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STANDING COMMITTEE on PUBLIC UTILITIES and NATURAL RESOURCES

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*Chairperson
Mr. Bob Rose
Constituency of Turtle Mountain*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON
PUBLIC UTILITIES AND NATURAL RESOURCES

Thursday, May 7, 1992

TIME – 10 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Bob Rose (Turtle Mountain)

ATTENDANCE - 9 – QUORUM - 6

Members of the Committee present:

Hon. Mr. Cummings, Hon. Mrs. McIntosh

Ms. Cerilli, Messrs. Dewar, Gaudry, Helwer,
Laurendeau, McAlpine, Rose

APPEARING:

Jack Penner, MLA for Emerson

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

MATTERS UNDER DISCUSSION:

Annual Reports of the Manitoba Hazardous Waste Management Corporation for the years ended December 31, 1989; December 31, 1990; and December 31, 1991.

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Mr. Chairperson: Order, please. Will the Standing Committee on Public Utilities and Natural Resources please come to order. This morning the committee will be considering the Annual Reports of the Manitoba Hazardous Waste Management Corporation for the years ending December 31, 1989, 1990 and 1991.

Does the minister responsible have an opening statement?

Hon. Glen Cummings (Minister of Environment): Yes, I do. I will try and keep it as brief as possible. We are here with the '89, '90 and '91 reports.

First of all, I would like to introduce Don Vernon, the Chairman; Rick Cooke, President; and Caroline Kaus, Manager of Finance and Administration from the corporation. They will be assisting me with some answers, I am sure.

The corporation operates as a commercial Crown whose main task is the planning and initial development of a comprehensive hazardous waste management system for the province. It offers an interim capacity to provide operational waste management services as requested by the government and by others.

* (1005)

In essence, the corporation has undertaken the role of project manager for this development task, something that historically the private sector has had difficulty in doing, given the risks and social barriers that go with it.

The corporation does not have a monopoly in either providing services or developing facilities. The direct involvement of others as investors and operators for the various system components is actively encouraged and sought and perhaps can comment on later.

I want to emphasize the corporation's status is as a regulated proponent in this field, something that is distinct from the regulatory activities undertaken by the department. The corporation is regulated by the department on the same basis as any commercial operation, waste management business.

The planning of the provincial hazardous waste management system is essentially complete. It has been fully documented in the corporation's recent application to the Department of Environment for a central facility. It encompasses the management of regulated hazardous wastes starting at their source, through their collection and storage, to their direction to various resource recovery options.

Development places the highest priority on the management of these materials at source through a minimization prevention approach. The corporation estimates that between 85 to 90 percent of the volumes produced in this province can and should be managed at source.

In this regard, the corporation provides a range of technical services to waste generators covering

such things as seminars on waste minimization, waste audits, technical support and the application of waste reduction technologies, and the establishment of collective capability among generators.

One little known but successful initiative in this area has been the fact that the corporation sponsors the federal on-site program where young professionals are placed in jobs involving waste management or other environmental positions. Over the past four years some 160 people have received training in this way. Approximately 120 now have permanent positions that have been created through the on-site program.

The corporation has recently expanded its source-based management efforts through the development and operation of on-site management systems within larger waste generators on a joint venture basis with either the waste generators themselves or private investors in the environmental services industry.

Specific projects involve development of integrated waste management capability for large dry-cleaning plants, waste minimization and resource recovery systems for industrial paint waste, and waste water treatment capability for large industrial maintenance operations.

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

In this area the corporation has made the most visible strides. Successful siting in the province's central hazardous waste management facility in the R.M. of Montcalm will provide a wide range of management capability including: storage, bulking, blending and transfer of organic materials for treatment elsewhere; physical chemical treatment of various organic and inorganic waste solutions; biological treatment of contaminated soils; stabilization and secure landfilling of solid treatment residues.

This is being done at a location that provides a high level of natural environmental protection, something that will be demonstrated continuously by a comprehensive environmental monitoring capability.

The corporation has made a final application for this facility and filed a comprehensive

environmental impact assessment for regulatory and public review. This is the culmination of an extensive regulatory process involving the submission of initial project proposal and the establishment of environmental assessment guidelines, all of which have involved extensive public consultation and input.

For those interested in the details of development of environmental aspects, the corporation has a number of copies of its application here today and would be pleased to provide them for anyone who is interested. Similarly, Mr. Vernon and Mr. Cooke will also be pleased to address any specific questions you might have about that.

* (1010)

The review of the corporation's proposal has proceeded to the point where, in my capacity as Minister of Environment, I have scheduled public hearings on the application. They will occur in Letellier in early June.

I should comment briefly on the siting of the facility and the process used to accomplish this. It was probably one of the most difficult and controversial tasks that has been undertaken in this province. The corporation has adopted a voluntary comanagement approach that involves a collective investigation with the development of the candidate host communities.

This process began in 1989 and has involved a number of communities around the province. The ultimate selection of Montcalm as the host community by the corporation and the informed decision of this community to host the development, something that was demonstrated in a referendum last fall, testifies to the effectiveness of this approach. I would like to say that it is a testament to the community and the very conscious manner that they went about dealing with the application and putting forward a request to the corporation to establish that.

I can also attest to the amount of work that the corporation has been involved in over the last three years in various communities around the province. It has virtually incited, in some cases, a lot of community interest and concern but has also served, in my opinion, a very good educational purpose, inasmuch as whether they ended up being sited in a particular community or not, they certainly left behind a much larger volume of information and certainly some very knowledgeable people in terms

of what is needed to handle hazardous wastes in this province.

Montcalm and the corporation have established mutually agreed to terms and conditions covering the development and its operation. These are currently being finalized and will be put into a legal agreement. The province is currently negotiating a parallel agreement with Montcalm that provides the appropriate backstop for various public protection measures. I think that is rather a unique aspect of what the corporation and the province are doing as well.

While this process has taken a long time, it has in fact been accomplished more expeditiously and at less public expense than in many other jurisdictions. In this regard we are very proud of having sited the critical component of our industrial and environmental infrastructure close to the major market it serves and in a consensual rather than an adversarial fashion.

We are now entering the final stage of the process with a high degree of agreement from the community, the stakeholders, the environmental groups and the business communities, while some other jurisdictions are still grappling with the original hostility and public sector disagreement that tends to flow around these issues.

The development of this system, based on a practical and equitably applied foundation of regulation and public policy incentive, will be a major economic development stimulus to the province and to the Red River Valley south of Winnipeg. Having the expertise and functional capability to competently and economically manage the environmental contaminants that inevitably result from current and future economic development activities is a major advantage in attracting and sustaining activity in this province.

I believe as we look forward to increased industrial activity in this part of the country that the Hazardous Waste Corporation will become an increasingly valuable asset.

I am ready for questions, Mr. Chairperson.

Mr. Chairperson: Thank you, Mr. Minister. I would like to welcome the officials from the corporation this morning. These are relatively informal proceedings, but I do ask if you do take part in the discussions that you be recognized by the Chair, just to assist Hansard in recording the proceedings.

Does the critic for the official opposition have an opening statement, Ms. Cerilli?

Ms. Marianne Cerilli (Radisson): No, I will just ask questions.

Mr. Chairperson: Does the critic for the second opposition have an opening statement?

Mr. Nell Gaudry (St. Boniface): I will be very brief, Mr. Chairperson. I would just like to say that our critic was unable to attend this morning.

* (1015)

I just wanted to put on the record that I am pleased that the Hazardous Waste Corporation was not in St. Boniface, because I was threatened by my colleague from St. Norbert several times that if I did not support him and it did not go into St. Norbert that he would make sure that it went to St. Boniface. I think the procedure that has developed by the community of Montcalm was well appreciated by the member for St. Boniface. Thank you very much.

Mr. Chairperson: Before we proceed, shall we be considering the reports on a page-to-page basis or their entirety, or do you wish to consider them separately or all together? What is the wish of the committee?

Mr. Cummings: Mr. Chairperson, I would like to encourage my colleagues—if we deal with it report by report, and remind you that we have three reports in front of us and it is the opposition's call.

Mr. Gaudry: The three reports, I have no objection.

Ms. Cerilli: The way that I was planning to ask questions would be fairly general to start off with, and the issues that are—

Mr. Chairperson: So a general approach and all three reports at one time until they are complete?

Ms. Cerilli: Right.

Mr. Chairperson: Very well.

Mr. Marcel Laurendeau (St. Norbert): Mr. Chairperson, are we having consensus here that we are going to pass all these reports then at a given hour, say twelve o'clock? If we do not have consensus, maybe we should deal with them one at a time so that we are not flying all over the place. I mean, we should not be dealing with issues in 1991, when we have an '89 report in front of us. Maybe we should pass this '89 report so we can get the paper out of the way, to see that this committee does operate efficiently.

Mr. Chairperson: I believe that the Chair had already ruled that we would consider in an overall basis all three reports in a general approach.

Ms. Cerlili: I guess to start off, I would just like to acknowledge that we are pleased that this facility has been sited. I agree that this is probably the most controversial issue that certainly the corporation has dealt with. This is probably what the corporation is most known for, and that is where I would like to begin my questions.

There have been some concerns raised that since the facility has been sited outside of Winnipeg that now there is going to be the need to have another facility in Winnipeg to act as a collection station, a transfer station. I would just like to get some clarification about that.

Mr. Cummings: I think that the corporation has plans as to how they would appropriately deal with that, and I would ask Mr. Cooke if he would comment please.

Mr. R.J. Cooke (President and Chief Executive Officer, Manitoba Hazardous Waste Management Corporation): The basic answer to the question is that the facility that we are developing in Montcalm is a combined storage transfer and treatment facility, so the main storage transfer facility in the province will be developed in Montcalm and not in Winnipeg.

There are existing facilities in Winnipeg, one of which we operate, but there is not an intention to develop any kind of a facility on this scale in Winnipeg, certainly by us, nor, I would add, is there any need. The Montcalm location, from a business point of view, is essentially an urban location.

Ms. Cerlili: Will the majority of the industrial users that are taking their waste there be taking their waste directly to the facility in Montcalm? Will they then be responsible for all the other costs, the transportation costs that would be involved with that?

Mr. Cooke: The facility is a commercial facility and will be developed and operated on a user-pay basis, in the same fashion that we operate today. The facility operator will be responsible for the transportation from the waste source to the facility, so a waste generator does not load it in his truck and cart it off to us.

The regulatory process that is in place today to do that really requires a licensed hazardous waste carrier to collect from a waste generator that has to

be registered as such under the regulations. People in our business are not permitted to collect material from anyone who is not registered, so the transportation, the whole service is paid for by the generator, essentially contracted to the waste manager.

Ms. Cerlili: Does the corporation have any kind of service that transports waste or arranges for the transportation of waste on behalf of producers?

Mr. Cooke: Yes, we do. We are a licensed hazardous waste carrier ourselves and do that in relatively small quantities. For large quantities, which we typically collect from our existing facilities and export to other jurisdictions, we contract that work with licensed specialty carriers.

Ms. Cerlili: I am assuming there is going to be an increase in that function by the corporation because of the facility in Montcalm. Would you say that is going to be correct?

Mr. Cooke: Well, we would see I guess firstly that a lot more hazardous waste that currently exists will in fact be managed through licensed facilities as a result of this facility being in operation. The need for the facility is justified in effect by what already exists.

* (1020)

If I sense your question, is there an increase in transportation of hazardous waste resulting from this facility and its particular location, I think that is intuitively obvious. I think I would make the point that hazardous waste is waste dangerous goods. The total transportation component of the system that we are proposing represents less than .5 percent of the dangerous goods transported in the province today. The incremental increase in transportation associated with a location in the city vis-a-vis a location just south of the city in absolute terms is very small.

Again, in our environmental impact assessment, I could quote you the exact numbers or reference them for you but, roughly, if you calculated the absolute risk associated with comparing one site and the other, that number would be about a 30 percent increase of what is a very small risk that represents a fraction of a percentage of the existing risk anyway.

Ms. Cerlili: What are the major industries that will be the largest users of the facility?

Mr. Cooke: It is not only industries, it is the whole range of industry, institution, the commercial sector,

down to you and me. In the industrial sector, it is the whole range of industries. The largest single generating sector is the metal manufacturing sector, generally. It may be a trite statement, but everybody produces hazardous waste.

Ms. Cerlili: Of the 5 percent that we are talking about, how much is generated by the metal manufacturing, the 5 percent of the waste that is not dealt with at source—that is what we are talking about—that is going to be dealt with at the new facility?

Mr. Cooke: Okay, maybe back up two steps. Of the total volume of waste that we would estimate generated in the province, which is approximately 180,000 metric tonnes a year in absolute volume, we estimate between 85 and 90 percent will ultimately, and should be, managed at source. That is certainly a major emphasis of a lot of our work.

Of the off-site shipments of waste, my recollection is—and I would have to go back to some reports and could confirm these numbers if you want—that particular SIC code which covers metal manufacturers, that industrial sector is probably about 30 percent.

Ms. Cerlili: Where are these 30 percent of the metal manufacturing industries located?

Mr. Cooke: In the province, they are primarily located in Winnipeg. There are obviously others in other parts of the province. I think our estimates indicate that in total volume about 80 percent of the capturable volume of hazardous waste is generated in the Winnipeg area.

In terms of off-site shipments, I think that estimate is 60 percent. The reason for that is that the larger the industry, the more efficient they will be in managing the waste at source.

Ms. Cerlili: I am interested right now in the metal manufacturing which, as you said, will be the largest user of the new facilities. I am trying just to get a more specific idea of where in Winnipeg these industries are located.

* (1025)

Mr. Cooke: Again, I could reference various studies and reports, specifically our transportation risk assessment, when we look at the city of Winnipeg and the locations of generation of hazardous waste, not just metal manufacturers, we have identified I believe the number is 62 nodes of

location around the city, almost equally distributed throughout the city.

The concentrations are clearly in the industrial areas of the city, which are distributed throughout the city. You can start listing industrial parks in the city from Fort Garry to Inkster to St. Boniface to Transcona. There you will find those kinds of enterprises throughout Winnipeg.

There is no concentration of waste generation in the city of Winnipeg. It is, for any practical purposes, relatively equally distributed.

Ms. Cerlili: I am not familiar with where the metal manufacturing facilities are in Winnipeg. Is there some kind of a map or diagram in the study, the environmental assessment?

Mr. Cooke: There is a map in a consultant's report that supports Area A, that again I can provide you, that identifies the nodes of waste generation that we have used for analysis and development of our transportation planning within Winnipeg. I think you will see the large number of locations throughout the city, and there is certainly quantities of material associated with each of those locations. I do not have that information here with me but would be happy to provide it.

Ms. Cerlili: What are some of the other facilities or other industries or, as you said, facilities or institutions that are going to be the major users of the new facility?

Mr. Cooke: It is difficult to identify, and again, I am a little uncomfortable with identifying the metal manufacturing industry and the implication that they are unique. As I said, that overall sector probably represents 30 percent simply because it is a large sector and there is a concentration of those kinds of industries, mostly smaller companies in Winnipeg.

The other kinds of businesses ranged from, obviously, all kinds of large industrial concerns. The aerospace industry is certainly a generator of these materials; major rail operations are significant generators; the dry-cleaning industry is certainly a generator of hazardous waste and those kinds of materials; government power utilities; virtually any kind of enterprise that you can identify.

Ms. Cerlili: How do you think that this facility will contribute to the four Rs in terms of hazardous waste?

Mr. Cooke: I guess my first point is I only think there are three Rs, but I think there is a couple where

it is arguable whether they are the same thing. I think you mean basically a waste minimization, waste prevention philosophy.

The facility will contribute, I think, as outlined very consistently in the corporation's approach to planning a system, we are not in the facility business, we are in the system business. That system does start at source. It starts with the first question one asks: Do you need to produce a waste at all?

People need to work through that hierarchy of prevention or elimination, reduction, reuse, recovery recycling, which are the Rs that I would combine; managing the waste at its point of location; and then subsequently off-site.

You need to have all of those components in place, in fact, to do any of them in reality. If you practice good source-based management, you are going to end up with residues that will require some off-site management. Without the availability of that capability, you will not be able to do the things that are logical to do at source.

* (1030)

Perhaps to use an illustrative example, solvent recycling is a practice that Canada has often used at source, something we advocate. If you recycle solvents you generate still-bottoms that you are going to have to direct to an off-site facility for treatment and disposal. If you do not have that capability, you probably cannot competently do the kinds of reuse practices that I think both of us would advocate.

Ms. Cerlili: Will the facility have any kind of a reclamation and reuse ability?

Mr. Cooke: Yes, we certainly see a potential to use the facility as a location, as a collective reuse, resource recovery capability where you are able to accumulate material and then on some economic scale recover, recycle.

The specific example is a lot of the liquid organic waste streams, and a major function of the storage transfer capability that we are developing will be the accumulation and blending of those materials as fuel to fuel specifications for use in licensed industrial applications.

In fact typically today we do quite a bit of that currently through our smaller facilities, we export that material largely to the United States. From an

environmental point of view, it replaces high-sulphur coal in cement kilns.

One of our objectives and a project that we are just in the process of starting is to look for those kinds of applications that could be competently licensed locally, so that we are in effect not exporting the resource. That is direct recovery, fuel replacement; we are replacing natural gas, high-sulphur coal, crude oil.

We are in our proposal proposing for licensing a commercial-scale solvent recycling distillation facility. We are making provision for that because there currently is not that capability on a commercial scale available in the province. We have some where it will be a business decision as to whether we go ahead with that investment. In many cases, and we advocate this ourselves, it may make more sense for the waste generator themselves to install that capability. It is essentially an economic decision.

Those are examples of I think what we would describe as recovery, reuse, recycling, if you like.

Ms. Cerlili: What kind of industries would be producing this organic waste that you are talking about?

Mr. Cooke: Again, the whole distribution of industries we have already talked about. Typically an industrial operation will produce organic wastes if they use things like solvents, paints and those kinds of materials, hydrocarbons. They will also typically produce inorganic wastes again in the metal industry. This is probably the reason for the high bias. There is largely waste waters that will be contaminated with metals and other materials.

Ms. Cerlili: One of the things I wanted to ask earlier when we were talking about the siting was if any of these industries and potential users of the facility or users currently of the corporation were vocal during the siting process.

Mr. Cooke: Yes, a number were. I think the sense we have had is, and I might refer part of this question to the minister, because he has prevailed on me on more than one occasion to respond to specific industrial requests to get after solving the problem.

Our experience over the last year with paint waste is an example of that. I think with the increasing enforcement of regulations by the province and by the city particularly, people are saying, well, we need an alternative. They make that representation

to us. They have made that representation certainly to the various public forums we have been involved in.

Organizations like the Winnipeg Chamber of Commerce have aggressively advocated the development of the facility. Several industrial sectors, like the dry-cleaning industry as an example, many of those organizations have participated through the various advisory committees involved in the siting process. There is certainly a desire on the part of the business community to get the most economic service. Certainly once recognition that the most economic service is not the traditional way to manage these materials, with the current relatively high cost of collecting and exporting this material to other places, the more economic local option is sought and advocated by them.

Mr. Cummings: If I could add to what Mr. Cooke just said, an example of where the corporation was able to provide a resource that has already been of significant benefit to industry in handling their hazardous waste, I would suggest that a lot of the corporations that expressed interest and concern did it from two points.

One was obviously environmental concerns, but the other was the nature of the costs they might be facing. It is clearly understood that the declaration of Sections 8 and 10 of The Dangerous Goods Handling and Transportation Act and the start-up of the corporation need to be parallel in order that we have a market for the products that will be regulated.

The corporation has already, by working with companies that had waste paint, primarily in the machinery manufacturing area I guess, been able to show them how reduction at source would save them a considerable amount of dollars even in their operation, let alone saving them disposal costs. That is the type of operation that the corporation is getting into.

Occasionally, I have to in fact ask myself, given some of the technology that is available for reduction at source, what does that do to the total volume that needs to be treated? That is the balance that we have to strike. In fact, the cost of—it is not a problem, but when you look at the very considerable advances that industry can make and has made in this case with the expertise of the corporation, we can become very attractive industrially for companies that know that they have

a certain amount of waste that they are going to have to have treated beyond what they can reduce on-site.

Ultimately, as regulations tighten up in other parts of the country, you will find that the ability to access a facility of this nature will become a more attractive industrial incentive over the next few years. Saskatchewan, for example, does not have the capacity that we expect to have. They certainly have paint generators as an example who are ultimately going to have a finite amount of material that they will need to store or remove.

Mr. Cooke: I think just perhaps to put one of those points into perspective, we have taken what we think is a fairly unique way of estimating what the requirement is. Traditionally, what people do is estimate what the total generation of hazardous waste of these materials are and then go away and design an off-site facility to handle that capacity.

We started with the assumption that we would fully discount for maximum exploitation of source-based management before we sized our off-site facility. Certainly, there is experience in other jurisdictions where they have either oversized or picked the wrong technologies and those kinds of things. We have adopted an incremental development approach recognizing the whole hierarchy and, in a sense, we are maybe cautious cowards as investors that way. It in effect allows the full exploitation of what in many cases is the more sensible option, that being source-based management.

Certainly the example of paint residues, which traditionally have gone to landfill and now no longer go to landfill, there is quite a long list of technologies, techniques, process changes that people operating spray booths, which virtually every metal manufacturer will do, can employ simply to reduce the volume. That particular project was, if you like, a collective project where we, in association with the paint manufacturer, went away and basically developed a menu of technologies for people to use. That is documented in a public report which I would be more than happy to provide.

* (1040)

Ms. Cerilli: Will this kind of cost analysis be part of public hearings that are going to come up, that the whole costing, the whole idea that we are dealing with a fine line, as the minister said, we are going to have new legislation, regulations being brought into

place? There is going to be increasing savings of industry by improving their ability to deal with hazardous waste on-site, and then there is going to be the corporation vying for a market of what is left over. Is that going to be part of the hearings that are going to take place?

Mr. Cooke: I will make a couple of points before answering the question. Our business interest, the interest of the hazardous waste management system, is the whole scope of the business. We are in the source-based management business. We generate revenue today and hope to do so. I personally believe the major business opportunities are in providing services at source as much as off-site services.

I do not see us competing with ourselves. We will be in a position to make the best decision and offer the best service wherever it should be done. I think to a degree we are in that position today.

My understanding of the scope of the hearings—from the corporation's point of view, we have always had a policy of tending to try to answer any questions people put for us. The hearings that are scheduled before the Clean Environment Commission are typically environmental hearings on the facility's integrity, environmental impact and the proponents' mitigation plans.

There is not a direct economic evaluation of these services. We as businessmen, before we make an investment we will certainly do the economics. The fact that we have entered the commercial market is one out of two I guess what I would describe as credible, special or hazardous waste managers in the province today and are highly competitive in our business. We have a pretty good handle on what the market is and what the economics of various management options are.

Again, as a businessman, in public or private, in a competitive market, I am not sure I would want to or I would feel that comfortable with a detailed public debate of our competitive position in that kind of market.

Mr. Cummings: Perhaps I could add to Mr. Cooke's comments. He is quite correct in everything he said in terms of the assessment that he is going through.

I believe the second part of your question was the economic viability of the operation, and that will be the board that will produce a business plan for investment. That business plan will have to

recognize the realities of the available material and the cost of dealing with that plus the regulatory regime that is in place that will specifically be regulating certain materials.

Ultimately, on the recommendation of the board, it will be an investment decision that will be made on behalf of the people of the province, but it will have to be a sound business plan. I say that in the context that I have no reason to believe that there will not be a sound business plan. The plans that they brought forward to this point have certainly indicated that this will be a Crown with a potential to be self-supporting.

Ms. Cerilli: Well, there has been concern expressed to me that there is not going to be the consideration of the economic side in the hearings that are going to take place. I am just asking how you respond to that. Why are we not considering the environmental and economic issues together because, especially in a facility like this, I think that in issues like hazardous waste they are very much tied together. I appreciate what you said about being interested in the entire range of, as they call it, cradle-to-grave management.

I would just ask, how are you responding to those kinds of concerns, and why are we not considering the economic and environmental concerns together?

Mr. Cummings: Well, I could make a response from my perspective, first of all. The licensing process is one of licensing an industry that would have potential for environmental damage if it were not properly run. Therefore, the licensing process will examine very specifically their types of safeguards, what they plan to handle and how.

Generally speaking, when we talk about environmental cost we are talking about, well, are you taking agricultural land out of production, are you taking natural land away from its original state, are you flooding land?—those kinds of environmental costs.

What we are talking about here is an industry that is primarily structured to protect the environment. The financial aspect of the operation is a business decision which the president, the chairman and the board will recommend on.

We know that we have a need in this part of the country for a facility. Some of this material, a large portion of it, well, all of it that we are able to regulate today is being handled in one form or another,

whether it is being handled in Manitoba or being exported. I do not see this as the type of environmental evaluation, if you will, under an assessment process that would be dealing with the environmental costs of this.

If you are saying that there needs to be a scenario developed to say what the environmental benefits are, I would say those are so obvious as to probably be superfluous to the process, because we are talking here about a neutral product. By the time they are done with the treatment of the materials, we are talking about a neutral product.

I am not sure where the member's question is coming from. If there is another angle to it that you want to discuss, I would be interested.

Ms. Cerilli: Is there a business plan that is being done and presented to the public for the facility?

Mr. Cummings: Yes, the corporation would be derelict in their responsibilities if they were not working on a business plan associated with this development.

I do think that there perhaps is a difference between what members of the opposition may have first of all envisaged the Hazardous Waste Corporation being as opposed to the environment, if you will, that it is and will operate in, that it is not today envisaged that the Hazardous Waste Corporation will be a monolithic monopoly. In other words, there will be other companies out there who will be licensed to handle some of the same material.

Therefore, one has to be a little circumspect about putting some details on the table, the same as competitive insurance, you expose yourself to your competitor and eliminate your ability to compete.

The overall framework of a business plan will be public and will be justified publicly. The details of some of the proposals that the corporation may ultimately use internally will be between the board, the management and the government responsible at the time.

I think Mr. Cooke would like to add a couple of thoughts.

Mr. Cooke: I would just refer the member to Section 3.4 of our detailed application, which is a description of the business planning options in thinking of the corporation. It is the type of thing that does not normally go into this type of application. We chose to do so simply because we felt it

appropriate to have public discussion on the concepts. Certainly we will welcome that discussion in the hearing process.

* (1050)

Ms. Cerilli: I guess part of the concern that has been expressed to me is the percentage of the budget of the corporation that is being spent on the facility and the siting process. I am sure that you are all familiar with those concerns. I am just interested in hearing how you stand up to those issues and how you are dealing with them.

Maybe you can put on the record the dollars and percentage of the budget that is going to the siting of the facility as opposed to dealing with waste on-site.

Mr. Cooke: Yes, this is certainly a question that we have wrestled with. I have, quite frankly, a little trouble with the question because the dollar figure percentages of assigning to various tasks do not necessarily reflect the effort or the priority.

Developing a hazardous waste management facility as a project management undertaking is unique and there is a significant development cost attached to that. Our development costs are up to orders of magnitude lower in fact than those being undertaken in other jurisdictions, and we are quite proud of that fact. We devote a large portion of our in-house technical expertise to the source-based area and that service area.

I do not just at my finger tips have those kinds of percentages. We could certainly develop them, but they basically are not indicative of either the effort or the effect. If you are going to site a hazardous waste management facility, which we need, and would have to have to support the source-based management activity, there is a certain amount of money and effort that has to be spent on that. That is inherent in the task.

Comparing of that dollar figure with the dollar figure that we may direct to technical support, obviously lower-cost items, R&D, those kinds of things is, quite frankly, not a fair comparison. Our preference, given any given problem of managing a problem on-site or off-site, is on-site. That is where we will direct our efforts first in any given issue.

People have said, well, why worry about a facility, spend all of your time doing on-site management. I think we would probably write a lot of creative reports, the conclusion of which would be, there are

some really good ideas to do some on-site management if there was only some economic off-site support for that. That would be the result.

I think we have a balance in terms of development resources that we have expended over the last four years that support that kind of logic. Certainly, if more money was available to do more things at source, I guess we could find some useful things to do with it but, within the resources we have had, I think we have a pretty good balance.

Mr. Cummings: I would just like to add one comment in support of what Mr. Cooke has said. It has clearly been the direction of the previous minister, Mr. Connery, and myself that we needed to get on with the siting capability. You cannot have a facility without a site obviously and, when you look at the experience in other jurisdictions, siting has taken many years and, in some cases, without success.

If there is a question about the priorities of the corporation in terms of expenditures on siting and whether or not there is money for facility development or whether there has been enough money spent in some of the source-based management ideas, I think there also has to be another balance here that says that there are a number of private entrepreneurs out there, engineering and otherwise, who are more than anxious to provide consulting services as well. The corporation is not the sole source of information for companies that want to reduce their waste at source.

In fact, if you were to over the years that I have been responsible, add up any totality of any complaints that I have had, probably the one thing that has arisen as much as anything else is, what are you doing trying to site it in my community, and from other people who wish to compete in the market with their expertise, they are saying, well, have we got a government-subsidized Crown that is providing engineering services? Well, the Crown is in fact providing engineering services with a profit built in, not wishing to compete unfairly with other entrepreneurs.

There is an element of that, but I have to very clearly state that it has been government policy that we move on with the siting. Then the business plan, as justified over the last two or three years, will be developed in order to support the construction that would go forward from here.

Ms. Cerilli: Just to clarify, I am not raising these issues to say that I am completely in disagreement with a lot of what you are saying, but I am just expressing some of the concerns that have been expressed to me.

I just want to go back to what Mr. Cooke was saying about effort and priority. Tell me more about how you show, other than by cost put into it, that the on-site programs and procedures to eliminate and deal with hazardous waste is getting the effort and priority.

Mr. Cooke: I guess the only way one can do that is by case study and anecdotally, all those kinds of things. I guess we could spend a lot of time and resources developing statistics. Those tend to be resources we do not have because we would like to devote those people to doing the job.

I think I would be happy to sit and discuss the details of source-based management projects probably all morning. The results I guess are, the proof is in the pudding, in the sense of whether there has been waste reduction, those kinds of things. I think on a case-by-case basis those kinds of things can be demonstrated and we could do that. There may be a time in this process when we have the people and the resources to take two steps back and do that kind of documentation.

Right now we are pretty busy and we would rather get on with the job. That may not be a fair answer, but I think in a lot of cases our record in the source-based area and the kind of advice we provide for people stands on its own merits.

Mr. Chairperson: I have other committee members who would like the floor. Perhaps you could yield and then we could come back, Ms. Cerilli.

Mr. Jack Penner (Emerson): Mr. Chairperson, I will be very brief. The Hazardous Waste Corporation and the minister's department I believe need to be congratulated in the professional way that they have dealt with the site selection procedure and of the designation of an area to be designated as a site for the disposal of some of the undesirable goods that we from time to time accumulate in our process and industry, be it agriculture, be it in our own households.

The way the Hazardous Waste Corporation went about dealing with the municipality, with the community, as well as surrounding area is commendable in the sense that they took into

consideration the local people's concerns and in addressing properly those concerns over quite a lengthy period of time—the establishment of a local committee made up of people who were in large part skeptical.

* (1100)

Secondly, an element of that committee was in opposition to, and a group of people were hesitantly supportive of at least investigating the establishment of a site such as is being proposed for the Montcalm area.

After two years of very in-depth study by that group of people, they came to the conclusion and, I believe, unanimously recommended the Montcalm site as being a site to build a disposal facility.

I do not think that the corporation tried to persuade in any way members of that committee. They did, however, accommodate virtually every request that was made by the local be it council or committee members in their investigation to the extent of being able to visit facilities of a similar nature in many of the other parts of Canada and as well as some in the United States.

I believe that the local committee left no stone unturned in asking questions not only of the Hazardous Waste Corporation, but of government, as well as trying to determine how an operation such as this could be run in such a way that it would not cause a detrimental effect to their communities especially and the surrounding areas.

There are many people today who are still asking questions. You know—what if? I believe that it would not matter what kind of an industry would be built, whether it be in a downtown area or in a rural setting, that there are always and always will be some what-ifs, and it will always remain that way.

I would hope that we could fairly quickly get on with the finalization of some of the plans and the discussions that are still needed to get on with the construction of a facility. I believe that Manitobans deserve the right and should expect that hazardous waste materials could be dealt with in an effective manner and not stored in sometimes questionable facilities as they are now, I believe.

I think industry, whether they are currently situated in this province are determining whether they might want to make Manitoba their home, are looking rather favorably upon the decision that has been made in this province to build a disposal facility such as this.

I believe that those industries that do generate, be they toxic material or otherwise, materials that they have difficulty getting rid of would look very favourably at a province that had a facility such as this that would allow them to have some comfort in knowing that they can deal with their own effluent in a very responsible manner.

I think it will eventually be up to Manitobans to put forward the position that we are environmentally responsible. I believe that industries are moving very quickly to become very environmentally conscious of how they conduct themselves and how they do business. The establishment of a hazardous waste facility, whether it is in this province or any other part of North America, is going to become part of the ongoing management decisions on how to and where to do business.

I believe that this facility will be just one of those initiatives that will help attract businesses and industries into this province. It will clearly identify that Manitobans do have an environmental conscience and that we are doing something about dealing with our waste materials in a very responsible manner.

I want to congratulate the minister, his staff, his department as well as the Hazardous Waste Corporation, although sometimes I think we should name it differently, because it raises red flags. I mean, the name itself raises red flags, but maybe that is fair. Maybe that is the way it should be, because maybe those people who do have concerns need to be prodded into asking the kinds of questions that have been asked throughout this consultative process.

I just want to say to the management and the board that they are to be commended in how they involved the community in a site selection process. I believe that you are going to have a tremendous amount of support in that community and in that municipality after you have started construction and even throughout the operations of that facility.

Mr. Gaudry: Mr. Chairperson, I would also like to congratulate the staff of the Manitoba Hazardous Waste Corporation. I was given the opportunity to travel with them in Alberta a couple of years ago. Also, I want to thank Mr. Cooke for giving us a tour in Alberta and giving us the opportunity to do so.

My question, Mr. Chairperson, is: Your 1989 annual report indicates the Rosburn pesticide container pilot project. My interest there is finding

more about this project. Can we have a summary or an analysis of the pilot project of Rossburn since 1989?

Mr. Cummings: Did you say since 1989? I think Mr. Cooke can respond to you as to what occurred at that pilot site. That was it. The report was written based on the work they did there. I will let Mr. Cooke expand on what occurred there.

Mr. Cooke: Yes, we published a report that is actually referenced in the 1989 annual report that described that pilot project that we had undertaken. Subsequent to that, we did some R&D work related to follow-up work but have not in fact been involved in that business for the last two years. I could summarize the report or simply provide it to you.

Mr. Gaudry: Yes, in conversation with the minister a couple of weeks ago, I know he mentioned that there was some development that had occurred with the plastic and the metal containers. I know that ACRE has had difficulty in finding markets.

Can the minister elaborate on what is going to happen with the plastic and metal containers that we discussed briefly last week?

Mr. Cummings: Yes, for the record, first of all, plastics, the corporation has accumulated two years of plastics, as the member is aware—well, not the corporation, ACRE, pardon me. In fact, some of that plastic goes back further than that to when they first started their collection process. They undoubtedly got quite a bit of old plastic which had escaped burning, I suppose you could say, at the various waste sites where up until that juncture, it was simply being discarded and treated as a household waste, if you will.

With that in mind, they put plastic that was available in the first two years of pick-up as being plastic that is not well suited to recycling. It breaks down under ultraviolet light, that sort of thing. They have been seeking to ship that material or to accept bids for somebody to take it and decontaminate it.

The principle that ACRE has operated on and I believe have successfully stuck to is that they want to make sure that wherever the material ends up that it has no capability of coming back. What is the classic example of misguided recycling, if it were to come back in something like a dish or a baby soother, which is the example people always throw out, if you do not keep control of where the material is ultimately going, when the recycler accepts it.

CPIC, which is the organization that represents the majority of pesticide producers in this country, has been doing a considerable amount of work towards taking the material back and recycling it into pesticide containers. Obviously the material that is on hand—I think this is what the member wants my ministry to discuss—is the material that is on-site right now. It will in all likelihood be incinerated for heat recovery.

* (1110)

ACRE has an agreement that it would be incinerated for heat recovery. There has been a test burn at Hannibal for heat recovery, and it has exceeded the expectations of the buyers in terms of what it would produce for heat, but obviously they have to meet all standards in that respect.

Interestingly enough, I believe it will have less trouble meeting American standards than it has meeting Canadian standards inasmuch as the national transportation regulations that we need to have ACRE comply with. We have set up a protocol for testing of this material, and some of it falls on the nonhazardous side of that line and some of it falls slightly above it.

There is still some question in the minds of people who are dealing with it about whether it should be a solvent test or whether it should be a liquid test. The test of practicality would say that if a bag of this material fell into a solvent lake, maybe the solvent would extract some of the pesticides that are attached to the plastic. If it fell into a lake of water, it probably would not create a hazard.

Nevertheless, those are the regulations that are laid down in this country. They will be shipping it as a regulated material if they can meet all of the regulatory requirements on both sides of the border. That is the old plastic.

I think more correctly we should be discussing the Hazardous Waste Corporation here rather than ACRE, but there is a linkage because of whether or not you view agricultural pesticide containers as a regulated material or not.

The future of the plastic—there has been some considerable testing done at Guelph, toxicology testing to look at the capability of recycling this plastic into products that could be used for other uses. Posts and planking are two of the directions that they have been looking at. There have been posts that were extruded and then put through a saline test, put through a lick test with a saline

solution, a drip test with a saline solution and other types of tests. I cannot begin to discuss them all.

It showed some interesting results. The material came up quite successful in meeting toxicology tests. As a potential for use in fence posts, as an example, these posts obviously would have a resistance to rot. The longevity of them I suppose will only ultimately be known by how well the material, if it is coated or whatever to protect it from sunlight.

One interesting factor that came out of it was that because of the high quality of plastic that is included in these pesticide containers, when they are extruded into other materials, they found that they were a better product with less chance of it showing any breakdown under toxicology tests if it was in fact all high-quality plastics rather than put through the process and mixed with other materials. It was an interesting aside really.

At any rate that is the direction that testing is going. Nothing is firm at this point, but it is based on the principle that ultimately the material must either be totally cleared of any toxics or put into a form where there is no danger of anything leaching out of it.

Mr. Gaudry: Mr. Chairperson, what did your analysis indicate about the farmers' tendency to properly rinse empty containers? Did your analysis determine that rinse facilities at depots are necessary to limit chemical leakage into the environment?

Mr. Cummings: Yes, I suppose there is always room to question or doubt surveys and check their veracity and the basis upon which the figures are produced. CPIC and ACRE tell me that the percentage of containers that are rinsed adequately coming to the waste sites, the collection sites that they have established, has increased significantly in the last two years, partly with the amount of publicity I am sure that is attached.

There are reasons to believe that you are well into the 80s of what are considered adequately rinsed materials. Interestingly enough, when we talk about the toxicity of the plastic, we find that the plastic containers do come cleaner with less work because of their design. While there are disadvantages, there are also advantages to the removal of the material from that type of container.

Mr. Gaudry: There has been some dispute over what constitutes a level of a hazardous waste with

these farm chemical containers. What level does your pilot project determine as a nonhazardous level?

Mr. Cummings: I cannot speak to the figures in the pilot project. As a regulator, we are responsible for making sure that the materials for transportation fall within the federal guidelines. If you want to quote the precise figures, I could not do it off the top of my head. We use the federal figures for transportation.

Interestingly enough, we are the only jurisdiction that seems to be interpreting them in the manner that we are. We are getting some inquiries about whether there is something different that Manitoba is doing in that respect. We are apparently interpreting those guidelines about as rigidly or more rigidly than anybody in the country. That is what makes this whole debate rather ironic in my mind, because we do very rigidly interpret the regulatory regime.

Can you add your comments Rick as to what the basis was in your test at the pilot project?

Mr. Cooke: Yes, our evaluation was basically done in accordance with the definitions of a hazardous waste as defined by The Dangerous Goods Handling and Transportation Act which, in turn, references the federal Transportation of Dangerous Goods Act, which defines what a hazardous waste is.

The prevailing numbers are: if you have 100 parts per million of total pesticides—if I have this correct—makes it a 9.2 waste. There is a default if you have greater than 10 parts per million of any type of pesticide that is described as a toxic organic, and there are a number of those formulations.

In our test, this was a very site-specific evaluation. It was applicable to material that was being collected in that period of time that we were doing our research on. They would test using either a leachate test or solvent extraction test and be categorized as a waste manager doing that evaluation. We would judge them to be hazardous waste but, as I say, we have not done any work over the last two years, almost two years now, and so I cannot really speak to the current material that people are dealing with, how they would be evaluated.

* (1120)

Mr. Gaudry: Mr. Chairperson, it has been determined that your new treatment facility in

Montcalm will not be handling PCBs. Will the PCBs collection facility be under your control? What will be the cost to operate a second site in addition to the one you will be constructing in the near future?

Mr. Cummings: The answer is contrary to your assumption inasmuch as the corporation would not be likely operating a facility in another location, although I suppose that should not be totally eliminated. There are a number of options that can be invoked to handle PCBs in the province. Primarily those materials today lie mostly in the public sector, the Crown corporation, Hydro as an example, presently managing that waste quite adequately themselves.

Perhaps Mr. Cooke could expand a little bit further on how he sees that material being handled, because it is a legitimate question.

Mr. Cooke: I will maybe express my biases on the subject to start with. One of the frustrations in our business is, we emotionally seem to spend 90 percent of our time worrying about .1 percent of the problem, and that I think characterizes the debate about PCBs. That is both a professional and a technical view that I am expressing.

In the R.M. of Montcalm, as part of the overall scope of our combined facility, we had included incremental PCB storage, and that was incremental over and above what is available in the province, simply to provide, if there were future requirements for that then it would be available.

It was certainly in our agreement with Montcalm that they would, at least not in the beginning and it might be subject to future consultation, not want us to develop that capability immediately. We are not sure there is a need for it immediately, quite frankly.

I would also add that the world is unfolding as far as PCBs are concerned both in terms of technology and initiatives, certainly initiatives that would involve ourselves with other provinces, potentially our neighbours to the west, developing specialized capability, for example, for bioremediation of PCB-contaminated soils.

The PCBs are not just a single problem. There are a whole bunch of forms that this stuff occurs in. Manitoba Hydro, for example, is the country's leader in the processing of PCB-contaminated mineral oil. Manitoba Hydro started this a number of years ago, operates a chemical decontamination facility here in Winnipeg and is probably in my understanding one of the most, if not the most advanced utility in the

country in essentially removing it from its transformer system.

The remainder of the material involved tends to be chunks of metal like light ballast that have small amounts of this chemical in it. It is very legitimate that they be captured so that ultimately that chemical does not become widely distributed into the environment, because it is a bioaccumulating chemical.

The risk associated with that literally black box that has some of that chemical in it is very small. It is very expensive to incinerate that black box. In fact, from a waste manager's point of view the most logical thing to do is to simply capture and store that. All that is required to safely store that material is a secure, dry place.

That category of PCBs, which unfortunately tend to be the ones that the most concern is over—PCBs in schools, for example, are the PCBs that are light ballasts. I know I have them in the basement of my home. The light fixtures in this room look like they have been renovated since 1980, but when they were renovated, I am sure there were some light ballasts that went somewhere. It is that kind of thing.

It is not a crisis in any way, and we currently have adequate capacity in the province for storage, either on-site storage institutionally or with Manitoba Hydro. That is a service we provide, access for people to Manitoba Hydro's facility.

For the future there will be access to specialty facilities developed somewhere and probably collectively. Ultimately, we will have access to the incineration facilities, at very high cost, I might add, and that will be an economic decision that we will have to make. The minister made the point that most of this is in the public sector, so there is a significant public expense associated with this.

Mr. Gaudry: Yes, one final question before I pass the mike to my colleague: You do not see the second plant for the PCBs in the near future then in Manitoba?

Mr. Cummings: No.

Ms. Cerilli: Sort of picking up on the same vein, what other hazardous waste will not be eligible to be dealt with at the new facility? Is there a list of that somewhere? I was just going through the contents for the assessment. Is there some kind of a list that

indicates the kinds of materials that will and will not be dealt with in this facility?

Mr. Cooke: Yes, the various classifications of material that are applied for under the licence are actually in the forms that are in the beginning of the document. That will not tell you an awful lot.

Basically, if you look at Appendix I, that is the transportation licence—no, that does not help you—I would have to dig around in it to identify it, but it is done in accordance with The Dangerous Goods Handling and Transportation Act codes.

Since the facility will be licensed to handle virtually every category of provincially regulated hazardous waste, either handle, and by handle that means store bulk, tranship, those kinds of things, or treat and dispose of the residues.

The practical exclusions—we are not planning to deal with so-called biomedical waste, which is only just now, I think, being regulated as a hazardous waste. This is an example, and people in the health care community and within the government have approached us about doing that in a centralized biomedical waste incinerator. Quite frankly, it is an example of our being very strong advocates of doing it at source.

I would express that opinion here, that the logical place to deal with biomedical wastes is in fact at source, with a very strong waste reduction component and waste segregation component. It is my understanding that is currently what is being undertaken, that combined with the upgrading of hospital incinerators at source.

I think the province is certainly very close to being very competently and adequately serviced in that regard.

Ms. Cerlilli: Biomedical waste was one of the other issues I wanted to deal with.

I am wondering if there will be an ability to deal with the ash from the incinerators and what is going to happen with that in Manitoba, especially since we are hopefully going to see regulation soon?

Mr. Cummings: I will encourage Mr. Cooke to answer in just a sec. There is something I want to put on the record—Mr. Cooke pointed out to me that I may have implied that the corporation was providing engineering and consulting services when I talked about the fact that there are engineering and consulting companies out there who are able to provide the type of advice to companies across the

province in waste reduction as well. We do provide advice, but we do not compete in a consulting services aspect or engineering aspect.

* (1130)

In terms of biomedical waste, the province has taken a fair bit of advice from the Hazardous Waste Corporation and from Mr. Cooke in terms of what our most efficient and proper means of dealing with biomedical waste would be.

The Hazardous Waste Corporation has never intended nor has any desire to be responsible for the treatment and disposal of biomedical waste. It can be rather adequately dealt with at source. All of the facilities that have been built in recent years have adequate in-house incineration capability.

We have a need for an additional capability and upgrade to make sure that we are able to stay ahead of regulations in other facilities. The advice on what in fact should constitute biomedical waste is very important, because it has a significant impact on volume.

You might know or you might want to know that there is some considerable discussion going on at the national level as to what constitutes biomedical waste. My view is that we want to be cautious but, at the same time, we need to be conscious of what regulatory change is made at the federal level, what their impact might be and whether or not they are justified in terms of safety.

Those changes have not been implemented. There is still some discussion, but it is under active consideration as to what will become a national standard, constitute biomedical waste of particular categories and what is the best way of treating it.

Certainly today's technology would say that incineration is the proper way of dealing with it and renders it inert. The larger question is one of source reduction and how you adequately deal with that. I do not know whether Rick might have any other advice to add or not.

Mr. Cooke: I would like to respond to the question on ash. Yes, we have the capability to handle the ash at our facility. That is not a biomedical waste problem, that is probably a metals problem or something like that. The incinerator would appropriately test its ash if it had some leaching potential. We have a stabilization capability at our facility and, certainly, we would be very interested in providing commercial services in that area.

Again, my comment about source reduction is, I believe there are an awful lot of things in hospital incinerators that need not go there. The tendency when one has incinerators, quite frankly, is to feed them.

I may relate a comment at a conference on this subject, biomedical waste incinerators have problems with air emissions, often for volatile metals, one being cadmium. They did an analysis at one of these facilities that was having cadmium compliance problems and discovered that it was coming from the paint on the pizza boxes that were being thrown in the incinerator with the biomedical waste. It is an example of management as opposed to technology.

Ms. Cerilli: Maybe we could move to dealing with some of the other specific programs of the corporation. I am particularly interested in the household hazardous waste program. I am wondering, have there been any discussions with—the minister is giggling over there—the city or other organizations to see this program expand? I understand it still operates once a year. No? Okay, tell me about the program.

Mr. Cummings: Well, I will let Mr. Cooke expand on what the corporation is actually doing. The reason that I smiled is that the question continually comes up as to whether or not who ultimately carries the freight in looking after the cost of running these types of programs.

The corporation has, as part of its community responsibilities, been running and has, as a result, had to accept some cost in terms of some of the household hazardous waste days that are run and sponsored by the corporation. It has been a pretty respectable program, and I will let Mr. Cooke speak to it.

Mr. Cooke: This is one of those questions that I could honestly say, I am glad you asked.

Manitoba has the most, in my view, and I am biased obviously, the most comprehensive and cost-effective household hazardous waste program in the country. There is a household hazardous waste depot that operates in Winnipeg on a permanent basis every week. It is opened from nine to four, 745 Logan, and I would encourage anybody to go there.

It was the first such depot operating in the country, and we moved away in 1990 from the day type of

events which are typically practised in other parts of the country.

At the same time, we also provide, and this is any rural community or any community outside of Winnipeg that wants household hazardous waste collection, we basically will respond to a community-sponsored event.

Typically, communities will get together, often involving people like the volunteer fire department. We operated 25 of those events last year. I believe we have done 12 so far this year, have 24 booked in total. Again, this is all over the province. We make a point of in fact doing a sequence of them in the North—The Pas, Flin Flon, Snow Lake and Thompson.

The Winnipeg depot, for example, the demand for this has risen, almost doubled every year. We have been able to keep the cost relatively fixed by efficiency, although I think we are kind of out of string on that. There is the potential need to expand these kinds of depot operations as the demand increases. That, quite frankly, is the debate I think that the minister is referring to.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

At some point, we do ask the question, as a commercial Crown corporation. This is basically a public service.

I should add, there is an additional one too. We provide the waste management services for the pharmaceutical collection program that is run by the Pharmaceutical Association, where we collect and we are servicing 69 towns and communities in the province currently with that program.

The City of Winnipeg, the chairman of the Works and Operations Committee, has recently written to us posing that question. We have said we would be very pleased to sit down with the city and talk about location and operation of more depots, certainly with some municipal financial participation.

The Winnipeg depot was established really as a pilot. We also want as part of our overall system to develop local collection capability around the province and would see the household hazardous waste collection, probably in association with municipalities, being part of that.

The City of Brandon has approached us in that regard, and we hope to enter into that kind of

planning discussion with them as well. Certainly another potential location would be Thompson.

Ms. Cerilli: The question I had asked was to do with the City of Winnipeg and other municipalities to see if you are starting to negotiate with them in having them start to pick up some of the costs of promotion and development of these programs and, from that, to see if there has been any consideration of the percentage of use.

Mr. Cooke: Yes, maybe philosophically, from our perspective, the Waste Management Corporation's perspective, household hazardous waste collections are a good investment to a certain point because they are an investment in public awareness. The ultimate relative value in environmental terms of that waste stream relative to all the other waste streams that we manage is obviously relatively small, partly because of volume and capturability. It is certainly the way it has been practised, and it is the way we have operated it here. As I say, it is comprehensive and cost effective at this level in servicing that need.

* (1140)

Very large quantities of money are spent in other jurisdictions sponsoring the event type days. They are up to a million dollars a day in some of the larger cities, and I would question the cost effectiveness of doing that. Now, that is typically in British Columbia, Ontario, Quebec, Alberta, the places where they do seem to or they used to spend that kind of money. I do not know what they will be doing this year. Typically it is a 50-50 cost share between the province and the municipality and they basically hire a commercial contractor to manage their collection days. In fact, we have responded to those kinds of inquiries in northwestern Ontario.

That is a different way than we have chosen to do it here in Manitoba, where I think we have been satisfying the public demand on a very widespread basis at a reasonable cost.

The question that we are all going to be worrying in the future, and I think you put your finger on it, is: Who pays for future expansion of this? Certainly our intention is to bring in significant municipal participation, as it is really a diversion from their landfills where most of this material is currently going.

Ms. Cerilli: That could be a good argument. Is the Re-Store making any money, and where is that money going?

Mr. Cooke: I am not on the board of the Re-Store or have anything to do with them financially. I would perhaps ask the Mennonite Central Committee about that. Our only relationship with the Re-Store, and again it is a very good one, is, we have an arrangement with them for them to take usable paint that we receive at our household hazardous waste collections, which they resell.

The initiative is wonderful. I can say that both as a waste manager and as a consumer. I have acquired some very useful things there. That is really all I know about it, and I would suggest you contact the sponsors of that.

Ms. Cerilli: I was just under the impression that it was more than just paint that they were reclaiming from your program.

Mr. Cooke: No, all they take from us is paint products. I think they might take some paint thinners and things like that, but things that we would collect at household hazardous waste collections. The bulk of what they are reselling is building materials that they get from all sorts of places.

Ms. Cerilli: I wanted to turn to the financial statement for a minute. I was interested to see that your deficit has gone up again and you are operating at a deficit. It seems like the programs where you are charging, like the PCB management and the hazardous waste management, that is where you are losing money. I just would like some explanation of that. I am on page 16 of the most recent financial report.

(Mr. Chairperson in the Chair)

Mr. Cummings: Just as a general comment before Mr. Cooke responds to the specifics of your question, the corporation does generate some income but certainly will operate at a deficit until a facility and additional income-generating opportunities are available to them.

Your question was specifically about some of the smaller programs that they are running and whether or not they are able to turn a dollar on them? I will let Mr. Cooke respond to that.

Mr. Cooke: The answer is, we combine the public programs in our commercial services, so the figure you see at the bottom sort of nets out from those two. Our commercial operations operate at a profit and, in effect, the way those statements are written, were used to subsidize things like household

hazardous waste programs or used to help support them.

The overall deficit of the corporation I think, as the minister has indicated, is that the bulk of our expenditures are system development costs, which we view as equity that the province has in this venture and should ultimately be recoverable as part of the venture.

Ms. Cerlilli: How much are you generating from your commercial operations?

Mr. Cooke: The figure there is \$440,000 for 1991. It has gone up obviously. We started providing commercial services in 1990. There was a substantial increase in 1991, and we would see that continuing to rise.

Ms. Cerlilli: I am sorry, I am not following. What line is that? What page are you on?

Mr. Cooke: On page 16 under the 1991 column, opposite Hazardous waste management.

Ms. Cerlilli: Oh, okay.

One of the other programs that you are working on is the soil remediation. I am wondering if you could tell me more about that program, if there is increasing demand. What kind of industries are using that program?

Mr. Cooke: I would not describe it as a program; I would describe it as a market-contaminated soils from old industrial operations, service operations, whatever, are obviously an increasing problem, where society is becoming much more aware of what it has done in the past. Now it is almost mandatory in any real estate transaction to have a look at what has happened on a site in the past. This is generating the need for remediation capability.

In our central facility, we have identified and will be licensing an indoor bioremediation capability specifically for hydrocarbon-contaminated soils, of which there is a significant quantity, typically resulting from cleanups of leaking underground storage tanks, sites where hydrocarbon distribution operations have been or are operating, those kinds of sources.

Certainly the whole field of bioremediation technology and one of the reasons for our interest in it is potentially applicable to a wide range of organic contaminants including, interestingly enough, much more complicated chemicals like PCBs.

Ms. Cerlilli: How about the other service, of doing audits, if you are able to be very proactive and actually go out to industries and provide that kind of service?

Mr. Cooke: We do a large number of those. I think probably the numbers of those kinds of visits are included statistically in our reports. Are we able to do that? We do a lot of it, and we have been able to present that as a service which is, I would say, becoming increasingly popular.

Basically the service we provide is, we will go in and spend some time with the waste generator, give them an overview of how we would perceive their problem. We are strong advocates of self-audit. In other words, it really should not be us going in and doing the audit, it should be somebody like us going in and showing the generator himself how to conduct and maintain on an ongoing basis audits and inventories of waste.

There are then more complicated cases or circumstances where somebody wants, particularly a larger operation, a detailed technical evaluation service, analytical services and those kinds of things. We will either recommend that they go to a consulting company to have that done or, if they specifically want us to do it, we will provide that service on a fee-for-service basis.

* (1150)

Ms. Cerlilli: One of the other letters that I have here was something that the minister raised. It has to do with the whole aspect of the relationship between the corporation and the Department of Environment in that there is some concern that the corporation has the ear of the department and can speed up the issuing of licences that could be tied in with the corporation. I am wondering how you responded to these kinds of concerns.

Mr. Cummings: Well, first of all, I would deny those types of allegations. I think maybe you have correspondence from someone who has long been an advocate in opposition to the corporation. I am not sure what the basis of some of those comments might be, but I think Mr. Cooke, if he were totally candid, would say that sometimes he finds the Department of Environment being too regulatory or the government not being as relaxed as some people would like to categorize us to be.

Certainly the corporation gets no favours from the Department of Environment or from my office. I do not know whether Mr. Cooke has anything to add.

Unless you would like to expand on your question, I do not think there is much else I can say except to say that those allegations are not correct.

Mr. Cooke: I, like the minister, can probably have some idea of the background to perhaps that representation. I think as a general question of having any unique relationship with Manitoba Environment, we do not. We operate as a regulated proponent in the same way anybody else does.

Probably, if anything, the department scrutinizes us more severely. There is perhaps a bit of a Caesar's wife syndrome. I may express some frustration at that periodically, but I also philosophically do not disagree.

We also, I think, like any responsible proponent or responsible party in the waste management business, stay very close to the leading edge of regulation. It is the nature of our business. The business does not exist without regulation, so we maintain, as anybody credible in our business does, a close knowledge of regulatory thinking. I have quite a bit of trouble with those particular charges.

I can recall one instance of an individual suggesting that complaint, that we in some way had a unique relationship with the Environment department. It was a circumstance where the individual was providing a consulting service that consisted of acquiring a form to become a registered waste generator for Manitoba Environment and

assisting a generator in filling that out. That is a service that a phone call to Manitoba Environment and the assistance of an individual whose job it is in Manitoba Environment is available to anyone in the public.

Our only role in that instance was when the particular waste generator called us. We gave the waste generator the phone number of the individual at Manitoba Environment whom they should appropriately contact. I think the consultant who had been selling this service was somewhat upset that he was not going to receive a fee for a service that in fact was available to the public generally.

Ms. Cerilli: I do not think I have any further questions.

Mr. Chairperson: Shall the December 31, 1989, Annual Report of the Manitoba Hazardous Waste Management Corporation be passed—pass.

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Shall the December 31, 1991, Annual Report of the Manitoba Hazardous Waste Management Corporation be passed—pass.

The time is now twelve noon. What is the will of the committee? Committee rise.

COMMITTEE ROSE AT: 11:55 a.m.