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## **Standing Committee on Finance**

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**EVIDENCE**

**Tuesday, May 30, 2017**

**Chair**

**The Honourable Wayne Easter**



## Standing Committee on Finance

Tuesday, May 30, 2017

• (0850)

[English]

**The Chair (Hon. Wayne Easter (Malpeque, Lib.)):** We'll come to order and start where we left off at division 8, clause 192 of Bill C-44.

The amendment BQ-6 is inadmissible because it's contrary to the principle of the bill established at second reading. However, you can speak to it.

We will not deal with it as an amendment, but you do have the right to speak to your amendment. If you want to make your point, go ahead.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** I have the right to explain it.

**The Chair:** Yes.

[Translation]

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

Good morning.

We are proposing that clause 192 be amended by replacing line 9 on page 110 with the following: “following year, \$300,000,000; and”. Now I will explain why we are asking for the amendment. It's important to understand that, originally, the change the government sought was to raise the reviewable investment amount, pursuant to the Investment Canada Act, from \$600 million to \$1 billion.

Our party sees that as a very bad idea because the Investment Canada Act requires the economic development minister to review foreign investments exceeding a certain amount. To that end, the minister has to examine whether the transaction is sound. That's called a net benefits analysis. He also has the power to allow or refuse the transaction and even to attach conditions to it. We believe that setting the reviewable investment amount at \$300 million, as opposed to \$1 billion, would be much more appropriate. The reality is that very few of Quebec's big companies on the Toronto Stock Exchange are valued at over \$1 billion. You can count them on two hands; there are fewer than 10.

When the act came into force, the amount was set at \$300 million, which was in line with what had been negotiated under the North American Free Trade Agreement, NAFTA. We would even be in favour of setting the threshold below \$300 million, but we do think \$300 million is a reasonable number, and that is why we are proposing it.

It would apply to companies like RONA bought by foreign interests. That deal was worth over \$1 billion. You also have companies like Canam Group, a company worth less than \$1 billion that was recently bought by the Americans. When a purchase exceeds that amount, to protect national interests, the minister is able to review the transaction and determine whether or not it should proceed and can attach conditions to it. In our view, the economic interests of all Quebecers would be far better served by a lower threshold.

[English]

**The Chair:** Thank you, Mr. Barsalou-Duval.

There are witnesses here for division 8 as well, if anybody has any questions for Mr. DeWolfe and Ms. Brady.

The reason the motion is out of order is that the principle of the bill aims to increase the threshold from the current \$600 million. Decreasing the threshold to \$300 million is contrary to the intention of the bill to increase it from its current level. That's why it's denied. We will not deal with the amendment; it's out of order.

But is there any question for Ms. Brady or Mr. DeWolfe?

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.):** Ms. Brady, or Mr. DeWolfe, I was just wondering what process led to the decision here. How did you come up with that decision?

**Ms. Patricia Brady (Director General, Investment Review Branch, Innovation, Science and Economic Development Canada):** There is already a schedule in the Investment Canada Act for the threshold to rise. It started gradually in 2009 and rose to \$400 million, then \$600 million, then \$800 million, and the intention was that it then go to \$1 billion in two years from now. This amendment would accelerate that already planned increase by two years.

**Mr. Robert-Falcon Ouellette:** There was a committee, I believe, that made recommendations.

**Ms. Patricia Brady:** That's right, the Competition Policy Review Panel in 2009 made recommendations to raise the threshold to \$1 billion.

**Mr. Robert-Falcon Ouellette:** I have one final question. Who comprises that committee?

**Ms. Patricia Brady:** The Competition Policy Review Panel?

**Mr. Robert-Falcon Ouellette:** Yes.

**Ms. Patricia Brady:** It was led by Red Wilson, and the precise membership escapes me now. There were a number of lawyers and prominent business people in Canada primarily, but Red Wilson was the chair of the panel.

**The Chair:** Did you have a question, Mr. Dusseault?

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** I'd actually like to thank my Bloc Québécois colleague for proposing his amendment, even though it is out of order. The increase does indeed go against the intent of the act.

In fact, I suggest that my colleagues vote against clause 192, in its entirety. That way, although problematic, the hike to \$1 billion would not take effect right away but, instead, according to a pre-established schedule.

I therefore encourage my colleagues to vote against clause 192 in its entirety.

[*English*]

**The Chair:** Is there any further discussion?

BQ-6 is disallowed.

(Clause 192 agreed to on division)

**The Chair:** There are no amendments for clauses 193 to 234. Does anybody have any they want to pull up, or are we okay?

I'll give you a few moments to look at that. The agendas are being distributed now. They had to be reprinted.

(Clauses 193 to 234 inclusive agreed to on division)

(On clause 235)

**The Chair:** We're into division 11, dealing with support for families, including benefits and leaves. The amendment is NDP-16.

Mr. Dusseault.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

I'd like to welcome the witnesses joining us.

The amendment pertains to EI parental benefits. As the witnesses explained to the committee, the changes in Bill C-44 would make it possible for parents to extend the parental benefit period while receiving the same amount. If I'm not mistaken, they would have a choice between taking 12 months or 18 months, so rather than collecting 55% of their salary, which is already quite low in the NDP's view, they would collect just 33% over a longer period. In that sense, the measure isn't particularly helpful.

That said, in order to respect the bill's intent, I propose that the decision be revocable, and that's what amendment NDP-16 seeks to do.

It's fairly short, so I'll read you part of it:

(1.4) An election made under subsection (1.1) or 152.05(1.1) may be revoked by a major attachment claimant or an individual, as the case may be, and a new election made, in which case it is binding on the claimant, on the individual, on both claimants or on the claimant and the individual.

In that case, if the claimant's situation changed along the way and it was possible for them to return to work sooner, they could. They would still be entitled to receive the amount equivalent to 55% of their salary over 12 months. If, however, they could return to work, circumstances permitting, the period would be shortened.

I asked whether that scenario would be possible, and the answer wasn't no. Would it make things be a bit more complicated from an administrative standpoint? Of course.

Nevertheless, I don't think the administrative complexity is a major hurdle, given that the measure would give claimants greater flexibility. I think we can deal with a bit of complexity in order to do right by Canadians, whose situations can vary from claimant to claimant.

That is the purpose of amendment NDP-16. I hope my colleagues will support it. Even though the measure isn't perfect, it could help by allowing for a bit more flexibility.

• (0855)

[*English*]

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

I'll remind folks that there if there are questions on division 11, we have witnesses here from Employment and Social Development Canada.

Is there any further discussion on this point?

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** At first view, this measure seems pretty interesting because it gives a lot of flexibility to an individual claimant. For instance, if you had two parents, and they had the opportunity to decide who would like to take parental leave, and one says, "Well, I'll take it for two weeks now, because I have a contract that's coming up", then the father can take a long period and they could switch again when those contracts change.

In Service Canada's opinion, what are some of the reasons you might give for this causing issues, and do you have any costing of this as well?

**The Chair:** Mr. Brown.

**Mr. Andrew Brown (Executive Director, Employment Insurance Policy, Skills and Employment Branch, Department of Employment and Social Development):** One of the things I would say was that the consultations were not only from the perspective of the administration of the program for us, but also of thinking about employers who need to be able to deal with the leave and potential top-ups to the EI benefits. If people were changing their selection of the duration of the leave and also the payment rate, whether the lower 33% or the higher 55%, it could result in incorrect payments to claimants, which we would subsequently have to recover, and in challenges for their employers dealing with both the leave and any top-ups they needed to provide to those employees.

**The Chair:** Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** This is a very quick question. Are your computer systems, your software, able to handle something like that?

**Mr. Andrew Brown:** They're certainly not able to handle that at present. There will be work under way to implement changes to the systems so they will be able to cope with what is proposed. This proposal here to allow parents flexibility to select the option up until the time that benefits are paid would align with the same approach that's been taken in Quebec with the Quebec parental insurance plan.

• (0900)

**Mr. Robert-Falcon Ouellette:** I also want to delve into the issue with the employer.

Sorry to my colleagues, but this is a very interesting line of thought: having flexibility for people in their lives, because lives are not always uniform. We don't all have nine-to-five jobs.

Are there provisions in the law that force employers to accept someone's parental leave? If someone applies for parental leave and they say they are taking 36 weeks, is the employer obliged to give them the 36 weeks?

**Mr. Sébastien St-Arnaud (Senior Policy Strategist, Strategic Policy and Legislative Reform, Labour Program, Department of Employment and Social Development):** The employee is entitled to take the leave any time he wants if he specifies the date four weeks in advance and says, "I'll take the leave on that particular date."

**Mr. Andrew Brown:** The leave provisions, though, vary across the country based on the province or territory, or whether the employees are regulated by the Canada Labour Code. So at this point it remains to be seen how provinces and territories would intend to follow or not follow the federal government's lead in making changes to EI benefits.

**Mr. Robert-Falcon Ouellette:** You mentioned Quebec as well. In that province I believe their parental leave plan also allows more people to participate, meaning, for instance, if you're self-employed, you're able to pay into the plan in order to receive a greater level of benefits. There is an increased cost, but they've also seen an increase in the number of males taking parental leave to look after their children—and they're far above, and perhaps more feminist, than some other jurisdictions. Anyway, it seems to be more encouraged there. This measure would obviously increase the level of flexibility, but there are a lot of self-employed employees who could possibly use that to their benefit.

**Mr. Andrew Brown:** There are certainly a number of differences between the EI maternal and parental benefits program and the Quebec parental insurance plan with respect to self-employed workers. It is possible for self-employed workers in the rest of Canada to opt into the EI program to pay premiums and obtain access to maternity and parental benefits. That has existed now for about six years, but the participation is very low, whereas in Quebec participation is mandatory, including for the self-employed.

As for other aspects of the program, it's true that in the Quebec program there are dedicated paternity benefits that, I would say, are intended to encourage men as well to take parental leave. Indeed, in Quebec we see many more men, proportionally speaking, taking advantage of the paternity and parental benefits than we do in the rest of Canada, which does not have a dedicated paternity benefit.

**The Chair:** Are there any further questions or discussion on amendment NDP-16?

(Amendment negatived)

(Clause 235 agreed to on division)

**The Chair:** On amendment BQ-7, Ms. Pauzé.

[*Translation*]

**Ms. Monique Pauzé (Repentigny, BQ):** Thank you, Mr. Chair.

Good morning everyone.

The amendment in front of you seeks to extend the qualifying period. Through Bill C-44, the government is making changes to maternity leave under EI and increasing the number of weeks a woman is able to receive maternity benefits. That's wonderful. The government is recognizing that helping women better integrate into the workforce and economy is beneficial to all aspects of economic life. That's the good news.

As for the not so good news, believe it or not, a mother who loses her job during, or immediately following, her parental leave does not qualify for employment insurance. It would therefore be extremely difficult for mothers who took maternity or parental leave to collect employment insurance after losing their jobs. That is already a problem in Quebec, and we have repeatedly alerted the minister. No meaningful action has been taken, and that's why I am here today. Our amendment would plug that hole in the legislation.

Let's take a closer look at the problem. Currently, in order to determine whether someone is eligible to receive EI, the government relies on the number of hours that person has worked during the last year. Even if the government extends the benefit period, however, Canadian women will experience what women in Quebec have been dealing with since parental leave was introduced: if they lose their job while on parental leave, they will not have access to EI because they won't have accumulated the number of hours required to qualify.

We need to do remedy this, because Bill C-44, which seeks to do something positive by giving women an additional right, does not extend that right to those who lose their job while on leave. They will be penalized for having lost their job and will therefore have one less right.

A government that describes itself as feminist should care about protecting women who are at the mercy of an uncertain job market. It's hard enough when one person in a couple loses their job. Imagine how hard it is for a single mother who loses her job and is left with no income.

It is outrageous for a woman to lose her job and have no income simply for having a child. That indirectly discriminates against women, and the government has an obligation to do something about it.

I fear I will be told that the amendment broadens the scope of the act and is therefore out of order. As a member of a non-recognized party, I do not have the right to a second turn in order to convince you. I therefore call on another member at the table to appeal the decision if my amendment is ruled out of order. It does not broaden the scope of the act or change the nature of the benefits. It does not create a new benefit.

All the amendment does is clarify the nature of the new benefit that Bill C-44 introduces. It is simply adding a definition, and the act already allows for this kind of thing. It is possible to go back further than the last 52 weeks in the case of preventive withdrawal, sick leave and compassionate leave. The government has made an exception in those circumstances, but not for parental leave.

The sole purpose of the amendment is to protect mothers who lose their jobs, as well as their children.

• (0905)

[English]

**The Chair:** Thank you, Madame Paupé.

Yes you are correct. I will rule the amendment as inadmissible, and I'll explain why.

Bill C-44 seeks to amend the Employment Insurance Act to increase flexibility in the provisions of caregiving and parental benefits. The amendment would result in higher benefits being claimed beyond those that the bill provides for. As *House of Commons Procedure and Practice*, Second Edition, states on page 767 and 768:

Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge in the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.

In my opinion, the amendment would extend the charge on the public treasury. Therefore, the amendment is inadmissible. The amendment was for new clause 235.1, so we do not need to deal with that.

There are no amendments for clauses 236 to 244. Is there consent to deal with them as a block?

(Amendments 236 to 244 inclusive agreed to on division)

(On clause 245)

**The Chair:** We now have NDP amendment 17.

[Translation]

**Mr. Pierre-Luc Dusseault:** Mr. Chair, it's quite similar to our last one, so I won't spend too much time on it.

It's very similar to amendment NDP-16 but focuses on self-employed workers in order to give them the same flexibility I was trying to achieve with my last amendment, which, unfortunately, was not adopted. I fear the same outcome for this amendment. I would understand in this case, though, as it would ensure equal treatment for all claimants.

That said, I think self-employed workers also deserve the flexibility my amendment would give them. In terms of parental benefits, self-employed claimants should be able to change their

minds and collect what would ultimately be the same amount, just spread over a different benefit period. That would be better than only having the choice between 12 months or 18 months.

• (0910)

[English]

**The Chair:** Is there any discussion on this amendment or any questions for the witnesses?

(Amendment negated [See *Minutes of Proceedings*])

(Clause 245 agreed to on division)

**The Chair:** The next clauses are 246 to 269. There are no amendments to them.

Is there any discussion? Are we okay with passing them as a block?

(Clauses 246 to 269 inclusive agreed to on division)

**The Chair:** Thank you, folks.

We're waiting to connect with the witnesses from Veterans Affairs Canada and to deal with clauses 270 through to 299.

Do we have unanimous consent to stand all of those clauses, 270 to 299 inclusive, until we connect with the witnesses?

(Clauses 270 to 299 inclusive allowed to stand)

**The Chair:** Okay. When we connect with them we'll go back to those clauses.

For division 13, there are no amendments for clauses 300 to 303. Can we see those as a block and carry them on division?

(Clauses 300 to 303 inclusive agreed to on division)

(On clause 304)

**The Chair:** We have NDP-18.

[Translation]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

Page 178 of Bill C-44 deals with the new Service Fees Act, specifically in relation to the Immigration and Refugee Protection Act. It lists the applications that will be subject to the Service Fees Act. It will apply to the processing of applications for a temporary or permanent resident visa; for a work permit or study permit; for an extension of an authorization to remain in Canada as a temporary resident; to remain in Canada as a temporary resident; to sponsor a foreign national as a member of the family class; to make the request referred to in subsection 25(1); for a travel document issued under subsection 31(3); and for a permanent resident card. All of those situations will be subject to the Service Fees Act. My colleagues no doubt remember quite well that the proposed service fees legislation was the subject of extensive debate, to my surprise, and included an adjustment for inflation. That means that all of the applications I just listed, which appear in subclause 304(1.2) of Bill C-44, will be subject to the Service Fees Act.

I think that's a bad idea. I believe that even the people from Immigration, Refugees and Citizenship Canada said that the changes in cost for some of these applications would likely have the biggest impact on a vulnerable clientele, specifically.

All my amendment would do is specify that only an “application for a temporary resident visa, work permit, study permit or extension of an authorization to remain in Canada as a temporary resident” was subject to the Service Fees Act. The act would apply only to those cases and not to all the other categories.

I hope my colleagues will support my amendment; that would give parliamentarians greater reassurance that the other fees covered by clause 304 would be subject to more diligent scrutiny. If the fees go up, the minister will have to take responsibility for the decision to raise the fees for these applications, and I think that should be the case. It is therefore my hope that my colleagues will support this amendment.

• (0915)

[English]

**The Chair:** Okay, it's on the floor.

Mr. Albas, and then Mr. Ferguson.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Chair, I'm just confirming that this is amendment NDP-18. Is that correct?

**The Chair:** Yes.

**Mr. Dan Albas:** Okay. Thank you.

I'd just like to ask the officials a question. Currently, it's my understanding that when someone applies—let's say they've gone from one particular status on a study permit and have put in an application for something else, or for another study permit—there is something called “implied status”. Basically, until they've been turned down, they can assume that they have some standing. Is that correct?

**Ms. Marie-Pier Côté (Director, Express Entry Policy, Department of Citizenship and Immigration):** Does the question refer to clause 304?

**Mr. Dan Albas:** It's actually just in relation to Mr. Dusseault's amendment, because—

**Ms. Marie-Pier Côté:** Yes.

**Mr. Dan Albas:** —to me, it sounds as though he's trying to establish in law something that is already done in practice. I'm just trying to elaborate whether this motion is actually necessary.

**Ms. Marie-Pier Côté:** Yes, I understand.

I'm very sorry to say that Madame Paré is late. I know that she is running here. I'm the expert for clauses 300 to 303, so I can't answer on clause 304. I'm really sorry about that. We're hoping that she will show up in the next few minutes.

**Mr. Dan Albas:** Okay. I'd much rather have someone who can speak authoritatively on it, so I appreciate your saying that.

Mr. Chair, perhaps we can just wait.

**The Chair:** Do we agree to stand that clause?

Are there any other questions for Ms. Côté on any of the other clauses prior to clause 304?

You are with IRCC.

**Ms. Marie-Pier Côté:** Yes.

**The Chair:** Okay. Can we have unanimous consent to stand that clause until the other witness from IRCC gets here?

(Clause 304 allowed to stand)

**Ms. Marie-Pier Côté:** Sorry about that.

**The Chair:** That's not a problem. Thank you for coming.

We still haven't heard from Veterans Affairs.

In the next section, clauses 305 to 402, there are no amendments. Those are quite a few clauses. Does anybody have anything on clauses 305 to 402, or can we get unanimous consent to carry them on division?

(Clauses 305 to 402 inclusive agreed to on division)

(On clause 403)

**The Chair:** This will likely take a little time. On division 18, the Canada infrastructure bank, we'll start with amendment BQ-8.

Mr. Ste-Marie, the floor is yours.

[Translation]

**Mr. Gabriel Ste-Marie (Joliette, BQ):** Thank you, Mr. Chair.

Amendment BQ-8 may seem rather technical but, in our view, is fundamental.

As far as the creation of the infrastructure bank is concerned, Bill C-44 brings about a major change, one that is totally absurd and has gone without mention. Amendment BQ-8 seeks to correct that.

The infrastructure bank would be the agent of the crown for all projects specified by the government. Paragraph 5(4)(d) of the proposed act stipulates that the infrastructure bank would be the agent of the crown whenever the government sees fit. That means the bank would be considered the representative of the federal government and enjoy all of the privileges and immunities that go along with that status.

Further in the new act, it is clear from subsection 18(c) that the privilege would extend to wholly private projects submitted to the infrastructure bank. According to the provision, the bank may “acquire and deal with as its own any investment made by another person”.

First of all, that gives private investors an unlimited loan guarantee. We are talking not just about the \$20 billion that was announced but, rather, about an unlimited loan guarantee. That is ridiculous.

Second of all, that shelters those private investments from the jurisdiction of Quebec and municipalities because, under the new act, the investments and infrastructure projects are the federal government's. Unlike with the Champlain bridge project, for example, the government will no longer have to use its declaratory power to consider an investment as being exclusively under federal jurisdiction. That is a huge change that has gone overlooked and a terrible injustice, in our view.

What this change does is exempt investors from Quebec's laws and municipal bylaws. Quebec's environmental legislation will no longer be taken into account. TransCanada's energy east pipeline project could be approved without any BAPE hearings, as long as the investments are made through the infrastructure bank. Quebec's Act respecting the preservation of agricultural land and agricultural activities would also be tossed aside. Roads and every other type of infrastructure could be built in green areas. The change flouts Quebec's laws: city plans, land-use plans, and zoning bylaws. It is, in all likelihood, unconstitutional.

I don't understand why this change appears in Bill C-44. If the government persists in creating this infrastructure bank, it must, at the very least, do what we are asking and eliminate these abusive powers by removing subsection 5(4) of the new act. I hope my message came through loud and clear.

Thank you, Mr. Chair.

• (0920)

[English]

**The Chair:** Thank you, Mr. Ste-Marie.

Is there any discussion on BQ-8?

Mr. Deltell.

[Translation]

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Thank you, Mr. Chair.

Good morning everyone.

I'd like to thank my colleague from Joliette for his comments, which are always well-researched, well-articulated, and relevant. We may not always agree, but, when it comes to his approach, the member for Joliette sets the standard for us all.

Mr. Chair, we're discussing one of the most important parts of this omnibus bill. Our party opposes the creation of the Canada Infrastructure Bank. We think it's totally unacceptable to sneak such an important measure into an omnibus bill. Not only do we want the measure removed from the bill, but we also oppose the bank's creation entirely.

All the subsequent votes will reflect our position, as we will be voting against the measures.

[English]

**The Chair:** Thank you, Mr. Deltell, and I remind committee members that there are witnesses here today.

I believe you were here yesterday as well.

Is there any other discussion?

Mr. Fergus.

[Translation]

**Mr. Greg Fergus (Hull—Aylmer, Lib.):** Mr. Chair, I wholeheartedly disagree with my Bloc Québécois colleague. Having had the opportunity to work with him on other issues, I have tremendous confidence in his ability to raise important points. In this case, however, I strongly disagree with his conclusions.

That leads me to ask the witnesses a question. Mr. Campbell or Mr. Fleming, do you anticipate any problems in terms of the infrastructure bank's mandate interfering with Quebec's jurisdiction?

[English]

**Mr. Glenn Campbell (Assistant Deputy Minister, Canada Infrastructure Bank Transition Office, Office of Infrastructure of Canada):** No, we do not.

If I may say, this provision that was referred to, Mr. Chair, does not bestow additional powers on the institution. It merely clarifies the relationship between that entity and the Government of Canada for the purposes of managing its liabilities. The crown corporation is required to be subject to any provincial law that applies. There is no additional power. If I understood the various commentary correctly, none of that issue about agent/not agent status pertains to the project. This only pertains to the corporate entity under the Government of Canada, and therefore the project will continue to be the responsibility of the public sponsor. That means if it was a municipality or province, then really they remain in control, and whatever provisions apply to them in their home jurisdiction apply. The infrastructure bank does not interfere in that process or relationship.

**Mr. Greg Fergus:** Thank you.

I have a subsequent question, Mr. Campbell.

We might as well knock down this straw man while we can.

Would the example my honourable used, the energy east project, be one that you would envision qualifying for funding from the infrastructure bank of Canada?

• (0925)

**Mr. Glenn Campbell:** Any major infrastructure project that has the capacity to combine public and private interests would, in and of itself, be in scope. Of course, all the determinations of a particular government, nationally or federally, or review, would also apply as usual.

**Mr. Greg Fergus:** Thank you.

**The Chair:** Mr. Ouellette.

[Translation]

**Mr. Robert-Falcon Ouellette:** When the Canada Infrastructure Bank makes a decision, is the Canadian government on the hook for the possible repercussions? Or is it responsible only in certain cases?



[English]

**Mr. Glenn Campbell:** The bank through its board is accountable to the minister and to Parliament for the purposes of executing its mandate in terms of the functions bestowed on the corporation, to the extent to which it is accountable for how it structures projects and its fiduciary responsibility pertaining specifically to the federal investment. However, the other parties to a particular project, for example if it were a municipality or province—because it's a shared partnership model—would in turn also be accountable to their constituents for that particular project.

**Mr. Robert-Falcon Ouellette:** So the bank would have a liability to environmental laws in Canada?

**Mr. Glenn Campbell:** All of those existing statutes that pertain to anything in the infrastructure space would continue to apply. The bank is not envisioning any interference at all. All existing rules, regulations, policies, procedures, reviews would all still apply as normal in that regard.

**The Chair:** I hope that's clarified.

Mr. Ste-Marie.

[Translation]

**Mr. Gabriel Ste-Marie:** Mr. Chair, I'd like to clarify a few things.

According to the legislation, when an infrastructure project is considered to be under federal jurisdiction, provincial legislation, like Quebec's, and municipal bylaws apply, so long as they do not conflict with federal legislation. Major fiascos can arise, however, as we have seen in Quebec, where city plans and agricultural zoning rules gave way to the creation of airports. We also witnessed that with Canada Post, which did not consult anyone on the installation of community mailboxes. Mayor of Montreal and former Liberal MP Denis Coderre even took a jackhammer to the slab foundation of a community mailbox in protest of the legislation. We should expect the same problems in this case.

As Mr. Campbell confirmed, if the energy east pipeline were to go through the Canada Infrastructure Bank, it is very likely that, under its Environment Quality Act, Quebec would have a say over minor details, but not over the route of the pipeline. Constitutional expert Patrick Taillon confirmed our fears: the bank would be the agent of the government and even wholly private projects going through the bank would be considered government projects.

I therefore beg to differ with Mr. Campbell. His remarks contradict those of Mr. Taillon, a constitutional expert and professor at Université Laval. Mr. Campbell's comments also indirectly conflict with what a public servant told a Radio-Canada journalist yesterday, if we are to believe the article that came out. The public servant confirmed that any investment made through the Canada Infrastructure Bank would be wholly covered by the bank.

I appreciate that Mr. Campbell has to follow government orders. The same thing happened with Bill C-29, in the fall, when we discussed the financial sector's desire to be exempt from Quebec's Consumer Protection Act.

With all due respect, we were ultimately right, Mr. Campbell.

[English]

**The Chair:** Is there any further discussion on this point?

(Amendment negated)

**The Chair:** We're still on clause 403.

Next is amendment NDP-19.

The floor is yours, Mr. Dusseault.

[Translation]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

Welcome back to our witnesses. They are giving up a lot of their time, and we are appreciative.

Here is my first amendment. As you can see, it won't be my last, since the next 10 are mine. I hope my fellow members will indulge me.

[English]

**The Chair:** Are you suggesting that we deal with them all at once?

**Mr. Pierre-Luc Dusseault:** No, no.

[Translation]

I think it's important to mention that I did not come up with the language in amendment NDP-19. It was taken from the Liberal Party of Canada's 2015 election platform. During the campaign, the Liberals did talk about an infrastructure bank, but one that looked a lot different than what we see here. During the campaign, they described the infrastructure bank a lot differently than the proposed measure establishing the bank does in the bill before us.

Section 6 of the new act, which sets out the bank's purpose underlying its activities, reads as follows:

The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue....

Now this is the new part. During the election campaign, the Liberals didn't talk about the requirement to generate revenue. I received confirmation that the revenue would come from tolls, user fees, and so on.

Section 6 of the proposed act goes on to state:

... and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.

My amendment would change the provision setting out the bank's purpose and cite the Liberal Party of Canada's platform, which states, and I quote:

We will establish the Canadian Infrastructure Bank (CIB) to provide low-cost financing to build new infrastructure projects.

The federal government can use its strong credit rating and lending authority to make it easier and more affordable for municipalities to build the projects their communities need. Where a lack of capital represents a barrier to projects, a Canada Infrastructure Bank will provide loan guarantees and small capital contributions to provinces and municipalities to ensure that the projects are built.

That was the Liberal Party of Canada's platform. During the election campaign, the Liberals proposed the creation of an infrastructure bank to Canadians.

My amendment would change the bank's purpose to read as follows:

<sup>6</sup> The purpose of the Bank is to provide low-cost financing—including by means of loan guarantees and small capital contributions—to municipal governments for the construction of new infrastructures. It makes use of the Government of Canada's solid credit ratings and lending power to allow municipalities to easily and affordably subsidize the infrastructure projects that they need.

I would therefore be very surprised if my government colleagues were to reject an amendment incorporating, word for word, part of their party's election platform into the bill. You can understand how shocked I would be if they did not think the content of their platform was good enough to be included in the provisions governing the infrastructure bank. What I am proposing is simply what they told Canadians they would do in their platform.

This is a perfect opportunity for my Liberal colleagues to walk the talk. I can't see how they could object to this. Indeed, I would be extremely shocked if they did not support this amendment.

I will stop there so that we can discuss the amendment. Naturally, I will call for a recorded division afterwards.

• (0930)

[English]

**The Chair:** Thank you, Mr. Dusseault. You must have an interesting bookshelf with some good documents on it.

Is there any other debate on this motion?

Go ahead, Mr. Albas.

**Mr. Dan Albas:** Thank you.

Committee members might remember an intervention of mine with the finance minister. There are ways that the federal government can help municipalities.

However, I don't think having the current mandate of the infrastructure bank combined with the NDP's amendment will do it any good. In fact, it will create a lot of confusion. I'm against the concept that the government is going for, but I do want to compliment the member. There are further things the federal government could do.

Some provinces have their own municipal finance authorities. Those authorities could be working with the federal government. Instead of going to Wall Street for funding, they could be going to the Government of Canada. I don't think at this late stage that the NDP's trying to complete the Liberal platform in a backward way will do any good—although someone told me one time that three lefts do make a right.

**Some hon. members:** Oh, oh!

**Mr. Dan Albas:** I appreciate the ability to voice that. Thank you.

• (0935)

**The Chair:** We always learn things here.

Is there any further discussion on NDP-19?

**Mr. Pierre-Luc Dusseault:** A recorded vote, please.

(Amendment negated [See *Minutes of Proceedings*])

**The Chair:** On amendment NDP-20 to clause 403, we have Mr. Dusseault.

**Mr. Pierre-Luc Dusseault:** We'll withdraw this one. It's pretty similar to the previous one.

**The Chair:** It's withdrawn—

**Mr. Pierre-Luc Dusseault:** Amendment NDP-19 had more precisely the words of the Liberal Party of Canada. NDP-20 is withdrawn.

**The Chair:** Okay. We have NDP-21.

[Translation]

**Mr. Pierre-Luc Dusseault:** Amendment NDP-21 seeks to delete lines 31 to 33 on page 238, in the provision setting out the bank's functions. The purpose is to make it impossible for the bank to receive unsolicited infrastructure proposals from private investors. The paragraph in question indicates that unsolicited projects can be funded by the Canada Infrastructure Bank. Consider a project that isn't a priority for a municipality or province, for instance. Since a public sponsor is needed, there is nothing stopping a private investor from submitting a project proposal to the municipality for its support.

What municipality would be crazy enough to turn down an infrastructure project? That's why we're talking about unsolicited projects that could end up having municipality support—projects that were on the drawing board but not considered priorities initially. They become priorities, however, because private investors have found a way to make money. That is not the work of an infrastructure bank but, rather, a bank that supports private investors and their profits. That is something altogether different.

Unsolicited projects are particularly problematic when you have investors saying that they have an amazing project that will bring in millions of dollars. They ask the mayor and the premier whether they want to partner with them on the project, and it will be very tough for those officials to turn down such a proposal. We are talking about unsolicited projects from the outset, so my amendment would prevent those kinds of projects. It is imperative that a province and municipality deem a project to be a priority before it is funded through the Canada Infrastructure Bank.

[English]

**The Chair:** Thank you.

Is there any discussion on NDP-21? Are there any questions for the witnesses?

Do you want a recorded vote?

**Mr. Pierre-Luc Dusseault:** Yes.

(Amendment negated: nays 8; yeas 1 [See *Minutes of Proceedings*])

**The Chair:** On NDP-22, Mr. Dusseault.

[Translation]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

As you will see, the amendment would delete lines 1 to 5 of clause 403 on page 239. The provision concerns the collection and dissemination of data, which must be done by Statistics Canada or Infrastructure Canada in order to have accurate and reliable data on the bank. This would change the Canada Infrastructure Bank's mandate, so we are asking that lines 1 to 5 on page 239 be deleted given that we are talking about projects that generate revenue.

I take exception to the requirement that projects generate revenue, an aspect that was never mentioned during the election campaign. All of a sudden, the Liberals viewed it as acceptable. Infrastructure that generates revenue is a good thing, according to the Liberals. That includes toll projects, and they want more. That's not acceptable to me. We therefore want to delete this part, which talks about generating revenue.

● (0940)

[*English*]

**The Chair:** The motion is on the floor.

Is there any further discussion from any side?

All those in favour of amendment NDP-22?

[*Translation*]

**Mr. Pierre-Luc Dusseault:** I'd like a recorded division, please.

[*English*]

**The Chair:** Could we have a recorded vote, Madam Clerk?

(Amendment negatived: nays 8; yeas 1 [See *Minutes of Proceedings*])

On amendment NDP-23.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** It's along the same lines, Mr. Chair. It's on the same page.

Proposed section 7 deals with the functions of the bank. Paragraphs 7(1)(a) to 7(1)(h) list what the bank can do and what it can invest in.

The amendment would add the following paragraph after line 11 on page 239, in other words, after proposed subsection 7(2):

(3) The Bank may invest in an infrastructure project respecting new or existing infrastructure only if no new fee, charge, levy or other amount will be charged for the use of the infrastructure.

Once again, the purpose of the amendment is to stop the proliferation of tolls in Canada through the infrastructure bank. We are trying to prevent the Liberals' oft-repeated wish for more tolls from coming true with the help of the bank. Tolls are a bad thing and, in most cases, hurt the middle class. It's unacceptable for people using the same road to get to work every day to have to pay for using the road. My amendment would prevent the infrastructure bank from investing in projects that would impose new fees or charges for the use of the infrastructure.

I would like a recorded division.

[*English*]

**The Chair:** Is there any discussion from any corner?

Could we have a recorded vote, Madam Clerk?

(Amendment negatived: nays 8; yeas 1)

**The Chair:** We're still on clause 403, and now have amendment NDP-24.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

I am still on clause 403 and the infrastructure bank. This time, I jump to page 241, where it talks about the infrastructure bank's board of directors.

As everyone knows, private investors including BlackRock and McKinsey & Company were heavily involved in coming up with the rules for the bank. They practically wrote the bill, not to take anything away from our witnesses who may have helped with the drafting. The bill was drafted in close consultation with these firms. Everyone knows that the Prime Minister has met numerous times with BlackRock executives. Everyone knows that BlackRock is knee-deep in the Office of Infrastructure, even when it comes to the preparation of documents concerning the infrastructure bank.

As you will see, Mr. Chair, the purpose of my amendment is to make sure that an employee or an individual with direct or indirect ties to BlackRock or McKinsey & Company, or a subsidiary of those firms, cannot be appointed as a director or officer of the bank. The amendment seeks to resolve a seemingly obvious conflict of interest, given that these people wrote the legislation governing the bank, no doubt in a self-serving way. What firm would take part in consultations or contribute to an infrastructure project like this without getting something in return? They aren't doing it for the public good or the good of Canadians; they are doing it for their own shareholders, their own pockets, their own investors.

That is why I want to prevent these two firms from having a place on the bank's board or having one of their representatives appointed as an officer of the infrastructure bank. The infrastructure bank, on the whole, is bad enough, so at the very least, let us avoid any conflict of interest. My amendment will prevent those who stand to gain from the infrastructure bank from wielding influence over it.

● (0945)

[*English*]

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

**Mr. Pierre-Luc Dusseault:** I would like a recorded vote.

**The Chair:** I'll remind people that there are witnesses here if you have any questions for them.

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** Thank you very much, Mr. Chair.

I have a couple of quick questions for Mr. Fleming, Mr. Campbell, and Mr. Grover.

Is it normal in a law to name specific firms?

**Mr. Glenn Campbell:** I would generally say, as an official, that I think it would be inappropriate to discuss specific names and individuals in this context without justification in that regard.

**Mr. Robert-Falcon Ouellette:** So, it's not normal to name in a Canadian law a specific firm?

**Mr. Glenn Campbell:** I do not believe so.

**Mr. Robert-Falcon Ouellette:** Does the Conflict of Interest Act apply to the people who are appointed to the board of directors or who are running the infrastructure bank?

**Mr. Glenn Campbell:** The Conflict of Interest Act applies to the board and any appointee by the Governor in Council, and then the crown corporation has to follow best practices in terms of conflict of interest and all provisions, as any other corporation would.

**Mr. Robert-Falcon Ouellette:** Can you give a bit of an indication about the process that led to the development of this legislation and, specifically, who actually wrote this legislation? Did BlackRock write this legislation?

**Mr. Glenn Campbell:** I've been in charge of this project for almost six months, and I've had no engagement with that firm whatsoever.

Let me go back. The government consulted with perhaps hundreds of stakeholders from the infrastructure community, including the financial community, the debt and investment side; municipalities and provinces and territories; and with all variety of others prior to the announcement in the fall economic update. Between the fall economic update and the budget, there were even deeper consultations with strata of various parts of the infrastructure ecosystem, including those in the federal-provincial-municipal system.

Following the budget, I as an official led the coordination of the drafting of the legislation in concert with the government. We used all available resources inside the Government of Canada, and drew on hundreds of inputs from various stakeholders in shaping this legislation that led to the government's decision.

**Mr. Robert-Falcon Ouellette:** One final question. Are you a politician, or can you just give me a bit of your background? You're not a politician, I suppose.

**Mr. Glenn Campbell:** I am a senior official, a technocrat, if you will, with extensive background in government and in financial services, banking, and investment.

**Mr. Robert-Falcon Ouellette:** You're a bureaucrat.

**Mr. Glenn Campbell:** I am, indeed, and proud of it.

**Voices:** Oh, oh!

**Mr. Robert-Falcon Ouellette:** Just a very quick question. How many years of experience do you have in the bureaucracy?

**Mr. Glenn Campbell:** Twenty-five years.

**Mr. Robert-Falcon Ouellette:** Thank you very much.

**The Chair:** Just for the record, Mr. Campbell is assistant deputy minister, Canada Infrastructure Bank Transition Office.

Thank you, both.

Is there any further discussion on NDP-24?

A recorded vote has been called for.

(Amendment negatived: nays 6; yeas 1)

**The Chair:** Still on clause 403, we have NDP-25.

Mr. Dusseault.

● (0950)

[Translation]

**Mr. Pierre-Luc Dusseault:** Mr. Chair, my amendment seeks to delete lines 9 to 12 on page 241, in order to allow the appointment of elected officials to the bank's board of directors. That would make the bank more accountable to Canadians.

It's a good thing for the public to have a seat on the board. That's what I want to see happen. At the very least, the public should have a representative on the board of directors, whether it be a member of civil society or a department official. The purpose of having that person there is to make sure that public money—in other words, the \$35 billion being invested in this bank—is spent appropriately, in a manner that respects taxpayers' ability to pay and does not unduly favour private firms.

Canadians are used to paying their taxes every year. They all work hard to make ends meet and hand over a big chunk of their hard-earned money to the government. It goes without saying, then, that that money must be managed responsibly. Thirty-five billion dollars is a massive amount of public money, so the bank's board should have at least one person to represent the public's interests and ensure the appropriate scrutiny. Otherwise, the bank's entire board of directors and all of its officers are likely to be on the same team, so to speak, working to serve their own interests and line their own pockets, not the public's.

My amendment would correct that flaw.

[English]

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

Is there any discussion on NDP-25?

**Mr. Pierre-Luc Dusseault:** A recorded vote, please.

**The Chair:** You pretty near missed it.

A recorded vote, Madam Clerk.

(Amendment negatived: nays 6; yeas 1)

**The Chair:** Next is NDP-26, I believe.

[Translation]

**Mr. Pierre-Luc Dusseault:** Mr. Chair, I am continuing along the same lines by once more stressing how important it is for the public to be able to verify. In this case, it is a matter of changing one sentence in the bill for another sentence saying that the bank must receive the concurrence of the designated minister. The amendment seeks to increase the obligation to be accountable on the part of the minister responsible for this bank, who will probably be the designated Minister of Infrastructure and Communities.

The goal is to make the minister more accountable for everything that the infrastructure bank will do, and for potential failures. We want the legislation to clearly and precisely give parliamentarians the assurance that the minister is accountable to Parliament and that the bank's actions reflect that accountability. In the event of a failure, or any other situation—such as money being improperly spent, or put into the pockets of influential Liberals, to recall a time when the Liberal Party was looking after its friends—the minister with responsibility for this bank must be accountable to Canadians. We want to avoid a situation whereby the minister can say that the bank is independent, that he has nothing to do with it, that its leaders can do what they like, and that he washes his hands of it.

The danger to which we are exposed and that we are on the lookout for is that the minister can completely wash his hands of everything that goes on in the bank. My amendment seeks to give him a little more responsibility and oversight, and thereby to improve the accountability for the actions of the bank.

I ask for a recorded vote.

[English]

**The Chair:** Is there any discussion on this point?

Okay, we shall have a recorded vote on NDP-26.

(Amendment negatived: nays 6; yeas 1)

**The Chair:** We're still on clause 403, and now have NDP-27.

● (0955)

[Translation]

**Mr. Pierre-Luc Dusseault:** Mr. Chair, this amendment is along the same lines. So I will not spend so much time on it.

This is about requiring the bank to submit plans for the project to the designated minister who may, with the concurrence of the Minister of Finance, recommend it for approval to the Governor in Council.

The objective is to make the government responsible for the expenses that the bank commits to, and, in cases of improper authority, dubious financing, or when projects end in complete failure or turn into white elephants—something we have previously seen here in Canada—the ministers are required to be accountable for it and they cannot decline all responsibility using the arguments that we have heard so many times: this is a crown corporation, it is free to do what it wants, we are not responsible, the corporation makes its own decisions, and the government plays no role.

This provision will give Canadians the assurance that the government is responsible for the actions of the bank, because infrastructure projects will have to obtain the concurrence and approval of the Governor in Council.

[English]

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** I have a question for the officials, Mr. Chair.

I'd appreciate your expertise on this. When the bank is created and becomes a crown corporation, it will probably operate like other crown corporations, with the debt being reported on their books and not in the public accounts specifically. Is that correct?

**Mr. Glenn Campbell:** No, it's not correct.

It will be a consolidated crown; therefore, its net liabilities will be reflected in the financial statements of the Government of Canada. More specifically, any project for which it's deemed to have federal support—or under market support—would be counted against that \$15 billion profile that's transparently set out in budget 2017.

**Mr. Dan Albas:** So every year, parliamentarians will be able to scrutinize that as part of the overall picture. Is that correct?

**Mr. Glenn Campbell:** That's correct. It will be reflected in the government's financial statements and will also be identified in the annual plan that will be tabled before Parliament by the corporation.

**Mr. Dan Albas:** Thank you.

**The Chair:** Thank you.

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** We have the amendment here from Mr. Dusseault, but I also want to point out something on page 242:

Financial Management and Control

Corporate plans

16. The Bank must annually submit a corporate plan to the designated Minister, who may, with the concurrence of the Minister of Finance, recommend it for the approval of the Governor in Council.

Operating budgets

17. (1) The Bank must annually submit an operating budget for its next financial year to the designated Minister, who may, with the concurrence of the Minister of Finance, recommend it for the approval of the Treasury Board.

Capital budgets

(2) The Bank must annually submit a capital budget for its next financial year to the designated Minister, who may, with the concurrence of the Minister of Finance, recommend it for the approval of the Treasury Board.

So there is a lot of oversight by parliamentarians.

**Mr. Glenn Campbell:** Yes. There is a well-established crown corporation operating framework that is largely set out in the Financial Administration Act, which applies to this new corporation, except in a couple of very specific areas. The corporate plan is very specific that the corporation needs to come forward to the responsible minister, and then, in turn, it needs to be approved before it can carry out any of its activities on an annual basis.

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** Not to leave any stone unturned, you said there were a couple of things that the bank, or infrastructure crown corporation—I don't like calling it a bank—would not be subject to.

**Mr. Shawn Grover (Senior Policy Analyst, Canada Infrastructure Bank Transition Office, Office of Infrastructure of Canada):** There is, for example, a higher standard for auditors, so in the FAA it could be the Auditor General or a private sector auditor. Here, in the infrastructure bank act, it's joint auditors. There's an additional provision in the FAA for acquiring subsidiaries. Typically that requires Governor in Council approval, but here, given the nature of the bank's activities, it would just require the designated minister's approval. Those are some examples.

**Mr. Dan Albas:** Okay.

Thank you.

• (1000)

**The Chair:** Is there any further discussion?

Okay.

**Mr. Pierre-Luc Dusseault:** Could we have a recorded vote, please?

**The Chair:** We're on amendment NDP-27.

(Amendment negatived: nays 8; yeas 1)

**The Chair:** I thought we could move ahead to amendment PV-19, but NDP-29 will create a conflict with it, so we can't do that, Elizabeth. Sorry about that, I know you were looking forward to it.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** I appreciate your even considering it.

**The Chair:** Okay. We're on amendment NDP-28.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

My amendment deals with the five-year review of the bill, which is even more imperfect now that all my amendments have been rejected so far. So, at the moment, the bill is unchanged. However, here is a unique opportunity for the Liberals to be able to say in their statements that they have accepted some opposition amendments.

Amendment NDP-28 says that, on the first anniversary of the day on which the act comes into force, there will be a review of the new Canada Infrastructure Bank Act. One year after the act comes into force, meaning the end of June 2018, the effectiveness and legitimacy of the act will be evaluated. Otherwise, going by the bill, which mentions a five-year review, there will be no examination of this legislation before 2022. In my opinion, that is too long. It would also be in the interests of parliamentarians for this review to take place in one year.

So here is a unique, unprecedented opportunity for the Liberals to accept an opposition amendment. They could then rise in the House and declare how good they are to have accepted an opposition amendment on the Canada Infrastructure Bank. That would certainly be a topic for discussion.

[*English*]

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

Mr. Ouellette.

[*Translation*]

**Mr. Robert-Falcon Ouellette:** Thank you very much.

I am interested in the words. Every five years from “the day on which this act comes into force”. When exactly do we see it coming into force?

[*English*]

**Mr. Glenn Campbell:** Subject to parliamentary approval, it would come into force when this budget implementation act, no. 1, receives royal assent. Again, that is subject to Parliament's will.

**Mr. Robert-Falcon Ouellette:** That's as soon as it goes to the red chamber and the Governor General gives his nod and it receives royal assent, or does it take a declaration or something from the cabinet again?

**Mr. Glenn Campbell:** It's on royal assent of the legislation.

**Mr. Robert-Falcon Ouellette:** On royal assent.

**Mr. Glenn Campbell:** The Canada infrastructure bank will be incorporated as per the legislation. Then, of course, there is the corporate plan and other activities that follow. Once Parliament passes the legislation, it will be incorporated under the act.

**Mr. Robert-Falcon Ouellette:** So the review would be five years from that date.

**Mr. Glenn Campbell:** Correct.

**Mr. Robert-Falcon Ouellette:** Maybe at the end of June or early July.

**Mr. Glenn Campbell:** This is a provision that exists in other legislation, including the EDC and BDC acts, where initially they had a five-year review and then it went to a ten-year review. Of course, we know this exists under the Bank Act and the Insurance Companies Act.

When it's the next available time in Parliament to have that review, it becomes a procedural issue before the review is brought forward to Parliament.

**Mr. Robert-Falcon Ouellette:** In my mind, I'm trying to establish when the next review would be. It would be in 2022, probably. Most likely it would not be in this Parliament, but the 43rd Parliament, somewhere in the third year almost.

**Mr. Glenn Campbell:** Generally speaking, it would be five years from the end of this June, if this bill were to pass. Then the responsible minister would work out when to bring the review forward in advance of that time, to ensure that a review is undertaken prior to the date that would now be established in legislation. The government would have to bring forward a review prior to the expiry of that five years.

**Mr. Robert-Falcon Ouellette:** When the plans are tabled, we would always have the right to question here at the finance committee if we desired, or to question the finance minister.

We would always have that level of accountability.

**Mr. Glenn Campbell:** You would.

And let me remind you, if I may, that at two points during the year, the corporate plan and the annual report are documents that are tabled in Parliament on a rolling basis. That provides an opportunity to potentially discuss the operations of the Canada infrastructure bank.

•(1005)

**The Chair:** Thank you both.

That ends discussion on NDP-28.

**Mr. Pierre-Luc Dusseault:** I'd like a recorded vote.

**The Chair:** Madam Clerk.

(Amendment negatived: nays 8; yeas 1)

**The Chair:** Turning to NDP-29, this motion is considered moved by Mr. Aubin, who is with the NDP on the transport committee, I believe.

On a technical point here, if NDP-29 is adopted, the question cannot be put, due to line conflicts with NDP-30 and PV-19.

Mr. Dusseault, the floor is yours, if you want to say anything on it.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Yes, thank you.

We are a little further into the bill, a few lines from the five-year review we have just been discussing. The legislation is very strict about protected information. However, it does not have to be so restrictive, given that possible exemptions may be authorized under the Access to Information Act.

My amendment seeks to remove subsection 28(1) completely, simply leaving section 28. The cases described in paragraphs (a) to (d) of subsection 28(2), refer to situations where communicating information is possible.

The amendment also seeks to amend a technical aspect. This is about the word “offence” in section 31. We are deleting section 28. In terms of offences under privacy of information legislation, the maximum fine is \$10,000 and the maximum term of imprisonment is six months.

There can actually be protected information. That said, the Access to information Act already protects information of a commercial, economic or strategic nature, or information about national security. Information of that kind can already be protected by claiming an exception under the Access to Information Act. In my view, the provisions in section 28, which are even more restrictive than those in the Access to Information Act, have no reason to be there.

The amendment seeks to protect the public interest and its access to data, as well as to documentation from this bank. It might specifically be about the reasons why one project was chosen over another. That is what normally happens in a public forum. Our lawmakers, having been elected by the people, must stand by their decisions and justify why one project was chosen over another. Currently, it is hardly likely that the public will be able to have access to the reasons that led the lawmakers to choose one project over another.

In my opinion, exceptions to the Access to Information Act would allow greater flexibility in the information that could be provided to Canadians through an access to information request.

I am hoping for support from my colleagues. We must make sure that this crown corporation is comparable to other crown corporations. Given that CBC is in competition with private broadcasters, it

is not the best of examples in terms of protecting its confidential, economic and commercial information. Of course the crown corporation is assured of protection, as is the case for other crown corporations such as VIA Rail and Canada Post.

I feel that the infrastructure bank could be subject to the same rules. It is not necessary to apply a rule that is so strict, so harsh. The public must not be unable to access anything at all about this bank. Otherwise, everything would be completely opaque and the public would have no access to the tiniest piece of information. That is inappropriate, given that \$35 billion of public money are invested in it.

•(1010)

[*English*]

**The Chair:** Thank you.

Mr. Ouellette, you're speaking to NDP-29.

**Mr. Robert-Falcon Ouellette:** Yes. I'd like to direct this question to Mr. Campbell.

Are there other examples of crown corporations that have similar legislation to what is found in 28(1) to (2)(a), (b), (c), and (d)?

**Mr. Glenn Campbell:** Yes.

Mr. Chair, the narrow exemption that's included in this legislation parallels the similar exemptions that exist under Export Development Canada and Business Development Canada, two other crown corporations. It is specifically targeted to protect the counterparty or client information of either a financial participant or even another order of government. It's their information that is being protected, not the project and not the activity of the bank. It's precisely to give assurance to those counterparties that their information—voluntarily put forward to the government—is not released.

On the latter point, the Information Commissioner would still have jurisdiction to oversee how access to information and related provisions are applied in the corporation.

**Mr. Robert-Falcon Ouellette:** I'm also wondering if you could give a bit more information on what Mr. Dusseault mentioned, that another section also deals with confidential or privileged information. This proposed section lays out that privileged information “may be communicated, disclosed or made available in the following circumstances”. How do these two proposed sections then work together?

**Mr. Shawn Grover:** Proposed subsection 28(1) discusses what information is privileged, and then proposed subsection 28(2) provides certain exemptions from that. For example, if there's consent of the other party, then that information can be disclosed. That's how they work together.

**Mr. Robert-Falcon Ouellette:** Monsieur Dusseault, what was the other section you mentioned?

[*Translation*]

**Mr. Pierre-Luc Dusseault:** I was also talking about section 31, about the offence.

**Mr. Robert-Falcon Ouellette:** Section 31?

[*English*]

It talks about a person who contravenes section 28 and 29.

[Translation]

It says: "...is guilty of an offence and liable on summary conviction..."

**Mr. Pierre-Luc Dusseault:** I wonder whether there are measures similar to section 31 in other legislation about other crown corporations.

[English]

**Mr. Shawn Grover:** There are equivalent provisions in the EDC and BDC acts for violations under the privileged information provision. They would also be offences under those acts.

**The Chair:** Mr. Dusseault asked your question for you. You two work well together.

**Mr. Robert-Falcon Ouellette:** Yes.

[Translation]

Thank you very much, Mr. Dusseault. I appreciate that.

[English]

**The Chair:** Is that it with regard to NDP-29?

[Translation]

**Mr. Pierre-Luc Dusseault:** I have another question. If my amendment is adopted, would it still be possible for the infrastructure bank to refuse access to information requests because of the exceptions that already exist for information of an economic, commercial and strategic nature?

[English]

**Mr. Glenn Campbell:** The Access to Information Act applies. Therefore, the various exemptions under the existing act will apply, depending on the circumstance. The bank will be charged with fulfilling the obligations under that act, whatever applies, or the exemptions. This is one additional very narrow exemption that just provides additional comp to the counterparties who have to put forward information to the bank in a very narrow way. The bank management and the board will be responsible for adhering to the legislation.

[Translation]

**Mr. Pierre-Luc Dusseault:** So what we are really saying is that subsection 28(1) keeps BlackRock and its private investors satisfied.

• (1015)

[English]

**The Chair:** Are we ready for the question?

**Mr. Pierre-Luc Dusseault:** I'd like a recorded vote.

**The Chair:** Madam Clerk, this will be a recorded vote.

(Motion negatived: nays 8; yeas 1 [See *Minutes of Proceedings*])

**The Chair:** We're still on clause 403, and we're now at NDP-30.

[Translation]

**Mr. Pierre-Luc Dusseault:** I will be quick.

This is still about section 31 and the offence. My amendment seeks to impose a fine or a prison term on those who violate section 29. I am not including section 28. Section 29 prohibits the use of the name, the initials or the acronyms of the bank.

Because my amendment was not adopted, I think it is better to remove section 28 from offences that could result in penalties of up to \$10,000 and imprisonment of up to six months. I assume this is about formal requests, or informal ones from investors seeking more protection for the information. BlackRock got what it wanted. As it stands, those who commit an offence like the one described in subsection 28(1) are going to be subject to harsh penalties. I think it is appropriate to remove section 28 from the proposed legislation completely.

[English]

**The Chair:** So moved.

Is there any discussion on NDP-30?

Do you want a recorded vote?

**Mr. Pierre-Luc Dusseault:** Yes, please.

**The Chair:** Madam Clerk.

(Amendment negatived: nays 8; yeas 1 [See *Minutes of Proceedings*])

**The Chair:** Turning to PV-19, it's deemed moved. Ms. May had to go back to the House.

Is there any discussion on PV-19?

(Amendment negatived on division)

**The Chair:** I have one question, Mr. Campbell, coming back to Mr. Albas' question earlier on the debts and liabilities of the Canada infrastructure bank. How are those liabilities recorded in the public accounts? Do they go against the long-term debt of the Canada...? Can you explain a little further the liabilities of the corporation? They seem to be handled differently from other crown corporations, if I understand correctly.

**Mr. Glenn Campbell:** I'll let my colleague Mr. Fleming answer.

**Mr. Niko Fleming (Chief, Infrastructure, Sectoral Policy Analysis, Economic Development and Corporate Finance Branch, Department of Finance):** Thank you.

The net liabilities of the infrastructure bank would be recorded in the public accounts on a consolidated basis. Therefore, they would be a part of the total assets, liabilities, and debts of the Government of Canada.

**The Chair:** Okay.

Mr. Albas.

**Mr. Dan Albas:** On that point, I guess that in the nature of the activities of the crown corporation itself, it would look quite strange to have such a heavily leveraged.... Again, the government is counting on your putting in a dollar, and at least it sounds like they're hoping they'll get two to four dollars from private sources. That's going to be highly leveraged.

I guess it would actually make the infrastructure bank look less over-leveraged, by having it in the government. Is that part of their policy rationale?



**Mr. Glenn Campbell:** I would say, Mr. Chair, it's the opposite, in the sense that it's transparent. A project would not necessarily be leveraged, as every participant would have a tranche or a share in that project. The Government of Canada's share through the bank would be transparent. To the extent to which there's a value of that investment that goes below par, it gets recorded against that profile of \$15 billion, and recorded as a net liability against the Government of Canada's books in a very transparent way.

**Mr. Dan Albas:** I think you and I can agree reasonably it's a transparent number as long as it's made public. Whether it's on the government's books or on the books of an independent crown corporation, that's still transparent because they're still reporting every year. The question is the magnitude of the debt compared to.... It looks far less leveraged when you put it in the overall categories of liabilities of government.

I'm just saying that to me if you were to have the other arrangement, it would just stick out like a sore thumb on a regular basis, while this way, the government can achieve its policy goals while—to me—minimizing that perception of the crown corporation.

• (1020)

**The Chair:** But it would be in both, would it not? It would be recorded in the crown corporation, on the infrastructure bank's books, and on the public accounts.

**Mr. Glenn Campbell:** The infrastructure bank itself would have its own financial statements that would be list its assets and liabilities, and that would be for the corporation on a project-by-project basis. We've already testified that there will be an accounting determination on an annual basis by the comptroller general. We will have two auditors, the Auditor General as well as a private sector auditor, determining the ongoing value of federal support in a particular project.

The government has been transparent that this is a mechanism to deliver federal support, and has set a limit over a period of time, with a maximum of \$15 billion against the fiscal framework set out over 11 years in budget 2017. It is going to be very transparent, Mr. Chair, as to how these projects will be reflected both at the bank and on a consolidated basis, as my colleague mentioned, in the Government of Canada's books, to be fully transparent. That number may fluctuate over time.

**Mr. Dan Albas:** But again—

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** But again, unlike a bank, there will not be a cap or requirement for how much cash it has to have on hand. My understanding is that the government is intending to try to maximize as much private infrastructure funding as it can, so I can't see their, like a bank, having a capital reserve. I think it will take a little while for all \$35 billion of the initial investment in money and guarantees to be invested, but to me, that's the purpose. This is going to be one heavily leveraged bank, if you want to call it that, because it won't have capital reserves on its own as part of its mandate, will it?

**Mr. Glenn Campbell:** Thank you for your question.

Mr. Chair, this is not interpreted as a levered corporation in that respect. First, to reduce the cost in the treasury function, unlike other crown corporations, the government is not going to give it a lump

sum amount of money that it has to manage. Cash will be released to this corporation as projects come forward, such that it can make investments, i.e. purchases, in a project, either through debt or equity means and other parties will then do the same. The objective is not to bring in additional debt, but equity, so that it will not be levered. The purpose is to try to attract more investment on a project-by-project basis. The bank need not have a capital reserve; it only needs to have the amount of liquidity it needs on a project-by-project basis.

The Government of Canada will raise its debt. The Government of Canada will manage its funds. Prior to transferring it to the crown corporation, it need only manage on a project-by-project basis, as one participant structuring that project.

**The Chair:** Okay, next we have Mr. Dusseault, then Mr. Ouellette for questions to witnesses. We're still on clause 403 discussing the infrastructure bank. Go ahead.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** My question is more about the title. Why did you use the term “bank”? You use the expressions “crown corporation” or “corporation”. Why was it decided to call this the infrastructure bank? In my opinion, for the average Canadian in the street, a bank is not exactly what we have before us. A bank is a place where financial services are provided. Sometimes the expression investment bank is used when investments are made in companies in order for them to make profits.

Why use the term “bank” rather than another term to describe this project?

[*English*]

**Mr. Glenn Campbell:** Thank you.

Mr. Chair, first let me say that, in the previous three years prior to taking on this role, I was in charge of the Bank Act in Canada and I understood banks and banking, name use, and functions. It is quite clear that the entity as constructed, even though it's a crown corporation, is effectively a bank for the purposes of managing risk transfer between parties, and facilitating an arrangement between borrowers and savers.

It is not a Schedule 1 bank that takes deposits, much like other banks, but there are many other private market participants that do project finance, merchant banking, where they're involved in structuring a project, bringing folk together in a very bank-like way of transferring and managing that risk. Therefore, for those intents and purposes, this is a merchant-type investment bank, bringing parties together and structuring that, and it just doesn't have the deposit function.

There is only one Schedule 1 type of bank that takes deposits. There are many other types of banks that are involved in those types of wholesale or other forms of financial structuring.

• (1025)

**The Chair:** Next, we have Mr. Ouellette for, hopefully, the last question.

[*Translation*]

**Mr. Robert-Falcon Ouellette:** Mr. Campbell, you are just fabulous. You should be the director of this bank, when the time comes, I hope that you are going to continue your involvement in this matter because we need your expertise.

[*English*]

I'd like to talk about liability. Sorry, as we've already had this discussion at the government operations committee, but can the bank make profit on a project itself?

**Mr. Glenn Campbell:** Yes, it can in the sense that, if the Government of Canada, through the bank, made an investment in a project that had risk at the outset—meeting the test in the short run of having to absorb some risk—and that project performed and exceeded expectations, then the bank itself could get net proceeds like any other investor in that project. Its equity could be of a higher value over time, or it could get repaid a level of debt with interest that could be the equivalent of a profit in a project.

**Mr. Robert-Falcon Ouellette:** On the opposite side of that, let's say that a project fails. Could the bank lose everything? How would you divide up the assets? For instance, they might build a brand new green field project and it might not work out as we had hoped. If private investors decided to leave and wanted to sell off, how would you envision that working itself out?

**Mr. Glenn Campbell:** Mr. Chair, the bank will follow modern and robust legal and investment agreements that contemplate all these potential scenarios, through the finance planning stage, the construction stage, and the operating stage. That will ensure everyone knows the rules of the game through agreement.

If something were to happen, the project doesn't perform as intended, it likely means the private investors who absorb risk would take a loss or their returns would be reduced, as intended. If one of the players were to go into some form of default, provisions exist to have someone else enter into their place, which usually happens during the construction phase, no different from any traditional procurement, and these are managed. To the extent to which something happens to a particular investor—who has already put their money in the project—then they may, through a normal court process, have to transfer their liability or sell their position in the project to another investor.

This is largely normal routine in the world of infrastructure and big projects to ensure projects continue to get built and keep moving, and partnership agreements contemplate and manage all these scenarios. That system works very well in Canada.

**Mr. Robert-Falcon Ouellette:** Mr. Campbell, when you talked about a merchant bank, you were not talking about a piggy bank. We're not just handing over \$15 billion to investors as a gift. We're trying to use this as leverage to build infrastructure, but also, we maintain an equity stake in a lot of these projects.

**Mr. Glenn Campbell:** The purpose is to use federal support strategically in a project, to put the minimal amount of federal support needed to absorb a risk in a project that would otherwise not have been built or has too much risk, particularly for another government and the private investor to come together.

The comparator would be a project where governments bear all the risk and pay all the funding. So even the federal government would have paid more. The objective is to have the merchant bank or the Canada infrastructure bank work with other partners, including municipal, provincial, or other federal partners, to determine the minimal amount of support needed to make a project viable.

**Mr. Robert-Falcon Ouellette:** If you ever pick a name, I hope you pick the Louis Riel Canada infrastructure bank. I think that's a beautiful-sounding name, Mr. Chair.

**The Chair:** Mr. Liepert.

**Mr. Ron Liepert (Calgary Signal Hill, CPC):** I thought maybe I'd just briefly try to answer Mr. Ouellette's question, that yes, if the federal government guarantees a project with a loan guarantee, and the project goes broke, the infrastructure bank investment of the federal government is at risk.

• (1030)

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** Again, I'd just like to reiterate our position on the infrastructure bank. We don't feel that it is a necessary piece of infrastructure here in Ottawa. Allocations could simply have been made to P3 Canada.

We certainly understand the motive of the government but we just do not agree that this is the correct mechanism, and I certainly hope that the other place does consider whether this committee process with two hours of testimony...I also know about the infrastructure committee, so we'll give it four hours of testimony coupled with clause-by-clause. I don't feel that's adequate given the amount of investment that will be made, and certainly our votes are going to be against this, bearing in mind that when the previous government decided to invest heavily in infrastructure, when the time came, we did so quickly and efficiently without having to add new bureaucracies here in Ottawa, where the governance questions have been played out in the media multiple times, and with the government not being entirely clear which side it lands on.

We will be voting against the proposal, but I want to thank the professionals who are here today for the work they do for Canadians.

**The Chair:** Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** Mr. Campbell, what's the difference between the infrastructure bank as it's conceived and P3 Canada?

**Mr. Niko Fleming:** In the functions of the organizations, public-private partnerships are a very useful contracting tool when they're applied carefully and for the right kind of project. They can use private sector incentives to get projects built on time and on budget. That has obvious benefits.

As to their capital structure, however, P3s in Canada primarily involve financing through loans for a portion of the project costs. Those loans ultimately have to be repaid by the government, usually by the municipality that owns the infrastructure. The government heard in its consultations that there was a need to help build more infrastructure than could be paid for by the public purse. The infrastructure bank can bring an additional party for funding projects so that it does not just rest on the three levels of government. This would also free up public funding for other projects including infrastructure that would not have the required revenue streams.

In order to attract that private sector investment and do it in the way that protects the taxpayers, a new institution was needed that would have the right kind of expertise and could be the counterparty for the negotiations with the sophisticated private sector equity investors. That requires a skill set different from the functions of PPP Canada, which are focused on providing advice on structuring a procurement contract involving P3s.

**The Chair:** Mr. Liepert.

**Mr. Ron Liepert:** Mr. Fleming, would you not agree that there are multiple P3 projects around the world that are operating, say, with tolls, where the government investment is zero and yet the infrastructure is being built?

**Mr. Niko Fleming:** Yes, there can be projects.

**Mr. Ron Liepert:** I'm asking whether there actually are such projects, not whether there can be. Are there currently such projects under way around the world?

**Mr. Niko Fleming:** I believe there are different types of projects.

**Mr. Ron Liepert:** I'm asking a specific question. Are there P3 projects currently operating around the world with no government money—operating by way of tolls and other revenue-returning projects? I'm speaking of projects that are completely privatized, with no government money.

**Mr. Niko Fleming:** There can be projects that operate—

**Mr. Ron Liepert:** No, I didn't ask whether there can be. I'm asking you if there such projects today.

• (1035)

**Mr. Niko Fleming:** I believe there are, but I don't have specific examples.

**Mr. Ron Liepert:** The answer is yes.

**The Chair:** Okay.

Mr. Albas.

**Mr. Dan Albas:** I'd like you to elaborate. I'm not asking you to say whether the policy choices are correct. First of all, P3 Canada has a specific skill set. The government, however, might have chosen to have an expanded focus to include elements that would encourage more investment, rather than to just get all three levels of government more attuned to private sector investment with P3s. With the proper guidance, legislative changes, and support, P3

Canada could offer many of the same attributes as the infrastructure bank. It was a policy choice, I'm sure, that the government made to go ahead with a completely different crown corporation. Theoretically, though, it would be possible if the government chose to do so. Is that correct?

**Mr. Glenn Campbell:** I don't think we're going to comment on hypotheticals. We can explain what's before us in the legislation.

**Mr. Dan Albas:** Does the...?

**Mr. Glenn Campbell:** We can reiterate the point that PPP Canada is a procurement...about how a project is constructed downstream. The Canada infrastructure bank is designed to arrange the project financing. This could include a P3 structure for procurement if that's what the project wants. We see them, however, as two distinct functions and skill sets.

**Mr. Dan Albas:** I'm speaking as someone who sees the value of a dollar, who sees that there could be more private investment in Canada, and who sees that if you were able to bundle those together there might be some further strides that could be made. I do not believe fundamentally that you need a new bureaucracy in Ottawa, particularly when it's going to take five years before this thing actually starts operating smoothly.

I see the hammer here, and I appreciate this submission. I just wanted to have it on the record that I believe there are innovations in infrastructure funding that could be made, but not through this mechanism.

**The Chair:** Are there any other comments?

Is this going to take five years to be up and running?

**Mr. Glenn Campbell:** With the objective set out for the bank and the mandate subject to parliamentary approval, the bank could be operating this fall. We have a planning date of November, and then, really right out of the gate, we'll be working on the advisory function and working with our municipal, territorial, provincial, and other partners on structuring projects. Many of these projects do take time to develop.

As you may know, the government decided to locate the bank in Toronto closer to the ecosystem and infrastructure universe, so it will not be an Ottawa-based entity.

**The Chair:** Okay. We're not exactly on any amendments but the discussion is a valid one.

Next are Mr. Albas and Mr. Ouellette, and let's hope that will end the discussion.

**Mr. Dan Albas:** Just on the point about five years, any crown corporation is going to take a while before all the policies...and before the people begin to have a working structure. That's before it starts to step in stride. I appreciate that the mechanism will be there, but whether or not all the value-for-money protocols and internal processes can be set up.... Just having people in a leased location does not an institution make.

**The Chair:** Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** I was interested in the comment you made, Mr. Campbell, about information and setting up the advisory in November. I was just wondering how you were going to be sharing information with municipalities, provinces, and potential partners. How are you going to be building the bank and informing those partners about the possibilities of using this new entity?

**Mr. Glenn Campbell:** I'm already in continuous engagement with both sets of stakeholders involved in the bank, and I'm having a discussion with my ADM colleagues in the federal, provincial, and territorial universes tomorrow, really to tee up, so that the moment the bank is operating and, quite frankly, the moment we have established people, they will be interfacing with many of our counterparts on envisioning projects.

We have a lot of demand now from our municipal, territorial, and provincial colleagues, who want to interface with the experts at the bank so that they can start thinking and doing their long-term planning as envisioned.

We anticipate it being a centre of expertise, having an advisory function to help other orders of government think through whether this is a viable option or not for them. Then, over time, we will develop the data for all parties to help better inform long-term infrastructure decision-making.

• (1040)

**Mr. Robert-Falcon Ouellette:** How will you be connecting, for instance, private investors and private funds with the partners, the municipalities, and the provinces?

**Mr. Glenn Campbell:** The precise value-added role of having an independent, arm's-length entity is that a public sponsor brings forward a project. Then, really, it's up to the bank to determine with that sponsor whether or not there is an appropriate investor base for that particular project. That really is a market-determining function of whether or not a project is bankable, and that provides the feedback mechanism to the sponsor of that project as to whether they want to continue under the infrastructure bank model.

**The Chair:** Okay, thank you. That ends the discussion on clause 403.

Shall clause 403 carry?

**Mr. Dan Albas:** I request a recorded vote.

**The Chair:** A recorded vote, please, Madam Clerk.

(Clause 403 agreed to: yeas 5; nays 4)

**The Chair:** Clause 403 carries, and we do have a person on the line from Veterans Affairs, but I'm wondering about this. There are still three sections related to infrastructure. There are no amendments to clauses 404, 405, and 406. Could we see them as a block and carry them on division? Is that agreed?

(Clauses 404 to 406 inclusive agreed to on division)

**The Chair:** I thank our witnesses. You are released.

Can we go back, then, to division 12? That is "Canadian Forces Members and Veterans" in clauses 270 to 299. From Veterans Affairs Canada, we have on the line, from Charlottetown, Shawn MacDougall, who is the senior director, policy directorate, strategic policy and commemoration.

We have the witness with Veterans Affairs Canada on the line if there are any questions on these clauses in the bill, clauses 270 to 299. There are no amendments. Is everybody okay to see them as a block and move them as a block? Before we do that, are there any questions for Mr. MacDougall, who has been waiting on the line for about an hour in case there are questions?

Okay, Mr. MacDougall, thank you very much for waiting on the line. There are no questions.

(Clauses 270 to 299 inclusive agreed to on division)

**The Chair:** We'll go back to clause 304, but I'm wondering, seeing as we've been at it two hours, if people want to take a 10-minute suspension. Are we agreed?

**Some hon. members:** Agreed.

• (1040)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1050)

**The Chair:** Could we reconvene?

(On clause 304)

**The Chair:** Clause 304 is on the floor. There was a question by Mr. Albas. We have with us now Victoria Henderson, assistant director, cost management, with IRCC.

**Mr. Dan Albas:** I appreciate that this is based on the NDP amendment specifically laying out the status of an applicant. Right now my understanding is that there is a practice that if someone whose permit has come up, regardless of what the permit is, and they have applied for another, whether a work permit or a study permit, etc., they are given implied status until.... If the application is turned down, then they have no status. I think that's the amendment he's trying to make to this bill.

If you can say if this is already happening in practice, yes or no, maybe we'll go from there.

• (1055)

**Ms. Victoria Henderson (Acting Director, Cost Management, Department of Citizenship and Immigration):** I'd like to apologize, first, for my delay in appearing.

**The Chair:** We got here faster than you expected. That's not a problem. Go ahead.

**Ms. Victoria Henderson:** I'm not the operational expert, but what I can say is that for temporary residents, if they did apply for an extension to their status, and if that application is received prior to its expiry, then, yes, they do have an implied status until a decision is rendered.

**Mr. Dan Albas:** Given that this has been the practice, both under the previous and current governments, is there a need for further legislation on this topic?

**Ms. Victoria Henderson:** I can't comment on any specific further legislation that would be required in that context. The context for our proposal is specifically an exemption for permanent residents, and not temporary residents.

**Mr. Dan Albas:** Okay. Maybe I'll let Mr. Dusseault ask some of his questions. I'm sympathetic, but my experience as a member of Parliament is that this practice happens every day. I'm not entirely convinced it needs to be legislated further.

**The Chair:** Mr. Dusseault, we are on amendment NDP-18.

[Translation]

**Mr. Pierre-Luc Dusseault:** Thank you.

I hear what my colleague is saying, but I am not sure that we are talking about the same thing.

Bill C-44 seeks to exempt a whole host of applications under the Immigration and Refugee Protection Act from the Service Fees Act. My amendment, which seeks to restrict that exemption, simply reads: "application for a temporary resident visa, work permit, study permit or extension of an authorization to remain in Canada as a temporary resident."

As you can see, the current bill lists various kinds of applications that could be exempted from the Service Fees Act, applications that are listed in proposed paragraphs 89(1.2)(a) to (h) of the Immigration and Refugee Protection Act. When people renew applications, or apply for work permits when they have study permits that are still valid, I am not sure that a link needs to be established. As I see it, the fees still apply.

If people apply for work permits in Canada when they have study permits already, do the work permit fees apply?

[English]

**Ms. Victoria Henderson:** Again, a temporary resident is not within the scope of what we're seeking. We're specifically seeking an exemption from the User Fees Act or the service fees act for permanent residents. IRCC currently has an exemption for temporary residents from the act. We also have an exemption for citizenship. These have already been legislated. What we're seeking here is specifically for permanent residents. We're seeking this because of the unique nature of our clientele. They are internationally located—they're across the world—and we need flexibility when it comes to setting fees.

[Translation]

**Mr. Pierre-Luc Dusseault:** As I understand it, the current bill seeks to exempt permanent residency applications. Paragraphs 89 (1.2)(a) to (h) apply only to permanent residents.

Don't they?

[English]

**Ms. Victoria Henderson:** Specifically, in (a), we already have the exemption for temporary residents, and what's being added is on permanent residents.

[Translation]

**Mr. Pierre-Luc Dusseault:** Okay.

[English]

**Ms. Victoria Henderson:** We have an exemption for work and study permits that's legislated already, so the only amendments that we're seeking are related to permanent residents.

[Translation]

**Mr. Pierre-Luc Dusseault:** Okay.

[English]

**The Chair:** Are there any further questions on that area?

Go ahead, Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** The IRCC still has an exemption for a couple of different categories. You're asking for additional exemptions from the User Fees Act.

What difference has the exemption made in those other categories in being more flexible? How has it helped IRCC?

• (1100)

**Ms. Victoria Henderson:** With regard to the previous exemptions that were sought and are now enacted in legislation for temporary residents and for citizenship, for temporary residents, it was sought for a fairly similar reason to why we're seeking it for permanent residents. It again has to do with the unique nature of our clientele, that they're located internationally, and that we need flexibility, in that sense, when setting our fees. For citizenship, it was for other reasons.

However, within the scope of what we are seeking here for permanent residents specifically, it has to do with that flexibility that we need to set our fees.

**Mr. Robert-Falcon Ouellette:** How has it improved or helped you in accomplishing your work? It's good to know about flexibility, but in the case of someone who's trying to get service from the Canadian government, how has it enabled you to do your work more easily?

**Ms. Victoria Henderson:** What I can speak to is the scope of this and specifically what it will do to help us with improvements for permanent residents.

For permanent residents who are located—

**Mr. Robert-Falcon Ouellette:** Actually, I'm interested in how it helps because it's good to know. I want to know how it has helped you in other categories, because it's going to be an indicator of how it's going to help you in future categories.

I'd like to know whether you saw an increase in the number of people who applied. Were there shorter wait times? It's things of that nature, so I can understand the effect of that legislative change on the ground and what the impact would be on the ground of this legislative change.

**Ms. Victoria Henderson:** In setting fees? Okay.

In setting fees, we look at many aspects when we look at our fee structure. Some of those aspects include the cost of providing that service, private versus public benefit, things like that.

In the case of a temporary resident, when the exemption was granted, how it may have improved is that the portion of the costs that Canadians are subsidizing may decrease, if we increase our fees, for example.

Our fees must remain competitive, though, internationally. When we have a temporary resident fee or a permanent resident fee within the scope of this proposal, we look at international comparisons as well. That's another factor that's taken into consideration when we set our fees, to make sure we're remaining competitive with similar countries, like the U.K., the U.S., Australia, for example. That will help us do our work but also achieve overall objectives.

**The Chair:** The bottom line is to give you flexibility.

**Ms. Victoria Henderson:** Yes.

**The Chair:** Are there any other questions?

**Mr. Robert-Falcon Ouellette:** So you could increase the fees or lower them.

**Ms. Victoria Henderson:** Yes, we can decrease or increase, based on a full analysis of the fee against several factors.

**The Chair:** Okay, we are on amendment NDP-18.

Is there anything further to add on that, Pierre, before we go to a vote?

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Yes. As I understand it, under the powers that the act gives you, you were able to increase the citizenship application fees from \$200 to \$600 all in one jump.

That was quite recently, either in 2013 or 2014.

**Ms. Victoria Henderson:** Yes, indeed, in 2014, we increased the citizenship grant fee, as we call it, to \$530.

**Mr. Pierre-Luc Dusseault:** Yes. It would be surprising if the fees went down instead of up. However, these fees may increase drastically overnight. It is more of a comment than a question, but I must say that many constituents have told me that they are considering applying for Canadian citizenship, but because of the prohibitive fees associated with being granted it, they had to save money for a number of years. That's the case with a large family. The cost is now about \$600 per person.

[*English*]

**Ms. Victoria Henderson:** What I can say is that our fees, regardless of an exemption, are still subject to the Financial Administration Act, in the sense that we cannot charge more than the cost of providing the service.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you.

[*English*]

**The Chair:** Okay, are you looking for a recorded vote on this one, or are we okay on division?

**Mr. Pierre-Luc Dusseault:** A recorded vote.

(Amendment negated: nays 8; yeas 1. [See *Minutes of Proceedings*])

**The Chair:** The question is on clause 304.

(Clause 304 agreed to on division)

**The Chair:** Thank you, Ms. Henderson and Ms. Côté, for your appearance.

We'll turn to division 19, clauses 407 to 441. We have witnesses here from Finance on the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. There are no amendments on these sections until we get to clause 442.

Does anybody want to raise anything on clauses 407 to 441, or can we agree to vote on those as a block?

Hearing nothing, shall clauses 407 to 441 carry on division?

(Clauses 407 to 441 inclusive agreed to on division)

(On clause 442)

**The Chair:** On clause 442, the first is amendment NDP-31.

Mr. Dusseault.

• (1105)

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

[*English*]

Thank you to our witnesses who came, but we didn't ask them questions. Now turning to one of our last amendments, my last amendment—

**The Chair:** If I could interrupt for a second, Pierre, we have quickly rolled through Proceeds of Crime (Money Laundering) and Terrorist Financing Act, so you folks are off the hook with no questions.

We'll now go to the invest in Canada act under division 20, and amendment NDP-31 is the first amendment under clause 442.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

I have two amendments on this issue. Section 5 of the new Invest in Canada Act refers to the Invest in Canada mission, the new institution that will take the steps to attract investors to Canada.

Section 5 has paragraphs (a) and (b). My amendment adds paragraph (c), which reads as follows:

(c) ensure that foreign direct investment in Canada contributes to creating, maintaining and protecting jobs and to promoting labour and environmental laws.

The goal is to ensure that the mission set out in the Invest in Canada Act includes a provision clarifying that not all investments have a positive impact. Some investments may jeopardize the jobs of Canadians. Foreign takeovers of Canadian businesses are often positive, but that's not always the case.

In addition, we want to ensure that, when Canada takes steps abroad to attract investors, we encourage compliance with our labour and environmental laws. We have to make it clear that we take the protection of the environment and our workers very seriously. Canada is not a country where anyone can invest as they see fit, with no restrictions.

As part of our efforts to attract investors, there is nothing preventing this from being applied without it being specifically set out in the act, but I think that including it makes it more explicit, clearer. So investors are advised in advance that, if they want to invest here, it will be for the benefit of Canada, to protect jobs, workers and the environment, and that these conditions will be non-negotiable.

That is why I introduce my amendment. The idea is to add a paragraph to section 5 on the mission of the future Invest in Canada institution.

• (1110)

[English]

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** I certainly appreciate my colleague's intentions on this, however, when a FIPA, or a foreign investment protection and promotion agreement, is made, it often outlines some of the concerns that are addressed here. Then in the next stage of a free trade agreement, there actually is an environmental assessment as well as an overview on human rights as well, even dealing with labour laws. One of the reasons why I supported the TPP... Hopefully the government will be able to find plan B for TPP or whatnot. I don't think it's like this agency will be promoting Canada's interests abroad. We have established mechanisms that have been time tested; we have FIPAs with large countries; we have FIPAs with small countries and they are a very good process. Free trade happens if both parties benefit, but again, if we're going to be entering a more sophisticated relationship with another country, FIPAs and free trade agreements, I believe, do exactly what the member here is proposing.

**The Chair:** Mr. Dusseault.

[Translation]

**Mr. Pierre-Luc Dusseault:** I fully understand what my colleague is saying, but I don't see why it could not be included in the act. They are not mutually exclusive. The fact that a piece of legislation becomes clearer and more explicit can only be positive, in my view. The goal is to provide clearer and more specific guidelines to those who want to invest in Canada.

[English]

**The Chair:** Mr. Deltell.

[Translation]

**Mr. Gérard Deltell:** Mr. Chair, my colleague will have the opportunity to respond to the arguments presented by the NDP member for Sherbrooke.

I would like to remind the committee that, in our view, Bill C-44 is not a good bill. Some of its elements would be worth discussing outside an omnibus bill. Invest in Canada is one of those elements.

It goes without saying that we Conservatives do not object at all to foreign investors in Canada, as long as they comply with our regulations, of course. What we are challenging in this approach is the creation of another structure, another agency, another stage—some will say another “thing”—that will make the process more cumbersome.

For decades, we have been engaging in international trade successfully. In fact, we have been welcoming foreign investments for centuries. So there's no problem with that. But the creation of another crown corporation and all the ensuing steps will weigh down the system. The government is trying to suggest a way of doing things that we feel is not right.

Let's allow the free market to do its job and the foreign investors to come here, as they have done up to now and as Canadians do abroad. We always have to strike a balance. When our entrepreneurs invest abroad and acquire new businesses for the benefit of Canadians, we applaud enthusiastically. Now it should be the same the other way around. We cannot, on the one hand, welcome the fact that Canadians invest abroad and, on the other hand, be angry when foreign nationals invest in our country. We have to maintain a balance.

Mr. Chair, we will therefore oppose all the clauses that follow. Please take note that we will be asking for a recorded vote for each one.

[English]

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** I know the direction the good member from the NDP is coming from, but I think this is in relation to a mistaken understanding of how trade starts.

Trade starts to the benefit of both parties, but we're not talking about government to government; we're talking about individual private interests. For example, there are some British Columbia wineries that, before the FIPA with China, actually went to China. They did not have any protections under any agreement, but because they had wine that Chinese consumers wanted, they went at their own risk and they basically went out there for those new markets. You get to that critical mass where there is enough private interest but there is friction because there are regulations that are not harmonized and questions of legality and protections. If someone wants to start exporting on a regular basis, perhaps they want to start purchasing land in China so that they can distribute their wares, and then there becomes a public interest in seeing investment protected on both sides.

I don't necessarily agree with this model, but we have to bear in mind that it will not necessarily always be government that initiates trade. I'm hoping that these groups will help facilitate those private interests being able to build a public interest, the FIPAs, and the free trade agreements that deal with all the things that the good member has raised here in terms of environmental standards, human rights, and labour standards. That's the work of government, as there is a bigger public interest.

I certainly appreciate where the member is coming from, but it's inappropriate to put in the mandate of someone who is going to start putting on the table...rather than saying how do we get Canadian businesses to connect with consumers and purchasers in this country that we're operating in to start saying they actually have in their mandate that they first have to start settling laws? Of course, the consumers and the purchasers of those goods are going to say they can't deal with that because they are not the government.

This is actually an impediment towards those first-stage interactions that are initially private. I understand that this gentleman wants to have the public interest observed and these good things happen, but that's the very basis of trade: having those private interests, seeing new markets, and establishing deals that work to both sides. Then government can come in to sort out and to create stronger ties.

• (1115)

**The Chair:** I will remind folks that witnesses Mr. Marcotte, Mr. LeBlanc, and Ms. Pellerin, are here if there are any questions to them.

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** In our letters to other committees, did we include this? It was a study by another committee.

You'll think about that.

**The Chair:** I will think about that. I don't think we did on this one.

**Mr. Robert-Falcon Ouellette:** So we studied this?

**The Chair:** Yes. We heard the witnesses on this one. We'll check on the letters, but I don't think we farmed this one out. I think we dealt with it ourselves.

**Mr. Robert-Falcon Ouellette:** Okay.

**Mr. Ron Liepert:** We did not farm it out.

**The Chair:** Okay.

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** Thank you very much.

I have just a few questions for the witnesses. I promise I'll be short for my colleagues.

How is the Invest in Canada hub going to be different from the BDC or the EDC?

**Mr. Louis Marcotte (Director General, International Business Development, Investment and Innovation, Department of Foreign Affairs, Trade and Development):** The Invest in Canada hub is not going to be a financial institution. It's a promotional entity. It really is there to attract foreign investors and to make the sales pitches. Then the hub can introduce those investors to the Canadian stakeholders such as BDC and EDC, or other departments, agencies, and even the provinces and municipalities, to complete the value proposition so that the investor makes a decision to choose Canada.

**Mr. Robert-Falcon Ouellette:** Is there an idea about where the Invest in Canada hub will be located? Are you going to places like Toronto, or is it going to be spread around the country in places that might not receive a lot of foreign investment, such as, for instance, Saskatchewan, Manitoba, or Atlantic Canada?

**Mr. Louis Marcotte:** The headquarters of the organization has not been decided on yet.

Obviously, one of the key roles of the hub will be to work with provinces and municipalities. Presumably it could envision having antennae, but these decisions have not been made.

**Mr. Robert-Falcon Ouellette:** How would this Invest in Canada hub work with, for instance, indigenous peoples?

**Mr. Louis Marcotte:** That's a very interesting question. There is interest in indigenous communities sometimes to attract foreign investments through, for instance, the regional development agencies. There are certainly connections that can be made there. It is part of its mandate to attract investment everywhere in Canada, so it will work with the stakeholders who have an interest in attracting investors and promote their locality to foreign investors.

**Mr. Robert-Falcon Ouellette:** You mentioned that it's for promotional reasons. I wonder if you could give an indication of how you're going to go about promoting. Is it going to be people going on trips overseas, doing ad campaigns overseas or trade missions? How do you believe it will work?

• (1120)

**Mr. Louis Marcotte:** The details of how it's going to do that are not defined yet, but if you look at the mandate itself and the role of the agency, it will actually develop an integrated strategy, working with provinces, municipalities, and communities to attract foreign investment. That strategy will include marketing campaigns, promotional campaigns. It could be advertising campaigns. That has not been decided, but obviously there would be a *démarche*, working closely with our trade commissioners who are located in the field already to promote Canada as a place to invest.

**Mr. Robert-Falcon Ouellette:** Which minister will be responsible?

**Mr. Louis Marcotte:** The Minister of International Trade has received a mandate to create the Invest in Canada hub. Officially, the responsible minister will be appointed by order in council once the act is enabled.

**Mr. Robert-Falcon Ouellette:** How would the director and the board of directors be chosen?

**Mr. Louis Marcotte:** It would be through an order in council, and basically following the regular process of OIC appointees.

**Mr. Robert-Falcon Ouellette:** How will your chief executive officer be chosen?

**Mr. Louis Marcotte:** It would be the same thing, through OIC and through the appointee process, led by the Privy Council Office.

**Mr. Robert-Falcon Ouellette:** Will all the general conflict of interest guidelines apply to the chief executive officer?

**Mr. Louis Marcotte:** Yes, absolutely, they will apply to the CEO, as a reporting officer.

**Mr. Robert-Falcon Ouellette:** Will the Invest in Canada hub have the ability to make loans or give out funds?



**Mr. Louis Marcotte:** No.

**Mr. Robert-Falcon Ouellette:** Will it be able to invest in corporations that come here?

**Mr. Louis Marcotte:** No.

**Mr. Robert-Falcon Ouellette:** It's strictly for promotional purposes.

**Mr. Louis Marcotte:** That's right, facilitation and promotion.

**Mr. Robert-Falcon Ouellette:** We're talking a lot about wine, beer, and spirits. When I was in Taiwan, a country of around 23 million people, there was very little Canadian beer.

Would it be able to take a couple of representatives of Canadian microbreweries and wineries to Taiwan to promote greater trade in that area?

**Mr. Louis Marcotte:** The role of the agency is to attract investments, not so much to promote trade abroad. We already have the trade commissioner service doing that.

**Mr. Robert-Falcon Ouellette:** Okay.

**Mr. Louis Marcotte:** For instance, it could take on missions, to bring a municipality, a community, a province, or a series of them to a market to promote their jurisdiction to foreign investors, to attract them to come to Canada to establish themselves, create jobs, develop a laboratory, a manufacturing facility, or a service company. The purpose is to attract foreign investors here to create jobs in Canada directly.

**Mr. Robert-Falcon Ouellette:** Are the employees of the Canada investment hub going to be civil servants?

**Mr. Louis Marcotte:** Yes, they will be part of the public service.

**Mr. Robert-Falcon Ouellette:** Okay.

Sorry, I don't mean to—

**The Chair:** It's okay, it's your right.

**Mr. Robert-Falcon Ouellette:** I'm just trying to understand; it's very—

**The Chair:** You are getting over a little on your five minutes per party, though.

**Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.):** Well, we should cut that, then.

**Mr. Robert-Falcon Ouellette:** Do you have a motion to cut it?

**Ms. Jennifer O'Connell:** We should stick to five minutes.

**Mr. Pierre-Luc Dusseault:** On a point of order, can you clarify? Did we adopt a motion to limit it to five minutes per clause?

**The Chair:** Yes, we did—

**Mr. Pierre-Luc Dusseault:** Are we on clause 442?

**The Chair:** —but we said we would be flexible.

Can you sum it up fairly quickly?

**Mr. Robert-Falcon Ouellette:** I want to give full consideration to the motion here. I don't want something to slip through the cracks. I don't think we talked about this. We've been talking about PBO and the infrastructure bank, and this is \$200-odd million I believe, \$218 million.

**Mr. Louis Marcotte:** Over five years that includes two things, the creation of the agency, but also strengthening the network of trade commissioners abroad.

**Mr. Robert-Falcon Ouellette:** How many employees will you have?

● (1125)

**Mr. Louis Marcotte:** That has not been decided yet. Obviously there are considerations in front of the Treasury Board related to the structure of the organization itself.

**Mr. Robert-Falcon Ouellette:** Does any other organization within the federal government carry out similar or related types of work?

**Mr. Louis Marcotte:** Many people in the federal government and in provincial governments are involved in or have an impact on the ability of Canada to attract investments. You can think of organizations that offer incentives to Canadian or foreign companies. You can also think of departments that are more regulatory in nature. A lot of people impact our ability to attract investment, but no one coordinates all this and that's the purpose of the Invest in Canada hub: to offer a single window to the investors so they don't have to go to different places to get answers to their questions.

**Mr. Robert-Falcon Ouellette:** Will you be helping with regulations in various jurisdictions, for instance, municipalities or provinces to enable an investor to understand the marketplace?

**Mr. Louis Marcotte:** Advice could be provided certainly, but it's not a main rule of the hub to inform regulatory processes.

**The Chair:** Can we hold any more questions until another clause in this section?

**Mr. Pierre-Luc Dusseault:** What about my amendment?

**The Chair:** We're on amendment NDP-31 at the moment. Is there any further discussion on NDP-31? I think you asked for a recorded vote on all these clauses.

(Amendment negated: nays 8; yeas 1 [See *Minutes of Proceedings*])

**The Chair:** On NDP-32, Mr. Dusseault.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Thank you, Mr. Chair.

This is a golden opportunity for the Liberals. A little earlier, I said that they had a unique opportunity. This time, the Liberals have an incredible opportunity to add this to their discussion points: they will be able to say that they supported an opposition amendment to the budget bill C-44.

Actually, this amendment is not controversial at all. As you can see, in terms of clause 442 of the bill under our consideration, I propose that we add section 24 to the new Invest in Canada Act. The purpose of the amendment is to require that the Invest in Canada agency submit an annual report to the Minister of Finance or the Minister of Innovation, Science and Economic Development. The minister will be designated by the government. The minister will receive Invest in Canada's annual report and submit it to Parliament.

My amendment is as simple as that. It seeks to add the obligation of reporting to the minister every year on the agency's activities, as is the case for many institutions that report to Parliament every year through their minister. So it makes sense for this organization to prepare an annual report that will be tabled in the House and that will report on what it did the previous year. The report will then be available to parliamentarians and the public, who will be able to become familiar with it and study it. It is as simple as that.

So I don't see why my Liberal colleagues on the committee could reject the idea that Invest in Canada should do as many other federal agencies and table a report in Parliament every year to describe its activities from the previous years. That makes perfect sense. It's just an obligation similar to that of many other agencies. So I don't see why an amendment like that would be rejected.

[English]

**The Chair:** Thank you for your presentation, Mr. Ouellette, but on the point that Mr. Dusseault is raising, what is the reporting procedure of the Invest in Canada hub at the moment? Is it part of the department? It's not a separate entity as such, is it? Could you explain that, Mr. Marcotte?

**Mr. Louis Marcotte:** It would be my pleasure.

The Invest in Canada hub will be a departmental corporation, just like the Canadian Food Inspection Agency, the National Research Council, or the Canada Revenue Agency. As such it will be subject to the financial management policies of the Treasury Board, which, as part of the estimates documents, call for the Treasury Board president to table a departmental plan and a departmental results report every year in Parliament. It is not written in the act, but it is subject to the same requirements as any departmental corporation with regard to financial management.

• (1130)

**The Chair:** Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** You're saying that the Invest in Canada hub will be subject to the Treasury Board's policies on financial management established pursuant to its authority under the Financial Administration Act?

**Mr. Louis Marcotte:** That is right.

**Mr. Robert-Falcon Ouellette:** Thank you.

**The Chair:** Mr. Albas.

**Mr. Dan Albas:** Just under Mr. Dusseault's amendment here, it talks about the impacts of foreign direct investment, but it doesn't have any requirement to outline what foreign direct investment was done. Maybe I'll ask the officials if my interpretation is correct. It seems to be talking about the impacts of foreign direct investment rather than the investment itself.

**Mr. Louis Marcotte:** Regarding the impact of foreign investment, in its results report the hub will state what it has accomplished with the resources Parliament has appropriated to it.

**Mr. Dan Albas:** Okay.

**Mr. Louis Marcotte:** It will state its successes and show what it has accomplished. It will report what kind of investment it has attracted, how many jobs these investments have created, and what the value of those investments are. It will report to Parliament

through the regular means used by other departmental corporations and departments.

**Mr. Dan Albas:** Okay, so there will be some reporting on foreign direct investment achieved by innovation.

**Mr. Louis Marcotte:** That's right. The investment hub—

**Mr. Dan Albas:** It will report on the results achieved by the investment hub.

**The Chair:** Mr. Dusseault.

[Translation]

**Mr. Pierre-Luc Dusseault:** I have a question of clarification. Who would the minister responsible be? Has that already been decided?

**Mr. Louis Marcotte:** No. Actually, the Minister of International Trade is the one mandated to create the agency. That is part of his mandate letter.

However, for legal reasons, the minister responsible will be appointed by order in council once Parliament approves the legislation, if that's the case. At a time determined by the Governor in Council, the minister will be appointed.

**Mr. Pierre-Luc Dusseault:** The much-touted reports that will be tabled, be they the reports on plans and priorities or the performance reports at the end of the fiscal year, will be tabled by the President of the Treasury Board. So we will find that among all the documents submitted by the president for all the departments and all the departmental agencies.

If I may, it will be sort of buried in all that documentation submitted by the President of the Treasury Board. However, with my proposal, there would be a completely separate report, tabled in the House by the minister on the 15th day after that report was received.

In my mind, the objective is to make this even more accessible to the public rather than making it part of a report on the performance of the Department of International Trade, among all the President of the Treasury Board's performance reports. That was the objective. I think it's important to see how my amendment is different from the usual procedure for agencies such as the one created by Bill C-44.

[English]

**The Chair:** Okay, we're all in and all done.

All those in favour of NDP-32, an amendment to clause 442?

**Mr. Pierre-Luc Dusseault:** We'd like a recorded vote.

**The Chair:** Okay, it's a recorded vote.

(Amendment negated: nays 8; yeas 1 [See *Minutes of Proceedings*])

[Translation]

**Mr. Pierre-Luc Dusseault:** Yes.

[English]

**Mr. Ron Liepert:** Please do clauses 442 to 450.

**The Chair:** As one block on a recorded vote, do we agree to doing clauses 442 to 450?

**Mr. Ron Liepert:** We could do that. Will it be on division?

**The Chair:** No, it will be a recorded vote.

(Clauses 442 to 450 inclusive agreed to: yeas 6; nays 3)

**The Chair:** That will end that section. Thank you to the witnesses for your presentation and your answering of questions.

We'll turn to division 21, the "Modernization of Service Fees", clause 451, and to come forward are some new witnesses, Mr. Ermuth and Ms. Meilleur.

On clause 451 is there any discussion on the modernization of service fees?

Mr. Albas.

(On clause 451)

• (1135)

**Mr. Dan Albas:** Thank you, Mr. Chair.

I wanted to say thank you to the officials, those who are just leaving and also those who have just come on this.

We, as the Conservative members on this committee, will be opposing the modernization of service fees. Particularly, I wanted to raise the point, and I think it has been well established, that while the CPI does offer an attractive and expedient way for the government to basically keep up in pace with inflation, just due to the whole lock, stock and variety of different fees and services that are offered I don't think it's a very good fit.

I also think that it allows for people not to moderate or temper their spending to try to keep the services at as low a cost as possible, and that innovation, that spendthrift, that bootstrapping will just not happen when you have a CPI, when you don't have a direct correlation between a basket of goods that is for a consumer versus a user fee that is quite different.

I also want to raise some concerns from the hunting and angling caucus. They feel that the user fees and the escalator that's attached to them will actually discourage people from getting out and enjoying the outdoors, particularly when we talk about everything from licences to costs for visiting our national parks.

Overall, Mr. Chair, we do appreciate that we have to make sure our user fees are consistent, so that taxpayers are not subsidizing. On this one-size-fits-all imposed I think, first of all, the Standing Joint Committee for the Scrutiny of Regulations will take issue with this, just because you're fixing a price to something that does not match what the actual cost is in delivering the service.

I would add that usually user fees are meant to be self-liquidating, so they either pay for the infrastructure or for the processing and for any work that's done to it. They are not supposed to make any profit for the government. I think there are going to be some unintended consequences that go along with this policy that overall we cannot support.

That being said, there should be an element of cost recovery. I just do not believe that this is the proper mechanism. I think a rolling

three- to five-year review to keep these things current will continue to serve Canadians better.

That being said, I think we also know that we have three voices on this committee. We will stand opposed to it, but we'll see what the majority of the committee wants to do.

**The Chair:** Is there any other discussion?

**Mr. Dan Albas:** Just one last—

**The Chair:** We did ask you I think the last time you were here to provide us with information. I believe you did provide us with that information. I do believe it did come in on the various fees that were being applied under various things, if I remember correctly. We've had so much stuff come in that I'm not exactly sure on this one.

In any event, we did want the information of what the service fees applied to, the various aspects, passports, etc.

Mr. Albas.

**Mr. Dan Albas:** I'm sorry, Mr. Chair, I should have said that the Conservatives—we've talked about this previously—don't mind if we vote in block for clause 451 to 457 and we would request a recorded vote if there's unanimous consent to proceed in that fashion.

• (1140)

**The Chair:** Mr. Dusseault.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Mr. Chair, my thanks to our friends who have come before us. On two occasions, they have tried to appear before us. I just want to thank them for giving us the time.

I will also have to take a stand against this measure and vote against it, like my Conservative colleagues. Unfortunately, during the consultation process and the appearance of witnesses, I was not convinced that this was the right course of action and that all service fees had to be indexed to inflation in perpetuity.

A little earlier, you mentioned that, in your lifetime—but not in mine—the inflation rate was at 20%. So it's not outside the realm of possibility that it will happen again.

[*English*]

**The Chair:** I'm sorry to interrupt you. That was the interest rate. Inflation was around 10% or 11%. The interest rates were at 22%.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Okay.

The interest rates, which affect inflation, have been very high before. Those could be substantial amounts.

Linking service fees to inflation is not the appropriate method, in our view, especially not with an endless escalator like that. There may have been other ways of reaching that goal to ensure that taxpayers don't pay unduly for services provided to other taxpayers. The system must still be equitable.

However, I don't think this is the right measure to achieve this goal. I will therefore have to vote against clauses 451 to 457.

[English]

**The Chair:** Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** I have just a few short questions.

On consultations, under clause 12, it says that the “responsible authority must consult interested persons and organizations”. Are there organizations that haven't done that for a while in the federal government?

**Mr. Roger Ermuth (Assistant Comptroller General, Financial Management Sector, Office of the Comptroller General, Treasury Board Secretariat):** Are there organizations that...? Sorry, I didn't hear that.

**Mr. Robert-Falcon Ouellette:** Are there organizations and departments that haven't done the consultation in a long time on certain fees?

**Mr. Roger Ermuth:** They would not have done consultation in terms of fees, but they would be in regular contact with their stakeholders on the services they're delivering on other aspects of their business.

**Mr. Robert-Falcon Ouellette:** How do you constitute some of these advisory boards on this fee structure?

**Mr. Roger Ermuth:** The advisory boards in terms of being within the legislation?

**Mr. Robert-Falcon Ouellette:** Yes.

**Mr. Roger Ermuth:** For the advisory board within the legislation, again, are you talking about if there's a dispute that's unresolved, perhaps, or...?

**Mr. Robert-Falcon Ouellette:** How do you actually do the fee structure?

**Mr. Roger Ermuth:** On the fee structure, again, the idea, the proposal, would be that first of all there would be a consultation with stakeholders. If the issues are not resolved, then there would be the ability to appeal in terms of having a panel struck.

In terms of the panel, the idea would be that the department or organization of the government would appoint one person to the panel. The stakeholders who are still opposed to whatever the aspect of the proposal is where there's no agreement would appoint a person. Then, combined, the two members of that committee would appoint a third person. From that, they would have a review of the issue and issue their report.

**Mr. Robert-Falcon Ouellette:** So fees could conceivably go down?

**Mr. Roger Ermuth:** Fees could conceivably go down under the legislation, yes. Out of the process in terms of whether the costs go down, etc., fees could go down at any point, but that wouldn't... I mean, there would be a discussion with the stakeholders, but there would not be the same level of consultation as if there were a fee increase.

**The Chair:** Is that it, Mr. Ouellette?

I have one question. It's a very serious one on user service fees. It was reported in *Blacklock's* just recently. I'll read it out:

An Access To Information memo says federal agencies have simply ignored a 2004 law requiring transparency on user fees.

At the time, the bill was from a colleague of mine, Roy Cullen. It was Bill C-212. It was passed in the House of Commons 13 years ago and had unanimous support.

I'll continue:

The Act required public notice of new charges; appointment of an independent panel to field complaints; and a requirement that departments disclose actual costs of government services offered at a fee, with performance standards and annual reporting to Parliament.

A 2016 Treasury Board memo obtained through the Access To Information Act disclosed 84 percent of government fees are never reported, and a quarter of departments—10 out of 41—sought exemptions from the Act.

Maybe you're not the one who can answer this, but given the fact that we get escalators in service fees and excise taxes, my question is, why has this act that was passed 13 years ago not been followed? If you don't have the answer, I'm asking you to get one.

● (1145)

**Mr. Roger Ermuth:** Sure. Forgive me, I am not familiar with the specifics of the piece of media that you're reading, but in terms of the statistic, the 84%, it's not necessarily that they're not reported. Through the departmental performance reports, we actually have a number of fees that are reported. Our understanding is that 84% of the fees are not subject to the User Fees Act. With the passing of the User Fees Act, which was a private member's bill, subsequent Department of Justice interpretation came to the conclusion that unless a fee was amended or introduced after the introduction of the User Fees Act, it was not subject to the provisions of the User Fees Act.

One thing we are proposing with the service fees act that we think would be a significant improvement, with the definition we've worked on in conjunction with our Department of Justice colleagues, is that all fees that fall within the definition be subject to the new legislation. We would have full coverage, where all provisions of the act would apply.

**The Chair:** If you need the article, I can get it for you. I assume somebody has seen that article. If you could, give the committee a written response on that. I'm sure that Mr. Cullen, who is a former colleague of mine, will be asking from his perspective why the law wasn't abided by. We will need to get a response to him, and certainly this committee would like a response on that.

Mr. Ouellette, go ahead.

**Mr. Robert-Falcon Ouellette:** I was interested in what you said before, Mr. Ermuth. You suggested that everyone was complying, in evaluating the user fees, and here I learn that 84% are not compliant. What would be the truth, then? Is everyone complying or is everyone not complying?

**Mr. Roger Ermuth:** Again, forgive me if I misstated. Right now, under the current User Fees Act, more than 80% of the fees are not subject to the provisions of the User Fees Act, as a result of that Department of Justice interpretation. That doesn't mean the departments are not following certain aspects, including the reporting associated with the legislation. We have \$3.5 billion worth of costs reported through departmental performance reports.

The point is that, to the best of our knowledge, those that are subject to the legislation are following it, but the bulk of them are not actually subject to the provisions under the current User Fees Act.

**Mr. Robert-Falcon Ouellette:** This is a strange situation, isn't it?

**The Chair:** Many strange things happen in government.

Is there any further discussion? We have unanimous consent to vote on clauses 451 to 457 as a block. Are there any further questions on any of those sections?

(Clauses 451 to 457 inclusive agreed to: yeas 5; nays 4)

**The Chair:** Thank you, Mr. Ermuth and Ms. Meilleur. You can get back to us with that information, if you would. Thank you.

In Bill C-44, shall schedule 1 carry?

(Schedule 1 agreed to on division)

**The Chair:** Shall schedule 2 carry?

(Schedule 2 agreed to on division)

**The Chair:** Shall the short title carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** Shall the bill carry?

• (1150)

**Mr. Dan Albas:** I request a recorded vote.

**The Chair:** Okay, we'll have a recorded vote on this one.

(Bill C-44 agreed to: yeas 5; nays 4)

**Mr. Greg Fergus:** Chair, before we move on to the last questions you're going to ask us, yesterday at testimony when we were considering the amendment LIB-6, which was regarding what would be the ability of individual members or senators to seek from the parliamentary budget officer a study on whatever matter relating to the federal government, I had asked the witnesses if that provision would provide individual members of the House or of the Senate...to ask any questions they wish for the PBO to consider.

Maybe my question wasn't clear, or the witnesses didn't understand the question, but the response was no. Subsequent to that, at the end of the testimony, I had a conversation with the witnesses, and they indeed clarified that, with the amendment, individual members and senators would have the opportunity to propose to the PBO a course of study.

I would appreciate, if it's possible, that the clerk seek a short written confirmation of that from the witness so that we could read that into the record. I think it's important for all members to feel reassured that, as members, they have that ability, and that was the purpose of the amendment that was being proposed.

**The Chair:** So what you're basically asking is that—

**Mr. Raj Grewal (Brampton East, Lib.):** [*Inaudible*]

**The Chair:** —we get a written response to that question. Are people in agreement with that?

**Mr. Raj Grewal:** Fine.

**The Chair:** It would clarify what members and senators can do in terms of what requests can be made to the PBO.

Mr. Albas.

**Mr. Dan Albas:** Just before we finish the process—and this may not win me many friends today—I've been through different processes for BIAs, sometimes as a substitute member in both the previous government and obviously here in this Parliament. I have to say that I'm very surprised that many government members did not make very much comment, if at all, on their own BIA, particularly when you had a number of amendments come up. I'm just raising that because if you really do feel that the legislation is strong and whatnot....

I have to say, Mr. Ouellette was asking many questions for clarification. I think that's definitely a good thing. I don't know, but maybe I'd ask Mr. Long as the de facto leader of this group to maybe work with them because ultimately we can't just simply have it where one or two viewpoints are represented. Canadians expect, if a bill is coming forward, that the Liberals are not just simply going to let the government have their way with things, that there should be a spirited defence on the policies that youth feel are important, because if you're voting for something, then you should be able to defend it too.

Maybe I'm out of place for saying that, but I do think it should be on the record that I have not seen that.

• (1155)

**Mr. Raj Grewal:** [*Inaudible*] the last 10 years in government when one man ran the entire show.

**The Chair:** I rule that out of order.

Order, order.

We're down to two clauses left.

Mr. Dusseault.

**Mr. Pierre-Luc Dusseault:** I note I may not make friends here by saying that I want to thank all the parties that have proposed amendments, extensive amendments, constructive proposals, to the bill: the Green Party, the Bloc Québécois, the NDP, and the Liberals. I want to thank them for these very good proposals to—

**Mr. Ron Liepert:** Unsuccessful.

**Mr. Pierre-Luc Dusseault:** —try to amend and improve the bill.

**Mr. Ron Liepert:** At what point was it?

**The Chair:** Okay.

We have Mr. Ouellette, and we haven't voted on reporting the bill as amended to the House as yet. We have two more votes to do.

Mr. Ouellette.

**Mr. Robert-Falcon Ouellette:** I just want to say thanks to the researchers, the analysts, and the clerks for your hard work, and the interpreters, the lady who does the microphone, as well as the food service personnel. It's very much appreciated—and the people who put out the name tags. It was a fun experience.

**The Chair:** I think that comment is unanimous. Thank you for that, and thank you as well to all the folks who helped out in getting this far.

**The Chair:** Shall I report the bill as amended to the House?

**Some hon. members:** Agreed.

**The Chair:** Shall the committee order a reprint of the bill?

**Some hon. members:** Agreed.

**The Chair:** With that, thank you, all.

Tomorrow we will meet at the regular time of 3:30 to 5:30. It will be planning of future business and upcoming parliamentary pre-budget consultations, so people need to think about what weeks we should do that in and what the schedule will be. We're not sure of the location as yet. We think we're here, but look at the notice.

I expect for that meeting that people will want it in public, as we usually do. Should parts of it be in camera?

**Mr. Ron Liepert:** I think it should be in camera.

**The Chair:** Okay, then for tomorrow's meeting we will be in camera.

This meeting is adjourned.

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