

8:30 a.m.

[Mr. White in the chair]

THE CHAIRMAN: Order please. We now have a quorum.

First of all, I'd like a motion to approve the agenda as presented. Is it agreed? Carried.

We have today with us the hon. member from points west – I think it's probably the most mountainous of all the ridings in Alberta and one that deals with a great deal of natural resources – Mr. Ty Lund, Minister of Environmental Protection. First of all, I'd like him to introduce his cadre of staff today, and then we'll move on.

Mr. Minister.

MR. LUND: Thank you, Mr. Chairman. I describe the constituency as being not the most mountainous but the most beautiful in the province of Alberta.

The reason we have so many people with us is this department is very broad and has many activities, and we want to make sure we're able to answer all your questions. Therefore we've brought along the ADMs and the chief financial officer, plus of course the deputy minister. On my right is the deputy minister, Peter Melnychuk. On my immediate left is the chief financial officer, Bill Simon; then Cliff Henderson, ADM responsible for forestry and public lands; and Jim Nichols, ADM of natural resources. That covers the parks, fish and wildlife, water, and a few other things. Then we have Al Schulz, ADM in charge of regulatory services. He covers the whole area with the regulations and emissions, the bottle depots, the recycling, Action on Waste, all those activities. At the far end is Ron Hicks, ADM responsible for corporate services. Of course corporate services covers personnel and all the planning and those kinds of things that go on within the department.

THE CHAIRMAN: Mr. Minister, we'll introduce the Auditor General once more for those that don't know him, freshly back from how many kilometres in southern France on a bicycle?

MR. VALENTINE: Seven hundred.

THE CHAIRMAN: Seven hundred. At 60-plus that's some feat, Mr. Auditor General.

If you'd introduce your staff. I'm sure you still remember them.

MR. VALENTINE: Thank you, Mr. Chairman. On my immediate right is Mike Morgan, who is Assistant Auditor General and is responsible for the audit of the environmental protection area. On his right is Ken Hoffman, also an Assistant Auditor General, who is taking over responsibility for this department. In the gallery is Stu Orr, who is manager of audits involved with this ministry.

THE CHAIRMAN: Mr. Minister, if you have an opening statement you wish to make.

MR. LUND: Thanks, Mr. Chairman. I'd like to remind committee members that the Ministry of Environmental Protection has undergone significant changes in recent years. The ministry's total operational capital spending will have declined 31.5 percent, or approximately \$136 million, from the '92-93 level by the year 2000. In addition, by fiscal year 1999-2000 the ministry staff numbers will have been reduced by about 1,550 positions, or 33 percent, over the same period of time.

Before speaking to the financial performance for the 1995-96 fiscal year, I would like to briefly address the one outstanding issue raised by the Auditor General in the annual review of the ministry's

operations. I'll follow this by speaking in general terms about the ministry's expenditures, revenue, and key achievements. At the end of my comments, of course, we'll be inviting members of the committee to ask questions relative to the '95-96 public accounts.

There's one comment from the Auditor General's '95-96 report requiring a follow-up. I'm pleased to say that the ministry has responded to this concern as part of our ongoing effort to be both efficient and accountable to the people of Alberta. The Auditor General said we needed to assign responsibility for monitoring compliance of Bover with its commitments and to generally ensure that the province's interests are protected as they relate to the share sale agreement to dispose of its interest in the Swan Hills joint venture. The Alberta Special Waste Management Corporation has taken action in this respect, and the ministry has provided the necessary resources to do so. The ministry will assume this agreement-monitoring role upon repeal of the corporations Act, and we anticipate this action will be concluded in the current spring sitting. Once the Act is repealed, the ministry will be fully responsible for monitoring the Alberta special waste management system. This includes the share sale agreement and the continuing plant site inspections, analysis of site and area environmental studies, and reviewing annual and quarterly financial reports.

Now that I've addressed that particular issue, I would like to speak about the '95-96 expenditures. In terms of departmental general revenue fund expenditures, there were six programs in the '95-96 fiscal year. A total of \$477.1 million was budgeted for the department under the general revenue fund for '95-96, and \$474.2 million was expended. The department had a surplus of about \$2.9 million, or .6 percent. The department also had a revolving fund in '95-96 which had an operating expenditure surplus of \$2.7 million and a capital investment surplus of half a million dollars. The \$2.7 million surplus was the result of profit from seedling sales related to reforestation activities, information resource services activities, and the repayment of land inventory, Alberta's outstanding deficit, by Municipal Affairs.

The ministry also has two other regulated funds: the environmental protection and enhancement fund, which expended \$75.7 million in '95-96, and the fish and wildlife trust fund, which expended \$10.4 million in the fiscal year. Of the total \$75.7 million spent out of our environmental protection and enhancement fund, \$57.8 million was expended on fire-fighting activities. Of this \$57.8 million, \$35.4 million was provided from general revenue to cover our base fire-fighting costs. You may recall the '95 fire season was considered the worst in terms of fire hazards since the mid-1930s. I can't stress the importance of the environmental protection and enhancement fund enough. Support by contributors from timber stumpage royalties and the fund ensure our availability to deal with emergencies such as fires, floods, drought, and insect infestations.

Finally, the ministry incurred expenditures on various programs and activities in its funds and agencies in '95-96 as outlined in volume 3 of the public accounts. The Tire Recycling Management Board and the Natural Resources Conservation Board are examples of these funds and agencies.

In '95-96 the department received \$107.6 million in revenue, a decrease of about \$10 million, or 8.5 percent. This decrease is due to the implementation of a revenue sharing agreement resulting in a transfer of \$6.4 million to Alberta Agriculture, Food and Rural Development. There was also a decrease in timber rentals and dues due to lower timber prices from May '95 to February '96. Finally, \$53.8 million was allocated to our environmental protection and enhancement fund to provide for the natural resources emergency program.

Rather than providing the committee with a vote-by-vote breakdown of our public accounts, I would like to make a few

comments about how my ministry is balancing our fiscal objectives with our mandate to protect and manage Alberta's environment and natural resources. The government's goals of balancing the budget, reducing debt, and operating more efficiently and effectively have had considerable influence on the ministry and how we manage the environment. As I mentioned at the onset of my comments, the ministry has undergone significant change in order to become more focused and performance oriented. As part of this process, we've undertaken several policy initiatives that are relevant to our public accounts for '95-96.

#### 8:40

For example, business operations were turned over to the private sector with the privatization of some services at the Alberta Environmental Centre and the completion of the phase 1 privatization agreement for the Alberta Special Waste Management Corporation. Wherever it makes sense, we are getting out of the business of being in business. The ministry's focus on developing partnerships with industry, organizations, communities, and individuals has helped us use our resources more wisely. We continued with our successful program of privatizing the operation of provincial campgrounds. For some time the department has made extensive use of the private sector in providing services to campers and visitors. Today 92 percent of Alberta campgrounds are operated and maintained by the private sector.

To further streamline activities and improve efficiencies, the department partnered with industry in the forest resource improvement program and with the University of Alberta at the national network centre of excellence in sustainable forest management. These partnerships, whether with the private sector, communities, or other organizations, do more than help us meet our expenditure reduction targets. They also make Environmental Protection more responsive and effective as a ministry.

The ministry reduced expenditures further by eliminating subsidies to the water management systems improvement program and the environment research trust and staff housing. As well, several department offices throughout Alberta were consolidated or vacated, resulting in total savings of approximately \$1.9 million in annual operating costs and \$5 million in onetime savings.

As you know, the ministry remains committed to regulatory reform. We're continuing to streamline regulatory processes without compromising environmental protection. The result is that government staff will spend less time on processing approvals for activities that pose low environmental risk and more time enforcing our environmental standards. In 1995 the regulatory approvals centre opened its doors. The centre is a one-window service for applications submitted for approval under the Environmental Protection and Enhancement Act. This initiative further streamlines the approval process and improves efficiencies.

With an aim to serve Albertans better, environmental resource committees were established in each of the ministry's six corporate regions. These committees play an important role in co-ordinating and improving services and strengthening partnerships between the department and Alberta municipalities.

In closing, I'd like to say I believe that Environmental Protection has taken significant steps to contribute to the Alberta government's overall fiscal objectives. Despite a season of major floods and fires, the ministry met its three-year business plan goals and financial targets. We did this while honouring our commitment to sustainable development and environmental protection. Our first priority has always been and will always be to protect, enhance, and manage Alberta's environment and natural resources. I'm confident that the public accounts for '95-96 show Albertans that we are well on our way to becoming an effective performance-driven organization

capable of meeting the challenges of the next century.

Thank you, Mr. Chairman.

THE CHAIRMAN: Thank you, Mr. Minister.

Starting off the questions today, we have Mr. Zwozdesky.

MR. ZWOZDESKY: Thank you, Mr. Chairman. Good morning, Mr. Minister, and welcome to all your staff as well. To the Auditor General and to his staff, good morning and welcome as well.

I'm referring to volume 2 of public accounts '95-96, page 67, item 6.3, referring to the Alberta Special Waste Management Corporation and the amounts listed there. I'm aware that the approximately \$171 million that's indicated likely includes the \$144 million that was paid to Bovar when the government saw fit to end that joint venture agreement regarding the Swan Hills facility. I'm also aware, as are many of my constituents and other constituents of the province, of the acuteness of the situation in Swan Hills, especially over the last little while, and how important it is that we manage and maintain that site to the best of our abilities. It seems there's quite a bit of self-regulation that possibly is going on right now.

Specific to this amount, I'm wondering whether the minister or perhaps the Auditor General or somebody in the department might comment on the possibility of certain obligations that Bovar has undertaken perhaps not being met and whether or not we might wind up inheriting back that facility.

MR. LUND: Well, of course I think we're dealing with some speculation when we start talking about what might happen in the future. The agreement calls for the company to continue to operate that site for the three years. What happens beyond that, of course, becomes more of a business decision and a company decision. We are out of the business of running it.

They do not self-regulate. We do all the regulating and will continue to do that. As I commented in my opening remarks, we have the responsibility to monitor the site. We will continue to do that. We will make sure they operate within the strict guidelines we have set out. They must meet the requirements of their licence. We will also be monitoring the share sale agreement to make sure that's lived up to.

Going beyond that, Mr. Chairman, I believe is speculation and of course doesn't apply to the 1995-96 public accounts.

MR. ZWOZDESKY: Thank you. You've hit exactly the next point I was sort of setting this up for, and that has to do with the provisions. I noticed in the Auditor General's recommendation on page 100, that being recommendation 11, he said that

arrangements [should] be made and responsibility be assigned for monitoring compliance by Bovar with its commitments, and generally ensuring that the Province's interests are protected, as they relate to the Agreement to dispose of the interest in the Swan Hills Joint Venture.

I guess we're aware of what free trade has done in terms of opening up some of the borders regarding the transference and disposal of harmful materials stateside. Oftentimes we know that it's cheaper to send stuff elsewhere. My concern is with regard to the hoarding that may be taking place right now as companies sit back and wait to see whether it's more feasible to send it to Swan Hills or cheaper to send it to the States. In the meantime, I'm wondering what provisions specifically you have that arise out of the Auditor General's recommendations to provide for the kind of monitoring you alluded to in your opening comments and indeed in response to my first question. What provision specifically does the government have for the safe monitoring of these harmful materials?

MR. LUND: We, as I indicated, have taken over that responsibility within the department. We have set aside the necessary resources to make sure we will be doing a number of things. Let me list the kinds of things we will be doing: visiting the plant site at intervals to observe the site and the operation and maintenance of equipment at the site; analyzing plant site and area environmental studies; attending budget meetings related to this operation; receiving and reviewing annual and quarterly financial reports; supervising the annual audit of financial operations by externals; reviewing the system's adherence to agreed insuring; receiving and giving notices; maintaining frequent communications with officers and staff to generally monitor operations for any unusual events – in other words, keeping very much in touch with what's going on out there – maintaining communications with our legal adviser with regard to the interpretation of the agreement, because of course as part of the agreement there is a possibility of some return to the Crown based on the profits of the operation. So we have the resources in place in order to make sure we are monitoring that agreement.

Peter, would you care to add anything?

**8:50**

MR. MELNYCHUK: We've made some additional organizational adjustments in order to ensure that the government's interests are protected. We have assigned our Assistant Deputy Minister of environmental regulatory services, Mr. Schulz, to head up the overall monitoring of the agreement in the plant. We've also engaged on a full-time basis within the department the chief financial officer from the corporation in order to monitor the financial operations that are there.

MR. LUND: I wonder if Mr. Schulz cares to make any further comments on what we're doing.

MR. SCHULZ: I think the other thing that may supplement that is that in terms of the operation of the facility, it's still regulated under the Environmental Protection and Enhancement Act, so any of the operational problems that are there will be dealt with and have been dealt with. I think if we reflect on the last year, in response to the incident charges were laid, and then an order was issued to require the company to look at other potential sources and develop a remediation plan for those identified sources and also expand the monitoring program. This is an ongoing additional requirement of the corporation to make sure that during this whole transition as well the operation does not cause any more problems.

MR. LUND: I might add as well that not only is it extremely important to us from an environmental point of view, but because of the way the agreement is written and the fact that we eventually have the liability for cleaning up that site – 20, 40, 60 years, whatever it might be – in that agreement we have also said that any additional environmental damage that may occur as a result of operations will not be our liability. From that point of view it's really important, but more importantly, it's to make sure that it meets our environmental standards. So we will be monitoring that plant extremely closely.

THE CHAIRMAN: Mr. Stevens, please.

MR. STEVENS: Thank you, Mr. Chairman. My question to the minister relates to natural resources services. That's found in volume 2 on page 66, particularly water management at reference 3.1.1. It's noted there that \$375,000 was left unexpended in operating expenditures from water management. Could the minister please explain why these funds went unexpended?

MR. LUND: Well, those funds are mostly because the northern river basin study, which was about a \$12 million project funded by the province and the federal government over a four-year period – they were scheduled to complete their activities by March 31, 1996. Because of some delays in getting all the scientific information together, they did not complete their work. Therefore some of the expenditures did not occur that normally would occur in publishing all the documents and those kinds of things. Actually we had given, in consultation with the federal government, an extension from March 31, '96, to the end of June '96 in order for the board to complete its work.

MR. STEVENS: In that case, sir, how did the department handle the surplus in '95-96 and fund the '96-97 extension?

MR. LUND: Well, we took out of the budget for '96-97 the money that was necessary to complete the program, basically about \$300,000. There was a special payment for restructuring the program, and that came out of the '96-97 budget of natural resources.

THE CHAIRMAN: Dr. Nicol, followed by Mrs. O'Neill and Ms Blakeman. Oh, sorry. Is it the other way around? Ms Blakeman first.

MS BLAKEMAN: Thank you, Mr. Chairman, and welcome, gentlemen. My questions are around the parks operations, near and dear to my heart – many family vacations there. I notice on page 66, 3.3.2, the parks operations, you have dedicated revenue of \$550,000. What efforts did you put in place or were involved in this to increase this dedicated revenue? I assume this is user fees.

MR. LUND: Bill, do you want to go ahead with this?

MR. SIMON: The comment I want to make here is that the dedicated revenue was for parks firewood or the sale of firewood in parks.

MS BLAKEMAN: Okay. I know there has been some discussion about the spread of Dutch elm disease coming through the firewood that was in campsites because people weren't getting enough or couldn't afford it or something and therefore brought diseased elm wood into the campsites and helped the spread here. If this money was from the sale of firewood, was there any effort made to provide enough of it or control it?

MR. LUND: One of the difficulties we've had in the whole parks system is that when we were giving away absolutely free firewood, there was excessive use and a lot of abuse. Lots of it found its way into vehicles and left the park. So we had to figure out a way we were going to be able to somehow reduce the expenditures and try to get some accountability into the whole operation. Sure, anytime you go from providing something absolutely free to charging for it, people are going to feel that it's not fair and they don't like it and all of those kinds of things.

We do not have a lot of evidence that there was firewood being taken into the parks. There are comments made to that extent, but we really don't have that kind of evidence. We've looked at various ways of selling so that if a camper comes in and they don't want to have a fire, they don't get charged. But the economics of trying to set up a system where you have a sale, you get a certain volume, is extremely difficult. In most places we have adopted a system where we have a surcharge on the camping stall and that allows the camper to pick up some wood. We're still having some difficulty with the wood leaving. We are now spraying wood so they can identify it,

and I quite frankly just hate to see that, but somehow we have to try to keep control on our overall expenditures. This wood is expensive. We've found it very difficult to continue spending the kind of money we had to provide free firewood.

As far as Dutch elm disease, there has not been an incident of Dutch elm disease in the province of Alberta. It's true that the insects that carry the disease have been found. We have been working with Alberta Agriculture because they actually have people who are very expert in the transmission of insects and their life cycles. Actually, they're taking the lead role in this.

**9:00**

We are currently proposing – now, this is getting out of '95-96, Mr. Chairman, if you'll allow me the latitude – that we will help Alberta Agriculture, Food and Rural Development by providing some manpower from Environmental Protection. The manpower we're talking about are our fire-fighting crews. When they're not fighting fires, of course, they're on standby. We're going to make those folks available to help towns and cities in their efforts to control the insects.

MS BLAKEMAN: Is this firewood, then, on a cost recovery basis?

MR. LUND: No, we're still not getting enough out of the levy to pay for the cost of the firewood. Now, in some of the facility operation agreements the operator is taking over that function, providing the firewood and making it available. We don't see exactly the relationship there in whether in fact they're recovering their full cost, but we have difficulty in recovering our full cost simply because we still have difficulty with a great deal of use, a small levy and a great deal of use.

As a matter of fact – once again, to wander from this year – currently we are looking at a system, the manufacturer of a container that would have a key, and when you register for your campsite you could buy a key. You'd get the amount of wood that's in one of these containers. If you don't want to have a fire, then you don't pay. If you want to have a really big fire, you get two keys and get twice the volume of wood. That kind of system is actually the most promising I've seen in order to get to anywhere near a cost recovery system with the firewood. We've looked at other packaging mechanisms. The economics of having someone stand at the woodpile and measure out and sell – well, you use it up in manpower, so that doesn't make any sense. But this one does look like it might have some promise.

THE CHAIRMAN: Mrs. O'Neill, followed by Dr. Nicol and Mr. Yankowsky.

MRS. O'NEILL: Thank you, Mr. Chairman. Good morning, Mr. Minister and staff. I can refrain from asking you to do something about the environment of the fog that delayed me this morning, and I'll get to the point in the accounts here.

Thanks to a good number of students in my constituency, they have made me very much aware of Special Places 2000. They are keen environmentalists. So my question goes to reference 4.2.1 of the strategic management on page 66 of volume 2. My understanding is that the Special Places 2000 program is funded under this reference, so my question is: what portion of the almost \$2.5 million allocated to strategic management is used for the Special Places 2000 program, and what progress has been made with this project?

MR. LUND: Okay. I'll answer it partly, and then I'll ask my ADM responsible for corporate services. It's under his area that this falls. Of that \$2.5 million, about \$371,000 was used in the special places

program. When you talk about progress – I think once again we're getting outside '95-96 – we are making fairly good progress. It took a lot of planning and a lot of growing pains to get the committees up and running and to get all the backup information that's necessary to make scientific decisions for the program.

Ron, did you care to add some more to the progress?

MR. HICKS: Sure, Mr. Minister. At this point, with the announcement last week of the Holmes Crossing site, since the program started we have included 36 areas and over 500,000 acres in the program. Just to supplement the minister's comments, in '95-96, as he's indicated, there was roughly \$370,000 allocated to the program. Again stepping forward, in this year's budget, the '97-98 budget, we've identified a separate line item for the special places program so we can track those costs more closely. We have identified six FTEs and \$750,000 for the special places program. That is probably supplemented in part by staff who are going to be working with the local committees out in the regions as those local committees get going and looking at the sites that have been put forward.

MRS. O'NEILL: Thank you. I have a supplementary. The interests of tenure holders must be considered under the Special Places 2000 program. My question is: how does the department deal with these issues under the program?

MR. LUND: You're right. We have made a commitment that we will honour current dispositions. I think that's extremely important. I have great difficulty if government makes an agreement and then backs out of it or changes it unilaterally. Quite frankly, we do not have the ability to buy back or pay compensation for these dispositions, so we find it absolutely necessary to work around it. I think that's possible. We find that in the oil and gas industry there's a willingness to co-operate with us. They're prepared to, for example, directional drill. Now that's more expensive, but often you can protect an area by using that mechanism.

I think it's important as well to recognize that in the program, when we say "protected," we have various degrees of protection. A good example of total protection is the Willmore wilderness park area, where we changed the Act so that it will exclude any industrial activity. Compare that with, say, the Rumsey ecological reserve or the Rumsey natural area where there is oil and gas activity, there will be oil and gas activity, but any activity in there will be under very strict guidelines. For example, there were some land sales, mineral lease sales in that area just recently. The condition on the sale was that there would be no new access. They would have to do all the drilling, if they're going to do any, on present pad locations. Things like seismic work would have to be of very, very low impact. We can work through those.

One of the areas where we're going to have some difficulty and it's going to take a lot of creative thinking and co-operation is when we get particularly into the boreal forest, because that area, of course, is pretty much exclusively under the FMAs. Now, it's true that in the FMAs we have the ability to withdraw some land for Crown purposes; this is the way it's worded. Withdrawal for special places would fall into that category. However, because of the withdrawal for other reasons within the FMAs, we are reluctant to do any major withdrawals without compensation. Once again, their facilities and their business plans – everything is predicated on a certain annual allowable cut. If we go withdrawing large tracts of land, that could dramatically influence their annual allowable cut. So we feel that it's necessary for us to work around those parameters.

**9:10**

As a matter of fact, I was out just a week ago and looked at a couple of these major sites, the nominated sites. It looked to me like we could preserve the integrity and uniqueness of the area and still not greatly adversely affect the annual allowable cut. Now, the point is that in those areas that are unique and there's an ecosystem we need to protect, there isn't a lot of timber – just so long as we contain ourselves to those areas.

Then, of course, one of the reasons we have insisted right from day one that there be establishment of local committees was because we know that the local people know and understand what is in the area. They know and understand the importance of special places and how important it is that we have for future generations these areas that are not disturbed or have minimal disturbance. But they also understand the other side of it: what happens to the economy in the area if, in fact, you put the whole industry in jeopardy? So it's a balance we have to attain, and I believe we can with some give-and-take on both sides. We're finding that industry is very supportive of this program. I am confident they will, in fact, carry their own weight towards achieving the goal of the government.

THE CHAIRMAN: Thank you. Mr. Minister, we have now completed four questions, and we have some 17 members. As much as we'd like to hear the full and complete story, if it could be compressed just a little bit in aid of getting through the questions of the members here, we would appreciate it.

Dr. Nicol, followed by Mr. Yankowsky and Mr. Pannu.

DR. NICOL: Thank you, Mr. Chairman. Mr. Minister, on page 66 in the public accounts book, in your fish and wildlife management section, especially line 3.2.4, the enforcement of field services, you had what I read there as an overexpenditure of about \$800,000. What was the unique situation in that particular year that you had to spend the unplanned \$800,000 in the enforcement area?

MR. LUND: Okay. To keep it short, there were the overtime, holiday, and separation payments. They were over and above the budget.

DR. NICOL: So these were in essence expenditures associated with the termination of employees? Those things that you just mentioned on a normal basis should have been planned in a budget.

MR. LUND: Well, backing up. Fish and wildlife, when it was rolled into the department, had a different way of handling overtime. We've rectified that. This is part of that change that occurred. The separation payments for the restructuring, like the early retirement packages – a lot of it was from there.

Jim, would you care to make any further comments on that?

MR. NICHOLS: In the previous time, we didn't have paid overtime for fish and wildlife officers. They would take the overtime in lieu time. We started getting some claims for payment for that overtime, and under the contract we were bound to honour it, so part of it was to pay for that overtime.

The other thing was that we had some scheduled restructuring where people would qualify for the SPR package. At the same time, we had an aging workforce in the enforcement field services area. We had several staff come forward and voluntarily take the package, so we took the payments out of there. It wasn't able to predict what they would be; it was at the employees' initiative.

DR. NICOL: So really, then, this was associated with changes in your employment contracting and obligations that you didn't know about at the beginning of the year. My concern is that it's not

planned, and it seems to me that when you're dealing with salaries and employment and these kinds of relationships, you should know at the beginning of the year what you're doing. So obviously what I hear you saying is that there were changes in your contract commitments because of the amalgamation of departments.

MR. LUND: That, and then you never know who's going to take the package. You budget a certain amount, but unfortunately in this particular year we underbudgeted.

DR. NICOL: Thank you, Mr. Chairman.

THE CHAIRMAN: Mr. Yankowsky, please.

MR. YANKOWSKY: Thank you, Mr. Chairman, and good morning, everyone. I'm referring you to page 65 of volume 2 of public accounts, and the reference number is 2.6.1. I notice that program co-ordination was overspent by approximately \$1.5 million above the public accounts records of the previous year. The expenditure over estimates for the 1995-96 year is \$1.3 million. My question here is: were there some unexpected expenditures in program co-ordination, and what caused this overexpenditure?

MR. LUND: Mr. Chairman, the \$1.3 million was spent for the special waste programs, including household hazardous waste and that dead drug program that we were running at that time. The reason that it shows as an overexpenditure: actually it used to be paid for by the Special Waste Management Corporation, and when we were into the sales agreement, of course that was one of the responsibilities we ended up with. So the short answer is that it used to be paid by the Special Waste Management Corporation; because of the sale, it became a department responsibility.

MR. YANKOWSKY: Thank you. My supplementary, and there's no reference for this. The management of waste is becoming very important to Albertans, and I guess there are ways of dealing with this issue in an efficient, cost-effective manner. Creating new partnerships with industry is probably one of those. My question here is: have there indeed been any new partnerships with industry regarding the management of waste?

THE CHAIRMAN: That may be a question for this year or the immediate fiscal year we've just completed, but there can't be any new initiatives that happened in '95 and '96. It's your prerogative whether you want to answer the question or not. In fact it is bordering on that which is out of order, so you needn't answer if you wish.

MR. LUND: Well, really short then: yes; oil recycling.

THE CHAIRMAN: Dr. Pannu, followed by Mr. Hierath and Mr. Zwozdesky.

DR. PANNU: Thank you, Mr. Chairman. Good morning, Mr. Minister. I have three questions. They relate to pages 66 and 67 of the public accounts. May I ask all three at once. It might save us time if I did that, but I seek your permission.

THE CHAIRMAN: Well, you have to be a judge of your own questions, and the Chair has to rely on that. You have to recognize that the minister and his staff are here to answer questions about that which is filed and that which is in the '95-96 year and that which has been reviewed by the Auditor General and subsequently we are reviewing here. Those questions centre around that. The minister

may vary his answers outside that realm, but your questions should be confined to that.

**9:20**

DR. PANNU: Thank you, Mr. Chairman. Mr. Minister, if I may refer to page 66, the reference number is 3.3, provincial parks management. In 3.3.1, parks program support, there is an overexpenditure of \$367,000. I would ask for both some explanation of who receives this support or what this support is about and why this overexpenditure.

MR. LUND: Mr. Chairman, that overexpenditure is once again related to the early retirement package, the restructuring we've been going through. We had a number of people take the package that was offered and, as a consequence, had an overexpenditure of \$367,000.

DR. PANNU: On page 67, under forest management, items 5.2.3 and 5.2.5. Under 5.2.3, first of all, resource information, there's again a fairly large overexpenditure of \$685,000. Some explanation of that would be appreciated. For the reforestation, I am curious as to why the very large amount allocated for reforestation remained unexpended during that year.

MR. LUND: Well, I'll have to get my ADM responsible for forestry to answer the question relative to 5.2.3. But for 5.2.5 the underexpenditure was largely due to the fact that we didn't get nearly as much reforestation done because of the inclement weather and because we had fires all through June, that were causing a major problem for our activities as far as reforestation is concerned.

Cliff, do you want to respond to the overexpenditure in 5.2.3?

MR. HENDERSON: Thank you, Mr. Minister. Mr. Chairman, the majority of the overexpenditure was for the department to complete an evaluation on a timber supply area in the proposed GAP timber development area. We ran a very intensive review of the timber supply to ensure that any project there would be sustainable.

DR. PANNU: Supplementary, Mr. Chairman. Was this done in a particular part of the province, or did the survey cover the whole province?

MR. LUND: No. This was directly associated with the Grande Alberta Paper project. I'm sorry that I hadn't thought of that one. The fact was that we had GAP do an inventory. Our experts were not totally satisfied with it and asked to have a review and a more intensive inventory done of the area that was being proposed for the Grande Alberta Paper project. The area is in the northwest part of the province, north and west of Grande Prairie.

THE CHAIRMAN: Mr. Hierath, followed by Ms Blakeman and Mr. Ducharme.

MR. HIERATH: Thank you, Mr. Chairman. I'd like to refer to page 65, under 2.6, action on waste, specifically program 2.6.2, materials management, and the spending of nearly 3 and a half million dollars. What types of programs were delivered in expending these funds?

MR. LUND: We have a materials management program that gives technical assistance to municipalities: setting up regional authorities, developing infrastructure to handle regional waste, and of course that includes things like transportation to the landfill site itself. There have been some changes in that program. We don't cover nearly what we used to, but there are some capital costs we still do cost share on. That's within this program. Incidentally, that program

is very heavily subscribed, and we're having difficulty keeping up with all the requests.

MR. HIERATH: I guess, then, a supplementary to the first question you partly answered. These regional waste facilities then: is more of that 3 and a half million spent on site costs for site preparation or for the management and helping the regional boards get set up? Is most of it capital expenditures?

MR. LUND: The bulk of it is for capital expenditures and assisting in some of the engineering, the studies that are necessary to determine whether in fact a regional is viable and whether it should go ahead. Of course, there's some testing when you get around to the landfill site. There's a lot of testing that has to be done and engineering on that side. It's been a very successful program because a lot of the old dumps were environmentally a problem. We always had concerns about what was going into those sites. Of course, the landfills are managed – much closer monitoring and better management practices. There are people on site checking what's going in. I think the program is a very valuable one inasmuch as it really is helping us meet our target of reducing the waste stream to landfills by 50 percent by the year 2000 versus 1990. It's been a very valuable program.

THE CHAIRMAN: Ms Blakeman, please, followed by Mr. Ducharme and Mr. Zwozdesky.

MS BLAKEMAN: Thank you. Back to provincial parks again. I notice that on page 71 there is revenue from provincial park land disposition. Could you explain what that is, and if there are specific sites, where?

MR. LUND: I'm sorry, I've lost the . . .

MS BLAKEMAN: Disposition of land. You're showing revenue on page 71 for provincial park land disposition. What land? Where?

MR. LUND: I'll have to refer this one, provincial park land disposition, to my deputy. I'm sorry; I can't answer you.

MR. MELNYCHUK: I don't have that answer either, Mr. Minister. Perhaps one of our ADMs or the chief financial officer could provide the answer.

MR. NICHOLS: In some of the provincial park areas we have land dispositions that we issue, and that's the revenue that comes in for those. It would be for oil and gas operations and things like that, where we control access to the land.

MS BLAKEMAN: So it's like an access permit then?

MR. NICHOLS: Yes. It's a disposition.

MS BLAKEMAN: So you're not selling out.

MR. LUND: We're not selling.

MS BLAKEMAN: Good. That's what I wanted to hear.

MR. LUND: Yeah. Let there be no question. We are not selling parkland. Now, there's confusion out there, because some things that people think are parks are not parks. They're not under the Provincial Parks Act. That's where some of the confusion lately has been. Some of the sites that we're talking about are not parks; they're recreation facilities. People have come to know them as

parks, but they're not under the Provincial Parks Act. There is a difference.

**9:30**

THE CHAIRMAN: The chairman allowed it to get away a little there in that we delved into the future of a current policy. The minister responded well and the information was transferred, but that's a House question and not a question of the ministry. Do you have a supplementary?

MS BLAKEMAN: No, I don't. That was the question, and I got the answer.

THE CHAIRMAN: Okay. Thank you.

Mr. Ducharme, followed by Mr. Zwozdesky and then Mr. Stevens.

MR. DUCHARME: Good morning, Mr. Minister, gentlemen. My main question is in reference to page 65 of the public accounts, volume 2. What was the \$3.7 million budgeted for land reclamation, reference 2.6.4, used for?

MR. LUND: I'm sorry. I'm lost.

MR. DUCHARME: Okay. It would be in public accounts on page 65, volume 2. The line item is 2.6.4, land reclamation. I was wondering what the \$3.7 million budget was used for.

MR. LUND: Okay. That \$3.7 million in land reclamation was to administer what we call the HELP project; that is, help end landfill pollution. This program identifies, investigates, and remediates high-risk orphan sites. Fifty percent of the funding is under the national contaminated sites remediation program of Environment Canada. That particular program has been used on a number of sites. The Canada Creosoting site in Calgary is a good example.

MR. DUCHARME: Now that you've made reference in regards to the Canada Creosoting site, has that work all been completed?

MR. LUND: Once again, Mr. Chairman, I'm going to move a little bit out of this. It is an important question. The program was started actually before this budget, but there are large expenditures in this fiscal year.

Yes, the work has been completed. There was a berm put in, and we took over the responsibility of doing some pumping and cleaning out the site. That has now been completed, and the berm is being removed. We still are monitoring the site and will continue to do that, but the contamination, as near as we can tell, has been cleaned up.

THE CHAIRMAN: Mr. Zwozdesky, followed by Mr. Stevens and Mr. Hlady.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I would refer the panel to volume 2 of the public accounts, page 68, the first entry under Operating Expenditure – Statutory. This item refers to the revolving fund. We see an amount listed for expenditure of \$2.753 million and the total amount not expended. I was hoping that someone from the panel could perhaps comment on what is behind that decision. Indeed, leading to my supplementary question, which I'll roll in here as well, on page 139 of the same document, where would that \$2.753 million be explained there as well? Perhaps both questions could be answered at once.

MR. LUND: Mr. Chairman, the first question, if I'm following it

right, was the environmental protection revolving fund and an underexpenditure of \$2.753 million. Now, in that area the profit from the seedling sales related to reforestation activities and, as I mentioned in my opening comments, the information resource services activities and the repayment by Municipal Affairs for the land information accounts for the \$2.753 million.

MR. ZWOZDESKY: Sorry. Could you just repeat that last part, Mr. Minister, your very last sentence? It explains what the \$2.753 million is for. I just didn't quite get that.

MR. LUND: Oh, the last part of it?

MR. ZWOZDESKY: Yes.

MR. LUND: There was an expenditure for land information in Alberta's outstanding deficit by Municipal Affairs, and that was paid back to us for our land information. The department used to keep the land information, and this was an expenditure from them. I think maybe I'll get a financial expert to fill you in more fully on it.

MR. SIMON: When the land information, the Alberta program, was transferred from Municipal Affairs to Environmental Protection, it carried a deficit along with it. So part of that surplus is created by Municipal Affairs issuing a cheque and repaying that deficit that particular year.

MR. LUND: In all this discussion on the first question, I've lost track of what the second question was. He rolled in two questions, and I'm not sure we answered the second one.

MR. ZWOZDESKY: The second one refers to page 139 of the same document, the revolving fund again. I'm just curious to know where within the explanation of revenues and expenses this \$2.7 million, then, is included. I gather it's rolled in as a sale of some sort; is it?

MR. SIMON: The \$2.7 million refers to, I believe, a surplus of the revolving fund. The expenditures in the revolving fund are significantly more. They actually total \$17 million, and what you see on page 68 is the actual surplus, taking revenues and expenditures. You are referring to 139; is this correct?

MR. ZWOZDESKY: Page 139.

MR. SIMON: Right. So the expenditures in the revolving fund are significantly more, and the surplus is reflected on page 68 of the document. It doesn't reflect all the true expenditures but reflects the surplus.

MR. ZWOZDESKY: I may have to visit that one in written form later, Mr. Chairman, just to make sure I'm clear on it.  
Thank you.

THE CHAIRMAN: I'm sure the minister will accommodate.  
Mr. Stevens.

MR. STEVENS: Thanks very much. My question relates to reference 3.2.1 on page 66. The provincial support and licensing element shows a surplus of \$220,000 while the enforcement field services element at 3.2.4 shows an overexpenditure of \$800,000. Could the minister please explain why there are such large variances in these elements and what they are attributed to?

MR. LUND: I'll have my ADM responsible for natural resources

comment on that one, please.

MR. NICHOLS: Thank you. The surplus of \$220,000 in provincial support and licensing is a result of lower grant payments and a reduction in operating expenses. We reduced some travel and staff development. I believe there was a previous question with respect to the \$800,000 in enforcement field services.

MR. STEVENS: You've indicated that the grants component of the provincial support and licensing element had a surplus. Could you please explain what the surplus is attributed to?

MR. NICHOLS: We previously provided a fish freight subsidy program, which was with respect to commercial fishing. We cut that out, and that was \$60,000. We had a reduction in claims to the poundage we pay for fish in remote areas, again a commercial fisheries program. That was a reduction of \$32,000. We had a surplus in the trappers compensation program of \$30,000, and we had a grant request from the university that was delayed, and it was \$13,000.

THE CHAIRMAN: No more questions?

Mr. Hlady, please.

**9:40**

MR. HLADY: Thank you very much, Mr. Chairman. Mr. Minister, under 2.6.3 on page 65 you're talking about waste minimization. I have been very fortunate over the last few years. For three or four years I've been working with the blue box in Calgary, and it's been an amazing process watching the decrease in the amount of waste that we've had in our household alone. Looking at this and what you have in here under 2.6.3, it shows that almost \$1.7 million was spent in 1995-96. Now, this is \$761,000 less than the previous year and \$829,000 less than the estimates for '95-96. How were the funds allocated, and why has there been a reduction in the amount spent in waste minimization?

MR. LUND: Well, a very significant portion of the budget is dedicated to developing the sustainable waste management infrastructure, and that's throughout the province, of course. The funding is supplied through the resource recovery grant program, and of course that's over a million dollar program. In this particular fiscal year that went out to 25 groups and organizations for recycling projects.

The waste minimization initiatives and the participation in activities, which increase the rates of recycling and waste reduction, encourage waste management planning on a regional basis. Waste minimization also works with industry and stakeholders in developing the stewardship programs that I mentioned earlier. There was a question earlier in the oil area.

[Mr. Shariff in the chair]

Actually, it's true that there was a reduction in the amount spent in this area. Grant funds were held to cover payments to municipalities in other management program elements, and also we did have some staff vacancies in that program in this particular fiscal year.

MR. HLADY: I guess, as my first supplementary, in a lot of areas of waste management in the private sector we're starting to see in the recycling and so forth where it's getting closer to a profitable stage. I'm just curious at what point it is possible. Is there a target that you look at it for when the recyclers are going to be able to be at a self-sufficient stage? Is that something that you've looked at or projected

so that there is less need of government money but it is a business as such? Is there such a point?

MR. LUND: Of course, with the whole recycling program it would be wonderful if the material that we recycled could pay its way. We're a pretty spoiled society, and unfortunately or fortunately, depending on which side of the table you're on and what day, our virgin materials are very cheap. Therefore, by the time you go through collection and recycling and reuse, recycling programs cannot pay for themselves.

Now, having said that, there was a period when cardboard and paper was in fact paying. I talked to some municipalities where the cardboard and paper was paying for their overall waste minimization program. Right now, of course, paper is back in the tank, so there needs to be subsidies from municipalities in order to accomplish it. There are some areas that right now are very profitable. Aluminum cans, for example, are paying their way, but it's not to an extent that can cover the overall total project. The oil recycling that we are getting into is another example where the product has a lot of value but with the cost of collection and refining it doesn't turn a profit. Certainly those recoveries go a long way to assist in the overall cost of the program.

I think we can't lose sight of the fact, though, that it's really important for the protection and the enhancement of the environment that we reduce the amount of material that's going to the landfills. That has to be our target. Any recovery is a bonus.

MR. HLADY: Speaking to that . . .

THE DEPUTY CHAIRMAN: It's normal practice for one question followed by one supplemental.

MR. HLADY: Not two supplementals. Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: Next is Dr. Nicol.

DR. NICOL: Thank you, Mr. Chairman. Mr. Minister, in your introductory remarks you made a comment that within the framework of the changes that you've implemented in your department, you've reduced the number of positions by a little over a thousand. I think you said a thousand and fifty or something.

MR. LUND: One thousand five hundred and fifty. That'll be by the end of 1999-2000.

DR. NICOL: Oh, that was not in '95-96.

In connection with that, are you doing tracking in terms of the number of positions that are picked up in the contracting-out so that we can track how many people are still involved with the provision of service by your department, whether it's a direct employee versus, you know, a contract employee?

MR. LUND: Because we have gotten out of the business of rowing and are getting into the business of steering, our need for direct employees has decreased dramatically. While there are still people providing those services, often it's on a fee-for-service basis. When it comes to things that are happening, say, in an FMA in the forest area, the work is being done, but the responsibility to pay for that work is being handled by the companies. A good example of one that really stands out is when we look at the inventory. This is something that costs. Probably to do a very accurate inventory of the forest would cost about \$8 a cubic meter. That is now the responsibility of the FMA holder, not the government.

So yes, there are people that are still contracting. They're not contracting with us; they're contracting with the companies. I don't



think we have a really good handle on how many people would be in those scenarios. It's true that we do contract directly, that we pay for a contractor. Those numbers of course we know. But they're on a contract that's very specific to a project, so they're not full-time equivalents. That's one of the changes that we've made.

I don't know. Peter, did you care to make some more comments on that?

MR. MELNYCHUK: We could provide a more complete answer in written form to this question. We don't have the numbers available that you're specifically referencing, Dr. Nicol.

THE DEPUTY CHAIRMAN: I would suggest that if you're providing a written response, then forward it to the secretary, and it can be distributed through her office.

Supplementary.

DR. NICOL: Thank you, Mr. Chairman. The data that I was going to ask for in the supplementary will be in the material filed, I hope, so I'll just pass on the supplementary.

Thank you.

THE DEPUTY CHAIRMAN: Okay.

Next is Dr. Pannu, followed by Mr. Johnson.

**9:50**

DR. PANNU: Thank you, Mr. Chairman. If I may invite the minister's attention to page 71 of volume 2 of the public accounts '95-96. If we may move from the expenditure to the revenue side, I notice that there is quite a dramatic decline in camping fees from '95 to '96. I'm assuming that the camping fee rates did not go down from '95 to '96; that is, what the visitors were charged per visit didn't go down. So it requires an explanation. As I look down that page, I notice under miscellaneous considerable increases in revenues from '95 to '96: provincial parks, rentals, provincial parks concessions, et cetera. I wonder if there's any link, Mr. Minister, between the decline in camping fees and the increase in the cost of visits by individuals or families to camping sites and if that would explain the decline in the number of visits, which would then translate into decline in the overall camping fee revenues.

MR. LUND: Mr. Chairman, dealing with the issue of the camping fees and that reduction, two things here I think probably affected it. As you remember, in the spring of '95 we had massive floods in southern Alberta. That wiped out a number of campgrounds. They didn't have patrons during the summer of '95. Another issue is the privatization. We are now into a facility operators agreement, and in many of those the revenue from the camping fee goes to the operator, not to us. So that accounts for some of this reduction in camping fees, because we don't get it and the operator does. That's part of the agreement.

[Mr. White in the chair]

Then the last one, the provincial parks concession. Is that the one that you're referring to? Okay. Actually, in '95 there were a number of those for which we were looking for operators. We were going to contract the concessions out. We were not that successful, and therefore it shows an increase in our revenue even though we were trying to move them out. If you follow the expenditures, likely that revenue is more than offset with an expenditure for operating those things.

DR. PANNU: May I have a supplementary, Mr. Chairman?

Mr. Minister, you referred to two factors which would explain

perhaps the decline in revenues, and my supplementary relates to the first of the two reasons that you suggested. It had to do with the floods and the damage caused in southern Alberta to a very large number of camping sites in '95. I notice that the decline in revenue occurs in '96, not in '95. In fact, '95 has higher camping fee revenues than '96, so I'm not sure if your explanation satisfies my curiosity about this decline.

MR. LUND: But the money you're looking at in '95 is the fiscal year '94-95, ending March 31, '95. The reduction that shows up as '96 is the '95-96 fiscal year. Our camping occurs between May of '95 through to the fall of '95 and shows up in the '96 number. The floods occurred in June of '95. Therefore, there was this huge reduction in camping in southern Alberta because there were no campgrounds. That's why, because of the fiscal year ending in '96, it shows the reduction in '96.

THE CHAIRMAN: Mr. Johnson and Mr. Klapstein.

MR. JOHNSON: Thank you, Mr. Chairman. My question relates to the fish and wildlife trust fund. On page 290 of the public accounts under agencies and funds, where it's discussed, under environmental protection you have listed the fish and wildlife trust fund. What is the fish and wildlife trust fund? Perhaps I could ask my supplementary at the same time. What did the program accomplish in 1995-96?

MR. LUND: Well, Mr. Chairman, I'll try to get through this before the time runs out, because this is a very, very important program and has many accomplishments. The program was set up under the Wildlife Act. The purpose, of course, for the fund was to prescribe programs for the protection and enhancement of the fish, the wildlife, and their habitats. So when we get into all of the accomplishments of '95-96, I'll just list a few of them here.

The wildlife habitat development implemented 70 wildlife projects throughout the province. The fisheries habitat development fund had 130 new and continuing grant projects, that were maintained and completed habitat development projects. This includes a lot of things like fencing to keep livestock out of streams where there are good fisheries, purchasing of land along streams to look after some of our wildlife, the beavers that cause problems in some of these fish streams, those kinds of things.

The fisheries management enhancement support supported some 95 fisheries projects. Some of those are dealing with things like making sure that the spawning areas are looked after. The wildlife management enhancement fund: 35 projects which led to looking after the wildlife populations. Those we now are partnering with the elk foundation. If you remember those four special permits that we sold, the elk and sheep permits that were auctioned in the United States, and those generating revenue in excess of \$200,000. Well, we're partnering with this program to enhance and manage wildlife.

Then we've got the report a poacher program. During this fiscal year 371 Albertans reported violations to the hot line; \$47,000 in rewards were paid to 155 concerned citizens. Wildlife support: the waterfowl damage prevention program. I could go on and on over that program in combination with the U.S.

The humane trapping program is one that is extremely important to our trappers because of the backlash we're getting from the Europeans. A lot of work is being done in there to try to keep the market open. As of March 31, 1996, 470,000 hectares have been secured and are under the management of the North American waterfowl management plan. Of course, our fish and wildlife trust fund dovetails into that program as well.

THE CHAIRMAN: Answered, Mr. Johnson?

Mr. Klapstein to wrap up the last question, please.

MR. KLAPSTEIN: Okay. This is on page 67 of the public accounts with regard to forest management. Reference 5.2 has an overall surplus of \$1,280,000 contributed to substantially by the fact that elements 5.2.1, client and field services, and 5.2.5, reforestation, underexpended their budgets by over \$1 million each. Reforestation underspent their budget by almost 50 percent. Could the minister please outline exactly what these programs involved and what occurred to allow such a large underexpenditure?

MR. LUND: Mr. Chairman, since time is running out, I'll get my director of forestry to answer that question.

MR. HENDERSON: The underexpenditure of \$1 million in client and field services was a result of holding funds in our Edmonton office to cover and do regional forest projects which were carried out that year.

The underexpenditure in reforestation resulted from a very wet spring. We were unable to carry out the programs. Later on in the summer we had very high fire activity and had to fight fires instead of reforest.

**10:00**

MR. KLAPSTEIN: Is there time for a supplementary?

THE CHAIRMAN: We're running short. Make it quick. I'm sure they'll answer it quickly.

MR. KLAPSTEIN: Okay. I understand that the new private land timber permit system was implemented to ensure that Crown timber was not being exported illegally out of the province. This is a very serious concern to all Albertans. What steps did the minister take to ensure timber was not being exported illegally, and will these steps further deter unscrupulous individuals from attempting to do so in the future?

MR. LUND: Mr. Chairman, we implemented a transportation permit system. It had to be purchased by the landowner. That gave us heads-up whether there was going to be harvesting on private land. We were then able to do a number of things. When the landowner came into the office to buy the permit, we could tell them about the woodlot program, give them information about that. We could also tell them about the Acts – the Soil Conservation Act and the Fisheries Act – that they could be in violation if they did certain things on certain lands.

It also gave us the heads-up on whether there was Crown land close to the private land, because in fact that seemed to be the biggest problem. In so many cases it didn't seem to be a deliberate attempt to steal as opposed to simply not knowing where the boundaries were and simply not realizing that they were on a road allowance, which is Crown, or even wandering off into Crown land because there was no fence in place. We could clearly, then, give that to the landowner so that he knew for sure that there were those possibilities, and I think it worked well. It also gave us a very good tracking system so that we could identify if in fact there was something going on that possibly would involve Crown timber.

THE CHAIRMAN: That being all the questions, I'd like to thank the minister and his staff for full and complete answers. I know that as much as he likes to speak about the glories of the department, the time has run out during which you can question the history. Thank you very kindly.

Just before we adjourn, I'd like to remind members to have a look at our schedule. You'll note that on June 18 Advanced Education and Career Development has been moved forward and that Family and Social Services has been canceled and in fact moved below economic development to a later date.

A motion to adjourn? Mr. Shariff. Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried. Thank you kindly.

[The committee adjourned at 10:04 a.m.]