow card, that means there is 30

seconds left. If you see the red card, it means the time is up, but don't stop mid-sentence. Finish your thought, and we'll move on to the next item on the agenda.

Mr. Smith, if you would like to take five minutes, the floor is yours.

Mr. Gregory Smith (Director, Economic Analysis Division, Canadian Forest Service, Department of Natural Resources): Thank you very much.

Good day, committee members. I'm Greg Smith, the director of the economic analysis division of Natural Resources Canada's Canadian forest service. I'm here representing the trade, economics and industry branch at NRCan.

I'd like to begin by acknowledging that I'm delivering this speech on the traditional unceded territory of the Algonquin Anishinabe people.

In this discussion today, I'd like to talk a bit about the linkages between the use of wood in buildings, environmental benefits and the Canadian forest bioeconomy.

Lumber has long been used in residential construction, but the use of mass timber and other engineered wood products is gaining traction in Canada and abroad. These wood buildings are renewable, require less energy to manufacture and are able to store carbon for the service life of the buildings, and even beyond if they are reused. These features speak to the benefits of wood building in terms of low embodied carbon and, therefore, to contributions to Canada's net-zero objectives.

A life-cycle emissions analysis of projects funded by the Government of Quebec showed that the carbon embodied in wood buildings is conservatively 20% less than in a functionally equivalent building made with more traditional materials. In some cases, that figure was 50% or even higher.

One of the first tall buildings ever built with mass timber is located at the University of British Columbia, as was noted previously by the honourable former senator. At 18 storeys, the Brock Commons Tallwood House student residence was the tallest wood building in the world at the time of its completion in 2017. The total equivalent carbon dioxide emissions avoided by using wood products instead of other materials in the building was more than 2,400 metric tons. That's equivalent to removing over 500 cars from the road for a year. Brock Commons demonstrates how the increased use of wood in building materials can help reach the Government of Canada's net-zero goals by 2050.

The federal government has recognized that in order to manage emissions in the built environment and increase the acceptance of wood products and systems domestically, it's critical to showcase the use of wood in non-traditional applications and to support a skilled labour force.

Since 2017, the federal green construction through wood program, or GCWood, has shown the innovative use of wood through support for projects like the Brock Commons. In addition, it has supported research and development, technical guidance and work to support the adoption of tall wood buildings into the national building code of Canada. GCWood has also funded the development and provision of training and education programs and resources and tools for professional design and construction communities.

Building with wood is also a priority identified by the federal, provincial and territorial Canadian Council of Forest Ministers, or the CCFM. Through its 2017 bioeconomy framework for Canada, the CCFM identified the need to increase value-added activity in Canada's forest sector. Growing value-added manufacturing is important to enhancing the economic resilience of the forest industry.

While I've been talking about forests in terms of their value as a wood product to this point, the 2017 framework recognizes the importance of standing forests to other things that Canadians value—for example, biodiversity, conservation, sequestering carbon, contributing to landscape and community resilience, human health and cultural well-being. The framework also acknowledges that climate change is putting pressure on wood supply.

By managing what is harvested and getting more economic value out of the wood we do harvest—including through the increased use of mass timber and other wood building systems—we help balance the contribution of Canada's forests to sustainable growth with their contributions to nature, climate and social priorities.

In 2022, the CCFM endorsed a renewed forest bioeconomy framework that identifies high-priority challenges to bioeconomy growth that are relevant across the country. The renewed framework includes actions for jurisdictions to take to help address these challenges. Most relevant to us today is the challenge related to a lack of support for demonstration and scaled-up financing, which are required to prove and commercialize innovative products and technologies, including wood building systems. To address this challenge, the renewed framework identifies the procurement of bioproducts by all orders of government as a responsive action.

In closing, there are significant environmental benefits to building with mass timber and other wood systems, including reducing embodied carbon emissions. Canada is well placed to access these benefits in the future given our innovative forest sector.

I thank you all for having me speak about this issue and wish you all a good day.

• (1630)

The Chair: Thank you for those opening comments.

We'll now go to our Public Services and Procurement Canada representatives.

I could be wrong, but I believe it's Mr. Déry giving the opening statement.

Mr. Stéphan Déry (Assistant Deputy Minister, Real Property Services, Department of Public Works and Government Services): Thank you very much, Mr. Chair.

[*Translation*]

Good afternoon.

Mr. Chair, I am pleased to be appearing before the Standing Committee on Natural Resources in my capacity as assistant deputy minister of real property services at Public Services and Procurement Canada, or PSPC, to discuss the role my organization could play with respect to Bill S-222, an act to amend the Department of Public Works and Government Services Act (use of wood).

[*English*]

I would like to begin by acknowledging that the land on which our head office is located is the traditional unceded territory of the Algonquin Anishinabe people. The Algonquin peoples have lived on this land since time immemorial, and we are grateful to be present in this territory.

PSPC manages one of the largest and most diverse portfolios of real estate in the country and is the Government of Canada's real estate expert. PSPC provides safe, healthy and productive working environments for over 260,000 federal employees across Canada, including accommodation for parliamentarians and a full range of real property services, including the provision of architectural and engineering services.

The spirit and intent of this proposed legislation aligns with the government's goals of supporting Canadian industry to further develop sustainable materials solutions, including wood products, in the pursuit of reducing greenhouse gas emissions from the built environment.

I would like to highlight the important work undertaken by PSPC in that regard.

The 2020 greening government strategy requires the government to reduce the environmental impact of structural construction materials by disclosing the amount of embodied carbon in the structural materials for major construction projects. There is also a requirement to reduce the embodied carbon of structural materials of major construction projects by 30% starting in 2025. Implementing tools to support these requirements within PSPC will be a key focus in the coming years.

Public Services and Procurement Canada considers the entire context of a project before starting new construction or rehabilitation projects by analyzing each project on a holistic basis. This approach ensures a balanced review of all of the various requirements, while respecting our commitments to indigenous collaboration, reducing costs, using sustainable materials and meeting our greening and net-zero carbon commitments.

• (1635)

[Translation]

The most recent mandate letter of the Minister of Public Services and Procurement requires that PSPC work with Infrastructure Canada and Natural Resources Canada to put a new buy clean strategy in place to support and prioritize the use of made-in-Canada low-carbon products in Canadian infrastructure projects.

Through its expertise in sustainability and as supplier of procurement, architecture and engineering services and real property assets, PSPC is especially well positioned to have a direct and significant impact on the greening of government operations. PSPC is actively participating in a number of initiatives that support the use of lower-carbon materials in construction projects.

Here are some examples. We are working with the National Research Council of Canada to produce a set of Canadian data on low-carbon building materials to enable informed decision-making through the life cycle assessment initiative and the incorporation of low-carbon requirements in construction and infrastructure projects in Canada. The Canadian National Master Construction Specification was updated in 2021 to include new details on encapsulated mass timber construction.

We are collaborating with the Treasury Board of Canada Secretariat's centre for greening government to support the implementation of reduced embodied carbon in structural materials by developing mandatory requirements and carrying out pilot projects. Discussions are under way with the concrete, steel and wood industries in order to establish reduction targets.

[English]

At PSPC, we are always mindful of the materials we source for our infrastructure projects and continue to encourage green innovation.

In conclusion, Public Services and Procurement Canada will continue to lead the way in embedding environmental considerations into its requirements with respect to the construction, modernization, maintenance and repair of federal real property.

[Translation]

At PSPC, our practices allow for the use of wood and other green building materials in accordance with project requirements and in compliance with the health and safety requirements outlined in building codes.

Mr. Tourigny and I are now pleased to answer your questions.

Thank you.

[English]

The Chair: Thank you for those opening comments.

We have a first round of six minutes each. First up, I have Mr. Patzer.

When you're ready, the floor is yours.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Thank you very much.

Thank you to all of our witnesses for coming today. I definitely appreciate what all of you had to say.

I'm going to start with Public Services and Procurement. I'm wondering if the department is capable of making the right decision to build with wood products.

Mr. Stéphan Déry: Thank you for the question.

I would say that PSPC, as a department and as an expert in real property, requires a review of each project. Each project is looked at based on the benefits of which materials should be used in its construction. It's not a decision that is taken across the board. It's a decision that is taken on a project-by-project basis to ensure that we are using the most efficient material, the most secure material and the material that has the smallest carbon footprint.

Mr. Jeremy Patzer: Thank you for that.

In considering this movement towards building with wood products, has your department recommended a flexible approach to these projects?

• (1640)

Mr. Stéphan Déry: On the flexible approach, as I said, we are looking at each project on its own merit and, with our expertise and also hired expertise, we are looking at what the best solution is for each project.

As an example, since the Canadian building code 2020 has been changed to allow for 12-storey building construction in mass timber, we are looking at a project here in the national capital region on the possibility of erecting a 12-storey building with mass timber.

Mr. Jeremy Patzer: How will your department measure the environmental impact of using wood products? There were some numbers thrown around in the opening remarks, but I'm curious about how you guys are going to measure the actual impact that we're going to have by using wood products.

Mr. Stéphan Déry: I would turn to my colleague Jean-Rock, who is the expert in the domain of calculating GHG emissions.

[Translation]

Mr. Jean-Rock Tourigny (Acting Director General, Technical Services, Real Property Services, Department of Public Works and Government Services): Thank you, everyone.

[English]

It's my first time in front of a committee and I'm enjoying the experience, from what I've seen.

The measure is going to rely on the embodied carbon procedure established by TBS in co-operation with the National Research Council. We are going to integrate that into our project process to identify what's going to be the target and what's going to be further proposed in the design, and then we're going to measure the performance at the end compared to what was identified in the design.

As was said, we're talking about a 30% reduction in greenhouse gases and embodied carbon by 2025. We've already started applying the standard. That was issued in December by the Treasury Board Secretariat. This standard is pretty new. We're still in the implementation of it.

Mr. Jeremy Patzer: That's good to hear.

Will it be considered only before the project begins or is this going to be an ongoing process as we look at the entirety of the project, from the time it begins to maybe the time that the building is finished? I would assume that there would have to be a stamp of approval before things begin. Is it going to be through the entirety of the process or only at the beginning?

Mr. Jean-Rock Tourigny: For the embodied carbon in the structural material, the structural wood, let's say, it's going to be identified at the beginning of the design, because that's where we make the decision.

Once this is established, if other opportunities would come, I suppose we'd look into them, but it's important that we identify that in the design period of the project, before we start constructing.

Mr. Jeremy Patzer: Okay.

Also, then, are you comparing the life-cycle emissions between different products, whether it be wood, steel, concrete or otherwise, and other technologies as well? I'm just trying to get a glimpse of the entire process here.

Mr. Jean-Rock Tourigny: We are going to compare various structural materials, that's for sure. The procedure to do that is going to be defined by Treasury Board Secretariat in co-operation with the National Research Council. We are applying the rules that have been identified by those bodies.

Mr. Jeremy Patzer: Okay. Right on. Thank you.

For either department, have either of you identified a potential impact of this bill on our softwood lumber dispute with the U.S.? I'm just wondering if there would be any potential ramifications from that or from the lack thereof.

Mr. Gregory Smith: Thank you. I can take that question.

What I would say is that in order to get a better sense of the potential impacts, you would need to speak to a representative from Global Affairs Canada as, in all likelihood, that is a matter that's typically dealt with by their department.

Mr. Jeremy Patzer: Okay.

My last question is this: Is it possible for there to be a negative environmental impact if more trees are harvested due to the higher demand for wood products? I understand, obviously, that by building it, you're going to store it long term, but by eliminating trees from the forests, I'm just wondering if there are any negative impacts we might be overlooking here.

Mr. Gregory Smith: Thank you for that.

Provincial and territorial governments are responsible for forest management and they specify an annual allowable cut from public lands. Regulating harvest levels in this way helps to ensure the sustainability over the long term, regardless of the changes in demand for wood. So the short answer to your question would be "no".

Timber harvesting is sustainable in Canada. There are strong laws, oversight in management and the requirement for all harvested public lands to be regenerated. According to the National Forestry Database, in 2020, the sustainable wood supply in Canada was calculated at 215 million cubic metres, of which 143.1 million cubic metres were harvested. That's 66.5%, so in general I'd say no.

• (1645)

Mr. Jeremy Patzer: Thank you.

The Chair: We're out of time on that one. Thank you.

We will now go to Francesco, who will have six minutes.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair.

Good afternoon, everyone. Thank you for being here.

Obviously this bill is well known to everyone. I was able to take a look at when Bill S-222 actually appeared before the Senate committee and the testimony that was provided there to the hon. senators, and now we're going through this in the House.

There doesn't seem to be too much disagreement in terms of moving forward with using more mass timber in our country. We are blessed with the resource and we are blessed with the know-how to do it. Frankly, some of the Scandinavian countries as well as Austria have used mass timber for many years, and I know there's a lot of assistance in terms of looking at how they've been using it for the period of time they have.

My first question is this: With regard to the number of buildings or projects that are being constructed, is there an update from the officials on the uptake in using mass timber? I'd like someone to comment on that, please.

Mr. Stéphan Déry: We don't have statistics industry-wide on how there's been an increase in mass timber buildings being built. I don't know if my colleague from NRCan would have these statistics.

Mr. Gregory Smith: Thank you very much.

Mr. Francesco Sorbara: If you could give just a couple of examples of where it is being utilized, that would be great. Thank you.

Mr. Gregory Smith: Absolutely. I'm happy to do so, Stéphan, if you'd like.

Mr. Stéphan Déry: Go ahead. I have an example I could use, definitely, also.

Go ahead and I'll complete the answer after you.

Mr. Gregory Smith: Thank you very much.

I'll just draw from Natural Resources Canada's "The State of Mass Timber in Canada" report. For commercial, industrial and residential projects across Canada, the database indicates there are just under 300 projects that have been completed to date. This would be across Canada, in various provinces and territories.

Mr. Francesco Sorbara: Please, sir, go ahead and finish.

Mr. Stéphan Déry: I could add to that as an example, Le Manège militaire Voltigeurs de Québec. This is one of the projects. We look at all of our projects and when mass timber is what resonates as being the best solution, that's what we use. The Voltigeurs is all constructed from wood, mass timber, and that was done also for its acoustics. There are events in that building. It replaced a building that burned down in 2009, I believe, which we completely rebuilt from the ground up using all mass timber.

I spoke earlier about 100 Sparks Street, for which mass timber is now being considered for a 12-storey building, right in downtown Ottawa.

Mr. Francesco Sorbara: Thank you to both gentlemen for that answer.

The thing I do wish to put on record is that in the province of Ontario, up in York region and in the heart of the riding I represent, the folks who are building these mass timber projects are being trained at the Local 27 carpenters union training centre in the city of Vaughan. When you walk in there and go for a tour—the Prime Minister was with me less than two weeks ago at the training centre—you see mass timber there. You see trainees learning how to put it together and how to make sure that it's safe, that it's load-bearing and that it's everything we want it to be when it's utilized. Obviously, we all applaud those in the skilled trades who work hard every day to build our communities in this country. They are being trained to utilize mass timber as well.

This is my last question for this round. Will Bill S-222 overcome barriers on the federal government side in selecting wood as a building material? With the innovation that's going on with regard to mass timber and the environmental benefits, and Canada being blessed with the actual resource, much like the Scandinavian countries are, we'll also lead that. Can the officials comment on how Bill C-222 will help us move in that direction expeditiously?

If I could go to the NRCan official first, that would be great.

• (1650)

Mr. Gregory Smith: Thank you. I would just quickly note that public procurement has been used in various other countries to promote the use of mass timber in wood building and that this bill has the potential to prioritize embodied carbon considerations in building products. To the degree that wood products are preferable in some instances, that would be very beneficial.

I apologize if I'm not allowed to do this, but just to go back to your previous question, I'm now being told by officials that in actuality there are over 760 mass timber projects across Canada. I was not counting things like bridges and institutional buildings. My apologies for going back there, but I figured it was worth clarifying.

I can pass this on to my colleague.

Mr. Francesco Sorbara: Thank you for that clarification. I have only 30 seconds left.

My final comment is that it's obviously great to see the federal government moving in this direction. I want to give a big thank you to the folks who drove the bus on Bill S-222, Senator Diane Griffin and MP Cannings, because our wood sector in Canada is going

through a renaissance. This is part of the renaissance that we want to see for both the economy and the environment.

Thank you, Chair.

The Chair: Great. Thank you.

I will now move to Monsieur Simard for six minutes.

[*Translation*]

Mr. Mario Simard: Thank you very much.

Mr. Déry, you gave an example earlier that I found somewhat surprising. You mentioned the Voltigeurs de Québec Armoury. I certainly hope the government has studied a wood option for this project. If people wished to preserve the building's character, I don't think incentives were required.

I do, however, know that when the Canada Revenue Agency building went up in Shawinigan, which was not so long ago, the wood option was completely disregarded.

You mentioned the minister's mandate letter.

With the exception of the bill under consideration, what concrete measures are currently in place to encourage the use of wood solutions when reviewing projects that you are pursuing?

Mr. Stéphan Déry: Mr. Chair, as I said earlier, we look at each project on its own merits.

The Canada Revenue Agency building in Shawinigan is a pilot project whose goal is to significantly reduce the amount of carbon used in cement.

We are reviewing all projects that are, or will be, under way and analyzing potential solutions to find the best fit for each one.

Let me go back to one fact. In my opinion, the change in the 2020 national building code will also help promote the use of wood. The code now allows up to 12 storeys, instead of six, as was the case in the 2015 code.

Mr. Mario Simard: Thank you very much. I understand that completely.

Please enlighten me. In the type of analysis that you do, I assume that you use a grid with certain criteria. One criterion that I think is critical is the cost, the lowest bidder principle, assuredly.

As we know, the major problem with mass timber construction today is that costs are a little higher because it's not part of our culture. From a structural and engineering standpoint, you have to expect slightly higher costs.

Don't you think there should be some alignment between the lowest bidder and the one whose costs are slightly higher, but who offers much greater environmental benefits?

• (1655)

Mr. Stéphan Déry: Thank you for the question.

I think Public Services and Procurement Canada is a leader in re-capitalization projects.

[English]

I'll say this couple of words in English: the shadow price of carbon.

[Translation]

When the industry was calculating the price of carbon at \$50 per tonne, we started calculating it at \$300 per tonne for a building with a 40-year useful life cycle. In our major projects, I think that has made a difference for wood, including mass timber, because the cost of a project is calculated over the useful life of the building. In this case, we're talking about 40 years, according to our calculations.

In my opinion, this should favour bids that offer—I won't say the lowest price—the best price, taking into account the environmental impact.

Mr. Mario Simard: Thank you very much, Mr. Déry.

Mr. Smith, in your remarks, you mentioned the 2017 forest bioeconomy framework for Canada, and you later circled back to tell us that a renewed forest bioeconomy framework was endorsed in 2022.

You said that the most relevant challenge for us today was the lack of support for demonstrations and scale-up funding, which are needed to approve and commercialize innovative technology products.

That was music to my ears, because that's what the entire forest industry has been trying to say for several years. Now, obviously—I'm not trying to be abrasive—it seems like there's a serious gap between what you're saying and government action.

I don't see any concrete action from the government. I don't know what took place between 2017 and 2022, but since 2022, people in the forestry sector keep telling me that the investments in forest industry transformation program, or IFIT, is the only program they have. They say that it's underfunded and that they are the poor cousins of the natural resources sector.

Do you have any examples of government support that would allow us to reverse this lack of support for the bioeconomy sector?

[English]

Mr. Gregory Smith: Thank you very much for the question.

The renewed bioeconomy framework that was released and approved by the CCFM last year offers a number of different actions that can be taken to support the bioeconomy, one of which is promoting innovation and supporting innovative wood product use and demand creation within Canada. In promoting the industry and supporting the forest industry, since 2017 Natural Resources Canada has delivered a number of products that aim to promote innovation and the use of wood in demonstration projects as well.

I can speak about a few. In particular, the green construction through wood program has a number of activities, including funding demonstration projects, providing wood education and re-examining building codes, and is expected to lead to a decrease in green-

house gas emissions of between 0.6 megatonnes and one megatonne by 2030. This program has provided over \$2 million in support for developing and building the future capacity for wood design at Canadian engineering and architectural schools across Canada, which has also led to the addition of courses on wood design and construction in curricula at accredited engineering, architectural and construction-management programs in Canada. That's how it's building the baseline of what is needed to promote building with wood in Canada. In addition—

The Chair: I'm sorry. I'm going to have to jump in. We are at the end of our time here.

If there's a concluding sentence, I'll give you that before we move on.

Mr. Gregory Smith: Okay.

There have also been tens of millions of dollars in demonstration projects across Canada that are promoting mass timber use.

Thank you.

The Chair: Thank you.

We'll now move to Mr. Angus for his six minutes.

Mr. Charlie Angus: Thank you so much.

This bill is something that I think is really important. The question is whether or not it will be taken up and made real. We know that 25% of Canada's greenhouse gas emissions come from the construction sector in residential and commercial projects. The world building council has called for a 40% reduction in GHG emissions in construction by 2030.

To Natural Resources Canada, has there been any analysis of where we stand? Have we seen any drop at all in GHG emissions? We've been focused at our committee very much on the oil and gas sector. Given the 40% call to reduce in construction, where are we at on that?

● (1700)

Mr. Gregory Smith: Thanks very much for the question.

The information that I can provide today is that the program that I spoke of, GCWood, that was promoting building with wood across Canada, supported a number of activities—demonstration projects; wood education, as I previously mentioned; and revisions to building codes. It's expected that this would lead to about a 0.6 megatonne to 1 megatonne decrease in greenhouse gas emissions by 2030. This is both stored emissions and avoided and mitigated emissions.

This is but one of the types of programs that have been delivered to transform the forest sector since 2017. It's the one that has the closest relation to the discussion today.

Mr. Charlie Angus: I guess my concern is that education about wood products to me is something that's very motherhood. We could be doing that at any time, but if we're trying to get a 40% reduction by 2030, there doesn't seem to be much fire in the belly there.

I note that the 2017 budget gave \$39.8 million over four years to promote wood projects. Was all that money spent? Would you be able to send us a list of what projects got funded?

Mr. Gregory Smith: Yes. We would be able to do that.

Mr. Charlie Angus: Thank you.

In the previous round of questions, I asked about the Inflation Reduction Act, where Biden has put a major drive on wood investment to the tune of \$100 million. Has Natural Resources Canada looked at the impact that the IRA could have in terms of our competitiveness? If Biden is putting such massive investments in mass timber products, where will that leave Canada? Have you done any analysis on that?

Mr. Gregory Smith: Thank you for the question.

Yes, the IRA has been studied quite heavily from various aspects at Natural Resources Canada. However, I would say that at this time we're still studying where these programs are being delivered, how they're being delivered and their nature. That would have to inform at that point what the potential impact could be. I would say there's still some clarity to be determined, based on how these are implemented.

Mr. Charlie Angus: Thank you for that.

We know that in terms of sustainable building, mass timber projects and building with much reduced GHG impacts, the Europeans are way ahead of us. This is a very serious issue for them. They also have very serious housing programs at their state and municipal levels. In Canada we have Doug Ford paving over the greenbelt to build monster homes.

I want to get back to the question about this 40% reduction. Do we have to legislate something in order to make this happen? We have building codes, we have federal building codes and we have issues that are being built at the provincial level. This legislation is, I'd like to think, one part of it, but how are we credibly going to get to this 40% reduction and show that we can actually compete when the Europeans and other jurisdictions have really put the investments on the table—for example, the \$100 million that Biden is doing? What are we looking at from NRCan's point of view in terms of promoting wood and making this a reality?

Mr. Gregory Smith: Thank you again for the question.

I think it's important to note that the 40% decrease here would be from both operational emissions—heating, space heating and things like that—and low embodied carbon. These are both very important aspects to address from the building sector. Natural Resources Canada is working on all these areas to try to address greenhouse gases from the building sector, including currently developing a green building strategy in order to address heating emissions from buildings. In addition, as Stéphan noted, there is discussion around a buy clean strategy, which is ongoing, that will also have a focus on embodied carbon.

There are a number of initiatives under way at Natural Resources Canada to address emissions from the building sector. Wood will be a component of those, but it will involve many other things as well.

● (1705)

Mr. Charlie Angus: Thank you for that.

In my region in northern Ontario, we've seen a number of mill closures because of the unfair impacts of softwood lumber. We can compete—we have the resources—but some of our mills have just not been able to continue.

When I was recently in Berlin, we met with housing authority experts, and they weren't really aware that Canada had mass timber products to sell. They were thinking that they could only get this from the Scandinavians, so I guess my question for NRCan is this: Do we need to be doing a better job to say that we can compete and that we can sell into these other markets? It certainly would be an incentive for our mills that have shut down because of the impacts of the unfair softwood lumber deal to actually be able to provide alternate opportunities for investment.

The Chair: Would somebody like to give a quick answer? Then we'll be out of time in this round.

Mr. Gregory Smith: I think that would be me.

We have been delivering programs since 2017 to promote the trade in Canadian wood products. This will continue to be an important area. Of course, on the mill closures, yes, there has been very difficult pricing at times in recent years, in the last years, that has caused those as well.

Thank you.

The Chair: Thank you.

I'm now going to look to the members for direction. We're at about 5:05 or 5:07, somewhere in there. We could do a round of two and a half minutes each, or if we feel that we've had enough testimony for this part of the meeting, we could move to the next part of the discussion, which is on travel. I'll leave it to the will of committee whether you want to do an abbreviated round or whether we're good and we want to talk about the travel question that I need to get solved by Friday.

A quick round...? Okay. We'll do a quick round of two and a half minutes each.

Charlie, do you want to weigh in on it? The Conservatives have indicated an interest, and I think Mario had an interest in an abbreviated round. How about you?

Mr. Charlie Angus: As much as I love talking and hearing my colleagues talk, I feel that we're all pretty much in agreement on this. I'm ready to move on, but I will go with the will of the committee.

The Chair: All right. We'll do it.

In the next round, I have Ted, George, Mario and Charlie.

Mr. Falk, would you like to start? You have two and a half minutes.

Mr. Ted Falk (Provencher, CPC): Okay, Mr. Chair. Is Earl going to get a chance, or do I have to share my time with him?

The Chair: You can pass your time or you can share your time, but this will be the last chance. You have two and a half minutes.

Mr. Ted Falk: Okay, very good.

Mr. Smith, you talked about the benefit of trees. I love timber frame homes and timber construction. I'm a fan of that. You mentioned that one of the benefits is that carbon has been sequestered in the lumber, in the timber that's going to be used. Has your department factored into your calculations at all the amount of carbon that will no longer be sequestered because that tree is going to be harvested? What would that be?

Mr. Gregory Smith: Thank you very much.

Yes, that is a key consideration in thinking about the kind of net GHG emissions associated with using wood. As mentioned before, provinces enact sustainable forest management practices that require forest regeneration. As a result, the emissions that are, as you say, no longer sequestered actually become sequestered through the circularity of the forest biogenic cycle.

Mr. Ted Falk: Thank you.

I have a quick question for Mr. Tourigny.

Thank you for coming to committee. I appreciate that. I hope you've had a good experience.

When you do your cost-benefit weighting on which product to use for building, repairs, maintenance and construction, how much weighting are you going to give to the greenhouse gas consideration over cost?

Mr. Stéphan Déry: Thank you for the question. That's one of our.... Is that for Jean-Rock?

The Chair: If you'd like to take it, go ahead, Monsieur Déry.

Mr. Stéphan Déry: Thank you.

I spoke about the rehabilitation of buildings. We have a lot of examples right here in Ottawa, including the Lester B. Pearson building, Place du Portage and within the parliamentary precinct, which we're renovating. These are all taking into account the GHG reductions through the materials we're using in those renovations. That's why we're using a significant amount of wood in the reconstruction or rehabilitation of all of these facilities.

I mentioned that in all of our large projects we use a shadow price of carbon of \$300 a tonne, which was started at PSPC and is now endorsed by Treasury Board and applied to all major construction projects. Wood has lower GHG emissions than do other materials, so wood is going to be favoured.

I think analyzing this for a 40-year cycle, the life cycle of the building, makes having lower GHG-emitting material a lot more viable. It's not necessarily the price of the project. It's what we want to achieve, which is a reduction in GHG emissions. As my colleague said, we have made significant progress through our opera-

tions. I would say there's been a 57% reduction in GHG emissions based on the baseline of 2005, and now we're addressing the embedded carbon in the construction material.

• (1710)

The Chair: We're out of time on that one. Thank you.

We'll go now to Mr. Chahal for two and a half minutes.

Mr. George Chahal (Calgary Skyview, Lib.): Thank you, Chair.

Thank you for the testimony you've provided today.

I have a few questions on the green construction program that's in place. Would you be able to provide some examples of the types of projects that have been funded and, also, why we aren't seeing a larger uptake by industry?

Mr. Gregory Smith: Absolutely. Thank you for the question.

In total, the green construction through wood program delivered \$55 million over five years involving 16 large projects, but it supported many other activities including, as I mentioned, educational activities and information sharing. There is the Sir Matthew Begbie Elementary School in Vancouver, B.C. I could name off various low-rise buildings but I know your time is short. There's the KF Aerospace Centre of Excellence in Kelowna and many other examples across Canada.

Your second question was on why there has not been more uptake. I would say that, to date, part of our work has been spreading information about the potential for the use of wood in the construction sector, so there may be some impediments just with information in general.

Mr. George Chahal: I am interested in some of those smaller projects as well to get further uptake within the building industry. In my region there's not as much uptake as we would like to see.

Is that because maybe architects designing the buildings and folks in the construction industry aren't aware or well equipped to bring this forward in their projects?

Mr. Gregory Smith: There's potentially an element of that. I think that in general it's about supporting the changes to building codes, which are being done through a number of different projects of the Government of Canada. It takes time to implement that and for that information to become more commonplace within the construction sector.

However, if you're considering the cost advantage in general, what we've seen through our demonstration projects is that wood projects can be cost-competitive compared to those involving more traditional materials.

The Chair: Thanks.

We're out of time on that one.

We'll now go to Monsieur Simard, who will have two and a half minutes.

[Translation]

Mr. Mario Simard: Thank you very much, Mr. Chair.

I would like to say something to my friend Mr. Falk, who wondered whether the harvesting of the trees had been taken into account. After 55 or 60 years, a tree releases carbon, it doesn't sequester carbon. If we don't cut it down, it will release the carbon it contains by rotting, being eaten by insects or burning, so it's a win-win solution. I just wanted to reassure him on that point.

Mr. Smith, I would like to revisit the question I asked earlier. In your presentation, you said that the most relevant challenge was the lack of support for demonstrations and scale-up funding, which are necessary to approve and commercialize innovative technologies and products. This is a discussion I had with the people from FPInnovations, and it brings to mind what they are requesting, which is an industrial-scale biorefinery that would allow for testing. However, there has never been any funding for that.

I mention this because I notice a double standard in terms of the support that may be given to carbon sequestration initiatives in the fossil fuel sector, which I'm sure you are familiar with, and the support that the forestry sector needs.

Earlier, you spoke about some of the smaller measures being implemented, but there is nothing that addresses the scaling up of new innovative products or the demonstrations being sought.

Is any concrete government action being taken in this regard? It's the IFIT program that everyone is talking about. It could be used to transform the pulp and paper sector, but it's underfunded.

Are there any government initiatives to address what you have presented as the most relevant challenge? I am not talking about small measures.

• (1715)

[English]

Mr. Gregory Smith: Thank you for the question.

Since 2017, I suppose, there have been a number of programs delivered by Natural Resources Canada, including the forest innovation program. There are also various R and D supports and technology promotion programs delivered through the Canadian forest service. These aim to support industry transformation, including the use of more renewable fuels at pulp and paper plants and other forest sector sites.

These programs have been to the tune of hundreds of millions of dollars over the years, and there have been a number of areas specifically supported.

The Chair: Thank you. We're out of time.

We will go to Mr. Angus for his final two and a half minutes.

Mr. Charlie Angus: Thank you, Mr. Chair.

I will defer and allow us to get to other business. It's not that I don't want to hear the excellent witnesses, but I think we are all in

agreement that this bill should be returned to the House as quickly as possible.

The Chair: Thanks, Mr. Angus.

With that, I would like to thank the witnesses for being here today and for the testimony they provided to us. It has been very useful.

There were a couple of questions about additional information. If you have it, or if it can be supplied as quickly as possible to our clerk, that would be appreciated. We are having what should be our final hearing on this on Friday and then possibly reporting back to the House after that, so there's not a lot of time on this one. If we get the information afterwards, we are still happy to circulate it and share it with the committee, but if you can share information you were asked for at your earliest convenience, it would be appreciated.

With that, I'm happy to release our witnesses to carry on with their day and evening.

Again, thanks from the committee for being here.

Members, we must have our final travel submission in for this next intake. Ours is related to the Inflation Reduction Act, which Mr. Angus referred to a couple of times during his interventions today. I think it shows how important this will be—what the Americans are doing and what happens in Canada. We sent off a draft proposal with four cities. Mr. Angus also put in the suggestion of including Detroit.

To start, I'll turn it over to our clerk and then to our analysts, who have done some seeking of information and guidance over the last week on what's realistic for the five days we have. I will start with our clerk to give us a sense. The point is that five locations is probably over-ambitious for us—probably quite ambitious. Three is probably more realistic. I will give you the context, then see whether there's any one location you want to take off. Otherwise, I can ask for that in writing by tomorrow, so we can get the final costing done for our meeting on Friday morning, which then needs to be approved and transmitted to Liaison.

I will turn it over to the clerk to share some of the information she has gathered.

The Clerk of the Committee (Geneviève Desjardins): I'll just speak to the logistics of the travel.

As the chair mentioned, five cities would be a lot. Of course, we'll try to develop a program that works for what the committee wants to see. We did receive recommendations that two to three cities maximum would be the ideal for a trip of this length.

The second important thing to note is that the committee can only stay in and visit the cities that are listed on the detailed budget, so whatever the committee decides and submits to liaison is where it will need to travel.

• (1720)

The Chair: We'll go to our analysts for a bit of input as well.

Mr. Ross Linden-Fraser (Committee Researcher): Perfect. Thanks, Mr. Chair.

I can provide a quick summary of some of the context for the cities that are here. If the committee has follow-up questions, we're happy to speak about why certain cities are on the list or why some cities might make more sense than others.

Briefly, the committee is considering a visit to the United States at a time when Congress is not sitting in Washington. We were informed by some of our counterparts that the committee might have fewer meetings with its peers in Washington.

We were also informed that the committee might get more added value if it were to undertake site visits to, for example, clean energy production sites or sites that are experimenting with carbon capture and storage. Some of the cities that are on this proposal, like Houston and Denver, would include such site visits.

I'm happy to answer questions the committee might have about why these cities are on the list, but those are some of the considerations we had in mind when developing this proposal.

The Chair: I think—to build on the comment about Washington, D.C.—originally we thought we could be there for two days. However, with Congress' not sitting that week, there are some non-profits and other organizations that could be included in a stop. Essentially, what it comes down to is that we wouldn't be meeting with our colleagues, given the timing we have with a very limited opportunity this spring.

That's kind of what we're up against. If we can come up with our top three right now, then we'll send that to the logistics team for costing. Otherwise, if we reach 5:30, which is in nine minutes, we'll have to pick it up by email.

I have Charlie and then Earl on my list.

Mr. Charlie Angus: Thank you.

I was hoping to be in Washington, but if they're not sitting, it may be problematic.

If it were possible to invite the U.S. IBEW as a witness in our hearings, that might help. I think it is very important because it is playing a big role in the whole commitment that Biden has made to the workers. I want to hear whether workers are buying in or not.

I would say that we could go to Houston, Denver and Sacramento and do the site visits. If we could maybe get the IBEW just to act as a witness virtually at our committee hearings, we would.... I'm not sure about meeting with NGOs in Washington. We could do that all virtually anyway if we wanted.

The Chair: Thanks, Charlie.

Next we have Earl and then Mario.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): I'm in agreement with Charlie here. There's no sense in going to Washington, especially under those circumstances. Actually, I was going to question that at any rate if we could only pick three cities.

If we need to speak to non-profits or whatever, they're all over the country, so if we happen to find somebody in those other cities, I think that would fit into what the initial proposal was. Certainly the concept of site visits, I think, is the most important thing. There's no sense in just going and talking to somebody you could be just looking at across the table.

The Chair: Thanks, Earl.

Mario.

[*Translation*]

Mr. Mario Simard: I was going to say the same thing as my colleagues about Washington.

I have a question for the analysts.

What interested me about Sacramento was the opportunity to take a closer look at the Quebec-California carbon exchange agreement.

I'm not sure whether they were giving any consideration to such possibilities.

Mr. Ross Linden-Fraser: Thank you for the question.

I believe you are referring to the Western Climate Initiative. If the committee wishes to meet with California officials, we can certainly find people with whom the committee could discuss the initiative.

Mr. Mario Simard: I think that could be quite relevant.

[*English*]

The Chair: I think there was a location in northern California, a site visit that was also deemed to be of interest, so we could see about doing that if we're narrowing it down to three locations.

What I'm hearing is this: We'll take Washington off the list now. We'll cost out Houston, Denver and Sacramento, and then we'll bring forward the final costed budget for comment and perhaps approval on Friday so that we can transmit it by the deadline to liaison.

Is that okay? All right. Good.

That's all I have for today. On Friday we'll continue with Bill S-222. We have one panel with one witness from each of the parties. I think everybody got their first choice except for the Bloc. Theirs wasn't available, so we have their second choice coming. There will be four panellists.

The second hour is reserved for clause-by-clause. In this case, I think there's one clause, so it'll be the "clause" review. Then we'll do the budget discussion and that will be the end of our time together this week.

Thanks, everybody. With that, the meeting is adjourned.

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