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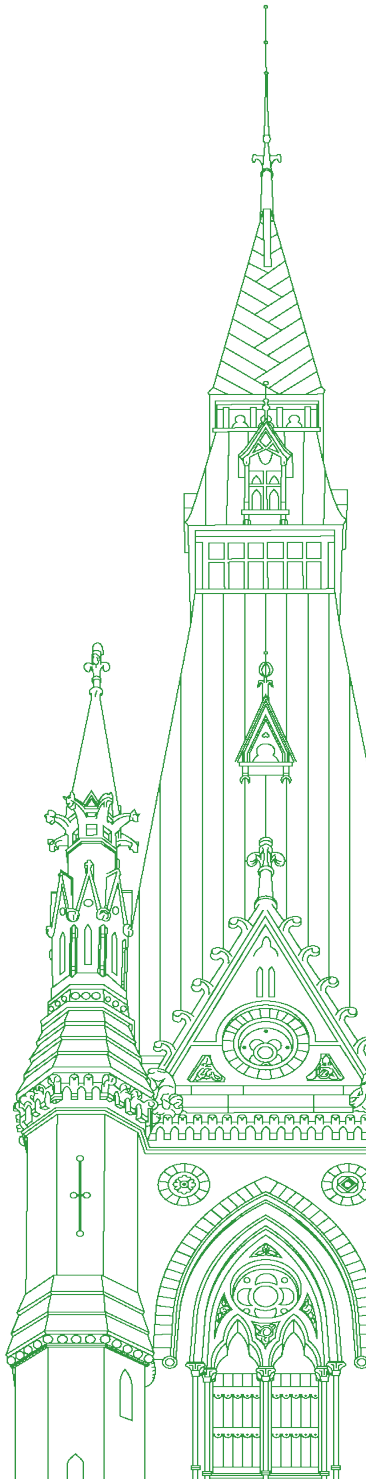
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Chair: James Maloney

Legislative Committee on Bill C-39

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● (1535)

[*English*]

The Chair (James Maloney (Etobicoke—Lakeshore, Lib.)): Good afternoon, everybody.

Before I formally call the meeting to order, I want to thank everybody for being here this afternoon. Given the events on the weekend in Wainwright, I know it's a very difficult day for members of our Canadian Armed Forces, for Canadians at large and for everybody in this room. I want to say a special thank you to everybody for being here today and carrying on with this important piece of legislation.

I would like to call this meeting to order.

Welcome to meeting number two of the House of Commons Legislative Committee on Bill C-39. The committee is meeting today pursuant to the order of reference of Thursday, October 8. Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are attending in person in the room, and I don't believe there's anybody on Zoom.

I would like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. I'm going to let that sink in.

For those participating by video conference, click on the microphone icon to activate your mic.

I would like to remind witnesses that committee members may ask questions in either French or English. If you will need interpretation, please take a moment now to prepare your earpiece and select the listening channel you need in advance in order to take full advantage of the time allotted for questions and answers.

I remind you that all comments should be addressed through the chair.

I would like now to welcome our witnesses for today's first panel.

[*Translation*]

Gabriel Ste-Marie (Joliette—Manawan, BQ): Mr. Chair, I have a point of order.

[*English*]

The Chair: If you allow me to introduce the witnesses, then I will give you the floor.

We have with us the Honourable Dominic LeBlanc, President of the King's Privy Council for Canada and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs and One Canadian Economy.

Accompanying him, from the Major Projects Office, we have Peter Feldberg, vice-president, regulatory affairs; and Deborah Quaicoe, director, regulatory efficiency.

We also welcome the Honourable Steven MacKinnon, Minister of Transport.

Accompanying him, from the Department of Transportation, we have Michael Vandergrift, deputy minister; Serge Bijimine, assistant deputy minister, policy; and Paul Sandhar-Cruz, director general, strategic policy.

Each minister will have up to five minutes for their opening statement, following which we will proceed to questions from the members of the committee.

I'm going to start with Minister LeBlanc, but first, Mr. Ste-Marie, you have the floor.

[*Translation*]

Gabriel Ste-Marie: Mr. Chair, I have a point of order.

You referred to the tragedy that occurred in Wainwright. The House stands adjourned, and the work of all committees has been suspended, with the exception of this committee. This is something I have never seen before. In my view, this is simply not the day for partisan exchanges with ministers. Four people have died and 39 have been injured, half of whom are in critical condition. Our thoughts are, of course, with the victims and their families, friends, colleagues and loved ones.

Therefore, I believe you will find that there is unanimous consent among committee members to adjourn the meeting and resume it at a later date, with the same number of hours allotted for hearing from the witnesses.

[*English*]

The Chair: Thank you, Mr. Ste-Marie. The significance of the day is not lost on anybody. I know it wasn't an easy decision to proceed with this committee hearing today, but given the nature of the legislation and the significance of the bill, there was an agreement among all parties, including yours, to proceed today.

I do appreciate your comments, and I thank you.

Minister LeBlanc, it's over to you.

Hon. Dominic LeBlanc (Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs and One Canadian Economy): Mr. Chair and colleagues, thank you for inviting me and Steven to appear today.

[*Translation*]

Canada is facing a period of profound economic change. The choices we make now will have an impact on the strength of our economy, both in the short term and over the long term. That is why the government is proposing the measures before you today: legislative measures aimed at improving the way we build major projects, as well as projects of all sizes, across Canada.

Canada has significant advantages: We have abundant natural resources, a highly skilled workforce and trading relationships around the world. To capitalize on these advantages, we must ensure that our regulatory and decision-making processes are capable of supporting timely economic growth while, of course, maintaining the standards Canadians expect.

[*English*]

Projects that may involve, for example, critical minerals, traditional and renewable energy infrastructure or modern ports and trade corridors, will lay the foundation for a stronger Canada for generations to come. They will create good-paying jobs, strengthen our economic security and help Canadian businesses compete successfully in global markets.

Over the last number of months we've engaged with provinces and territories, indigenous partners, businesses, labour organizations and local communities. What emerged from those conversations is that Canadians want our country to remain competitive while preserving the values and the processes that define us as a country.

The government's objective is straightforward: to improve the efficiency, transparency and predictability of federal decision-making while maintaining, obviously, strong environmental protections and upholding the rights of indigenous people.

A more efficient process does not mean a less rigorous one: Clearer timelines do not predetermine outcomes, and responsible development and robust oversight can and should exist together.

[*Translation*]

Canada has accumulated decades of experience in environmental assessment, regulatory review and project oversight. We have learned valuable lessons about how processes can be improved without compromising their integrity. The measures before Parliament seek to build on that experience and ensure that our regulatory system is equipped to meet the demands of a rapidly evolving economy.

[*English*]

A fundamental element of this work is our partnership with indigenous peoples. Meaningful consultation and engagement are essential. Indigenous communities have unique perspectives, knowledge, rights and economic interests that will inform project decisions. Improving efficiency will strengthen, not diminish, opportunities for their participation. Better coordination and clearer processes will help ensure that engagement with indigenous peoples is more focused, constructive and effective.

In conclusion, we believe that Bill C-39 responds directly to these priorities.

● (1540)

[*Translation*]

Thank you for your time.

I can only imagine how excited our colleagues are to hear from Steven MacKinnon.

[*English*]

The Chair: You took the words right out of my mouth.

Minister MacKinnon, we go over to you.

[*Translation*]

Hon. Steven MacKinnon (Minister of Transport): Thank you, Mr. Chair.

Allow us to express our condolences and our horror at the events that took place at CFB Wainwright on the weekend.

It is a privilege to address the legislative committee today to speak to Bill C-39, the building Canada strong act.

The world around us is changing, as my colleague just said. Global trade is being reshaped, and the assumptions that have long shaped our economy can no longer be taken for granted. Our supply chains are under pressure, as are our transportation systems, and Canadian businesses must continue to operate even though they are dealing with more uncertainty than ever.

Canada cannot control what others do, but we can take action to strengthen our economy here at home. That means building an economy that is more resilient and less vulnerable to decisions made beyond our borders. To get there, we must further diversify our trade and build new commercial relationships around the world.

[*English*]

Canada has the advantages the world wants: an educated workforce, vast natural resources, a growing technology and AI ecosystem, and access to markets around the globe. Now we must turn those advantages into investment, into projects, into jobs and into growth. For Canadian businesses to seize these opportunities, they need clear rules, predictable decisions and reliable ways to get their products to customers. That is what Bill C-39 is all about.

Transportation and our supply chains are the backbone of our economy. This bill proposes legislative amendments to help every part of that system—roads, railways, warehouses, ports and airports—to work together more effectively. For example, Bill C-39 would strengthen our trade corridors by allowing important routes and geographic areas to be designated as national trade corridors, with clear performance goals.

A national trade corridors council would help identify bottlenecks and improve coordination across the system. The bill would also give port authorities greater flexibility to respond to changing trade opportunities, while strengthening accountability and oversight and encouraging greater collaboration along trade corridors.

I want to be clear: This does not privatize Canada's ports. These changes are about giving port authorities the tools and flexibility they need to serve Canada's economy. However, moving goods more efficiently is only part of the equation: We also need to make it easier to invest and build in Canada.

The measures in the building Canada strong act would help achieve that by reducing unnecessary regulatory duplication. A one project, one review approach would help coordinate federal processes, clarify timelines and reduce administrative burdens while maintaining Canada's strong safety and environmental standards, because it is vital that we build major projects more quickly.

[*Translation*]

The Major Projects Office will provide a single entry point for high-priority projects and help make federal approvals more coordinated and predictable.

We also need to modernize the way we go about trade. With this bill, we are prioritizing the digitalization of trade. Too much of our trade system still relies on paper and requires businesses to provide the same information over and over. Bill C-39 would support a “tell us once” approach and enable greater use of electronic trade documents. That means less paperwork, fewer delays and a more efficient training system.

Finally, none of this works without the people who keep our supply chains moving.

● (1545)

[*English*]

We need skilled workers and modern workplaces. We also need stability in our transportation system so that disruptions do not ripple through the broader economy.

In closing, let me say this: This bill is about making it easier to invest here, easier to build in Canada, and easier to move Canadian products across Canada and to partners around the world.

[*Translation*]

It is about building a more resilient Canada, a more competitive Canada and one that is better positioned to succeed in a changing global economy.

Thank you very much, Mr. Chair.

[*English*]

The Chair: Thank you, Ministers.

We'll start our six-minute round with Mr. Albas.

Dan Albas (Okanagan Lake West—South Kelowna, CPC): Thank you, Mr. Chair. I certainly want to concur with you, in that our thoughts and prayers are with the people in Wainwright right now.

Ministers, officials, thank you for your service to our great country.

Minister LeBlanc, I'll start with you, because you're the minister responsible for the Building Canada Act. Minister, Conservatives have been arguing for well over a decade that Liberals have wrecked Canada's regulatory approval system, chasing away half a trillion dollars of investment capital. Over those years, you and your government fought tooth and nail with provincial governments by adopting Bill C-69. Conservatives have argued that the approach was wrongheaded, and that we want to fix our system and see Canada build faster, better and more.

Earlier in this Parliament, your government sought extraordinary powers under the Building Canada Act to fast-track projects in response to the U.S. tariffs. If that was an admission that you got project approvals wrong with Bill C-69, is coming back with Bill C-39 an admission that you got the Building Canada Act wrong too? Who bears responsibility for that, the Major Projects Office, the government more broadly or you, as the minister responsible? Why the failure?

Hon. Dominic LeBlanc: Mr. Chair, through you, thank you for the question.

It won't surprise you, Mr. Albas, that I don't agree with a number of the premises in your question. You attributed a series of admissions, which I don't share, and then you proceeded to try to assign blame to people who I don't think are blameworthy, so I don't accept the premise of your question. However, I do agree with you, wholeheartedly, that we need to build faster, better, and across the country—I don't remember the exact words, but I remember thinking that's absolutely something on which I'm sure we agree.

Through Bill C-5, as you said, Mr. Albas, the Building Canada Act was adopted by Parliament, with the help of the Conservative Party. It has informed a number of nation-building projects, and it has contributed to the building agenda.

My colleague, Mr.—

Dan Albas: On that, Minister, the government has said that 15 or so projects have been referred to the Major Projects Office, yet, in actuality, only Pacific link has been added to schedule 1 under the law, and it remains at a very early stage. Parliament granted these extraordinary powers under the Building Canada Act to respond to U.S. tariffs. Therefore, Minister, with so little use of those powers, why should Parliament make a temporary exception a permanent rule, as you have envisioned in Bill C-39?

Hon. Dominic LeBlanc: Again, Mr. Chair, I understand that Mr. Albas shares our enthusiasm for the designation, the listing of projects of national interest. Good news is coming again soon, Mr. Albas, in other projects across the country. Mr. MacKinnon and I will have more to say about some of the projects referred to the Major Projects Office.

The Major Projects Office has been able to literally begin construction of projects, with shovels in the ground, without having, in many cases, to conduct an actual listing, as you said, under schedule 1.

What we think has informed this bill now before Parliament, Bill C-39, which is before your legislative committee today, is the sense that it's not only projects designated under Bill C-5 that are put on schedule 1 that should benefit from greater regulatory certainty and expedited treatment. If it's true on one side of the ledger, we think it's also true on the other side as well.

Dan Albas: I'd like to talk to you a little more about Bill C-5.

Parliament granted these exceptional powers with a five-year sunset. Your government now proposes to remove that safeguard.

Minister, why not demonstrate some results first and then ask both Houses to approve a further five-year extension before the power expires? Why do it now, with so little to show for it?

Hon. Dominic LeBlanc: Again, the premise of your question is “so little to show for it.” I also practised litigation law at some point. I get that you put words in witnesses' mouths. I just wouldn't want you to ascribe “showing so little for it” to me. Those are the words you chose—

● (1550)

Dan Albas: Minister, maybe we'll move on to a different subject.

Bill C-39—

Hon. Dominic LeBlanc: No. Mr. Chair, perhaps he'd let me answer the question he asked—

The Chair: Mr. Albas did ask a question, in fairness.

Dan Albas: He's ragging the puck.

The Chair: Well, let him answer the question.

Hon. Dominic LeBlanc: The specific question was, why would we seek to make permanent the benefit of the Building Canada Act?

It's because many of these large projects of national interest will, in fact, have a life cycle that will exceed five years. Some of the projects and strategies referred to the Major Projects Office and some of what provinces, territories and indigenous groups are asking us to work on with them right now would benefit, in our view, from the government having the ability, on an ongoing basis, to make those designations for that small group of projects that meet the national interest standard.

Dan Albas: Let's talk about Bill C-39.

It leaves expert regulators and cabinet in separate silos. You have Bill C-5 on the one hand and Bill C-39 on the other. Instead of using the Major Projects Office, why not let regulators, with proponent consent, refer complete, credible projects for schedule 1 consideration and identify unnecessary federal requirements based on evidence? That would avoid any duplicate work and inform target exemptions, while cabinet would have the final say.

Given the limited results that you've seen under the Building Canada Act, why leave out this route to give faster approvals and fewer federal roadblocks? Why not have them work together?

Hon. Dominic LeBlanc: Again, we think they are working well together, in the sense.... I wouldn't, obviously, Mr. Albas, attribute any misunderstanding to you, but Bill C-5 deals with designated projects added to schedule 1, in your words, and I agree with that. Bill C-39 provides that greater predictability, clarity, regulatory coherence and rigorous oversight to all projects, not just those that are specifically designated. We think the two work very well together. Far from being contradictory, we think they're very complementary.

The Chair: Thank you, Minister.

Ms. Desrochers, it's over to you for six minutes.

[*Translation*]

Caroline Desrochers (Trois-Rivières, Lib.): Thank you.

Before I begin, on behalf of my colleagues, I'd like to reiterate our condolences regarding the tragic events that took place in Alberta this past weekend.

Mr. LeBlanc, my first question is for you.

I took the time to carefully review all the reports published regarding what you heard over the past several months through your consultations with industry, indigenous partners, workers and communities. One of the key findings that emerged from those reports is that there is genuine enthusiasm. People want us to move forward quickly with transformative economic projects. At the same time, they want us to ensure that indigenous rights are respected and that the environment is protected. In your opening remarks, you yourself spoke about the fundamental role of indigenous peoples as partners in many of these projects.

Could you tell us how Bill C-39 will establish the necessary safeguards to strike that balance and ensure that indigenous rights are respected and fully taken into account throughout the process?

Hon. Dominic LeBlanc: Thank you for the question.

As a starting point, I would say that there is nothing in the bill before your committee that diminishes either the government's obligation or commitment to work with indigenous peoples and respect their rights. The same is true with respect to environmental assessments.

You referred to the "What We Heard" reports that followed the consultations, which were quite extensive. Mr. MacKinnon may wish to add comments from the perspective of his portfolio. Two messages came through very clearly.

First, Canadians want a process for advancing major projects that is faster, more efficient and more predictable. Second, they made it equally clear to the government that this must not come at the expense of indigenous rights or our obligations with respect to environmental assessment and protection.

The purpose of Bill C-39, which is before you, is precisely to meet both of those obligations. It does not in any way diminish, and this is important to emphasize, the Crown's duty to consult rights-holding indigenous peoples. The government remains bound by its duty to consult indigenous peoples where appropriate, and to accommodate them. We have also included measures that reflect the desire expressed by many indigenous peoples to participate in projects and benefit from them economically. That is fully consistent with our process.

In addition, there will now be a federal assessments coordinator who will work with the responsible departments to ensure that the assessment component of the process is more integrated and consistent. This bill is really directed at federal authorities and imposes an obligation on them to be more disciplined with respect to timelines, not with respect to the standards governing their work or their obligations. Instead of doing things one after another, we can do them concurrently, share data and work with the provinces and territories. That's an important aspect that I hope we'll have an opportunity to discuss further shortly.

● (1555)

Caroline Desrochers: Thank you very much.

If I understand correctly, the idea is that by the time the one-year deadline is set, a great deal of work will already have been done upstream. There will already have been extensive consultations. Is that correct? The expectation is that proponents will bring forward well-developed projects.

Hon. Steven MacKinnon: Yes.

As my colleague has just said, we have well-established criteria, assessment processes and requirements. Naturally, we will expect project proponents to submit well-developed proposals and very clear applications for approval. We will expect project descriptions that answer the necessary questions and are ready for assessment.

Caroline Desrochers: My next question is for you, Mr. MacKinnon.

We have, of course, spent a great deal of time discussing the state of our transportation infrastructure and the productivity, or lack thereof, of that infrastructure.

In your view, how will this legislation help advance the work we're doing to diversify our markets and reduce our dependence on the U.S. market?

Hon. Steven MacKinnon: That's one of the fundamental objectives of this legislation. It stems from the need to diversify our trade and commercial relationships with the rest of the world and to achieve the goal of doubling Canada's non-U.S. exports within 10 years. We're on track to do so, but we cannot realistically assure Canadians that we can achieve that objective with the infrastructure we currently have. That's why expansion is required, including in Montreal. You're familiar with the St. Lawrence River, which is why we moved quickly to begin work in Contrecoeur.

We therefore need to expand our infrastructure, but it's not simply a matter of infrastructure. We must also improve the efficiency, predictability and reliability of our trade corridors and supply chains to optimize their performance. Canada's geography is a blessing, but that geography also presents significant challenges. Ours is the second-largest country in the world by area, and we have considerable work to do to improve the fluidity of our transportation systems.

[*English*]

The Chair: Thank you.

Monsieur Ste-Marie, we go over to you for six minutes.

[*Translation*]

Gabriel Ste-Marie: Thank you, Mr. Chair.

I'd like to welcome both ministers and all the officials accompanying them.

I'd also like to welcome the members of the committee and the entire team supporting us.

I would, of course, like to recognize my colleagues Mario Simard and Sébastien Lemire, who are joining us today, as well as Elizabeth May. I also see Patrick Weiler attending the committee's proceedings. It's truly a pleasure to begin this study here today.

My first question is somewhat technical. When I served on the Standing Committee on Finance, it was customary when studying a budget implementation bill for the department to provide us with an explanatory document setting out each division of the bill along with plain-language explanations. I don't know whether it would be possible to make the same request here.

I see Mr. Vandergrift nodding. That's excellent, thank you.

Since this is an omnibus bill, we have many questions. I will also be forwarding a series of written questions to the witnesses through the clerk.

I will now put my first question to the ministers. It's a technical one.

In my view, this bill has constitutional implications. However, your colleague the Minister of Justice doesn't appear to have produced or tabled a constitutional analysis with the bill. Do you expect one to be provided?

● (1600)

Hon. Steven MacKinnon: That will be done in the coming days.

Gabriel Ste-Marie: Okay. Thank you.

For example, 10 days ago, on Friday, October 9, Quebec's administrative labour tribunal, the Tribunal administratif du travail, handed down a strongly worded decision regarding the Quebec legislation that had incorporated section 107 of the Canada Labour Code. It found that provision to be contrary to both the Quebec and Canadian charters. Section 107 is therefore being challenged. In 2015, the Supreme Court also held that workers have a fundamental right to strike.

In this case, a great deal of discretionary authority is being conferred, and that appears to run counter to the charters. You're telling us that this bill will create greater stability for economic development, yet at first glance there appears to be a problem. I look forward to reviewing the opinion, because it doesn't seem to provide greater legal certainty.

Do you intend to invoke the notwithstanding clause for Bill C-39?

[*English*]

Hon. Steven MacKinnon: No.

[*Translation*]

Gabriel Ste-Marie: Usually, ministers' answers are longer than the questions we ask here.

Hon. Steven MacKinnon: We're just warming up.

[*English*]

Hon. Dominic LeBlanc: We're just getting going. MacKinnon is a windbag.

Voices: Oh, oh!

[*Translation*]

Gabriel Ste-Marie: Yes, we know that.

You're proposing a “one project, one environmental assessment, one year” approach. If a project goes through Quebec, what happens with the Bureau d'audiences publiques sur l'environnement, or BAPE?

Hon. Steven MacKinnon: We are currently in discussions with Quebec regarding the same type of process we have established with many other provinces, namely the “one project, one assessment” approach. The bill is quite clear that it applies to projects that fall within federal jurisdiction or have a federal dimension and are assessed by the federal government. Where Quebec environmental legislation is involved, we generally seek to reach an agreement on a project-by-project basis. However, this bill deals only with federal legislation.

Hon. Dominic LeBlanc: Allow me to respond, Mr. Ste-Marie, because your question is a very important one.

I am also the Minister of Intergovernmental Affairs, so I'm very conscious of what you correctly described as the need to work with the provinces. Frankly, for many years, Quebec's BAPE has carried out important and widely recognized expert work. Under the previous government, we had made considerable progress toward reaching agreements with eight other provinces so that there would be one assessment and one decision for each project, as Mr. MacKinnon mentioned.

We would very much like access to the work carried out by the Government of Quebec and by the BAPE. We therefore look forward to finding common ground with representatives of the new government once they have been sworn in, so that we can advance precisely in that direction.

Gabriel Ste-Marie: Thank you very much.

Therefore, if there's an incidence on Quebec legislation, it would be the BAPE that conducts the assessment, and there would be no one-year time limit. The BAPE is not accountable to the federal government, of course.

Hon. Dominic LeBlanc: Exactly. The bill operates within areas of federal jurisdiction. Nothing in this legislation would require Quebec's National Assembly to amend its laws or change the way assessments are conducted in Quebec. Naturally, we want to work with the Government of Quebec and the BAPE to provide greater predictability. We're looking forward to the new government's ministers being sworn in so that we can begin those discussions with them.

Gabriel Ste-Marie: Mr. MacKinnon, there's a question that has been bugging me. It's about the use of declaratory power. We were talking about jurisdictions, but that's an old provision from the British North America Act.

Bill C-39 basically uses the declaratory power to say that a project is in the national interest, at which point it becomes federal. Bill C-39 seems to make such a constitutional amendment for all sea terminals. With Bill C-39, you are using declaratory power to federalize all infrastructure, to which Quebec laws would no longer apply. For example, I'm thinking of the red dust at the port of Quebec. Quebec's environmental laws would no longer apply in such a case, because you're going to federalize ports through the declaratory power.

Is that correct?

● (1605)

Hon. Steven MacKinnon: Ports and port authorities operate within exclusively federal jurisdiction. Obviously, we ask all port authorities to be good neighbours and to ensure that any potential disruption to the local community is mitigated or minimized. I'm not familiar with the specific situation you mentioned, but the Quebec Port Authority would be expected to work on that with the regulators in Quebec City or the Province of Quebec.

[*English*]

The Chair: Okay, we'll move into the five-minute round, starting again with Mr. Albas.

Dan Albas: Thank you, Mr. Chair and ministers.

I'll start with Minister MacKinnon this time.

Minister, obviously you're sponsoring the bill in the House, so I'm expecting you to answer to all of it. In part 1 of the bill, you have proposed subsection 19(4). Essentially, it says that a "responsible authority" must receive "all of the information" before it can deem a project complete and begin the process of starting the one-year clock.

Minister, I call that the Groundhog Day clause, because a regulator could ask for another study and another study and another study. There's nothing in here building the certainty and the predictability that if someone comes to invest in Canada, they can get their project on that starting clock, so what do you have to say about proposed subsection 19(4) being Groundhog Day?

Hon. Steven MacKinnon: Well, it's clearly meant to be the complete opposite of that, on the one hand. On the other hand, Canadians expect us to have fully compliant applications made when someone applies for a federal program or a federal regulatory process. We expect them to have completed their due diligence—the work, the analysis, the data and whatever is required in a given federal regulatory process. That's how you have a compliant application that can be studied with great efficiency and great speed.

Dan Albas: Minister, again, there's no predictability or certainty. Especially if a project is controversial, another study and another study could be asked for. Why shouldn't proponents be entitled to know, within a defined period, what government actually needs in order to start the review? Why not make a simple rule?

For example, it could be one complete list within 45 days. Essentially, within 45 days of receiving it, they'll say they have received it. If not, they would have 15 days to say what is deficient, and then the clock would start. That would put the onus on the proponent to come ready to work, but it would also require the government to start the clock.

Why is it missing this? Why do you have a Groundhog Day clause instead of a starting line?

Hon. Dominic LeBlanc: Mr. Chair, Mr. Albas's question is a good one. It's also quite technical.

I share Steven's view. There's no gotcha moment here. It's not a Groundhog Day clause.

Mr. Feldberg is prepared to briefly give you a very complete, technical answer on that very good question.

Peter Feldberg (Vice-President, Regulatory Affairs, Major Projects Office): If you look at the "Time limit for information or studies" proposed for section 19, you see that the information that is requested by the Impact Assessment Agency is requested earlier than that process. Then, on the "Notice of commencement", that's the information requested of the proponent.

The proponent then has the time that the proponent needs to take. It's intentional, because not all proponents operate at the same speed, and not all projects operate at the same speed—

Dan Albas: You're designing a system, sir, that believes that proponents don't have their ducks in a row. Why not design a system that says that if people come forward with a project, we will look at it within 45 days and outline the deficiencies, and then within 15 days after that, they have to respond? We start the clock.

They have to then get that information in, and they may end up with a no. Nothing that Mr. Feldberg has said says that the Groundhog Day clause is not a problem. Once the clock starts, Bill C-69 essentially lets the government suspend or extend the one-year clock without a narrow list of reasons, without limits on each pause or on an automatic restart.

Mr. Chair, legitimate pauses do need to happen, but why should the government get to referee its own deadline? Is this a real clock—a real hard stop of a year—or a hockey clock, with the final three minutes of a game lasting half an hour?

● (1610)

Peter Feldberg: The proposed bill restricts the government's ability to stop the clock or extend time to only a couple of situations: to coordinate with other jurisdictions, which is part of the one project, one review coordination process; to extend the time for indigenous consultation when that's required as well; or when the proponent requests it, to give the proponents time. We need flexibility for proponents, because they're not all in the same circumstances, and sometimes they do need more time.

Those are the circumstances.

Dan Albas: I think some objective criteria would be helpful.

Now—

The Chair: Thank you, Mr. Albas.

We'll move on to Mr. Bains for five minutes.

Parm Bains (Richmond East—Steveston, Lib.): Thank you, Mr. Chair.

Like you and our colleagues, I want to echo that my thoughts are with everyone impacted by the tragic events in Wainwright, including two families from British Columbia.

Ministers, thank you for your hard work on behalf of Canadians. I know that through your work and your engagements you've heard frustration about stalled projects and delayed projects ultimately impacting our growth. I was serving as a public relations officer in the B.C. government when we announced a new George Massey tunnel, which is an important corridor for supply chains from the largest port in Canada. That was announced in 2016, but we still have not seen anything done there, and it's now 2026, so I experience that frustration myself in a very important region for Canada.

My first question is for Minister LeBlanc.

Major projects have often involved several levels of government, each with its own responsibilities. From your perspective as the Minister responsible for Intergovernmental Affairs and One Canadian Economy, how important is better federal-provincial coordination to getting major projects built faster?

Hon. Dominic LeBlanc: Mr. Bains, thank you for the question. I know Steven will look forward to a chance to talk about the tunnel that you referred to. You're right; it's been announced and reannounced many times. The good news is that I think it's going to be built.

Mr. Bains, I think your question also picks up on a question from our colleague Mr. Ste-Marie. On federal-provincial coordination, we live in a federation, and different orders of government—they're not levels of government, they're orders of government—have their own sovereign jurisdiction or authority. It's important that if we share the objective, as most provincial governments have said publicly and privately to us, to move more quickly together, we do that work in partnership with provincial and territorial governments.

In many cases, proponents have to navigate a myriad...and maybe your example of the tunnel in your province is a good one, where there would be a series of provincial and federal reviews and permits that would be needed.

We're trying in this legislation, and internally with a cabinet directive and other steps, to streamline our own regulatory processes, but we are anxious to work with provinces to establish co-operation agreements to eliminate duplication of efforts between federal and provincial processes and build more projects under, as Steven said, a one project, one review framework.

We have to date signed agreements with eight provinces. We hope the remaining two.... The Quebec election obviously put that particular circumstance on pause, but as I said to our colleague Mr. Ste-Marie, our hope is to benefit from the great work that is done in Quebec and ensure that we don't have that duplication or delay with respect to projects in Quebec.

I'm confident, Mr. Bains, that what you identified as a challenge can be mitigated and managed. We're well on our way, and I hope we can bolt in the remaining work in the coming weeks or months.

Parm Bains: Thank you.

To you, Minister MacKinnon, in your engagements with the transportation sector, what uncertainties persist in our current system that compromise investment and growth in Canada?

● (1615)

Hon. Steven MacKinnon: There are several categories.

The first, obviously, is that people in world markets and world supply chains worry about labour stability. We've had a number of labour conflicts, in most cases short but nonetheless disruptive. A rail strike or a lockout of any length can set back supply chains by weeks and months.

Our supply chains are also fragile physically, and you have many single points of failure. I would point you to the Second Narrows Bridge in your part of the country, but there are many others. We need to be addressing those bottlenecks and those fragile parts of our supply chains if we are going to ensure that we can build the capacity, the trust, the stability and the reliability required to substantially increase our non-U.S. trade.

Parm Bains: Thank you.

The Chair: Thank you, Mr. Bains.

It's over to you, Mr. Ste-Marie, for two and a half minutes.

[*Translation*]

Gabriel Ste-Marie: Thank you, Mr. Chair.

Ministers, I'm going to ask you two questions on two topics, back to back.

First, why are projects' environmental assessments, which used to be carried out by scientists and serious people, now being carried out by what appears to be lobbyists at the Canada Energy Regulator? Five of the six commissioners are oil industry alumni. The lead commissioner is from TC Energy, and others are from Royal Dutch Shell, the Pembina Pipeline Corporation, Shell Canada Limited, Imperial Oil, Canadian Oil Sands Limited and Cenovus Energy. They are the ones who will conduct environmental assessments. To me, that isn't serious. That's a huge step backward.

Second, you said that the first nations were consulted extensively and that everything would be guaranteed. However, they are all telling us that they don't currently feel like the Major Projects Office has consulted them properly. They all want to appear before the committee to tell us that what you're doing here makes no sense. What do you have to say to them?

Hon. Steven MacKinnon: As for your first question, on the contrary, I think that it's a world-class regulator that relies on scientists and the specific provisions of the legislation. It assesses every project it receives according to very well-established legal criteria and processes.

For that reason, on the contrary, I think that a specialized regulator, in this case the Canada Energy Regulator, is perfectly suited.

Gabriel Ste-Marie: What about first nations?

Hon. Dominic LeBlanc: I completely agree with Mr. MacKinnon. What needs to be added is a comprehensive and very high-quality answer.

Agencies such as the Canada Energy Regulator and the Canadian Nuclear Safety Commission, for example, will obviously work closely with scientists at Fisheries and Oceans Canada, Environment and Climate Change Canada and Natural Resources Canada. These are not silos. This is a way of having one entity responsible for the decision, but, all jokes aside, it in no way limits the ability to benefit from the scientific advice of federal or provincial agencies and the academic community.

As for indigenous peoples, we consulted them extensively in the spring and summer, when Mr. MacKinnon and I published a discussion paper. We have extended those consultations at the request of first nations, and we are continuing to work. I met with the Indigenous Advisory Council of the Major Projects Office today. We will continue to do this important work.

[*English*]

The Chair: Thank you, Minister.

Thank you, Mr. Ste-Marie.

Mr. Lawrence, it's over to you for five minutes.

Philip Lawrence (Northumberland—Clarke, CPC): Thank you.

This question will be for you, Minister LeBlanc.

Minister, as you noted with Bill C-5, Conservatives helped you get that bill passed, and we did so believing that it would help projects get built. The reality is that we've had only one project listed so far in 15 months. That's hardly the track record we were expecting or hoping for. That's why we come with some skepticism to this latest bill, Bill C-39.

Proposed section 19, which has been dubbed the Groundhog Day clause by my colleague, and rightly so, gives the ability to stop an application before it even starts. Could you explain to us who decides whether an application is actually complete?

● (1620)

Hon. Dominic LeBlanc: On the premise of your question or the preamble of your question, 27 projects and strategies have been referred to the Major Projects Office. I understand that you're focusing on one that has been added to the schedule.

More good news is on the way, and more is coming soon, but a number of projects have already begun construction, thanks to the work of the Major Projects Office in bringing a greater coherence to the federal approval process without needing to have recourse to the schedule. I think it's important to mention that.

Again, I understand that you're focusing on proposed section 19, but as Steven said, the intent and the plain reading of the language, from our perspective, is precisely the opposite: It's to bring greater certainty than there was before this legislation was introduced.

Let's assume that we're lucky, that Canada's lucky, and it is adopted. The ability to stop the clock, to have somebody go on holidays and say when they get back to some proponent, "You know what? Your project is missing schedule D," and all of that has built a certain frustration and uncertainty that people have talked to us about across the country for projects big and small. We think this legislation is in fact a very appropriate answer to the exact concern that you've identified.

Philip Lawrence: The question was.... I'll move on from here.

Maybe I can get an answer to this question: What consequences will occur for departments that continually delay by not green-lighting applications as they come in?

Hon. Dominic LeBlanc: There's no commitment to green-lighting. This is about getting a decision—

Philip Lawrence: It's completeness. I'm sorry. My colleague says—

Hon. Dominic LeBlanc: You said green-lighting, which would—

Philip Lawrence: I apologize.

Will there be consequences for departments that don't grant completeness status to applications?

Hon. Dominic LeBlanc: I don't presume that officials in departments don't follow the law. If this bill is adopted, it will become the law.

I have been with—

Philip Lawrence: Lord Denning once said, "Without consequence, there is no law." You're saying there is no consequence, which is probably because there's no law—

Hon. Dominic LeBlanc: No, I didn't say there's no consequence. You've just attributed those words to me. I'm glad you quoted Lord Denning, and I congratulate you for that, but I didn't say that at all.

I wouldn't want to be a deputy minister in this government who decides not to follow this law or not to follow the clear cabinet directive that's been adopted. I have every confidence that senior officials understand their responsibility to carry out the government's agenda.

Philip Lawrence: The challenge I have with the application of Bill C-5 and now Bill C-39 is that there's a lot of ability for you, gentlemen, and your government to confuse the ideal.

When we look at that and we talk.... You're not helping things by saying you're moving projects along that already existed. The Darlington refurbishment, which is right next to my riding, started before your government was elected, so taking credit for that is so disingenuous that it doesn't even begin to....

Forgive my skepticism if I believe that the one year will not happen and that there will be no project completed within one year.

Are you willing to commit today that projects will be done in one year?

Hon. Steven MacKinnon: We are absolutely prepared to commit that decisions will be rendered on projects after a one-year evaluation, yes.

Philip Lawrence: You said, "After one year." Even in there, you see the equivocation and you see the lack of clarity—

Hon. Steven MacKinnon: What did you find unclear about that answer?

Philip Lawrence: You're sitting there with a stopwatch, saying, "Stop, start. Stop, start." You're trying to control it within the year.

Hon. Steven MacKinnon: Mr. Lawrence, Mr. Feldberg just—

Philip Lawrence: You're trying to take credit for projects—

The Chair: Mr. Lawrence, I'm actually the only one with a stopwatch, so let him answer the question, because you're actually out of time.

Hon. Steven MacKinnon: Mr. Feldberg just outlined for you the very narrow reasons that could be invoked to permit a delay in that one-year approval process. They are extremely narrow and extremely specific, and they include a withdrawal or an amendment by the project promoter itself.

I don't understand how you think that's not tight enough. I think it's actually a pretty stringent and narrow path that would make normal a one-year maximum turnaround time for rendering a decision on these regulatory processes.

● (1625)

The Chair: Thank you, Minister. Thank you, Mr. Lawrence.

Ms. Harrison, it's over to you for five minutes.

Emma Harrison (Peterborough, Lib.): Thank you, Mr. Chair.

Minister MacKinnon, it won't come as a surprise to you that I'd like to talk about how this bill will affect agriculture.

Through Bill C-39, we're going to modernize paper-based processes through digitization. I think people would be surprised to know how many goods are moved across our country with a paper base and how complicated that can be.

If you could, I'd like you to elaborate on what digitization will mean for agricultural producers, as well as for all products that move across Canada.

Hon. Steven MacKinnon: That is an outstanding question, and I want to thank Mr. LeBlanc for giving me some timely reminders.

I think the agriculture sector is potentially one of the biggest winners and has the most to gain. Many farms and agricultural operations are small and medium-sized businesses. If you are a large business, you can have a large compliance department or a large administrative back office that can help you sort out all of your regulatory requirements, fill out forms and get them to the right place. That, we know, is a larger challenge for small and medium-sized businesses, including many in the agricultural sector.

What we want to do is democratize and modernize, if you will, all of these regulatory processes—food inspection, immigration, bills of lading, port reservations—and try, to the extent possible, to make it a tell-us-once process, meaning you click one button with one set of information and hopefully don't have to repeat and re-enter information that has already been provided, such as basic administrative data about a business.

We used to be great at this in Canada, at trade digitization—paperless trade, if you will. We've fallen behind many places in the world, and we need to leapfrog those places. I think, and I firmly believe, that the big winners out of that will be businesses that currently struggle with a very large administrative and regulatory burden.

Emma Harrison: Thank you.

Minister LeBlanc, what criteria will determine whether an area becomes a region of national interest?

Hon. Dominic LeBlanc: That's a very good question, and it has generated some considerable attention. Thank you for raising it, Ms. Harrison.

Before a region could be listed under the Building Canada Act, a regional assessment would first need to be completed under the Impact Assessment Act, which is the current authority in these areas, or under an applicable territorial law. As you can imagine, in the territories, where there are some modern treaties, the process is a bit different.

That assessment would examine a region's environmental, economic, social and health circumstances. Obviously, indigenous rights would be a clear and important part of all of that work.

That assessment would also look at the cumulative effects from current or future activities. I think this is important. For projects big and small, many communities and groups talk to us about the need to consider cumulative effects and not salami-slice an individual approval about project X or project Y without looking at it in a broader and more holistic way.

Once that work is completed, the minister responsible for the Building Canada Act may recommend that a particular region be listed. A decision to designate a region would be informed by factors listed in the Building Canada Act. They include, for example, whether a region could strengthen the autonomy or resilience or security of Canada, provide economic or other benefits to our country or have a high likelihood of successful execution. These are all evaluations and criteria that Parliament is very familiar with, of course, because of the work that was done so well last June when Bill C-5 was approved.

Emma Harrison: Thank you.

I think I have a few seconds left. Minister LeBlanc, what will change for project proponents on day one under Bill C-39 that will give them greater certainty than they have under the current system?

● (1630)

Hon. Dominic LeBlanc: Again, that's a very good question.

On day one, if the legislation is approved by Parliament, there will be a greater level of confidence and certainty for those communities, indigenous organizations, businesses and provincial, territorial and municipal governments that may want to bring a project before the Government of Canada for approval.

One of the drags on building in an ambitious, significant way in the country has been the accumulation of snow in front of the plow, so to speak, as successive governments have navigated the cumulative effects of federal regulations and federal reviews. What we want to do is have the same rigour, the same standards of review and oversight, but in a much more reliable and much more predictable timeline. It's good for investors, sure, but it also encourages people to bring forward projects big and small in their communities all across the country.

Ms. Harrison, you represent a region of the country, not one of Canada's biggest cities. There are important projects in regions and small communities across the country that are very important to those communities, projects that deserve this same level of efficiency and rigour in terms of getting a decision. It's not only the big projects that we're thinking of.

The Chair: Thank you, Ms. Harrison.

It's now over to Mr. Gourde for five minutes. You're up.

Jacques Gourde (Lévis—Lotbinière, CPC): I'm up. The show must go on.

[*Translation*]

If any gaps are discovered in the bill, will you be prepared to accept amendments to improve it? I think it's important that we all work together.

Hon. Steven MacKinnon: Mr. Gourde, no gaps have been found yet, but if you find any, I'm sure we'll take into account your comments.

Jacques Gourde: After 11 years, Ministers, I'm glad that you're ready to work for all Canadians.

Do you think it's important that the two parties most likely to be in power have been on the same wavelength all this time to prevent generational projects from falling through later?

Hon. Steven MacKinnon: Of course, we appreciate the Conservative Party's support of the bill so far. We hope to continue working in the same friendly way.

Hon. Dominic LeBlanc: Allow me to add something, Mr. Gourde. I think there's an element of teasing in the question and in my colleague's answer, but you have certainly identified something that's important for the country.

We're at a difficult time for Canada's economy, and workers in all regions of Canada are facing uncertainties. It's important that we work together, that we find merit in a bill and that we improve it, if necessary. That obviously includes the political parties in power in each of the country's provinces.

I'm very happy with the premise of your question.

Jacques Gourde: In recent years, the world has viewed Canada as an unreliable country for projects of this type. Canada needs foreign investment. Have you been pressured by investment funds or international financial markets to move faster and ensure that projects are completed?

In recent years, Canada has experienced complications that meant we couldn't necessarily deliver grain where it needed to go, receive goods and so on.

Hon. Steven MacKinnon: Mr. Gourde, we can't claim, as your colleague Mr. Lawrence did, that major projects—such as nuclear projects and the project at Contrecoeur—were already under way and that we therefore didn't contribute to them, and simultaneously say that nothing was done. However—

Jacques Gourde: Thank you, Minister.

Hon. Steven MacKinnon: —I will take that again in a positive way. Canada has what the world is looking for: a skilled workforce, resources and cutting-edge technological expertise. We're capable of leveraging that. Yes, over the decades, regulatory processes and exceptions have piled up—

● (1635)

Jacques Gourde: I understand that, Minister. We heard it in your—

Hon. Steven MacKinnon: All I'm saying is that the message we're getting from people who want to develop opportunities in Canada is precisely that they want us to make the system give them greater predictability. They're not looking for a yes or no, they're looking for an answer—

Jacques Gourde: Minister, you like to talk, so I'm going to ask you a question.

Does Bill C-39 complement Bill C-15?

Hon. Steven MacKinnon: Bill C-15 is a budget implementation bill.

Jacques Gourde: Sorry, I'm talking about Bill C-5.

Hon. Steven MacKinnon: It's certainly complementary. Regarding Bill C-5, as my colleague just said, there are already 27 projects or strategies under consideration, and there's a lot of good news to come in relation to this bill. Bill C-39 complements that in many other areas. The Canada Labour Code—

Jacques Gourde: Does Bill C-39 speed up environmental approvals for the Alto high-speed rail project? I think there was a gap in that regard and that you wanted to find a way to move even faster.

Does Bill C-39 enable you to move forward even faster?

Hon. Steven MacKinnon: The high-speed rail project is a national strategy that has already been submitted to the Major Projects Office. Obviously, there's a project in Alberta that the office and the Department of Transport are interested in, and there is a project in Ontario and Quebec that's being developed by a Crown corporation—

Jacques Gourde: We're going to come back to the issue of Quebec, Minister—

Hon. Steven MacKinnon: I can't assure you that Bill C-39 has no impact on the development of this project, but I would say that it has a fairly minimal impact.

Jacques Gourde: We want to work in partnership with the Government of Quebec—

[*English*]

The Chair: Thank you, Mr. Gourde.

We will go to Ms. Martin for five minutes.

[*Translation*]

Danielle Martin (University—Rosedale, Lib.): Thank you.

Thank you, Ministers, for coming today.

I believe that Canadians fully understand that these are extraordinary times and that we must take action to stimulate our economy, build one Canadian economy and diversify our partnerships around the world.

[*English*]

I think everyone understands that we're in a moment that requires exceptional work. Canadians want to see us building, and they want to see us moving quickly. They understand that we don't have much of a choice in this moment.

Also, of course, whenever we move quickly, there are risks inherent in doing so. The goal of this legislation, as we all understand it, is to move quickly without lowering our standards. In a sense, that's what we're trying to do on this committee: We're trying to be thorough and thoughtful and also move quickly, because we understand the importance of this legislation.

In light of that, I think it's particularly important for Canadians and the committee to understand the work that led us to this moment. I'm wondering if each of you, or either of you, could speak to the engagement work that took place in the months leading up to this legislation. I understand it was quite extensive. We had a chance to read these "What We Heard" reports.

Also, could you talk a little about the feedback that you heard and how that feedback was incorporated—particularly in the areas of risk that have been identified around indigenous rights, environmental risks and labour rights—so that Canadians can understand that the work of this committee is only one part of a broader process?

Hon. Steven MacKinnon: That's a great question. I'll talk for a minute and then let Mr. LeBlanc build on the discussion papers that were released this summer and the extended period of consultation that ensued.

I would like to go back a little further. As we were coming out of the pandemic, I think it was generally pretty clear to everyone that a number of things had been fragilized in the supply chains, and we saw that we could no longer reassure Canadians or provide certainty on things like ocean traffic or costs. Work began back then.

Under my predecessors, we had a national supply chain summit in 2022. This would have included, of course, organized labour, transportation companies, investors, first nations and others. The supply chain task force was established in 2022, and there was the supply chain regulatory review in 2023-2024. There were multiple studies by the transport committee, which includes Mr. Albas and Mr. Kelloway, who also is a prominent member of that committee, and there were studies in the transport committee at the Senate. There were 78 engagement sessions and over 26,000 responses to the consultation papers that were put out this summer.

This is not only the product of widespread, extended and deep conversations; it is also based on observations. I think Canadians who are watching can easily identify the obstacles, regulatory burdens and other things that we have to overcome if we are going to continue to build the country and diversify our trading partners.

● (1640)

Hon. Dominic LeBlanc: Steven answered a significant part of Dr. Martin's question, but Dr. Martin also properly raised the understandable concern that people have expressed in the consultations this summer and to members of Parliament and senators in conversations about legislation. Their concern is that speeding up the review processes and getting to decisions faster somehow has a direct line to lowering of standards.

It's important, Dr. Martin, in answer to your question, to make it clear that Bill C-39 in no way proposes a change to standards; it is only to processes. The scope of environmental assessments remains the same and will continue to consider the broad set of factors, including, for example, environmental health effects and social effects, which are things you've written about and worked on for a long time, as well as indigenous and traditional knowledge.

These measures have been designed to eliminate unnecessary duplication, the idea that you do these reviews sequentially instead of doing them concurrently. With provinces, territories and other partners, there are a lot of ways that we can ensure the same rigour in review in a more coherent and expedited way. It's important to remove any confusion around that.

The Chair: Thank you, Minister, and thank you, Dr. Martin.

Mr. Ste-Marie, it's over to you for two and a half minutes.

[*Translation*]

Gabriel Ste-Marie: Thank you, Mr. Chair.

The government is suspending environmental laws, but it's still going to take care of the environment as well. I have my doubts, Ministers. This is a brief comment related to your discussion with Mr. Gourde.

Personally, I'm concerned when I see the Conservative Party supporting the Liberal Party on a bill that rolls back workers' rights, suspends environmental laws and circumvents real consultation with first nations. That really worries me. To me, this is a hyperconservative bill. I don't even think Stephen Harper or the Conservative government would have ever managed to go as far as what you're doing right now.

I'm going to ask you two questions back to back. The first is a technical question.

Could a region designated as being of national interest represent an entire province?

My second question is related to what Mr. LeBlanc just said to Dr. Martin.

You say that speeding up the process has no impact on the outcome, except that Bill C-39 pre-approves projects before environmental assessments are even carried out. Do you intend to go back to rigorous assessments where the outcome is not predetermined?

Hon. Steven MacKinnon: Again, we have to revisit the premise of the questions. There is no suspension of environmental standards or laws under Bill C-39. There is guidance and things that have been made clearer. For example, regarding the Canada Labour Code, the bill frames the discretionary power of the Minister of Labour in a dispute.

However, I think that Mr. LeBlanc and I owe it to ourselves to challenge you to tell us where standards or laws are being suspended, Mr. Ste-Marie. We see nothing of the sort.

● (1645)

Gabriel Ste-Marie: I had a series of questions for you, but I can mention your interpretation of section 107 of the Canada Labour Code, for example, which gives the minister the power to end a labour dispute before it even begins. That's an interpretation that sets back workers' rights.

I'm running out of time, so I'll ask you again: Can you designate a province as a region of national interest?

Hon. Dominic LeBlanc: Honestly, I understand the question. In any of our conversations about the need to designate regions of national interest, I can't imagine a scenario where it would be an entire province. On the contrary, we're going to work with the provinces. It's specifically about being a reliable development partner in a region. I can't picture a scenario where the designation would apply to an entire province. It's really a matter of designating a region within a province or a region that crosses through several of them.

I'm from the maritime provinces. It's a small area. I can picture a scenario where a project in Newfoundland and Labrador would aim to bring clean energy to Quebec. That's a great example. It wouldn't be a province that would benefit, but a region. It would be my region, Atlantic Canada, that would benefit greatly, as well as the people of Quebec, I imagine. I'll let you speak for Quebec, it's not up to me to do so—

[*English*]

The Chair: Thank you, Minister. I'm going to have to cut you off there. I'm sorry.

Mr. Lawrence, it's over to you for five minutes.

Philip Lawrence: Thank you.

I'm hoping, Minister MacKinnon, that we can walk through a bit of how Bill C-39 will affect the Alto project.

How many years more quickly will Alto be completed because of Bill C-39?

Hon. Steven MacKinnon: As I indicated to our colleague Mr. Gourde, I can't exclude the possibility that it will have no incidence on the development of high-speed rail in Canada. In fact, it will benefit from the same one-year timeline that any other major investment or job-creating project would.

Philip Lawrence: Then will you be moving up the completion date?

Hon. Steven MacKinnon: In Bill C-15—and this is where I think Mr. Gourde maybe became a bit confused—we have already designed a specific, bespoke land acquisition mechanism for developing high-speed rail. That has already been developed. We've reduced the planning and development time of that project from eight years to four, which is a considerable increase in efficiency for that project. Every year that we are able to shave off the planning process saves Canadians billions of dollars.

Philip Lawrence: Thank you, Minister.

As my colleague from the Bloc said, there is a provision here that allows work to begin on a major project before the decision is final. Will you be using that in the Alto project?

Hon. Steven MacKinnon: We have an early works provision there, yes. It would be minor work—utility poles and that type of thing—that would be able to be used in the case of Alto.

Philip Lawrence: That is a yes, then. You will be using it for the Alto project.

Hon. Steven MacKinnon: No, no. I did not say that. I said it could be.

Philip Lawrence: Then you're unwilling to commit either way on whether you'll be utilizing the early works clause.

Hon. Steven MacKinnon: In the case of land that would have been acquired, for example, from a willing seller with a willing buyer before final environmental approval was given, if early works are permitted—and that would be literally moving a utility pole or a fence or something like that—that's the kind of—

Philip Lawrence: That sounds like a yes. Is that a yes?

Hon. Steven MacKinnon: It's the kind of minor work.... Yes, it's possible.

Philip Lawrence: Yes, it's possible. Talk about equivocating.

Dom, you still need to give a lot more lessons to Minister MacKinnon.

Hon. Steven MacKinnon: I was just rebuked by Dominic for being too....

Philip Lawrence: That was just a comment on my Bloc colleague.

While the Conservatives are willing to work with anyone who's willing to make life better for Canadians, we still have significant challenges with this legislation. I would like to move to a deeper discussion of the Alto project, specifically, if I can, in my riding.

Via Rail 641 was recently cancelled. It was a commuter train that allowed people from my community to get to Toronto at a regular hour. That was recently cancelled. It might save thousands or millions. I don't know. At the same time, your government is looking to spend, according to the PBO, $113 billion on this.

How do you square that circle, Minister?

● (1650)

Hon. Steven MacKinnon: Via Rail service suffers from a number of obstacles that have been discussed many times. I won't go over them again.

Via shares a track with freight, and I have asked Via, in response to your concerns, my own colleagues' concerns and those of others.... We need to make that service more efficient, more fluid and more reliable for your constituents. That is our great hope, and I have directed the management of Via Rail, which is an independent Crown corporation that makes operational decisions and is entitled to do that, to improve its customer service, reliability and on-time performance and make sure that your constituents, my constituents and others are better served by Via Rail.

Philip Lawrence: I have two quick things. Firstly, would you be willing to direct them to return a commuter train for my constituents specifically, as well as Ms. Harrison's, so that the folks who want to go from our communities to Toronto at a reasonable hour can do so?

Secondly, would you be willing to table that directive?

Hon. Steven MacKinnon: Again, the Minister of Transport does not get in the middle of operational decisions made by Via Rail, particularly those that they rationalize based on improving the very things I've asked them to improve, which are on-time performance, reliability and better service for Canadians.

I am, quite obviously, pleased to facilitate interactions between you and Via Rail management, so that the case for your constituents may be made by you or other advocates for that service, but we are determined that the corridor, which your riding is very much a part of, should be better served and served more reliably, more efficiently and more effectively by Via Rail.

We are interested in increasing ridership, Mr. Lawrence, not decreasing it.

The Chair: Thank you, Mr. Lawrence.

Thank you, Minister.

Ms. Desrochers, it's over to you for five minutes.

[*Translation*]

Caroline Desrochers: Thank you very much, Mr. Chair.

Since we're talking about the Alto project, I'd like to take this opportunity to thank you, Mr. MacKinnon, for all your work to keep this project on track. My constituents in Trois-Rivières are very much looking forward to taking the high-speed rail, and so am I, for that matter.

My colleague Emma Harrison asked an interesting question earlier. You mentioned the agricultural sector, but can you tell us a bit more? We're now in 2026. Let us imagine we're five years down the road. The bill will have been passed, and projects will be under way. Which sector of the Canadian economy will benefit the most from the changes we want to implement?

Hon. Steven MacKinnon: I think the big winners will be our young people, because we will have created more job opportunities, a more prosperous future and an investment climate that's conducive to projects that will help our young people access jobs and world-class opportunities, whether they live in Trois-Rivières, Gatineau or Mr. Lawrence's riding. We will have a cohort of young people who can pitch in to create and design major projects.

I'll give you a few examples.

Nouveau Monde Graphite is a critical minerals company in Quebec. There are talks of a world-class open-pit mine that enables Canada to position itself at the forefront of that sector. Young people in your riding will be able to get involved not only in mining, but also in marketing, analysis, science, applications and the added value of those minerals. The creation of the Major Projects Office and the regulatory process that stems from Bill C-5 and Bill C-39 will have helped accelerate the creation of those job opportunities.

Second, I think we will have generally improved our capacity to trade and have trade relationships with the rest of the world. Whether in Contrecoeur, at the port of Trois-Rivières or on the west coast, we will have improved our capacity for trade, as well as the fluidity and stability of the supply chains that connect us from east to west.

● (1655)

Caroline Desrochers: Thank you. That brings me to my question for Minister LeBlanc about internal trade.

We focused on the Canadian economy. We want to reduce barriers to promote trade between provinces, in addition to diversifying our trade with our international partners.

How will the projects we are going to put forward help us facilitate trade between the provinces and territories?

Hon. Dominic LeBlanc: Thank you for the question.

I am very encouraged by the provinces' willingness to work toward reducing the barriers you mentioned. Whether it's Quebec, British Columbia or Saskatchewan—I met with Saskatchewan's trade minister today—everyone is trying to figure out how we can develop this together while respecting factors as important as protecting the French language. Respect for the French language in Quebec isn't a barrier, but rather an exception to the free market. I'm very encouraged by the fact that other provinces, whether in western Canada or the Maritimes, want to work toward reducing these barriers while respecting, for example, the protection of the French language in your province.

Some provinces are looking for projects that will boost their economies. Obviously, as Mr. MacKinnon said, if a mining project is developed in New Brunswick—and there are some rather interesting examples of projects that Premier Holt is trying to move forward—it will benefit trades workers in Nova Scotia and Quebec. It will attract contractors from across Canada.

So this is very much in line with the process of having a unified Canadian economy, and everyone sees themselves as part of that. That's what I'm very encouraged about. Both the larger and smaller provinces see themselves as part of this effort, and they encourage each other. That's what I find truly encouraging.

Caroline Desrochers: Thank you, Mr. Chair.

[*English*]

The Chair: Mr. Albas, it's back to you.

Dan Albas: Thank you, Mr. Chair.

I'll go to Minister MacKinnon.

Minister, Conservatives want our ports, railways, rail yards and roads built to expand our trade beyond the United States. However, to get those investment decisions here in Canada, you are offering only a cabinet directive—a one-year expectation that can change at any time.

In part 1, you have a bill that says that in law, thou must have a one-year timeline, when that clock starts, after the Groundhog Day clause, but in this, you don't have the same statutory requirements of part 2, which is totally inconsistent. Why not give transportation approvals under part 2 the same statutory certainty? Why are you making it so transportation isn't a priority?

Hon. Steven MacKinnon: We are giving that certainty, but I would also point you to the creation of the transportation project office, which is a prominent and important part of this bill, and which mandates Transport Canada to accompany developers of those very kinds of projects you're suggesting to make sure they are compliant and get through and get approved in what would be record time, frankly.

Dan Albas: Minister, you didn't answer the question on the statutory, but let's talk about your transportation project office in clause 192, where it creates an optional transportation project office with no binding timetable or power to hold departments accountable.

If it's meant to get railways, ports, roads and airports built, why have you given yourself the discretion? Why is it optional? Furthermore, why design it to be literally toothless? Is it just meant to be a paper-shuffling exercise, like the Major Projects Office? Is that what its true function is?

● (1700)

Hon. Steven MacKinnon: I'll ask Deputy Vandergrift to answer that one.

Michael Vandergrift (Deputy Minister, Department of Transport): It gives the minister the authority to create the office and gives the minister the authority to coordinate permit approvals for projects under the control of that office.

Dan Albas: It also gives the authority to cancel it and to cancel whoever is the head of it. This thing is completely optional and completely toothless. Why build another bureaucracy, Minister—

Hon. Steven MacKinnon: Why, Mr. Albas—

Dan Albas: —instead of empowering the existing national supply chain office, which already knows Canada's corridors and bottlenecks? Why not use that?

Give it one federal schedule. Give it the authority under law for concurrent reviews, a proper one-year timeline, status reports and public accountability when a department fails to show up. There's DFO. There are other permits that need to be dealt with.

Right now, this so-called transportation project office, if you decide to use it, wouldn't have any of that authority.

Hon. Steven MacKinnon: Well, we have decided to use it, and I don't know why you would put something in law that you—

Dan Albas: Have you read clause 192, Minister?

Hon. Steven MacKinnon: Again—

Dan Albas: It literally says that you "may".

Hon. Steven MacKinnon: Well, of course, and why would we have written that in that bill if we did not have the intention to do it? This "may" creates the permission structure in law. The supply chains office had no legal status. Now there will be a transport project office that will coordinate these approvals under the same one-year timeline that we are discussing for all of the regulatory processes—

Dan Albas: Minister, the transport project office—

The Chair: Mr. Albas, let him finish answering the question.

Dan Albas: He's rambling on it.

The Chair: Minister, finish answering the question.

Hon. Steven MacKinnon: The transport project office is there to consolidate and to accompany people building projects in this country, to make sure that there is one interlocutor with an interest in supply chain efficiency, which is also in the bill. It also makes sure that these projects are built and are built under the same one-year regime as every other project.

Dan Albas: It's going to take a year or more before you get this office set up and it starts running. Why not use an existing office like the supply chains office?

Hon. Steven MacKinnon: That's what we did—

Dan Albas: Also, Minister—

Hon. Steven MacKinnon: That is what we.... Just to be clear—

Dan Albas: Excuse me, Mr. Chair, but can you get him to let me ask my question?

Hon. Steven MacKinnon: Well, no, you said why not do something that—

The Chair: You're both talking now, so let's do one at a time.

Mr. MacKinnon, let him finish asking the question. Then you can state your answer again, so that he hears it clearly.

Dan Albas: Unlike part 1 of the bill, where the responsible authority has the authority to say, “Get all these things,” and there's a single window that has some authority to move things, you have an optional transport office that doesn't have any staff and that may or may not be there, because you can choose to unuse it. They're not statutorily limited to have a review done, even the other agencies, like DFO, which is important for things such as a port or for a shipping facility, Mr. Chair.... None of this stuff is in the bill.

Why is there that oversight? Why are you selling something that is toothless and without authority? Why not give it the same powers and make it ahead very similar to the responsible authority in part 1?

Hon. Steven MacKinnon: Mr. Albas, I think most Canadians can probably add up why the Department of Fisheries and Oceans would be involved in approving a port project.

The point is, we do want to avoid these sequential or overlapping reviews. The transport project office, which, I commit to you, will be established—should this bill get royal assent—with great speed.... In fact, I'll invite you to the ribbon-cutting, Mr. Albas, and we can do that together. The transport project office will catalyze these federal regulatory review processes. They will be subject to the same directives and legal obligations that Bill C-39 sets out for all regulatory processes and for permitting. That seems to be obvious.

You seem to be arguing that we should be going faster and more aggressively and saying, “shall set up a transport project office”. I can assure you that the project office will be set up. It will have great efficiency and will enjoy great authority.

The Chair: Mr. Albas, thank you.

We'll go over to Mr. Bains now for five minutes.

Parm Bains: Thank you, Mr. Chair.

With respect to the transport sector, Minister, how does Bill C-39 allow federal departments to work concurrently while ensuring that underlying safety, environmental and regulatory requirements remain rigorous?

Hon. Steven MacKinnon: Well, that's a better way of asking the question that Mr. Albas just asked.

A transportation project office will be created to work with the sector to receive projects, to ensure that they are compliant and to work to ensure that regulatory processes—those that apply to a given project—are rigorously adhered to and that the timelines are also rigorously adhered to. We've had too many examples in this country.... One thing that I suspect Mr. Albas and I—and you, Mr. Bains—would agree on is that there are examples of many projects that have taken too long. This is an attempt, as is the bill more generally, to maintain Canada's rigorous standards while making these reviews much more efficient and simultaneous, concurrent as opposed to sequential.

● (1705)

Parm Bains: Thank you.

Minister LeBlanc, when people hear government speak about speeding up approvals, some may assume this means lowering standards. Much of Bill C-39 appears focused instead on coordinating federal processes and reducing duplication. Can you explain the distinction between reviewing a project more efficiently and reviewing it less rigorously?

Hon. Dominic LeBlanc: Thank you for that question. It picks up a bit on, I think, the question of our colleague Dr. Martin.

Projects often face lengthy approval processes because, as Steven said, different federal agencies or departments look at the reviews or contemplate decisions sequentially rather than concurrently.

If we move towards a system where federal reviews and decisions take place concurrently, we can provide greater certainty and reliability to proponents, investors and those coming forward with a project. Canadians themselves will benefit from processes that give them a decision in a more timely and reliable way—none of which compromise, as you said, Mr. Bains, in your question....

Canadians, understandably, want the assurance that these reviews undertaken by the Impact Assessment Agency of Canada, Fisheries and Oceans Canada, Environment and Climate Change Canada, the Canadian Nuclear Safety Commission—the different regulators—and the scientists and experts who work in those departments.... I had a chance, in a previous portfolio, to see the remarkable women and men who work in many of these line departments. Their work will still benefit the decisions taken in terms of approval.

One thing, for example, is that our responsibility to consult with indigenous peoples, of course, remains unchanged. If we set up, in the Impact Assessment Agency of Canada, a Crown consultation hub, this may allow different indigenous communities with different levels of capacity to participate fully. If free, prior and informed consent is an important principle—the I in FPIC is for “informed”.... This morning, when I met with the indigenous advisory council of the Major Projects Office, it gave us examples of communities that want to participate fully and properly in this consultative process, that want to be accommodated, obviously, as the government will want to do as well.

Setting up a way for them to have greater access to capacity financing and to preparatory financing means that this work will be done more efficiently and more expeditiously, but with no less rigour and no less seriousness than Canadians would expect of a government committed to moving quickly but properly in reviewing these projects.

The Chair: That's your time. Thanks, Mr. Bains.

Mr. Simard.

[*Translation*]

Mario Simard (Jonquière—Hébertville—Pays-des-Bleuets, BQ): Thank you very much, Mr. Chair.

Ministers, both of you, in your answers and in your opening remarks, explained that what made this bill necessary and justifiable was the tariff crisis and your desire to make the Canadian economy less dependent on the United States. I'm not putting words in your mouth; that's what you said.

When I look at this more closely, I see very clearly that Bill C-39 can help the oil and gas sector. However, I'm less clear on how Bill C-39 can help the sectors most affected by the tariff dispute. I don't see how this bill can help the forestry sector, I don't see how it can help aluminum processors, I don't see how it can help people in the automotive industry, and I don't see how it can help people in the steel sector.

Furthermore, when I see the disproportionate benefit this gives to people in the oil and gas sector, what immediately comes to mind is that 91% of our oil exports go to the United States and that it's a product not subject to tariffs. You're putting in place a legislative measure that will help the Americans with their energy sovereignty, because they are the main beneficiaries of the big oil companies.

Earlier, you challenged my friend Mr. Ste-Marie. I challenge you to explain to me—if you have any analysis, maybe you can table it with the committee—how this legislative measure helps the forestry sector, the aluminum sector, the auto sector and the manufacturing sector.

● (1710)

Hon. Steven MacKinnon: This one is easy. It's because we have challenges in Canada when it comes to diversifying our markets. Of course, we want to create new opportunities for Canadian wood and Canadian aluminum, and for the Canadian manufacturing sector to have increased transportation capacity. I explained earlier—I don't know if you were here—to my colleague Ms. Harrison—

Mario Simard: Can you tell us where it says that Bill C-39 does that for the forestry sector?

Hon. Steven MacKinnon: This will be achieved through the digitization of our business, through the standards we establish to ensure compliance in this area and through the expansion and diversification of our opportunities—

Mario Simard: I can assure you that's not how it's perceived in the forestry sector.

Hon. Steven MacKinnon: —when it comes to trade infrastructure, such as ports and supply chains, to better plan and manage transportation. If you talk to Quebec entrepreneurs, they'll tell you that there's a major issue that's causing them to take the slightly easier route from the United States instead of making an effort in France, Europe or Asia. It's the paperwork and compliance requirements. Bill C-39 is a major step forward effort in this regard.

Mario Simard: Mr. MacKinnon, are you aware that the president of the Canadian Association of Petroleum Producers told us that the market for the oil sector will remain the U.S. market?

Hon. Steven MacKinnon: I'm here to tell you that the Fédération des chambres de commerce du Québec has strongly supported Bill C-39.

[*English*]

The Chair: Thank you, Mr. Simard.

That takes us to Mr. Leslie.

Branden Leslie (Portage—Lisgar, CPC): Thank you, Mr. Chair.

Minister LeBlanc, why does a pipeline needing 299 kilometres of new land get an independent regulator's decision while one needing 301 kilometres has to go to cabinet? Why is that the right number for a political decision to suddenly be implemented? What is the demonstrated analysis as to why that's the appropriate point for a decision level to be changed?

Hon. Dominic LeBlanc: I think that's a very good question. I know that our colleague the Minister of Natural Resources consulted and worked with the energy sector and energy-producing provinces to come up with this particular decision. In discussions we've been in, our colleague Tim Hodgson used examples of smaller pipelines and existing rights-of-way that got caught in a process that frankly had created a high level of uncertainty and delay. The government had to choose a particular cut-off where we think a rigorous regulator with a lot of expertise and access to independent advice would be able to participate in those decisions in the appropriate way.

Branden Leslie: Thank you, Minister. I'm glad you said it that way, because you just outlined that after independent experts, in this case the regulators, have completed their review, you are still building in the opportunity for politicians to get the final say on whether or not this project can move forward. If the public interest is already part of the regulator's legal test, what additional issue does cabinet need to decide after the regulator has come to that decision?

Hon. Dominic LeBlanc: Again, the existing process would have given cabinet a great deal—

● (1715)

Branden Leslie: This one does too, though, does it not? If it's over 300 kilometres, you still get to decide, as cabinet.

Hon. Dominic LeBlanc: This does, for a category of project.

I think people expected the elected government, at the right moment, after the rigorous assessment and the proponents—

Branden Leslie: I don't think Canadians trust your government's pipelines, Minister.

Hon. Dominic LeBlanc: I would be very careful, as a Conservative MP, talking about this government approving pipelines.

Maybe you missed it, but the Prime Minister was in the province of Alberta with Premier Smith, announcing a very important piece of energy infrastructure for the economy—

Branden Leslie: Okay, Minister. As the government—

The Chair: Mr. Leslie, for the benefit of the interpreters, if nothing else, please do not talk over the minister.

Hon. Dominic LeBlanc: I understand that there's a certain eight-track the Conservative Party keeps playing around pipelines. I was an opposition MP for the entirety of Mr. Harper's government. He approved zero kilometres of pipeline.

I would think, if you look at the—

Branden Leslie: All right. Let's move into this decade. Let's move—

Some hon. members: Oh, oh!

The Chair: Order.

Hold on, please, everybody. Let's have one person at a time.

Thank you.

Hon. Steven MacKinnon: Here's what you're not going to find. Mr. Harper's reforms to the Impact Assessment Act—

Branden Leslie: I didn't ask about Mr. Harper.

Hon. Steven MacKinnon: —did the exact same thing you're currently decrying.

Branden Leslie: I didn't ask you a question. I didn't ask about Mr. Harper.

Minister LeBlanc, cabinet already has the powers to set national energy policy and give binding policy direction to the regulator. Why does it still need to continue to have approval authority over individual projects?

Hon. Dominic LeBlanc: Again, what we did in this legislation is seek to find the appropriate balance whereby smaller projects, existing rights-of-way.... There is a great deal of good work and expertise in the Canada Energy Regulator. I hope colleagues acknowledge the important work that this organization has done for a long time.

I've had the opportunity to meet people who work in the energy sector in provinces across the country, including in Atlantic Canada. There is a great deal of interest in having an approval process that's more reliable in terms of timelines and that produces decisions based on a series of criteria that are well understood, and that's exactly, from our perspective, what these changes seek to do.

I understand that, on the one hand, as my colleague Steven indicated, Mr. Harper's changes around the Impact Assessment Act—

Branden Leslie: I'd like to focus on the last decade, Minister.

Hon. Dominic LeBlanc: —did exactly what you're now decrying our government for having done.

Branden Leslie: Minister, why did it take the last 11 years of your government making all of these additional red tape barriers, seeing all of the investment fleeing our country and seeing all of those frustrations that you outlined as the reasons for changing today to come to this conclusion now?

Hon. Dominic LeBlanc: I've been an opposition MP too. If it's something with which you agree, you say, “Why did it take you so long to get there?” I understand why you'd ask that question. It's taken us a lot less time than it took Mr. Harper to get there. I can tell you that.

The other thing I think is instructive here is that in those projects.... One of the challenges that I wouldn't.... Of course, I don't share the melodrama of investment fleeing and all of the stuff you said in the premise of your question, but I recognize that one of the challenges is to get a greater level of certainty up front. It's for a promoter of a project that is as important to the economy of the country as many of these energy projects are....

I come from Atlantic Canada. The success of the energy economy across the country is pretty important in the region I represent, as it is all across the country. Every Canadian has an interest in our getting this right. I say that consistently and in any part of the country.

However, one of the challenges was that without a greater level of certainty about the process and the timelines at the beginning, many proponents and many companies wouldn't invest the hundreds of millions of dollars, or potentially billions, necessary to get to an ultimate final investment decision. This, to some extent, is what we're trying to remediate in this legislation.

The Chair: Thank you.

Thank you, Mr. Leslie.

Ms. Harrison, it's over to you for five minutes.

Emma Harrison: Thank you, Mr. Chair.

Minister MacKinnon, during the second reading of Bill C-39, you said Canada must be building the supply chains of the future. What does the supply chain of the future look like in Canada, and what specific provisions in Bill C-39 will help us get there?

Hon. Steven MacKinnon: Thank you for that question. This builds nicely on our earlier exchange, and on Madame Desrochers' question earlier as well.

Bill C-39 will give us several things. It will give us a more resilient transportation system and supply chain network in Canada, and a better planned transportation system by virtue of the corridors council and the guidance that we will get from it with respect to bottlenecks, effective fixes and infrastructure expansions or improvements that we need to make across the country.

We will have better data, such that the Government of Canada will have better awareness of where problems are, so that we can respond specifically to the agriculture community when there's a bumper crop and they're having trouble getting their crop to market through ports and rail and what have you. We will have data that can respond to shippers and other participants in the supply chain ecosystem in Canada that will allow us to do those things.

We will also expand. By virtue of the fact that a more predictable, stable and effective regulatory process will be in place, people will have more confidence to invest in our transport system, whether it's port authorities, railways, highways or other pieces of infrastructure or equipment that can be used to upgrade and make our transportation networks more resilient. We'll have a better regulatory framework with which to do that.

● (1720)

Emma Harrison: Thank you, Minister MacKinnon.

Minister LeBlanc, much of the discussion around Bill C-39 is focused on the legislation itself. Could you describe the role that the accompanying cabinet directive plays in the overall framework and why the government felt it was important to issue the guidance alongside this bill?

Hon. Dominic LeBlanc: Ms. Harrison, thank you for that question. It picks up on some of our Conservative colleagues' questions in terms of how we can be assured that the public service, which has a responsibility to implement, follow and enact laws adopted by Parliament and implement the policy set by the government....

I have been lucky enough to be a member of the cabinet for over 10 years. I understand clearly how public servants, many of whom are sitting with us at the table, understand the significance of a cabinet directive. It is, if you will, the most significant way for the executive of the government, the cabinet itself, to formally instruct the public service on policies to implement and on the methods and ways it will implement those decisions and the government's policies as established by the cabinet.

It brings clarity. It gives the hard-working men and women in the public service a reliable road map of how they want to serve the elected government in the best way they can. A cabinet directive gives them the clarity of saying this is how the elected executive of the government expects them to implement the policy priority of the government.

I'm very confident that the people who will be asked to implement this cabinet directive will do so rigorously and expeditiously. My experience has been that if you give a series of clear directives, particularly in the case of following laws adopted recently by Parliament—if you look at Bill C-5, or if Bill C-39 receives royal assent—the entire apparatus and the machinery of the Government of Canada will understand the priority that Parliament and the elected executive, through the cabinet directive, have put on these decision-making processes.

Emma Harrison: Minister MacKinnon, how will Bill C-39 strengthen our strategic trade corridors, and what practical difference will these changes make for Canadian exporters?

Hon. Steven MacKinnon: With the time available, let me build on my last answer by talking about paperless trade. This will allow exporters, small and large, to enjoy a tell-us-once principle, whereby ease of access and ease of use of all of these very complicated customs, brokerage, freight forwarding, bills of lading, in some cases food inspection, in some cases other compliance requirements by the border authorities.... All of this will hopefully come to a place where you have one compliance process.

It is digital. You get quicker answers where answers are required and better access, therefore, to Canada's supply chains, trading apparatus and trading infrastructure. That is a big win for all Canadian businesses, small and large.

● (1725)

The Chair: Thank you, Minister.

Thank you, Ms. Harrison.

We're going into the next round.

Ms. May, you have your hand up.

Elizabeth May (Saanich—Gulf Islands, GP): Thank you, Chair.

I'd like to request unanimous consent from all members of the committee to have one minute in total to put a question to the ministers. They can choose which one wants to answer my question.

The Chair: Does that include the answer?

Elizabeth May: Yes, sir, it does.

The Chair: Do we have unanimous consent? Yes. Okay.

In that case, what's going to end up happening is that, because we have only a few minutes left, you'll get one minute, and then each of the three parties will get one minute to wrap up, if the ministers can keep it tight.

Go ahead, Ms. May.

Elizabeth May: I want to keep it very tight, and I thank my colleagues for this.

The gutting of environmental protections has been so much a part of the public discourse. Quite often, Liberal MPs say it's not found in Bill C-39, and they're right. It's found in Bill C-5, which continues on and is not amended in this act.

Between clauses 94 and 118 in division 2 of Bill C-39, there are amendments made to what we used to call Bill C-5, which is now the Building Canada Act. They do not amend the key offensive section, subsection 21(2), which lists the acts that can't be broken when a project is in the national interest.

In the interest of making the Liberal rhetoric match the act, will you accept amendments to add laws to subsection 21(2) of the Building Canada Act, such as the Fisheries Act and the Species at Risk Act?

Hon. Dominic LeBlanc: Thank you, Ms. May, for the question.

Obviously, we wouldn't purport to assume what the committee would amend or not amend, or what amendments you would consider when the committee does its work. We have full confidence in the judgment of our colleagues.

You mentioned the Species at Risk Act, which I think is very important. You'll notice that in the discussion paper that Steven, Patty and I announced in the spring, there was a reference to limiting the application of the Species at Risk Act. We heard clearly from Canadians and environmental groups. Our colleague, Julie Dabrusin, whom you'll have the pleasure of seeing very shortly, talked to me and Steven about this, and it was deliberately not ultimately included in Bill C-39, as had been discussed in the potential decision.

Elizabeth May: It was gutted in Bill C-5.

The Chair: Ms. May, please....

Elizabeth May: I'm sorry.

The Chair: All right. Thanks.

Given the time, I'm going to suspend the meeting and this panel so that we have time to get ready for the next panel.

Ministers, thank you very much.

● (1725)

_____(Pause)_____

● (1735)

The Chair: Welcome back to meeting number two of the House of Commons Legislative Committee on Bill C-39.

I'll make a few comments for the benefit of witnesses and members. Our new witnesses have not heard this before.

Wait until I recognize you before you speak. For those participating by video conference, you know the instructions. I will remind the witnesses that committee members may ask questions in English or French. If you need interpretation, please take a moment to set up the equipment. All comments should be addressed through the chair.

I would like to now welcome our witnesses for today's second panel.

We have the Honourable Julie Dabrusin, Minister of the Environment, Climate Change and Nature, accompanied by Mollie Johnson, deputy minister of the environment; and Stephanie Lane, acting director general, legislative and regulatory affairs, environmental protection branch.

From the Impact Assessment Agency of Canada, we have Terence Hubbard, president.

We have the Honourable Patty Hajdu, Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario. Accompanying her, from the Department of Employment and Social Development, we have Robert Wright, deputy minister of labour and associate deputy minister of employment and social development; and Peter Simpson, acting assistant deputy minister, policy, dispute resolution and international affairs.

Ministers, you have up to five minutes for each opening statement, followed by questions.

Minister Dabrusin, I will start with you, please.

● (1740)

Hon. Julie Dabrusin (Minister of the Environment, Climate Change and Nature): Mr. Chair, I'm pleased to join committee members today to discuss Bill C-39, the building Canada strong act, and in particular the elements under the theme of build Canada now.

With me are Terence Hubbard, president of the Impact Assessment Agency of Canada; Mollie Johnson, deputy minister of Environment and Climate Change Canada; and Stephanie Lane, director general, strategic policy and programs at the Impact Assessment Agency.

As we begin, I want to take a moment and say that my heart is with Wainwright today and with the victims, the survivors and all the people who have lost loved ones and are grieving today. May their memories be a blessing.

As committee members are aware, Bill C-39 was introduced in Parliament as the government's response to a rapidly changing world, one where uncertainty and instability are causing serious economic consequences here in Canada and around the world. In response to these changes, Canada has the opportunity to establish our global leadership, and domestically the foundations of a newer, cleaner economy in this project of building Canada strong. Around the world, countries are investing in clean energy, modernizing industries and developing new technologies. They are building out their electricity grids and helping households and industries switch to electricity to power more homes and businesses.

[*Translation*]

Canada has the resources, the expertise and the workforce to compete in this changing global economy.

[*English*]

To become a superpower in clean and conventional energy, Canada needs a complementary regulatory environment that is efficient and predictable. We are doing that by building. We are building the clean energy infrastructure, technologies, industries and partnerships needed to power a competitive, prosperous and low-carbon future.

Bill C-39 will create the conditions needed for investment in projects that support jobs, economic growth and infrastructure development. The proposed amendments to the Impact Assessment Act enable the federal government to complete necessary federal reviews and decisions within a maximum of one year, once all information has been received from a proponent. This will be achieved while continuing to protect the environment and uphold the rights of indigenous people. We are not creating new standards; we are streamlining and modernizing systems to improve coordination, reliability and timeliness.

Federal coordination is imperative to this work. Under the current system, impact assessments and review processes for federal permits occur sequentially and separately from each other.

[*Translation*]

The fact that several federal departments and ministers have separate reviews and decision-making systems creates duplication, delays and uncertainty for stakeholders, investors and communities.

[*English*]

Under Bill C-39, the Impact Assessment Agency of Canada would function as a federal review coordinator, working with other federal departments to ensure IAAC-led assessments occur at the same time as required federal permits.

[*Translation*]

IAAC is well positioned to play this role, as it has already reorganized its processes to work more closely with federal permitting departments to support proponents during impact assessments.

Bill C-39 also includes targeted amendments to certain environmental permitting laws to improve efficiency in reviewing major projects and reduce duplication while maintaining environmental protection.

[*English*]

We also cannot forget the importance of completing this work in partnership with indigenous peoples. Consultation is vital to getting this done right.

Indigenous groups often receive engagement consultation requests from multiple federal bodies on the same project, resulting in consultation fatigue. Bill C-39 formalizes IAAC's role in coordinating Crown consultations through the creation of the Crown consultation hub. IAAC will work with federal departments and agencies to make sure that each indigenous group goes through one consultation process for each project, replacing multiple overlapping processes. It will also emphasize early engagement, so that potential impacts to indigenous rights and interests are identified and addressed in a timely manner.

Let me be clear. The one-year timeline I mentioned at the outset is only with respect to the final phase of the assessment process, during which the government reviews all of the information provided. IAAC takes steps long before the start of the one-year timeline to identify and involve indigenous groups potentially impacted by major projects.

Finally, this new process will culminate in a single, comprehensive federal decision for major project permits, approvals and enforceable conditions. It's one federal decision document issued by me at the end of the process.

● (1745)

Thank you for the opportunity to discuss this bill with you.

[*Translation*]

I look forward to your questions.

[*English*]

The Chair: Minister, go ahead, please.

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario): Thank you very much, Mr. Chair. It's my privilege to appear before this committee to provide an overview of the labour components of Bill C-39.

Let me start by emphasizing the central objective of these reforms: to support workers and employers in negotiating good and durable agreements at the bargaining table. That is the best outcome for everyone.

[*Translation*]

Federally regulated sectors underpin our economy, helping us stay connected and moving. They have one of the best, most skilled workforces in the world, with over one million workers.

[*English*]

Reliable supply chains and a strong economy depend on healthy labour relations. Collective bargaining and the strong labour relations in this country are essential ingredients to a strong and reliable economy.

Bill C-39 is focused on strengthening collective bargaining, protecting workers from misclassification, strengthening support for first collective agreements and ensuring successor rights when contracts change hands.

The tripartite advisory council and many consultation respondents pointed out that the majority of labour relationships work well. In fact, in 95% of labour disputes that the federal mediation and conciliation service supports, parties arrive at new collective agreements without a disruption.

However, for a small number of disputes that become entrenched, existing tools have not been sufficient to help these parties get to a deal together at the table. Often, these are parties that have experienced previous disputes. This bill presents new tools to increase the number of successful collective agreements reached by employers and unions themselves.

It focuses on three key areas.

First, it modernizes collective bargaining and gives earlier support, stronger mediation, additional help for difficult negotiations, and more time at the table. It also lays the groundwork for expedited grievance arbitration and an administrative monetary penalty regime for bad-faith bargaining.

Second, it strengthens worker protections against misclassification, wage theft and workplace accidents. It also preserves airport workers' union representation when contracts change hands.

Third, it brings clarity, transparency and accountability to section 107 of the code. Section 107 is a tool that has been in the Labour Code for decades, but Canadians told us they wanted greater clarity and transparency around its use.

Bill C-39 sets that out in law. Parties in particularly challenging disputes would receive intensive support from a special mediator focused on reaching a deal. If settlements still can't be reached, a report on the dispute would be made public, explaining where the bargaining broke down.

In addition, a national impact assessment would determine whether significant consequences of the labour disruption extend beyond the bargaining parties. Only after those steps and, importantly, only once a lockout or a strike has begun could section 107 be used. Each step is designed to return responsibility for reaching an agreement to the bargaining table.

The majority of negotiations will still proceed through the regular bargaining process without a special mediator or a national impact assessment.

Mr. Chair, the right to strike is fundamental to meaningful collective bargaining, and this bill strengthens and protects that right by explicitly removing the ability to use section 107 prior to any labour disruption.

The government has a responsibility to act when an exceptionally consequential dispute remains unresolved with no path to resolution in sight. Protecting workers and protecting the national interest go hand in hand. Bill C-39 strengthens protections for workers, including by ending misclassification.

A stronger Canada for all requires strong workplaces, fair labour practices and a workforce that can thrive, and that starts at the bargaining table. These measures will help support workers, employers and productive labour relations across the country.

● (1750)

[*Translation*]

And they will help build Canada strong.

[*English*]

The Chair: Thank you, Minister.

We'll start the six-minute round with Mr. Seeback, I believe.

Mr. Seeback, it's over to you.

Kyle Seeback (Dufferin—Caledon, CPC): Thank you very much, Mr. Chair.

Minister Hajdu, you say that your goal in this legislation is to support workers and employers to get to a collective agreement, and you've put in place a special mediator. Other than the special mediator's being able to deliver a report, what special powers does the special mediator actually have to get the parties to bargain?

Hon. Patty Hajdu: Thank you very much for that question.

The use of the special mediator is not entirely new. In fact, we sometimes appoint special mediators in particular disputes, and in particular when parties agree to the use of a special mediator. This government and other governments have done that, but the new piece—

Kyle Seeback: I don't need the history of special mediators. I asked you, what special powers does the special mediator have to create a better bargaining environment, other than delivering a report? It's a very specific question. I don't need the history of special mediators.

Hon. Patty Hajdu: The new tool this special mediator would have would be the ability to make public a report of what is happening at the table.

Kyle Seeback: Okay, so—

Hon. Patty Hajdu: This is a brand new tool for a mediator. In fact, mediators typically are not able to disclose the negotiations and what has broken down at a table.

Kyle Seeback: Okay, so that's it.

Can the special—

Hon. Patty Hajdu: That's pretty big.

Kyle Seeback: Okay, but are you aware that in some of the rail strikes, there were almost no meetings leading up to your use of section 107? In fact, in 2023, with the dispute with the ILWU, there were, again, very few meetings between the employer and the union.

Can the special mediator actually compel the parties to sit in a room together and try to mediate?

Hon. Patty Hajdu: Well, actually, yes. Thank you for pointing out that important change in this legislation as well. We will have, for the first time in history, the ability to compel parties to begin bargaining earlier.

Kyle Seeback: No. I didn't say bargaining. I'm talking about the special mediator.

The special mediator has now come in. You appoint the special mediator. Can the special mediator actually get the parties in the room to bargain?

Hon. Patty Hajdu: Well, certainly, the parties are at that point already in the room bargaining, because the government has mandated that they do that. Now, listen—

Kyle Seeback: Sometimes they don't meet.

Hon. Patty Hajdu: —if I could finish my statement, just to....

The Chair: Mr. Seeback, in fairness, if for no other reason—I've said this before—for the benefit of the interpreters, it's not particularly helpful if you're talking over each other. If you do ask a witness a question, I think it's fair to let her answer.

Hon. Patty Hajdu: Just to complete that thought, the importance of the public report is.... I can't overemphasize how important this is. It would actually directly impact the situation you're talking about, because the threat of exposure for either the employer or the union of refusing to negotiate, of refusing to prepare a counter-offer or of refusing to negotiate in good faith is a pretty important tool.

Furthermore, the government would have the ability to actually impose monetary penalties should anybody be bargaining in bad faith. I think these are very important new tools.

Kyle Seeback: They don't have to actually bargain in bad faith, though. They can get to a point where they've exchanged offers and neither side is willing to move.

The mediator can't get them back to the table under your legislation. Why not? Why not have the mediator have special powers to say that the parties actually have to get in a room together and bargain for the next two weeks and to set the schedule for bargaining? If the goal is to actually get agreements, why not empower the special mediator to get people in the room?

Hon. Patty Hajdu: Well, I think the legislation does provide powerful tools to push parties to remain at the table, including, as I said, the threat of public exposure of bad-faith bargaining, the special mediator's report and a number of other pressures, I think, around the transparency at that table, but—

● (1755)

Kyle Seeback: If the mediator delivers a report that says the employer has not been making significant offers, are you then precluded from using section 107?

Hon. Patty Hajdu: Well, that special mediator's report.... Okay, it depends. I mean, listen, if there's a strike as a result of.... Let me back up and take you through the process, because I think that would be helpful.

Once a special mediator is appointed, the special mediator has a number of days—21 days, in fact—to write a report to the minister, and that report is shared with both parties. Both parties are going to get a sense of what that mediator is going to say—

Kyle Seeback: I know, but—

Hon. Patty Hajdu: It's different, by the way, Mr. Seeback, for each dispute. It's very hard to generalize what will happen. As you pointed out in your questions, sometimes it's on the employer side and sometimes it's on the union side.

That special mediator's report is presented to the parties. They then have five days to address that report and change their behaviour.

Kyle Seeback: If it were on the employer side, would you be therefore precluded from using section 107 to extend a collective agreement and take away the right to strike?

Hon. Patty Hajdu: We are not going to be using section 107 pre-emptively, and—

Kyle Seeback: No, but as I said, you have a report that says the employer's not bargaining. That's the mediator's report. A strike is looming. You can still use section 107, can't you, to end a strike?

Hon. Patty Hajdu: The next step after—

Kyle Seeback: That's despite the report.

Hon. Patty Hajdu: After the report is shared with the parties.... If it were my company or my organization, and the report came back and said that I wasn't bargaining in good faith, that I didn't put my best foot forward, and that I wasn't taking the needs of my customers seriously, that would be a huge reputational risk.

Let's say those parties still don't do anything. That report is now made public. To my point, the importance of this new tool of public exposure—transparency, if you like—is a very important new addition.

The Chair: Thank you, Mr. Seeback.

Mr. Louis, it's over to you for six minutes.

Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Chair.

Thank you to everyone for being here. I appreciate that.

The building Canada strong act is legislation that has three interconnected pillars. One is accelerating major project reviews; two is modernizing supply chains and trade corridors, and three is modernizing collective bargaining and strengthening worker protections.

I'd like to focus my questions this round to the Minister of Jobs and Families, Minister Hajdu.

Labour measures in this legislation are designed to preserve the right to strike while providing additional tools to help parties reach negotiated settlements before disputes escalate into lengthy work stoppages. The objective is to have more stable labour relations and fewer disruptions while fully respecting collective bargaining rights.

Discussions around this bill have focused on labour negotiations, and rightly so. However, this legislation also includes a number of measures that are intended to support workers in the workplace, including measures that address misclassification, workplace safety and wage theft. You mentioned this in your opening statement.

Minister, can you expand on this and share with us more about those measures to protect workers?

Hon. Patty Hajdu: Thank you very much for the question. We did hear, actually, a number of areas in which we could strengthen protections for workers, in particular in vulnerable situations or vulnerable workplaces. One area that was particularly compelling was the need for stronger support to arrive at first collective agreements. Unions in particular said that sometimes, with specific employers, they've had experiences where employers have dragged out the process and made it more difficult for those first collective agreements. This bill protects and strengthens supports for those situations.

I'm particularly pleased to see successor rights, which will preserve union representation for the most vulnerable workers in our workplaces. A number of years ago, the previous government actually changed the Labour Code to better protect workers who find themselves in a situation where the contract they work under has been sold to a new company, but what that legislation failed to do was protect their unionization rights. This legislation will now protect their current unionization representation, meaning they will no longer have to go through the process of trying to recertify and reunionize.

Importantly, I think, we take the next steps on misclassification, which is a very specific challenge faced by many people, in particular in the trucking industry. We strengthen protections around misclassification to better work with our colleagues. We do work, by the way, with provincial colleagues and with the CRA to really crack down on misclassification and strengthen penalties.

These are just a few examples of different ways in which we've tried to address some gaps, I would say, for workers in federally regulated sectors.

● (1800)

Tim Louis: I appreciate that. That's something that's been asked for, so that's very helpful.

Successful collective bargaining depends on having sufficient time to find common ground, as we've heard. This bill would extend the conciliation period from 60 to 90 days and also start negotiations a full 180 days, or six months, earlier. Can you explain the criteria to start negotiations earlier and why we would extend that conciliation period from 60 to 90 days? Thank you.

Hon. Patty Hajdu: As MP Seeback pointed out, it's important for those early conversations to begin. He was also right in that, right now, there's no tool for the government to force parties to begin having conversations earlier. If parties choose not to come to the table, it can be a very challenging situation.

In a certain number of cases, the government will now have the ability to impose early bargaining and insist that the early commencement of bargaining begin six months before the expiry of a collective agreement. Those conditions are if the previous bargaining cycle ended in a work stoppage or an imposed arbitration. In other words, the conditions are a strike, a lockout or an imposed arbitration, if they didn't get to a deal on their own, or if the current collective agreement is more than five years old.

The rationale for that inclusion is that oftentimes, parties have not had to sit in a room together to talk about their collective agreement, and often, those agreements don't reflect current workday realities. In those conditions, the parties would be told they need to begin that bargaining six months earlier. That provides a table so that parties can begin to work through long-standing irritants and, in some cases, very fractured relationships that have resulted in people not speaking to each other.

Tim Louis: In my final minute, can you elaborate on the special mediator's transparency and the independent assessment report? How valuable is that to make sure that Canadians and the public know what's happening, who is negotiating in good faith and who might not be, and what happens at that point?

Thank you.

Hon. Patty Hajdu: I think the special mediator is paramount to the successful conclusion in these very challenged relationships. I mentioned that 95% of collective agreements are arrived at without labour disruption. I would also say that even fewer are going to end needing a public report and ultimately having the government needing to resolve their disputes. That's the intent behind this legislation.

The special mediator would be someone both parties agree to. First of all, trust is paramount in these conversations. The federal mediation service, with Peter Simpson here, at the other end of the table, has a number of times helped parties select special mediators they both appreciate. The country has a number of eminent and experienced labour negotiators and mediators who would be tapped to fill this role.

That special mediator would have a very important role, first of all, to help the parties hopefully get to a collective agreement. To observe that table—

The Chair: Madam Minister, I'm going to have to ask you to stop there.

Mr. Bonin, it's over to you for six minutes.

[*Translation*]

Patrick Bonin (Repentigny, BQ): Thank you, Mr. Chair.

Minister, do you think Canada has good environmental laws and regulations?

Hon. Julie Dabrusin: Not only do we have a system and standards to protect the environment, but we also continue to work to improve our systems.

Patrick Bonin: Okay.

So, if there's a good system in place, why do you want allow yourself to circumvent several key environmental laws forever?

Hon. Julie Dabrusin: I don't agree that we're trying to circumvent environmental laws. What I said in the first answer is that we're always trying to see how we can do things better.

Patrick Bonin: You're telling me that Bill C-39 doesn't allow you to circumvent laws such as the Species at Risk Act, the Impact Assessment Act and the Canadian Environmental Protection Act forever. However, through Bill C-5 and Bill C-39, that's what you're taking the liberty of doing. You can't argue with that.

● (1805)

Hon. Julie Dabrusin: I don't agree with that, but we can discuss it if you like. There are a number of laws that you mentioned. When I look at this bill, I see that it gives us the ability to do our job better and to do it more simply, without reducing or setting aside what we have in terms of environmental standards.

Patrick Bonin: Are you telling me that Bill C-5 and Bill C-39 do not allow you to circumvent environmental laws?

Hon. Julie Dabrusin: Today, we are talking about Bill C-39. What I'm saying about this bill and what we're doing is that, no, we're not circumventing environmental laws. We're changing the process. Let's take an example—

Patrick Bonin: That's fine, Minister. If you're saying that—

[*English*]

The Chair: Mr. Bonin, please let her answer, and then I'll let you ask a question.

[*Translation*]

Patrick Bonin: She has already answered, Mr. Chair.

Hon. Julie Dabrusin: I didn't answer. I just wanted to give an example.

Patrick Bonin: You've answered.

Hon. Julie Dabrusin: No. What I said is that I don't agree with what you said. If that's the answer you want, you have it. I disagree.

Patrick Bonin: I'm going to ask you another question.

Do you think protecting the environment and people's health is in the national interest?

Hon. Julie Dabrusin: It's in the national interest, but it's not just my personal opinion. We know that we must not only fight climate change, but also work to protect the environment. In fact, that's what we are doing. When we propose a measure to double the size of our electricity grid, that's exactly what it does.

Patrick Bonin: Okay. So you're saying it's in the national interest.

Do you think Bill C-39 and Bill C-5 put the economy ahead of protecting the environment and people's health?

Hon. Julie Dabrusin: No.

Patrick Bonin: Okay.

There is a project that has been designated as being in the national interest in Canada: an oil sands pipeline project that will cover 1,000 kilometres and probably 1,000 waterways. It's a project that doesn't give the impression that, for you, a healthy environment and people's health are as much of a priority as the economy.

That said, do you know the impact of the Pacific Link pipeline project, the route of which will cross rivers, waterways and communities?

Hon. Julie Dabrusin: If we want to talk about the projects we have put forward—

Patrick Bonin: Do you know the impact—

Hon. Julie Dabrusin: —there is the Churchill Falls project—

Patrick Bonin: With all due respect, Minister, my question is this: Do you know the impact—

[*English*]

The Chair: Mr. Bonin, please, for the benefit of the interpreters, if for no other reason, you cannot speak over each other. If you ask the question, you have to let her answer.

I will let you ask your questions, but please, you can't talk at the same time.

[*Translation*]

Patrick Bonin: It's a matter of procedure, Mr. Chair. When I ask a question, I expect the minister, who has a lot of experience, to answer it. My question is very simple: Does the minister know the impact of the Pacific Link pipeline? If she doesn't answer the question and instead takes time to deliver a speech, we are not making any progress.

[*English*]

The Chair: My remarks stand. There's a difference between getting an answer you don't like and not getting an answer at all.

Please proceed.

[*Translation*]

Patrick Bonin: There is no answer, Mr. Chair.

Hon. Julie Dabrusin: I gave an answer, and there are explanatory notes that accompany this bill. So the details are there.

You asked a question that I didn't have time to answer. If we want to talk about the projects we are putting forward, let's talk about the Churchill Falls project. It's the largest investment in clean energy—

Patrick Bonin: That's not my question, Minister.

Hon. Julie Dabrusin: —in the history of North America.

Patrick Bonin: My question is about Pacific Link.

Hon. Julie Dabrusin: We're also investing in Wind West, an offshore wind project.

Patrick Bonin: Minister, that has nothing to do with my question.

Hon. Julie Dabrusin: I think it has a lot to do with—

Patrick Bonin: My question was about Pacific Link. I asked you if you knew the impact of this project.

Are you, as Minister of Environment, Climate Change and Nature, comfortable with the idea of pre-approving projects and allowing the construction of a pipeline before we even know the impact studies and their results?

Hon. Julie Dabrusin: The system we have is that we will continue to do all the studies we need to meet the conditions necessary to implement the projects that are proposed. So there are still investigations, and conditions must always be met for all projects. I'm not just talking about one project, because there would be some—

● (1810)

Patrick Bonin: With all due respect, that's not what I asked you.

Are you comfortable with the idea of pre-approving projects before impact studies are done for those projects and allowing companies to build pipelines before there is an impact study?

Hon. Julie Dabrusin: Today, we are here to talk about Bill C-39. As for this one, if I can talk about what we have before us, I'm very comfortable, because what I see is a system that allows us to put conditions in place. We have systems to better consult with indigenous peoples. I see a system where we put in place a hierarchy of mitigation—

Patrick Bonin: Okay, you've answered my question.

Hon. Julie Dabrusin: —through a cabinet directive. We are putting in place what is necessary to properly protect interests and the environment.

Patrick Bonin: Mr. Chair, may I continue asking questions?

[*English*]

The Chair: That's all of your time. Thank you.

Mr. Seeback, it's over to you for the start of the five-minute round.

Kyle Seeback: Thank you very much, Mr. Chair.

Minister Hajdu, going back, your government is prepared to use section 107 to end a strike or a lockout, basically forcing people into arbitration. What I don't understand is why you're not prepared, in this legislation, to effectively force the parties into the same room to make sure that they're actually talking to each other.

Why not give the special mediator the power, during that 21-day period, to say, "The parties have to come in and meet every day from nine to five. I don't care if you sit there and stare at each other and don't do anything, but you're going to be here"? In these situations, it's pressure that puts parties where they're going to negotiate.

Why haven't you given the special mediator any real powers, other than this report that may cause shame for one party or another?

Hon. Patty Hajdu: First of all, the intent of the entire package is getting parties that are resistant to being in a room and talking in that room much earlier, and—

Kyle Seeback: They don't have to be in the room, though. There's nothing in here that.... The special mediator can't determine a meeting schedule.

Hon. Patty Hajdu: That's going to be a pretty easy report for the special mediator when a party decides to absent itself from the negotiations. I certainly wouldn't want to be the union leader or the employer when the report comes out that says they didn't even try.

It's important that you understand that you can force people into a room but you can't force them to talk. I've been in these situations where people are essentially passing paper back and forth, and it's not sincere. The special mediator is there to observe that dynamic and give the parties an opportunity to change their approach, and then, if nothing changes, to publicly report back to Canadians, shareholders, customers and union members exactly what's happening at that table.

Kyle Seeback: That's the only mechanism, though. The only mechanism is that there will be a report that will be public and could cast blame on one side or the other, or both.

Hon. Patty Hajdu: That is, I think, a very strong new tool that has not existed in the Canada Labour Code or in the practice of labour negotiations at the federal level.

Kyle Seeback: I want to go back to geographic certification. You're making vast and sweeping changes to geographic certification. You're now allowing two employers in any region in any geographic area to apply for geographic certification. This could have major impacts on unions all across the country.

Why would you have such a massive expansion of geographic certification at the request of two employers, without the consent of any of the unions that would be affected?

Hon. Patty Hajdu: To be clear, it's not an approval of geographic certification. It's a referral to the Canada—

Kyle Seeback: They can apply.

Hon. Patty Hajdu: They can apply. That's correct.

Kyle Seeback: Right. You're allowing two employers to effectively say they want these unions geographically merged without the consent of those unions, and if the CIRB agrees, that's that.

Hon. Patty Hajdu: The CIRB is an independent body, as you know, which will hear the arguments of both the—

Kyle Seeback: I understand that, but why are you giving employers the power to do that?

Hon. Patty Hajdu: It is important that the CIRB be there to help with questions of geographic certification. We are creating a level playing field whereby employers will also be able to apply for geographic certification.

The proposed change, as you point out, would need to be initiated by two or more employers in the same industry and geographical area. Obviously, the Canada Industrial Relations Board would then hear that appeal and make an appropriate decision.

● (1815)

Kyle Seeback: What happens if it's two unions that are not of the same union? Not all of the same unions work in ports and rail and other places where I assume this is going to happen. What happens if you're going to merge a CUPE union with an ILWU union? How does that work out?

Hon. Patty Hajdu: I think those will be really important questions for the board. I'm not a member or an adjudicator on the Canada Industrial Relations—

Kyle Seeback: No, but you're allowing it to happen.

Hon. Patty Hajdu: I'm allowing applications. That's correct.

I would say that—

Kyle Seeback: I would think you would have thought about how to deal with that problem and not just say the board will deal with it.

Hon. Patty Hajdu: We certainly have thought about the situation, actually. In fact, it's our assessment that it would be highly unlikely, because the applicants would know that their appeal to the board would fail. Employers are smart people. They have a lot of wisdom in relationships, and they are, ultimately, not going to apply to the Canada Industrial Relations Board for something they know the board would reject out of hand.

We have confidence in both employers and unions to bring things to the board when they're reasonable and when they need adjudication from the Canada Industrial Relations Board and its professionals.

The Chair: Thank you, Mr. Seeback.

Thank you, Minister.

That takes us to Mr. Kelloway, I believe.

Mike Kelloway (Sydney—Glace Bay, Lib.): Yes, Mr. Chair, and I'll be sharing my time with MP Weiler.

Ministers, thank you for being here today. It's an important discussion on an important bill, and I think it's quite important for us to discuss it, as Canadians, and for Canadians to hear from you what is actually being proposed.

Minister Hajdu, I want to go back to section 107, if I could. Section 107 isn't new. It's been part of the labour legislation for decades. I think it's been close to 50 years, if I'm not mistaken.

In my discussions back home with folks, they highlighted some questions for me to ask you. I have a very active community. I wanted to get a sense from you, number one, of what the changes are specifically. Can you really drill down in succinct order into the legislation and the reason for the clearer rules? Why are they needed?

Most importantly, what protections are there for workers who are exercising their collective bargaining rights?

Thank you.

Hon. Patty Hajdu: Ultimately, you're right. The use of section 107 has been criticized by labour organizations over the past number of years, particularly around its pre-emptive use—it was used twice pre-emptively. It is a tool that.... People often think about labour dispute, but it can also be used in ways to refer other things to the board. It is an important tool, in my opinion, that the government needs in order to help resolve labour disputes that are protracted and long. However, what we heard from unions in particular, and workers, is that there need to be better guardrails about when we use section 107.

This legislation puts into place important pieces of guardrail that unions and workers can feel confident protect and, in fact, strengthen their charter right to strike. First of all, it removes explicitly the ability to use section 107 pre-emptively. Section 107 can be used only when a strike or labour disruption has begun.

Second, importantly, the special mediator's report must be public. That, as I've explained in a number of questions, is a process to get to the publication of the special mediator's report.

Third, the national interest must also be assessed. How are that labour dispute and its nature disrupting the Canadian economy, other sectors, other unionized workers, vulnerable communities or a number of different contemplations? I was the labour minister before, so I've been involved in these kinds of conversations, and I can tell you that a labour disruption has a deep impact. It also, importantly, ensures that the minister takes into account the right to strike, and that is part of the national interest assessment.

Mike Kelloway: Thank you.

The Chair: You're sharing your time with Mr. Weiler.

All right, go ahead.

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

I want to thank the ministers and officials for being here.

I want to ask a question on the regional assessments and regions of national interest, because I think this is perhaps the most novel part of the first part of the bill. I think looking at regional assessments and moving planning upstream actually have a lot of potential benefits, particularly for proponents, by giving more certainty. Also, from an ecological basis, it allows you to look at a landscape, watershed or habitat level, and this is important when you're looking at environmental impacts.

To date, this tool has primarily been used under the Impact Assessment Act to situate and inform project-level assessments. This new shift in Bill C-39 really puts a lot of emphasis on getting those regional assessments to be very rigorous.

My question for you, Minister, is this: Can you explain the standards that the government expects those assessments to meet before a region of national interest can be designated?

● (1820)

Hon. Julie Dabrusin: Thank you for that question, because the "regions of national interest" piece is one of the pieces that I am the most excited about when I look at the opportunities. I think it builds on what we had in our "A Force of Nature" strategy when we talked about building well, which was pillar two, and about mapping species at risk and mapping carbon-rich or carbon-dense areas. This next piece, "regions of national interest", kind of takes the next step, building on that.

Regional assessments in the past—and Terry could go on quite a bit about some of the ones in the past, I'm sure—have been about the cumulative impacts, but they haven't been of the standard we're talking about when we're talking about regions of national interest. A region of national interest would go deeper. Part of it includes the importance of consultations. What we're looking at is for one project type....

Let's say that you're in an area, and you look at, if projects are to be built in this area, the following: What is the situation for species at risk? What is the situation for carbon-rich areas? Let's get a sense of this area. What would be the cumulative impacts if we built projects like that in this area? Then it is also the added piece of doing consultation with indigenous peoples to actually get a sense of what the pluses and minuses are to going ahead with a project in this region.

The Chair: Thank you.

Hon. Julie Dabrusin: Once all of that has happened, then you can actually move to the next steps of making it a region of national interest.

I've been told to wrap up, but what I would say is that what's more important—and that maybe I can have a chance to talk about more—is what happens after that, because that's equally important.

The Chair: Thank you.

Ms. Larouche, we'll go over to you for two and a half minutes.

[*Translation*]

Andréanne Larouche (Shefford, BQ): Thank you very much, Mr. Chair.

I'll start with you, Minister Hajdu. I'll make a brief comment, and then I'll ask you my question.

I've been noticing for a while now that you've been arguing a lot about the special mediator. However, we know that the special mediator is appointed by your government. So you understand that the unions are questioning the objectivity of this special mediator. Then, we know that he will only make recommendations and that you will then decide, based on the very subjective criterion of national interest, whether the strike can take place.

So, Minister, you're saying that Bill C-39 sets out guidelines for the use of section 107 of the Canada Labour Code. However, section 107 does not explicitly provide the power to order a return to work and mandatory arbitration. This is an interpretation that your government has made and that is being challenged in court. With Bill C-39, you are expressly enshrining these powers in the act.

Isn't it more accurate to say that your government is seeking to legalize and legitimize a practice that is being challenged rather than truly limiting it?

Hon. Patty Hajdu: I disagree. On the contrary, I think the proposed legislation is intended to protect workers' right to strike.

[*English*]

We do that by actually changing section 107 and ensuring it's explicit that it cannot be used to prevent a worker's right to strike. In fact, it cannot be used pre-emptively. It must be contemplated only once a later dispute has begun.

[*Translation*]

Andréanne Larouche: In any case, Minister, right now, unions are telling me more about Bill C-247, which seeks to repeal section 107 of the Canada Labour Code, but that's another debate.

Can you name a single substantial, objective restriction on your power to end a legal strike?

[*English*]

Hon. Patty Hajdu: Well, for one, I think the CIRB is an independent body, and we need to have confidence first in the Canada Industrial Relations Board to do its work, and second in the work of the special mediator.

You asked a question about the confidence that parties would have in the special mediator. The labour department has a long history of ensuring that special mediators utilized in specific disputes are accepted by both parties. In fact, fundamentally, trust is the only way we're going to improve relationships that are so deeply distressed. The special mediator will be selected with both parties and ensuring that they have the confidence. Otherwise, you're right, that would not be an acceptable solution.

● (1825)

The Chair: Thank you, Minister.

Thank you, Ms. Larouche.

Mr. Leslie, it's over to you for five minutes.

Branden Leslie: Thank you, Mr. Chair.

Minister Dabrusin, your one-year review clock doesn't start until the Impact Assessment Agency accepts all of the required studies. Why is it that you haven't put a deadline on how long the agency can take to determine if everything has in fact been submitted?

Hon. Julie Dabrusin: The way the system is set up in this bill is to make sure to actually work with the proponents to have the full information at the outset, so that we can work through the system. That's to the benefit of the proponent, because when they get to the point where the clock starts, they know they have had the questions asked, they have the information ready and they've started with consultations. They have actually set themselves up for success in working through the system.

I'm not saying that's a guarantee of success, but they have set themselves up to have all the information. I think that is more helpful than having a system where they answer a little bit, and then we go back and ask another question and follow up, and they get strung along.

Branden Leslie: Could we not have both? Could we not lock in a cap, a required period of time in which, if that hand-in-hand relationship didn't work leading into it, there were 45 days in which the agency has to say, “These are all of the documents that are missing”? It is like putting a timetable on the government's side. Why can't we put that in the legislation?

Hon. Julie Dabrusin: What we're doing is putting a timeline once the documents are complete. If a proponent, once that clock starts, feels that they actually need to stop the clock to get more information, they can do that.

Branden Leslie: Sure. I—

Hon. Julie Dabrusin: We're setting up what I would say is a very responsible system. I don't think I've heard from proponents that they're upset about the idea that we are actually making sure they get all the questions up front.

Branden Leslie: I would love to talk more about that exactly. You have your up front. I am a bit concerned that there's not an immediate requirement for a certain number of days to provide that information. Once the government does decide that enough information is required, the government can decide to start and stop that clock.

What's stopping the government from creating more reasons above and beyond any constitutional requirements and in fact delaying those projects beyond that one-year calendar that it's advertising?

Hon. Julie Dabrusin: I don't actually see anything in the work we've done and are putting forward in this bill that would ever indicate that we're trying to slow down the process. We're trying to do it responsibly. That means making sure that we're putting forward for the proponents the information they will need. If they want to get all of their permits decided at once rather than sequentially, we give them that as well. They can opt out of that if they don't want to do it that way, but we tell them this: If you want to get it all done, then you'll have to get us the information. How else are we supposed to make a decision?

Branden Leslie: I'm sorry, Minister. I'm talking about the fact that, once we start that clock, you have the one-year timeline. Let's say there are legitimate circumstances where the government thinks it needs to pause the clock. Why not put clear restrictions on that ability to stop the clock directly in the legislation? This is about gaining certainty for investors and proponents. Why not provide a transparent legal justification to be included as part of that? Why not put a cap on the length of the pause—not the starting point, but once it's started? The government could pause for an extended period of time. There's really no transparency for the proponent once that pause has started. Why not build in these measures that are meant to try to enhance certainty for proponents?

Hon. Julie Dabrusin: The way it is in the legislation is that there can be a pause to work with jurisdictions. That's 90 days. That's the timeline. The other one is for consultations with indigenous peoples to be completed. I am sure you are not suggesting to us that we should not actually have proper consultation included with that.

Branden Leslie: No, Minister, I'm not suggesting that. You have a one-year deadline. If your department misses the one-year deadline that the law you're proposing lays out, you must explain why and provide another timeline. Why isn't there a stronger consequence for the government's not meeting its own mandated timeline?

● (1830)

Hon. Julie Dabrusin: As I said, we have the one-year timeline that we've built in. It's kind of divided into two. There are 300 days for the assessment by IAAC. Then there are 65 days for the minister and the Governor in Council to make their decision. That's the way the timeline for the one year is set up.

The pause is, as I said, 90 days. We have to work with provinces to make these things work, so—

Branden Leslie: Minister, if you don't hit within 365 days of those two combined splits, there is no consequence. You have to say, “We didn't make the cut. Here's why.” That's not exactly a consequence. Why wouldn't you force the department to ensure that it's actually providing timely services to the proponents of these projects?

Hon. Julie Dabrusin: We are providing timely services to the proponents—

Branden Leslie: Well, not currently. That's why we have this legislation before us.

Hon. Julie Dabrusin: I apologize. I didn't catch that.

Branden Leslie: We are not currently doing that. That's why you're trying to put forward this legislation—after 10 years of lengthy delays for all applicants. That's why we're here today, actually.

Hon. Julie Dabrusin: What you have in this bill is actually our proposal for how we will work with proponents but also with indigenous partners and other jurisdictions to get things right. That means, yes, working through this to avoid duplication. As I mentioned, I actually think the idea of being able to do all of the permits together at the same time rather than sequentially makes sense. It actually makes sure that the Impact Assessment Agency would have more information to have a more holistic view of things when they're making that decision. We're improving the way this works so that we have better information to make the decision at an earlier stage.

I'll also add that the Impact Assessment Agency will work with a proponent at the front end to help ensure that they have the information they require.

The Chair: Thank you, Minister.

Thank you, Mr. Leslie.

Dr. Martin, it's over to you for five minutes.

[*Translation*]

Danielle Martin: Thank you, Mr. Chair.

I hope to be able to ask each of the ministers a question, but I'll start with Ms. Dabrusin.

I have a question about clean energy and the electricity grid.

[*English*]

I think we all hear from our constituents across Canada about the need to move quickly on our acceleration towards a green economy. We cannot talk seriously about getting rid of fossil fuels in this country if we are not building the infrastructure for the electrical grid. I think there is concern among some Canadians that this bill may represent a doubling down by our government on major projects that are primarily extractive.

I don't think that's the intent, but I'd love to hear more about how you see Bill C-39 allowing us to accelerate in the universe of clean energy and particularly the electrical grid, which to me is such a critical part of moving Canada towards net zero.

Hon. Julie Dabrusin: I really appreciate that question, because the thing is, in order to electrify our economy, we need to double our grid. The goal is to change how we heat and cool our homes, how we power our vehicles and how we power our industries. To do that, we need energy.

Canada is already in a great place, because we have one of the cleanest grids in the world. It's just over 80% clean, so we're starting from a great place. However, what I also hear when I'm talking with provinces and territories is that they're “grid-constrained”, so we need to build a stronger grid.

The electricity strategy that we released earlier this year goes exactly to that point. We need to double the grid, and that will allow us to make that switch to cleaner, more energy-efficient ways of moving around and, as I said, powering our homes and our businesses. That's the piece that we need to do. This bill fits directly into that, because it allows us to have the processes to make it easier for us to move some of these projects forward.

I mentioned earlier one project that I'm very excited about, which is Churchill Falls, because that is a massive amount of electricity. It will generate enough electricity to power every home in Montreal, Toronto and Vancouver combined. That is a massive amount of energy. The other piece I mentioned was that it's the largest clean-energy investment in North American history, and that's happening here at home.

I'll say one more thing about that, and then I would like to talk about a couple more.

The other thing about building all of this clean energy at home is that we control it. For instance, if we're in a moment where Canada wants to be strong, sovereign and energy-secure with people in homes that are being powered by electricity, we control that electricity. It's not open to global variances out there. I think that's a very important piece.

I'll add something quickly, because I know you have more questions. There are other things. Just in the past week, for example, there was further investment in wind west, and that's offshore wind. As somebody who lives in Toronto like you, I'm also really excited about Alto; I'm excited about high-speed rail that can connect communities. I'm also excited about building interties between provinces, so that we can share in our system and make it more effective.

I could probably go on for longer, but I see that you have something else you want to ask.

● (1835)

Danielle Martin: I do, and I'm grateful, because I think, for all of us, those projects can't come fast enough.

I want to turn to Minister Hajdu and come back to section 107 of the Labour Code, which we all know is a really important part of this bill.

In the past, it's been used to end labour disputes in a way that has brought the entire section under criticism, from the labour movement in particular. I'm hoping that you can say a little about what feedback you have heard from the labour movement about why the use of section 107 in the past felt so egregious to Canadian workers and how you feel that this bill addresses those important concerns.

Hon. Patty Hajdu: Certainly, I think the first perspective around egregious use of section 107 would be using it pre-emptively. We heard a lot about that from consultations with unions and the tripartite council.

What we also heard about, though, was the lack of transparency in particular and the feeling that one party was doing everything right, staying at the table and trying to be productive, but the other party was not. Then, when the momentum towards a strike or a lockout has accelerated, the aggrieved party, or the perceived aggrieved party, has felt even worse that section 107 has been used, in particular for a union, especially if they felt that they were really putting their best foot forward at the table and giving their best effort.

That's why I think the package of reforms is so important and that it's not just about the guardrails. The guardrails come at a very late stage of a very conflicted relationship in a very rare circumstance. These are parties that will have had previous lockouts and disputes and will have been unable to negotiate their collective agreements without government intervention for multiple rounds in some cases.

What I love about the proposal is that it sets people up to start changing those relationships. Ultimately, I hear a lot of conversations in which someone says, “Well, why not force them to do this, and force the guy to come, etc.?” This is human nature. You can force a whole bunch of people to come sit in a room, and they can stare at the wall and refuse to talk to each other. In theory, you've done your job forcing people to the table, but they're not actually doing it. You can't force people to be collaborative. You can't force people to be creative or innovative. That's why we have the federal mediation service. They help people look around corners for new ways of looking at old problems. They help make relationship repairs.

The Chair: Thank you, Minister. I'm going to have to stop you there.

Hon. Patty Hajdu: I could go on.

The Chair: Thank you, Dr. Martin.

We'll go back to you, Mr. Leslie.

Branden Leslie: Thank you, Mr. Chair.

Minister Dabrusin, I have a fairly simple yes-or-no question. Did you consult the net-zero advisory board on Bill C-39 before it was tabled?

Hon. Julie Dabrusin: You're talking to me about.... We had general consultations that were out there on this bill—

Branden Leslie: Not for the 10,000 people to answer—

Hon. Julie Dabrusin: We had 26,000—

Branden Leslie: You have a net-zero advisory board. It reports to you. It gives you advice. Did you consult them about Bill C-39 before you tabled it? It's just a yes or no.

Hon. Julie Dabrusin: As I said, we had this out for consultation. There was a consultation document. You will have seen it.

Branden Leslie: Okay. I'm going with a no on that one.

I recall that Simon Donner and Catherine Abreu both quit that net-zero advisory body because your government was completely ignoring them.

They came before the environment committee and gave very damning testimony. In fact, one of them called the board's role “performative”. Where specifically would you say they are wrong in saying that?

Hon. Julie Dabrusin: What I will say is, first of all, that is a different purpose. We have worked very closely with the members of the board. We are actually working on developing it and making it stronger. I have been taking their advice, and they have been very helpful. There's been a very strong—

Branden Leslie: Okay. Could you name one thing in this bill that they suggested be put in there?

Hon. Julie Dabrusin: This is a different bill. This bill is about our process on the—

Branden Leslie: Okay, hold on. Let me ask you about this. You have a minister's advisory council on impact assessment, and they found in their third report “no compelling evidence that impact assessment stifles resource development”. Do you disagree with that finding?

● (1840)

Hon. Julie Dabrusin: The Impact Assessment Agency does very good and strong work, which we're actually bolstering through this process, to allow us to get good projects built. This is a vote of confidence in the Impact Assessment Agency.

Branden Leslie: Did the minister's advisory council on impact assessment recommend transferring responsibilities to the energy and nuclear regulators, as laid out in Bill C-39?

Hon. Julie Dabrusin: Look, in this bill, when we have these pieces, we're trying to simplify the process so that you have the experts in an area working on it, supported often by IAAC—

Branden Leslie: Minister, you seem to have two advisory councils that you are just completely ignoring. Is that my take-away?

Hon. Julie Dabrusin: I'm not ignoring them. I've actually met with them several times. They provide helpful advice. They're not giving me necessarily the advice that you want them to, because they're not telling me—

Branden Leslie: Well, it sounds like it's not the advice you want them to give, Minister. We've had members quitting these boards.

Hon. Julie Dabrusin: No. From what even you have said, the Impact Assessment Agency does very strong work, which is bolstered in this bill. It's a recognition that they actually are subject matter experts who are very strong, particularly when we're talking about the work that we were talking about on consultations.

Branden Leslie: Okay.

Under the net-zero accountability act, there is a legal obligation to have a parliamentary review “Five years after the...Act [came] into force”. June of this year marked the five-year anniversary.

Now, I've tried at the environment committee to table a motion for our committee to do a proper statutory review of that, and Liberal MPs keep shutting down debate. Our committee is meeting tomorrow. Considering that we probably should have done the statutory review prior to the tabling of this legislation, will you be supportive of that committee's doing a statutory review of the Net-Zero Emissions Accountability Act?

Hon. Julie Dabrusin: That's not my decision. It's a parliamentary committee, so I will wait to hear from them. As you have met with me frequently at the environment committee, when called upon, I will be there.

Branden Leslie: Something in your authority, then, is the fact that Environmental Defence is taking your government to court over alleged failures under your own Liberal Net-Zero Emissions Accountability Act. Do you think spending taxpayers' dollars in finding the accountability of your own accountability law is a smart use of public funds?

Hon. Julie Dabrusin: I'm not going to comment on any matters that are going ahead in the courts right now, but we are here, as far as I understand, to talk about this bill, which is a very exciting bill, and which does, by the way, enable us to build big, clean energy projects. It helps us to actually get things done in this country that will be transformative in terms of building unifying, durable, clean energy right across the country.

Branden Leslie: Sure.

Bill C-39 also promises faster pipeline approvals, but clause 128 still requires regulators to weigh projects against your climate commitments. Can you explain, as clearly as you can, if you will take downstream pipeline emissions into consideration when approving a pipeline, yes or no?

Hon. Julie Dabrusin: Actually, you're talking about the clean electricity regulator, and that is not my agency, but if you're talking to me about whether I believe it's important that as we're building projects—

Branden Leslie: The Canada Energy Regulator is what I'm talking about. If it's over 300 kilometres, cabinet will be making a decision on a pipeline. I'm asking you a very clear question: Will cabinet be taking downstream pipeline emissions into consideration when approving a pipeline?

Hon. Julie Dabrusin: With our directives and the like, we do have to include our climate objectives in our analysis. We do include climate objectives. It's actually part of the previous bill we passed.

I'm also going to say that, within all of this, this legislation looks into a vast number of different kinds of projects that are very important to building our country. I'm hoping that it's going to have your support, because that's what I hear from people in my community. They want to see us building projects that improve our energy security and build up our energy sovereignty. Do you have a problem with that?

The Chair: Thank you. That's all of your time.

Ms. Harrison, I'll turn the floor over to you.

Emma Harrison: That's an excellent question, Minister Dabrusin, for my colleague across the table.

Minister Hajdu, what is the higher threshold a minister would have to meet before intervening in a lawful strike or lockout? How does that represent an improvement over the existing section 107?

Hon. Patty Hajdu: The most important change is that section 107 cannot be used before a strike or lockout, so it actually strengthens workers' right to strike. It protects their right to strike. Section 107, if contemplated by a minister, also needs to have two important pieces in place.

One is the special mediator's report, which we've talked about quite a bit. It is a public report at that point, so not only will the minister have that special mediator's report but all of Canada will know exactly what's happening at that table. That will be very illuminating for union members, employer groups, customers and shareholders. Each dispute is very different, so it's hard to say how that will land. Ultimately, the transparent nature of that report will create pressure on parties to truly bargain in good faith, even if it's hard and even if they are far apart.

The second component that would need to be in place before a minister contemplated using section 107 to refer a dispute to the board for arbitration is the national interest assessment. That would require the contemplation of the impact of a prolonged labour disruption on the Canadian economy and on other stakeholders, including other unions and other union members, vulnerable communities, and a number of other perspectives. It would also need to make sure that we are contemplating protecting the right to strike, balancing all of that, which is truly, I think, a very important component.

In my mind—and I think in the minds of many—this actually now protects even more vigorously, in the Canada Labour Code, the right to strike by making sure that those guardrails are in place and that, importantly, it's not used pre-emptively before any labour disruption begins.

● (1845)

Emma Harrison: Thank you, Minister.

Minister Dabrusin, you visited me in my riding of Peterborough, and you know how deeply we care about the environment. I would love it if you could explain the mitigation hierarchy and what ensures that the mitigation hierarchy remains a real environmental safeguard while projects are being accelerated.

Hon. Julie Dabrusin: Look, the mitigation hierarchy is well recognized as a part of the protections for nature. It includes four aspects: avoid harming the species, minimize damage, restore what you're doing in an area to restore it to where it was, and offset. You're working down from that, the top one being to avoid, and you're working down the....

The cabinet directive that went out accompanying this includes that we should be working on these projects to put in place a mitigation hierarchy. That's really important. It's also part of the nature strategy that we put out, “A Force of Nature”. We know that we need to build big projects in our country, but as we do it, how are we going to make sure that we are protecting and conserving our lands?

I'll say just one quick thing. It's a bit of a side piece, but it's just that, out of deep respect for the work that you and people in your community do, one of the things the nature strategy included was a piece about how we recognize the work that ranchers do on their lands through other effective conservation models, methods and measures. That is something where we get to respect the work that Canadians do every day to protect their lands and show love for their lands.

Emma Harrison: Thank you for saying that. I think it's often overlooked, or maybe misunderstood, that farmers and ranchers are at the forefront of climate change and adaptation and mitigation, so thank you for that.

My colleague Dr. Martin already touched on this, but I would love for you to further explain how we need to build faster if we're going to compete in a net-zero global economy. How do we maintain strong environmental protections while we utilize Bill C-39 to achieve both objectives?

The Chair: Can you answer that question in about 30 seconds, or less?

Voices: Oh, oh!

Hon. Julie Dabrusin: Yes.

Look, I will just say quickly that it comes down to two things. We need to build a strong electricity grid, an interconnected electricity grid, in order to make the switch that allows us to move to a low-carbon economy and to continue fighting climate change. We can do that. This bill helps us do that.

The Chair: Thank you.

That takes us to Mr. Ste-Marie.

[*Translation*]

Gabriel Ste-Marie: Thank you, Mr. Chair.

Ministers, thank you for being here, along with the entire team of officials accompanying you. I'm very grateful to you, even though I think both unions and environmental groups must be pulling their hair out hearing what you've been saying just now. We are told that the bill promotes renewable energy and that it will help workers, but we are hearing a different story.

Ms. Hajdu, 10 days ago in Quebec, the Tribunal administratif du travail struck down the Quebec legislation based on section 107 of the Canada Labour Code. It found that its provisions violated the charters of both Quebec and Canada by limiting the right to strike far too much. I think that Bill C-39 provides much less certainty than the government claims. Ms. Hajdu, I would like to know if you are aware of the Tribunal administratif's decision.

Can you also guarantee that the new powers set out in Bill C-39 will not unjustifiably infringe on the constitutional right to strike?

● (1850)

Hon. Patty Hajdu: Thank you for the question.

The Quebec Labour Code is different from the Canada Labour Code. Quebec's Bill 14 and the new essential services regime it establishes differ from the proposed amendments to the Canada Labour Code.

When it comes to Bill C-39, the government aims to protect workers and the right to strike.

[*English*]

It's a very different code. It does not interplay with Bill C-39.

[*Translation*]

Gabriel Ste-Marie: The Tribunal administratif said that it violated the Canadian Charter of Rights and Freedoms as well. We also know that section 107 has been challenged in court.

Did you ask for a legal analysis of the implications of this decision for Bill C-39? If so, can you submit it to us?

I'll take this opportunity to ask another question at the same time. When you invoke section 107 to break a strike, why not go through a vote in Parliament? Why is it only the minister's decision, with no referral to Parliament?

[*English*]

Hon. Patty Hajdu: In terms of the charter review and the legal assessment, that will be coming very soon. My understanding is that it's imminent. You will be able to see the assessment.

In terms of the different ways a government has to end a strike, there are different ways, absolutely. In the case where the House of Commons is sitting, back-to-work legislation has been used by governments of many different stripes to bring to end a prolonged strike. In some cases, the House is not sitting. In some cases, it is very urgent.

That is why section 107 exists in the code, for situations where back-to-work legislation is not feasible and not fast enough to provide the remedy to the other sectors of the Canadian economy that are deeply impacted by prolonged disputes and prolonged strikes without any resolution.

[*Translation*]

Gabriel Ste-Marie: That seems to me to violate the Supreme Court ruling.

[*English*]

The Chair: Thank you.

Hon. Patty Hajdu: When both parties declare they're at an impasse and there is labour disruption going on, I have seen as labour minister, both times, the risk of a very long and protracted dispute that then spills over into the rights of other unionized workers, including in Quebec, including all across the country, who are relying on those services for their everyday work. These are some of the considerations a minister would take under section 107, using the national interest.

The Chair: Thank you.

Mr. Lawrence, it's over to you.

Philip Lawrence: Thank you, Chair.

Minister, I like to think of myself as a supporter of direct democracy and hearing directly from the residents. I'm going to read you a question from one of the great residents of Northumberland—Clarke. Her name is Ms. Christina Wilson. She is the vice-president, female, for the local teachers union, district 14 of ETFO.

She and her affiliates are concerned about the proposed amendments to the Canada Labour Code in section 107. They say that the amendment will give additional powers to the government in favour of the employer, and that when an agreement is forced on people who are using their last possible option in collective bargaining, the right to strike, the employer will almost always benefit more than the employees. They say the current wording is sufficient, as it has already allowed the government to mandate eight different unions back to work in the last two years.

Will the government consider an amendment that will prevent the government from using section 107 to abridge a worker's right to strike?

Hon. Patty Hajdu: Thank you very much. Thank you for relaying your constituent's voice so clearly. I think that's a very important part of all our jobs.

For Christina, as a teacher this would not impact her whatsoever. She would be subject to her provincial labour code. This does not have any impact on her particular situation in her negotiations or even in any dispute.

In terms of her general question, we believe with this legislation that with those parties that have had in particular a history of conflicted relationships—the last negotiation resulted in a lockout or a strike and the collective agreement was very old and parties have not sat down together—this legislation will actually provide additional tools to those parties to get that deal at the table.

I agree with Christina that the best deal is the one that's made at the table. However, in some cases, parties have not been able to negotiate collective agreements together for multiple rounds of collective agreements, thereby weakening the ability and the muscle to bargain together.

● (1855)

Philip Lawrence: Minister, I have a separate question now. I don't believe a charter statement has yet been tabled. Is that correct?

Hon. Patty Hajdu: Not yet.

Philip Lawrence: Given the—

Hon. Patty Hajdu: Oh, it was just tabled. Look at that: I just got a note.

Philip Lawrence: It was just tabled. We look forward to seeing that.

It would have been nice, candidly, to have that before the questioning began.

Hon. Patty Hajdu: I think it was meant to be tabled earlier today, but there were delays.

Anyway, listen, I'm not the justice minister. The good news is that it's tabled.

I assume that means I can speak about what's in it, if I'm asked....

Apparently, I can speak about it.

I do know what's in the charter statement, because I have—

Philip Lawrence: I do not. I haven't had an opportunity to study it, because it's late.

I will move on.

Hon. Patty Hajdu: Just to be clear, I saw a draft, not the full statement. I may not have all the details.

Philip Lawrence: Okay.

That goes to my last question, Minister. You've been elected since 2015, I believe. You've had a chance to observe Parliament for many years. Would you describe the opposition parties as always acting collaboratively, collegially, productively and in good faith?

Hon. Patty Hajdu: Look, if you're asking me if the opposition parties have always acted collaboratively and in good faith, I think the system of democracy is designed for us to ask ourselves hard questions. Sometimes I don't think we've always acted collaboratively and in good faith, no.

Philip Lawrence: I'm wondering how you're going to square this circle, because your premise is that your change through Bill C-39 is that when negotiations become public, they will always become collaborative, collegial, productive and in good faith. You've just said that this is not the case.

If, in fact, making negotiations be in public doesn't accomplish that, then why don't we have any firmer restrictions? Why aren't we giving the special mediator more powers?

Hon. Patty Hajdu: Listen, I have never once said that what we will do will essentially be rainbows and sunshine for all parties for the rest of time. That's not how negotiations work. If you've worked as a unionized member or you've been an employer for a unionized organization, the latter of which I have, you will know that collective agreement negotiation is difficult. That's even when the parties have good relationships, because we are talking about challenging discussions around wages and revenue and capacity and benefits and time off and operations.

These are challenging conversations, but I will also say that 95% of organizations get there without disruption.

The Chair: Thank you, Minister.

Yes, Mr. Albas, go ahead.

Dan Albas: Yes, the minister has said that there's a charter statement. The committee has not received one. It is absolutely ridiculous that she would expect us to ask her intelligent questions about a document that no other parliamentarian has. I've been checking the website, Mr. Chair.

It's contemptuous of Parliament to make references that it's available when it's not. I think the Minister of Justice should answer, and I'd like you to convey the committee's absolute contempt for this process.

The Chair: I think she simply made reference to the fact that it was tabled today and didn't go beyond that in any way, Mr. Albas.

Dan Albas: It's contemptuous of this Parliament and this committee.

The Chair: Thank you, Mr. Albas.

Mr. Louis, we go over to you.

Hon. Patty Hajdu: Look, I'm so sorry if I've made a mistake here, but I have a note that, apparently, it is in your inbox, so you may look at it at your leisure. Again, I think the intent was to table it earlier today. However, there was disruption in the process of the House.

● (1900)

The Chair: It's okay, Minister. I think we've moved on, thanks.

Mr. Louis, go ahead. Thank you.

Tim Louis: Thank you, Chair. I'd like to direct this round of questions to Minister Dabrusin, specifically about the regions of national interest.

To set that up, it's important that this bill preserve the approved framework that Canadians expect—environmental, health, social and economic impacts—and that these continue to be assessed. We need to talk about cumulative effects and the climate commitments that need to be considered, and keep indigenous rights and indigenous knowledge as part of federal decision-making. We need to reduce duplication and improve certainty at the same time.

The way I understand it, this bill is a change of process but not a change of standards, and it's not going to remove environmental assessment requirements or environmental laws. However, there have been questions when we talk about "regions of national interest", which can be referred to as "advanced planning" before a region can be designated as having to undergo regional assessments under the Impact Assessment Act. That examines existing and future activities, cumulative effects, indigenous rights, environmental and social conditions, and human health. More work up front can actually equal less repetition later. Minister, can you explain how we can do this work up front, and that the process is not an automatic approval or the creation of some sort of exemption zone?

Hon. Julie Dabrusin: I would say two things. I was talking briefly about the regions of national interest earlier, and if I can just kind of jump back into where I was when I was talking about them, I think they're really important. However, taking a step back on this entire bill, I use this example to try to explain it: When my kids were in public school, I used to fill out a million forms that had their OHIP number and their emergency contact, and I had to keep filling out the form, even though it was going to the same place. I kept wondering, "You have the information. Why can't you all just share it and get this dealt with?" I think every parent, come September, has to deal with that frustration.

The idea is to try to get rid of that. If we have that information, how can we work better on the back end to make sure that you don't have to fill out that form a million times? We still need that information, but we just need to simplify the process. That's kind of my view, if I were to take a broader view of what I see about this.

The regions of national interest are really important, because they allow us to go and do a deep dive in an area. It's not a blank cheque—maybe I'll start with that and be really clear. It's not a blank cheque, and it doesn't work on a region.... We don't do a study of all projects that could happen in an area. The way it's done is that we look at a type of project in a region and then, taking that into account, look at things like these: What do we know about the species at risk in the area and the biodiversity? What's culturally significant in an area? We would take a look at that and look at what the cumulative impacts would be in that area. We would reach out and consult with the indigenous people who would be impacted by that type of project in that area, so we get to do a really deep dive as to what the impacts are.

If, at the end of that, we look at it and say, "Knowing all that we've discovered in going through that process, we're comfortable with projects of that type moving forward in this place," then we can actually move forward with the process. However, a person who's then, with that type of project, putting in an application.... If there's something unique about their project, they still have to do a further assessment on that unique aspect of it.

I just want to get away from the idea that it's a blank cheque. It isn't, but it actually, I think, helps us to do the deep, heavy work at the front end. From a proponent's side, that can deal with getting rid of any frustrations they have of having this perfect idea that this would work somewhere and then discovering, after they've made massive investments, that it's really not going to work out there. It also allows us to work with the local area and community with a deeper knowledge to say that this is actually something that's going to work there and that we should work to try to encourage this in this space.

I think it's one of the stronger pieces. As I said, it builds on what we had in the "A Force of Nature" nature strategy, where we already committed to doing more mapping so that we would have a better sense and know at the front end—and this is about quicker decisions—whether something makes sense somewhere or not.

● (1905)

Tim Louis: I believe that's my time. Thank you very much.

The Chair: Mr. Seeback.

Kyle Seeback: Thank you very much, Mr. Chair.

Minister, in your conversation with your own members, you are talking about how you've enhanced section 107 and added in this national interest test, which has various components to it. You say this is putting guardrails on the use of section 107.

Are you saying that you didn't use any of these tests when your government used an unprecedented number of section 107 referrals over the last five years?

Hon. Patty Hajdu: What I can say is that I think implicitly a labour minister is asked to balance the needs of multiple sectors and parties whenever contemplating any back-to-work legislation or section 107 referral. This formalizes the need to do that.

Kyle Seeback: Okay, then you didn't actually consider whether it would have a significant impact on the Canadian economy. You didn't consider whether the strike or lockout was causing or might cause serious social disruption.

Hon. Patty Hajdu: That is not what I said. I can't speak for other ministers—obviously, I'm not in their heads—but I can say that I was the Liberal federal labour minister for a number of years around 2018, and whenever you are contemplating either back-to-work legislation—which I have used—or section 107—which I have used—those balances are part of the deliberation. In fact, you're getting—

Kyle Seeback: Okay, so you're just—

Hon. Patty Hajdu: Can I finish, Mr. Chair? I think it's important.

You're getting information in real time from other departments and from stakeholders. You're getting information from municipalities, from provinces, from territories, from shippers, from Transport Canada, from Public Safety Canada, from Crown-Indigenous Relations and from Indigenous Services.

I can tell you there is a flow of information, but what this does is to say that section 107 cannot be used unless two things are in hand: the special mediator's report, which is public—

Kyle Seeback: Minister, we've already gone over that. I know that. I don't need to hear that again.

What you're effectively doing is not making any improvement. You're just codifying your thought process. You said you did all of this before, so how is that an improvement?

Hon. Patty Hajdu: I think it is an improvement, because there's nothing to say that a minister would have to do that.

In fact, I would say that back-to-work legislation has been used with very little pretext in the past, including by the Conservatives.

Kyle Seeback: Back-to-work legislation gets parliamentary scrutiny. An order that you sign gets no scrutiny.

Hon. Patty Hajdu: I would say that section 107, as requested by many labour groups and Canadians, needed guardrails, and these are the guardrails that we've put into place, including the importance of a national interest assessment.

Kyle Seeback: Okay.

You also talked about how section 107 should never be used pre-emptively. It's wonderful that you've had this moment of clarity, but your government used section 107 pre-emptively with the flight attendants to order them back to work.

Hon. Patty Hajdu: That's not true.

Kyle Seeback: Would you like to apologize to the flight attendants now, since you've had this new understanding?

Hon. Patty Hajdu: That's not accurate. The flight attendants were on strike in the most recent iteration.

Kyle Seeback: No, you issued it that evening.

Hon. Patty Hajdu: It was after the strike had begun.

Kyle Seeback: Okay, Minister. You're—

Hon. Patty Hajdu: It's in the public record. We can check the record.

Kyle Seeback: Right. Do you also still believe that flight attendants don't do any unpaid work?

Hon. Patty Hajdu: In fact, we have a probe under way right now. In phase one of the probe, we did not find evidence of unpaid work. We did find very few cases of underpaid work in the very small airlines. We heard from the unions, who wanted a deeper dive, so we have compelled airlines to provide us with their payroll data. We're about to complete the analysis of that payroll data to do that deeper dive that members asked us to do. This is an important component that Canadians expect—that we get paid for our work—and I agree.

Kyle Seeback: The proposed new version of section 107 says:

> The Minister may take any measure

This is new—"any measure". The existing section 107 says:

> The Minister, where...deems it expedient, may do such things as to the Minister seem likely to maintain or secure industrial peace

You would be giving yourself basically unlimited power with the new section 107, because the new section says that the minister would be able to do anything. Why would you give yourself the power to do anything?

Hon. Patty Hajdu: In fact, as I've said a number of times, what we've done is restrict the use of section 107 to a very specific time frame, which is once a labour disruption has begun. That's new, and that is, I think, the most important element of the guardrails that we've imposed on section 107.

The use of section 107, by the way, can be asked for by both parties. The minister can contemplate that. Sometimes section 107 is used not just for collective agreements but for other questions of interpretation of a collective agreement—

● (1910)

Kyle Seeback: What I'm asking for is the justification for the massive expansion of your power to take any measure—

Hon. Patty Hajdu: I disagree with that assessment. It is not a massive—

Kyle Seeback: You don't—

The Chair: Thank you, Mr. Seeback—

Kyle Seeback: You can take "any measure", and that's not an expansion. Okay....

The Chair: Thank you, Mr. Seeback.

Mr. Kelloway, it's over to you for five minutes.

Mike Kelloway: Thank you, Mr. Chair.

Before I get into my question for Minister Hajdu, just to be clear, the charter statement was tabled today, and you can see that if you go to today's Journals.

I want to talk a bit about the.... I'm sorry. There are people talking, so I'm having a hard time. It seems like there's a second committee.

Minister, in Atlantic Canada, where I'm from, communities depend on a relatively small number of major employers and federally regulated industries. When negotiations break down in my neck of the woods, in Atlantic Canada, it's felt immediately in every facet of society.

You've done a really good job of talking about negotiations, about the strengthening of mediation and about helping workers and employers reach agreements before disputes escalate into work stoppages. I'm wondering if you can lean into how that happens.

Hon. Patty Hajdu: Thank you for outlining the inherent tension that exists across the country when parties are at a boiling point. In many cases, they've been at a boiling point for years. Sometimes parties arrive at the table, and they haven't actually spoken to each other for a number of years, or they've spoken, in some cases, through the Canada Industrial Relations Board or their own mediation service in the form of ongoing and repeated grievances and/or fines for employees. Those really fractured relationships really put a damper, as you can imagine, on negotiating about what comes next.

We are just human beings. We think about unions and employers as these big, monolithic entities, but they're actually individuals sitting at a table. It's members of a negotiating committee sitting with, oftentimes, the CEO or COO of a company, along with other negotiating members from the employer. If those people cannot find a space to connect or talk early enough, especially, then, in fact, it gets more and more difficult—I don't want to say it's impossible—to get to a new collective agreement. This legislation puts into place a motion for those specific parties.

There's one other thing, and I think it's really important that I tell you about this. What we heard from the tripartite committee was, “Do not throw the baby out with the bathwater. Things are working really well in 95% of the cases. Don't impose a whole bunch of new stuff on us, because we're not the problem, and we don't want new stuff, because we're doing really well.”

This legislation is really designed to be there for those parties that have had the hardest time negotiating a collective agreement, sometimes repeatedly, or those whose collective agreement is so old that the issues are very large and they have a number of things to work through that could potentially slow them down.

Mike Kelloway: Thank you for that.

I'm wondering, for both of you, leading up to the bill, what the engagement was like with your stakeholders.

Minister Hajdu, for you, it would have been employers, unions and a variety of other stakeholders.

Minister Dabrusin, for you, it would have been environmental stewards, businesses, not-for-profits and NGOs.

I'm wondering, at the level of engagement leading up to and informing this bill, if you can unpack that for us as well.

Hon. Julie Dabrusin: We had a moment of looking at each other. Who goes first?

I will say two things. There were conversations with many organizations leading into it. I think one of the most important pieces, too, is making sure that I highlight the fact that the consultation had 26,000 responses. We listened to what came in in those responses. In fact, we made some changes when we did this legislation, based on what had been proposed. That actually came out in this legislation.

I think the larger part about me consulting with groups.... I think 26,000 responses is an impressive number. We actually extended the time to allow for further consultations. Even more to the point, we listened, so that we could make this bill better.

● (1915)

Hon. Patty Hajdu: On the labour side, we held two rounds of consultations in the spring and summer of 2026, and the participants were very broad. There were associations from the employers' perspective, union and employee representatives, indigenous partners and members of the tripartite advisory council for labour policy. That, by the way, is a new council that Secretary Zerucelli and I have set up, so that labour and employers can interact on a regular basis, together with the minister and secretary of state, so that we get a better relationship and have more frank conversations. I think the tripartite council was incredibly helpful, particularly in giving us, for example, the advice about making sure that the new measures don't impact already successful relationships and don't interfere with a process that was largely working for the majority of relationships.

We had 319 open written submissions. We held a number of targeted round tables, including with national unions, which were organized at their request, and we also had a minister's round table with both me and Secretary Zerucelli. We had engagement with more than 100 stakeholder organizations.

The second round of consultations was really focused on some of the key messages and themes we heard in round one. We went back, not with the same questions, but to do a deeper dive into some of those areas that people were talking about.

The Chair: Thank you.

Mr. Ste-Marie, it's over to you.

[*Translation*]

Gabriel Ste-Marie: Thank you, Mr. Chair.

I have a question for Minister Dabrusin.

First of all, I'm going to make a comment. I was surprised earlier when you said that Bill C-39 was a vote of confidence in the Impact Assessment Agency of Canada and its scientists. In fact, Bill C-39 removes the agency's ability to assess energy projects in favour of the Canada Energy Regulator, which is essentially made up of former oil industry lobbyists. I found that really odd.

I'll ask you my first question.

Every environmental group in Canada and environmental law experts say that Bill C-39, not to mention Bill C-5, is one of the biggest environmental setbacks in Canadian history.

Did even one independent environmental expert tell you that it was a good idea to move forward with this bill?

Also, can you provide us with a list of the environmental groups you consulted in connection with Bill C-39?

Hon. Julie Dabrusin: First, I think the groups I consulted are already public, because our meetings are recorded.

I spoke with environmental groups and people who wanted to ensure that protection provisions were put in place, especially for species at risk. We also listened to them in that regard. We made changes based on what they said in my conversations with them, but also in broader consultations. As I said, 26,000 people took part in the consultations.

In terms of what we're doing for the environment, I'll tell you what I see. We talked about regions of national interest. This is something I talked about a bit earlier. In my opinion, this is an opportunity for us to conduct a deep dive, an in-depth analysis, and that's what the Impact Assessment Agency is going to do. For one type of project, it will look at the cumulative impact and species at risk, and it will conduct consultations with indigenous peoples.

I think this is a big vote of confidence in the agency and its ability to conduct these investigations. It's also a chance for us to get all the information in advance when we decide what we're going to do with a project.

Gabriel Ste-Marie: Did even one independent environmental expert tell you that it was a good idea to move forward with Bill C-39?

Hon. Julie Dabrusin: I think that many people have shown that there are some worthwhile and significant things in this bill. I would also say that many people I've spoken with have told me that we need to do more to strengthen the electricity grid. They want to see that put forward. Many people say so, because if we want to have a net-zero economy, we need more electricity to be able to electrify our economy.

● (1920)

Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you.

Mr. Leslie.

Branden Leslie: Thank you, Mr. Chair.

Minister Dabrusin, Environmental Defence calls your government's approach “an extinction agenda”. West Coast Environmental Law says, “This bill is slash and burn, not responsible development.” Greenpeace says your strategy is to “build at all costs, no matter the impacts on nature or communities.” Ecojustice warns about expanding extraordinary “Henry the VIII” powers.

Are all of these groups wrong?

Hon. Julie Dabrusin: What I have said is that, in my opinion, this bill actually maintains.... First of all, it's not just my opinion. When I look through it, it maintains environmental standards. Beyond that, there are changes to how things are processed. Having me make all permit decisions at the same time versus sequentially just makes sense, but that doesn't change the fact that I have to go through the process.

Branden Leslie: Let me ask you about that, because you don't, actually.

You identified four through schedule 5 of the bill, but the initial combined permit list leaves out migratory bird permits, leases and licences to use federal land, and permits for construction or vegetation clearing. Why did those ones get left out of the commonly used permits under projects like this?

Hon. Julie Dabrusin: I can defer to—

Branden Leslie: It's okay, Minister. Go ahead.

Hon. Julie Dabrusin: I was saying I will defer to him in one second.

The way the process is set up is to simplify it but, again, as I said, without reducing environmental standards. I stand by that.

I've talked about regions of national interest—I think that's an important piece—but there are many other pieces in here at the same time. It's a change to the process of how we do things. There isn't a change that suddenly says what goes into the evaluation has been reduced.

Branden Leslie: I'll wait for the deferral. If you could send that information secondarily, from the department or the agency, that would be appreciated.

The Alberta Court of Appeal recently found that your amended Bill C-69 is still unconstitutional, as it allows federal decisions to be driven by matters outside of federal jurisdiction, yet clause 47 leaves those broad decision rules in place. I'm curious to know if you'd be open to amendments to fix that unconstitutionality once and for all while going through this legislation.

Hon. Julie Dabrusin: That decision was recently released, and we're reviewing it to decide what next steps are, so—

Branden Leslie: Can you try to fix the unconstitutionality while doing this bill?

Hon. Julie Dabrusin: What I've said is that we've received that court decision. It needs to be reviewed. We're in the process of reviewing it. That's how we'll guide what our next steps will be.

Branden Leslie: Earlier, you discussed that, in the legislation, IAAC would be doing the first nations consultation, and that prior to the one year they would be reaching out to impacted first nations and getting ahead of that.

The bill doesn't make clear to me what department or agency is actually in charge of first nations. It talks about a single kind of hub. Is IAAC going to be the one agency in charge of all first nations consultations for any project that falls under their jurisdiction and/or the CER's jurisdiction?

Hon. Julie Dabrusin: Now we're getting a bit.... I'm sorry. I worry when we use words like “every project”, because that becomes a much broader thing that might not actually even fall within what IAAC would be involved in. I'm not going to go with the “every project”. The consultation hub—

Branden Leslie: Well, okay....

Hon. Julie Dabrusin: I'm just saying that it's not “every project” in all of Canada. There are many different projects across Canada.

Branden Leslie: Well, no, but the ones that are falling under their jurisdiction and/or the newly defined jurisdiction of the Canada Energy Regulator....

Hon. Julie Dabrusin: What I would say, though, is that they are responsible for the Crown consultation hub, and actually, that is an area of their expertise. As far as the CER goes, though, I don't believe it to be leading that part.

Branden Leslie: It's not actually a one-off. The CER will do its own consultation separately if a project is going to be regulated by it, rather than IAAC.

Hon. Julie Dabrusin: That's correct.

Branden Leslie: Is there a first nations-related department that has any role, or is it just the regulators who are in charge of that?

Hon. Julie Dabrusin: Is it just CER?

Terence Hubbard (President, Impact Assessment Agency of Canada): There is a governance body that's been established—a deputy minister-level committee—that will provide coordination and ensure consistency across all of these regulators.

Branden Leslie: Okay.

I do want to quickly go back to the national interest portion, because I think it is interesting, but there's no real legal definition in this bill determining what that actually is. Do you see the benefit of defining more specific language in the bill as to what a “region of national interest” is?

Hon. Julie Dabrusin: I think I've spent quite a bit of time explaining what a region of national interest is—

● (1925)

Branden Leslie: I want a more specific example. You keep saying “a big area”, but it's not defined. I could name Manitoba as a region of national interest, because there are a whole bunch of mining projects.

Neither the bill nor you today have been very specific. Are you saying that a certain section in central northern Manitoba that has a bunch of critical minerals could be designated?

You've been very vague in your language, much like the legislation, so I'm curious as to why there isn't something more specific in this bill, identifying what that could be. Are we just waiting to guess what might happen down the road?

Hon. Julie Dabrusin: Let me take a step back on that, because 76% of the lands across Canada are provincial, so obviously, we have to work with provinces as well when we're working on this. I'm worried about the way you're describing it, like “all of a province”. That is not—

Branden Leslie: Well, I don't know, because the legislation doesn't tell me what it could or could not be.

The Chair: Thank you, Mr. Leslie. You're over your time.

Dr. Martin is next.

[*Translation*]

Danielle Martin: Thank you.

I want to ask Minister Dabrusin about dialogue with indigenous communities and with communities in general.

[*English*]

I think we all know that in order to move projects quickly, there's going to be a need for both government and proponents to engage with communities that may be at differing levels of capacity to engage with us. In order to move quickly and have that engagement be authentic and real, we may need to support some communities in the process of building that capacity.

I'm speaking, of course, particularly about our duty to consult with and accommodate indigenous communities, but also communities more generally. There may be communities out there that are concerned about the potential impact of a project on the environment but that don't have the experience, the legal capacity, the environmental assessment capacity or the organizational and institutional capacity to be able to engage on a tight timeline.

Can you talk a bit about how our government—either in the legislation itself or probably in the regulatory and policy process that flows from the legislation—can build that capacity among those communities, so that when an engagement is required, it can be authentic?

Hon. Julie Dabrusin: Thank you. I appreciate that question.

I would say that there are two parts to it. If you are talking about indigenous people, there's the Crown consultation hub that I've talked about, which, to me, makes a lot of sense. I see that, in the past, for each specific permit for one project, there would be a different consultation, so you would end up in a situation in which one community faced multiple consultations, but it was all about the same project. Actually, it makes it harder to have a holistic view if you're slicing it through the vision of many different ones at the same time, so a big part of doing the Crown consultation hub is to simplify the process and to allow people to have a more holistic view.

The other piece is that the cabinet directive also includes that IAAC, the Impact Assessment Agency of Canada, would also work on coordinating funding for indigenous peoples. There are a couple of different places where that comes in, because that goes to the capacity piece too. One piece is funding to allow for the development of capacity. The other piece is just not overwhelming people with many small, disparate things and then having them try to stitch together all those pieces.

On the part about local communities, I think that's where regions and national interests can really come into play, because there is, as part of that, an investigation. I've talked about the environmental pieces. I've talked about the nature piece. There's also the part about culturally significant areas. There are public consultations, by the way, that follow a lot of the process as well, so there are chances for people to share their views.

Danielle Martin: Thank you.

I know that the legislation contemplates the ability for some work to be done pre-approval. I'm wondering whether you can break that down for us a bit. It could create, understandably, a little nervousness that we might reach a point at which a project...the wheels are already turning, yet we haven't made a determination about whether the project is a good idea. What do we intend by that pre-approval work? How can we provide Canadians with confidence that a decision isn't being made until a decision is made?

Hon. Julie Dabrusin: Thank you. That's an important question, actually, because I've seen and heard questions about that.

To be really clear, even if there were permits allowed for early works, that wouldn't be a guarantee that the project would actually be successful and approved. I just want that piece to be clear. I also want to be really clear that early works doesn't mean you get to do the whole project and call it an “early works”, which is the other piece. It's circumscribed. That's the second part.

I'll say that early work can be exercised only if it's in the public interest. However, also, to be clear, it still requires permits and conditions along with those permits. It isn't a blank cheque to get started on the project and, “Oops, while we were in that one year, we pretty much completed most of it.” It's circumscribed. It will have to have permits. It will have to have conditions. It's not a guarantee that there's going to be a positive outcome in the evaluation.

● (1930)

Danielle Martin: Thank you.

The Chair: Thank you, Dr. Martin.

Ministers, thank you both very much for giving us so much of your time. It was very generous of you, especially in the evening.

That ends this segment. We'll suspend for a few minutes and get our next panel in.

● (1930)

_____(Pause)_____

● (1940)

The Chair: Welcome back to meeting number two of the House of Commons Legislative Committee on Bill C-39.

I would like to make a few comments for the benefit of the new witnesses.

First of all, thank you very much for coming.

Please wait until I recognize you by name before speaking.

Those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. Those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor audio, English or French.

Those in the room, you can use the earpiece and select the desired channel.

I would like to remind witnesses that committee members may ask questions in French or English. If you need interpretation, please take a moment now to prepare your earpiece and select the listening channel you need in advance in order to take full advantage of the time allotted for questions and answers.

I will remind you that all comments should be addressed through the chair.

I would now like to welcome our witnesses for today's last panel.

From the Association of Canadian Port Authorities, we have Daniel-Robert Gooch, president and chief executive officer, who I believe is appearing via video conference.

There you are.

Daniel-Robert Gooch (President and Chief Executive Officer, Association of Canadian Port Authorities): Good evening.

The Chair: From the Business Council of Alberta, we have Adam Legge, president, who is also online.

In person, from the Montreal Port Authority, we have Paul Bird, president and chief executive officer; and Julien Baudry, vice-president, strategic affairs and communications.

Thank you for joining us, especially since it's a late time in the evening. However, it's important, so we are incredibly grateful.

Each group will have up to five minutes for opening remarks, and then we'll take questions from the floor.

I'll start with you, Mr. Bird and Mr. Baudry.

Paul Bird (President and Chief Executive Officer, Montreal Port Authority): Thank you.

[*Translation*]

Thank you for the opportunity to contribute to your work on Bill C-39.

The current framework still limits the agility of port authorities when they want to collaborate, coordinate their investments, diversify their operations and revenues or finance their growth. A number of policies in Bill C-39 are a step in the right direction in providing more commercial and financial flexibility.

Ports are not just dock and land managers. They are drivers of economic development that must be able to invest, establish new partnerships and contribute to the performance of the entire supply chain.

However, to do that, we need a stable work environment that can provide good working conditions, but also maintain business confidence.

[*English*]

The Port of Montreal welcomes the government's intention to modernize the framework governing Canada's strategic infrastructure. We support the objectives of this initiative—greater port agility, stronger collaboration and more reliable supply chains—without offering blanket support for every provision of the bill.

Canadian ports need the tools to maintain and develop efficient infrastructure that serves Canadians, businesses and the economy.

● (1945)

[*Translation*]

This modernization comes at an important time for Canada's economic sovereignty. Our trade with the world starts at our ports, and as the country strengthens its trade ties with Europe, the Port of Montreal is a strategic gateway to that market, as it already is for Asia, but also for Africa.

It is important to remember that the Montreal Port Authority is neither the employer nor the employee representative, and it is not a party to collective bargaining. What we do is non-partisan. Its purpose is to ensure stable and predictable port operations for the benefit of Canada.

In the maritime sector, the mere threat of a shutdown can divert goods, as trade routes are chosen weeks or months in advance. Early intervention and proactive mediation can foster lasting negotiated settlements.

Our position remains balanced. The idea is not to reduce the negotiating power of either party, but to take maritime reality into account. A 72-hour notice provides little visibility when a ship from Europe can take about 14 days to reach Montreal. The mechanisms chosen must preserve healthy labour relations while giving businesses the predictability they need to continue choosing Canadian routes.

[*English*]

In marine transportation, reliability is a competitive advantage. When uncertainty persists, cargo is often redirected to U.S. ports. Once those volumes move to reliable alternatives, they are extremely difficult to recover. As Canada diversifies its international markets, success will depend on reliable, efficient and competitive Canadian trade corridors.

[*Translation*]

Lastly, the objectives of the reform must translate into a real ability to act. The changes set out in the bill will have to be reflected in the tools that govern port authorities, especially our letters patent.

New opportunities for collaboration will only fully take effect if these tools are adapted. The same goes for trade and financial agility: Ports must be able to diversify their revenues, invest and develop more integrated models. The modernization and harmonization of the letters patent will therefore be very critical.

To maximize the benefits of the expansion in Contrecoeur, but also to generate the revenue needed to maintain the infrastructure, as requested in our letters patent, we need to be able to diversify our revenues and think like a company that needs to secure its future.

The challenge will be to turn Bill C-39 from legislation into action quickly and in a manner adapted to port realities. The world is changing, and ports also need to be able to adapt.

[*English*]

This reform is an opportunity to strengthen port agility, supply chain reliability and Canada's competitiveness. Its implementation must deliver concrete, practical tools.

The Port of Montreal stands ready to contribute constructively. This is primarily the message we wanted to get across today, so we're open to any questions going forward.

Thank you.

The Chair: Thank you very much.

Mr. Legge, I'll go to you next.

Adam Legge (President, Business Council of Alberta): Thank you, Mr. Chair.

Good evening, everyone.

My name is Adam Legge. I'm the president of the Business Council of Alberta. I represent over 130 CEOs of Alberta's largest companies.

The Business Council of Alberta supports Bill C-39. I rarely present to parliamentary committees about how much a bill gets right, but this one does get it right. Canada's government has taken big and bold steps here, and we applaud you for doing so.

Thank you. You've listened to the feedback and input from industry. You've adopted many of the recommendations from our “From Barriers to Breakthroughs” report, issued earlier this year. Our support is representative of a broad base of industries beyond the resources sector.

Let me start with what the bill gets right: the one-year federal review and decision timeline for major projects; concurrent federal and impact assessment permitting; making the Canada Energy Regulator the single federal body responsible for reviewing pipeline, power line and energy projects, as well as shortening their timelines for reviews; amending the regulatory thresholds for different levels of review within the CER; making project conditions more practical by ensuring that decision-makers consider whether those conditions are technically, economically and practically feasible; meaningful support for labour stability through early action on expiring collective agreements and other disputes; and improving transportation and trade performance through a transportation project office, corridor-level planning and the designation of regions of national interest.

There are areas in the legislation that could be enhanced.

First, make the one-year timeline binding, with meaningful accountability. Set a clear deadline for deciding whether an application is complete, and require public reporting on any clock extensions or suspensions, as well as on the total time each review takes. There should be a limit to the number of times the clock can be stopped or the number of extensions granted, and the regulator should not be permitted to ask for additional studies due to a proponent's extension.

Second, define public interest and set clear safeguards for changing project approval conditions. As written, Bill C-39 gives the federal government discretion to add or amend conditions on that basis, but it does not define the term. In the Business Council of Alberta's view, safe and responsible projects that, among other things, create jobs, increase productivity, attract investment, diversify trade and improve affordability are all in the public interest. A clear definition would also reduce the risk that a decision changes with a new government.

Third, we strongly recommend that political decision-making move to the front of the review process, so that investors know early whether a project can proceed. It would then be up to the lifecycle regulator conducting the review to determine how it can proceed.

Finally, we believe that the bill should introduce the concept of standing to ensure that any party wishing to speak or submit evidence at a project review is a legitimate rights holder or is directly impacted by the project.

Before I wrap up, I would like to reinforce where it will be important for the government to stand firm in the face of criticism of the bill. Bill C-39 does not erode environmental standards. It changes who leads reviews and how long decisions take. Longer doesn't necessarily mean better, more thorough or higher standards. Under the Canadian Environmental Assessment Act and the Impact Assessment Act and their lengthy processes, we created a false sense that longer meant more rigorous. Older processes were repetitive, duplicative and inefficient. We can protect the environment and make decisions more quickly.

Additionally, Bill C-39 does not weaken the right to strike. There are, in fact, more safeguards in place now before the minister can invoke section 107. Strikes and lockouts should be viewed as failures, not ambition. Any competitive country's ambition should be to ensure uninterrupted work activity for the benefit of workers and the economy overall. Bill C-39 works to do just that.

To conclude, Bill C-39 is an important and welcome step towards addressing many of the barriers that have stifled investment and economic growth and stood in the way of Canada building things. The Business Council of Alberta endorses this bill, asks parliamentarians to support its speedy passage with the proposed amendments I mentioned a minute ago, and cautions the committee to not adopt amendments that undo the important progress it makes.

Thank you. I look forward to any questions you may have.

● (1950)

The Chair: Thank you, Mr. Legge.

I'll turn the floor over to you, Mr. Gooch.

[*Translation*]

Daniel-Robert Gooch: Good evening.

Thank you, Mr. Chair and members of the committee, for the opportunity to appear today.

I’m Daniel-Robert Gooch, president and CEO of the Association of Canadian Port Authorities, representing Canada's 17 federally regulated port authorities under Transport Canada.

[*English*]

Most of Canada's non-U.S. trade moves by sea. Our ports connect Canadian businesses to global markets and keep our supply chains resilient. In 2025, Canada's CPA ports handled 376 million tonnes of containerized and bulk cargo, valued at approximately $777 billion. Last year, on average, about $2.1 billion of cargo passed through Canada's port authorities each day.

As Canada looks to diversify trade, the majority of its exports will need to leave the country by sea, meaning Canadian ports will play a crucial role in helping the government achieve its diversification goals.

Canada's port authorities support the goal of Bill C-39 to modernize financial tools and provide CPAs with expanded flexibility to advance Canada's trade goals through efficient gateways that perform and produce prosperity for Canadians. We particularly welcome joint liability arrangements and special purpose entities, which will let ports partner and invest, including in inland terminals. We also welcome ministerial board appointments, which should make appointments faster and, hopefully, more predictable than the current GIC process that's in place today.

However, as with any modernization, the details will matter. How much Bill C-39 helps CPAs will depend on further work to clarify its scope, definitions and regulations. Getting these details right will be essential in setting CPAs up for success without imposing additional administrative burdens. Ports across Canada operate in very different regional contexts, and the proposed changes will affect each port differently, depending on its location, cargo mix and scale of operations.

There are four key areas.

The first is dispute resolution. The changes to dispute resolution are one of our members' most significant concerns. Since the Canada Marine Act came into place in the late 1990s, ports have operated as commercial entities, setting fees that reflect their operational and capital needs, without taxpayer funding. That's the goal. Bill C-39 expands the grounds for complaints to the Canadian Transportation Agency. Our biggest concern around this is nuisance complaints. Going to the agency is costly, even when a case never reaches a hearing. A weak complaint can still add legal costs and delay decisions on projects. For example, only parties that are actually affected by a fee increase should have standing.

The second is the national trade corridors council. The creation of this council in an advisory role could facilitate better decision-making and supply chain management. Our concern lies with the need to consult with the council on port business and land use plans. Under the proposed changes, CPAs will be mandated to consult on these key components of their business with a new organization whose mandate and membership are still unknown. Additionally, the bill does not provide insight into what ports are expected to do with the input they receive as part of this consultation process. CPAs are locally responsive businesses operating at arm's length of the government. Because of this, we ask that the council's mandate and authority and the meaning of consultation be clearly defined.

The third is financial flexibility. While Bill C-39 adds guardrails for borrowing, such as borrowing plans and regular reviews, it's important to note that the amendments in this bill on their own will not improve flexibility in borrowing. We have been working with Transport Canada toward a more flexible approach on borrowing, such as a formula embedded in letters patent instead of a hard number, but this will ultimately come down to a policy decision by the federal government that is still to be made. A more flexible borrowing framework is essential for CPAs to fully realize the benefits of many of the improvements envisioned in Bill C-39. Transport Canada's pending policy decision on using a formula-based approach to borrowing limits is, therefore, a crucial outstanding priority.

The fourth is board appointments and governance. We support the amendments to allow for ministerial appointments instead of GICs. Under Minister MacKinnon, appointments have moved more quickly, and we thank him for that, but legislation outlasts any one minister. The House transport committee addressed this with Bill C-33 a few years ago by adding language that would have given the federal government a deadline of 12 months to make its appointments. We'd like to see this language come back, as it would help ensure that board appointments stay on track well into the future under future ministers and future governments.

● (1955)

To close, Bill C-39 is a positive, important and needed step forward. Our goal is to ensure that the government gets the details right during implementation, guided by three principles. These are flexibility rather than one size fits all, avoiding administrative burdens that undermine commercial decision-making, and building on the good governance practices ports already have.

We look forward to continuing to work with the committee and the Government of Canada on the bill, its regulations and its implementation moving forward.

Thank you. I'm happy to answer your questions.

The Chair: Thank you very much.

We'll start our six-minute round with Mr. Albas.

Dan Albas: Thank you, Mr. Chair.

I'd like to thank all our witnesses for being here.

I'm going to start with Mr. Legge of the Business Council of Alberta.

I appreciate the concern regarding ministerial condition-changing powers. I believe they need more disciplined safeguards. I'm going to refer to the Building Canada Act, because I know Pacific link is something that your council probably supports.

Essentially, clauses 100 and 101 of the bill expand the designated Building Canada Act minister's ability to add, remove or amend conditions, including conditions attached to certain authorizations granted before a project was added to schedule 1.

I call this the “He loves me, he loves me not” clause, because it depends on which day and which condition, as a minister can radically change a project. I think that's the one you were referring to in your comments.

Would you be more supportive of having some important safeguards around that, so that, essentially, once a project is scheduled, like Pacific link, it can't end up becoming something it wasn't originally intended to be just by fiat of the minister?

● (2000)

Adam Legge: There should definitely be some guardrails around what the ministers can designate, perhaps like the introduction of a sunset clause of that or a renewal of that set of powers.

We have very high confidence in the ambitions of the Prime Minister to be building, but, as this legislation will outlast governments, the intention should be that the conditions are thoughtfully placed with respect to economic impacts, social impacts and environmental impacts.

In an ideal scenario, the minister would be designated with all of those thoughtful perspectives to accelerate a project, but there should be some constraints that have to be factored in to not materially change the nature of the project, not materially impact the timelines, not materially impact construction schedules and not materially impact the cost. All of those factors should be considered as potential criteria for any levelling of new conditions.

Dan Albas: We should be trying to build certainty and predictability into everything we do in this bill. I would hope that you agree with that.

Adam Legge: I agree.

Dan Albas: One of the things you mentioned in your comments was the lack of some sort of discipline if the 12-month or 300-plus-65-day decision by cabinet were to go past that.

One thing I've seen in there is some grand inconsistencies between part one of the bill on major projects and part two when it comes to transportation. For example, when we're talking about projects on the transportation side, such as Deltaport berth four, the federal dashboard identifies five potential federal instruments involving Transport Canada, DFO and Environment Canada.

The office that Transport Canada is going to be putting together—at least they say they will be; it's optional—will be completely toothless. In essence, Conservatives are asking, “Why don't we have the same timelines for Transport Canada that you see on the Canada Energy Regulator or the Canadian Nuclear Safety Commission?”

Second to that, shouldn't there be some responsibility for Transport Canada to bring in all of these different groups and maybe even put out an order to name and shame them when they take longer than the allotted time? What's your opinion on that?

Adam Legge: Thank you for the question.

If I'm interpreting your question correctly, MP Albas, you're talking about the new proposed transportation project office.

Dan Albas: Yes. It's optional under the bill.

Adam Legge: We would encourage the transportation project office to have the same requirements for reviews and timing that both the MPO and the Impact Assessment Agency would be held to.

Dan Albas: Okay. You're saying we should have consistency and make sure that a timeline is a timeline and that the government can't force private sector proponents to hang in the wind. Is that correct?

Adam Legge: That's correct. We should have a consistent platform and expectations for timelines and process for all major projects across the federal system, regardless of the nature of the project.

Dan Albas: Thank you for your time.

The Chair: Mr. Kelloway, go ahead.

Mike Kelloway: Thank you, Mr. Chair.

Thanks to the witnesses for coming this evening. We really appreciate it.

My first question or two will be for Mr. Gooch.

In particular, I want to dig down deep in terms of how the measures in this legislation will help Canadian ports get Canadian goods to new markets, given the fact that we are under siege with respect to the unjustified American tariffs. We're looking at ways to double our non-U.S. exports. How would this legislation help in that respect?

Daniel-Robert Gooch: Thank you for the question.

It's a very comprehensive piece of legislation. I didn't even get into the labour stability piece, which has been a huge part of Canada's international reputation. It's important that we be seen as a reliable trading partner if we are to achieve those diversification goals. That's not an area of the bill that we're involved in, but it's important that it be addressed. Moving projects forward more quickly is certainly something that should benefit ports that have extensive infrastructure investments under way.

In a lot of the other areas, really, details are much to be worked out—and that's okay. Pieces of legislation are not opened up all that often. Bill C-33 was only four years ago. Before that, the Canada Marine Act.... I believe it had been over 10 years before there was an attempt made to amend it.

We're optimistic that there's a renewed energy to get things moving in Canada and to get our exports diversified, with ambitious goals. This provides a framework that we'll be working with the government on, I imagine, for quite some time to come.

● (2005)

Mike Kelloway: I'm going to stick with you, Mr. Gooch, and thank you for that response.

The legislation allows for ports to invest and engage with projects on port land. I'm wondering, could you tell us how this will impact job creation and bettering the operations? Maybe we could focus on the jobs aspect, and then I'll move to the other witnesses.

Daniel-Robert Gooch: I'm sorry, but is there an area in particular that you're asking about?

Mike Kelloway: In particular, no, but from your perspective...the trajectory of creating jobs. Can you speak to where jobs would be started, would emerge from this legislation, and where you would hope to see it in creating job development?

Daniel-Robert Gooch: There are some areas in there that I think are very.... We really need to understand what the government envisions, but with the special purpose entities and the joint ventures, where we're looking for more flexibility for port authorities is in being able to engage in investments with port partners. When you look around the country, port authorities are landlords, and they work with private sector partners to make the investments needed where the jobs actually take place. When it's taking years for projects to move forward, when there are restrictions on the ability a port authority has in terms of capitalizing subsidiaries, or when there are limits on how they can enter into joint ventures and other subsidiaries, it means they're limited in the tools they have at their disposal to work with private partners and government to invest in areas where they could, perhaps, be investing if they were nimbler.

Mike Kelloway: Thank you very much for that, Mr. Gooch.

I'm going to move to Mr. Legge for a question or two, and then to the Montreal Port Authority. I think you did a really good job, Mr. Legge, of talking about the provisions of the bill connected to the objectives, which I appreciate. I won't get you to repeat what you said, but I really think it's important to know what we're measuring. What indicators should Parliament use to measure success, let's say, over the next five years or so?

Adam Legge: Ultimately, the indicators are completed projects; dollars invested in Canadian infrastructure, both from the private sector and in leveraging off the public sector as well; job creation; and speed of approvals and timing: the number of times project approvals have been done and completed within the allotted time frame or the number of times they have been outside the time frame as set by the legislation, the number of times project applications and reviews have been paused or the clock has stopped, etc. These are a host of more big-picture and tactical criteria, I'd say, that would be success measures.

Mike Kelloway: Thank you.

I think I have about a minute left, or maybe two, so I'll pivot to the Montreal Port Authority. Many countries around the world do paperless trade, but Canada doesn't do paperless trade. I'm wondering, for the benefit of my colleagues and those who are watching at this late hour, depending on where you are, how does the current system operate? What challenges does this pose to ports like yours and businesses that are associated with your port?

[*Translation*]

Julien Baudry (Vice-President, Strategic Affairs and Communications, Montreal Port Authority): Thank you for your question.

Right now, the lack of paperless data governance makes it very hard to optimize a number of port activities, particularly when it comes to customs. If we want to be able to optimize assets, we need access to much more digital tracking.

As it stands, Canada has been lagging behind for many years. This also means that a number of innovations found elsewhere in the world are not being implemented in Canada. Some shipping companies, among others, provide complete visibility for tracking goods. That's harder to apply right now in Canada, particularly in the context of interoperability.

● (2010)

[*English*]

Mike Kelloway: Thank you.

The Chair: Thanks, Mr. Kelloway.

Mr. Ste-Marie is next.

[*Translation*]

Gabriel Ste-Marie: Thank you, Mr. Chair.

I'd like to welcome all the witnesses and thank them for being here at this late hour.

My first questions concern the Montreal Port Authority.

Mr. Bird, like your colleague Mr. Gooch, you mentioned that more commercial and financial flexibility is needed. Does that refer to the possibility of entering into joint and several liability agreements with special purpose entities or not? Can you expand on that a bit?

Paul Bird: What is important for us, in terms of flexibility, is to have the opportunity to create subsidiaries within the port, which makes it possible to pursue development through joint development ventures. We have limited financial capacity, but if we set up joint ventures with companies within a subsidiary of the Port of Montreal or other ports, it allows us more flexibility in terms of investment capacity and how we can expand the ecosystem around the port, which obviously makes us more attractive. I'm talking about everything that comes to us from the ecosystem around the port. That allows us to develop, with joint ventures and third parties, by following financial models that we can now develop with subsidiaries within the company. It enables us now, today, to develop this ecosystem, which we were previously unable to do ourselves through our revenues.

Gabriel Ste-Marie: Okay, thank you.

This way of doing things, with associated businesses, does not exist in any port in Canada. That's what would change here. You would be able to get the cash flow to further develop your activities. Is that correct?

Paul Bird: That's correct.

Gabriel Ste-Marie: Okay.

What activities involving buildings and property not adjacent to navigable waters could be carried out by such an entity? You named them. Can you come back to that and provide a bit more detail?

Paul Bird: It's not complicated. If we look at the various models south of the border or the European models, we see that there is infrastructure on port territory that is not necessarily directly affiliated. These are what we call inland ports. This allows us to develop smart logistics chains that are much more fluid. When we have infrastructure downstream or upstream of existing infrastructure, it helps support a better integrated logistics chain. Through this type of agreement, the port now has greater responsibility for a door-to-door or end-to-end supply chain. We are able to integrate or affiliate with international, national or regional players to develop supply chains.

Gabriel Ste-Marie: Thank you.

I'm going to change topic.

According to Bill C-39, each port authority must establish an indigenous advisory committee, which must be consulted at least once a year on port activities. Do you have any comments on that?

Paul Bird: As part of our Contrecoeur port expansion project, we went through the process before Bill C-5 was passed. I think it took us six to seven years to complete the process.

Consultations with first nations began upstream of the project and have always been part of Port of Montreal operations. The important thing is that the annual consultation be rigorous, that it be an obligation for the port authority, but also that it involve a continuity in following up on files concerning the port's activities in which first nations are indirectly or directly involved.

In the permit application process, there are consultations, but in the port administration process, there is also an annual consultation and follow-up of not only environmental, but also financial or technical issues, in terms of the port's operation and activities. It's a matter of understanding the ecosystem and, above all, understanding the port model and port traffic. You know, ports handle rivers and water intakes that affect the territories of indigenous peoples. There's a lot of transparency required and explanations to be given on the increase in volume and on how the flow is increasing and impacting their environment.

● (2015)

Gabriel Ste-Marie: There is an annual follow-up meeting. Is that frequent enough? Do you have time to go over everything?

Paul Bird: I would say that, in general, we need more than one meeting a year. We set themes, based on first nations experts and the number of first nations that are there. It also depends on that. These are annual meetings with a number of themes and sequences.

Gabriel Ste-Marie: Okay.

I have one last question. My time is running out.

What issues do you think affect the cohabitation between port activities and neighbouring communities, including indigenous and non-indigenous communities?

Paul Bird: I'm sorry, I didn't understand the question.

Gabriel Ste-Marie: I'm talking about the relationship between your operations and the people who live nearby, whether they're indigenous or non-indigenous. What are the main issues in your view?

Paul Bird: We don't really have any issues with first nations, because we built the port infrastructure in collaboration with them. We've been transparent from day one. We sought their input on the measures we're taking to mitigate noise, light, dust and traffic. This transparency and the long-standing relationship with the Montreal Port Authority go way back. They've been working with us for more than 15 years. This relationship of trust and the discipline of holding annual meetings focused on specific issues and follow-up actions have made this approach successful for the first nations partners involved and the Montreal Port Authority.

That's how we were able to navigate the permitting process with Fisheries and Oceans Canada for work in the water and on the land. This successful approach has become the model we use at the port. It was a lengthy process, however. It didn't happen quickly. It took a very long time—

[*English*]

The Chair: I'm going to have to stop you there.

Thank you, Mr. Ste-Marie.

Mr. Lawrence is next.

Philip Lawrence: Thank you.

My questions will be for you, Mr. Legge.

I want to get a little context as to what happened before Bill C-39. Could you perhaps briefly tell us the impact on Alberta of the Trudeau era tanker ban and other regulations from this federal government?

Adam Legge: Well, a combination of policies has made it difficult to attract investment for the resource sector. There's a whole host of things, whether that was the original version of the Impact Assessment Act, Bill C-69, or Bill C-48, which made it so that oil tankers can't come off the north coast. Also, there is a significant amount of concern around the oil and gas emissions cap and the clean electricity regulations.

With the exception of Bill C-48, we're very pleased to see that those policies have been unwound. I think we're on the cusp of a significant renaissance of the oil and gas sector here in Canada to make Canada able to take advantage of the opportunities globally to get our product to international markets.

Philip Lawrence: Thank you, Mr. Legge.

I would be absolutely delighted if we did see a renaissance of the Alberta oil industry.

I don't know, but maybe you could enlighten me: Did your organization support Bill C-5?

Adam Legge: Yes, we did.

Philip Lawrence: Okay. Our party did as well.

I'm wondering if you share our disappointment that only one project has been listed so far in 15 months.

Adam Legge: It's a complicated process to coordinate all of the input and the reviews from a host of different departments across government, so there is opportunity to accelerate.

We're also talking about this time last year, when the organization was stood up. I don't think we should underestimate the amount of effort it takes to get all of that brand new set-up, to get the teams working together and to have the power to review a whole host of projects.

Obviously, speed is both the objective and the ambition. We're delighted to see that Pacific link is the first project that's come through designated as a project of national interest. Through continued operation, I think the team will be able to designate more in the coming days and weeks.

● (2020)

Philip Lawrence: I'll tell you my concern. Perhaps you can say whether you agree or disagree with it.

With Bill C-39, there are absolutely zero consequences if in fact timelines are not met by the regulators. I mean zero. They have to go back, create a new plan and then do it again, and just explain why they didn't. If your members don't abide by the law, they face fines, penalties and even incarceration if they don't do what the laws of the land say, the laws of what the government says, but in ultimate hypocrisy, the regulator, the actual government, which is supposed to be overseeing this, faces no consequences if it doesn't abide by the law.

Do you have any of these same concerns?

Adam Legge: As I mentioned in my opening remarks, we do feel that the timeline should be binding on the government. You have to factor in whether it's a government or a proponent stopping the clock. That should be a factor in the consideration, but there should be firm timelines and commitments. One of the ultimate potential options is that if a project is not approved within the one-year timeline, it is deemed approved as of right. Of course, you'd have to factor in the circumstances around that, but we do think there should be a binding time commitment with some sort of consequence or, conversely, that it's deemed approved if the timeline isn't hit.

Philip Lawrence: I think that is an excellent suggestion. It's one that merits research in terms of the approval, as you say, by right. In other words, if in fact it is approved until it's not approved, and if in fact the regulators.... It has to be the regulators, not the proponent. The proponent is responsible for slowing the progress. They bear that responsibility, but if in fact it's the regulators who flout the law and fail to meet timelines, it is approved. I think that's very much worth a discussion going forward.

I want to go back, though, to one of the reasons Bill C-5 and Bill C-39 were put in place. It was because of some of the disruptions that occurred. Could you describe the chaotic business environment that was created by this government's failure to manage certainty in the economy?

Adam Legge: I can comment on the fact that the original Bill C-69, the Impact Assessment Act, created a tremendous amount of uncertainty with respect to project applications. It was a very lengthy process, very duplicative and repetitive. Much of the study that was done through the IAAC assessment process was then duplicated in the permitting system within the different departments, so it was a completely inefficient program.

Finally, some of the last-minute decision-making that could be made by ministers or cabinet at the eleventh hour ultimately resulted in concern from the private sector about being willing to invest in a process and a project with the uncertainty of something happening. Enbridge's northern gateway is a perfect example of that. They went through the entire process, years of the process, only to have the project rejected at the final minute. That was a bellwether of future potential applications. The private sector deemed Canada to be challenging.

Philip Lawrence: Thank you, Mr. Legge.

I want you to know that on behalf of all the committee, you have our thoughts and prayers on everything that has occurred with the tragedy in Wainwright.

Thank you.

Adam Legge: Thank you.

The Chair: Our last round of questions goes to Ms. Desrochers.

[*Translation*]

Caroline Desrochers: Thank you very much, Mr. Chair.

I want to thank the witnesses for being with us so late this evening. I also want to thank those who are here in person for being here in person.

My first question is for the representatives of the Montreal Port Authority.

I was very pleased to hear you talk about letters patent. As the member for Trois-Rivières, I discuss this with Mr. Métivier regularly, so I think he'll be pleased to hear this evening's testimony.

Several of the bill's provisions deal with identifying and mitigating bottlenecks. You mentioned paperless trade earlier. The trade diversification corridors strategy is also part of the conversation, and you talked about increasing productivity as well.

Can you tell us a bit more about how the measures in the bill will help increase productivity at our ports? What impact will this have on businesses, especially small and medium-sized ones? Will greater productivity result in better services and a faster movement of goods when they arrive, are loaded and depart? What will expedite things?

● (2025)

Julien Baudry: Thank you very much for your question.

Increasing productivity hinges on attracting more investment. In eastern Canada, for every dollar invested, both privately and publicly, American ports have invested $32. Because of those investments, some American ports are now more productive. That's not always going to be the case. More importantly, they have become more stable. That stability comes at a cost. As a result, there are currently 600,000 to 800,000 containers of Canadian goods passing through American ports. That means higher costs and a larger carbon footprint, but it also means that products from Quebec and Canada cost more to export.

Caroline Desrochers: In your view, will the investments the government is making and the powers it is giving itself to expedite things make it possible to catch up?

Julien Baudry: Whether we can catch up remains to be seen, but we definitely need to move much faster if we want to regain sovereignty over our supply chains.

Caroline Desrochers: Thank you very much.

[*English*]

My next question is for Mr. Legge.

I'll reiterate what my colleague, Mr. Lawrence, said about how our thoughts are with you and everyone over there today.

Let's turn to the changes in the regulation around the Canadian Energy Regulator Act and the additional speed and responsibility that will be entrusted to the Canada Energy Regulator. What message do you think this sends to investors who are deciding where to put their capital right now? Do you think the government got it right?

Adam Legge: Yes, I think the government got it right on several factors. First and foremost, the Canada Energy Regulator is now responsible for all energy and pipeline projects. Before, it was dispersed between them and the Impact Assessment Agency. This is the right move, to give the CER the ability to do that. We very much agree with that.

The accelerated timelines are also welcome. They got that right. We are now highly competitive with the United States, moving some of the review periods down to a time of 180 days. These are competitive times. Canada needs to move its product to other non-U.S. markets, to get its oil and gas products to Asia and to Europe. These timelines will attract significant investment and give greater certainty to the capital that's been sitting on the sidelines.

Caroline Desrochers: Thank you very much.

Can you tell us a bit about how the Alberta business community is feeling these days with the messages that we've been sending?

Adam Legge: The members I speak to who would fall under any of the changes of Bill C-39 are tremendously optimistic. It's a combination of the mega deduction, Bill C-39 and the changes to the CER and the Impact Assessment Act, and the Pacific link designation. I can tell you that there's a tremendous amount of optimism, particularly in the resources sector in Alberta. They're just ready to get going and get building.

[*Translation*]

Caroline Desrochers: Thank you very much, Mr. Legge.

[*English*]

The Chair: Thank you, Ms. Desrochers.

All right. That brings us to the conclusion of our first meeting on Bill C-39.

I want to thank our witnesses. You are our first panel of non-officials, and you got us off to a good start. We're very grateful.

The meeting is adjourned. I will see all of you very soon.

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