



First Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

**STANDING COMMITTEE  
on  
PUBLIC UTILITIES  
and  
NATURAL RESOURCES**

39 Elizabeth II

*Chairman  
Mr. Ben Sveinson  
Constituency of La Verendrye*



**VOL. XXXIX No. 5 - 10 a.m., TUESDAY, NOVEMBER 13, 1990**



**MANITOBA LEGISLATIVE ASSEMBLY  
Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward, Hon.	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALLOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rosmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack, Hon.	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON PUBLIC UTILITIES**  
**AND NATURAL RESOURCES**  
**Tuesday, November 13, 1990**

**TIME — 10 a.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. Ben Sveinson (La Verendrye)**

**ATTENDANCE - 11 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Cummings, Orchard

Ms. Cerilli, Messrs. Doer, Edwards, Gaudry,  
Laurendeau, Reimer, Rose, Sveinson, Mrs.  
Vodrey

**APPEARING:**

Mr. Rick Cooke, President and Chief  
Executive Officer, Manitoba Hazardous  
Waste Management Corporation

Mr. Don Vernon, Chairman of the Board,  
Manitoba Hazardous Waste Management  
Corporation

**MATTERS UNDER DISCUSSION:**

The Annual Reports of the Manitoba  
Hazardous Waste Management Corporation  
for the years ended December 31, 1988, and  
December 31, 1989

\* \* \*

**Mr. Chairman:** I call the Standing Committee on Public Utilities and Natural Resources to order to consider the Annual Reports of the Manitoba Hazardous Waste Management Corporation for the fiscal year ending December 31, 1988, and '89. I would invite the Honourable Minister to make his opening statement and to introduce the staff present today.

**Hon. Glen Cummings (Minister of Environment):** I will begin by introducing first of all, Don Vernon, chairman of the board, Rick Cooke, president, and Caroline Kaus, responsible for finance.

I have distributed my remarks, Mr. Chairman, so I will not bore the committee by reading them all, but you can thumb through them. There are a couple of

things that I would like to put on the record from those statements however.

The corporation is a commercial Crown corporation whose main task is the planning and development of a comprehensive hazardous waste management system for the province. It offers an interim capability to provide operational waste management services and acts in a project management capacity for development. It does not have a monopoly on either providing services or developing a system capability. The direct involvement of others as investors and operators for the various system components is actively encouraged and sought.

I want to emphasize the corporation's functional role as a regulative component in this field, distinct from regulatory activities undertaken by the Department of Environment.

In this context, I am here as Minister responsible for the Crown corporation, and our purpose will be to identify and address the activities of the corporation. The system that the corporation proposes encompasses the management of regulated hazardous wastes, starting at their source, to their collection and storage, to their treatment and secure disposal. Development places a high priority on management of these materials at source, and it should be applicable to 85 to 90 percent of the volumes produced in this province. In this regard, the corporation provides a range of technical services to waste generators covering such things as technical seminars on waste minimization, waste audits, support in the application of waste reduction technologies and the establishment of collective capability among generators.

The system will also require the development of off-site infrastructure in the form of collection, storage and treatment capability, both to support the exploitation of source based management and to manage that which cannot be handled at site.

Two major facilities have been identified as being

required for development. One is a storage-treatment facility which would logically be located near or around the City of Winnipeg, which is the source of approximately 80 percent of the material generated. It is not unlike a bulk fuel or chemical operation which would accumulate material, consolidate and ship it elsewhere for treatment. In particular, material requiring incineration would be exported to other jurisdictions that possess competent facilities for this; secondly, a phys-chem treatment plant similar to a small water treatment facility whose purpose is to treat inorganic waste and provide a secure repository for treatment residues. This facility could be combined with a storage transfer facility or developed separately away from the City of Winnipeg and would offer rural economic development opportunity as a result.

The basic design on these facilities has been completed. A generic risk assessment study on them is currently in progress, and something that will form the basis for site specific environmental impact assessment will be undertaken when sites are selected.

With respect to siting these facilities, the corporation has adopted a voluntary comanagement approach that involves a collective investigation of the development jointly with the candidate host communities who wish to undertake it. This process started in 1989 and has involved a large number of communities around the province. While communities still are approaching the corporation respecting development, in early 1990 the work has focussed on five communities. Currently three are involved in the process, Pinawa, Montcalm and Winnipeg. Two others, Hamiota and Rosburn, elected to withdraw based on holding early referendums.

\* (1005)

Work in these three communities currently involves selection of specific sites for detailed evaluation. It is hoped that this would be initiated early in the new year, allowing completion of site selection and submission of a final application for regulatory and public review in the fall of the coming year.

The corporation has initiated the formal regulatory process by submitting a project proposal for these major facilities with the Department of Environment in April of this year. At the corporation's initiative, this proposal has received public circulation and review

among various stakeholders. The Department of Environment, jointly with a technical advisory committee from other departments, is currently finalizing guidelines that will allow completion of the environmental impact assessment studies. Like the project proposal, I would anticipate that these would be subject to public input.

There are other activities undertaken by the corporation. The development and licensing of the corporation's collection depot in Winnipeg serves as a staging point for small quantities of materials collected commercially. This facility provides a year-round outlet for household hazardous waste.

We have sponsored community collection days in 20 communities, including major centers in the North, Brandon and Portage. As part of its planning for the regional collection capability required for the overall system, the corporation is currently developing a modular design for small collection depots. A number of municipalities have expressed an interest in this.

The corporation has been active in the technical aspects of various waste specific management systems. One of these highlighted in the '89 Annual Report relates to the abandonment of pesticide containers. Based on a field pilot project undertaken last year, a decontamination process development program was undertaken jointly with a private firm in Hamiota. This has progressed to a selection of a process that captures the residual contamination in the containers and allows the plastic and metal materials to be recycled. The private firm involved has undertaken the commercialization of this technology and has recently received a licence to develop a facility using this process, and that firm is currently pursuing commercial market opportunities.

A general comment on the nature of the hazardous waste issue; it is a problem that we have today. We all contribute to it, and we have a responsibility in dealing with it. In the longer term, it represents a major risk to our quality of life if we do not address it today.

The development work being undertaken by the corporation provides Manitobans an excellent basis for doing this. It is predicated on the premise that we have to develop a consensus on the issue and the solutions available to address it.

I will leave my remarks there. I am prepared to answer questions, Mr. Chairman.

**Mr. Chairman:** I would appreciate some guidance from the committee. Will you consider the reports page by page or otherwise? I would like to remind all Members that the business before the committee today is the Annual Reports for the Manitoba Hazardous Waste Management Corporation for the fiscal year ending December 31, 1988, and '89.

**Mr. Gary Doer (Leader of the Opposition):** Yes, I will start off with a few questions, Mr. Chairperson. We have some real concerns about where the role of the corporation is going, vis-a-vis the whole area of hazardous wastes. The Minister will know that with the questions we have been asking him in the Chamber.

First of all, I would like to start with a question to the Minister. Can he outline the existing board members and their qualifications for being appointed to the board of directors, starting with the chair, and whether they have had any previous expertise in the area of hazardous waste?

\* (1010)

**Mr. Cummings:** Well, I would have to go back to the list to go through member by member, but let me make a couple of general comments. First of all, I brought in Mr. Vernon as chairman of the board since I became the Minister responsible for the corporation. I do not think I need to report to you or to anyone else Mr. Vernon's capability in business management to make sure that the funds we are putting into this corporation are spent carefully and applied to the direction that is within the mandate of the corporation. That is not a reflection on the past chairman. It is simply an acknowledgement of the expertise of the present chairman.

In terms of the board members, a large number of them were ones who were on the board when I became responsible. In terms of specific involvement with hazardous waste management, I think if you look at the list of people, what you have is a broadly based background. Certainly one of the more recent appointments, a gentleman who was a teacher in the Beautiful Plains School Division, previously worked in the mining industry before entering the educational field, had a fair bit of experience.

The vice-chairman, Mr. Ahmad, is also someone who has had some considerable experience in financial management. I think that when we look at the expertise of the staff that is on hand—and I can tell you that the advice of the president of the

corporation and some of his staff is very highly regarded in the community and highly regarded in my department—they are seen as experts in their field. Therefore I have no concerns, and I do not think the Leader of the Opposition should have any concerns about the fact that we have very solid decision-making capability on the board and the advice that they receive from the corporation itself.

**Mr. Doer:** Mr. Chairperson, my question was related to expertise on hazardous waste. Certainly I am not making any comments about the business management experience of the present chair. I do not know the other members of the board, so I was rather curious to see whether—I will be very specific.

Can the Minister outline the reasons for terminating the previous chair's appointment to the chairpersonship job of the Hazardous Waste Corporation and the rationale for the selection of the new chair, notwithstanding the fact that his financial expertise will not be in question by us, of course.

**Mr. Cummings:** The previous chairman tendered his resignation.

**Mr. Doer:** Can he answer the second question, please—expertise on hazardous waste?

**Mr. Cummings:** As I indicated, I approached Mr. Vernon to take this job because I wanted someone there who had sound business capability and financial background which supported that, and it seems to me that when one looks at the capacity of the corporation to provide sound information regarding hazardous waste, we have that well in hand.

**Mr. Doer:** The Minister mentioned the tendering of the resignation. I understand that the past director tendered his resignation, or suggested to the Minister quite a bit into the future if the Minister wanted to choose to change courses that he would be willing to do that, but the Government chose to take the resignation very early. Can the Minister just outline his reasons on that?

**Mr. Cummings:** I do not know what discussions the Leader may have had with Mr. Carter. Mr. Carter indicated to me at the first meeting I had with him that he would be quite willing to step aside if I wished to replace him. I indicated that I had no reason to ask for his resignation and that we would continue to work together. Later on, he indicated to me that he felt it was time that he step aside and that he would be tendering his resignation at a time that I

deemed appropriate, and frankly my response was well, if you are seriously thinking about tendering your resignation, let us do it now, let us not leave any doubt between himself and myself as to whether or not—perhaps, he did not like my leadership as Minister either. That is an assumption you could make.

\* (1015)

I really am a little puzzled by this line of questioning from the Member, because if he is questioning the competence of the present board members, then I suggest he should name names and say why he thinks they are incompetent to sit on this board.

**Mr. Doer:** I do not think the Minister should be overly defensive. It is quite appropriate to ask questions, and it is quite appropriate for the Minister to answer questions.

**Mr. Cummings:** Okay, I will take it in that vein.

**Mr. Doer:** It is 10:15, and we may have a long way to go on this, so just relax and let us take this one step at a time. You did not go through the rest of the board members on their expertise.

You have a note there given to you. I think it is standard to know what the expertise is on a board of directors in terms of the merit that is used by the Government to appoint them. I am sure the Minister has that right at his fingertips, given he is the Minister responsible.

**Mr. Cummings:** Well, I think there are a couple of things. The Member knows the background quite well. Mr. MacKay is a hydrologist, and Mr. Chow is an analytical chemist.

I think the analogy the Member is trying to make is that we should be putting people with expertise on hazardous waste directly responsible for the board or as members of the board. I think he should also look at the broader picture.

That board today is dealing with a siting process, one of the most current activities that they are involved in, along with the development of the system. In the siting process, I think the distribution of the membership and the capability of listening to what the public has to say about reasonableness of their activities are other criteria that need to be applied to the selection of the board members.

**Mr. Doer:** Yes, I understand what the corporation has to do. It is fairly standard to know what the rationale is for the Government to appoint members

to the board of directors. Again, without the Minister taking too much defence on that, I just want him to know why. The Government signs the O/Cs, the Minister signs the O/Cs. He has to know what he is signing, and I am just asking him for purposes of the public to know who is on the board and why.

**Mr. Cummings:** First of all, let me be quite candid with the Member who is questioning me. There are two members that I appointed since I became the Minister responsible. Those are the two that I am, off the top of my head, conversant with their background. The other members, yes, I was in Cabinet when they were appointed. I do not, off the top of my head, have their background, but there have not been any radical changes since I became Minister, other than those two members, including the chairman that I just referred to.

If you wish me to put on the record or to in the future provide that information on the record I will, but I will have to research a little more.

**Mr. Doer:** I would just like to find out the qualifications. I would ask the Minister why the Government has removed what we would consider to be labour representatives. Mr. Cerilli from the railway workers was removed by the Government and replaced by their own appointments. That individual is a person who has been appointed by Governments from different political stripes over the years to deal with transportation of hazardous wastes and the disposal of hazardous wastes. He has been appointed by Conservative, New Democratic and Liberal Governments in the past for particular positions and boards directly related to Government or in public institutes. I am wondering why the Government removed that kind of expertise from the board and whether they have people from that area of the public in their board of directors now.

\* (1020)

**Mr. Cummings:** As I indicated, the one appointment I made does have a labour background, albeit some distance back in his work history, but I want to make it quite clear also that the Government, in appointing members to the board, wants to make sure that we have a broad cross section. Certainly I have no personal vendetta with Mr. Cerilli, but I think we do have other people who can serve on these boards who bring backgrounds that are just as adequate and just as important to the corporation, not the least of which is their ability

to represent the interests of working people on the board.

**Mr. Doer:** Mr. Chairperson, we have raised this before because we see a pattern with this Government, and it is again consistent in this corporation where people who would normally be considered representatives of the labour community would be knocked off of the board of directors. We believe that boards like this should have representatives from the business community, from the labour community, from the general public, as the Minister has indicated, and obviously from the community that has expertise in this area.

Does the Minister not now think that the action of the Government has left them a void when he says that he "will have a cross section of people on the board of directors"? He has clearly taken individuals off the board who are on other transportation institutes and bodies that deal with these issues on a daily basis. Does the Minister not now think he has a void, not talking about the individual, but the type of background and experience? I want to be very clear, it is not dealing with the individual, but would the Minister not be better advised to get a similar person with similar qualifications on the board, which I do not see—that is why I asked the Minister the general question—on the board at present. Is this part of the Conservative bias, or is this just part of the Minister's own selection?

**Mr. Cummings:** I think the Member should be aware of the fact that what we have is a beginning corporation. We have not as a general policy removed labour representatives or employee representatives from Crown corporations. We have kept them on in the other major Crowns. We have here a different situation, a very small corporation that is beginning to establish itself, and we have not appointed people from within the corporation as labour representatives to the board. Given the size of the corporation and the work that it is doing today, there has not been, to my mind, a demonstrated need to put an employee representative on there.

I know the broader question that the Member is asking. I, with respect, feel that we have a reasonable quality group of people when you view them on a cross spectrum. The one problem that the Member would appreciate and one which manifests itself in a number of ways in appointing representatives of groups to boards very often can lead to a rather unusual combination of representation, and I would a lot sooner deal with

people on a one-to-one basis than as representatives. We could also argue that there should be representatives of the Manitoba Association of Urban Municipalities. That sort of argument could also validly have been made, and that is not a choice that I have made.

**Mr. Doer:** I could go through chapter and verse of where this happened in other Crown corporations, and I think the bottom line is that the Minister is not using his own criterion of a broad cross section when he looks at some of the changes on the board. I think he is missing some expertise of people who deal in the public with these materials on a day-to-day basis.

\* (1025)

I have a couple of other general questions to ask if I might. The Government has reduced the budget from \$2.5 million to \$2 million, and we are also seeing what we consider to be a dissipating of the role. This is our perception. We have raised these questions to the House before. Can the Minister give the reason for decreasing the budget? At the same time, we see the increase in roles of private companies in the disposal of hazardous waste, and we have asked questions before in the area of pesticides which I am sure the Minister knows we are going to ask again this morning.

Can the Minister tell us: The role and the balance of this corporation, is he eroding that role by the erosion of the financial contribution, and secondly, how does he see the role vis-a-vis the private sector, which we see on an ad hoc basis growing in the disposal of hazardous waste?

**Mr. Cummings:** Mr. Chairman, I believe I responded to the question not well in the House when it was raised by the critic for the NDP. I did respond later on to the media however, and the fact is that the budget of the corporation has not been reduced. What you see reflected in the Estimates of the department where the funding for the corporation is reflected is the amount of loan authority that has been granted. Their budget is separate and apart from that, and their budget is the same as previous.

However, the Government has taken a position, and I think it is good to put it on the record, that we do not believe that in this Crown or in any other Crown there should be large amounts of unexpended loan authority left lying around, and without putting the Member on the defensive, that

was what we found in several cases when we came to Government. There were authorities out there that had large amounts of unexpended loan authority, which they could frankly, simply move into and expend, and move perhaps in directions and expend dollars that might not necessarily have been to the benefit of the people of the province. It is not the intention to restrict the corporation, but it is to make sure that it is accountable, No. 1, and No. 2, that they bring forward in a timely fashion their budgetary proposals for the future, so that they can be dealt with properly as part of the loan authority allocation for the Government.

**Mr. Doer:** We will come back to that item later on. I know a lot of Crowns' loan authority has not been reduced in the last period of time even though their loan budgets—for example, Hydro loan budget has been radically decreased, notwithstanding the fact that the Minister did not know the answer on Friday, but we will come back to that issue.

My other question was the role of the corporation. It is our perception that the lead role of the corporation has been watered down by this Government. There are a lot of ad hoc proposals in the disposal of hazardous waste. We have commented before on solvent and others. Has the Government intentionally somewhat decreased the role of the Hazardous Waste Crown Corporation and increased the role on an ad hoc basis in the private sector for the disposal of hazardous wastes?

**Mr. Cummings:** Well, you know, this Member said it is early in the morning and one should not get testy this early in the committee. I do take some umbrage at him doing the same thing that I noticed happened on a number of occasions during the campaign; somewhere along the way you throw in something that is totally unrelated to the question. By throwing in "solvent" to that type of a question, the Member knows full well that the two are not related.

I believe his question is more perpetrated on the fact that there is an organization out there that I created called ACRE, Association for a Clean Rural Environment. He, along with his Party, has taken some considerable umbrage ever since that announcement, that this somehow watered down the role of the Hazardous Waste Corporation.

\* (1030)

The fact is that it was and is an attempt to make industry more responsible for the deposition of their wastes, in this particular case, an agricultural waste

that is spread pretty well across the breadth of agricultural Manitoba. It is a very specific type of waste, produced by the containers left over after the use of agricultural chemicals, one which is not handled well by all of the various municipal authorities that have responsibility for waste disposal grounds.

The industry voluntarily set aside an amount approximately equivalent to a dollar a container. It was never established as a deposit; it was a fund that they set aside. At the time there was a lot of controversy about whether or not that money would ever flow to remove those containers. The fact is it did. It was in excess of \$700,000.00. It was put into the hands of a group of people who I felt had some direct linkage to the problem and would therefore be able to work their way through solving a problem that would be better accepted across the breadth of the province, because the municipalities all have a responsibility.

Whenever there is a pesticide container thrown in their waste grounds, they become part of the solution or part of the problem, depending on where you sit. The Department of Environment at the same time is out there with new regulatory controls that they are bringing in for municipal waste, which will help drive this material into a better collectible location.

All of this combined, in my mind, to make a good opportunity to bring together the municipal people, the farm organizations, the Department of Agriculture, Department of Environment, to come up with some ideas, some suggestions and hopefully a solution to drive this material out of the waste stream. It was not seen as taking away any responsibility from the Hazardous Waste Corporation. In fact, they were quite capable of putting in a bid to do the work if that was the decision that ACRE might make.

At the same time, other private corporations or private entrepreneurs would be quite capable of putting in proposals, which leads to the fact that there is an organization at Hamiota which has worked with the Hazardous Waste Corporation and which has developed some capacity. They have since then have acquired a licence to operate.

They are the newest licenced handler of hazardous waste in the Province of Manitoba at this time. They certainly are still in a position to be able to deal with ACRE and to approach ACRE as to the



ultimate disposal of these containers. I would also like to add one other piece of information, which if not deduced is certainly becoming more evident. There may be additional requirement to go beyond the amount of money that has been set aside by CPIC up to this point to deal with those containers. That is the further issue that will be my responsibility to take up with that organization.

**Mr. Doer:** The Minister answers the question about solvent, and then we moved right into ACRE. Hazardous waste is hazardous waste is hazardous waste. When it is blowing up in your neighbourhood, I would suggest to the Minister, if you talk to some of the senior citizens who are in that area—they can point to where the barrels hit across the street into some of the buildings—you would understand that the public sees it as a general challenge and one which this Minister is responsible for.

Yes, we will raise issues based on what the public feels and we would concur are some of the issues related and some of challenges related to the disposal of hazardous waste, and some of the questions that are appropriate to the role of the Hazardous Waste Corporation, in our opinion, as one of the lead public opportunities to deal with hazardous waste. My question to the Minister is: Has the role of the corporation been somewhat watered down since the Government has taken office?

He answered about the ACRE project. I would argue that the ACRE project, by removing it from the Hazardous Waste Corporation as the lead corporation, has indeed diminished the role of the Hazardous Waste Corporation.

There are other ad hoc examples in the private sector which we would maintain are a reduction of the role of the publicly-owned non-profit Hazardous Waste Corporation, because the Minister well knows that this stuff is very, very challenging and he also knows that it is very profitable too. What we are also worried about are some private companies coming in on an ad hoc basis and taking away only the profitable parts of the hazardous waste operation and leaving the public corporation potentially or—and this is a much more general issue and we cannot resolve it in the committee this morning—leaving the public the sort of losers in the Hazardous Waste Corporation, which also presents a tremendous potential for problems, public safety problems and public environmental problems for the province. That is where we are coming from. I guess

the Minister knows that, and we will continue in that vein.

The Minister raised ACRE. I have raised questions in the House. Can the Minister advise us on the status of the application on the Rivers site?

**Mr. Cummings:** That is what it is, an application that is being dealt with, as I indicated in the paper as being a little bit more than just an average application because of the fact that this is a group that has been put together with various stakeholders who are attempting to deal with this in what is considered in many respects a very innovative way, but because the various departments of Government have been able to provide them with some advice, now it will be handled quite carefully through the department at the directorate level as part of their application, which to some extent may raise some resentment on their part, but in fact is the reality of the process.

**Mr. Doer:** Did the Hazardous Waste Corporation, through its project on pesticide decontamination, investigate the Rivers site?

**Mr. Cummings:** I believe that is correct. I will let the president respond.

**Mr. Rick Cooke (President and Chief Executive Officer, Manitoba Hazardous Waste Management Corporation):** Yes, Mr. Chairman, we act really as a technical consultant to Prairie Environmental Services, and in the course of commercializing the technology that we have developed for decontamination, they also asked us to work with them on looking at siting alternatives. They were aware, being from the area, of the availability of some structures at that location, and with them we did look at it and concluded for that particular application we were looking at there were perhaps better locations we could pursue, which they subsequently did.

**Mr. Doer:** Yes, could the Minister give us the reasons why the Rivers site was rejected in terms of the technical advice of the Hazardous Waste Corporation for the decontamination project?

**Mr. Cummings:** The corporation can best respond as to why they gave that advice. Let us remember that the two applications were not necessarily identical. By having ACRE bring forward a proposal for that site does not mean it is going to be (a) approved or (b) that the guidelines are any different than would be applied to the corporation or to the

Hamiota group, if they had brought forward a proposal.

This proposal was never dealt with by the Department of Environment. What you are getting is the information the people at the Hazardous Waste Corporation advised Prairie Environmental Services, to avoid that site. They were looking at not only a storage site but a process site I believe at that time.

Obviously, guidelines that the Department of Environment lays down will be just the same for the same type of operation; we will have the same rigidity.

\* (1040)

**Mr. Doer:** Can I get the answer to the question?

**Mr. Cummlings:** If you want a technical answer, you will have to get Mr. Cooke to give it.

**Mr. Cooke:** It is basically a technical question. When you are looking at a particular location and a particular structure, you look at its attributes. The nature of our business is that when we are siting facilities, we look for areas that have a high level of natural environmental protection. I think one could suggest that would be applicable to any industrial facility of any consequence.

In the criteria that we apply generally, we look to avoid areas that would potentially recharge ground water, so-called. They are defined by the Department of Natural Resources as ground water pollution hazard areas. That particular area around Rivers, according to the maps that we looked at, would have those attributes. That does not necessarily mean you cannot develop an industrial facility in that kind of area. It would just require that you engineer barriers as opposed to taking what is otherwise free.

Our election and the advice to this particular group that we were working with was they should look for an area where it could be acquired for free, in effect.

**Mr. Doer:** I do not want to make it awkward for individuals in front of us this morning; I just want to get at this issue. Can the Minister indicate whether the criteria that the Government will use to issue the licence will be as vigorous as the Hazardous Waste Corporation has used in their technical advice on the decontamination of pesticides?

**Mr. Cummlings:** Well, Mr. Chairman, the Member is not in any way making it awkward. I do think it is

a legitimate debate for this table, but I do not think at the same time we should automatically equate a request from ACRE to an evaluation that was done for Prairie Environmental Services. That is what Mr. Cooke just referred to, the fact that whether or not there is a natural site that is available and whether or not there are other things that can be done. It depends on what is actually going to happen at the site.

Remember that these applications are site specific. If the Member is asking for assurances that the Department of Environment will scrutinize it and bring it up to the same standards as we would all other applicants, I can give him that assurance. I am not privy nor is the Department of Environment. We work hand in glove with the information that the corporation provided to a private customer, and I think he is comparing apples and oranges if he is asking me to respond to that. We would need to sit down with technical people and look over the technical differences of the two proposals in order to establish whether there would be anything different, but I can assure him that it will receive the highest standard of requirements, as we believe we have applied with all other applications.

**Mr. Doer:** The question was: Will the Government be using the same criteria as were outlined by Mr. Cooke in terms of its technical advice on the site? I would come back to that question: Will it be the same criteria in the department, because the Minister is responsible for overall standards in the department? Secondly, will the Government take into consideration the fire that was at the site, and what possible damage there could be to ground water? There already has been a fire in an adjacent building at the Rivers site. Will the Government take into consideration those factors as well, in terms of the need for a natural barrier as well as a mechanical barrier for these pesticides?

I would like to preface this by saying that I think the farmers across the province are co-operating very well. I just think that we should give credit to the people who are doing a lot just to get the containers into some kind of system.

Those are the questions: Will the criteria be the same, and secondly, will the Government take into consideration natural or unnatural incidents such as fires that have already taken place adjacent to the site where the application—

**Mr. Cummlings:** Mr. Chairman, first of all the

Member is asking a question that has no answer, because we do not know if the two applications would be precisely the same. I can tell you where the same problems are imposed, it seems to me that the standards of the department are probably equally as rigid. Let us remember that this was advice, albeit from a Crown corporation, but it is engineering advice, technical advice. It is no different from financial advice that a financial adviser might give. It could vary from adviser to adviser but the ultimate protection of the environment is the responsibility of our department, and that will be lived up to.

In terms of his asking whether or not at the point of a fire would there be opportunity for the material to enter into the ground, that is obviously one of the primary answers that the Department of Environment is going to need to receive before they will be granting any licences. However, as the Member knows full well, that is based upon whether or not there is water applied to the site. It will not get into the ground water if it is not washed in.

**Mr. Doer:** Let us come right to the nub of the issue. The Manitoba Hazardous Waste Corporation, one would be safely arguing, has the greatest expertise in the province in dealing with these types of issues, in my opinion at least. If the Minister does not want to concede that, that is fine.

**Mr. Cummings:** Do not put words in my mouth.

**Mr. Doer:** Okay, but I am trying to put words in your mouth, quite frankly. I am trying to find out whether you will be using the same criteria. You are skirting around that issue—(interjection)—Let me finish. You skirt around the issue by saying it is a different application and it is a different organization, and one could go into some kind of criticism about the fact that the head of ACRE did not even know that this was an application that was rejected by the Hazardous Waste Corporation. I am not even going to get into that.

My question to the Minister is: The Hazardous Waste Corporation established criteria under which they evaluated the Rivers site, and under those criteria, natural criteria were used as one of the reasons to reject the site at Rivers. The Minister talked about the difference between the two operations and the difference between the applications, but my question to the Minister is: Will he be using the same criteria as just outlined by Mr. Cooke, and the criteria under which Mr. Cooke

advised the Prairie corporation to not use that site? Will the Government be using the same criteria which includes the natural realities of the site? That is my question.

**Mr. Cummings:** It seems to me I have heard that question about three times now.

**Mr. Doer:** Well, I am going to keep coming back to it until I get an answer.

**Mr. Cummings:** The Member keeps saying will it be the same criteria. He has the cart ahead of the horse. If the corporation applied to use that site, we would still be the licensing authority. The Department of Environment is the licensing authority, and we will apply the same standards across the board.

He is trying to cover up for the fact that he got a nasty editorial in the Brandon paper this weekend saying that he was being irresponsible with the type of claims that he made regarding the ACRE application. We do not need to put that on the record, but the fact is that we will keep a very careful eye on this one from the ministerial point of view, because I do not want and I do not like the kind of implications that the Member raises. They are legitimate questions, but I want him to know that they will be answered in a very clear and open way, and the standards will be high.

\* (1050)

He is asking me a question that is impossible to answer with complete accuracy at this point, if it will be the same standards, because we are talking about two different applications and possibly two different types of operations, and that is the part that he does not appreciate.

**Mr. Doer:** Let me say that those of us in public life, and I am sure the Premier has his wall full of editorials, any one of us has lots of them and will continue to get lots of them, and I am not worried about that. What I am worried about is the criteria. Will the natural criteria, the water realities—the fact that according to the Natural Resources map the proposal is on a site that could potentially affect the ground water—be a criterion of the Government as it was with the Hazardous Waste Corporation?

**Mr. Cummings:** I believe I answered yes before. Let me say yes, yes, yes, and absolutely.

**Mr. Doer:** Thank you. Can the Minister outline the other criteria that his department will be using in the acceptance or denial of this licence?

**Mr. Cummings:** Off the top of my head, no. The requirements for the guidelines will be on the public registry when the department has compiled them. I will be more than pleased to see that he does not have to send his researcher over to the public registry to get them, and I will make sure they are made available to his caucus.

**Mr. Paul Edwards (St. James):** While we are on this topic, I wanted to clarify, Mr. Minister, you had indicated that ACRE's proposal was for storage and processing, I believe. I may have that wrong; I see you shaking your head. As I understand, the prior application, which is being proposed by the Prairie group, was a storage. Can the Minister clarify that for our purposes?

**Mr. Cummings:** First of all, I do not personally see the application and provide the expertise on the analysis of it. It comes into the department and is dealt with by the directors according to their best professional standards. I am ultimately the appeal to the type of licence that they would issue, and then I would have it again reviewed for technical flaws.

Let me indicate to the Member that the application, both—it seems to me that it is the other way around, that probably Prairie Environmental Services had applied for storage and that ACRE may be applying for something more than storage, which, if you want to ask my opinion, means that it will be receiving much higher standards to operate by. Mr. Cooke may have more technical information, so I will let him add to that.

**Mr. Cooke:** My understanding is that the ACRE application is just for storage. The Prairie Environmental Services application that we were involved with, the one that is approved, is for a storage and processing facility that would continuously decontaminate the containers. The material would come in and be stored for a short period of time and processed.

It is also the intention of that group to potentially expand that facility to make products out of the high-density polyethylene that is decontaminated, so there is potentially a manufacturing operation attached to it. It involves more operations, perhaps is the best way to describe it, than what I understand the ACRE proposal involves.

**Mr. Edwards:** What does appear clear is that both the Prairie and the ACRE application did involve a storage component. Whereas the Prairie application may have gone further and perhaps is a

more substantial proposal involving a processing facility, both involve storage. Can the Minister indicate or through Mr. Cooke indicate to the committee what the conclusion was on this site with respect to storage?

**Mr. Cummings:** I will let Mr. Cooke answer in a moment, but I think you are reaching into an area of comparison. Really what you are questioning and what the previous questioner was referring to is whether or not the Department of Environment has or will have the technical competence to assess these applications. While the expertise of Ed Yee and other people at the corporation are very highly regarded, I believe the technical expertise of the people in the Department of Environment are equally as high. Mr. Yee came from the Department of Environment originally.

While I am certainly pleased to let Mr. Cooke answer the question if he can, if he has that information at the top of his head, I think for the record we should be making it very clear that any application, whether it comes from ACRE, whether it comes from the Hazardous Waste Corporation or whether it comes from a private individual, ultimately receives its licence through the Department of Environment.

The Hazardous Waste Corporation does not issue licences, they are not a regulatory body, they are a regulated body. Therefore, the questions will perhaps not intend to do that, but by their implication raise the question of whether or not the Government and the department has the technical confidence to make a decision on these applications.

I would say since I have become Minister, I have no indication of that, and I in fact have acquired some degree of confidence that we have good capable people in the department, that if and when we issue licences for this project or others, they are technically correct. I will let Mr. Cooke add to that.

**Mr. Cooke:** I think the question is: If we were evaluating the storage component of the Prairie Environmental Services project at the Rivers location, what kind of criteria would we apply to that?

I cannot, I want to emphasize, comment on the ACRE application because I quite frankly do not know enough about it. I have seen the advertisement in the paper.

It would be our judgment, and this is a judgment, I think to be consistent with what we have said about siting hazardous waste facilities generally, that

there is a relatively common set of basic environmental location standards that you should apply to a storage-handling, processing or treatment facility, and one of those is a hydro-geological criterion. Certainly, given consideration of the nature of the materials handled, their volatility and flammability, and this applies for example when we are dealing with a storage transfer station which is a facility we are currently trying to site, those things are considerations.

One has two options, and I will go back to an answer that I gave earlier. You can engineer the protection, or you can seek a location that provides it to you naturally or maximizes it naturally. Our advice to Prairie Environmental Services, as their consultant, was that it was an economic decision, given a facility of the scale they were proposing and considering, and the other options that were available, that they seek an area that provided aquatard soils. We also indicated that the structures involved at Rivers, for purposes of their application, would require fairly expensive upgrading, in terms of things like fire protection, to meet the kind of standards that as engineers we felt were appropriate. I cannot make any of those judgments with respect to what someone else is proposing. I can only assume that they would be looking at the same considerations.

**Mr. Edwards:** Can the Minister indicate what the present loan outstanding from the corporation to the Government is, and how it has been accumulated on a yearly basis?

**Mr. Cummlings:** The capital authority for '86 is \$2.5 million; '88, \$2.2 million; '89, \$2.1 million; we have proposals that the corporation has included in the 1990 loan Act, \$1.2 million; for a total of \$8 million.

**Mr. Edwards:** What are the interest payment arrangements with respect to those loans?

\* (1100)

**Mr. Cummlings:** The corporation is now required to accommodate the interest charges against that.

**Mr. Edwards:** Can the Minister indicate what the rate of interest is?

**Mr. Cummlings:** The Department of Finance prime rate, which would be variable.

**Mr. Edwards:** Has the corporation been able to meet its interest payments to the Government for those loans?

**Mr. Cummlings:** Yes.

**Mr. Edwards:** That money has come out of the revenue through various consulting work and things. How have the revenues from the corporation been generated to meet those interest payments which, based on the interest rate that has been given and the amount of the loan, would be fairly substantial, at this point I would imagine close to \$1 million a year or somewhere in that neighbourhood? Perhaps the Minister can confirm.

**Mr. Cummlings:** Mr. Chairman, it is within the last year that the corporation has been required to accommodate interest. I will let the chairman or the president provide some additional detail on the cash flow of the corporation.

Let me indicate that, in requiring the corporation to recognize interest costs, we felt it was reasonable for all of our Crowns to make sure they recognized the money they were getting from the Department of Finance to operate was not just manna from heaven, that it was taxpayers' dollars. Particularly when we have a deficit in this province, it needs to be recognized that money actually has a cost. That is ultimately reflected in the development costs of the site and/or facility that the corporation will ultimately achieve. It is not a penalty; it is a recognition of the real cost of the process that they are working on, and I will let the president or Mr. Vernon perhaps . . . .

**Mr. Don Vernon (Chairman of the Board, Manitoba Hazardous Waste Management Corporation):** In terms of the interest charge, it is a charge against the funds provided through the loan Act authority. Because of the nature of the corporation, in that these costs were developmental, the interest costs are capitalized. They do not form part of the deficit, and they are funded through the loan Act authority.

**Mr. Edwards:** Just to clarify at this point: They have started being paid back in cash to the Government?

**Mr. Vernon:** Yes.

**Mr. Edwards:** If the corporation operates independently, as has been indicated, as a regulated development proponent which is independently financed, why is it shown as a line item in the Department of Environment budget? Does this not constitute a conflict of interest with respect to the essence of this corporation?

**Mr. Cummlings:** It is simply a place to put it, if you will. Also, it is in a developmental stage, but it could just as easily reside with someone else. This

question has been discussed and considered, and I think the public deserves some discussion of whether or not there is a perceived conflict as the Member would imply.

Let me put it in a broader context. The corporation does not, more than any other proponent, work on a day-to-day basis with the department. In other words, the Department of Environment, no matter who the proponent is, is not there to block development. It is there to show the proponent how they should approach the licensing process and give them the guidelines that they need to meet in their development of the environmental assessment process. Beyond that the corporation does not have any direct discussions day to day with the Department of Environment.

At the same time as Minister of Environment, and environmental issues raising their heads regularly as they do, who else in Government is better prepared to quickly approach people within his own department to be briefed on various aspects of issues that are raised than the Minister of Environment? That linkage, however, is simply one of convenience. The corporation's funds are lodged with the Department of Environment simply for a matter of convenience.

**Mr. Edwards:** The Minister has indicated obviously that money does not grow on trees and we are in a tough financial situation, but it strikes me that the corporation is going to require a large amount of support in this stage.

The developmental stage has been through three or four years, and now the corporation has been asked to pay back the interest payments that it has been incurring for the Government. It does not strike me that the corporation is through its developmental stage. Are they not at this point simply part-way through and still quite a long way off from even choosing a site and embarking on their major task of having a storage, a transfer facility, and a processing facility? Are we not still a long way off, and is it not premature for this Government to be backing off its financial commitment to the Manitoba Hazardous Waste Corporation?

**Mr. Cummings:** The Member chooses his words carefully, albeit I would suggest wrongly, in terms of backing off. The corporation, as it capitalizes its development costs, should recognize that the funds it is using do not come at zero cost. That also may very well be a very strong lever in the future if the

corporation is looking for the major funds that the Member is talking about. There could be \$25 million to \$30 million worth of expenditure to develop a facility. In reaching that point, I think it needs to also be clearly recognized what it costs to get there, and that includes the cost of the money that was used to do all of the exploratory, engineering, and the public consultation process.

**Mr. Edwards:** Perhaps it is appropriate at this time to ask then what the timetable is for the corporation in reaching the stage where they might require that further infusion and be in a position to commence construction of some of the facilities which they propose.

**Mr. Cummings:** I will just make one comment and I will turn it over to Mr. Cooke. Our approach has been since coming to Government, and certainly the approach of the previous Minister was that we should move along as quickly as possible. That does not mean that moving along means opening the key to the treasury. The funds available are somewhat related but not the total governing factor in how quickly they move to getting a site. Certainly in my opening remarks I indicated that we were hoping we could be very close to finalizing a site by the end of this coming year.

**Mr. Cooke:** Perhaps go back first to a comment of "you have been at it for three or four years." The corporation has been operational for three years, and the first part of any process is getting organized and doing some planning. The actual facility development work in terms of siting has been on for a little under two years, and I draw the comparison of the length of time people have been involved in this in other places, and it is substantially less.

Our current schedule, by the end of this year and the early part of 1991, is to select a number of specific locations—in one community we have identified now, and in two other communities we are looking at options—to identify up to three locations to do detailed site assessment. We would complete that and the environmental assessment work by next September at which time we would be filing a final application for either a combined facility or two separate facilities to the Department of the Environment. The siting work in effect is complete by the end of 1991 and before the regulator.

Speculating beyond that, as any proponent, I can give you an optimistic schedule as to how quickly regulators will deal with that application, but it is

certainly our expectation to be in a position to start construction of the facilities in 1992 and to have some in operation in 1993.

\* (1110)

Through the development process, we have been developing some of the infrastructure as well. We do operate two storage facilities currently in the province. I would also add, and this may be a gratuitous comment, those are the only two new hazardous waste facilities licenced in the Province of Manitoba since the corporation has been operating, other than the Prairie Environmental Services project that we were involved in. The corporation's presence in the business in the period of time that we have existed, we have tended to be the major new player, as opposed to having a bunch of other people come in. That is the development cycle. I think it is a reasonable period of time, obviously. It is certainly quicker and far less expensive than has been undertaken in other jurisdictions.

**Mr. Chairman:** Before we carry on, I would just ask all Members of the committee if you could keep your questions as pertinent as possible and as reasonably short as possible. It gives me the greater ability to facilitate or listen or hear the other questions of the other Members of the committee also.

**Mr. Edwards:** Mr. Chairman, on that note, I do not want to speak before we get to a time where we may have to break, but I think the Members of this committee are going to ask as many questions as they want about the corporation. I think we have had a good level of information come forward already. It is my view, and I do not know if I speak for my colleagues in the other Party, but if we do not get finished today, then we will simply have to reschedule. I intend to ask vociferous questions because I think it is a very, very important issue and I think we have the people here who are giving us the answers. I will leave it—

#### Point of Order

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Chairman, I do believe we are dealing with the 1989 report, are we not?

**Mr. Chairman:** 1988.

**Mr. Laurendeau:** 1988 and '89 today? Well Mr. Chairman, a number of the questions that are coming up would be a lot better dealt with in

Estimates than they are here in the '88 and '89 reports. We will still be here in '92 dealing with these reports at this rate. We should keep them relevant. I do not remember moving any rules that stated we did not deal with '88 first, '89, and then let us deal with '90, and let us deal with the rest in Estimates or we will be here in '91.

**Mr. Chairman:** Order, please. It is not a point of order. It is a dispute of facts.

#### Point of Order

**Ms. Marianne Cerilli (Radisson):** I just want to clarify how we are going to rotate through the questioning.

**Mr. Edwards:** Mr. Doer had the first 45 minutes—

**Mr. Chairman:** Order, please.

**Mr. Edwards:** We will go until everybody's questions are answered, period. Gary went for 45 minutes. We will go. It is an important issue.

**Mr. Chairman:** I would ask that the committee Members try to work this thing out as reasonably as they can. I do try to give each committee Member a chance to have a line of questioning. I do not actually try to cut them off. However, if it drags on too long, I would ask them to keep it as short as possible. That is what I have done. I would ask you to talk amongst yourselves though to some extent to try to pattern, if you will, your line of questioning.

**Mr. Edwards:** I think that many Members may have many questions. Mr. Doer, by my calculation, took the first 45 or 50 minutes, and I will take my guide from him.

\* \* \*

**Mr. Edwards:** I want to go on, Mr. Minister, to clarify exactly what the \$2 million appropriation in this year's budget, as opposed to the \$2.5 appropriation in last year's budget, reflects. That is, I assume a non-repayable grant which is in a sense given by the Government to the corporation, because it does not coincide with the loan figures. What is the difference between that and the figures that are appropriated in the loan Act?

**Mr. Cooke:** I have a little bit of difficulty answering the precise numbers, obviously, because they are in the Department of Environment's budget. The corporation's practice is to capitalize our development expenditures and, hopefully to the maximum degree possible, recover those through

the development of the system. That would be our intention.

Quite independently of the corporation, there is a financial decision made by the Government and I would presume the Department of Finance, to assign evaluation allowance for the Government's investment in the corporation. In effect it could be comparable to a shareholder in a holding company choosing to, for tax purposes or whatever in the private sector, write off or write down an investment.

Those numbers in the Estimates do not reflect any current budgets or expenditures of the corporation per se. That is a judgment on the expenditures of the corporation and how the shareholder overall is choosing to treat them and then places them in the current accounts.

**Mr. Edwards:** While on that subject, has the corporation delayed some of its activities such as site assessment due to budget restraint? The Minister has indicated that not only is the corporation being asked to repay some of the interest at this time, but also money does not grow on trees. Is budget restraint causing the corporation some delay or curtailment of their site assessment activities?

**Mr. Cummings:** I indicated earlier the flowing of funds was not, in and of itself, the only factor in the speed at which the corporation is able to move, but it does obviously follow that the corporation cannot examine as many sites at the same time with the difference between \$5 million and \$2.5 million.

The activities on the number of sites is what will eat up the number of dollars. Frankly, I think it is reasonable that we do not have half a dozen evaluations going on at once. There has to be some focus to the examination of sites, or you are going to simply be examining and examining all across the province, perhaps creating rivalries between various communities that may end up being nothing more than exercises in futility. There is ultimately only going to be one site, or two if the collection facility and the ultimate treatment facility are not located at the same site.

The Member is asking: Is the corporation being limited by its budget? As every corporation is, yes, they are limited by their budget. Are we reducing the budget? We have not reduced the budget; their budget is the same as it was a year ago in terms of the budget that they have brought forward.

However, they do have the responsibility to

evaluate fairly intensively some sites. I think that the example of what we saw in Ontario, where they have now spent virtually \$100 million on evaluation of a site, and still do not have a site is something that we can learn from in this province. We do not have those kinds of resources to spend that much money looking for a site. What we do have is a province that is blessed with an enlarged area with a great degree of clay which gives us that natural barrier we were referring to earlier. The answer is a qualified response, as the Member can understand.

\* (1120)

(Mr. Bob Rose, Acting Chairman, in the Chair)

**Mr. Edwards:** The Minister says there has been no reduction in the funds available to the corporation according to the corporation's budget, but the corporation appears to have a smaller loan in the coming fiscal year, appears to be recorded in the Estimates as receiving \$500,000 less, and appears on the Minister's confirmation to have to be paying back their interest payments. The Minister has indicated that site assessment activities will have to be limited accordingly. What does he mean by that? What site assessments have not been done that could have been done? Is it the corporation's position now that they are not continuing to consider sites which to the present they have not considered?

The Minister was speaking to Mr. Cooke. Perhaps you would like me to repeat the question.

**Mr. Cummings:** Just the first part. Were you asking are we assessing fewer sites than we would have been?

**Mr. Edwards:** The Minister has indicated that you cannot assess any number of sites. It is my understanding that the corporation proceeds based on the community's showing interest in the first instance. Has there been a cut-off in effect drawn on communities who would come forward and ask for site assessments? Were any communities that did come forward not considered, based on budget restraints?

**Mr. Cummings:** There has to be a prioritization of the communities that come forward. Yes, you could probably indicate that there are a couple of other sites out there that we could be evaluating as well, though I think that, as in any other business, somebody has to do some prioritization, and that is what the corporation's board of directors and management are responsible for doing in the selection of a site within the confines of their budget.



**Mr. Edwards:** Is the Winnipeg site location which remains open—I understand there are four locations being considered within the city. Can the Minister indicate what those locations are?

**Mr. Cooke:** What we have identified in the City of Winnipeg is again going through a process of screening general areas of interest. The City of Winnipeg has identified four locations that it owns in the city that may be available and that do meet our screening criteria, so those four are under consideration. One is a site in east Transcona; one is a site in the St. Boniface industrial park in the undeveloped part of it; the city location in south St. Vital at the South End treatment plant; and the city land base, quite a large land base, is the Brady Road landfill.

We have also looked at and potentially could give some consideration to private land in the same general areas. We deal with willing landowners; a number of people have come forward, and we are potentially looking at locations that involve private land within the city.

I maybe should add another point. The process of site screening, identifying candidate host communities, is not constrained by our budget. We had planned and made an election at the beginning of 1990 to short-list those communities that we were working with and had identified five. Two of those have elected not to pursue the process, and we are currently working with three, so the process is evolving naturally.

There has been interest expressed by other communities, and that seems to occur almost continuously. The corporation's position, since the first of 1990, has been that we would not—we will talk to people, basically because we think talking about hazardous waste is an important thing to do. We will talk to any community or any council that talks to us, but not in the context of pursuing additional siting options.

We effectively made that decision almost a year ago and have been working through that with the communities that have made some commitment to us. Quite frankly, I have some loyalty to them in that context.

**Mr. Edwards:** For the Minister, you undertook, I believe, at the corporation's last appearance before this committee, to ensure that the balance of The Dangerous Goods Handling and Transportation Act would be passed during the last fiscal year.

It is my understanding this undertaking was made to assure the committee, and I was not on the committee at that time, that uniform regulations relating to the criteria for the siting and licensing of hazardous waste facilities would exist, so that all proponents of those facilities would have to meet the same high standards as those reflected in the corporation's work. Why has this not been done to date as promised?

**Mr. Cummings:** We are still approaching the thing with some caution. We have to make sure when we put the regulations in place that we are able to enforce them. We have expanded our capability, but we are also working on a regular basis with, first of all, all of the new applicants and certainly with any of the existing operations where they are under a director's permit if there are any changes in their operation, to bring them fully up to the requirements we anticipate enforcing as part of the final declaration of those sections of the Act. We are proceeding toward it; it has not gone as quickly or smoothly as I anticipated, but it is not very far off.

**Mr. Edwards:** On that subject, can the Minister indicate how many hazardous waste facilities are currently operating, like the Solvit facility, on permits issued under the old system, under director's permits.

**Mr. Cummings:** I would invite the Member to ask those questions during my Estimates; I do not have my deputy with me to respond to that.

**Mr. Edwards:** I look forward to the answer. I do not acknowledge that it does not deal with this, it is not properly before this committee at this time, given that the Act itself and the licensing of facilities is very clearly the subject matter of the corporation's work, but I would appreciate a response from the Minister to that. We are heading into the Department of Environment Estimates we hope shortly, but if he could get it to me sooner, I would appreciate it.

I will go on to ask him what the status of the Consolidated Environment Services application for a transfer station and expanded recycling facility in the St. Boniface area is, particularly in light of the recent press reports regarding environmental violations regarding the company's existing operations.

(Mr. Chairman in the Chair)

**Mr. Cummings:** Mr. Chairman, I could respond to the question, but it was raised earlier at the committee that we are dealing here with the Annual

**Report of the Manitoba Hazardous Waste Management Corporation.**

I have with me the three officials from the Manitoba Hazardous Waste Corporation, and I would like to see us deal with the issues surrounding the Hazardous Waste Corporation. He is drawing a very long bow when he says that any hazardous waste management facility out there is relevant to the operation of the corporation.

\* (1130)

I will respond to the question, but I would invite the Member to ask these questions at the Department of Environment Estimates. I will have my directors there, I will have my Deputy Minister there, and we will respond fully and completely.

As to your question, it is my understanding that they are being treated as any application would be. However, obviously any violations under previous operations always cause some increased focus upon application to change operations.

**Mr. Edwards:** I want to get back just briefly—and I will pass on to my friend from the other Party—to the relationship of this Government with ACRE. It is my understanding that the Department of Environment does have a direct involvement in ACRE's operation in their role as regulators of such operations. Is this not, as well, something which could be perceived as a conflict of interest, given that there is direct involvement of the Department of Environment's staff, as well as their role as regulators? In this regard, I guess what I am looking for is an assurance that ACRE is going to be required to meet the same hazardous waste regulations as other operators such as the Hazardous Waste Corporation itself.

**Mr. Cummings:** Mr. Chairman, I invited and responded as fully as I could to a number of questions about ACRE earlier on, and again, we are dealing with the Manitoba Hazardous Waste Corporation, and we have two Annual Reports in front of us. The answer is yes, they will be closely regulated. In their formative stages there was a representative of my department who was included as an adviser to them in terms of setting up a collection system—Mr. Plews. He is no longer part of the board of ACRE because of the fact that they are going to be making applications.

There is also a policy adviser who has been acting as secretary to the organization who is out of the policy branch of the Department of Environment, simply providing some staff time in order to help

them keep track of what they were doing. That is also being terminated. They are now, as they approach the Department of Environment to be regulated, being kept at arm's length from the department.

**Mr. Chairman:** I believe the Minister has complied with the questions, if you will, and I would ask the Members to keep the questions as relevant as possible.

**Mr. Edwards:** It seems to me, and I do not claim to have been around this issue for a long time, but looking at it in the last couple of months, the Government has a number of sticks in the fire, if you will. They have the ACRE operation, they have the Manitoba Hazardous Waste Corporation, and I am not sure that the Government has each of their mandates sufficiently clear in their own minds.

I would ask the Minister why the ACRE operation was not seen fit to fall within the mandate of the Manitoba Hazardous Waste Corporation. Clearly, the containers which ACRE deals with are hazardous waste and are a product which would fall within the mandate of the corporation. I think many of the Minister's problems, some of which are being illustrated here today, flow from that. I wonder why the arm's-length corporation we have before us today was not given the mandate to deal with the issue which ACRE deals with. Was there any discussion at the time that ACRE was set up about that?

**Mr. Cummings:** Yes, there was discussion of whether or not the operation should simply be mandated to the Hazardous Waste Corporation. There are a number of things that flow from that, one of which was the fact that I spent a year in Municipal Affairs, learned from my previous life as well to have a great deal of respect for local authorities and the responsibility that they take towards dealing with issues.

I referenced earlier that we were also working on and have taken regulations out for discussion on tightening up of waste disposal grounds. This is very much a waste disposal ground issue, very much the kind of issue that needs the co-operation of pretty well every municipality in rural Manitoba, some 200 different elected bodies out there.

At the same time, we had an industry that was prepared to start being responsible and accountable for the waste that flowed from its product, waste that was not necessarily even recognized as waste a few

years ago, waste that in fact ends up being owned by the individual farmer after he has emptied the container.

This was an experiment, and I said at the time that it was an experiment, and if it did not function in the way that it was originally mandated, I would be the first one to pull the plug on it. That is why I do not mind expanding this discussion today as much as I might otherwise do, because I believe very much that the stakeholders need to be involved. As well as applying regulation, you also have to make sure that you make available the opportunity for the responsible companies, operators, in this case farmers and municipalities, to deal with their problem.

Municipalities were not really able to deal with their problem. Some of them had crushing facilities. They did not have decontamination facilities, but some of them had invested in crushers. We were faced with the choice: Do we go out and tell all the municipalities "you have wasted your money, you have wasted your effort in trying to deal responsibly with this problem, and we are going to send in somebody to look after it for you," or do we work with them on two phases. One is to help them develop acceptable storage or dump-off sites for the collection of the material, secondly, on the facilitative side, in order to have a way in the province that was capable of clearly and easily dealing with the issue.

I have since been working on another front, which is the provincial front, working with Saskatchewan and Alberta to try to get some continuity across western Canada on how we deal with pesticide containers. There is an ongoing debate out there as to what is the right way of dealing with them. Our model is seen to be quite progressive. At the same time, we are being watched to make sure whether or not it will work, because it has a considerable amount of money at its disposal. At the same time, if the volume of material collected out of the waste stream comes up to expectations, then we will have to continue to work with the industry to make sure we get the funds to cover it.

All of this is predicated on the fact that if a system is developed and works well, it can be left alone. If it does not develop an ability to take the maximum amount of product out of the waste stream, we have the capability of legislating a regulation under the WRAP Act as well. ACRE automatically has the capability to administer funds under the WRAP Act,

which would be outside of Government, and that is one of the major reasons that industry and private individuals are interested in the application of the WRAP Act, so that funds collected for disposal of specific products do not get mixed up into the funds of Government.

One of the things that has happened across the country that is still very much in debate is whether or not Governments should take funds in and then just distribute what is used and use the other dollars on a discretionary basis, or whether product by product it be responsible for its own disposal and the funds collected be used toward that disposal.

**Mr. Edwards:** Just on that subject, the Minister indicated earlier that Mr. Plews had been a Department of Environment employee as well as assisting in the technical expertise of the ACRE operation. When ACRE made the application, it was obviously and quite correctly seen that there was a conflict and he withdrew, as I understand the Minister has indicated. What strikes me is that ACRE now may not have that technical expertise; certainly they do not have his technical expertise. The Manitoba Hazardous Waste Corporation makes it its business to have that expertise.

Is it the Minister's intention to continue that philosophy, that for certain products this type of operation, like ACRE, a product-specific operation should be set up? It strikes me, if that is the philosophy, the Manitoba Hazardous Waste Corporation is going to continue to have its mandate depleted.

**Mr. Cummings:** There is one thing I have not said, and the Member has not referenced, and that is ACRE was not set up to be a capitalized operation. It is there to be managed, but to be a management body, and they can hire the expertise they need if and when they need it.

It was not anticipated and still is not, that they will need enormous ongoing resources in terms of the expertise, because they are there to manage the funds and not necessarily to be operational.

**Mr. Edwards:** Perhaps the Minister could answer the second part of that question with respect to his current philosophy on hazardous wastes and whether or not container-specific operations or hazardous waste specific operations are to be set up to deal with certain hazardous waste products, as opposed to one umbrella organization like the

Manitoba Hazardous Waste Corporation having the authority to deal with it.

\* (1140)

I think we have, if I can just add before the Minister answers that question, in my view an enormous resource in the corporation of expertise. I think their mandate was sufficiently broad when they were set up, and I certainly understood it to be one which would deal with all aspects of hazardous waste.

I, on my own part, do not see at this point the financial sense or the overall sense of setting up various operations to deal with various products. It must surely be preferential to have one corporation with the expertise in the area of hazardous waste operating in the field, giving the Government the knowledge that there is an arm's-length Crown corporation actively in all aspects dealing in this area, not just as a consultant, but as an overseer of the way that hazardous waste is dealt with.

**Mr. Cummlings:** I do not think the Member is proposing that the Hazardous Waste Corporation become a regulator.

**Mr. Edwards:** No, I am not. I am simply saying that there is a middle step there. It is a Crown corporation whose mandate is sufficiently broad to handle things such as pesticide containers or the containers which ACRE deals with. I wonder if we are going to see further depletions in my view from the mandate of the Manitoba Hazardous Waste Corporation by operations such as ACRE?

**Mr. Cummlings:** No, I think the Member perhaps misunderstands my explanation or even the motives in setting aside ACRE as a specific responsibility in this area. Even the collection of pesticide containers—because I am a farmer, I believe that where my past experience has been I can say this without being unfair to my fellow agriculturalists—is very much an educational and co-operative process. It is a small amount of material that contains a rather small amount of pesticide, generally speaking. It is something that is a matter of good husbandry, if you will, in terms of management of their waste stream.

Historically, some people did not take very good care of it, and it ended up near water sources. The educational process and the co-operative process, it seems to me, offer a far greater hope of getting all of these materials collected than a regulatory one.

The use of the local waste disposal grounds with designated areas for pesticide container drop-off

has worked reasonably well this year. What has not worked well is that there are fools out there who when they see a pile of plastic, think it needs to be burnt. That is the greater problem that we have with the collection system today. Neither the Hazardous Waste Corporation nor ACRE nor all the police forces in Manitoba are going to be able to 100 percent control that. It is very much an educational process, and in that context I think having the local authorities involved becomes quite critical.

As I say, bringing it together the first year, the removal of the waste, it is a little difficult to decide how much is waste from this year and how much is historical waste that may have been on some of these sites. The indications are that we now at least have a hand, if you will, on all of the material that is out there, or will have by the time the operation is complete. I am not sure if ACRE has completed all of its clean-ups at this point.

Next year, we start with a fresh process. We start with a lot more municipalities who have designated areas for the collection of the product, and ACRE will have the period over the winter to deal with the ultimate disposal of the product and what level of decontamination will be required. ACRE is not so much to be viewed as being in competition with the Hazardous Waste Corporation but as being another effort out there to clean up the environment.

The Hazardous Waste Corporation has a mandate to develop a system across the province. This was a rather unique type of waste stream, as I have just spoken of it, and was seen as an experiment to bring together all of the different players in the system. The Keystone Agricultural Producers, for example, are a major player in this, along with the municipal people. If the Member is critical, I hope he is critical in terms of whether or not we have collected enough, rather than whether or not we are somehow interfering with the operations of Hazardous Waste Corporation with a \$2.5 million annual budget and a very large challenge ahead of it in terms of siting a waste disposal treatment facility.

**Mr. Edwards:** There is no question that the educational aspect is critical, and nobody is questioning that today, Mr. Minister. There is also no question that the goal is, as well as educate people, to collect as much as possible and to deal with it as safely as possible, and that is the issue that we are all here about. The question which is posed, and it is one that the Minister by implication

agrees with, is what is the best way to do that. He has acknowledged that was discussed at the time ACRE was set up, and he has most recently referred to it as an experiment in his last answer.

What I would follow up with, based on that, is what process of review is there for how ACRE is working and whether or not it is the most effective way to achieve that goal. Is the Minister doing a yearly review of its operations to determine whether or not it is the best vehicle for achieving this end?

I do not say it is necessarily not. I raise for the Minister simply whether or not this would not have properly been within the corporation's mandate and whether or not there are other hazardous waste products which are going to be hived off with separate operations dealing with them and them alone.

**Mr. Cummings:** Mr. Chairman, I would welcome all of these questions during my Environment Department Estimates. This is the Hazardous Waste Corporation, these people are dealing with the Solvits type of materials, ACRE is not.

Why are we not talking about the sites that the corporation is looking at? Why are we not talking about the volume of hazardous waste out there that is not being dealt with? Why are we not talking about the industrial opportunity that is associated with having a hazardous waste corporation established in this province?

**Mr. Chairman:** Order, order, please.

**Mr. Cummings:** Why are we not talking about the safety of the water supply in the City of Winnipeg, where we have industrial discharges? Let us talk about those kinds of things in connection with the Hazardous Waste Corporation.

### Point of Order

**Mr. Edwards:** Mr. Chairman, on a point of order, I feel obliged to respond briefly to the Minister. I think that there is no question we will get to the things he has raised. He himself invited discussion about ACRE. ACRE does have a relationship with the corporation and we were pursuing a line of questioning in which he had acknowledged that the question of ACRE's relationship with the corporation had been discussed in his department.

It is properly before this committee, and it will continue to be, as will all of the things that he has mentioned. We will certainly get to those discussions. I am going to at this time pass to my

friend, Ms. Cerilli, and we will be back to these and other issues.

**Mr. Chairman:** Mr. Edwards, you do not have a point of order.

\* \* \*

**Ms. Cerilli:** I think the public would agree that the siting of the Hazardous Waste Management facility is one of the biggest areas of concern, but before we go there, I have one question about the ACRE projects.

**Mr. Chairman:** Ms. Cerilli, could we keep our question pertinent? I think we have run this line of questioning already with Mr. Doer, and now with Mr. Edwards. I would ask that you keep your line of questioning here pertinent, please.

\* (1150)

**Ms. Cerilli:** I am just wondering if—

### Point of Order

**Mr. Edwards:** Mr. Chairman, let us get this clear right now, and it is a point of order as to what is properly before this committee. The Minister has acknowledged that the discussion as to whether or not ACRE was originally within the mandate of the corporation, should be within the mandate of the corporation, is—

**Mr. Chairman:** Mr. Edwards, what is your point of order please?

**Mr. Edwards:** This discussion is directly related to the operations of the corporation. That is my view, and I think we need that clarified.

**Mr. Chairman:** Mr. Edwards, do you have a point of order?

**Mr. Edwards:** Yes, my point of order is that your instruction to my friend, Ms. Cerilli, is improper, and her question is properly put.

**Mr. Chairman:** I believe, Mr. Edwards, if she has a point of order, she will bring it up I believe, on her own behalf. Mr. Edwards, you do not have a point of order.

\* \* \*

**Ms. Cerilli:** I would like to just ask my question. Has the option of reuse of the containers been explored, and can you fill me in on that?

**Mr. Cummings:** That is part of the mandate of the ACRE organization, to look at all options in the

pesticide containers, if that is what you are referring to, the pesticide containers specifically.

**Ms. CerlIII:** Is that an option then? Is that being looked at with the industries that are producing the pesticides?

**Mr. Cummings:** It is also being looked at in terms of environmental departments across the country. What you need is some harmonization of container product. I will indulge this question, but I want to warn my colleagues that I have about reached the end of the questions on ACRE and its relevance to the Hazardous Waste Corporation.

There are bulk pesticide handling containers that are available on the market today. Some of them are stainless steel; some of them are high impact plastics. There are also studies going on, on the type of containerization. If you were to ask me a candid opinion as a farmer and as Minister of Environment, I suspect that within 10 years, you will see the majority of pesticides packaged in soluble containers. In other words, there will not even be a container to dispose of. The whole thing will go into the spray mix and will be dissolvable and will be gone.

The fact is that ACRE has a broader mandate to look at other options, but they also have the specific mandate. That broader option is that they can work with CPIC to fund research projects on agriculture pesticide containers, if that is an option that they choose, and the industry is actively involved. I am not here as an apologist for the industry; I am here however as a former farmer.

**Ms. CerlIII:** I would like to find out more about the private land that is being considered for the siting of the Hazardous Waste Management facility. Can you give us an idea of generally the location of the private areas and their size?

**Mr. Cooke:** In the communities outside of Winnipeg in the area of Montcalm, all of the land under consideration that has been voluntarily put forward is private. In Pinawa, the area that has some potential is Crown land. Within the City of Winnipeg, as I mentioned earlier, there are four city-owned locations. There is some private land in the area of the St. Boniface Industrial Park, some private land in the area of the Brady Road landfill that current landowners have identified for us and we could potentially give some consideration to. They are essentially adjacent to or in the same general area as the city sites that we have identified. We have

looked at other private parcels of land around the city, and they are ones generally that we do not have a lot of interest in for one reason or another.

**Ms. CerlIII:** Is the consideration of the private land happening at the same time? I was aware that the current public consultation process is considering mostly the city land, or is it also including the private land?

**Mr. Cooke:** It will consider both. As we identify those options, and as the two private planned areas that have been identified are essentially adjacent to existing city sites, the public consultation is applicable. We are really just going through the process of screening them at this time. There is more data available, and we had an opportunity to identify the city-owned land earlier. The city identified it earlier for us.

**Ms. CerlIII:** Has there been an agreement with the city that you prefer to use city land?

**Mr. Cooke:** No.

**Ms. CerlIII:** The process that we are in now is an assessment process. What I would like to find out is the criteria that are being used for this pre-assessment and how those differ from the detailed assessment that will happen once a couple of sites are identified.

**Mr. Cooke:** The process now is one of identifying. We have identified a number of options, are in the process of identifying those options. We hope to go forward, and I am interpreting your question as specifically relating to the city. We would hope to go forward to City Council, who have extended the invitation to the corporation to look for potential locations in the city with a recommendation on one or more sites that we would do a detailed assessment on. The question is often asked to us, "What is the best location?" We do not know that answer until we do a detailed site assessment, which is the basis for an environmental impact assessment.

The current work is really comparing the options in terms of existing environmental data that may exist, proximity—certainly the public's reaction to and comment on consideration of any of those locations is a factor, and all of those things will be taken forward. The next step is to the City of Winnipeg Council, and they will make a decision on whether they wish us to proceed or not. It is a voluntary process, and we are doing it at their invitation.

**Ms. CerlIII:** I am still not clear as to what is the difference between the criteria in the preliminary assessment, and then what are you going to look for once you have identified the one or two places that you want to give a more detailed assessment to?

**Mr. Cooke:** I guess the difference is, at this stage, higher level considerations. What we hope to do is identify the locations which have the highest probability of offering us the characteristics that we are seeking. Those characteristics have been fairly well documented in a major discussion document that defines the corporation's criteria. Those are the technical and environmental considerations.

To do that detailed assessment, quite frankly, is an expensive proposition. It involves drilling a lot of evaluation holes, evaluating hydro-geology, doing an environmental overview of the site, and some preliminary risk analysis and consideration of things like transportation. It is really a question of the amount of money spent, so it is a sequential screening process. At this stage, we will select those locations which seem to have the best attributes for further evaluation.

**Ms. CerlIII:** As I understand, the preliminary assessments are looking at public openness to the facility, the size, general location of the facility. What is involved then in the secondary assessment, the environmental assessment you are talking about, without getting really technical? I am just wondering what you are looking for when you drill the holes. What about the concerns about being close to water aqueducts and that kind of thing?

**Mr. Cooke:** Those are exactly the things you look at. I will use some technical words. You are evaluating things like hydraulic conductivity in the soil, time of travel of contaminants within a body of terrain, certainly a consideration of transportation access, routing in and out of the facility in terms of how that can be optimized, those kinds of things. In relation to any real or perceived concerns about the location of the facility, that is the kind of information that is necessary to provide the public with. You specifically mentioned, say, an aqueduct or a water body adjacent to it. The consideration there is how could a contaminant that might exist on our site move from that to, say, an aqueduct. The information required is time or travel rates within the soil and the paths that they might take, the environmental paths. That is the kind of evaluation that would be done, although I might add, the potential for moving a contaminant into a structure

such as an aqueduct is very low inherently, because of the pressurized nature of an aqueduct itself.

\* (1200)

**Ms. CerlIII:** What are the regulations that exist for the location of this kind of facility in regard to how close it can be to residential housing? Do you have regulations from other countries or where other facilities like this are? I think one of the things the public is most concerned about is that it is too close to their homes.

**Mr. Cooke:** In the documentation and in the discussion documents that the corporation has published, and I think he indicated earlier he had seen, there is a literature survey of standards and precedents in a wide range of jurisdictions. There are no published regulations in this area, in Canada to my knowledge. What we have done is adopt proximity standards that are basically land use related.

I want to make the point and I want to make it very strongly, quite frankly, now that you have raised it, these facilities are fairly simple industrial facilities. They are no different and constitute substantially less concern in fact than many industrial facilities that we have today. They are appropriately located anywhere we choose to locate industry, so the issue, the question you are asking is proximity from industrial development to residential development. These facilities should be treated no differently in a planning sense than that question.

The areas of the city, for example, we are looking at have been areas that either are or have been identified by the City of Winnipeg as areas that are suitable for industrial development. The issue of proximity to residential areas is one that really should be dealt with on the basis of is it an area suitable for industrial development. Winnipeg is an industrial city and has substantial industrial development in that context.

**Ms. CerlIII:** So what we are doing is educating the public of the hazards that they are already living close to. Can you give us an example then of some of the facilities you would think would be compatible to the Hazardous Waste Management facility that are close to existing residential communities?

**Mr. Cooke:** There are two facilities that are involved, either separately or in combined form. The storage transfer facility would be very comparable to a small warehousing operation handling volatile or flammable chemicals, a bulk fuel dealership, any of

those kinds of facilities of which there are many located in very close proximity to residential areas, and in some cases perhaps inappropriately so. There are certainly instances that I would not advocate that be the case.

The treatment facility involved is a water treatment plant basically, and again there are a number of water treatment plants or facilities or a small chemical processing plant, many of which are located around the City of Winnipeg, in the City of Winnipeg. Very similar facilities are located in rural communities too, so I think there are many examples out there. There may be some that are currently inappropriately sited from the point of view of proximity to residential locations. I cannot really comment on that.

The one thing these facilities will offer that virtually any other industrial facility will not is an assurance capacity that it is being done right. It is closing the circle related to the production of these materials. Hazardous wastes are basically dangerous goods that we choose to throw away. They are hazardous not because of any immediate threat or unique risk; they are hazardous because in the long term they accumulate in the environment and come back to haunt us all collectively. That is the issue of educating the public.

The public fears this thing called hazardous waste but has no compunction about handling, using, getting the benefit of and the enjoyment of these things we call dangerous goods, which are essentially the same thing. We handle them, use them, in much larger quantities than ultimately we will have to manage as waste. Overcoming that barrier and understanding that it is simply closing the circle and doing the things that we were doing anyway but doing them well is the task.

**Ms. Cerulli:** I think what the public is afraid of is having more of the hazardous waste near them, and one of the things, from reading the material, is that they are saying 87 percent of hazardous waste, even under the jurisdiction of the Hazardous Waste Management Corporation, will be handled on site. What I want to find out is the amount of money in the budget for handling waste on site as compared to the amount that is being designated for the siting of the facility to deal with it in one central location.

**Mr. Cooke:** The question is not an absolutely fair comparison. The project management task of siting the facilities is, by its nature, people and budget

intensive. We apply a lot of our technical expertise basically to providing services to waste generators. The expenditures involved in managing waste at source will be done by the generators themselves. We can provide technical expertise for that. In some cases, we can provide some investment capability.

I would suggest the reason for our involvement in pesticide containers, which has been the subject of some discussion, is that essentially we view that as a source-based waste management opportunity, something that our off-site facilities would not normally handle. Our role in that essentially has been to develop some technology for someone to apply, hence our involvement with the firm in Hamiota. That is the kind of activity that we undertake on the source-based side. Another thing that we are investigating is looking at facilitating co-operatives of common waste generators so they themselves can develop their own treatment capability or their own volume reduction capability.

One of the things that having off-site facilities will facilitate—and a lot of source-based management is essentially limited because there is not a capability off-site. The two are very strongly integrated and need to be. There is a lot of opportunity, and this is again something that we are exploring in a developmental sense, developing a capability of mobile service equipment that can go from generator to generator to, say, reduce volumes of waste.

We have chosen to make the judgment, and it is a technical judgment, that the large majority of the regulated materials, which for the most part are currently randomly released and are in everybody's backyard, can be managed at source. That is why the assumption of 85 to 90 percent, or 87 percent to use the precise numbers, is used. This serves to minimize the size and scale of the off-site facilities, i.e., minimize the amount of capital investment involved.

Going back to your original question, it is an apples and oranges comparison, quite frankly, because we are doing different things. I would say that you get the most bang for your buck at the source. That is what we have always strongly advocated, but you are not going to get that bang for your buck unless you develop a good infrastructure to support it, which again is what we are proposing to do. You cannot do one well without the other.



**Ms. CerlIII:** That is half the question I want to find out now. How much of the budget of the \$2 million that is budgeted for this year has been used? Most of it has already been used I would think for siting of the facility, be it with research or the public consultation process or whatever else is involved.

**Mr. Cooke:** I do not have the figure just off the top of my head, and certainly could get it for you. I think you will see in the 1989 Annual Report the activities laid out. You can identify what they are, but it is a question of once committed to the siting process which is necessary, you are going to have to do this to have a system. You are going to have to suffer the pain to do this. You need to sustain it with the resources that are available.

\* (1210)

A lot of our in-staff or in-house resources and technical resources, which we think are substantial and are very good, are devoted to the source-based technical advice activity. We do everything from run seminars for waste generators—we have in the last six months run three of those, two in Winnipeg and one in Brandon.

We run a Waste Audit Program for waste generators. We are currently initiating that program with a collection of metal manufacturing industries which have a specific concern about a painting waste, and I use that as an example. Increasingly that is a substance that is being regulated, and we see some potential, for example, of some co-operative facilities among a range of manufacturers producing a common waste stream. The precise answer is—I would have to go and get the number for you—but again you in a sense are comparing apples and oranges because the siting exercise is simply more costly. It is where the environmental assessment, the technical studies and those kinds of things are required. A lot more consulting expertise is required. We are able to do the source-based work internally.

**Mr. Cummings:** Could I add, in response to the question, that one of the reasons we are into the development of a facility here in the province is that there is a good deal of material that is exported out of the province today, and it is pretty obvious that in the long run the province is not going to be able to assume other disposal locations will be prepared on a long-term basis to accept those materials. Through the regulatory process we do force a lot of regulators either to reduce it at the source today or

to ship it elsewhere. To reinforce what Mr. Cooke is saying, you need to develop the two in parallel or you are going to end up with a disaster in terms of management of the waste.

**Ms. CerlIII:** You cannot give me a percentage, even of the amount of money? I am surprised by that.

**Mr. Cooke:** Okay. I have had an opportunity to look at the Annual Report, and I did not want to give you a percentage until I had looked at the numbers. In terms of budgeted dollars, about 85 percent is devoted to the physical project development work and probably 15 percent devoted to other activities that are primarily source-based management related.

The development and the capital investments required at source are assumed to be made by others, by the generators themselves, whereas in the case of developing the off-site facilities that we are the proponent of, we are spending some of that money, so it is in that context that the two numbers are not necessarily comparable. In terms of staff time, it is probably closer to 50-50.

**Ms. CerlIII:** Now I would like, and you can refer us to the Annual Report if you want to, but what are the activities at source side? What kinds of things? You listed a couple—seminars and waste generators, and that kind of thing. What are some of the other activities?

**Mr. Cooke:** The activities involved are really what we call a generator services program, which means providing direct technical advice using chemical engineers. We have a process engineer and an industrial analytical chemist on staff who both have some direct industrial expertise in this area. We have the capability to offer a waste generator, a waste audit, and we have done this for many companies, I think in the past year over a hundred. It involves going through a generator's operation. It is an audit, but from the perspective of waste, then being able to provide some initial technical advice on the kinds of actions they can take. That might be as simple as good housekeeping, and in fact in many cases it is, suggesting to a waste generator, instead of putting all their waste in one barrel, use three, because then two of them can be reused, and you have reduced the amount of waste involved by a third. I use that as an example. Do not mix things. That is one major activity, the waste audit activity, which involves an awful lot of reduction.

We will then directly supply consulting services or

direct people to a number of firms that offer similar services in the private sector, which tends to be our preference, to develop treatment or specific capability at source. A number of companies have done or are initiating those kinds of things. It will substantially reduce the volumes that they produce.

I mentioned the waste generator seminar program which has proved very popular. They are oversubscribed every time we have done them, and we intend to continue doing those. We publish a generator services index that provides an index of places that people can go for waste management advice. We, on top of that, will provide direct waste management services to those generators for the management and disposal of materials to support whatever source-based operation they are undertaking.

Something that we are increasingly pursuing is collective opportunities with waste generators, again as I mentioned before, either through providing project management capability and technical expertise and even potentially providing direct investment in co-operatives amongst waste generators. There are some significant opportunities in that area, and I will use an example in the drycleaning industry. Every dry cleaner is a hazardous waste producer, and collectively that is quite a significant waste stream. There is certainly some opportunity, and really at the initiative of that industry itself in the province, to develop a co-operative capability where the sludges from the dry-cleaning processes can be—the chemical finally extracted and the material qualified for normal landfilling, and we are currently pursuing that with one of the major operators.

**Ms. Cerilli:** I am wondering how much of the market then Hazardous Waste Management Corporation is dealing with?

**Mr. Cooke:** Your question is what is our market share? That is a question that is really double-edged. We have a small commercial operation which we operate on an as-request basis, and we always have. We also operate the public programs related to household hazardous wastes, which are directly funded by the provincial Government, and we act as an operator in that capacity.

What is the total share of the market that we have? I suspect it is growing and it is fairly significant, and it is growing for a reason, in that there is an

evolving and positively changing attitude on the part of which generator is looking for quality services. We operate essentially at capacity. We are facility limited by the small facilities that we have now. One thing we do not want to do—it is perhaps a mistake that other people in the business have historically made—is to bite off more than you can chew. We are not obviously prepared to do that.

The reason the question is a double-edged sword is—I suspect your next question is what percentage of total volume is managed? I think that is the concern we all have. It is growing; it is currently facility constrained. There needs to be more infrastructure to support that activity, and that is what we are trying to develop.

**Ms. Cerilli:** One of the other things I am trying to understand is what is your amount of revenue generated from the consultation and other activities that you are doing?

**Mr. Cooke:** I think you can see the figures in 1989. It is relatively modest. It is growing because we are starting to approach capacity. It is fully cost recoverable on a stand-alone basis. We are not subsidizing anybody, and our profit margins are comparable to the industries generally. We are competitive in the marketplace, but we are currently constrained by having small facilities that have limited capacity, and we are certainly not prepared to overextend that capacity.

I cannot give you a direct revenue figure for this year to the current date; that will be available certainly when our 1990 report is published.

\* (1220)

**Ms. Cerilli:** I was wanting to compare that amount to the amount you are receiving in loans.

**Mr. Cooke:** It is very small in comparison. Our commercial and operating operation basically consists of four people. It is a very modest operation and what it does, it does well. That is quite separate from the resources we devote to source-based management, which you were asking about earlier.

**Ms. Cerilli:** One of the other things I would like to find out is—there was an inventory I understand being done of who in different industries is doing what in terms of generating what different kind of waste and how they are disposing of that. Is that inventory something that comes under the jurisdiction of the corporation, and if so, where is the inventory at these days?

**Mr. Cooke:** We have generated and we maintain on an ongoing basis a waste market characterization, which is published. It has been widely distributed, I think it was published in early 1989, and it is the basis that is also described in the corporation's project proposal. That is what the waste market is. In relation to the second part of your question, is there an inventory identifying exactly who is producing that waste, and what they are doing with it now, that is essentially a regulatory question that I think would be appropriately addressed to the regulatory authorities. Our information is essentially commercial market information which we have aggregated and reported by industrial sector and that kind of classification system. I certainly would be happy to provide you with the reports covering that.

**Ms. Cerilli:** What is the number of other private companies then that are doing clean-up and dealing with hazardous waste?

**Mr. Cummings:** What was the first part of the question? The number of other companies?

**Ms. Cerilli:** Yes, I am just trying to look at the other companies that you are competing against in some situations for getting the contract to deal with hazardous waste.

**Mr. Cummings:** I cannot answer in specific numbers. Mr. Cooke might give you a better overview than I can, but that is obviously something that comes up from time to time, that there are a number of other people who want to contract their engineering expertise. They are not necessarily waste management companies physically handling the material, but there are a number of people who act as consultants, and they are prepared to contract their services. From time to time, they do raise the issue about themselves having to compete with a Crown agency. I do not have a lot of problem with that, because we have to have the expertise in the Crown agency in order to be able to run a system in this province. There are a number of others out there, and perhaps Mr. Cooke could expand a little.

**Mr. Cooke:** I guess there are maybe two parts to this. In terms of people with technology and technical expertise in the waste management business, there is a large number. Most engineering consulting firms or environmental consulting firms would offer that. I might add that we do not directly

compete with those people. We will tend to try to work with them. On a number of occasions, we have worked for them as a subcontractor, in a sense, working on a job.

I guess it is somewhat gratifying that nationally, quite frankly, we have been approached by firms who have come to us assuming that we have some specific expertise in some of these areas, and have been asked to work with a number of the major engineering firms around the country in bidding proposals or bidding study work related to hazardous waste.

The other part of your question, I think, is what other operators are there in the waste management business that we in a sense compete with. There is a range of services provided by a range of people in the waste management business. There is only one other licensed—or I believe it operates under a director's permit—facility that can act as a transfer station for hazardous waste in the province.

Here in Winnipeg, there are other people who will provide waste brokerage services, which in effect is making the arrangements to move waste from one point to another. Again that is a service. Our services are predicated on assuming care and custody of the material as a principle. It is difficult to answer your question because there is a range of quality of services, perhaps a poor choice of words, but a range of nature of services provided. There is really one firm which is an Ontario company, that does operate out of Winnipeg, that provides comparable services to what we are providing.

**Mr. Cummings:** I would like to ask the committee, we are approaching 12:30. Is it the will of the committee to pass the '88 report? I assumed that was your intention, so I am asking if you want to pass the '88.

**Mr. Chairman:** I understand it is the will of the committee to pass the 1988 report, but we will come back to the '89. Shall the Annual Report for the Manitoba Hazardous Waste Management Corporation for the fiscal year ending December 31, 1988, pass—pass.

The time being now 12:30, this committee will rise.

**COMMITTEE ROSE AT: 12:30 p.m.**