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Chair: Mr. Tom Lukiwski



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• (1105)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, I call this meeting to order.

Welcome to meeting number 12 of the Standing Committee on Government Operations and Estimates.

Before we start I'd like to announce that there will be no meeting this coming Monday, Victoria Day, May 18, but we will have a meeting next Friday, May 22, from 11 a.m. to 1 p.m. Eastern Standard Time.

As well, our whips have gotten together and they have agreed upon a schedule for the following week, that's the week of May 25. The next meeting of that week will start at 5 p.m. Eastern Time and last until 7 p.m. Eastern Time. An email was sent to all of you about that. As you know, that is a change in the calendar. Our normal meetings on Mondays are from two until four, and this will be from five to seven, so I ask you to please make sure you adjust your calendars accordingly.

On Friday, May 29 we will go back to our regular meeting time of 11 a.m., and that meeting will last from 11 a.m. to 1p.m.

The committee has already chosen witnesses for the meetings of May 22 and May 25, but I would like to take 15 minutes at the end of this meeting to discuss future witnesses and overall committee business.

For the benefit of our witnesses who will be providing testimony today, I would ask, as I have to other witnesses in the past few meetings, that if you are to speak, or at least start speaking in one official language, continue if possible and conclude your remarks in the same official language, rather than switching between English and French. If you can continue in one of the two official languages only, that would be of great assistance to our interpreters.

Similarly, during questions from committee members, if committee members start their questions in English, I would hope you could have a response and conclude your remarks in English, so there would be no switching back and forth. We've unfortunately have had some very significant technical difficulties when speakers have tried to alternate between the two official languages.

Colleagues, again as has been normal these last few meetings, we're starting a little late, so therefore I would like to suggest that once again for our rounds of questioning there be five minutes in the opening round, four minutes in the secondary round, and then two minutes for the conclusion. Hopefully in that manner we will

be able to get through two complete rounds of questions before we break for committee business.

With those brief opening remarks completed, I call upon Mr. Matthews to please deliver his opening statement.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Chair, on a point of order, I thought we had agreed that if we received in writing the opening statements by either ministers or departmental officials, we could forgo the reading of those statements. Given that we are starting almost 15 minutes late and you have asked for 15 minutes at the end of the meeting, I am wondering if we could follow through on that decision or that request that was made, I believe by my colleague Mr. McCauley, to forgo the 20-minute reading of the statements we have already received and have read.

• (1110)

The Chair: Mr. Clerk, we've talked about this before, but I would ask you to please make a comment on that.

The Clerk of the Committee (Mr. Paul Cardegnà): Thank you, Mr. Chair.

One of the problems is that traditionally when this has been done, we've adopted a motion to append the speaking note to the evidence. This is for the benefit of the reader who doesn't have the benefit of receiving the document.

Unfortunately, the order adopted by the House on April 12 prohibits us from doing that. We can't consider that motion because the House has significantly limited the motions that can be considered by the committee.

The only other option I could see is that we could take the speaking notes and post them on the committee's website, at which point if the committee wants to, or if the chair instructs the witnesses, we could go straight to questions. However, the reader would not have the benefit of being able to hear the comments of the witnesses before the questioning starts.

It's at your discretion, Mr. Chair, how you wish to proceed with this, but a motion that we would normally append it to the evidence, it would appear, cannot be considered by the committee under the current context.

Mr. Matthew Green (Hamilton Centre, NDP): Mr. Chair, I'm wondering if it's possible to defer that motion to a later date when that is more appropriate. Is it possible to receive it and have it moved at a future date and to have it added to the official record?

The Chair: There are a couple of things on this. In response to both Mrs. Block and the clerk's comments, the clerk is quite correct, we are restricted in what motions we can entertain and even adopt or vote upon. The motion to append the remarks is not in order and would not be admissible. However, perhaps we can find a happy compromise.

Mr. Matthews, I would ask if you could keep your comments as brief as possible, and also our secondary witnesses. We like to have our members ask as many questions as possible, so even though you have been allotted 10 minutes, Mr. Matthews—I know we've asked ministers in the past to try to cut their remarks back from 10 minutes to perhaps five minutes or even less—I would ask that you attempt to do the same.

Mr. Matthews, with that, the floor is yours.

Mr. Bill Matthews (Deputy Minister, Department of Public Works and Government Services): Thank you, Mr. Chair.

I was doing some quick editing as the discussion was happening, so I will aim for the five minute or less approach to allow the maximum time for questions.

Mr. Chair, good morning. Thank you for having us back here today to support the committee's continued study of the government's response to the COVID-19 pandemic.

With me, as usual, is Ms. Arianne Reza, our assistant deputy minister of procurement. We are pleased to be here with our colleagues from the Public Health Agency of Canada. Our two organizations have been working very closely together during this crisis, with PSPC focusing on buying the personal protective equipment and medical supplies needed by health care professionals on the front lines.

At our last appearance here on April 24, we underscored the competitive, challenging environment for procurements on the global stage. That environment is one that we continue to operate in and, although it has changed to a certain extent, it continues to be challenging.

I will talk about our progress in a moment, but first let me speak to some of the challenges we continue to face.

As this committee well knows, most of the supplies in the world that we are seeking are manufactured in China. This means that we continue to receive product from unfamiliar suppliers, supply chains are strained and there are significant logistical issues that we continue to work through.

In China, on the ground, our supplies are steadily coming into our warehouse with more regularity. We are seeing the same regularity with cargo flights coming into Canada. In total, we are now up to 27 flights. As a rough order of magnitude, we are basically dealing with one flight a day. That's the essential rhythm we have hit right now, and we continue to build capacity on this front.

In the last week, we have seen a surge of materials arriving at our warehouse in China. To help with this surge, we contracted with UPS for additional temporary logistical supports on the ground in China with air cargo operations. This approach was instrumental in

getting additional flights out of China during a very busy and difficult time.

Recently, we have also tried out a second airport in China. The initial flights from that second airport were successful, so it gives us an additional option going forward in using another airport in addition to Shanghai.

Mr. Chair, we have also been working with the Public Health Agency of Canada on developing an overall logistics solution to deal with large international shipments arriving by both sea and air, as well as domestic shipments arriving by vehicle. On May 4, we sent out an invitation to suppliers to submit an expression of interest to help us in this endeavour. That same day, we sent out a request for proposal for additional logistics supports at airports in China to increase our capacity in that supply chain.

Mr. Chair, when you look at the volume of supplies coming in now, you see that the vast majority have met Canadian requirements. However, as you know, we have had some issues with some products that did not meet agreed-upon standards. Notably, we received an order of approximately 11 million KN95 masks from one supplier, and about eight million of those masks did not meet the performance standards for the grade of that mask. We have since suspended all further shipments of these types of masks from that supplier. While many of these masks are fine for other uses, I want to reconfirm to this committee that none of these were distributed for medical use. As my colleagues from the Public Health Agency of Canada will tell you, only when products are deemed effective and safe are they distributed to the front lines.

Mr. Chair, I should also touch on what we're doing in domestic procurements. Since we last met, our department has finalized a long-term agreement with Medicom of Pointe-Claire, Quebec for the domestic production of 20 million N95 respirators and 24 million surgical masks a year over the next 10 years. A contract has been signed for 15 million face shields to be made by Sterling Industries out of Ontario, and we have a contract with Hewlett Packard to make over a half a million more. We have signed a new contract with Logistik Unicorp, a manufacturer out of Saint-Jean-sur-Richelieu, Quebec, and it is supplying us with more than 11 million medical gowns.

When it comes to testing for COVID-19, we have reached an agreement with a New Brunswick company, LuminUltra, to produce enough reagents, the critical chemical in testing, for about 500,000 tests per week right through March.

These are just a few recent examples.

Mr. Chair, in closing, this is a massive effort for the departments and we continue to shift resources to meet the needs of procurement for our front-line health care workers. We're mitigating the risks as best we can, learning lessons and making adjustments as we go. We are committed to continuing to work with our colleagues at the Public Health Agency of Canada and all of our partners to secure the necessary supplies.

Mr. Chair, because you wanted us to wrap up quickly, I'll leave it there. I look forward to your questions.

• (1115)

The Chair: Thank you very much. I do appreciate the abbreviated version of your opening statement.

We will now go to Ms. Thornton.

Ms. Thornton, if you can, please follow the lead of Mr. Matthews and keep your remarks as brief as possible.

Ms. Sally Thornton (Vice-President, Health Security Infrastructure Branch, Public Health Agency of Canada): Thank you, Mr. Chair and committee members, for inviting the Public Health Agency of Canada here today.

My name is Sally Thornton. I'm the vice-president of the health security infrastructure branch at the agency. I am joined by Éric Dagenais, who recently joined us from Innovation Science and Economic Development to lend a hand with the COVID response, and Steven Guercio, the executive director of the National Microbiology Laboratory in Winnipeg.

I understand that you have invited us here today to talk specifically to Canada's national emergency strategic stockpile, or, as we call it, the NESS, and the work we've been doing to procure personal protective equipment, or PPE, and make it available to provinces and territories.

I'll give a bit of background on the NESS, which is a bit of a misnomer, to help you understand its history.

As you know, public health is a shared responsibility of multiple levels of government. There is a clear federal role, but a fundamental principle in emergency management is that provincial, territorial and local governments are reasonably prepared for the most common emergencies.

The NESS is the federal government's health emergency stockpile. It plays two important roles: It provides a surge capacity to provinces and territories when their own resources have been exhausted, and it's the sole provider of certain assets required for public health emergencies. Think, for example, of costly and rarely used vaccines or antidotes.

It was created in 1952 initially in response to a threat of nuclear attack, and it was for civil defence purposes. It has changed since that time. Acquisitions have moved from beds, hospital units and blood donations to a point where we support all the purchases for mass evacuations and for responding to national disasters, including things like kits for setting up reception centres for displaced individuals.

Since 2001, as a result of terrorist attacks, SARS and H1N1, the role has changed to focus more on chemical, biological, radiologi-

cal and nuclear threats. We began to move away from beds and blankets and increased our holdings of antiviral medications, a key treatment in response to viral outbreaks. The role of the NESS in terms of procurement has also evolved, as it has the potential for outsourcing, purchasing and distributing. It's a clearing house and it really set us up well for a response in this pandemic.

Basically, the NESS was structured to prepare for low-probability high-impact events, like terrorist attacks and major national disasters, and arrange for a continued availability of pharmaceuticals, equipment and medical supplies that are rare or difficult to obtain. It's a niche role in stockpiling certain rare high-value assets.

To respond to COVID, we mobilized the procurement abilities we have in the NESS, working with our provinces and territories and very closely with Public Services and Procurement Canada and Health Canada, to procure supplies primarily for front-line health care workers. We have worked closely with a range of partners, we've ramped up our internal capacity and we've been deploying NESS equipment and supplies.

I would like to hand it over to my colleague Éric Dagenais. He can provide you an overview of our PPE procurement and distribution work in the context of the response to COVID-19.

• (1120)

The Chair: Mr. Dagenais, in keeping with your predecessors' opening comments, if you could keep your comments as brief as possible, I would appreciate it.

Mr. Éric Dagenais (Vice-President, Public Health Agency of Canada): Okay, Mr. Chair. I will endeavour to do that.

Thank you to my colleague Sally Thornton for the overview. I'll take just a few moments to outline the Public Health Agency's role in the Government of Canada's strategy.

As COVID-19 cases began to spread outside of China, global demand for PPE and other medical supplies increased to unprecedented levels. In response to that, the Public Health Agency initiated a dialogue with provinces and territories in January, analyzed existing stockpiles and assessed anticipated pressure. In March Canada initiated a collective buying power. We went to international markets together with the provinces to source bulk procurement for PPE, medical supplies and equipment.

After that, it soon became clear that we needed to buy, transport, test and deliver more PPE than we ever had before, and that a whole-of-government approach was needed to bolster the Public Health Agency's existing expertise and efforts. This level of massive PPE procurement and distribution required innovative procurement from Public Services and Procurement Canada, and investment in Canadian domestic capacity as led by Innovation, Science and Economic Development Canada. Companies such as Bauer, Canada Goose, Irving and CAE retooled to make everything from face shields to ventilators. We are also supported by expedited regulatory approvals facilitated by our colleagues at Health Canada and by the large-scale logistical expertise from the Canadian Armed Forces.

At this moment, I want to thank Colonel Poudrier and his team, who showed up here maybe six weeks ago. They have been absolutely instrumental in our efforts on the logistics side. I very much thank Colonel Poudrier and his team. On that, I should mention that many public servants from across departments, including me, joined the Public Health Agency to support the response during this pandemic.

In terms of quality verification, you may have questions on this, so I'll talk about it a bit. The Public Health Agency has started to receive deliveries of domestic and international supplies. The intense level of global competition means that we're engaged with new suppliers and manufacturers. This is a reality that other countries are facing. As a result, as PPE arrives, and sometimes before it arrives, the Public Health Agency conducts an assessment to confirm that it meets the specifications for health care settings for COVID-19 response.

Our top priority in these efforts is the health and safety of our front-line health care workers. To that end, we undertake, along with support from Health Canada and the National Research Council, rigorous technical assessment to procure PPE that will meet the Government of Canada's technical specifications for health care settings. Upon receipt, the process for verification varies, depending on the medical device. [*Technical difficulty—Editor*] to verify for defects in design and construction [*Technical difficulty—Editor*]

The Chair: Mr. Dagenais, could you try to keep your microphone closer to your mouth? As well, sir, please wrap up your remarks as quickly as possible.

Mr. Éric Dagenais: All right.

In terms of distribution, we signed a contract with Amazon [*Technical difficulty—Editor*]

The Clerk: Unfortunately, I think we lost his feed, Mr. Chair.

The Chair: I see that. We will—

The Clerk: He might be back now.

Mr. Éric Dagenais: I am back now.

We signed a contract with Amazon, which is providing us with access to its technology interface. They're working with Canada Post and Purolator, who are both business partners of Amazon and are actually facilitating the warehousing and delivery part of this.

In conclusion, Mr. Chair, the results of the Government of Canada's strategy are showing promise. As the demand remains

high for front-line health care response, Public Health Agency of Canada will continue to prioritize these efforts, rapidly distributing quality supplies as they become available. We continue to work with provinces and territories. This really is a collaborative approach.

Thank you for your time.

• (1125)

The Chair: Thank you.

Now we will go to Mrs. Block for five minutes, please.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

Thank you to our witnesses for joining us today.

My first questions will be for the Public Health Agency of Canada. I'll try to keep my questions short and straightforward. I do hope the answers will be the same and I can get in as many questions as possible.

Have any of the eight million-plus defective or substandard masks made it into public circulation?

Mr. Éric Dagenais: The eight million masks that did not meet the efficiency test are being used as face coverings. They're not being distributed to the public. So far, they are being distributed internally to Government of Canada operations as face coverings, and they are clearly marked. They're still very good surgical masks.

Mrs. Kelly Block: Okay, thank you.

The recall notice was issued on Monday, May 11. When did the department actually know that these masks were defective?

Mr. Éric Dagenais: The recall notice that Health Canada issued did not pertain to these masks.

Mrs. Kelly Block: Okay.

With regard to Monday's recall notice, when were the medical device establishment licences issued to the holders impacted by this recall—between what dates?

Mr. Éric Dagenais: Health Canada issues the medical device licences. I would have to defer to them and endeavour to get back to you.

Mrs. Kelly Block: Do we not have Public Health Agency of Canada witnesses on today?

Mr. Éric Dagenais: We are the Public Health Agency of Canada, but Health Canada issues the actual medical device licences.

Mrs. Kelly Block: Oh, it's Health Canada.

Mr. Éric Dagenais: Yes, but we can endeavour to get that to you.

Mrs. Kelly Block: Okay.

If he endeavours to get that to us, Mr. Chair, I would appreciate if we could get that information back by next week. I don't want it to be an open-ended request.

The Chair: The request has been noted, and it'll be up to the Health Canada officials to respond as quickly as possible. We'll certainly encourage them to do so.

Mrs. Kelly Block: Okay.

Then, you have no other information with regard to the medical device establishment licences, is that correct?

Mr. Éric Dagenais: We're not the entity that issues them, so the questions are better directed to Health Canada.

Mrs. Kelly Block: Okay, thank you very much.

In one of the reports by the media, there was an observation that when these masks were tested, they did not meet...the risks outweighed the benefits. I'm wondering if you could answer for me what the acceptable risks are when you determine that while a mask does not meet the standards, there are still benefits. Can you tell us what those acceptable risks are, and are they written down anywhere?

Mr. Éric Dagenais: The efficiency of KN95 masks has to be 95% or above, period. If it's not, we assess to see if they're used as surgical masks in other settings.

Mrs. Kelly Block: What are the acceptable risks when you weight the benefits versus the risks?

Mr. Éric Dagenais: If you're talking about their being used as N95s, 95% efficiency is the threshold. We're not taking a risk. If it's not 95%, they're not being used as N95s.

Mrs. Kelly Block: When you determine that they cannot be used as N95s but that they can be used elsewhere, what are the acceptable risks that you weigh when you determine that they can be used elsewhere?

Mr. Éric Dagenais: If we decide to use these masks that failed the efficiency test of 95%, we look at the efficiency that they achieved. They're often achieving efficiencies of 70%, 80% and sometimes 90%, which in many cases is better than a surgical mask.

• (1130)

Mrs. Kelly Block: Do you have a metric that you use when determining an acceptable risk?

Mr. Éric Dagenais: There's no metric at this point.

Mrs. Kelly Block: So, it's subjective.

Mr. Éric Dagenais: There's no written metric at this point.

Mrs. Kelly Block: Okay, thank you.

Mr. Chair, how much time do I have?

The Chair: You're completely out of time.

We'll go on to Mr. Jowhari for five minutes, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

I'd like to welcome the officials from both departments. Thank you very much for the great work that you have been doing, given the challenges we are facing.

Let me start with Ms. Thornton and PHAC.

Ms. Thornton, in your opening remarks, you talked about how the agency has evolved, how the NESS has evolved over the past while, and where the focus is. With regard to PHAC's mandate, two of the core mandates stood out to me. One was "prevent and control infectious diseases", and the other was "prepare for and respond to public health emergencies".

Can you quickly shed light on how you monitor these infectious diseases that are being spread internationally, as well as domestically?

Ms. Sally Thornton: There is a range of monitoring techniques. We have a global public health information network. We also work very closely with our international partners in identifying early signals where something might be going awry, and then ongoing monitoring with a number of partners though the global health security initiative through the WHO.

Mr. Majid Jowhari: I was hoping that you would say that.

Madam Thornton, when did COVID-19 show up on our radar?

Ms. Sally Thornton: The very first ping was late December 31, and it wasn't about COVID-19, but about an unusual viral pneumonia in Wuhan.

Mr. Majid Jowhari: How did your department go about probing it and preparing other organizations such as NESS? You were very clear in restating what you had stated when you were meeting with the health committee back on April 22 when you said that NESS plays two key roles. One is around providing surge of capacity to provinces and territories, and in the other one you specifically mentioned that NESS is the sole provider of certain assets. Then you were kind enough to explain how that asset model has changed. When did you get any assets engaged to start assessing whether the supplies you had were sufficient to meet our need in case a pandemic broke out?

Ms. Sally Thornton: Again, on December 31-January 1, we had no idea where it was going to go, but we did know that this is how a pandemic starts, although it could easily not be a pandemic. We frequently get those type of alerts. It was probably the end of January when we started to take a look at our own stockpiles. Within the federal government, the national emergency strategic stockpile, we do not focus on PPE. That wouldn't be a major element because we count on our provinces to maintain their stockpiles within their respective authorities as well. We did some small orders within our budget and mandate starting at the end of January and into February, and in February started our collaboration, our early discussions, with provinces and territories about their stockpiles—again still having no idea of what we might need at that point. Nonetheless, that's when the informal discussions started. The collaborative bulk procurement—and I should have a date, but I think the discussions started in March and I think the first order on behalf of the provinces and territories went out the first or second week of March.

Mr. Majid Jowhari: That's great. As you know, we are now talking about reopening the economy in a very methodical, very safe and evidence-based way. When I look at the stockpile, I look at what we need now and what we need as we restart the economy, and also at what we will need when there are discussions of wave two and wave three, and what we will need in the future if there are variations on this. Are we well-positioned for all these phases, and is there anything for us to watch out for?

• (1135)

Ms. Sally Thornton: I think we are beginning to position. There are a couple of things. First with the Public Health Agency—

The Chair: Answer as briefly as possible, Ms. Thornton.

Ms. Sally Thornton: —we are beginning that positioning. We are beginning to estimate what might be required not just in the health sector, but are also working with government partners to look at other areas as economies open. There will be much broader requirements for PPE than just in the health care sector, and there have to be provisions for that. Those discussions are under way.

Mr. Majid Jowhari: In closing I am glad that you are considering sectors other than public health.

Thank you.

The Chair: Thank you very much.

[Translation]

Mrs. Vignola, you have five minutes.

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Hello.

My first question is for you, Ms. Thornton and Mr. Dagenais. I would like to come back to the millions of masks that were thrown out when the warehouse in Regina closed, since I'm having a hard time understanding how that could have happened.

I know that your role is to send the provinces what they need at their request. I worked for a number of businesses that had warehouses. When we made a purchase, we had to follow up based on the date of the purchase and the expiry date of the product. We had to make absolutely sure that the product was used before it expired.

Does Canada, your agency, have a plan? If so, why was that plan not followed in the case of those nine million masks?

[English]

Ms. Sally Thornton: First, we do life-cycle inventory management. As products come in, we're very much aware of the expiry dates. In this instance we're talking about the disposal of materials that were in our Regina warehouse. We wound up consolidating our warehouses pursuant to a study.

Our goal is to make sure that we can get distribution to anywhere in Canada within 24 hours. That has changed recently, so we closed some warehouses. As a result, in Regina we wound up disposing of two million expired masks and about 440,000 expired gloves. The masks had been purchased in 2009. The actual expiry date from the manufacturer is five years. Prior to that we often look to see if there is a need or a request for assistance, but usually, by the time things are unused, it's because there is no demand for them at that time.

We waited 10 years before disposing of them. They would be well beyond what the manufacturer's warranty was, and we would have had to test them. Those were destroyed last summer.

[Translation]

Mrs. Julie Vignola: I understand that, and that is why I said I understood that it was based on demand.

However, if we see, for example, as in a 2008 distribution plan, that several million masks are set to expire the following year, can we take the initiative to give them to private businesses or the provinces, or to sell them? We are talking here about wasting resources and money.

[English]

Ms. Sally Thornton: They are resources, but we are very concerned with end-user safety, so in these instances we followed the directives, the Treasury Board's directive, on the disposal of surplus material. One of the first things we looked at was if it was needed by other government departments or other levels of government.

We have made donations. We cannot donate materials that are expiring, though. That's because the WHO, for example, will accept donations, but those donated items must still have two good years on their manufacturer's liability.

At that point after the decade, we disposed of them, but we did explore those options.

[Translation]

Mrs. Julie Vignola: I will rephrase my question.

Yes, we are talking about money, but materials are needed to make these products. All of that is literally being thrown in the garbage.

Several million masks expired and so no one was able to use them. Can your organization ensure that this type of situation never happens again?

Going forward, could the plan involve giving the masks away before rather than after their expiry date?

[English]

Ms. Sally Thornton: We have an inventory management cycle, but would we never dispose of something?

No, we would dispose of things if they put end-users at risk. Our paramount consideration is the safety of those who receive our products and making sure that we can stand by whatever the guarantee is associated with them.

• (1140)

[Translation]

Mrs. Julie Vignola: If I understand correctly, prevention is not possible. That initiative cannot be taken in advance.

[English]

The Chair: Madam Vignola, you have about 15 seconds.

[Translation]

Mrs. Julie Vignola: Thank you. Your answers were very enlightening.

I will cede my time to the next speaker.

[English]

The Chair: Thank you very much.

We'll now go to Mr. Green for five minutes.

Mr. Matthew Green: Thank you very much, Mr. Chair.

Ms. Thornton noted in her opening remarks that the national emergency strategic stockpile supply evolved from the 2003 SARS outbreak to the 2009 H1N1 outbreak, which necessitated a shift in its role, but then in her further comments, she said that it's the sole provider of certain assets that are required for rare public emergencies.

In 2008, a Senate committee concluded that the previous Conservative government had underfunded and mismanaged our emergency stockpile. The report at the time was provocatively entitled "Emergency Preparedness in Canada: How the fine arts of baffle-gab and procrastination hobble the people who will be to save you when things get really bad".

I heard some of the responses to Ms. Vignola, but I'm unwilling to accept that 20% of what we have in terms of our surge demand.... If understand correctly, there have been 11 million N95 masks purchased to date, and 20% of those were thrown out last year, as reported last month, because they had passed the limit for their use of five years. So you were literally sitting on the stockpile.

To Ms. Thornton, these are not just products. These are literally people's lives, so I'm wondering what is being done. I know that hindsight is 20/20, but what is being done to ensure that the policies and procedures in place, which would have had that stockpile prepared and procured in Regina, is replenished and redistributed in a meaningful way, looking forward to what's going to come and what will likely be the second wave of this?

Ms. Sally Thornton: If I may just repeat, we do have an inventory management system in place. It deals with the purchase and the expiration, and we look to find good use for product prior to expiration. If it is well after expiration, we would not distribute anything that might impose risk or cause risk to the end-user.

It's interesting, though, on the NESS and its role, to think about it in terms of our overall budget and mandate. The operational budget and mandate for the NESS has been about \$3 million a year. Compare that with some of the procurement that we are doing now, which is in the billions, but also the incremental investments that we've made in the NESS over the last 10 years have been for very specific purposes, things like smallpox or Ebola vaccines.

On a go-forward basis, I think we are establishing a good process, not just for the national emergency strategic stockpile, but for a national system whereby we work with provinces and territories, which ultimately are accountable for maintaining stockpiles within their respective jurisdictions, to have greater transparency about what each party has and the burn rate—

Mr. Matthew Green: I'm sorry, but I can't accept those answers. This is a national scandal. You are claiming there are systems in place, yet the fact is that these systems clearly have failed.

What other warehouses have been shut down, and what other products have been discarded? I ask because the only reason we know about this is because a guy with a waste bin company went down and took pictures.

I need to know what other warehouses have been shut down and how many other products have been discarded.

Ms. Sally Thornton: In 2012 we had 11 warehouses in 9 cities. After we did the transportation study, we adjusted that so that we could still meet our objective of delivering product anywhere in Canada within 24 hours, and we consolidated 8 warehouses in 6 cities. At that point we closed three warehouses. We don't disclose locations.

The materiel that was destroyed or disposed of at Regina were two million expired masks, which had been purchased in 2009, well past the five-year expiry date, and 440,000 expired gloves.

Mr. Matthew Green: What about the other facilities that you shut down? What had been discarded from those facilities?

Ms. Sally Thornton: Materiel that was usable would have been transferred to our existing facilities that have been maintained, and I do not have that information.

Mr. Matthew Green: Ms. Thornton, if you're telling me today that you've used systems and principles in place that have resulted in the discarding of two million masks just in Regina, and that we've closed other warehouses, I'm only to assume that, by the same logic of those decisions in those other locations, other critical PPE was discarded along with the masks. Would that not be a logical assumption?

• (1145)

Ms. Sally Thornton: Normally we don't disclose what's in the warehouses. This is under our assets and supply, but that could be undertaken—

Mr. Matthew Green: I can share with you within the seconds left that I do have a motion that I put. It wasn't in order here, but I will be wanting to get to the bottom of this.

When you speak of whole-of-government approaches, Ms. Thornton, it is important to note that this definitely needs to be a whole-of-government approach, because it does feel a lot like a continuation of 2008 and the mismanagement back at that time.

The Chair: Thank you, Mr. Green.

We will now go to our four-minute round of questioning starting with Mr. McCauley for four minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you, Chair.

Mr. Matthews, we'll go over to you, please. Was the Medicom deal a sole-sourced contract, the one to make and purchase masks?

Mr. Bill Matthews: Yes, it was a sole-sourced contract.

Mr. Kelly McCauley: Were there other companies involved that had bid on this contract?

Mr. Bill Matthews: Mr. Chair, because it was a sole source, it was not a bidding process. Medicom was one that was identified as being qualified at making masks.

Mr. Kelly McCauley: Who identified them, please?

Mr. Bill Matthews: We would have worked with ISED to identify companies that might have the domestic capacity, and this is the approach on all domestic capacity to identify potential companies. They would be—

Mr. Kelly McCauley: They don't have the domestic capacity—

The Chair: Excuse me for interrupting. I'm really sorry, Mr. McCauley.

Mr. Matthews, could you please keep your microphone closer to your mouth so the interpreters have a better chance of translating?

Mr. Bill Matthews: Will do, Mr. Chair. Thank you.

Mr. Kelly McCauley: Is 3M involved in licensing the products in any way, are you aware?

Mr. Bill Matthews: I'm not aware of their role in that, but my colleague Ms. Reza may have more to add on that front. I believe the deal is just straight through Medicom.

Mr. Kelly McCauley: Maybe you can send us a note, Ms. Reza, so that we don't take any time.

I'm wondering if it's true that a North American-based company offered to make masks in Canada and do so by the end of May, and yet we refused or did not engage with them.

Mr. Bill Matthews: Mr. Chair, I'm not sure which company the member is referring to. I don't have knowledge of that one, but again the approach—

Mr. Kelly McCauley: That's very strange.

Let's move on. I have another question, please. It was yes or no.

What is Deloitte's role, please, with PSPC on the purchasing? I've seen the mandate letter that they speak for PSPC on purchasing. Quickly, what is their role?

Mr. Bill Matthews: There are a few things they're helping us with. PSPC is accountable for the actual contracting. Deloitte has been used to help us with reporting, number one. They have also taken on a role in helping vet potential companies on the ground in China, but at the end of the day PSPC is responsible with our colleagues at PHAC to contract or not to contract.

Mr. Kelly McCauley: I have a letter from PSPC. It says that Deloitte is therefore allowed to speak on behalf of PSPC about its interests in the procurement process.

I want to follow up with that. Are we still in the process of procuring more masks for Canada?

Mr. Bill Matthews: We are absolutely still in the process of procuring more masks.

Mr. Kelly McCauley: I have a set of emails from Deloitte as recently as last week, saying that there is still a buying suspension for masks.

Why would Deloitte be telling potential suppliers of legitimate masks that there is a buying suspension while the government is

procuring contaminated or substandard masks from Chinese suppliers?

Mr. Bill Matthews: Mr. Chair, I don't have the email in front of me, but I think what might be important to understand here is what kind of mask they are referring to. N95—

Mr. Kelly McCauley: It's an N95 mask.

Mr. Bill Matthews: We are still actively purchasing N95 masks, but we do some vetting on the—

Mr. Kelly McCauley: Why would Deloitte—which in its mandate letter from PSPC, says that it speaks on behalf of PSPC—be telling potential suppliers that there is still a buying suspension? I have this series of emails from Deloitte telling suppliers—and these are legitimate North American and European-based suppliers, not these shoddy ones, and not these ones you have commented on about difficulty from China...? Why would the government be telling these people that there is a buying suspension?

The Chair: Mr. Matthews, unfortunately we're completely out of time but I would appreciate if you could give a complete answer to Mr. McCauley's question, in writing to our clerk, as quickly as possible. Thank you.

We will go on to Mr. Weiler for four minutes, please.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair.

I will be splitting my time with MP May.

• (1150)

I'd like to thank officials for joining our call today. I know the departments are working really hard in a very challenging situation and in a very competitive environment.

This question is for PHAC. Could you tell us how you are administering PPE, and how PHAC is working with the provinces and territories to get these supplies out the door and into local hospitals?

Mr. Éric Dagenais: The Public Health Agency of Canada works very closely with the provinces in identifying their PPE needs. There are regular surveys of their stockpiles as well as what we call their “burn rates”, and we try to forecast when they are going to run out of specific types of PPE, so we know ahead of time.

Once we receive the PPE, we do a thorough quality assessment to make sure that the PPE that we distribute to front-line workers is safe in the COVID setting. Then through our work with Canada Post and Purolator, we quickly expedite the PPE to the provincial distribution points. They, in turn, expedite the product to hospitals.

Mr. Patrick Weiler: How often are you sending shipments to provinces and territories?

Mr. Éric Dagenais: On a quasi-daily basis.

Mr. Patrick Weiler: How does this compare to past experiences?

Mr. Éric Dagenais: Maybe, Sally, you can talk about past experiences.

Ms. Sally Thornton: In our past deployments, we have had a couple a year, not many a day. In terms of the volume, the magnitude, the dollar value, we are in a completely different world. It is exponentially greater than what we have experienced in the past.

Mr. Éric Dagenais: Mr. Chair, just as a point of reference, a province told me this week that it was using, in two weeks, the number of gowns it normally uses in a year.

Mr. Patrick Weiler: That's incredible.

At this time I'd be happy to transition to Ms. May.

The Chair: Ms. May, you have about one minute, 30 seconds.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Thanks.

I want to get the questioning back to Ms. Thornton.

Thanks to all the witnesses for being here and thanks for all the work you're doing in these extraordinary circumstances.

Going back to decisions to close so many warehouses that occurred back in 2012, was this associated with any budget cuts to the Public Health Agency of Canada? What drove a decision to shut down warehouses in locations you're not able to disclose?

Ms. Sally Thornton: It was not actually related to a specific budget cut, but we do look at ongoing optimization. Our goal in situating where and how many warehouses we have is driven first of all by being able to reach all the communities in Canada within 24 hours. A lot had changed since our initial structure for those nine cities—the transportation by air, rail and trucking changed—so we were able to have the same reach with facilities in six cities. Closing down the warehouses was just dependent on how much space we needed and where they were, but no, it was not driven by a specific cut.

Ms. Elizabeth May: Is there any time left, Mr. Chair?

The Chair: You have 10 seconds.

Ms. Elizabeth May: Thank you for your time.

Thank you, Patrick.

The Chair: We'll now go to Mr. Aboultaif for four minutes, please.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Chair, I would like to give one minute to Mr. McCauley and I will continue after that.

The Chair: Mr. McCauley, you have one minute.

Mr. Kelly McCauley: I'll need only about half of that.

Thanks, Mr. Aboultaif.

Mr. Matthews, I have a very quick question. I want to get back to Medicom. It was given a sole-source contract. Did the fact that its directors or ownership are extremely generous donors to the Liberal Party play any role in its being granted the sole-source contract

instead of other companies that could have been looked at to provide the masks more quickly for Canadians?

Mr. Bill Matthews: The contract was based on its ability to stand up domestic manufacturing capability quickly and its experience in this field. It was based on quality and speed, so it was—

Mr. Kelly McCauley: That's fine.

That's all I have, Mr. Chair.

Mr. Aboultaif.

Mr. Ziad Aboultaif: Thank you.

In Mr. Matthews' remarks, the KN95s are called “masks”; in the NESS's remarks they are called “respirators”. Which is which?

Mr. Bill Matthews: To label it properly maybe I'll—

Mr. Ziad Aboultaif: Are they masks or respirators?

Mr. Bill Matthews: The proper terminology is N95 respirators, I believe, but maybe my friends at PHAC would—

Mr. Ziad Aboultaif: Is that what you use on the purchase order?

• (1155)

Mr. Bill Matthews: We would actually have a few more standards, Mr. Chair, in terms of being exactly specific. There are various kinds of N95s, so you'd be quite specific on that.

Mr. Ziad Aboultaif: So you refer to them on a purchase order as respirators. Is that correct?

Mr. Bill Matthews: I don't have the purchase order in front of me, Mr. Chair. Maybe my colleagues could answer, but it's very specific in terms of understanding what the standard is.

Mr. Ziad Aboultaif: I would like some feedback, please, to the committee at some point. An answer to that would be great.

There is some information that \$100 million was prepaid to a supplier in China. Are you aware of that?

Mr. Bill Matthews: Mr. Chair, I think I spoke about this the last time I was here. In general, I'd say that, with the competitive markets, the market did change from being one in which initially you had to make some prepayments to being one in which it went to 50%. Then there were companies that you could not get a contract with unless you were flowing money in advance, so there were a variety of things at play, but that was actually, and still is, the circumstance on the ground for certain types of product in China.

Mr. Ziad Aboultaif: So the \$100 million prepaid is—

Mr. Bill Matthews: I'm not confirming the dollar amount, Mr. Chair, but I'm saying there were prepayments—

Mr. Ziad Aboultaif: We would appreciate if you could confirm that number also for the committee, please, as soon as possible.

You mentioned that about 30 flights came back. We know that some flights came back empty. To date, how many flights came back empty out of the 30?

Mr. Bill Matthews: It turns out, Mr. Chair, there were actually no empty flights. We thought there was one that was empty, but it turns out that Air Canada was able to load some other cargo onto it. It was not Canadian government cargo, but it came back with some other cargo on it. That was the only Government of Canada flight that was rumoured to be empty. It turns out that it did indeed have no Government of Canada cargo, but it did have some other cargo on it.

Mr. Ziad Aboultaif: For that purpose, I would request also the manifests for all these flights, the 30 flights. If you could submit those to us that would be great. Is that possible?

Mr. Bill Matthews: Mr. Chair, I'll have to get back to you, but in theory we can come up with something that would show the product that was on the flights, I'm sure.

Mr. Ziad Aboultaif: We would like a copy of the manifests, if that's okay.

Mr. Bill Matthews: I will do my best, Mr. Chair.

Mr. Ziad Aboultaif: How many cancellations have you gone through due to not being able to find supplies in China available for pickup? Can you advise us on that?

The Chair: Please give us a very, very, very brief answer.

Mr. Bill Matthews: I can be brief, Mr. Chair.

Early on, we had one or two cancellations due to uncertainty of cargo availability, so we took some precautions. Since then, we've had a cancellation or two because of congestion at the airports, not because of cargo issues.

The Chair: Thank you very much.

We'll now go to Mr. MacKinnon for four minutes, please.

Mr. Steven MacKinnon (Gatineau, Lib.): Thank you, Mr. Chair.

[*Translation*]

I would like to thank all of the witnesses.

[*English*]

I know first-hand, it must be said, what an incredible effort at organization has been made by the folks at PSPC, and I know, second-hand, by the folks at the Public Health Agency of Canada.

[*Translation*]

I think that Canadians are and will continue to be well served by those teams and those public servants. That is worth mentioning. I thank you all for your hard work. I know that it is a 24/7 job, so I thank you very much.

[*English*]

Mr. Matthews, let me ask, pursuant to the questions of Mr. McCauley and just to clean something up really quickly, are we still actively searching for sources of the N95 supply?

Mr. Bill Matthews: We are absolutely searching for a N95 supply, Mr. Chair.

My colleagues from PHAC can share on this that it's probably the most important piece of equipment of PPE we can purchase, so it is an active engagement.

Mr. Steven MacKinnon: Does anyone from PHAC want to comment on that? If not, I'll move on.

Let me segue from that because Mr. McCauley was also interested in domestic sources. I think one of the emerging success stories in the absolutely sombre nature of this pandemic has been the efforts to stand up a domestic supply of PPE and other innovations.

Mr. Matthews, I want to ask you about working with departments like ISED and with the Public Health Agency. We've been able to secure LOIs and, in some cases, contracts with many domestic suppliers.

Can you tell me about how that process works? How would we go about identifying potential domestic suppliers of PPE, for example, and what are the procurement steps that would ultimately be involved in getting material?

Mr. Bill Matthews: Certainly, Mr. Chair.

The question did highlight that we are indeed working with colleagues at ISED to identify potential domestic capacity. That could be either a new stand-up facility, or retooling of an existing factory to manufacture something different. ISED beats the bushes to basically identify potential companies that are interested and capable of delivering to the Government of Canada.

To date we have issued about 44 or 45 LOIs with ISED, and they have turned into 24 contracts. In some cases you can issue an LOI and that's as far as it goes, but you enter into discussions with the intent of hopefully reaching a contract. There are still about seven in active discussions of those 44 LOIs.

First up, you would have seen domestic supplies start in hand sanitizers. There are some great success stories there. Face shields followed very quickly after that. What's coming next are gowns, and they've started to arrive. Ventilators and masks will be next up, with some swabs as well. It's been evolving, and certainly there are early successes, as I mentioned, on face shields and hand sanitizers, and on the gowns that are now starting to arrive as well.

• (1200)

[*Translation*]

Mr. Steven MacKinnon: We made it clear to our government that we must not be caught off guard by another crisis and that we need to be able to get supplies in Canada—

[English]

Mr. Kelly McCauley: Sorry, Mr. Chair, I can't hear over the interpretation.

If he could switch it, thanks.

The Chair: I've got to stop this and I'm not docking you any time, Mr. MacKinnon.

What I mentioned in my opening remarks, and you may not have been on the line at that time, is that if you start a question in one official language, try to complete the entire question without switching back and forth. It makes our technical capabilities much more efficient.

[Translation]

Mr. Steven MacKinnon: Old habits die hard, Mr. Chair. I ask you to please excuse me and bear with me.

Our government clearly understood the need to be able to get supplies in Canada during a pandemic and even under normal circumstances. It acted promptly in that regard. Mr. Matthews talked about many opportunities, but it is important to—

[English]

The Chair: With that, Mr. MacKinnon, even though I gave you some additional time for my quick intervention, we are completely out of time now.

Mr. Barsalou-Duval.

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Thank you, Mr. Chair.

I want to come back to the issue of the strategic stockpile.

I have a hard time understanding how the inventory is monitored. I was told that you track needs with the provinces. However, the Government of Quebec ran out of resources rather quickly at the beginning of the crisis. It started looking for masks even before the general public was aware of the situation. Meanwhile, you threw out expired masks.

Why was there no coordination between the two jurisdictions to help the Government of Quebec? I know that the masks were expired, but do you not know ahead of time when the expiry date of the masks is in six months or a year? Do you just sit back and then simply throw the masks out when they expire. I do not understand how this is managed.

[English]

Ms. Sally Thornton: Perhaps I'll start and then go over to my colleague to talk about what has happened with Quebec, in particular.

Just to be clear, those masks that expired were purchased in 2009. They expired five years afterwards, in 2014, and they were destroyed in 2019, well before we had any inkling that this would be coming upon us. What we have done is to retain some other expired stock much more recently.

Health Canada, in an emergency, can often actually give you the authority to use expired materials. They still have to be subjected to

a verification to make sure they do not pose any risk to the end-user. For anything that we did have, as well, we talked to our provinces and territories that also had expired stock. Where we were able to get the authority from Health Canada to use expired product, subject to a visual inspection, we did.

The Chair: Thank you very much.

Mr. Green, you have two minutes.

Mr. Matthew Green: Thank you very much.

I still can't understand how, in this system, you sit on these products for 10 years and you stated that you did so this before you knew this was going to happen. That's the whole essence of a national emergency stockpile.

Do you care to comment on what lessons at least you have learned?

My passion comes from the fact that we've already been told that we're in a hyper-competitive environment and that we're going to have second and third waves of this in the future. I think the public deserves to know what your department is doing in the face of the mismanagement of the last 10 years of this national emergency stockpile.

• (1205)

Ms. Sally Thornton: To begin with, I would disagree with the closing part of your argument. I actually believe that NESS was managed according to its mandate and its funding.

Having said that, on a go-forward basis, there are many lessons that we have been learning that we have begun to implement. I suspect that the management not just of the national emergency strategic stockpile but also of the federal-provincial-territorial discussions, arrangements and understanding of what is out there broadly will change dramatically.

We are working closely through logistic advisory committees and a number of deputy and ministerial forums to identify needs, burn rates, not just for the immediate...but also for ongoing business as economies open and, potentially, preparation for a second wave. That is a completely different order of business than we've had in the past and we are laying some very good groundwork in getting the information that we need, as well the provinces' relationships.

Mr. Matthew Green: Is there an avenue I can find out exactly the quantity of other products that have been disposed of? I'm very concerned that the only reason we found out about this was a waste-bin contract that went south in Regina.

Ms. Sally Thornton: Everything that we have done has—

The Chair: Ms. Thornton, unfortunately, we're out of time. I know you have an answer. I wonder if you could provide that answer in writing to our clerk as quickly as possible.

Ms. Sally Thornton: Thank you, Mr. Chair.

The Chair: Thank you.

We'll now go to the second round. Again, it'll be five-minute interventions starting with Ms. Block.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

I would just start off the top by responding to that last comment by saying that to leave a stockpile of supplies five years past its expiry date in a warehouse, to me, is the very definition of mismanagement.

I'm going to turn some of my comments over to PSPC.

We have been advised that PSPC has established agreements with Canadian companies, which are obviously stepping up to support Canada's efforts. We were given a list. It's not a limited list: there were 12 companies on that list.

Can you tell me how many of the Canadian companies that we've contracted with have been given 10-year contracts similar to Medicom's?

Mr. Bill Matthews: Mr. Chair, Medicom, I think, is the only 10-year contract that I'm aware of.

Arianne may wish to chime in on this one, but that was basically necessitated by the fact that to attract a manufacturing facility, you need to promise them a certain volume of business. That was the vehicle we chose to essentially make sure that the investment was warranted on their part, namely, by giving them a long-term contract. A 10-year contract was the agreement that was reached.

Mrs. Kelly Block: Does a company that is awarded a sole-source contract still provide the government with a proposal?

Mr. Bill Matthews: Mr. Chair, essentially, to start the negotiations you would have had an LOI, and then you would have had a negotiation where they would essentially respond to a statement of work, and then a negotiation from there. You would have seen a document like a proposal go through, and you would have evaluated it to make sure that it met the needs of Canada.

Mrs. Kelly Block: Would those documents include other companies the company is getting the contract with and planning on working with?

Mr. Bill Matthews: Not necessarily, Mr. Chair. What you would see, though, is a discussion of the supply chain itself because what you're looking for is domestic production. So, as part of the discussion, you would have discussions about where they intend to get their supplies. However, it's up to the prime contractors where they get their supplies. We just want to make sure they have plans in place when we negotiate.

Mrs. Kelly Block: So, when this contract was awarded to Medicom, was there any indication that Medicom would be working with SNC-Lavalin?

The Chair: Before you answer, Mr. Matthews, I'll remind you once again to keep the microphone close to your mouth, please.

Mr. Bill Matthews: I apologize, Mr. Chair. I'm having a hard time with that today. Hopefully that's better.

No, our discussion is basically with the prime contractor, and the agreement is with the prime contractor. The subcontractors are the prime contractor's business.

Mrs. Kelly Block: Thank you for that. I appreciate it.

With regard to the contracts for all personal protective equipment, how many contracts has PSPC signed to date?

Mr. Bill Matthews: Mr. Chair, we're in the range of over 200 contracts. We can't give you the exact number today because it changes daily, but let's call it 200.

Arianne, do you want to correct me? You may be more current than I am.

Mrs. Kelly Block: How many have been signed with manufacturers in China?

• (1210)

Mr. Bill Matthews: On the breakdown, we may have to get back to you on that, Mr. Chair. China is still a very significant player in the PPE market. The majority of products are still being manufactured in China. The contract may not be with a company in China, though. The contract may be with a Canadian company that is acquiring through China, or you may have some directly in China. I believe that's what's important.

Arianne, do you wish to add anything to this?

Mrs. Kelly Block: It looks like she—

The Chair: We only have a very few seconds, ma'am.

Ms. Arianne Reza (Assistant Deputy Minister, Procurement, Department of Public Works and Government Services): I would only add that it was accurate.

Mrs. Kelly Block: Thank you.

The Chair: Thank you very much.

We'll now go to Mr. Jowhari for five minutes, please.

Mr. Majid Jowhari: Thank you, Mr. Chair. I'll be sharing my time with MP Weiler.

I have one follow-up question for Madam Thornton.

You indicated in a response to a question that one of our colleagues raised today... You took exception by saying that your department or the NESS operated within its mandate and within its funding. We've heard over the last few hours about how the mandate of the NESS has changed and how you've responded.

You also mentioned that the budget for the NESS is about \$3 million. With the new evolving mandate—and you responded by saying how it's evolving—do you have the sufficient funding to be able to not only get us through this, but also position us for our future?

After the answer, I'll yield the rest of the time to Mr. Weiler.

Thank you.

Ms. Sally Thornton: The government, writ large, has been very good about making sure that we have the appropriate funding to do what needs to be done. The Public Health Agency of Canada is relying on a number of different partners to do so, including the Canadian Armed Forces and other folks from within the federal family who are joining us on assignment.

We're a relatively small organization of about 2,000 people for the whole agency, and within the NESS, it really is, originally, 18 people and an operational budget of \$3 million. We were not structured to do something of this magnitude. We do now have the capacity. It's been borrowed, and it will be funded. I also suspect that, as a result of this, both the mandate and the funding of the NESS will be informed by the process, and what our expectations are, going forward, will be changed radically.

I would flag, though, that it's not just within the federal family in terms of the national emergency strategic stockpile. It's the system. It's the working with our provinces and territories, understanding what's happened in the jurisdictions, understanding their needs and determining who is respectively responsible, who will purchase, and where things will be stockpiled. So, I think there's a much greater oversight, monitoring and management role. At the end of the day, I suspect that the purchasing and the stockpiling will rest with provinces and local governments where it's probably best positioned.

Mr. Majid Jowhari: Thank you.

The Chair: Mr. Weiler, you have about one minute and 30 seconds.

Mr. Patrick Weiler: The minister recently announced an advisory group for COVID procurement. I was hoping that you could tell me a bit about what the goal of the supply council is and what the experience has been to date.

Mr. Bill Matthews: It's fairly new. The committee has met one time, and it is really about engaging with outside experts in terms of getting advice on procurements and the supply system as a whole. We have quite a varied background of industry players there. The first meeting was very much a sharing of experiences that they're seeing in their own industries in terms of PPE, and we shared our experiences. Given the experience around the table, it'll be a very useful dialogue to have with that committee in terms of any advice that it might have going forward and any observations that it may wish to share with us.

Mr. Patrick Weiler: Great.

For this supply council or anyone else, have there been specific raw materials identified that will be critical to procure an order to continue to produce PPE in Canada?

Mr. Bill Matthews: That's a great question, Mr. Chair.

That is part of the discussion. It's one thing to say you can manufacture in Canada, but it's another thing to say you can get the raw materials to manufacture in Canada. There's the capability and the raw materials, and the companies need both at their disposal to succeed in their endeavour.

When you look at gowns, the material necessary to make gowns is in really short supply. Health Canada, knowing that, actually approved two additional types of materials that are used and are now approved for gown making. The Canadian gown-manufacturing industry that has stood up is largely relying on these two new types of materials.

The other one that's popped up is a chemical that's necessary for a reagent, and so essential for the testing process. Initially it was in short supply, but we managed to bring some over from China. Now

we have some Canadian manufacturing happening of a reagent as well. So you're seeing these types of things pop up. You can't have a discussion about manufacturing in Canada without talking about where the supplies are coming from.

• (1215)

Mr. Patrick Weiler: Great.

Mr. Chair, how long do I have left?

The Chair: You have about 10 seconds.

Mr. Patrick Weiler: I'll leave it at that then.

Thanks.

The Chair: We'll now go to Madame Vignola.

[*Translation*]

You have five minutes.

Mrs. Julie Vignola: Thank you.

My questions are for Mr. Matthews.

The written copy of your speech indicates that a call was made to suppliers on May 4. Just before that, you talked about motor carriers.

Did the May 4 call pertain to motor carriers?

Was it not possible to know before May 4 that there would be a need for additional carriers? I would like to determine whether your department was thinking ahead.

Finally, to date, how many responses have you received to your request for proposals?

[*English*]

Mr. Bill Matthews: I have a couple of points.

We often use a request for interest to gauge industry interest in terms of its ability to respond, so that was sent out. Then we went to the next step, which is a formal request for proposal. That proposal has now closed. We have had responses, which we are now evaluating. I believe we've had around five submissions, which we will go through and assess, and then we'll go through the normal procurement process and award a contract soon thereafter.

The reason for the actual work, itself, is that we, effectively, have hit a point where one plane per day coming out of China requires an awful lot of logistical supports. We can forecast a surge of materiel coming into our warehouse in China, and we're planning to make sure that we have adequate supports for goods to flow out of the warehouse onto planes and into Canada. To deal with that surge, we have temporarily put in a five-flight contract with UPS, which is very successful in upping the goods coming out. Then we decided that we should, maybe, put something more permanent in place in case there will be more surges to deal with.

[*Translation*]

Mrs. Julie Vignola: You mentioned that Medicom is to provide masks and other supplies for 10 years. You had to extend the term of the contract to 10 years in order for Medicom to accept it because of matters relating to the investment.

With regard to Sterling Industries in Concord, Ontario, is it a matter of 15 million masks and face shields? Why does that company not need to consolidate its affairs? Why does it not have a long-term contract?

[English]

Mr. Bill Matthews: It depends on the investment required, Mr. Chair, to actually get something up and running.

When you look at hand sanitizer, there were existing plants in Canada that could, effectively, change very quickly, without a lot of expense, to start producing that. When you look at gowns, they require a bit of investment, and so they were looking for some volume. For something like a brand new facility, with heavy manufacturing equipment, they needed it to be for a substantial duration to make it worth their while.

[Translation]

Mrs. Julie Vignola: How many face shields did Sterling Industries make per year before you granted the company a contract?

[English]

Mr. Bill Matthews: Ah. This was Medicom...I thought we were speaking about....

Sorry. I'm having—

[Translation]

Mrs. Julie Vignola: I will repeat my question.

Medicom got a 10-year contract because it needed to consolidate its investments for various reasons. Other companies, such as Sterling Industries in Concord also had rather large contracts. We are talking about 15 million face shields. However, the duration of the contract is not indicated.

Did that company not need to consolidate its investments and infrastructure? Was it already producing 15 million face shields a year or was it producing fewer than that?

[English]

Mr. Bill Matthews: No, they're certainly producing more now. The question of the duration of contract was more about the investment required to change the production line. In Concord's case, just to compare the two, you wouldn't have seen the level of investment required in their physical structure to start producing that volume of masks, whereas with something brand new, where you're bringing in new machinery and have new buildings, you require a much more substantial investment.

• (1220)

[Translation]

Mrs. Julie Vignola: Okay. Thank you.

[English]

The Chair: You have 15 seconds, Madam Vignola.

[Translation]

Mrs. Julie Vignola: We need 20 minutes of speaking time, Mr. Chair. I will let—

[English]

The Chair: I know. Time is precious, isn't it?

We'll go to Mr. Green for five minutes, please.

Mr. Matthew Green: Thank you very much, Mr. Chair.

I'll switch gears a little bit and talk about the notion of a radical change that will be required for the national emergency strategic stockpile. We've heard about whole-of-government. I'd like to ask either Mr. Matthews or Ms. Thornton if they've had preliminary conversations about integrating between PSPC, which is supposed to have the expertise on procurement, and the health security infrastructure branch, and to talk more about how we can have a more integrated whole-of-government supply chain.

Mr. Bill Matthews: Maybe I'll start, Mr. Chair, and then turn to my PHAC colleagues.

What you're seeing right now is collaboration in terms of ordering to meet the current needs. I believe your question is around whether, going forward, we see a different form of collaboration.

Mr. Matthew Green: That's correct.

Just to clarify, in the last iteration, when we had Minister Anand here, she made it very clear that the responsibility of PSPC stops the moment it's ordered and hits the shores here. I'm wondering if there could be a greater supply management responsibility with PSPC to be able to identify and flag early so that we're never again in a situation where we have this critical 20% of our stock discarded on the eve of an epidemic.

Mr. Bill Matthews: I think the value-add that PSPC would bring to that conversation would be around, when you're looking at certain goods, based on what we know now, should this situation occur again, what are the lead times? How long does it take to get here? That can be factored into any planning. I think the actual planning for the NESS itself would be more in PHAC's bailiwick.

Mr. Matthew Green: I think I've exhausted that. I know I've probably exhausted Ms. Thornton, so I'll stick with you, Mr. Matthews.

We heard today that 11.5 million respirators have been received to date, and yet 9.9 million N95 respirators were assessed—thanks to the good work, I should say, of PHAC—as not meeting the specifications. Based on the earlier line of questioning, is it safe for me to assume that Deloitte's role in procurement in terms of quality verification failed miserably here, or was it something other than Deloitte?

Mr. Bill Matthews: I think the question of QA has been evolving since this started. Again, when this started, it was about getting contracts in place quickly. There was a mad scramble to get mass contracts in place. These KN95 masks that arrived were part of the earlier set of contracts.

In terms of the QA we're doing now, the ideal is that you basically vet the company in advance, which was already being done. We're dealing more directly with the manufacturers in China now than we did in the past, as opposed to with a Canadian intermediary. The principle we'd like to move to, and PHAC certainly has a role here, is that the more we can test in China, the better off it is, because you don't bring it here.

Certain types of—

Mr. Matthew Green: If I could, Mr. Matthews, to me, when we talk about the integration between the two ministries and, to go back to nineties corporate jargon, the “silos” that happened, the fact that we didn't have a sample tested prior to delivery on the order and magnitude of 9.9 million respirators is very concerning.

So when we move forward, are we going to have that happen?

Mr. Bill Matthews: We're doing that to the extent possible. I'll flip this to Éric or Sally in a moment—I'm drifting into PHAC turf here—but with something as important as KN95, we want to test that in Canada as well. You can have a company test itself, and that's great, but before we put something into the medical system, they want to make sure it meets their needs.

Éric or Sally, do you want to comment on QA?

Mr. Matthew Green: My point, to whomever is about to comment on this, is that it would make sense to me to have somebody from PHAC and PSPC working on the ground in China to test the sample before you order darn-near 10 million of these masks to have them be turned around and shipped back.

Mr. Éric Dagenais: Mr. Chair, I agree. The best-case scenario would be independent testing, and I underline independent.

The Chair: Your audio levels are very low.

Mr. Éric Dagenais: I agree, Mr. Chair, that the best-case scenario is independent testing in China, and I underline independent, because sometimes the tests that a company will do are not the same as when we do the testing. That would be the ideal scenario.

To date we've tried to locate with PSPC and others laboratories in China that are available to do the testing. There are some with international reputations that we would gladly hire, but they are backlogged for weeks and months.

• (1225)

Mr. Matthew Green: Sure. I can tell you—

Mr. Éric Dagenais: This is why we've moved to bringing samples to Canada and are testing them here before bringing in the bulk.

Mr. Matthew Green: I need to go on the record to say that I'm very grateful that happened. If 10 million compromised masks had been put out among the public, it would have been another scandal. Certainly, every single one of these products is potentially a life-saver, and that's the kind of urgency I want to bring to this conversation.

The Chair: Thank you very much.

We'll go to our four-minute rounds starting with Mr. McCauley.

Mr. McCauley, are you there?

Mr. Kelly McCauley: Thanks, Mr. Chair.

PHAC, and Mr. Matthews, we saw recently that the U.S. banned a fair number of Chinese companies, or the importation of masks from them. One of them was the Guangdong Golden Leaves Technology Development Company; yet, they are still on the approved list for Canada.

Would we not be following the U.S. in banning some of these companies? Why is that company still approved by us?

Mr. Bill Matthews: Maybe I'll start, and others can jump in.

I think Health and PHAC may have a role here.

I think the U.S. experience has highlighted that there's a lot of fraud happening in the manufacturing of these types of masks, and you want to make sure that you're getting a legitimate product. I think the issue with the company that's being cited here concerns some fraudulent masks, and we're monitoring this very carefully.

Mr. Kelly McCauley: We've been burned by fraudulent masks. The U.S. has pointed out that this company is a problem, so why would we just be monitoring them? Why won't we just ban them outright?

Mr. Bill Matthews: As was mentioned earlier, Mr. Chair, the question of who gets banned and who gets licences comes from Health Canada, so I think it's better to ask them.

Mr. Kelly McCauley: Okay, that's fine. I'll move on quickly.

Of the million substandard masks that came in, we were told that we'd probably get our money back. Then we heard in the House of Commons the PSPC minister saying that we're going to use them because it's just the elastic that's faulty. Then we heard from Global Affairs saying it was a contract issue.

What are we doing about the price of those masks and the other eight million masks we heard about that are going to be used as surgical masks? We paid full price for them as N95 masks. Are we getting them discounted or rebated to reflect the value of what these masks are being used for?

Mr. Bill Matthews: What I believe I said was that we expect the supplier to stand behind the product, and this is a product that is in short supply.

Mr. Kelly McCauley: "Expect" isn't for sure.

Mr. Bill Matthews: Mr. Chair, we had a number of issues depending on the lot. We had some where the elastics were an issue. Then, as time wore on, filtration became the more common problem. We are still in negotiation and have paused all deliveries from the supplier. That it's an ongoing discussion is all I can say at this stage.

Mr. Kelly McCauley: The minister said that we were going to use those masks but for non-N95 use. Are we going to continue to pay full price for those masks, even though they're not being used for what we paid for? It's just like the eight million masks that we spoke about earlier in the meeting.

Mr. Bill Matthews: Mr. Chair, as I said, we are in ongoing discussions with the company about how this will wrap up.

Mr. Kelly McCauley: When did we start negotiations with Medicom, please?

Mr. Bill Matthews: Mr. Chair, I'm going from memory here, but I would say it was early April.

Arianne, do you have a better recollection of the date?

Mr. Kelly McCauley: When did we sign the contract with them?

Mr. Bill Matthews: We'll have to get back to you, Mr. Chair. I don't want to guess.

Mr. Kelly McCauley: Was it in April?

Mr. Bill Matthews: It was before May 1, for sure. April would be my guess, but I will have to confirm the details.

Mr. Kelly McCauley: But it was very, very recent.

Mr. Chair, how much time do I have, if any?

The Chair: You have 30 seconds.

Mr. Kelly McCauley: What is it costing us to test all of these masks? We're paying top price or more for masks that can't be used for what we're buying them for.

Mr. Éric Dagenais: I don't have a dollar amount. We're using the National Research Council's metrology laboratory to do the testing. There has been a certain amount of purchasing of equipment, TSI machines—

• (1230)

The Chair: In that case, I would ask that you supply a dollar amount in writing and give that answer to our clerk so she can distribute it to all of our members.

We'll now go to Mr. Kusmierczyk for four minutes, please.

Mr. Kusmierczyk, can you hear us?

Mr. Kusmierczyk, going once, twice, three times. Either Mr. MacKinnon, Mr. Drouin or Mr. Weiler, would one of you care to step in?

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): I'll step in, Mr. Chair, just in case Mr. Kusmierczyk will take my time afterwards.

Mr. Matthews, thank you for appearing before this committee once again in less than a month. We certainly appreciate your time.

You've touched on a really important point in the discussion with regards to the COVID-19 supply council, talking about the availability of raw material.

I'm wondering if PSPC is having some conversations with ISED, and if any Canadian companies are thinking about the way we design N95 masks and use that particular raw material and whether or not there's a way to reduce that, so that we can ensure the proper sourcing of these N95 masks.

Mr. Bill Matthews: Certainly, different approaches are always under consideration. The one I would highlight for N95 is more around sterilization and reuse. These are such a precious commodity at the moment, is there not a way to reuse them? It happens now, but we're looking to expand the way in which they can be reused to have less waste, as it's a precious good.

I can't speak to whether other discussions are under way about alternatives to N95, but that would be more in the realm of ISED.

Mr. Francis Drouin: I see Mr. Dagenais wants to jump in.

Mr. Éric Dagenais: Yes, having been at ISED, I know that the National Research Council has a challenge for made-in-Canada filtration material for the manufacture of N95 respirators and surgical masks. That challenge closed recently. There has been a call to Canadian industry to see if they can develop alternatives. It's absolutely on top of people's minds.

Mr. Francis Drouin: Right.

Mr. Kusmierczyk, did you want to jump in now, or do you want me to go on?

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): No, thank you very much. I really do appreciate it.

How much time do I have?

The Chair: You have one minute.

Mr. Irek Kusmierczyk: Mr. Dagenais, you mentioned in your remarks that in the bulk procurement process, the products are distributed through an allocation approach approved by the federal, provincial and territorial ministers. Can you go into a little detail on how that allocation process works?

Mr. Éric Dagenais: Yes, after the ministers agree, essentially we push out proactively 80% of what we receive on a per capita basis, and the NESS withholds 20%, which we allocate when provinces make calls on this. We call them "requests for assistance". We've had 57 requests for assistance so far. Essentially, it's designed to recognize the fact that the current pandemic isn't hitting all provinces the same, so maybe a straight per capita approach is not appropriate.

Mr. Irek Kusmierczyk: It does respond to—

The Chair: Thank you very much. Unfortunately, we're out of time.

We'll now go to Mr. Aboultaif for four minutes, please.

Mr. Ziad Aboultaif: PHAC is currently deploying 81 sterilization devices from Stryker Canada that will provide provinces and territories with the capacity to reprocess approximately 275,000 N95 respirators a week.

How much of Stryker Canada's supply is based in Canada or in North America?

Mr. Éric Dagenais: PHAC is buying 82 machines and distributing 81, and one is going to the National Research Council.

Stryker Canada was, until last August, a Canadian-based company. The Stryker machine was designed and manufactured in Canada, and they still have a very strong presence near Quebec City. Sixty have already been made, and they are making another 20. Those are being made in Quebec City.

• (1235)

Mr. Ziad Aboultaif: Was Stryker somehow acquired by an American company? Do you know?

Mr. Éric Dagenais: Stryker is the American company. The name of the original company escapes me.

Mr. Ziad Aboultaif: Are there any other companies that are assisting in providing the services Stryker is providing, just to make sure we get the extra support?

Mr. Éric Dagenais: Health Canada has approved five technologies to reprocess N95 masks. They include Stryker, STERRAD, Steris, Clean Works and Bioquell, if memory serves.

Mr. Ziad Aboultaif: Stryker is not a sole source in this task.

Mr. Éric Dagenais: In this case, Stryker was the first of the technologies we looked at that was approved, and Stryker did not go through a competitive process.

Mr. Ziad Aboultaif: It is a sole source.

Mr. Éric Dagenais: That's correct.

Mr. Ziad Aboultaif: Would you be able to provide a list of all major suppliers that had contracts to supply PPE?

Mr. Éric Dagenais: I'm sure we can provide the list of contracts. I'll turn to my colleague Mr. Matthews on that.

Mr. Bill Matthews: We can certainly highlight most of the Canadian ones. We are not disclosing the international ones at this stage because we did the procurements under an NSE, a national security exception, and we want to protect our sources because product availability is such a competitive field.

Mr. Ziad Aboultaif: Millions of masks have been rejected because they do not qualify or don't pass specifications, and now you are suggesting you will not provide the names of those suppliers.

Canadians need to know, and as parliamentarians we need to know, the names of those suppliers. Would you be able to provide to the committee the names of these international companies?

Mr. Bill Matthews: No, not at this stage. As I mentioned, the procurement is being done under an NSE, and we want to protect

our supply lines, if I can use those words, while the crisis is at such a competitive stage from a procurement perspective. To properly protect our product, we do not want to do that at this stage.

Mr. Ziad Aboultaif: The product is on the market and has labels, so why wouldn't you provide the names of the suppliers? The factories' names are on the boxes, aren't they?

Mr. Bill Matthews: The product is not, in fact, in the public domain. It's being held by and given to other government sources, as mentioned earlier. The contract itself is still under discussion, so it wouldn't be wise for us to share those names at this stage.

Mr. Ziad Aboultaif: How do we know that some of this product does not come in after being disqualified at source, since you're not inspecting it at source, or that your suppliers aren't doing something to change the labels or are relabelling products and giving them back to—

The Chair: We'll have to end the discussion there, but if you wish to provide an answer, Mr. Matthews, again I would encourage you to do it as quickly as possible in writing, through our clerk.

We'll now go to the last of our four-minute interventions.

Go ahead, Mr. Drouin.

Mr. Francis Drouin: Thank you, Mr. Chair. I will share my time with Ms. May.

Mr. Matthews, I've been reading stories about stolen goods at airports and warehouses in China. From your understanding, is that impacting our supply chain to Canada?

Mr. Bill Matthews: There's certainly a risk. I talked about how things have evolved on the ground in China since this started. We had to put in measures to make sure we were effectively getting our supplies as they came off the production line because of the risk of either theft or being outbid on the factory floor.

One of the early adjustments the Government of Canada made was to take steps to basically secure that supply line as it came off the factory floor, get it to a warehouse that the Government of Canada rented or leased and then arrange for transport ourselves.

If we were in a normal environment, we would be looking to our suppliers to basically transport the goods to Canada themselves, but that was proving to be an overly risky endeavour, given the environments on the global stage and competition for goods. We have made the adjustments on the ground in China to properly secure our product.

• (1240)

Mr. Francis Drouin: Thank you.

Ms. May, the floor is yours.

Ms. Elizabeth May: Thank you. I assume that's okay with the chair. Thank you so much.

I want to go back to Ms. Thornton. I know a lot of the questions have been fairly combative.

It strikes me that there's a collective failure in Canada, and I wonder if you would agree with me. We made decisions after the SARS epidemic that we would be prepared and that there should be minimum stocks of PPE available in Canada. Allowing so much PPE critical equipment to go well past its best-before date, and five years past expiration, suggests that we lost track of this critical function of preparedness.

I wonder if you can comment on what we will do in future to make sure this doesn't happen again.

Ms. Sally Thornton: I thank you for the question.

Mr. Chair, we do have an inventory management system. On the items that were five years past expiry, there would have been no demand for those products or they would have been used prior. On a go-forward basis, though, I do think that this whole episode, the pandemic, will inform not just how the federal government approaches our national emergency strategic stockpile but also our relationship and engagement with the provinces and territories.

There has been a significant increase in transparency. When we did our first call-out, provinces and territories largely had distribution systems within their own organizations and could not tell us right off the top what they had in their stockpiles, what they needed and what their burn rates were. Through this, we've actually all learned about the use of PPE, and not just for the health system; we're beginning, collectively, to also learn about that outside of the health system.

I think it's going to be very different in terms of management and collaboration with the provinces and territories, and ultimately in terms of some principles around stockpiling. We're beginning to identify not just for the next wave, but what would be appropriate as a matter of course. Is it a six-week burn rate? Is it a one-week burn rate? Also, where and who should actually have those stockpiles?

I think it'll be very different. I'm not sure how different it'll be from the actual federal stockpile, but probably a great deal different from the federal collaboration with our provinces and territories.

Ms. Elizabeth May: Thank you.

The Chair: The final two minutes will go first to Monsieur Barsalou-Duval.

[*Translation*]

You have two minutes.

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

My question has to do with procurement. For years, our governments' ideologies have led them to get supplies abroad, where it is less expensive. They tell themselves that it is no big deal and that there is no risk involved. However, we are having a really hard time getting supplies right now.

Will these practices be subject to an in-depth review? Will the fact that the government thinks that procurement abroad is risk-free be called into question? In times of crisis, we do not even know whether these countries will supply us first or whether they will supply themselves first.

[*English*]

Mr. Bill Matthews: There are a couple of things I would share on this front. You're already seeing a live rethink. It's clear that a high percentage of the PPE that is in demand comes from outside the country and particularly out of China, so you saw a country that was the main supplier for a lot of countries being pressed in terms of its manufacturing capability.

You've already seen the domestic stand-up starts in Canada. I've mentioned hand sanitizer, face shields, gowns, ventilators and masks to come. In that group of domestic suppliers and manufacturers, I think you will see a core doing this on a temporary basis, just until things come back to normal, and others making it a more permanent endeavour. I would say the rethink has already started, because you're seeing some of this capacity that will stay with us.

Hence, and we've talked about it a few times already, there's the 10-year deal with Medicom for masks. That's because there's a desire to have an ongoing presence for Canadian-supplied masks for the future, not just to get us through this.

The Chair: Thank you very much.

Mr. Green, your final intervention is for two minutes, please.

Mr. Matthew Green: Ms. Thornton, what was the national supply standard for the quantity of N95 masks across the national strategic stockpile prior to the decision to close the Regina warehouse and the other ones, versus afterward?

Ms. Sally Thornton: Mr. Chair, our stockpiled amounts were basically geared toward responding to a couple of incidents within Canada. They weren't actually geared toward supplying something for every Canadian—

● (1245)

Mr. Matthew Green: What was the number? I just need the number, Ms. Thornton.

Ms. Sally Thornton: I have no number.

Mr. Matthew Green: Okay. What I would like to request is that you provide us in writing with the number for the quantity of N95 masks for the national supply standard. That will allow us to determine whether the disposal was in keeping with the management system you have.

Ms. Sally Thornton: We will provide you with the information about the disposal.

Thank you, Mr. Chair.

The Chair: You have one minute, Mr. Green, if you care to utilize it.

Mr. Matthew Green: No, I think I've overstayed my minutes as it is. Thank you.

The Chair: Thank you very much.

We will excuse our witnesses. Mr. Matthews, thank you for appearing with your officials. Madam Thornton, thank you for appearing here with your witnesses. Your testimony has been informative, as always, and very helpful. You are excused.

Colleagues, we will give them a moment to leave the meeting and then we will continue immediately with our committee business. I remind you all that it is in public.

We will suspend for a moment and come back with our committee. Thank you all.

● (1245) _____ (Pause) _____

● (1245)

The Chair: We will reconvene. Thank you, colleagues.

We have about 15 minutes left. I want to deal with future witnesses and future meetings. As you know, next week we do not have a meeting on Monday because of Victoria Day. We will have a meeting on Friday, May 22, and the Minister of Health, Minister Hajdu, will be with us at that time.

I'm going to ask Raphaëlle in just a moment to go forward with the proposed witness lists for the remaining meetings, but first I have a comment.

Taking a look at the meetings yet to come, I notice that there are a number of witnesses committee members have suggested who have provided testimony at other standing committees, and that's fine. I'm just hoping we can avoid duplication of testimony. If witnesses who have appeared at the finance committee or at other committees are coming to testify before us, as long as they are providing new testimony, that's great, but I would hate to think that we would be just rehashing the same old testimony that has been heard before.

That's my only comment on that matter.

Raphaëlle, could you please give us a little update on some of the witnesses and some of the meetings on your work plan that are yet to come before we adjourn Parliament for the summer?

Ms. Raphaëlle Deraspe (Committee Researcher): Certainly, Mr. Chair.

The committee has approved the ninth meeting, which will be on May 25, on cybersecurity. After that, in the work plan that Ryan and I have proposed, there would be a 10th meeting on the oversight of government activities.

I want to point out to members that both the PBO and the interim auditor general appeared before FINA this week, this past Tuesday. However, a new AG has been appointed this week.

Then for the 11th meeting, we have representatives from the Government of Alberta and also a non-profit organization. The 12th meeting would be on industry groups. The last meeting we have proposed would be the 13th, and it would be on procurement and benefits, with two ministers, Minister Anand and Minister Hussen.

The Chair: Thank you, Raphaëlle.

Colleagues, I believe you have all received copies of the proposed work plan from Raphaëlle. I will invite commentary now if you think we're missing a witness or if there are some witnesses we do not need to hear from because of duplication.

Steve, I'm not sure if you have information on this or not, but we will officially be reconvened in Parliament on May 25. I'm not sure if there's any thought being given to whether or not Parliament will continue until the end of our normal scheduled parliamentary calendar or if there are any amendments to that calendar.

Colleagues, first, if you have a question or comment or suggestion, raise your hand, and we will try to take you in order.

● (1250)

Mr. Steven MacKinnon: I don't know, Tom, if you were asking me if I had information about how long Parliament's going to go. I don't know. I want an answer to that, obviously.

The Chair: Thanks for sharing.

Mr. Drouin, I see you and our clerk.

We will go first to Paul, our clerk, before we go to Francis and then Mrs. Block.

The Clerk: Mr. McCauley, Mrs. Block, and then Mr. Drouin are the three I have noticed on the speaking list.

The Chair: Excellent. Thank you for that, because I did not notice which order those were in.

We will go to Mr. McCauley first.

Mr. Kelly McCauley: We can go to Mr. Drouin first, but my thought is that I want to avoid duplication, as you commented. I have been watching and reading the blues of a lot of the other committees. There are a lot of good questions, but then stonewalling or no answers. As much as I want to avoid duplication, it's more important that Canadians get answers to a lot of these questions we're asking.

The only other thought I would have on the lineup we have coming is that perhaps Minister Anand should appear at the same meeting as Minister Hajdu. What we saw again today is a perfect example. We ask a valid question, and it gets punted to another department, and the answer is "Well, that's not my department." We saw it previously when Minister Anand was here and passed the buck on to Health Canada or PHAC. We asked PHAC today. They passed the buck on to Health Canada.

I think it's time to get them both in the same room to end this pointing at someone who's not here and delaying very important answers to very important questions that are being posed.

The Chair: Just so I'm clear, Mr. McCauley, are you suggesting that Minister Anand and Minister Hajdu appear in the same meeting? Are you suggesting they appear on the same panel at the same time, or just one after the other?

Mr. Kelly McCauley: It could be the same panel at the same time or one after the other or, when Minister Anand is here, the DM from Health Canada should be here.

Frankly, I'm getting tired of this. Again, we had Public Services and Procurement. We asked questions. We're told to ask PHAC. We have PHAC. We're told to ask Health. We say, "Well, you're part of Health." We're told, "No, you should ask someone else."

I hate to be cynical, because that's not my nature, but I'm starting to sense a real pattern here of their realizing, "Hey, the other people aren't in the room. Let's blame them and not answer the question."

The Chair: Well, without getting into a debate, I'll first go to Mrs. Block, then Mr. Drouin and then Mr. MacKinnon.

Mrs. Kelly Block: Thank you very much, Mr. Chair. I appreciate that.

Unlike Mr. McCauley, I have not immersed myself in the blues of other committees to see what questions are being asked in those committees of the witnesses that we are duplicating in our own committee. I would suggest that maybe they are asking different questions than we might, from a government operations perspective. I'm not sure, though, unless somebody wants to provide me with that testimony so that I can make sure my questions are not duplications, should those witnesses appear here.

You know, years ago when I was on OGGO, when we were looking at inviting witnesses, we endeavoured to have some idea about where we wanted to go with our questioning so that they could advise us. We tried to see who might be the most appropriate witnesses to invite so that we didn't find ourselves asking questions that were being referred to another department or deferred to someone who was not in the room.

I'm not sure how that would work. Perhaps when we are looking at different witnesses and inviting them, we should be asking a department who might be best suited to come. We have in our own minds who that might be, but maybe the department could recommend someone, given the line of questioning that has been coming to them from this committee.

I'm reluctant to say that it's not worth it to have them here just because they've shown up at another committee. If we were sitting, we'd be meeting twice a week, as we are now, so I don't think there's any reason we can't just continue on the path we're on.

The Chair: Let me be very clear. I'm not suggesting we circumvent or truncate any of the meetings. If there's worthwhile testimony, let's meet as long as we possibly can. Again, I just want to make sure that we're trying to provide new testimony and something that is informative.

We'll go now to Mr. Drouin, then Mr. MacKinnon and then Mr. Green.

• (1255)

Mr. Francis Drouin: My only suggestion will be that we don't know what will happen after May 25. We don't know what will be potentially negotiated. We have no idea how long... As you've mentioned, Mr. Chair, we may be back into regular sessions. Who knows?

I would keep the schedule at a two-week interval, and then reconvene this committee to have the opportunity to discuss the agenda.

The other point I'll mention is that we can blame departments for pointing fingers and blaming the other part, but there's also a responsibility that's incumbent upon us to ask the proper questions. The questions to Health Canada were with regard to licensing and who gives the licence, the authority, to sell medical devices, and it's not Public Health. It is Health Canada.

That's the point I want to make. Yes, we can be frustrated about this, but it's also incumbent on the questioner to ask the proper questions to the witnesses who are before us.

Minister Anand has already been here twice. How many more times do we want her? Do we want her every week? I'm just trying to get a sense of the committee. Are we going to invite ministers and have them come back every week?

Sometimes you may not get satisfactory answers to your questions, but if you go on a wild goose chase, sometimes you just won't find a goose there. I don't have any objections to having her appear at the 13th meeting, but we've already had her twice in the space of a month. I'm just trying to understand this situation. How many times do we want Minister Anand to appear before this committee?

The Chair: Thank you.

We'll go to Mr. MacKinnon.

[Translation]

Mr. Steven MacKinnon: Thank you, Mr. Chair.

I want to say that I agree with Mr. Drouin.

Ms. Block, I agree that we should listen to the suggestions of our analysts and follow the schedule that was distributed in advance.

I also want to tell Mr. McCauley that he got what he just asked for today. We gathered the most senior procurement and public health officials in the country together here today. He could have asked them questions. They were here with us today.

[English]

The Chair: Mr. Green is next.

Mr. Matthew Green: Yes, I fully support Mr. McCauley's call. I may have been called "combative" today, but it's born from a frustration of getting information passed back and forth between departments that may not happen to be there on a particular day.

It's really about having accountability. We don't have the public accounts committee operating right now. We're in the middle of a pandemic and a crisis. I think that the ministers have a responsibility to be responsible, and that includes coming before members of this committee to provide testimony that would get to the heart of the questions that we're asking.

Therefore, I fully support it and I would encourage us to continue this work. I'm still not satisfied, quite frankly, with the answers that I'm getting. It's stonewalling. We can ask the same questions five different ways if we're not getting the answers because they're kicking it somewhere else.

Anyway, I fully support Kelly in his position here.

The Chair: Thanks. We'll now go back to Mrs. Block.

Mrs. Block, the last time you made some comments, it sounded like you were in a bit of an echo chamber. Could you put your headset back on?

Go ahead, please, Mrs. Block.

Mrs. Kelly Block: I do not have another intervention that I would like to make at this time.

The Chair: That's fine. It was my error.

Mr. McCauley, do you have another intervention?

Mr. Kelly McCauley: Yes, it's just somewhat to follow up on Mr. MacKinnon's comments. They were fair comments by him and Mr. Drouin, and today was a perfect example. How many times did we ask PHAC valid questions and hear, "Well, that's Health Canada" or "Maybe it's Health Canada"?

I saw answers to Mr. Green and Mrs. Block about the MDEL, and the answer was "Health Canada". When we had Minister Anand here, we were asking very valid questions about the national stockpile, and we were told, "Well, that's Health Canada" or "That's PHAC". PHAC shows up and says, "Oh, that's someone else." Yes, I understand that we can't continue this forever, but we have to continue until we get answers, so I suspect we might have to continue a bit.

Mr. Drouin and Mr. MacKinnon, I certainly take your points and I understand them.

• (1300)

The Chair: Thanks, Mr. McCauley.

What we have before us, colleagues, is a suggested work plan that Raphaëlle sent out. I have not heard any specific suggestions about either adding or deleting any witnesses from that work plan, except for Mr. McCauley's suggestion that perhaps we should attempt to get both Minister Hajdu and Minister Anand in the same meeting.

Mr. Clerk, please add to this.

The Clerk: Mr. Chair, at a previous meeting the committee adopted a motion that Minister Hajdu, the Minister of Health, be invited to appear on May 22, and the invitation has been issued. However, we also have other witnesses who were invited to appear and who would be in the second hour, notably Canada Post Corporation, the Canadian Union of Postal Workers and somebody from Amazon Canada.

Part of the reason that I share the concern about bringing Minister Anand with Minister Hajdu would be that you would only have one hour to question both witnesses. I can extend the invitation, if the committee wishes me to, to add Minister Anand, but it might only leave the committee with one hour to question two ministers.

The alternative is to stick with the plan the way it is, which would be Minister Anand being invited for the 13th meeting. We could change the invitation to Minister Hajdu, but I do want to point out that you may only have an hour if we add Minister Hajdu on with Minister Anand on May 22.

The Chair: I would also point out the obvious to all committee members. Ministers can be invited, but that does not compel them to appear. Their schedules may be such that they cannot appear on a date requested, and it's strictly up to the ministers whether they want to accommodate our invitation and accept our invitation or not. I add that just for your consideration when we're trying to set a schedule.

The Clerk: I would also like to say, Mr. Chair, if I could, that I believe Mr. McCauley and Madam Vignola both wish to intervene, but I think Madam Vignola was first.

The Chair: Madam Vignola, go ahead, please.

[*Translation*]

Mrs. Julie Vignola: I understand that we do not have much time and that Ms. Anand already testified. However, even though people are supposed to talk to each other, I get the impression that everyone is working in silos, in their own little worlds. If we really want to come up with a report with recommendations so that things go more smoothly during the next pandemic, because there will be one, we need to try to break down those walls and call multiple ministers at the same time. Yes, that will mean that we will have less time to ask them questions and that they may have to come back, but we need to break down those walls to get complete answers.

[*English*]

The Chair: Thank you for that.

Paul, did you say we have someone else on our speakers list?

The Clerk: It's Mr. McCauley.

The Chair: Mr. McCauley, go ahead.

Mr. Kelly McCauley: Maybe we can bring Minister Anand in with, as I think the NDP has asked for, Canada Post and Amazon. Maybe she can appear in that one, and then PHAC can come back at the same time that Minister Hajdu is here.

The Chair: Well, of course, as a committee we can request any minister within our schedule as we see fit.

Mr. MacKinnon, I see you, and then I'm going to try to ring-fence this in a little bit.

Mr. MacKinnon, go ahead.

Mr. Steven MacKinnon: I'm having trouble following the bouncing ball now. I mean, first of all, we wanted the the minister of PSPC with PHAC, and then it was Health and now it's Canada Post.

Mr. Kelly McCauley: It's just a suggestion, Steve.

Mr. Steven MacKinnon: I get it, but I think we have a schedule. Raphaëlle gave us a schedule that was well thought out. We've been over this several times now. It involves a comprehensive level of accountability from the entire spectrum of government departments. What Madam Vignola calls "silos" I call people doing their jobs, and I would conclude in saying that. People are doing their jobs right now, and repeated calls to testify before multiple—it must be said, not just this one—parliamentary committees in a given week are hardly enabling the kind of work that I think Canadians expect.

I don't speak for Madam Anand, but I certainly work with her, and she has shown herself to be more than available to this committee. She is scheduled in the current proposal that the analysts gave us.

My submission, humbly, Mr. Chair, is that we stick to the program as outlined.

• (1305)

The Chair: Thank you, Mr. MacKinnon. My own comments are somewhat aligned with yours.

Colleagues, it has certainly been my experience, and I think the experience of clerks and others, that ministers are very reluctant to appear with non-government witnesses, so on the suggestion, which I think came from Mr. McCauley, that perhaps we schedule Minister Anand with representatives from Canada Post or Amazon I just don't think is in the cards. I doubt very much if the minister would accept such an invitation.

I'm inclined to agree with Steve that we have a work plan that has been suggested. I haven't heard anything suggesting that we radically change the work plan and schedule that Raphaëlle has so carefully put together. My suggestion is that we follow the work plan as proposed, and if there are any serious differences of opinion, or if there are additional witnesses that one committee member would like to see who have not been included in the work plan, then submit those to our clerk. Between our clerk and our analysts, I'm sure we can come up with some sort of an amended schedule.

My feeling right now is to try, as I said, to ring-fence this and get moving forward unless there's any serious objection. We can just conclude this discussion and go forward with the work plan as proposed.

Mr. Clerk, I don't see any other interventions, and so I'll turn it back over to you.

The Clerk: Mr. Chair, the next scheduled meeting that we know of for the committee is Friday, May 29.

If we look at the next meeting in the proposed work plan that the analysts have put out, that would be the Parliamentary Budget Officer and the Auditor General's office. It could be that the committee may wish to adopt that now and then wait and see if other suggestions come in from other MPs for future meetings. That would allow the analysts to put out a revised work plan and allow the committee to continue updating what it wants to do. I suggest this as an option.

If the committee wants to move forward, it may wish to adopt for May 29, but then leave provisions open for new suggestions to be made in the future.

The Chair: Paul, thank you for that. I am inclined to agree with you.

One other reason to support that idea is that we now know that the government has put forward a name for a permanent Auditor General. I have not yet seen an order of reference referring that appointment to our committee or any committee. I don't know the process. I should, but I'm sorry to say I don't.

I would defer to Paul because I would not like to see us have a meeting with officials from the Auditor General if the new Auditor General might be available.

The Clerk: Mr. Green raised his hand at the same time I did, so you may wish to hear from him before—

Mr. Matthew Green: I'm on public accounts and so I know the wheels are in motion there, but you probably have better details.

The Clerk: I was going to say yes, it was referred to the public accounts committee. The public accounts committee will be meeting on Tuesday to consider the person who has been nominated. I'm sorry, but I don't know the person's name. However, the nomination of the Auditor General has to be approved by both the House of Commons and the Senate after the committee considers it. I could not give you a timeline as to how long that will take.

I would suggest we ask the interim Auditor General to come in, in the event that the new Auditor General has not been named. This would allow him to provide the information he has for the committee without asking the new Auditor General to pronounce on things he or she might not be aware of, because that work has been ongoing.

• (1310)

The Chair: I think what Paul has suggested is a very sensible way forward. If we find, as we're getting closer to the end of this parliamentary session, that there still has not been an official appointment of an Auditor General, then of course we can invite officials from the interim Auditor General's office to appear before us if we wish.

So that we're all on the same page, Paul has suggested we continue with the work plan up until and including the May 29 meeting of OGGO, and before the conclusion of that meeting we will have a discussion to determine meetings and witness lists as we go forward.

In the interim, if anyone has any suggestions as to potential witnesses, I would ask that you get them to our clerk, who can then share them with the analysts as quickly as possible. Does that make sense to everyone?

All right. Having said that, Paul, I don't know how we proceed. Do we need a recorded vote to approve this?

The Clerk: Yes. The order adopted by the House that regulates our video conference meetings does require a recorded division.

My understanding is that for the meeting on May 29, the committee would like to invite those witnesses identified in meeting number 10 on the draft work plan circulated on May 8. They, of course, would be the Parliamentary Budget Officer and representatives of the Auditor General's office.

If that is the proposition you wish me to put, I can put that to the committee now, Mr. Chair.

The Chair: I believe we see some concurrence for that, Paul. Why don't you go ahead with the recorded vote?

(Motion agreed to: yeas 10; nays 0 [*See Minutes of Proceedings*])

The Chair: Thank you very much, colleagues.

We're a little over time, but I want to wish you all a very happy Victoria Day weekend, a long weekend. I hope it's healthy and safe. Stay with your loved ones, and we will see you back next Friday.

Have a great weekend, everyone. We are adjourned.

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