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# Standing Committee on Government Operations and Estimates

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Chair: Mr. Tom Lukiwski





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• (1100)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** I will call this meeting to order. This is meeting number 19 of the Standing Committee on Government Operations and Estimates.

I have a couple of housekeeping notes before we get going. Number one, colleagues, is that I'll be asking to take about 10 minutes at the end of the second hour to discuss future business of this committee.

Second, we have two witnesses in each of the first and second hours. We've asked them to deliver opening statements of no more than five minutes. I will be enforcing that, if need be, because we are very tight for time.

Also, witnesses, if you are speaking in one official language, I would ask you to maintain that official language for your entire statement or if you're answering a question. If a question is posed to you *en français* and you wish to respond in French, do so for the entire answer. Switching back and forth between two languages causes some problems for us technically, so I would ask you to accommodate us and accommodate the interpreters. Last of all, just speak slowly and clearly so that our interpreters will be able to get the correct interpretation to all of our colleagues on this call.

We will be having a five-minute round, a four-minute round and a two-minute round to be able to facilitate the opening statements, and we will begin those now with Mr. McCauley for five minutes.

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

Welcome to our witnesses. It's nice to see Canada Post back again. Before I start with the questions—

**The Clerk of the Committee (Mr. Paul Cardegna):** I beg your pardon, Mr. Chair. I had indicated to the witnesses that they each had five minutes to make an opening statement.

**The Chair:** That's correct. I'm sorry. We will start with Madam Fortin for her opening statement for five minutes, followed by Mr. Persad from Purolator for a five-minute opening statement.

Madam Fortin.

**Ms. Manon Fortin (Vice-President, Operations Integration, Canada Post Corporation):** Thank you very much.

Thank you to the chair and to committee members for inviting me to join you today.

I would like to start by taking a few minutes to update you on how Canada Post has been responding during COVID-19.

Our people proudly serve all corners of the country—the urban centres, the rural towns, remote communities and the far north. Across the company, we understand the important role we play in the everyday lives of Canadians. When those everyday lives were quickly disrupted as the country responded to COVID-19, we understood we would be playing an essential role in keeping people and businesses connected.

Our top priority from the beginning has been to ensure that we are putting the safety of our people first. To do so, we have closely followed the advice and guidance of the Public Health Agency of Canada throughout the period.

We quickly and dramatically changed the way we work, the way we deliver, the way we operate our post offices and the way we clean our facilities right across the country. Let me give you some examples of changes we made in very short order.

We implemented physical distancing measures in all facilities, many of which weren't designed to keep people two metres apart. In our plants and depots we've made changes to staff scheduling, work layouts and work practices to help keep employees at least two metres apart. In our post offices, we've added plastic shields and signage on doors and floors to ensure customers follow physical distancing. For delivery we moved to a knock-drop-and-go policy for parcel delivery to eliminate the need for customer interactions at the door. We've increased the frequency and the level of cleaning in our facilities, and we've distributed personal protective equipment and safety supplies to employees across our network while placing increased focus on proper hand hygiene and physical distancing.

These are just some of the examples of the many measures we've taken in response to COVID-19 across our 21 plants, 480 depots and thousands of post offices.

Through it all we've worked closely with our unions and bargaining agents at the national and local level, with a shared focus on keeping our people safe. We have met regularly, daily, shared ideas and information, and addressed potential concerns.

This approach has helped us to quickly navigate many of the challenges we face while we continue to operate in these challenging times. By putting safety measures in place early and working to regularly improve them, we have been able to continue operating as Canadians turn to us to deliver more and more items.

In April, May and now June, we've seen a huge increase in parcel volumes. Our people have been delivering at record levels as Canadians shop online for the items they want and need. These parcel volumes are coming from businesses of all sizes, with many small and medium-sized enterprises shifting to online sales to continue serving their customers.

We are now regularly delivering over one million parcels a day across the country. That's what we normally deliver during the period from Cyber Monday to Christmas. We're also delivering on weekends across the country.

Even with record numbers of parcels going out for delivery, even greater numbers arrive for processing each day. Beyond delivering on weekends, we're taking a number of measures to respond while maintaining physical distancing. Our network is the largest in the country, so let me help put our efforts in perspective by talking about what we're doing in Montreal.

We're processing 24-7, offering voluntary overtime to employees, and drawing on trained temporary workers to come and help out. On average our employees, since this started, have been performing approximately 15,000 hours a week in Montreal in voluntary overtime. We're also hiring new temporary and permanent employees to bring greater stability and to cover all shifts available on the equipment.

We've also continued to make changes to streamline our sorting processes and work with customers to help us use our network more efficiently. It has meant that through May and the first week of June, we've processed more than double the number of parcels we would normally receive at this time of year.

We will continue to respond to improve the situation, but I want to tell this committee that we are incredibly proud of the work our people are doing across the country under very difficult circumstances and we won't undermine the measures we've taken to put employees' safety first.

At Canada Post we're proud to serve all Canadians. While we're being tested by today's current realities, we are the only one built to serve all 16.5 million addresses across this vast country. That's a big reason why we see the majority of what Canadians buy online. It also means we're not just delivering online shopping to urban centres. Canada Post is also busy delivering much-needed supplies to communities across the country, including remote communities in the Far North.

In early April when we, along with Purolator, were called upon to help distribute PPE to provincial and territorial health organizations across the country, we were pleased to support the effort. Our people are part of the communities they serve and they see the need first-hand. Our focus at Canada Post has been to keep them safe so that Canadians in every community can continue to count on our postal service.

• (1105)

Thank you. I look forward to our discussion.

**The Chair:** Thank you very much.

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

**Mr. Ryan Persad (Director, Global Supply Chain Solutions, Purolator Inc.):** Good morning. Thank you, Chair and committee, for inviting Purolator to join you today.

My name is Ryan Persad. I am Purolator's director of global supply chain solutions. I am pleased to discuss Purolator's role in delivering personal protective equipment, or PPE, to regional health authorities across Canada.

I'll begin with some brief background on Purolator. We are the largest express courier company in Canada. We are celebrating our 60th anniversary as a great Canadian company this year. Our network is made up of more than 170 operating facilities and 110 retail centres. We employ more than 12,000 hard-working Canadians from coast to coast. We have close to 5,500 vehicles in our fleet. I am proud to say that Purolator has one of the greenest fleets in Canada, with a large and growing fleet of electric and hybrid vehicles.

During the past few months, Purolator has been proudly carrying out our mission of making Canada stronger by providing essential delivery services to Canadians across the country. In addition to critical health care, industrial and government shipments, the rise of direct-to-home deliveries has grown substantially over the past few months. I'm proud to say that Purolator delivered tens of millions of shipments to individuals and families, allowing them to safely remain at home during the COVID-19 pandemic.

We did it with safety as our driving priority. Our more than 12,000 employees have been on the front line, delivering vital supplies every day, ensuring that the economy continued to move and critical supply chains continued to flow. We have been working closely with public health organizations and global occupational health experts to execute safety protocols to help ensure that our employees and customers stay safe. We put in place advanced sanitation practices and increased the frequency of sanitizing all facilities. We're conducting contactless deliveries through our retail store and courier networks.

In my role, I'm responsible for working with large organizations and creating supply chain solutions to, from and within Canada. Purolator's network and our service are designed for safety, speed and reliability. We have broad capabilities to deliver all types of shipments, from truckloads of freight to documents and parcels. We also have warehousing, logistics and customs brokerage capabilities to enable our thousands of global customers doing business in Canada.

We were proud to work with our partners involved in the role of delivering much-needed PPE to regional health authorities across the country. To date we've delivered more than 33,000 cartons of equipment, including masks, gloves and gowns. They were delivered to regional authorities in every province, to 14 locations in total.

As provinces and territories move to reopen, we will continue to put safety first for Canadians and our employees, and do everything we can to serve the millions of Canadians and businesses who are relying on us to deliver their promises during these unprecedented times.

I would be pleased to answer any questions you may have about Purolator's role in delivering PPE supplies to the regional health authorities.

Thank you.

• (1110)

**The Chair:** Thank you very much.

We'll now go to our first five-minute round of questions.

We will start with Mr. McCauley.

**Mr. Kelly McCauley:** Thanks, Chair.

Witnesses, thanks very much for joining us today and for your information.

Before I get to my questions, I want to start with a shout-out to some folks at Canada Post. In Edmonton West a short while ago, we celebrated the 100th anniversary of a World War II veteran and one of our local heroes, Leslie McLean, who served in the Atlantic battle. Donald Cooper from Canada Post, who has helped us out a lot on our mailbox issues, came all the way up to help celebrate the birthday. Doug Ettinger, the Canada Post president, provided for us a special memento for Mr. McLean, who had spent 35 years working for Canada Post after leaving the armed services. I wanted to give a quick thanks to Canada Post for that.

Ms. Fortin, I hear there are various service delays because of the safety measures of physical distancing at your plants. Can you help me understand what's involved? What specifically would be causing the delays?

**Ms. Manon Fortin:** Thank you for the comments about our employees. I know Donald Cooper as I worked in the Prairie region in the past. He's a very good employee and so pleased that he was able to help you with your event.

From the start, our top priority has been to keep our people and the communities they serve safe. We had, in very short order, to make several changes in our operations across the country, of

course working closely with our unions and with our employees to put those changes in under public health guidance of what those measures should look like.

At the same time as we were putting those measures in place, we started to get incoming volumes that were similar to Christmas. The measures we put in place are necessary. They include things like changing our work layouts in all of our facilities, facilities that were not built to have people two metres apart. We had to change our layouts and our work practices. We had to reduce the number of employees working in several work centres in order to respect the two-metre distance. All of those changes have caused us to have less processing capacity than we typically would have at Christmas with the benefit of planning and the physical distancing measures not in place.

Under the COVID staffing, our employees are processing record numbers, Christmas volume numbers, but we can expect some delays as we put some of those safety measures in place and we keep those safety measures in place. We've suspended normal delivery guarantees for parcels because we wanted to focus on safety. We've been very transparent with customers, posting information on the delays on our website and on social media and also letting the customers who are sending the parcels to the consumers, Canadian citizens, know. We've been transparent with Canadians to expect delays for the foreseeable future.

We've delivered every single weekend since March 12. We are not structured to deliver, but our employees showed up. Hundreds of employees showed up to deliver every weekend. We've been operating 24-7. We don't typically, in April, May and June, operate 24-7. We've called on our 10,000 temporary employees to come and help us out. We've had over 600,000 hours of overtime in all of our plants from our employees helping us over weekends.

We're creating now full-time positions in some of the bigger facilities to help deal with the volumes, but essentially we've delivered Christmas-type volumes with a capacity that has been constrained for all the right reasons, to ensure that the proper safety measures are in place in our facilities.

• (1115)

**Mr. Kelly McCauley:** Great. Thank you.

If you're hiring so many temporary employees, maybe you should give our veteran Leslie McLean a call. He's 100, but he did 35 years with Canada Post. He's in great shape. You could probably use him.

You have so many employees, 68,000 employees. How have you been able to access and distribute PPE to your employees?

**Ms. Manon Fortin:** As I said, at the beginning of the pandemic, in very short order we had to turn to how to make the safety of our employees and the people they serve a priority. Working with our unions and public health, what does that mean in terms of processes and equipment that we would have to provide to our employees?

We've provided to post offices across the country hand sanitizer, wipes and gloves. We've put clear barriers at our 3,700 corporate post offices, as you would see at many retailers now. We distributed face coverings to all employees in our organization who are customer facing or—

**The Chair:** Unfortunately, Madame Fortin, we're completely out of time. If you have additional information you want to provide in your answer, I would ask you to do so as quickly as possible in writing, and you can send that directly to our clerk, but we are under some time constraints here.

**Ms. Manon Fortin:** Thank you.

**The Chair:** Now we'll go to Mr. Jowhari, for five minutes.

Go ahead, please.

• (1120)

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

Thank you, witnesses.

I'd like to echo the sentiments on the great work that the postal service is doing, making sure that we receive not only the goods but the services that we need.

Let's take a step back. Madam Fortin and Mr. Persad, can you give us, very quickly, an overview of the process of the distribution of the PPE? I understand we do some sourcing. I understand that through PSPC we do the procurement, but once the procurement is done and the goods are sourced, help us, very quickly, through the steps we do to get the product from the destination to the regional health centre.

**Ms. Manon Fortin:** Thank you for your kind words about the work that our employees are doing every day to serve Canadians.

Maybe I can answer the question by explaining a bit what our roles have been in this initial and urgent distribution of personal protective equipment.

Each entity had its own role to play, for sure. Amazon was brought in to provide the system platform to enable PHAC to place orders, track orders, track inventory and then give a signal that an order needed to be dispatched. We could not do that ourselves, because we're not a fulfillment company—we're a processing, transportation and delivery company—and so that was Amazon's role.

Purolator—and Ryan can probably add to this after—is providing transportation to the Maritime-Ontario warehouse to await shipment instructions and is also providing the final-mile shipping services to the 14 health organizations across the country.

Canada Post is also providing final last-mile shipping services in some instances.

Maritime-Ontario, which is a contractor of Canada Post, has provided an emergency warehouse solution to store the product and—

**Mr. Majid Jowhari:** Great. Thank you.

I'm going to ask some very pointed questions.

**Ms. Manon Fortin:** Okay.

**Mr. Majid Jowhari:** Who's managing the shipment from the customer at source if they're overseas?

**Ms. Manon Fortin:** That's the government.

**Mr. Majid Jowhari:** Who is responsible for clearing customs?

**Ms. Manon Fortin:** That would be the military, the government and the airline that the government has contracted to bring the product in.

**Mr. Majid Jowhari:** Once the products are released from customs, where are they being stored?

**Ms. Manon Fortin:** For the most part, Purolator has been picking up the product, storing it and bringing it to us at the Maritime-Ontario warehouses to store—

**Mr. Majid Jowhari:** So it's going to be between Canada Post and Purolator storage facilities. Is that correct?

**Ms. Manon Fortin:** Yes.

**Mr. Majid Jowhari:** Okay. The role that Canada Post is playing is mainly around storage and the last-mile delivery.

**Ms. Manon Fortin:** Exactly.

**Mr. Majid Jowhari:** The role of Purolator is also the same—transportation as well as the last-mile delivery.

**Ms. Manon Fortin:** Exactly.

**Mr. Majid Jowhari:** I understand that you brought Amazon in, and that's where I want to go.

Amazon is more like a logistics-provider system in the background that manages the distribution and says where the product should go.

**Ms. Manon Fortin:** We did not bring in Amazon. PHAC made that decision. It's a system, software, that PHAC uses in order to place their order and to track where their order is—

**Mr. Majid Jowhari:** So, it's order processing and probably order distribution.

**Ms. Manon Fortin:** Yes.

**Mr. Majid Jowhari:** Which system, which body among all of these, prioritizes where the products are going to go?

**Ms. Manon Fortin:** That's PHAC.

**Mr. Majid Jowhari:** PHAC prioritizes where the products go and then the execution in there.

**Ms. Manon Fortin:** Yes.

**Mr. Majid Jowhari:** How has the volume changed? How has the working relationship between the three worked in the past?

I have only 30 seconds.

**Ms. Manon Fortin:** The working relationship has been excellent. We have also been supported by the military on the ground. From the start, this was put together very quickly and we have worked collaboratively to deal with issues. So I would say that the working relationships have been terrific, actually.

**The Chair:** Thank you very much.

We'll now go to Madam Vignola.

[*Translation*]

You have five minutes.

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** Good morning.

My first question is for you, Ms. Fortin. You say you got 10,000 temporary employees back. I thank you for that, because one of my concerns was whether, during the crisis, these employees had been fired. You say you called them back and now you have 60,000 employees. I'm glad to hear they're protected too.

The volume of parcels you handle is greater, but is the type of parcels different than usual?

• (1125)

**Ms. Manon Fortin:** That's a very good question, because there has indeed been a change in the kind of packages we handle.

Under normal circumstances, we process and deliver 700,000 to 800,000 items per day. We currently process and deliver between 1.5 million and 2 million items per day.

Usually 60% of the items are small packages, for example, a sweater ordered from Simons. The remaining 40% are larger packages, such as an Apple computer, that don't fit in a mailman's bag. However, we have seen big changes in the type of packages.

This is because right now, since people only have the option to order online, they order more items from the same supplier. So we've seen the size of the packages increase. There are fewer small ones, more big ones, and many more oversized packages, like canoes. We are not equipped for that. Our operations are designed to handle a lot of small parcels, 40% regular parcels, and perhaps 1% oversized parcels.

**Mrs. Julie Vignola:** I understand that packages are scanned for things that are not allowed into Canada. Do oversized packages complicate this analysis and lengthen the delays?

**Ms. Manon Fortin:** The majority of oversized packages arrive from Canada, from Ottawa, in fact, where one of our major customers is located. The contents of these packages are not analyzed. On the other hand, the size of the items is analyzed to determine whether our employees are able to handle the packages safely.

In terms of what happens internationally, as you know, we have three processing offices where we have customs teams that check every item that comes into the country.

[*English*]

**The Chair:** Madam Fortin, I'm sorry to interrupt. Our interpreters are asking if you could hold the wire rather than the microphone itself.

[*Translation*]

**Ms. Manon Fortin:** I'm sorry.

**Mrs. Julie Vignola:** A few years ago, Canada Post had to close some of its processing centres, particularly the one in Quebec City. As a result, for more remote regions, such as the Nord-du-Québec, Côte-Nord or Îles-de-la-Madeleine, parcels now have to transit

through remote locations, such as Montréal, before being sent to their destination.

In a situation like the one we're in now, would having treatment centres closer together have significantly improved the speed of treatment?

[*English*]

**The Chair:** Give a very brief answer, please.

[*Translation*]

**Ms. Manon Fortin:** That's a good question, thank you. We have a processing centre in Quebec City. In the current situation and given the volume of packages we handle, I think it would have been difficult for us to do better.

• (1130)

[*English*]

**The Chair:** Thank you very much.

[*Translation*]

**Mrs. Julie Vignola:** Even with additional centres, it would have been difficult to do better?

**Ms. Manon Fortin:** Yes.

[*English*]

**The Chair:** We'll now go to Mr. Green for five minutes, please.

**Mr. Matthew Green (Hamilton Centre, NDP):** Thank you, Mr. Chair.

I really feel compelled to begin my time by stating my deep disappointment that Amazon was unable to find time to join us in this committee.

We know certainly the consternation around the contract, how it was communicated, how it evolved and some of the gaps in the answers we received in previous committee meetings.

I have to share with you that during this pandemic I've had an opportunity to look into our standing orders. Quite frankly, under Standing Order 113(5) and 113(6), I'm reminded that standing committees have the power to send for persons, with no limitations noted in the applicable standing orders of Standing Order 108.

I share that because as we go into the summer months I feel that we ought to have really strongly urged Amazon to find time to be here. I'm very disappointed, if not a bit upset, that they couldn't make time, given their relationship with this government.

I'll begin with my questions to Canada Post.

**The Chair:** Mr. Green, I'm sorry and I won't dock you any time for this, but our interpreters have just informed me that they're having quite a bit of difficulty hearing you. The audio level is quite low. Could you perhaps speak a little louder or closer to your microphone, please?

**Mr. Matthew Green:** I'm happy to do so. I will state, though, that it feels a little as though it's a person-to-person thing. I've been on a technical briefing before, I logged on 15 minutes early, and I have a studio-quality microphone.

I'll speak louder, but I don't want Canada Post to feel as though I'm yelling at them, because I am a bit fired up over Amazon.

Canada Post, if it sounds as though I'm yelling, it's not at you; I'm really just upset at Amazon and I've been told that you can't hear me.

Mr. Lukiwski, how is that? Is it okay?

**The Chair:** It sounds better to me. I'm just worried about our interpreters. If they give me another intervention, I'll get back to you, but please, go ahead.

**Mr. Matthew Green:** I will also note that their fatigue in the work they do is very challenging and very difficult. I do want to acknowledge that.

On April 24, 2020, the Minister of Public Services and Procurement told the committee that Amazon Canada was selected to distribute medical supplies because it responded to PSPC's call to action. In response to a question from a committee member, she further explained that the federal government selected Amazon Canada because, unlike Canada Post, it has an online platform through which provinces and territories can place orders for medical equipment and supplies.

I think we heard earlier in this committee Mr. Jowhari suggest that Canada Post brought on Amazon. We know that not to be true.

Did Canada Post and Purolator respond to this call to action independent of Amazon?

**Ms. Manon Fortin:** That's a good question.

It wasn't independent of Amazon. From the start—

**The Chair:** Colleagues, I apologize once again for the interruption. I'm going to have to suspend the meeting for a few moments.

Mr. Green, for some reason, and I don't think it's coming from you personally, our interpreters can't pick up any of the sound.

**Mr. Matthew Green:** Do you know what it could be? Because I've been having troubles with translation, I'll go to the floor sound. I found that with interpretation on the English channel, it sometimes muted the settings.

How is that? Is that better for them?

**The Clerk:** Mr. Chair, sorry to interrupt.

Mr. Green, unfortunately they're indicating to me that it is not.

Mr. Chair, might I suggest that we proceed to the next questioner, one of our technicians can call Mr. Green, and then you can return to Mr. Green to give him his time afterwards? Would that be permissible?

**The Chair:** It works for me.

Mr. Green, if that's agreeable to you, we'll see if we can get the technical difficulties sorted out. You will not be docked any time. We will certainly get back to you to give you your full speaking slot. How's that?

**Mr. Matthew Green:** I'm okay with it.

**Mr. Majid Jowhari:** Mr. Chair, on a point of order, I just want to clarify that I did not, in my statement, make any indication that

Canada Post brought Purolator on. With the three of them working together, I wanted to understand the nature of the collaboration. That's all.

**The Chair:** It's not a true point of order, but thanks for your clarification.

We'll now go to a four-minute round and get back to Mr. Green as quickly as possible.

**Mr. Matthew Green:** As a point of order, I've changed my headset. Because I'm fourth party here, I don't want to get squeezed out. I want to make sure that I have time to ask these questions.

**The Chair:** Certainly.

Interpreters, are you able to hear Mr. Green better now?

**The Clerk:** Mr. Chair, I'm hearing interpretation now.

Mr. Green, could you continue using your headset? The interpreters are indicating that the sound is better. Thank you.

• (1135)

**Mr. Matthew Green:** On April 24, 2020, the Minister of Public Services and Procurement told the committee that Amazon Canada was selected. You heard the preamble. Did Canada Post and Purolator respond to this call of action independently of Amazon?

**Ms. Manon Fortin:** No, we did not. The call came at the same time. We all joined the working sessions together and worked together to provide the solution to the government.

I should clarify our relationship in that arrangement. We are already service providers to Amazon for the distribution of packages, so the last-mile delivery that we do on behalf of the government for this personal protective equipment is guided by the Amazon system; therefore, we bill Amazon for the services. However, the solution design was done with the three parties together throughout.

**Mr. Matthew Green:** Do you not have the capabilities to provide these services absent of Amazon?

**Ms. Manon Fortin:** We don't. One of the requirements at the beginning of the process was that PHAC wanted to be able to distribute to not just 14 health organizations, but to 3,400—I think it's 3,400 or so—hospitals and all types of health organizations and be able to put those orders through a system. We have very good systems to accept boxes, and Purolator to accept pallets, but we do not have a system to manage orders for 3,400 addresses; Amazon does.

**Mr. Matthew Green:** To try to better understand the relationship of this public-private partnership, on April 24, 2020 the deputy minister of Public Services and Procurement told the committee that Amazon Canada, Canada Post and Purolator are offering these services at “no profit for the first few months, and we'll go from there”.

What is the nature of these for-profit agreements, and have they kicked in? What do they look like?



**Ms. Manon Fortin:** I can't speak to those agreements. As I said, our relationship on the services we provide is with Amazon. I'm not privy to the agreement that Amazon has with PHAC, I'm sorry.

**Mr. Matthew Green:** However, you are an agency of the Crown.

**Ms. Manon Fortin:** Yes.

**Mr. Matthew Green:** Can you share with us if you are currently in a for-profit agreement with Amazon as it relates to the COVID response?

**Ms. Manon Fortin:** We would be charging the rates we typically charge for Amazon shipments.

**Mr. Matthew Green:** Has that always been the case?

**Ms. Manon Fortin:** Since the start of this arrangement? Yes.

**Mr. Matthew Green:** Then how is it that a member from the ministry can suggest that this was at no profit for the first few months? Did Amazon then swallow the losses on the margins that you were charging back to Amazon?

**Ms. Manon Fortin:** I can't answer that question. I think that's something that Amazon could answer themselves.

**Mr. Matthew Green:** They could if they were here, but unfortunately they're not, so we're trying to figure out the scope and the scale of this arrangement. How long is the contract that you currently have with Amazon for the COVID response?

**Ms. Manon Fortin:** That I can answer. In terms of the services we provide, Purolator and Canada Post get the shipments distributed across the 14 organizations, and we know that those services will end mid-July.

**Mr. Matthew Green:** Are there any current contract talks?

**The Chair:** Mr. Green, even with the additional time, unfortunately we're out of time now.

**Mr. Matthew Green:** Hopefully I'll have another round. Thank you.

**The Chair:** I hope you will as well.

We'll now go to the second round, and these are four-minute interventions starting with Mr. McCauley.

**Mr. Kelly McCauley:** Thanks again for the answers you've been providing for us.

I'm relatively short on time. Are we or Canada Post experiencing an uptick in the porch pirate thefts of items when you do your knock-drop-and-go for safety?

**Ms. Manon Fortin:** We don't track theft of parcels. We do track calls that we get from customers who have problems with delivery, and we certainly have not seen any increase or changes in those trends.

• (1140)

**Mr. Kelly McCauley:** You mentioned the temporary workers you're hiring. Are these ones who have past experience with Canada Post? Did you just bring back the Christmas folks, or are there added people on top of that?

**Ms. Manon Fortin:** It's both. At the very start of the pandemic, when we knew that we would need extra hands, we called on our existing 10,000 temporary employees who help us through the year.

They are already trained, know our operations, and can easily fit into the work that we require them to do. As the pandemic continued, and we clearly saw that the volumes were not going to be less than what they had been and the trend continued, we started calling our Christmas casuals back into the operation. Many of them have joined.

Also, we are in the process of recruiting additional temporary employees. We're in the process of recruiting in our big centres, because we know we'll have to go to more of a 24-7 operation and to making those positions permanent.

**Mr. Kelly McCauley:** Fantastic.

Anecdotally, do you have any evidence of difficulty hiring people because they prefer to stay on the CERB at this time? We're hearing a lot of feedback in Edmonton from local employers. Are you experiencing that difficulty at all?

**Ms. Manon Fortin:** Actually, recruitment has been a challenge for the last couple of years, given the high employment. We've always had difficulty staffing new positions, but our human resources colleagues are saying that there are more available employees than not as we recruit.

**Mr. Kelly McCauley:** You mentioned the plexiglass and the PPE you're providing. Do you have any idea how much that's going to be a hit to your bottom line over one year? Obviously, it's required, but....

**Ms. Manon Fortin:** Obviously, we've been focused on serving Canadians, getting through this backlog, and making sure our employees are safe and the communities we serve are safe. We haven't had a chance really to calculate everything. We do know that the supplementary hours we've added amount to several million dollars of additional costs.

**Mr. Kelly McCauley:** Have you had any trouble procuring masks, gloves, etc.?

**Ms. Manon Fortin:** At the beginning, as—

**Mr. Kelly McCauley:** And where are you getting them from?

**Ms. Manon Fortin:** We have several suppliers.

At the beginning of the pandemic, everybody was looking for the same products, and so it was a bit of a challenge back then, but our procurement team did a fantastic job quickly turning around and being able to provide all the products that were required as personal protective equipment for our employees.

**The Chair:** Thank you very much. We'll now go to Mr. Weiler for four minutes, please.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Mr. Chair, and thank you to the witnesses for joining our committee today.

It's really incredible to hear of the major changes happening at Canada Post and Purolator, and the immediate addition of so many workers. It sounds like some major shifts are happening with Canada Post. Given the extra costs with adding PPE, with social distancing as well as the increase in parcel delivery, what has that meant to the bottom line of Canada Post?

**Ms. Manon Fortin:** You might have seen the first quarter results of Canada Post. There was a loss, before tax, of \$66 million. The impact at the time.... The parcel increase was minimal. Now, as we move into April, May and June, there have been some pretty significant changes to our business. Parcels went up from 40% to 50%. There are now more parcels in our operations, and it's as busy as Christmas on that front. Letter mail has come down 18% as we go through the pandemic. Our direct marketing business, which is advertising mail, has been significantly impacted—64% down.

Time will tell where all of this will land, but you're absolutely right; there's been a significant shift in our business from—

• (1145)

**Mr. Patrick Weiler:** Sorry, do you see some long-term changes to your business model going forward?

**Ms. Manon Fortin:** Yes. You will have seen our 2019 financial results, where we reported a loss. We reported that parcel numbers continued to grow, but not at as fast a pace as we expected. At the same time, our letter mail and direct marketing or advertising mail went down.

Our business is slowly shifting from a mail business to a parcel business, and it has proven itself out during the pandemic even more how big of a role Canada Post can play in that. Yes, we will definitely see some permanent changes to our operation.

**Mr. Patrick Weiler:** I've heard that Canada Post is taking steps to help those at risk, including seniors. Could you provide a little more detail about that?

**Ms. Manon Fortin:** Yes. We have special leave provisions in our collective agreement. As I said before, our top priority from the start has been the safety of our employees and taking guidance from Public Health in how we manage and change our policies, practices and approaches. Right now, we have 2,289 employees on what we call "high-risk leave". Those are people who are 70 or older or who have pre-existing medical conditions that put them at risk. Of those, 241 are 70 and older, so the high majority of our employees on high-risk leave have pre-existing medical conditions.

Also, with schools closing and day care not being available, we've provided for child care leave: 828 employees are currently on that leave, and 120 employees for elder care. Out of all that, many have come back to work, so—

**The Chair:** Thank you. We're going to have to cut it off there. We're very tight for time.

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

**Mr. Kelly McCauley:** Thanks very much.

I want to switch over to Purolator. I'm just wondering if you can give us some idea how you're managing the health and safety of your employees and the community you're serving throughout the COVID crisis.

**Mr. Ryan Persad:** Thanks for the question.

As always, the health and safety of our employees and the communities we serve are a top priority for us. Thankfully, we're prepared and we've planned very early. We have been working closely with public health organizations and global health experts to execute safety protocols to keep our employees and customers safe.

We've put in place advanced sanitation practices in every terminal and retail location, and we've increased the frequency of sanitizing all 170 of our operating facilities. All employees at our terminals have access to personal protective equipment and hand sanitizer. We are also conducting contactless deliveries through our retail stores and through our network, for example through verbal signature capture and curbside pickup. We're maintaining vigorous sanitization and physical distance standards across our network. We're also following through contact-tracing programs to effectively isolate and contain the risk of COVID-19.

**Mr. Kelly McCauley:** All right, thank you.

Last year, Purolator launched a growth and innovation plan. Can you give the committee a bit of an overview of that?

**Mr. Ryan Persad:** Sure. Thank you for the question.

Last year, Purolator announced a \$1-billion growth and innovation investment plan to modernize its operation and enrich the experience of our customers in a digital world. Called "delivering the future", it is the most ambitious investment in Purolator's history. It includes a state-of-the-art national superhub, new fleet vehicles, e-bikes, leading digital technology for our couriers and more.

I'm pleased to say that we continue to invest in the future, despite the extraordinary circumstances during the past few months.

**Mr. Kelly McCauley:** Where's the superhub?

**Mr. Ryan Persad:** It's close to the airport, right north of Humber College.

**Mr. Kelly McCauley:** Why not in West Edmonton?

**Mr. Ryan Persad:** We needed it to be in a central geographic and population area, obviously, serving Canadians.

**Mr. Kelly McCauley:** Oh. For shame, for shame.

How is Purolator coping with the huge uptick in demand for parcel delivery? Are you having the same employee growth, bringing back the temporary people?

• (1150)

**Mr. Ryan Persad:** Yes. I'm pleased to say that we've experienced extremely high demand for our services. Our volumes are at record levels, similar to those of Canada Post, and we're seeing significant new business opportunities flow into our network.

As you know, our network is built for speed, safety and reliability. The demand is definitely outpacing capacity, which is challenging the entire industry. We have a detailed volume management plan in place to manage this. We are increasing the capacity of our network through hiring more than a thousand new employees and through innovations such as expanding our mobile quick stop network. We've been hearing positive feedback from our customers that we're on track and we're helping them recover from the challenges of the past few months.

**Mr. Kelly McCauley:** Thank you.

How much time do I have, Mr. Chair?

**The Chair:** Very little, Mr. McCauley.

**Mr. Kelly McCauley:** I'll cede my time.

**The Chair:** Thank you.

Mr. Kusmierczyk, go ahead for four minutes, please.

**Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.):** Thank you very much, Mr. Chair.

Thank you very much for your testimony. We really appreciate the excellent insights you've provided from Canada Post.

I do have a question. I've heard that Canada Post is taking some steps to help those at risk, including seniors. I wonder if you can provide a bit of detail in terms of some of the additional services that are being provided by the folks at Canada Post.

**Ms. Manon Fortin:** Absolutely. We have a mandate to serve all Canadians across the country. We understand that our service is essential, particularly to seniors. We're working hard to safely serve them.

There are a couple of things. We've reserved the first hour of our post office total schedule of service for those who are most vulnerable, including our senior citizens.

We've worked right from the start with the long-term care homes to ensure that mail is delivered to their patients and the people who are in those homes. That has been different for each one, depending on where they are and what has been happening in the long-term care home, but we've been extremely flexible in order to meet their requirements.

**Mr. Irek Kusmierczyk:** Thank you very much.

We've heard of some banks closing branches in rural areas and northern communities, such as in B.C., and whatnot. I understand there was a pilot project or an agreement in place with Canada Post potentially looking at postal banking as an option. I wonder whether that has been explored any further and whether you have any update on that.

**Ms. Manon Fortin:** I'm from operations and logistics, so I don't have information on that pilot. I'd be happy to provide it for the committee and follow up with the committee on that. I'm not familiar with it.

**Mr. Irek Kusmierczyk:** Okay, great. That isn't a problem.

Lastly, we know that small and medium-sized businesses are facing a huge crunch and major challenges during the COVID crisis.

What steps has Canada Post taken to support small and medium-sized businesses in any way?

**Ms. Manon Fortin:** Small retailers are certainly ramping up their online operations, and we are so proud to support them. They're a large part of our customer base. At the end of April, we started providing small businesses with additional discounts for shipping to support them during this difficult time. We provided further discounting on local shipping to support their shipping packages to customers in their local communities. After six weeks, we're happy to report that more than 80,000 small businesses across Canada have taken advantage of the discounts we're offering.

We've also introduced some marketing offers to help small businesses connect with customers in their local community, and we've been communicating this program broadly through all media, some of which you might have seen on television with our "Think Small" ads.

**Mr. Irek Kusmierczyk:** That's great.

Thank you very much.

**The Chair:** Thank you.

[Translation]

Mr. Barsalou-Duval, you have the floor for two minutes.

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

The last question that was asked concerned small and medium-sized enterprises, which is timely. I've been following what's been said in the media lately. On May 20, an article in *La Tribune* talked about a local entrepreneur who wanted to sell his goods. He noted that he had to pay between \$7, \$11 and \$12, whereas, for the same package, a Chinese man had to pay less than \$1 to send it here.

I'd like to know how that can be explained. There's distance, an ocean to cross and customs to clear. In addition, as you said, you offer assistance to SMEs.

● (1155)

**Ms. Manon Fortin:** That's a good question. Thank you. However, I couldn't tell you what the costs are for parcels from China compared to the costs of parcels from our small businesses that are delivered here.

I'll be happy to forward this information to you.

**Mr. Xavier Barsalou-Duval:** Do you know if there are special deals with China that allow them to get discounts that people here don't get?

**Ms. Manon Fortin:** We have agreements under the aegis of the Universal Postal Union with most countries, but I am not aware of the specific agreement with China. I'll be sure to send you that information.

**Mr. Xavier Barsalou-Duval:** All right.

You're overwhelmed because you have a huge volume of packages these days. At Purolator, they're as overwhelmed as you are, but their delivery delays are shorter than yours. How do you explain that?

**Ms. Manon Fortin:** I can't speak for Purolator...

[*English*]

**The Chair:** Unfortunately, we're completely out of time, but I will ask that you please complete your answer in writing as soon as possible and deliver it to our clerk.

Our final two-minute intervention will be from Mr. Green.

**Mr. Matthew Green:** Thank you, Mr. Chair.

I will pick up where I left off. Could the witness expand on any negotiations that are happening, understanding that we're certainly going to need logistic supports in COVID through the summer and into the fall?

**Ms. Manon Fortin:** I'm sorry. I missed the first part of your question.

**Mr. Matthew Green:** The first part of the question is exactly where I ended. I'm asking if you can elaborate on what negotiations you have currently with the government to extend your contract beyond July, knowing that we're going to have to deal with this COVID situation into the fall.

**Ms. Manon Fortin:** Currently, there is no negotiation. As regards our role in the distribution of personal protective equipment for Canada Post, we now say that it is complete. Of course, if we're asked to come back and work with the government or any other companies to distribute the equipment, we will be there to support that, but our role is definitely.... There is no negotiation going on for a continued role.

**Mr. Matthew Green:** That is startling.

Understanding the financial disruptions that COVID would place, and understanding the 2016 report from Ernst & Young, what impact has the pandemic had on Canada Post's financial sustainability?

**Ms. Manon Fortin:** As I said, our mandate is to serve all Canadians and to be self-sustainable and self-sufficient. Our immediate focus is clearly on operating through the current challenges. I spoke a bit to the volumes and how the business has changed through the pandemic.

On the revenue side, as I said, the parcel volumes are up significantly, by 50%. There are days when we deliver two million packages, a volume we normally see only during Christmas. Our letter mail is down 13%, and our direct marketing is down 60%—

**The Chair:** Unfortunately, Madame Fortin, we will have to terminate the rest of your answer now because I will briefly suspend this meeting, but not before I thank you and Monsieur Persad for

your presentations today. They've been informative and very, very helpful.

You are excused.

Colleagues, we will suspend for just a moment or two while we prepare for our next panel of witnesses.

We are suspended.

● (1155)

(Pause)

● (1200)

**The Chair:** I will reconvene the meeting now.

Colleagues, just a reminder that I need 10 minutes at the end of this meeting to go over some business, so I do not think we'll be able to get a complete round of questions in, but we'll go as far as we can.

We'll start with five-minute opening comments by our witnesses.

[*Translation*]

Mr. Gentès, you've got five minutes, please.

[*English*]

Unfortunately, Mr. Gentès, we cannot hear you. There is no audio coming through.

**Mr. Jean-Philippe Gentès (President, Galenova Inc.):** Oh, sorry. I did mute myself.

Hello, everyone.

My name is Jean-Philippe Gentès. I'm a pharmacist by trade. I am also a pharmaceutical entrepreneur. Since 2006, I've been the owner and operator of three businesses that employ 210 people. All businesses are located in Saint-Hyacinthe, Quebec, Canada.

I am in the field of pharmaceutical chemical distribution and importation of materials and medical devices, and I also now manufacture hand sanitizers. I also own a compounding pharmacy from which we service pharmacies throughout the province of Quebec and hospitals throughout Canada. We prepare ready-to-use drugs for them that the pharmaceutical industry cannot manufacture, for various reasons. I am also in the field of injectable drugs and biological injectable drug manufacturing.

I would say that COVID-19 put a lot of pressure on the supply chain and the manufacturers of medical supplies and drugs. When it comes to medical devices, glove deliveries from regular manufacturers have been constantly delayed and pushed back. Also, we've seen important price increases in most of the personal protective equipment in the past few months. I would say it's something ranging from 25% to 200%.

Although we've seen good intentions and a nice opportunity given by the Canadian government to allow more manufacturing of hand sanitizers, I would say that a lot of those companies out there are not from the pharmaceutical world. Thus, today they are not respecting the basic regulations on natural product manufacturing. I think this could lead to poor quality and substandard product being available on the market that could cause certain risks to Canadians.

I'd also like to take some time to raise a concern about the technical-grade alcohol that is being used today in the manufacture of certain hand sanitizers available on the market. As the committee might know, technical-grade alcohol contains a lot of impurities, higher than the normal acceptable grade of alcohol that is being used for the manufacturing of hand sanitizers. Sometimes we're talking about 100 times over the regular grade. I'm thinking mainly about acetaldehyde. This has been evaluated by a task force from Health Canada. Despite the fact they're looking at the worst-case scenario, they say the concentration of acetaldehyde that is present in the product can increase the cancer risk from both dermal and inhalation exposure when applying hand sanitizers, and this should not be considered negligible.

Basically, they consider that the risk for the short term is okay under the COVID-19 circumstances, but today I would say that with the pandemic coming more and more under control, there should be a reconsideration of this policy. Although price-wise I think there's an incentive for manufacturing to use technical-grade alcohol—because it sells for one-third to one-half of the price of the acceptable pharmaceutical grade ethanol—I think the low price of technical-grade alcohol should not be a justification to continue using such a product.

Also, I'd like to take some time to discuss manufacturing sustainability.

I think that COVID-19 was a big eye-opener for all of us. During the past years, we lost a considerable number of manufacturing sites in Canada in the health care environment. Long-term lowest-bidder policies have had several important side effects on the health of our manufacturing system. Low prices encourage the use of product manufactured outside of Canada, where labour is cheaper and where quality could not always be at the same level as Canadian standards. Is it normal to pay more for a bottle of water than an injectable dose of a vital product? Is it normal that we pay more for Smarties than pills?

I think the lowest-bidder strategy led to decreasing product quality, lower investment in plant equipment and quality, and plant closures. This had important side effects—

• (1205)

**The Chair:** Unfortunately, M. Gentès, we're completely out of time. We are tight for time.

**Mr. Jean-Philippe Gentès:** Thank you very much.

**The Chair:** We'll go to Mr. Philip for five minutes.

Go ahead, please.

**Mr. Ernie Philip (President, Medline Canada):** Thank you.

My name is Ernie Philip. I'm the president of Medline Canada.

I'm actually glad to hear the passion of the committee; I'm also personally passionate about this topic. On behalf of our 500 employees, whom I am so very proud of and want to thank, I really appreciate the time of this committee.

At Medline, our passion for purpose is together improving lives. We know that the items we provide to Canadians have a direct impact on people's health.

For context, Medline Canada is an approximately half-billion dollar company, which makes us one of the largest medical supply companies in Canada. We sell Medline-branded products, as well as other manufactured products, through the entire continuum of care: hospitals, long-term care communities, physician and dental offices, as well as two retail stores, one located in Quebec and one located in Ontario.

We can deliver very quickly through our distribution network of warehouses located in Delta, B.C.; Edmonton; Winnipeg; Halifax; Newfoundland; as well as two in Ontario and two in Quebec. We sell tens of thousands of items, including PPE items like gowns, gloves, masks and sanitizers. We also sell items in a number of other large product categories, like incontinence products, skin and wound care products, and sterile procedure trays, as a few examples.

We source products through our manufacturing and contract manufacturing network throughout the world. For example, in Asia we have approximately 600 contracted factories, and we have approximately 350 employees on the ground doing quality and regulatory functions.

We also have access to the manufacturing capabilities of Medline Industries in the United States and in Mexico, and we have many, many relationships with factories right here in Canada.

We work with, and are so appreciative of the work we have done with, the GPOs, the SSOs, the regional health authorities and numerous other government agencies, including those in the federal government, to source incremental PPE items.

I'm very proud of our company. We have, for example, taken a very long-term view of the market. We are a health care company, and during the beginning of COVID-19, our "together improving lives" morals and values were what guided us. We didn't divert products to higher-margin commercial companies like banks; we took our inventory and allocated it directly to front-line workers in hospitals and long-term care facilities, and we tried to be a strong voice, telling our customers to be very careful of short-term brokers, in some cases lawyers, who were in this for short-term profit, asking for large deposits and potentially not being heard from again. We were that constant voice.

We are not in this for short-term profit. We're here, together, to improve the lives of Canadians.

We're really hoping that through this, all levels of government will have a long memory of those companies and industries that lived these values and morals. I certainly would not proclaim that we are a company that's perfect, but we will continue to be vulnerable; we will continue to be honest and we will continue to learn and get better as a company.

I appreciate everybody's time. Thank you.

• (1210)

**The Chair:** Thank you very much.

We'll now go to our five-minute rounds of questioning, starting with Mr. Aboultaif.

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Good morning, Mr. Philip and Mr. Gentès. I welcome you to the committee this morning. Congratulations on your successes in your businesses.

Mr. Philip, you have 500 employees and 600 contract factories in Asia. This is a lot of capacity. It's a big company.

Have you looked into starting to produce more in Canada now or in the past? Have you thought about producing more in Canada just to maintain quality control? You mentioned that you have about 300 people on the ground trying to track down the product and make sure the quality control is in place and so forth, which is a normal practice for respectful companies bringing product into Canada, especially in the medical field.

Are you looking into expanding further in manufacturing—basically self-reliance—in Canada, rather than bringing product from outside?

**Mr. Ernie Philip:** Thank you for the question—great question. It's two-pronged.

We've legitimized and continue to legitimize our supply chain by taking advantage of opportunities around the world where we need capacity, especially when you have the unplanned, huge demand spikes that we have obviously seen over the last 100 days.

However, we are looking at doing some manufacturing in Canada. We have some warehouse space that we're expanding in Ontario as well as in Quebec. We have a formal bid in to make masks in Canada, with the Province of Ontario, so it will be multi-pronged.

• (1215)

**Mr. Ziad Aboultaif:** Where's the difficulty for you to expand on the product lines? With PPE, there are many elements, many items that you can manufacture. Where do you think you're disadvantaged?

I know that labour is one, and government policy like taxation, carbon tax and others can sometimes get in the way of being efficient in producing product at a price. On the other side, you have to move the product. Logistically, there's a cost. Also, the waiting time could be another step you have to overcome.

What do you expect the government to do for your manufacturing sector to be able to produce more product in Canada?

**Mr. Ernie Philip:** There are a couple of questions in there. You're right, and that's why we use a lot of local manufacturers as well in Canada, for things like sanitizers, etc.

I think you've hit on the two big issues. The last one would be raw materials. For example, with regard to something like melt-blown, which is used for the middle layer to filtrate in medical-grade masks, there are no manufacturers here in Canada. They're in Asia, and there are seven in the United States. So just making sure we have the raw materials available to make them is extremely im-

portant—or at least to be able to stockpile them. That would change some strategy going forward.

I feel that there's a third question, or something else you might have said that I missed.

**Mr. Ziad Aboultaif:** The question is on economy of scale. That is an important factor in determining the final price of the product, and that is known in the manufacturing sector. If you have the volume, you can produce more product, and the economy of scale works to your advantage, as well as to that of the end-user at the end of the day.

Have you looked at that model to see how you're going to produce in the future? As I said, reliance on the local market and local production is very important.

**Mr. Ernie Philip:** We have, and we've dialled in on masks. Medical-grade masks are where we see an opportunity in Canada, for sure.

**Mr. Ziad Aboultaif:** Okay.

Mr. Gentès, you mentioned a low-grade product, what you call “technical-grade alcohol”, that is coming this way, and that it may have a long-term effect, not so much short-term. While we can produce the alcohol product, the hand sanitizers, locally in Canada, how much of a price difference are we looking at? Cost-wise, how much of a difference are we looking at between the imported product and producing it here?

**The Chair:** Please give a very brief answer, sir.

**Mr. Jean-Philippe Gentès:** There are multiple sources. If we want to buy locally, we have prices ranging from \$3.50 to \$9 a litre for ethanol. If we buy from China, we can buy the same kind of ethanol for \$3 and maybe a bit lower. If we source for technical-grade alcohol, we have a price of around \$1.50 per litre.

**Mr. Ziad Aboultaif:** Thank you.

**The Chair:** Thank you very much.

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

**Mr. Majid Jowhari:** Mr. Chair, I will be yielding my time to Mr. McCauley. Sorry, I meant Mr. MacKinnon.

My apologies.

**The Chair:** I was going to say, that would certainly be a surprise.

Mr. MacKinnon, please.

**Mr. Kelly McCauley:** Share your time with me, Mr. MacKinnon.

**Mr. Steven MacKinnon (Gatineau, Lib.):** That's not likely, Mr. McCauley, as intelligent as your questioning usually is.

[*Translation*]

Good morning, everyone.

Hello, Mr. Gentès. I want to say bravo for your entrepreneurship!

Mr. Philip has identified the opportunities he sees in the future. How do you view the future for your personal protective equipment or chemical formulations?

How do you see the opportunities for domestic growth for you or the industry you are a part of?

• (1220)

**Mr. Jean-Philippe Gentès:** It is interesting to note the open-mindedness that the COVID-19 pandemic has brought about in the population. The crisis has also changed the government's view of the security of supply, including the supply of drugs and protective equipment. I think we've taken a big step forward.

As a company, we can choose to focus on our local manufacturers and rely on the security of our drug supply. We will then have to be aware that we will pay more for these products. If that is the societal choice we make as Canadians today, I see a very bright future for these kinds of companies in this country, many of which have been relocated to Asia because of the costs.

In my company's case, the crisis has created opportunities. So we started to produce hydroalcoholic gel, a vein that we had never thought of exploiting in recent years. This new production allowed us to avoid layoffs and remain self-sufficient, since we did not need government assistance programs. This production also allowed us to offset losses in other sectors caused by the COVID-19 pandemic, including the drop in activity in the hospital sector due to the cancellation of many surgical procedures. Like any good entrepreneur, we saw a good opportunity and made a good decision.

**Mr. Steven MacKinnon:** That's the irony of the situation.

**Mr. Jean-Philippe Gentès:** That's exactly right.

There are fewer shortages when everything's local. If products are manufactured locally, we control supply chains and are less likely to experience stock-outs, whether of medical protective equipment or drugs. Over the last 10 years, the number of drug stock-outs has increased and become catastrophic.

**Mr. Steven MacKinnon:** You're right to say that it's disturbing and we definitely need to rectify this.

What makes us uncompetitive? Why have we lost market share of these products to foreign, especially Asian, manufacturers?

Beyond subsidies, since subsidies raise problems in the application of trade agreements, how could the government help the sector? What conditions could it provide to promote growth in the markets you're talking about?

**Mr. Jean-Philippe Gentès:** I've already spoken about it briefly. It is important to focus on quality when it comes to tendering strategies. Of course, this should not be done entirely at the expense of cost, but I believe that the weighting of local origin and the quality of a product must be sufficiently important to reduce the consequences that the difference in costs could have. We have to make societal choices: if security of supply is important to us, these tenders are one way of showing it.

In terms of market share, I think there are several reasons why we lost it. In 2008, Québec and Canada were leaders in the biopharmaceutical field. Unfortunately, we lost many of these companies during the economic crisis. They are extremely expensive to start

up and you have to be able to support them after their products are commercialized because, unfortunately, Canadian innovation...

[*English*]

**The Chair:** Thank you very much.

[*Translation*]

**Mr. Steven MacKinnon:** Thank you, Mr. Gentès.

[*English*]

**The Chair:** Unfortunately, because of our shortness of time, we'll have to cut you off there.

[*Translation*]

Ms. Vignola, you have five minutes.

**Mrs. Julie Vignola:** I thank all the witnesses for being with us.

My questions are for you, Mr. Gentès.

You started producing antiseptic gel, which saved your company. However, any new production has a financial impact. What were the financial consequences of the reorganization of your production?

**Mr. Jean-Philippe Gentès:** We're relatively lucky. We have had to invest only modest sums since our everyday job is to be the artisan of a pharmaceutical company. We already manufacture a lot of low-volume items. Compared to what I would do in a large company, my day-to-day job is to send hundreds of small packages across the country by Purolator. Most of what I produce every day fits in a package that's six inches per side. This redevelopment was therefore a natural step.

We're not a big manufacturer that produces a lot. We've been careful, as always. What's important is the 120 people who work for our company making antiseptic gel and whom we wanted to keep. This loyalty is the most important thing for us, since we experienced recruitment problems not so long ago. Maybe today's reality will be quite different.

• (1225)

**Mrs. Julie Vignola:** On the subject of transportation costs, have you had any problems with supply or customers who have said that it takes time? Have your transportation costs increased?

**Mr. Jean-Philippe Gentès:** No, our transportation costs have not increased. Unfortunately, however, we are having problems with Purolator. Order processing times have increased significantly. Normally, medicines should not spend more than five days in the transport vehicle, because the temperatures where the packages are are extremely high.

We must look to alternative solutions or other carriers to ensure that our packages are delivered within 24 hours, which is the level of service we received from Purolator prior to the pandemic.

**Mrs. Julie Vignola:** Delivery times have gone from 24 hours to three, four or five days, roughly speaking.

I've used Purolator and other delivery services before. The payment for my purchase often included insurance. If the package arrived after three days, the payment was refunded to me. Is that still the case?

**Mr. Jean-Philippe Gentès:** No, not for us. We have so much volume that it would cost too much to insure all shipments. Ultimately, it's always the customer who pays. Normally, the loss is written off, the process is repeated and the product is reshipped.

**Mrs. Julie Vignola:** I see.

You said prices in China are much lower than here. You may have said this before, and perhaps I missed it, but where are your isopropyl alcohol suppliers primarily located? Did you have to deal with new suppliers?

**Mr. Jean-Philippe Gentès:** Currently, for our hydroalcoholic gel, we use ethanol instead of isopropyl alcohol. On the other hand, we also buy isopropyl alcohol and have had to turn to new suppliers.

When it comes to ethanol, we have multiple sources of supply. We try as much as possible to encourage local suppliers. We have started to do business with a new distillery that opened up. We bought their first 10,000 litres of ethanol. It cost us a lot more, but I think it's important to encourage local production.

Today, unfortunately, it is a hybrid supply from Canada, Asia and Brazil. We are trying to get ethanol of acceptable quality. We have chosen not to use technical alcohol, even when Health Canada has allowed it.

**Mrs. Julie Vignola:** I see.

What do you think explains the price differences?

Of course, it is easier to deliver ethanol that is produced locally. When ethanol is produced in China, even if there are labour costs and you use the same ingredient, it has to travel across the planet to get here, and across the continent if it comes from Brazil.

Why can't we get comparable prices in Canada? Is it because we don't put enough pressure on our suppliers?

**Mr. Jean-Philippe Gentès:** It's the law of supply and demand. If there is too much demand and too little supply, unfortunately, prices go up.

**Mrs. Julie Vignola:** Of course.

**Mr. Jean-Philippe Gentès:** I don't know if it really costs more. Unfortunately, I don't make my own ethanol.

**Mrs. Julie Vignola:** You pay for it, though.

Thank you.

[English]

**The Chair:** Thank you very much. Unfortunately, Mr. Gentès, we have to end it there.

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

**Mr. Matthew Green:** Thank you.

We've heard questions about quality control as it relates to some of the antiseptic hand gels. I'm wondering if the witness from Galenova would care to expand on that. Is he suggesting there are some serious health risks to the lower-cost hand sanitizers?

**Mr. Jean-Philippe Gentès:** I said that there could be some risks. I can tell you that every time I enter into a chain store, I look at what's available. I would say that 50% of the products I see in major retail stores do not bear any lot number or expiry date. When we're talking about pharmaceutical products, those things are basic. When you manufacture something, you must have a batch number and expiry date. If there's ever an issue, you need to be able to recall those products. It's your first basic rule whenever you manufacture a pharmaceutical product.

• (1230)

**Mr. Matthew Green:** It sounds very rational, in fact.

With regard to the introduction of companies not situated in this field, entering into this, trying to do their good civic duty, you mentioned that perhaps they're also not regulated in the same way that your company may be.

**Mr. Jean-Philippe Gentès:** At the moment, there are no inspections and there are no regulations. Health Canada did issue temporary licences to be able to manufacture these. I'm not saying that everything is bad, or that it was not appropriate to do it at that moment when it was carried out, but today I think it's time to try to start taking back those licences.

Some automobile garages got licences to produce hand sanitizers. Normally, if you compare a garage to a pharmaceutical plant, there should be some differences in the quality. I'm not saying everyone is doing it wrong, but for sure the level of quality will be different.

**Mr. Matthew Green:** That's a very important point.

Of course, you'll probably recall the controversy around the defective N95 masks. We brought in 11 million of them and had to basically declassify nine million of those masks—80%.

You list N95s that are produced by 3M. Did you have any contracts with the government for those items prior to this?

**Mr. Jean-Philippe Gentès:** No. We don't have any contracts for medical devices with the government. Our contracts are mainly for pharmaceutical ingredients that we have with various hospitals.

I would guess, though, that Mr. Philip does have contracts with the government.

**Mr. Matthew Green:** Mr. Philip. Yes, that's right. You're Galenova. My apologies.

Mr. Philip.



**Mr. Ernie Philip:** We do have an N95 contract with some of the health authorities, yes.

**Mr. Matthew Green:** Did you have it prior to COVID?

**Mr. Ernie Philip:** We did.

**Mr. Matthew Green:** Were you ever involved in the national emergency strategic stockpile procurement?

**Mr. Ernie Philip:** I was not.

**Mr. Matthew Green:** Have there been any preliminary conversations about future procurement for the national emergency strategic stockpile?

**Mr. Ernie Philip:** It's just starting. Anita Anand hosted an industry event that I attended.

We have a PPE continuity program, and you're poking at exactly where I think industry can help. It's not as easy as just setting up a warehouse. You want to go to industry that actually turns this inventory so you don't have expired product and you don't have.... You know, you just have great product. You need big companies that can turn this inventory.

There are very preliminary discussions, but my company does it for other jurisdictions outside of Canada.

**Mr. Matthew Green:** How many units would you typically have on hand in your logistics supply chain for things like N95s? What would your running stock generally look like?

**Mr. Ernie Philip:** Whatever 3M will give us.

**Mr. Matthew Green:** Prior to this, let's say.

**Mr. Ernie Philip:** We would typically have four months' on hand, as a good rule of thumb. I couldn't tell you exactly, but four months' seems right.

**Mr. Matthew Green:** We heard the previous witness talk about expiry dates. What kinds of systems would you have in place to ensure you aren't carrying stale product?

**Mr. Ernie Philip:** We have an inventory management system that would manage it, with quality and regulatory alerts, and then we have—

**Mr. Matthew Green:** Is it a digital system that flags it?

**Mr. Ernie Philip:** It's a digital system, yes, and then you move it—

**Mr. Matthew Green:** It seems pretty simple.

**Mr. Ernie Philip:** It's simple if you can turn it, right? What you don't want to do is just have a warehouse that.... You know, governments change and people change, and all of a sudden you have a warehouse that has cobwebs and hasn't been looked at in 10 years.

We saw a bit of that going back to the days of SARS. You're poking at exactly the right thing.

**Mr. Matthew Green:** Well I've been poking at this for quite some time. After SARS, one would think we would have learned our lesson. One would think we would have fail-safes in place to alert us to the fact that when we shut down these plants, we're throwing out these critical PPE. I certainly hope—

**Mr. Ernie Philip:** We actually went to the federal government and said that we're not a supply chain company but we'll—

**Mr. Matthew Green:** We'll pick it up on the next round.

**The Chair:** Unfortunately, we'll have to go the next round.

We'll start with Mr. Redekopp, for four minutes, please.

**Mr. Brad Redekopp (Saskatoon West, CPC):** Thanks.

Let's just keep going on that. You were saying, Mr. Philip, that you went to the federal government and...?

**Mr. Ernie Philip:** Thank you for letting me finish.

We had a solution where—and industry can do this—we said, “Industry's unique value proposition in this category is that we have warehousing space. We have the systems and we have the contracts to turn this inventory. Instead of spending capital, give us a management fee on a per-monthly basis and we'll manage it. Then the minute that a pandemic happens, you can declare it a pandemic and it's your inventory. You direct it where you want and you pay pre-pandemic pricing.”

We've just slowly—

• (1235)

**Mr. Brad Redekopp:** How did they respond?

**Mr. Ernie Philip:** Positively, and I think maybe timing is everything. At that time, it was, “We need product now. That's a great idea. Let's table it, and let's come back to this, but right now we need product desperately.”

**Mr. Brad Redekopp:** According to your websites, factories in Malaysia and Southeast Asia were or are operating at 50% capacity. What difficulties have you had with your supply chain from Asia?

**Mr. Ernie Philip:** I'd say they're evolving. At the beginning, there was panic buying from governments all over the world. They were all going to the same factories with contracts to say they'd buy their products. We were competing with each other; we were competing with other governments. It became about who was going to pay the most to get supplies into what country.

That was kind of the early shock for us. We were not expecting that behaviour to hit so quickly. That has become much better. Flow on some of the key PPE items has become better. I'd say that items are still higher than pre-COVID pricing, but much better. There are only maybe one or two categories that we're keeping a very close eye on. Capacity has become much better since March.

**Mr. Brad Redekopp:** Mr. Green mentioned the rejection of N95 masks. Did you experience that sort of thing in your supply chain?

**Mr. Ernie Philip:** Again, I don't want to come off like we're perfect, but I really wanted to be careful. We did not buy anything if we didn't know the factory and we didn't have quality and regulatory people doing it; we just avoided it. We did not want to collect deposits and have money go [*Inaudible—Editor*]. We decided that very early on.

It hasn't happened to us yet, knock wood, and I hope it doesn't. We were very thorough in making sure we leveraged the fact that we do have 600 factories and we do have 350 people on the ground. So no, it hasn't happened.

**Mr. Brad Redekopp:** Mr. Gentès, I understand you produce antiseptic hand gels. I assume that you would then import other products, such as masks and things like that. Is that true?

**Mr. Jean-Philippe Gentès:** That is correct.

**Mr. Brad Redekopp:** Did you experience disruptions in your supply chain, specifically with masks?

**Mr. Jean-Philippe Gentès:** Yes. Since we're smaller than Medline, yes, we did. Basically, in PPE we sold almost everything we had in February.

We experienced some issues in the resupply of our PPE. We sold everything we had in February and March. Now we're struggling to get back some of the materials. Masks have been difficult. Today you see a lot of masks on the market, but from unknown manufacturers.

We talked about the N95 mask recall, but there's not only the N95 recall. If you look at the NIOSH list, you see a whole bunch of masks that are not equivalent to what they're supposed to be. We've been careful the same way Mr. Philip has.

**The Chair:** Thank you.

Madam Romanado, you have four minutes.

**Mrs. Sherry Romanado (Longueuil—Charles-LeMoynes, Lib.):** Thank you so much.

My first question will go to Medline.

You mentioned that you had about a four-month capacity in terms of warehouse space and so on. Going forward, what are your thoughts on how this will change your business model in terms of not having as much stock and/or having to increase stock, given the challenges with respect to transport and delivery?

**Mr. Ernie Philip:** We're hoping to do two things. We are absolutely expanding our contract manufacturing and manufacturing capabilities out of the province of just Hubei. Obviously, that was the PPE capital of the world in terms of making PPE products. My personal opinion is that if ground zero had been somewhere else, I don't think we'd have near the challenges we have today. So we'd sprout across Southeast Asia and leverage Canadian manufacturers as well as our buying power all over the world.

We hold about \$120 million in inventory currently. We're really hoping that a long-term, lasting solution is for industry to work with both the federal government and the provinces, if necessary, to create a PPE continuity program. When the next crisis happens, it's here, the stock has been rotated and governments can decide how to allocate the inventory.

• (1240)

**Mrs. Sherry Romanado:** That brings me to my next question. I'm chair of the industry committee, and we've been studying this as well in terms of how industry can help and how we can support industry in terms of dealing with global pandemics. You mentioned that you work with two retail stores. Is it possible to find out who they are?

**Mr. Ernie Philip:** It's actually our retail stores. Medline has a store in Mississauga and Medline has a store in Quebec.

**Mrs. Sherry Romanado:** With respect to provincial economies starting to open up and businesses going back to work, what is the challenge, or perhaps opportunity, for industry to assist in terms of getting the economy rolling again and supporting businesses in getting PPE? This is given the fact that we want to make sure our front-line workers in hospitals and so on and so forth, and the Canadian Armed Forces, are getting it. How can we make sure that the industry is able to proceed with a safe opening, given the challenges?

**Mr. Ernie Philip:** We will stay fanatically focused on being a medical company and not try to sell masks and gowns to everybody. We will stay in our lane and be fanatically focused on keeping our employees safe and delivering PPE items to front-line health care workers.

We believe we have the solution going forward. We're certainly getting ready for flu season and if there's a second wave.... We're actively working with government on this PPE continuity program. I think I've mentioned that four times, so I guess you have it now. Do it with Medline and do it with industry. There's a way to do this where you don't have to manufacture every single thing in Canada, because it's a lot when you think of the tens of thousands and thousands of items.

**Mrs. Sherry Romanado:** Thank you.

[*Translation*]

I'm going to address you, Mr. Gentès. Thank you very much for your testimony. I always enjoy meeting with representatives of Quebec companies.

You talked about the criteria for tenders and the importance of promoting product quality and local purchasing. Can you tell us more about that? What are the challenges your company faces due to excess merchandise? What storage costs are associated with this?

**Mr. Jean-Philippe Gentès:** Thank you very much for your question...

[*English*]

**The Chair:** Unfortunately, Mr. Gentès, we're completely out of time. I would ask you to please respond to that question as quickly as possible in writing to our clerk. That would be much appreciated.

Our final four-minute intervention will go to Mr. McCauley.

**Mr. Kelly McCauley:** Thanks very much, witnesses. It's been very interesting.

Mr. Philip, you talked about masks. What does your company provide? Is it the full range, from surgical to the standard to the N95?

**Mr. Ernie Philip:** We provide the whole range. Medline produces medical grade masks, both surgical and procedural masks, and we are an authorized distributor in Canada for 3M for the N95 mask.

**Mr. Kelly McCauley:** A report from a consulting company came out, and it said that over the next couple of years we'll require three billion N95 masks. Did you see that report? Do you have an idea what is required industry-wide?

**Mr. Ernie Philip:** No, I really don't. I have another report that says we're going to need a billion masks, so I think at this point we're trying to evaluate what the demand is now. I wouldn't be able to give you a really good educated, academic answer to that.

**Mr. Kelly McCauley:** The push seems to be for N95 masks. Do you think that is where the priority needs to be for the country? The reason I ask is that I've had suppliers.... We hear so much about the need for N95 masks, and a huge percentage of what has been brought in so far has been faulty masks. We haven't procured any masks in the last month that have passed PHAC's standards, yet I continue to hear from producers and suppliers that they've approached different levels of government—federal, provincial—but no one is actually looking to buy the masks. Can you shed any light on that? It just doesn't make sense.

**Mr. Ernie Philip:** I'll answer as best I can.

We're a distributor of N95 masks, and that has to happen. We are certainly talking to all levels of government about procedural and medical grade masks. Certainly, for isolation purposes, if you're not performing surgeries they're a really strong mask. That's where a lot of our previous activity was. We sold a lot of ASTM level 1 and 2 procedure and isolation masks. We've been a voice saying that we need N95 masks and that this is not going to change and will grow exponentially, but for general isolation types of applications that is a really good, appropriate mask.

• (1245)

**Mr. Kelly McCauley:** Sorry, what is a really good, appropriate mask?

**Mr. Ernie Philip:** It's the medical grade ASTM level 1 or 2 mask.

**Mr. Kelly McCauley:** Is there too much focus on obtaining the N95 mask and we should be focusing on what you've just mentioned?

**Mr. Ernie Philip:** I think you're on to something. I think you should keep your focus on the N95 masks, because that's critical, but there should be a little more balance.

**Mr. Kelly McCauley:** What are you producing in Canada right now for masks? You're not making N95 masks, but are you doing the surgical grade and other grade masks?

**Mr. Ernie Philip:** We don't make any masks in Canada.

**Mr. Kelly McCauley:** Right. I misheard you, sorry.

**Mr. Ernie Philip:** That's okay. We actually put in a bid with the Ontario government to make masks in Ontario.

**Mr. Kelly McCauley:** Do you mean in Edmonton?

**Mr. Ernie Philip:** Yes. I haven't heard that before. We have a nice warehouse in Edmonton. We have a great warehouse in Edmonton.

**Mr. Kelly McCauley:** Where are you going to procure your supplies from, then?

**Mr. Ernie Philip:** We'll take advantage of our global supply chain. There are two things to this. Melt-blown material is the big cost in making masks, and we'll take advantage of our big buying power. It's a raw material needed for incontinence products, for which we have a billion-dollar business in the U.S. We'll take advantage of our supply chain and keep a bunch of the raw material—

**Mr. Kelly McCauley:** We hear a lot about reshoring, bringing the supply chain back to Canada or North America.

**Mr. Ernie Philip:** Yes.

**Mr. Kelly McCauley:** How feasible is that? How fast can we do it?

**Mr. Ernie Philip:** I'd be surgical.... Let's get really good at something so we can potentially sell it outside of our borders as well.

**The Chair:** Unfortunately, we're going to have to stop the discussion there, but I do want to thank you, Mr. Philip and Mr. Gentès, for your appearances here today. Your testimony has been both informative and very helpful.

You are excused. Thanks once again.

**Mr. Ernie Philip:** Thank you.

**Mr. Jean-Philippe Gentès:** Thank you.

**The Chair:** Colleagues, I will not suspend. I will go directly into our discussion on committee future business. I will remind all committee members that we are in public.

Just to recap some of the comments I made at our last meeting, I would like to try to determine in the next few minutes, if possible, what our course of future business will be. If you recall, we are scheduled to discuss supplementary estimates (A) next Tuesday for two hours. Next Friday, June 19, we are free. We do not have witnesses scheduled. However, the whips have agreed that committees will have the authority to meet throughout the summer, should they wish. Secondly, those committees do not have to discuss only COVID-19 related events; they are free to pursue whatever topic of discussion they wish.

My question to all of you on the committee is, what are your wishes? Do you desire to meet throughout the summer months? Or do you wish to suspend and come back in our normal parliamentary schedule, which will be sometime in late September? I can assure you that I have talked to a number of colleagues—on both sides of the aisle, frankly—who have suggested that they would like to take some time off during the summer. I know of only one committee that plans to work its regular committee hours throughout the summer.

That's what the purpose of this discussion is: to find out where we go from here. As your committee chair, I'm completely within your powers to determine our schedule. I see that Mr. McCauley has his hand up first, so I'll go to him, but if anyone wishes to join in on this discussion to see if we can come to a resolution, I would appreciate it greatly.

Mr. McCauley, why don't you start us off?

**Mr. Kelly McCauley:** Thanks, Mr. Chair.

There are two things. Part of it is that, one, I'd like to add just one more meeting to the current round to bring in the Information Commissioner. There's a new transparency accountability group to talk about the issues of transparency, difficulty with the ATIPs, etc.

For the summer months, after talking to Conservative colleagues, I think we would like to have maybe one meeting in July and one in August for more of an update on PPE procurement, unless some emergency comes up, of course, maybe in the same weeks as the July and August sittings, but again, that's just to have an update from PSPC on the procurement file.

**The Chair:** Mr. McCauley, so that I'm clear, you're making a recommendation for the meeting to be held on Friday, June 19.

**Mr. Kelly McCauley:** Do you mean for the Information Commissioner?

**The Chair:** Yes. I would prefer if you could just make a direct recommendation or a request for witnesses on Friday, June 19.

• (1250)

**Mr. Kelly McCauley:** Sure.

**The Chair:** You want the Information Commissioner and only the Information Commissioner?

**Mr. Kelly McCauley:** There's a new accountability group that's popped up. I can get you their names but it's led by.... I've forgotten his name, but I'll provide it. Michael Dagg and a couple others of the accountability group.... I'll provide that to you.

**The Chair:** If you could provide that to our clerk, that would be great.

I go now to Mr. Green, who will be followed by Mr. MacKinnon.

**Mr. Matthew Green:** There are certainly some outstanding questions. I wish I had five more minutes in today's session to figure out what's going on with the national emergency strategic stockpile and what the future plans are. I fully support checking back in because I feel like.... Just to be clear, though, in the event that something does come up, under the standing orders we do have the ability for four of us to recall, right?

**The Chair:** Yes, we can go two ways. Number one, any committee can be recalled at the call of the chair. I prefer not to do that, but you're right, and the other option is that if four members of the committee sign a letter requesting a meeting, one has to be called within 48 hours.

**Mr. Matthew Green:** I'll support Mr. McCauley here, knowing that if something were to pop up—another scandal or who knows what—we can go ahead and recall.

**Mr. Kelly McCauley:** A hundred per cent.

**The Chair:** Thank you.

Mr. MacKinnon.

**Mr. Steven MacKinnon:** Mr. Green says “another scandal”. I'd like to know what the first one was, but—

**Mr. Matthew Green:** Masks, if you're asking, and the national emergency strategic stockpile. Thank you for the question.

**Mr. Steven MacKinnon:** Do I understand from Mr. McCauley that the Information Commissioner would be invited next Friday?

**The Chair:** That's the suggestion Mr. McCauley has, yes.

**Mr. Steven MacKinnon:** In terms of the two meetings over the summer, there are obviously four sessions of Parliament scheduled, so in which two of the four would he propose that we convene the committee?

**Mr. Kelly McCauley:** I'm not proposing a specific date, but I'm just saying it may be, for convenience, at the same time. We should have one in July and one in August for an update from PSPC.

**Mr. Steven MacKinnon:** My last question on that is about an update from PSPC. We publish a weekly web update on procurement, so I'm just looking for who in particular you or others would like to hear from. I'm sure you're not proposing that we bring the minister back twice in the summer.

**Mr. Kelly McCauley:** Right now I'm saying Mr. Matthews, but possibly the minister. I guess it depends on how things unfold.

**Mr. Steven MacKinnon:** It could be an associate deputy or an assistant deputy minister. Would that—

**Mr. Kelly McCauley:** It should be someone who can answer questions and give a proper update on—

**Mr. Steven MacKinnon:** So you mean a senior procurement official.

**Mr. Kelly McCauley:** Sure, then barring what Mr. Green says, it depends on what happens over the next month, but yes, I mean someone who can answer questions.

**Mr. Steven MacKinnon:** Okay, and those will be two-hour sessions?

**Mr. Kelly McCauley:** I would think so.

**Mr. Steven MacKinnon:** That's a lot of procurement asking, but okay.

**Mr. Kelly McCauley:** It's a lot of procurement monologuing from the office. We know what it's like.

**The Chair:** We do.

**Mr. Steven MacKinnon:** Okay, we're prepared to support that. I think that is a reasonable request, Mr. Chair.

**The Chair:** Thank you, Mr. MacKinnon.

We now have Madam Vignola.

[*Translation*]

**Mrs. Julie Vignola:** I don't have a problem with our sitting through the summer.

I know we won't be able to do it from June 23 to July 3 because of a technical update, if memory serves me right.

There are various options. We could meet twice a week until July 10 and meet again after that, or we could do what Mr. MacCauley proposes, which is to meet twice in the summer.

I am thinking especially of the work of the clerks, analysts and interpreters, which is gigantic. I want everyone to have good working conditions this summer. So I'm open to Mr. MacCauley's proposal, or to something else.

[*English*]

**The Chair:** Thank you very much.

I see no other hands raised.

What we have then, colleagues, in front of us is two separate proposals, if I am interpreting things correctly. Mr. MacCauley has suggested that next Friday, June 19, we would bring the Information Commissioner and other witnesses to meet in our regularly scheduled time.

Furthermore the second proposal would be that we have two additional meetings sometime during the summer, dates yet to be determined, that would be in alignment with the special sittings of the COVID-19 committee in July and August. We can wait until we find out exactly what weeks or what days that committee will be sitting in both July and August, and we can then recall this committee to meet sometime within a day or two of those sessions to try to maximize the efficiency of having the parliamentary sitting and our committee.

Mr. Clerk, I believe those are the two proposals we have.

I also believe we have to have a recorded division on both of them. I wonder if you can take those comments, suggestions that we've just heard, formulate them into some form of a cohesive proposal or motion and allow us to record the votes on both.

• (1255)

**The Clerk:** Thank you, Mr. Chair.

First of all, Ms. Romanado wanted to intervene.

Also, as a clarification, the special committee COVI will cease to exist on the 17 June. The sittings that Mr. MacCauley was referring to during the summer I believe were actually sittings of the House of Commons.

One option could be—and my apologies, Ms. Romanado, but I will just finish—for the committee to agree to have one meeting in July and one meeting in August to be scheduled by the chair. Then

we can figure out the best dates, but that is just an option the committee may want to consider.

**The Chair:** Certainly. As I was saying, dates are yet to be determined, but that would be the intent.

Madam Romanado.

**Mrs. Sherry Romanado:** Thank you very much, Mr. Chair.

I just wanted to mention that I know that other committees are doing the same thing. They are identifying the weeks that the House will be sitting: July 8 and 22 and August 12 and 26. In terms of planning, a few committees are starting to do the exact same thing, so for the sake of getting your slot in, I would recommend that if you're going select dates, you do that sooner rather than later.

**The Chair:** That's certainly a good suggestion. We will do that.

As Paul mentioned, the approach I would take is that once we have the dates when the sittings of the House will be taking place, I as chair will then make a call to reconvene this committee on those two dates, one meeting in July and one meeting in August.

Paul, would you formulate the motions and put them to the committee for a recorded division?

**The Clerk:** The first is Mr. MacCauley's proposal: That the committee invite the Information Commissioner and other witnesses to appear before it on June 19, 2020.

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

**The Clerk:** I would formulate the second motion as this: That the committee meet during the month of July and the month of August 2020, if possible during weeks when the House of Commons is scheduled to sit, at the discretion of the chair.

Does that make sense?

**The Chair:** It makes sense to me, Paul, yes.

Let's hear the comments from Mr. MacKinnon and Mr. Jowhari before we do the vote.

Mr. MacKinnon.

[*Translation*]

**Mr. Steven MacKinnon:** I would like to clarify one thing. You didn't say "two meetings", but it's a total of two meetings.

[*English*]

**The Chair:** It's a total of two, that is correct.

Mr. Jowhari.

**Mr. Majid Jowhari:** I had the same intervention. Thank you, Mr. Chair.

**The Chair:** Thank you.

Paul, let's go ahead with the roll call vote.

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

• (1300)

**The Chair:** Thank you very much, Paul.

Colleagues, that terminates this meeting. I remind you that our next scheduled meeting of OGGO is next Tuesday at 5 p.m. Eastern Standard Time.

Mr. Clerk, please go ahead.

**The Clerk:** I have just one clarification, Mr. Chair.

If members do have suggestions for the other witnesses to be invited for June 19, I would appreciate receiving those sooner rather than later so that I may contact the witnesses.

Thank you.

**The Chair:** We're always willing to make your job easier, Paul.

Thank you, colleagues. Have a great, healthy and safe weekend. We will see you next Tuesday.

We are adjourned.

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