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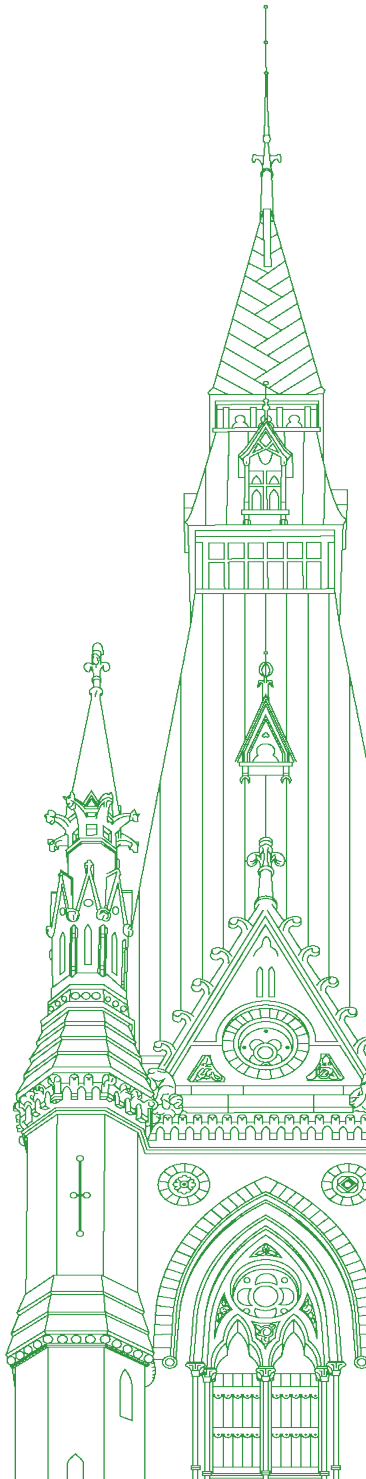
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Chair: James Maloney

Legislative Committee on Bill C-39

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● (1000)

[*English*]

The Chair (James Maloney (Etobicoke—Lakeshore, Lib.)): Good morning, everybody. It's nice to see you all again.

I'd like to call this meeting to order. Welcome to meeting number three 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, 2026. Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I would like to take a few moments for the benefit of the witnesses and members. Please wait until I recognize you by name before you speak. For those participating by video conference, click on the microphone icon to activate your mic. Please mute yourself when you are not speaking.

For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel. I'd like to remind witnesses that committee members may ask questions in either French or English. If you need interpretation, please take a moment now to prepare your earpiece. Select the listening channel you need in advance in order to take full advantage of the time allotted for questions and answers. All comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

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

From the Canadian Chamber of Commerce, we have Pascal Chan, vice-president, strategic policy and supply chains, and Bryan Detchou, senior director, natural resources, environment and sustainability.

From Canadian Manufacturers & Exporters, we have Dennis Darby, president and chief executive officer, and Matt Conley, director of government relations.

On Zoom, from International Longshore and Warehouse Union Canada, we have Mr. Tom Doran, president.

Thank you, gentlemen, for being here this morning. For each group, you will get up to five minutes to do your presentation. Once all three of you have presented, we will open the floor to questions.

We will start with Mr. Chan.

[*Translation*]

Pascal Chan (Vice President, Strategic Policy and Supply Chains, Canadian Chamber of Commerce): Thank you, Mr. Chair.

[*English*]

My name is Pascal Chan. I'm the vice-president of strategic policy and supply chains at the Canadian Chamber of Commerce, which is Canada's largest and most activated business network, representing 400 chambers of commerce and boards of trade and more than 200,000 businesses of all sizes from all sectors of the economy and from every part of the country.

I'm pleased to be joined today by my colleague Bryan Detchou, our senior director of natural resources, environment and sustainability, with whom I'll be splitting my time.

[*Translation*]

I'd like to start by thanking the committee members for undertaking this study and inviting us to appear as witnesses. The building Canada strong act comes at a time when our nation must focus on economic growth, productivity, and its competitiveness in the global economy.

The government has made it clear that it wants to double non-U.S. exports by 2035 and make Canada the fastest-growing economy in the G7. With two-thirds of Canada's GDP dependent on international trade, having reliable supply chains is paramount. The string of work stoppages in recent years affecting key parts of our transportation infrastructure could unfortunately make it impossible to achieve our objectives.

[*English*]

Bill C-39 aims to address this issue. While it contains measures that, it is to be hoped, will improve collective bargaining outcomes, such as geographic certification or the introduction of a special mediator, other changes are likely to work against its intended objectives. Most notably, changes to section 107 of the Canada Labour Code would limit the minister's ability to intervene in a labour disruption until after the damage has been done, despite having access to the new special mediator's report that will include an assessment of the parties' participation, as well as the likelihood that they will reach an agreement, along with a national interest assessment that would measure the expected severity of a shutdown.

The special mediator's report and national interest assessment should enable the minister to make an informed decision on the need to intervene in rare and exceptional circumstances. Adjusting the proposed text of the bill to remove the requirement for a strike or lockout to already be under way would offer flexibility, allowing the minister to make important decisions at their discretion in the interest of protecting Canadian businesses and workers.

I will now turn it over to my colleague Bryan.

● (1005)

[*Translation*]

Bryan Detchou (Senior Director, Natural Resources, Environment and Sustainability, Canadian Chamber of Commerce): Thank you, Pascal.

Thank you, Mr. Chair.

[*English*]

I'd like to focus on part 1 of the bill. It is entitled “Build Canada Now”. As a key component of Bill C-39, it forms part of what could be Canada's most consequential economic legislation in decades. Its implications will shape the country's economic trajectory for generations to come, making it essential that we get it right.

Our message is straightforward. Part 1, as proposed, advances the government's objective of accelerating major project infrastructure and resource projects by shortening review timelines, consolidating federal approvals and enabling concurrent permitting. This will help attract investment and build the infrastructure Canada needs. We urge the committee to pass the bill without amendments that would weaken its purpose.

Some will argue that moving faster means cutting corners.

[*Translation*]

That is not true. We can move projects forward more quickly, while respecting indigenous rights and protecting the environment. Part 1 does not lower the standards. It simply eliminates unnecessary overlap and delays, to ensure that the standards are applied within a clearer and more predictable approval framework.

[*English*]

With this framework in place, certainty of implementation is now as important as the legislation itself. Three things will determine whether these changes deliver results.

The one-year timeline must produce real end-to-end savings rather than shifting delays to the preapplication stage.

Responsibilities must be clearly defined, particularly between the CER and the new Crown consultation hub, with extensions remaining exceptional and publicly reported.

Also, federal timelines must be matched by provincial and territorial alignment and sufficient regulatory capacity to meet them.

In an increasingly turbulent world, Parliament must focus on what it can control: the rules and the timelines that determine whether critical projects get built. Get it right, and Canada strengthens its economic independence. Get it wrong, and we risk falling further behind and surrendering greater control over our future to global powers.

Our ask is simple: Pass part 1 of this bill without amendments that would weaken its purpose. Now, we need to turn attention into projects, investment and growth, and to deliver.

Thank you. We look forward to your questions.

The Chair: Thank you, gentlemen.

I'll move over to Mr. Darby.

Dennis Darby (President and Chief Executive Officer, Canadian Manufacturers & Exporters): Thank you, Mr. Chair.

My name is Dennis Darby. I'm the president and CEO of CME, the national voice of about 1.85 million workers, for about $210 billion in real GDP every year, and the sector that has built this country's prosperity.

For many years, manufacturers have watched Canada fall behind its peers in terms of capital investment in plants, technology and automation, which has been called a productivity crisis by no less than the deputy governor of the Bank of Canada. Over the last decades, we've seen projects stalled; private investment, large infrastructure and processing projects leaving; and timelines stretched.

The fragility of our industrial sector, which we represent, was acutely demonstrated with the imposition of unjustified tariffs by the U.S., shining a light on our dependence but also on our lack of domestic capacity to capitalize on our store of resources from transportation to processing.

We want to be very clear. We are cautiously optimistic about Bill C-39. The government is proposing to do what we've been advocating for over decades, which is to build faster with greater certainty. It's a necessary effort to improve our competitiveness. We've called for faster, more predictable and more coordinated project approvals for years. As federal project assessment and permitting regimes have become more complex in the last decade, we have to act.

The government has faced mounting criticism of duplication and a lack of coordination across federal entities. Following the lead of the Building Canada Act, Bill C-39 proposes to consolidate federal decision-making by reducing the number of departments and agencies involved in decisions and establishing a mechanism for consolidating those decisions into a single document. The proposed one-year timeline for key federal decisions is particularly important, because investment decisions depend not only on regulatory standards, but also on certainty, predictability and speed. Our understanding is that Bill C-39 would cut many of the IAAC's evaluation timelines in half to achieve that 365-day target from end to end. This is a substantial improvement, and manufacturers support it.

Provisions supporting electricity transmission, nuclear development and energy infrastructure are critical for industrial growth and expansion. Access to reliable, affordable energy is critical for manufacturing. Very little new industrial capacity to mine, process or manufacture can happen without that reliable source of energy.

The bill recognizes that infrastructure, energy systems, transportation corridors and industrial supply chains are essential.

The digital trade provisions are important for modernization to help reduce administrative burdens and improve efficiency. Many manufacturers are managing complex cross-border supply chains. If you can reduce friction, it will help.

However, our optimism is somewhat measured, and I'll tell you why.

We have seen good legislation underperform before. Manufacturers remember it. The success of this legislation will depend on its implementation. Timelines written into the legislation will matter only if federal departments and regulators have the staffing, the resources, the coordination mechanisms and the decision-making discipline required to meet them. It's not a small ask. Multiple federal entities do not suddenly start coordinating because a bill passes. This is not to mention the coordination that will be needed at the provincial level. Manufacturers will be looking to ensure the accelerated timelines translate into real-world reductions in approval delays with no additional procedural complexity.

Our biggest concerns are what we call the completeness question when it comes to major project reviews and how government defines when a project is considered complete. There is a risk that significant amounts of work could be pushed earlier into the process, resulting in a shorter form of review but not necessarily a shorter timeline. For example, if the one-year clock starts only after years of front-end preparation, we're not that much further ahead.

Bill C-39 proposes to expand the scope of the Building Canada Act to enable the designation of regions of national interest. Our understanding is that this would include transportation and energy corridors, telecommunications networks and industrial regions. This is exactly the kind of strategic thinking we think we need to grow our economy, especially in the current environment. However, we want to see a credible and detailed plan on how this will actually deliver.

There is one more thing the committee should hear from us on this, and we want to say it clearly. Nobody wants to be tied up in court because of the actions of this bill. Litigation does not build pipelines or move goods. It delays everything for everyone, and getting the information will be important.

Of course, we support meaningful indigenous consultation and partnership, but continued uncertainty or duplication in the consultation process could still undermine project timelines and investor confidence.

We know indigenous consultation is guaranteed under the law. In the same way, the ability of the government to intervene to protect Canada's national interest on work stoppage also needs to be looked at very carefully, with a minimum amount of possibility that, in fact, we inadvertently end up delaying projects for reasons we don't need.

● (1010)

Get the consultation right. Get the labour framework right. Please don't give reasons for organizations to go to the courts, because that would be a terrible outcome.

This is a positive and important shift toward a more execution-focused industrial policy framework. We are very much encouraged by the government's recognition that Canada must build faster to compete. We're ready to help, and we look forward to moving this ahead.

The Chair: Thank you, Mr. Darby.

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

Tom Doran (President, International Longshore and Warehouse Union Canada): Thank you.

My name is Tom Doran. I'm the president of the International Longshore and Warehouse Union Canada. We represent thousands of longshore workers on Canada's west coast.

I'm here to talk about the people who work on the docks, keep this economy moving and will be affected by this bill. ILWU members keep Canada's economy moving and growing by loading and unloading ships and handling cargo at our ports 24 hours a day, year-round, in all conditions. Our skilled work keeps goods flowing in and out of this country. Our members may be among the first affected by these new restrictions on our right to bargain freely and fairly, and the consequences will reach far beyond the waterfront.

These changes to the Labour Code confirm a clear path for government intervention. They give employers a reason to hold out and a road map for getting the government to end a strike. Why? It's because they have received a clear signal from government that it will step in when things get difficult and stop workers from exercising their right to strike. This weakens the incentive for employers to negotiate better wages or protect jobs from AI, automation and outsourcing.

Automation is changing the waterfront. How it is introduced has to be negotiated between workers and employers, not imposed upon us. We have families that have worked on our docks for generations, and bargaining is how we protect the work that will be left for future generations. When the government steps in, employers get to automate on their own terms and questions about the future of work on our waterfront and across the economy are left unresolved. The impact starts long before a strike. Once employers know the government will intervene, they will have no reason to bargain, and workers will lose the only leverage they have to protect their jobs.

Ottawa has an obligation to protect free and fair collective bargaining and not tip the scales in the favour of the corporate elite in this country. Our message to Parliament is clear. This bill effectively dismantles our members' constitutionally protected right to strike.

Ports matter to the economy because of the people who keep them moving. The importance of our work cannot justify stripping away our rights. Lasting labour peace comes from fair, negotiated agreements.

I respectfully ask this committee, and Parliament as a whole, to repeal section 107, remove the new strike restrictions and let collective bargaining work for workers.

I also want to address clause 307 of this bill, which would allow two or more employers or the minister to ask the CIRB to impose geographic certification on our individual bargaining units. Workers could be forced into a bargaining structure they did not choose. All of our longshore locals and ILWU Local 514 have loudly rejected being forced into such a structure. It undermines our charter right to freedom of association.

If members of this committee are looking for more predictability, you will not find it here. Imposing a structure on a strained relationship freezes the dysfunction in place and will almost certainly produce longer and more bitter disputes. Workers and their unions value our existing voluntary bargaining structure. There is no evidence that a forced geographic certification on the west coast will improve bargaining outcomes.

We urge this committee to examine this legislation carefully and critically, because the consequences are serious. This government said it wants to build the economy with workers and put them at the centre of it. We agree with that goal. We are asking you to hold this bill to that standard. Canadians heard those commitments, and they expect you to keep them.

Thank you. I look forward to your questions.

● (1015)

The Chair: Thank you very much, Mr. Doran.

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

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

Tom, it's good to see you again.

Yesterday, we had the opportunity to hear from the minister, who made some statements that, quite frankly, don't match with the interpretation of the changes to both section 107 and the geographic certification, so I want to put some of the things the minister said yesterday to you and get your thoughts on them.

The minister said she thought the changes to section 107 put “guardrails” on it. Do you believe she's actually putting guardrails on the use of section 107?

Tom Doran: Respectfully, we don't see it that way. We see it creating a clear path forward for ending labour disputes and giving the minister the sole power to direct the CIRB to end a strike.

We see these changes as undermining the effectiveness of collective bargaining and undermining our ability to get a fair deal at the table.

Kyle Seeback: Tom, I put this question to the minister yesterday, and I also found her response to this to be quite disappointing. I suggested that if the special mediator did a report that finds the employer was bargaining in bad faith, the use of section 107 would clearly be off the table to end a strike. She absolutely would not confirm that this is the case.

With these changes, an employer could be bargaining in bad faith, or not bargaining, and the minister could still use section 107 to end a strike. What do you think about that?

Tom Doran: It's unfortunate. I don't think the minister should have the ability to direct the board to end a strike.

The question of bargaining in bad faith gets resolved only well after a dispute or a work stoppage may arise. Ultimately, I think it's a finding of fact, particularly when there are monetary penalties involved. I don't think the special mediator's report is a finding of fact. It's a subjective finding. I don't believe the “bargaining in bad faith” question can be resolved by the minister either, so I don't think these provisions, as stated, will necessarily prevent the parties from bargaining in bad faith if, in fact, that is found to be the case.

● (1020)

Kyle Seeback: One other thing I also put to the minister was the change in the language of section 107, which I also find deeply troubling. The old section 107 says, “The Minister, where the Minister deems it expedient, may do such things”. The new section 107 would say, “The Minister may take any measure that, in the Minister’s opinion, is likely to maintain or secure industrial peace”. To me, “may take any measure” is a massive expansion of the minister's powers, as opposed to “where the Minister deems it expedient”.

Have you contemplated that change as well? I think it's a shocking expansion of the minister's discretionary power.

Tom Doran: We have looked at those changes to section 107. That's why we say this language is wildly permissive and allows the minister to end a labour dispute in practically any circumstance. That's why we are calling for the repeal of section 107.

Kyle Seeback: [*Technical difficulty—Editor*] things that I put to the minister was.... She said the goal of this bill was to support workers and employers to get to a collective agreement. I know you probably don't think that's what this bill does.

I asked the minister a number of things. Would it make sense if the special mediator had some special powers other than a report? For example, the special mediator could set days and times the parties are required to meet and bargain. Could the special mediator have the power to bring anyone to the mediation who would be useful in resolving the dispute?

Do you think making some changes like that and giving the special mediator some additional powers would be helpful?

Tom Doran: We clearly identified a deficiency in what the government has proposed with respect to the special mediator. We've also identified that there are no new powers, other than working with the parties at a certain point, making some recommendations and producing a report.

We had called before and during consultations for certain powers to be given to a special mediator if one were to be introduced through legislation. Those powers would include the power to compel, to bring people together at the table, the people who need to be at the table to get to a deal. That's critically important for the effectiveness of collective bargaining.

We are greatly disappointed that the government didn't take up the opportunity to really make this special mediator role effective for the parties to get a deal before we have to start producing reports and releasing them to the public.

The Chair: Thank you, Mr. Seeback.

Dr. Martin, I'll go over to you.

[*Translation*]

Danielle Martin (University—Rosedale, Lib.): Thank you to all the witnesses for being with us today. I have a question for each of you, and I'll start with Mr. Chan. I want to talk about trade diversification and small and medium-sized enterprises, or SMEs.

[*English*]

We all know that we're up against a very serious economic threat in this country and that part of our response has to be to diversify our trade to other partners, aside from the U.S., and to build better interprovincial trade corridors across the country.

Despite all the work being done by the Prime Minister and by first ministers across the country to sign trade deals, the signing of a trade deal is not what strengthens the economy. It is the actual shipping of Canadian goods to those partners that will allow our businesses to thrive and to keep our workers employed. I think we need to figure out how we're going to get those goods to market in short order.

We have been talking a lot at this committee about the major projects that this bill enables, but there is a lot of work in the area of small and medium-sized enterprises that we need to be thinking about. I'm wondering if our colleagues from the Canadian Chamber of Commerce could talk to us specifically about small and medium-sized businesses in this country and how you think this bill might affect them.

● (1025)

Pascal Chan: Certainly, and I'll let my colleague Bryan talk about some of the major project implications.

On the labour piece, this is one of the things that we hear about most frequently from our network of chambers. As I said, there are 400 chambers of commerce and boards of trade across the country that feed into our membership, and the small businesses are participants there. The labour disruptions, especially when we look towards exports, are a huge piece for them.

As well, our business data lab has looked at obstacles facing businesses through Statistics Canada's Canadian survey on business conditions. It noted that, last year, exporters were typically the most optimistic of businesses, but that had completely been eroded. As well, for 90% of businesses that had been experiencing supply chain obstacles, we're expecting them to either stay the same or get worse over the coming three months, which is a notable concern for the network and for businesses across the country, including SMEs.

Bryan, I don't know if you wanted to add anything on the major projects piece.

Bryan Detchou: On the major project side, I would say that one thing that can be noted in Bill C-39 and perhaps build on what was in Bill C-5 is removing the sunset clause, which then makes it possible for all different types of projects to benefit from the streamlined approvals that are currently in this legislation.

The Canadian Chamber of Commerce was very much on the record and supportive of Bill C-5, but we certainly wanted its scope widened. We're seeing that with Bill C-39, which we are very pleased with.

Danielle Martin: Thank you, Mr. Detchou.

I'd like to turn to Mr. Doran and the ILWU.

Thank you for your testimony.

My understanding is that in the Ready report, which looked at the strike at the west coast ports, there was a finding that in 2023, a lot—or perhaps even most—of the actual conversation between the parties took place after the strike already had started. I think this is part of what the role of the special mediator in this bill is trying to address: to put pressure on earlier so that we don't end up with a lockout or a strike before the parties even start to talk.

Could you say a little about your perspective on the special mediator role?

Tom Doran: Thank you for your question.

As I indicated earlier, we feel that the special mediator role as it appears in this bill is not really what we had been asking for in the industrial inquiry. In fact, we asked for greater powers to be given to conciliation officers to do such things as compelling appearance and helping the parties get to the core issues in bargaining.

It's unfortunate that during the strike the parties had very little time at the table, even though the union had requested time at the bargaining table after the dispute had begun. There was nothing there that compelled the parties to be at the table, even during a strike.

Danielle Martin: If I may follow up on that, do you not see any additional leverage or benefit to the fact that the report would need to be made public? It seems to me that, if a party were engaged in the kind of behaviour they're talking about—in which the union is asking the employer to come to the table and the employer is refusing—but with the knowledge that there is a special mediator report that will put some sunshine on that, it might be of use. Do you agree with that?

Tom Doran: I don't see the report's being made public as really changing that dynamic at the bargaining table. It's a kind of “after action”. Some employers may not be too concerned about whether they have been considered to be bargaining in bad faith if their goal is to truncate the collective bargaining process and end up with government intervention. We believe that's what employers will gravitate towards with this bill.

● (1030)

Danielle Martin: I think that's my time. Thank you very much.

The Chair: Thank you, Dr. Martin.

Mr. Ste-Marie, go ahead.

[*Translation*]

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

Good morning to the witnesses, and thank you all for being with us.

Mr. Doran, could you explain the difference between a collective agreement that is the result of bargaining and one that's imposed?

[*English*]

Tom Doran: Thank you for your question.

A collective agreement that is bargained allows the parties to deal with very substantive issues that may go beyond, let's say, wages and monetary items, and maybe the term of the collective agreement. For example, some of those substantive items that we are facing have to do with technological change, artificial intelligence, automation and contracting out of our work, which is continuing to occur on the waterfront.

If a dispute is referred to a third party to resolve, mediators are not well suited to delve into those very important substantive issues, beyond money and the term of collective agreement. We believe that these substantive issues will be left unresolved if the collective bargaining process is interrupted and handed to a third party. Our workers will be left without the ability to negotiate such things as the changes to our industry through automation and artificial intelligence.

[*Translation*]

Gabriel Ste-Marie: Thank you.

The mediator, then, resolves wage and monetary issues and such, but substantive issues, such as health and safety or the use of new technologies, aren't dealt with. You just told us that those issues and disputes go unresolved. They're still there the next time bargaining comes around. The problem remains, and the imposed agreement hasn't resolved the issues. All it's done is delay resolution of a problem that will have to be dealt with eventually. Is that correct?

[*English*]

Tom Doran: That's correct. This is how we see it, and in fact, it is our lived reality. These issues continue to exist, regardless of whether they're legislated away. These pressures exist and continue to mount, agreement after agreement, without resolve. This leads to greater instability on the waterfront.

It's only through effective collective bargaining that we can get these issues resolved. That's why we criticize this bill: It effectively removes the right to strike, which undermines the entire apparatus, the entire premise on which collective bargaining is built—having that economic power. It's the only time we can balance against the economic power that the employer inherently has on a day-to-day basis.

[*Translation*]

Gabriel Ste-Marie: Thank you for your answer.

As you told us, employers know the special legislation exists and thus have no reason to negotiate in good faith—even though they're supposed to under the law. The employer knows that eventually a mediator will be appointed and an agreement will be imposed. That signals to the employer from the get-go that it's not in their interest to bargain. Instead, they have an incentive to let the dispute drag on, exacerbating the problem and damaging labour relations. Would you agree?

[*English*]

Tom Doran: Yes, we agree. We have already seen that section 107 of the Canada Labour Code, in its current form, was used 10 times in a period of 18 months by this government. That undermines the collective bargaining process and gives employers a clear signal that there is an off-ramp. You don't have to bargain. Eventually, whether it's in a matter of hours, days or weeks, there will be an intervention, and collective bargaining will be interrupted by this government. A legal strike will be ended by this government. We have no reason to believe that section 107 will be used any less frequently if this bill is passed.

● (1035)

[*Translation*]

Gabriel Ste-Marie: A few years ago, in its decision in Saskatchewan Federation of Labour v. Saskatchewan, the Supreme Court of Canada made clear that the charter-protected right to strike can be limited to protect the lives or safety of the public, but cannot be limited to protect a company's profits or an economic activity. Do you think the way section 107 is being defined here respects the court's decision and the charter?

[*English*]

Tom Doran: No, we believe the changes to this bill undermine the charter-protected right to strike, which is included in the right to freedom of association. We believe it undermines that right because it renders the effectiveness of a strike.... It renders a strike nearly useless. If a strike occurs and the minister has the authority, under this bill, to end that strike within hours, minutes or days, it renders it useless. A right that cannot be effectively exercised is not a right at all.

[*Translation*]

Gabriel Ste-Marie: Thank you very much.

[*English*]

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

We'll go to the five-minute round, starting with Mr. Albas.

Dan Albas (Okanagan Lake West—South Kelowna, CPC): Thank you, Mr. Chair.

Thank you to all of our witnesses for coming today.

I'm going to start first with the Canadian Chamber of Commerce and then move to Canadian Manufacturers & Exporters.

Thank you for your submission today.

One thing that was common to both of your testimonies was the concern around the precommencement, the front-end completeness process. Proposed subsection 19(4)—we have affectionately called it the Groundhog Day clause—allows for a responsible authority or head to request another report endlessly because a project may be controversial or they may believe that more information is needed.

Is not having a front-end process a concern? Further to that, would requiring the responsible authority to determine completeness—let's say within a reasonable time of 45 days—and issue either a completeness determination or one consolidated deficiency notice identifying every reasonable, discoverable deficiency and its legal basis, and pause the clock...? They would start the clock but pause it while the company or proponent responds. This would allow there to be a hard set time to begin. If a company has not come with its ducks in a row, that puts the onus on the company. What do you think of a potential amendment to effectively cause the clock to start?

Bryan Detchou: I'm happy to go first.

This is something we identified as one potential weakness. We know that the preapplication phase has no statutory limit, so that's something we have concerns about. Of course, the bill does not accomplish its intended goal if all the delays just move to a different phase. That is not something we want.

With regard to your recommendation, I think that would be a welcome amendment. We did, in our submission during the consultation process over the summer, talk about having clear, published criteria and clear deadlines in that regard. This is something we would generally support.

Dan Albas: Thank you, sir.

Mr. Darby.

Dennis Darby: Likewise, we would say that the idea that the timelines could be...and that all of these were artificially stretched because of these multiple interventions or the movement of the yardsticks is a concern, and it was a concern in our submission. We would be supportive of an amendment to that effect.

Thank you.

Dan Albas: Yesterday I highlighted a real and glaring gap between the Building Canada Act in Bill C-5 and the established framework in Bill C-39. Every project deserves a fair hearing, so Bill C-39 is welcome on that, but if we can amend it so that the clock actually starts, that would be a good thing.

Essentially, I'm proposing that once the commencement has happened and a 45-day notice has been given, the use of the Building Canada Act can be modified. Instead of relying on the Major Projects Office, which doesn't have a mandate and often may not have the same expertise as the Canadian Nuclear Safety Commission, the CER or the IAAC, if there's a project that has a real case as a project of national interest, why not refer it at that point to the Building Canada Act minister, Minister LeBlanc? With that, they could identify which parts of it could be safely streamlined, using the exemptions and the incredible powers given to them under the act. This would then allow expertise to make the recommendation and the government to make the final decision and show leadership.

This would create a pipeline for pipelines. It would create a pipeline or a bridge that would allow for more projects to be considered fairly, rather than just those proposed by whichever lobbyist or premier has the minister's ear.

How do you respond to that? Maybe Mr. Chan could respond.

● (1040)

Bryan Detchou: I'll do this.

I think it is an amendment we would be open to exploring. I'd have to look at some of the fine print of it.

Generally speaking, our position is that we believe Bill C-39 builds on some of what we saw in Bill C-5. We were supportive of Bill C-5, but one of our recommendations at the time was that its scope should be widened. Bill C-5 certainly focused on projects that were deemed of national interest, whereas Bill C-39 projects do not necessarily have to meet that threshold. They just have to be major projects.

Your specific amendment is something that we'd be open to reviewing.

The Chair: You're done. I'm sorry. You're way over time.

Dan Albas: I will send you the information, and maybe you can respond to the committee.

Bryan Detchou: Absolutely. Thank you, sir.

The Chair: Thank you.

Mr. Louis is next.

Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Chair. Thank you to the witnesses here today.

We're hearing that the challenges Canadians are facing with protectionism, tariff risks and broader geopolitical uncertainty are increasing costs, disrupting supply chains and making it harder for businesses to plan and invest with confidence. The word “confidence” is very important. Building resilience is going to mean expanding those trade opportunities and strengthening those supply chains to make it easier for businesses to operate across Canada.

I'll start my questions with the chamber. We've worked together, and we met over the summer in the consultation periods. It's been very helpful. I've also met with a number of the provincial chambers of commerce and then locally with chambers of commerce right down to the small town BIAs and boards of trade. It's a very good way of finding out what's going on with businesses.

It's important for me to ask you this. You're saying that exporter optimism is not there right now, but how would the building Canada strong act's measures to strengthen coordination among ports, railways and road infrastructure, along with clearer timelines, improve our reliability and competitiveness as a trading partner, and what would that do for confidence for Canadian businesses?

Pascal Chan: On the first piece, as I said, the spirit of the legislation in bringing in a special mediator and looking to get to better collective bargaining outcomes are definitely steps in the right direction. We have significant concerns about this when we're looking to pivot some of that trade and expand. I think it was mentioned earlier that we have 15 free trade agreements granting us access to 50 countries, but we need to show that we are able to reliably deliver the goods.

Unfortunately, I think the reason we're having the discussion about this bill right now is that if you look at the data from ESDC over the last three years, you see a significant increase in the number of person-days lost to labour disruptions. Starting in 2023, I think we hit the highest mark since 1986, and then in 2025, we were at the highest days again. That's significantly concerning. Without saying names, at the end of last year we saw a significant Canadian company opt to build their export terminal in the U.S. rather than here in Canada, and one thing they cited was labour disruption.

Businesses are taking note, and if Canadian companies are not convinced to spend their capital here, how are we going to attract the capital we need from elsewhere?

It's very important to address those provisions to ensure that there's stability and that our international trading partners believe that Canada can reliably deliver the goods. This is why we raised the concern about when the minister is able to intervene, especially in the context of the time it takes before we get to a strike, the need to organize an orderly shutdown and the time it takes to get back up and running. From ports to rail, we've seen estimates in various situations that for every day of work stoppage, it takes three to five or four to six days to get back on track. That's one of our major concerns.

If you like, we can go over to some of the other....

● (1045)

Tim Louis: That's on the international part. What about Canada's being its own best trading partner and working within Canada and on trade? How can this legislation help to work on those supply chains?

Pascal Chan: We're happy to say that, especially with Bill C-5, we were immensely supportive of the work done to remove the internal trade barriers. We would note that a lot of the work still to be done is at the provincial level, but I think the leadership we've seen and the progress we've seen in terms of getting the provincial ministers focused on internal trade to the table and discussing how they need to change things, putting in understandings and removing barriers themselves—especially eliminating all the exemptions in the Canadian Free Trade Agreement—are things that we were immensely supportive of and that our network of chambers was incredibly pleased to see.

Tim Louis: You're part of the process of working through that. I appreciate that.

Turning to the Canadian Manufacturers & Exporters, I note that this bill introduces a "tell us once" approach and expands on the use of electronic trade documents. What practical benefits can that have to reduce duplication in paperwork and administrative delays? How can this help exporters, importers and small businesses? How can it help Canadian firms?

Dennis Darby: This bill in its intent does exactly that. It removes the potential for duplication and the potential for delay. Canada's problem for manufacturers, aside from the tariffs we're facing from the U.S., is the predictability and ability to get things from coast to coast and the ability to move across the country and out of the country.

One thing this bill does, among many other things, is to add the potential to streamline what is typically now a rather cumbersome process. Aside from the fact that this bill can create a lot of demand for manufactured goods, it also creates the conditions to move things more quickly on a more timely basis. We think that's a very important part.

Tim Louis: Great. Thank you.

I believe that's my time, Chair.

The Chair: Thank you, Mr. Louis.

Mr. Ste-Marie, you have two and a half minutes.

[*Translation*]

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

Mr. Doran, we talked about the Supreme Court's decision. A week and a half ago in Quebec, the administrative labour tribunal struck down Quebec legislation modelled on section 107 of the Canada Labour Code to end labour disputes. The tribunal determined that the legislation did not respect the Quebec charter or the Canadian charter and that it put excessive limits on the right to strike.

Bill C-39 seems to do the same. As we were discussing earlier, this legislation could be unconstitutional. Since the provisions in question are potentially unconstitutional, does Bill C-39 increase labour market instability and uncertainty, rather than the opposite?

[*English*]

Tom Doran: Thank you for your question.

Yes, we believe this bill will lead to greater instability. This is not only because it weakens the collective bargaining process; it's also because we see that this bill is undermining that charter right of freedom of association, which includes the right to strike.

There is certainly the possibility that this bill would be left open to court challenges. There are currently, I believe, four or five challenges at the Federal Court on the government's use of section 107 already. Those will be heard at the Supreme Court. We are already challenging this government's ability to use section 107 in its current form as being unconstitutional. We don't see that these changes make it any less unconstitutional. We believe that for this reason, on the legal front and on the labour relations front, this will bring much greater instability rather than the opposite.

[*Translation*]

Gabriel Ste-Marie: I have 15 seconds left.

Do you want to follow up on the issue of forcing workers within a geographic area to bargain as one under clause 307 of the bill? Could you say a bit more on that? Thank you.

[*English*]

The Chair: Be very quick, Mr. Doran.

Tom Doran: Just briefly, currently employers or the government do not have the ability to go to the board to ask for a geographical certification. How workers choose to organize themselves in a way that they see fit to collectively bargain with their employers is up to them. We believe the government should not change that. It should be in the hands of the workers, not the government or employers, to choose their bargaining representation.

● (1050)

The Chair: Thank you, Mr. Doran.

Thank you, Mr. Ste-Marie.

Mr. Leslie, go ahead.

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

I'd like to start with the Chamber of Commerce, and likely with Mr. Chan.

During Mr. Doran's exchange with my colleague, he stated that he and his members wanted better bargaining, something we should all support. He seemed supportive of the special mediator's being given tools beyond a public reporting mechanism to help on that front—such as setting times for bargaining—to ensure that both parties stay at the table until they can reach a deal.

Would you support the special mediator's being given real tools to ensure better bargaining and reduce work stoppages before they start?

Pascal Chan: We would support the special mediator provision. Looking at other things that would enhance their role in getting to better negotiated outcomes is always positive. If you look at the public report, this is something we've supported as well.

What we're looking at and talking about on behalf of our members, businesses and all sectors in every area of the country is wanting fewer work stoppages. In most situations, we get to a bargained and negotiated agreement, which is preferable, but we've seen this trend, especially in transportation, toward a lot more stoppages in recent years. That is the concerning piece for us and for Canada's reputation internationally.

Branden Leslie: I'll switch over to your colleague.

The government keeps bragging about faster project approvals, or at least that is the intention in this legislation, but when it misses its own deadlines, there are absolutely no consequences built into this legislation. If the government does miss its own timeline, what sort of consequences should be considered for insertion into this legislation? Let's face it: It's the government, so it's most likely to do that.

Bryan Detchou: That's a very good question. I think there are provisions in the legislation in which a report would need to be published if an extension were requested or necessary. In terms of punishments, that's something we can provide in the brief that we will submit to the committee.

Branden Leslie: Please do that.

To increase transparency and boost investor confidence, would you support a mechanism to require the government to report the actual time from the first application until every federal approval needed to begin construction is issued rather than just how well it meets its own statutory deadlines?

Bryan Detchou: That is something I believe we would generally support. In our opening statement, we said that we urge this committee not to pass any legislation that would weaken this bill. Some of the things that you and your colleague Mr. Albas have mentioned are provisions that would strengthen the bill.

Branden Leslie: Would the witnesses from the Canadian Manufacturers & Exporters agree with that?

Dennis Darby: Yes, thank you. The idea that we would put more provisions in this bill to hold people's feet to the fire for completion and move things ahead is really important. For us, there's no joy in having a delay, because that means capital isn't invested and foreign investment stays away. I'd rather put in more provisions to try to force it to get things done on time rather than have a series of penalties—"Look at that, you didn't meet your timeline." That doesn't matter for manufacturers, because it means things aren't being built.

Branden Leslie: I appreciate that both of you, the manufacturers and exporters group and the Chamber of Commerce, mentioned this in your opening remarks and responded positively to the idea of ensuring a reasonable time frame for completeness of the application on the front side.

Once the clock starts, there are still many options for the government to hit pause on the clock. We heard last night the idea of perhaps putting a cap on the number of pauses. There are a number of days built into some of the pause mechanisms, but beyond the front-loading of obligations and the delays being built in on the front end, as one of you said in your opening remarks, I think there's a legitimate concern about stopping and starting the clock lengthening things.

Should we look at amending the bill so that there is a cap on the number of pauses available to the government throughout the process?

Dennis Darby: I feel this is about scoring on our own net. Every time we do this, basically every time we delay, we are effectively missing an opportunity to build manufacturing, to build transportation and to build our ability to get our resources to market.

If there was something in there to basically put in place a cap to hold everyone's feet to the fire.... We said earlier that it's all about implementation. This is a great bill that's all about the implementation. If the implementation results in multiple delays, then we're not any further ahead than we are today, sir.

Branden Leslie: I'm in the same boat. That's why we're trying to enhance this bill and enhance accountability.

I'll ask the Chamber of Commerce the same question before we wrap up.

Bryan Detchou: Our position is generally similar. We'd be open to exploring that. Anything that strengthens this bill is something that we would support.

What's important.... A gap, perhaps, is that we should require reporting to be public. It's less about the number of caps. Again, we can explore this internally with our membership and see if that would be constructive. Every time the government presses pause, it needs to have a legitimate reason and to be able to explain the reasons for the pause. Public reporting and transparency would perhaps be more key than a set cap.

● (1055)

The Chair: Thank you, Mr. Leslie.

The last round goes to Mr. Bains.

Parm Bains (Richmond East—Steveston, Lib.): Thank you, Mr. Chair, and thank you to our witnesses for joining us today.

My hometown of Richmond in my home province of British Columbia is home to the largest port network in the country, moving $1.1 billion in goods every day—roughly 40% of Canada's trade—yet our global efficiency ranks near the bottom, which negatively impacts our reliability and our reputation. Much of this is due to the labour disruptions we've had in the past.

My question is for Mr. Doran. During testimony at the Senate committee on transport, the ILWU said that before a minister ends a lawful strike or lockout, there should be a higher threshold, an explanation of why mediation wasn't enough and more transparency. Additionally, you recommended early mediation and structured bargaining supports.

Bill C-39 requires a special mediator to go first to produce a report that can be made public, and it sets the national interest test. With these new section 107 criteria and guardrails, do you agree that the bill is moving in a better direction to improve those disruptions we've seen in the port and to improve our efficiencies on how the port works, something that the ILWU has previously called for?

Tom Doran: Thank you for the question.

Unfortunately, we don't see this bill and the changes introduced to section 107 as improving the bargaining process. The special mediator, as we said earlier, lacks new special powers to assist the parties in bargaining. There is no early engagement of the special mediator. The special mediator comes in no later than 75 days after conciliation has begun, presumably to allow the conciliation process to play out.

We do not see these changes as improving the collective bargaining process, which we believe will improve the efficiency of the ports when real substantive issues can be dealt with at the table, rather than kicking the can down the road to successive rounds of bargaining and leaving major issues unresolved.

Parm Bains: Thank you.

I'm going to move to the Chamber of Commerce for my next question. Bill C-39 proposes a national trade corridors council to monitor the movement of goods and analyze disruptions. What information would businesses want the council to examine so that government can identify vulnerabilities before they become major disruptions?

Pascal Chan: On the question of the council, it's not something we've received a lot of feedback on from members, from that perspective. We have a diversity of interests there. Some have concerns about additional direction from an appointed council going out, and others feel that this would set better guardrails for progress in certain projects.

We don't have a comment on that right at this moment.

Parm Bains: Sure.

I'll stay with you. From your members' perspective, how much does our ability to access new international markets depend on having reliable domestic transportation corridors connecting producers to ports, airports and border crossings?

Pascal Chan: It's critical. If you can't move it, you can't sell it. If they don't believe they're going to be able to do business with us, they're not going to do business with us.

I've mentioned the efforts whereby we're going to have to diversify our trade, but if we're not able to expand our capacity through building projects more quickly and getting shovels in the ground, or ensure that there's labour stability to allow us to move these products, we're not going to re-establish this reputation.

I mentioned that since 2023, we've seen many labour disruptions. These include having the ports in British Columbia shut down twice, the second time at the same time as the port of Montreal. We saw the entire rail network shutting down, the St. Lawrence Seaway shutting down and strike mandates with a number of the CBSA agents. We've seen it with our airlines as well. All of this is critical to our reputation. We don't just hear about this domestically. We hear it internationally, when we do missions abroad.

Also, if you look at some of the statements we've made, they've been in collaboration with, for example, the U.S. chamber, because even when politicians aren't necessarily talking to each other, businesses continue to work together and to look to improve our economic circumstances. We have been very much on the same page about what these labour disruptions are doing to our ability to grow our economies.

● (1100)

Parm Bains: You feel that—

The Chair: Thank you, Mr. Bains. I'm sorry.

Gentlemen, thank you very much for your contribution.

That brings us to the conclusion of this panel. We will suspend for a few moments to bring in the next panel.

● (1100)

_____(Pause)_____

● (1105)

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

I have a few comments for the benefit of the new witnesses. Please wait until I recognize you by name before you speak. For those participating by video conference, click on the microphone icon to activate your mic. Please mute yourself when not speaking.

There's an interpretation function at the bottom of your screen that you can use. I want to remind witnesses that committee members may ask questions in either French or English, so please have your interpretation device at the ready. All comments should be addressed through the chair.

I'd like now to welcome our new panel of witnesses. From the Air Line Pilots Association, International, we have Tim Perry, the president of ALPA Canada. From the Association of Consulting Engineering Companies - Canada, we have John Gamble, chief executive officer. On Zoom, from the International Association of Machinists and Aerospace Workers, we have David Chartrand, Canadian general vice-president.

Each group will have up to five minutes for their presentation, following which we will have rounds of questions.

Mr. Perry, I will start with you.

Captain Tim Perry (President, ALPA Canada, Air Line Pilots Association, International): Thank you, Mr. Chair. Thank you for the opportunity to appear today on behalf of Canada's professional airline pilots. ALPA Canada represents more than 95% of Canada's unionized professional pilots, employed at 22 Canadian airlines.

The government has characterized Bill C-39 as an effort to modernize and strengthen collective bargaining. These are objectives ALPA Canada supports, but unfortunately, we believe this legislation misses the mark.

ALPA Canada has consistently advocated for the removal of section 107 from the Canada Labour Code. Let's not forget what the Supreme Court of Canada has told us: “The right to strike is...an indispensable component of [the] right” to meaningful collective bargaining. Ministerial intervention to end lawful strikes and lockouts violates that right.

Moreover, the bill's proposed amendments to section 107 and ending strikes will lead to behaviour not conducive to concluding collective agreements. In fact, it will encourage employers to adapt their behaviour at the bargaining table in ways that will lead to the increased invocation of section 107, discouraging good-faith bargaining and further deteriorating labour relations in this country.

ALPA Canada's recommendation from the outset has been to improve the front end of the bargaining process by giving unions and employers the structure and tools they need to reach collective agreements prior to a notice of dispute having been filed. Instead, Bill C-39 focuses heavily on what happens at the end of the process: more conciliation, more mediators and additional intervention mechanisms. The priority should be to proactively prevent bargaining breakdowns and not, quite simply, to manage them.

Let me suggest some practical amendments to the code that we believe should have been included in this bill. First, ALPA Canada recommends that the code include an expedited CIRB process to resolve information disclosure disputes while bargaining is still under way. When employers delay or refuse to provide information, meaningful negotiations can and do stall. The current process is slow, and by the time a decision is reached, the damage is generally already done.

Second, ALPA Canada recommends that the code include clear and effective provisions for the expedited arbitration of grievances. Section 49 of Ontario's Labour Relations Act provides a clear example of how such a mechanism can work. The stagnation in resolving grievances plays a major role in the deterioration of labour relations, and it cannot be ignored when analyzing outcomes in collective bargaining. Bill C-39 misses an opportunity to address this gap and help parties promptly resolve disputes before they escalate.

Third, ALPA recommends that the code permit all notices of bargain to be issued six months prior to the expiration of a collective agreement. If the government wants to encourage better bargaining outcomes, why not let all bargaining begin earlier? Contracts can be complex, and bargaining takes time. If the code better reflects these realities, better bargaining outcomes could be reached.

Finally, when it comes to Bill C-39's proposed changes to the conciliation process, the settlement of first collective agreements and the introduction of special mediators, ALPA asserts that the rules should not change midway through the process. Unions and employers presently engaged in collective bargaining have developed strategies and negotiated under the existing legislative framework. Changing the rules upon royal assent risks upsetting the balance between the parties, creating uncertainty and encouraging procedural manoeuvres that do little to support constructive negotiations, even in advance of this legislation.

If the government's objective is a bargaining process that works, that provides timely access to information, that resolves disputes sufficiently, that allows sufficient time to negotiate and that protects constitutionally protected rights, it has missed the mark. It overlooks the hard-earned lessons of Canadian labour relations, and it ignores the wisdom that lasting labour relations and peace are achieved through meaningful collective bargaining, not government intervention. In other words, this legislation is penny-wise and pound foolish.

We urge the committee to address the bill's noted shortcomings and adopt amendments that genuinely strengthen the collective bargaining process and protect workers' constitutional rights.

Thank you. I look forward to your questions.

● (1110)

The Chair: Thank you very much, Mr. Perry.

We move to Mr. Gamble.

John Gamble (Chief Executive Officer, Association of Consulting Engineering Companies – Canada): Mr. Chair and members of the committee, thank you for the opportunity to appear before you.

I am John Gamble, president and CEO of the Association of Consulting Engineering Companies of Canada. Our 400-plus members assess, plan, design and deliver projects Canadians depend on, from water and transportation to energy and resource development.

My testimony today will concern the project assessment and approval provisions, which we broadly support. ACEC takes no position on the Canada Labour Code provisions of Bill C-39.

Across successive governments, ACEC has advocated for timely, coordinated and transparent regulatory decisions. We believe the bill offers an opportunity to advance that objective. Canada does not just need to build faster; we need to decide faster.

While a regulatory process should not guarantee an approval or outcome, it should provide clear requirements, transparent decisions and confidence in rigorous assessment within a credible time frame. That allows investors, proponents and communities to make informed decisions.

Canada has strategic resources, skilled people and opportunities to strengthen our economy while supporting a global transition to lower emissions. A resource is not a project, and a project does not proceed simply because we call it strategic. It must also be investable. Capital has choices. If proponents cannot assess a project's time, cost and requirements here, opportunities can move elsewhere.

Canada has a world-class consulting engineering industry that implements major projects nationally and internationally. Creating the opportunities to invest here will unlock even more opportunities right here at home. We can start by recognizing that individual projects are often part of a larger infrastructure ecosystem. The bill correctly recognizes this.

The “regions of national interest” offer an opportunity to plan related infrastructure and projects together at a regional scale. Planning at this scale can identify shared infrastructure needs, cumulative impacts and development requirements earlier, supporting investment and coordinated approvals for related projects.

ACEC has long advocated for a national infrastructure corridor, a network of strategically planned multi-use rights-of-way, paired with predictable planning. This is similar to the proposed trade corridors. These should also reflect the same multi-use approach and extend beyond transportation alone.

Even as Canada faces urgent challenges, more efficient approvals must come with a clear commitment to public protection. Risk-based regional assessments can consider related projects together, identify common risks, establish appropriate conditions up front, and let proponents and agencies focus resources on material risks associated with each project's nature and location.

Our professional engineers are accountable under provincial and territorial law. They are required to protect public safety, health, welfare and the environment and to comply with all applicable codes, standards and laws, as the architects and other regulated professionals within our industry do.

These responsibilities complement, but do not replace, public oversight. This matters when the bill potentially permits preparatory work before a decision or allows developments identified through a completed regional assessment to be considered pre-approved, subject to conditions and mitigation.

However, professional oversight must continue. Efficient approvals and strong protections are not competing objectives. Meaningful indigenous consultation, respect for constitutional rights and credible scientific assessment are essential to durable decisions. Bill C-39 offers a framework for progress, but work remains.

ACEC has three recommendations we believe will support the successful implementation of the bill.

First, coordination must work in practice. Responsibilities and requirements must be clear and mutually understood by proponents, regulators and stakeholders. Federal departments must work together with provincial, territorial, municipal and indigenous governments so that delays are resolved rather than transferred elsewhere. In the past, we've recommended a single agency for projects requiring multiple federal approvals. For projects assessed under the Impact Assessment Act, the bill's proposed decision document should identify who is accountable for the federal decision.

Second, credible timelines require capacity across all sectors. With increased investments, both proponents and regulators will need to invest in people, expertise and resources to ensure that the requirements for a complete application—which starts the one-year clock—are understood and agreed upon by all parties. Canada's infrastructure workforce strategy must include engineers, technologists, environmental professionals and project managers. Shorter deadlines alone will not address our challenges.

Third, engineers and other designers must be engaged early. Their expertise helps identify risks, evaluate alternatives, and address technical and environmental challenges early, de-risking projects before problems can become costly to resolve. This includes the regional assessments that must precede setting any region of national interest. Early planning and design help establish realistic scopes, schedules and budgets, reducing costly changes and delays.

● (1115)

Ultimately, the success of Bill C-39 will not be measured simply by whether decisions are made faster but whether those decisions translate into projects' being built. Our industry is here, and we're ready to contribute to Canada's success.

Thank you.

The Chair: Thank you, Mr. Gamble.

It's over to you, Mr. Chartrand.

David Chartrand (Canadian General Vice-President, International Association of Machinists and Aerospace Workers): Thank you, Mr. Chair.

Thank you to the members of the committee for the opportunity to appear before you.

My name is David Chartrand. I serve as the general vice-president for Canada for the International Association of Machinists and Aerospace Workers. We represent thousands of workers in federally regulated industries, particularly air transportation and airports. Approximately 16,000 federally regulated workers work within Canada's airports.

I'd like to begin with why the right to strike matters. The federal government itself has acknowledged that approximately 95% of collective agreements are reached without a work stoppage. Strikes are rare because both sides know there are dire consequences if they cannot agree. That is what brings employers to the table and keeps them there. The Supreme Court of Canada recognized in 2015 that this right is protected by the Canadian Charter of Rights and Freedoms.

Bill C-39 goes too far. Section 107 of the Canada Labour Code was written as a general power to promote industrial peace. It says nothing about ending strikes. However, in 2024 and 2025, the federal government used it to order an end to strikes and lockouts at CN and CPKC, at ports in British Columbia and Quebec, at Canada Post and at Air Canada without a single vote in Parliament.

Rather than repealing this power, as the IAM and other labour movements have called for, this bill writes it into the code. Once a strike or lockout begins, one minister could direct the Canada Industrial Relations Board to order a return to work, extend the existing collective agreement or impose binding arbitration. The federal government calls the new conditions guardrails, but the deciding test is whether the Minister of Labour forms the opinion that a stoppage would have a significant adverse national impact. The minister must consider a special mediator's report, but is not bound by it. Economic harm is one of the factors to be weighed, even though economic pressure is the very purpose of a strike. That is far too much power to place in the hands of one individual.

Mr. Chair, this is not only a question of principle, because it changes behaviour at the bargaining table. If an employer knows that a minister can end a strike and send the dispute to binding arbitration, it has far less reason to negotiate in good faith and every reason to wait for the federal government to step in. In August 2024, CN and CPKC locked out their employees. The dispute was referred to the CIRB that same day. When intervention becomes the expected outcome, the workers who keep our airports, railways and ports running are left with the weakest voice at the table, precisely because their work matters so much.

I want to be clear that there is a good deal in this bill that the IAM does welcome. Successor rights for airport and air transportation contract workers will help prevent contract flipping from erasing their collective agreements. First-contract arbitration will help newly organized workers whose employers try to drag out negotiations. Stronger enforcement against bad-faith bargaining, wage theft and misclassification is long overdue, and we want to see these measures passed. However, none of these improvements require weakening the right to strike. Our members are not prepared to give up that right in exchange for them. Good measures should stand on their own merits and not be used to carry provisions that take away the most important tool workers have.

We therefore ask the committee to amend Bill C-39 in four ways.

First, amend section 107 so that it cannot be used to end a legal strike or lockout. If a strike ever creates a national emergency causing serious, irreparable harm to the economy, an independent expert body should assess it first. Only Parliament should decide whether to end it through legislation, and this should be debated and voted on in the open.

Second, make the special mediator independent and expert so that it helps the party settle rather than serving as a step towards intervention.

Third, keep the right to apply for geographic certification with unions rather than allowing employers, the minister or the CIRB to start that process.

Fourth, keep the measures that help workers: successor rights for airport and air transportation contract workers, first-contract arbitration and stronger enforcement against bad-faith bargaining, wage theft and misclassification.

Mr. Chair, building Canada strong must also mean strong collective agreements and strong protections for the people who do the work. A stronger and more independent Canada has to be built with workers, not at the expense of rights that generations of Canadians fought to establish.

Thank you for your time. I look forward to your questions.

● (1120)

The Chair: Thank you very much, Mr. Chartrand.

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

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

Mr. Perry, we've had conversations on better bargaining. The minister thinks this legislation improves bargaining. I think you probably disagree that the legislation before us is actually going to improve bargaining.

Capt Tim Perry: I agree with your statement. This is not going to improve bargaining outcomes, because it doesn't improve the bargaining process.

Kyle Seeback: I know you had some ideas and proposed amendments, but it looks as though they're moving with a special mediator.

Earlier, I put this question to Mr. Doran from the ILWU. If we're going to have a special mediator, would you support special powers for the special mediator?

For example, these are powers so that the special mediator can set times and dates for when the parties have to get in a room and talk to each other. Also, the special mediator could compel attendance at those sessions for anyone they believe would be useful in resolving the dispute and would have powers like the things you've talked about, such as powers to order disclosure of documents to help with the bargaining.

Should the special mediator have special powers that would actually help the bargaining process to get to a negotiated collective agreement?

Capt Tim Perry: Yes, I think that's a good question.

I'll answer it in this way: As unions, we've never missed a bargaining date and we are available 24-7 in that period of time. There's certainly no issue with being compelled to be there or to have dates scheduled. We want to bargain, and we want everyone to be there who needs to be there.

As for compelling the exchange of information, we think good bargaining depends on the exchange of information. If you value a healthy industry, as we do at ALPA Canada, it makes sense that you would want to make proposals that reflect the nature of the employer's business. This depends on the exchange of information.

I would say that the mediator is not without power. They're there at the behest of the minister. That is implicit power, and the report empowers them to a large degree.

Kyle Seeback: The minister was here yesterday, and she said that she believes the new things they're adding to section 107—the national interest and various other tests—put guardrails around the use of section 107.

I probed a little further and asked her if the government wouldn't have considered all these things when it used section 107 an unprecedented number of times in the last number of years. She didn't really answer, but she sort of indicated that those are the things they take into consideration.

Are there actually any guardrails on section 107 that they've put forward in this legislation?

● (1125)

Capt Tim Perry: The national interest guardrail is far too broad, and the social disruption guardrail is just as broad and enormously subjective. Therefore, I would say that they're not effective guardrails. Furthermore, it's a focus on the wrong part of the code, and it will not prevent section 107 from being used.

Kyle Seeback: Thanks very much.

Mr. Chartrand, I found it interesting that in your statement, you said the minister is not bound by the special mediator's report. In fact, I asked the minister yesterday what happens if the special mediator gives a report that says the employer was not bargaining or was bargaining in bad faith. I said that surely, then, the use of section 107 is off the table. She did not agree that this is the case. She didn't really answer, but she didn't say, “No, of course, section 107 is then off the table.”

What are your thoughts on that in those circumstances? There seems to be no real limit in this at all on the minister's use of section 107, and we know how often the Liberals have used it in the last couple of years.

David Chartrand: My thoughts on this are that the conversation you had with the minister just confirms what every one of the labour unions and the representatives of workers thought. That was our belief: that it didn't have any teeth and that the minister was not bound by this report.

You've confirmed it, in a way, to us: Regardless of what's in the report and how transparent it may be, the decision remains in the hands of the minister—one individual.

Kyle Seeback: You mentioned geographic certification. I'm going to quickly touch on that.

For example, at the port of Montreal, there are CUPE 375, CUPE 5598 and ILA 1657. Theoretically, two employers at that port could apply for geographic certification of those unions, and they're actually two completely different unions. The minister didn't seem to indicate that was a problem. She said the board would deal with it. What are your thoughts on that?

David Chartrand: I'm sorry. I didn't hear if the question is for me or for Mr. Perry.

Kyle Seeback: It is for you, Mr. Chartrand. I'm sorry. My mic has been cutting in and out. It is for you.

David Chartrand: Okay.

The concern we have is that it should be up to the union to decide if there should be a merge like that. The membership, when they're certified, should make a decision as to which union they want to go with. It shouldn't be left in the hands of the government, the minister or the employer to make this decision.

These members want to be represented by a certain labour union, and there's a reason for that. This should be left in the hands of the members, not in the hands of the employers.

What would happen, as we have seen provincially in other jurisdictions, is that you would end up having a vote between unions. You then end up having members who wanted to be represented by a specific union but who now have to join a union they did not vote on and did not want to have.

Kyle Seeback: Thank you very much.

I think that's my time.

The Chair: Thank you.

Go ahead, Ms. Desrochers.

[*Translation*]

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

Thank you to the witnesses for coming to meet with us today and making time in their schedules for this meeting.

I'm a bit surprised by all the statements being made this morning, myths that are very harmful to workers, particularly regarding the use of section 107 of the Canada Labour Code. Section 107 is being depicted as bad and evil, but it's actually been around for 50 years. The bill puts guardrails in place to better define its use, so the legislation is used as an absolute last resort. The minister will have to demonstrate that there are significant national economic and social risks before using section 107.

I think the bill contains very good measures.

Mr. Perry, you said something in your opening remarks, in the beginning.

[*English*]

It was about how we need to improve the front level, about how we need to bring more certainty into bargaining—and definitely more goodwill. I think more goodwill is good.

In your industry, earlier collective bargaining is very important, and Bill C-39 brings that and makes it a requirement.

How is that going to benefit goodwill in both parties?

● (1130)

Capt Tim Perry: Collective bargaining is a process that depends on establishing healthy labour relations. Furthermore, collective agreements, especially in our industry, are complicated, and they have complex safety measures. It's a highly regulated industry, and we have all sorts of scheduling issues that take time to resolve.

My comment about the early bargaining is that it should be made available to other bargaining units so that bargaining can take place. If we believe that healthy bargaining is a process and that it takes time, let's give it every chance of success.

[*Translation*]

Caroline Desrochers: Thank you very much.

Mr. Gamble, thank you for your comments.

You talked about regions of national interest. I think that part of the bill holds significant benefits. We really believe it's going to help us improve our economic autonomy, resilience and security, especially in those areas where projects will have a hope of success.

Talk a bit more, if you would, about how this will help to drive the Canadian economy forward and attract investment.

[*English*]

John Gamble: I'd be happy to.

As I mentioned in my remarks, an infrastructure project—an individual project, an individual asset—does not sit in isolation. It is usually part of a broader ecosystem. This has been a perennial challenge in infrastructure planning, even in community infrastructure, in which you get a grant one year and then cross your fingers and hope you get a grant for the next project.

By taking a regional perspective, first of all, you are understanding the nature of the potential sites where you are going to be building. As well, you are going to have an understanding of its potential benefit economically. You are also going to have an opportunity to develop an understanding of its environmental sensitivities, as well as some of the cultural and social aspects. This allows you to put together a baseline.

More importantly, it gives you a chance to have that line of vision about how all these projects can work together to enhance.... This allows scale, which allows for a coordinated approach to approvals. It's very attractive, and it helps map out a multi-year project pipeline, which is invaluable not just to the investors that are paying for these projects but also to the consulting engineers, the contractors and the entire supply chain.

It doesn't suit every project, but having that as a tool to move the national agenda ahead, particularly on large-scale resource projects and transportation projects, is a very sound planning approach.

[*Translation*]

Caroline Desrochers: Thank you very much.

[*English*]

I think I have another minute.

I'll move to Monsieur Chartrand online. Thank you for your comments earlier in this panel.

I want to talk a bit about how Bill C-39 responds to many of the concerns. I think you mentioned this.

Could you explain to us a bit more the importance of successor rights, particularly for your industry, and how they will have a positive impact?

David Chartrand: I'll try to be as brief as possible.

What happens, often in airports, is that a lot of the contracts are tendered. It is always the law of the lowest bidder, and it's always the working conditions of the workers who work in service groups, if you want, doing baggage, fuelling aircraft, etc.... There are a number of different jobs. These contracts are always put up for tendering. Companies try to bid as low as possible. There is no obligation for a new employer to respect the collective agreement, wages and benefits, or even to rehire the people who were working for the previous contractor inside that airport, whether that person had been working there 20 years, 10 years, five years or whatever.

Often, what happens is there are no successorship rights, so the union doesn't follow. The new employees are not represented. They lose the majority of their benefits, if not all of them. They are not necessarily rehired, even though they have a number of years of experience. You end up having people who worked for 20 years for one employer doing a certain job. The next day, if they're rehired by the other employer, they could be working at seven dollars, eight dollars or nine dollars less an hour. They could have lost their pension benefits, if they had some, and their insurance benefits, if they had them, or whatever.

That's why successorship rights are so important. They put in a basic wage, at least, that's negotiated inside a contract, and when the contract is flipped to another employer, that employer has the obligation to bid at a reasonable price whereby it's not going to affect the working conditions of the people inside the airports.

● (1135)

The Chair: Thank you, Ms. Desrochers.

We'll move to Mr. Ste-Marie for six minutes.

[*Translation*]

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

Welcome to the witnesses, and thank you for being with us.

I just want to point out that, fundamentally, section 107 of the Canada Labour Code does not explicitly grant the power to order workers back to work or to impose binding arbitration. That is a government interpretation that is currently being challenged before the courts. Bill C-39 embeds that power in the labour code. That's the problem, so I'd like to hear what Mr. Perry and Mr. Chartrand have to say.

As I understand it, giving the minister the power to end labour disputes does not signal to employers that they have an incentive to bargain rather than let the dispute drag on in order to get a beneficial agreement. What do you think?

[*English*]

Capt Tim Perry: It's an important question.

Regarding the concept of section 107, basically, you must think of collective bargaining as something that rests upon labour relations. Labour relations is really a set of behaviours. That set of behaviours is governed by the rules. If the rules allow possibilities for employers that do not include the hard work of doing collective bargaining at the table, their behaviour will be something other than what is required to reach collective agreements.

We've seen this numerous times since section 107 began being invoked, and we're going to see it more and more with the way section 107 would now be enshrined into law.

[*Translation*]

Gabriel Ste-Marie: Thank you.

What do you think, Mr. Chartrand?

David Chartrand: It is clear that, if section 107 is applied as intended in Bill C-39, an employer will have no reason to reach a settlement or bargain with the union.

In some cases, it can take 18 months of bargaining to reach an agreement with the employer. In other cases, it can be a month, and sometimes it can be a matter of days.

An employer that doesn't have to deal with a strike has no incentive and will always put the lowest offer on the table, knowing that the government will intervene and the matter will end up in arbitration. Unfortunately, arbitration isn't a win-win solution. One side always comes out very bitter, and that causes bad relations between workers and management.

Usually during the bargaining process, the employer puts their final offer on the table, supposedly their best offer. Now, no employer is going to do that, knowing that the federal minister is going to intervene and appoint a mediator to examine the situation, after which, the arbitrator will impose a labour contract.

Gabriel Ste-Marie: Yes, that's very concerning. My thanks to both of you.

As I said, the government's interpretation is being challenged in court. When you consider the Supreme Court's decision a few years ago in Saskatchewan Federation of Labour v. Saskatchewan and the ruling of Quebec's administrative labour tribunal a week and a half ago regarding the law there that was modelled on section 107, using section 107 as it's been defined in Bill C-39 seems to be contrary to the Canadian Charter of Rights and Freedoms and thus potentially unconstitutional.

What message does that send? Is there not a risk that it will create more instability and legal uncertainty in the business and labour relations environment in Canada?

Capt Tim Perry: Thank you for your question.

[*English*]

I think the message is clear. Section 107 will promote behaviours that lead to poor labour relations, and poor labour relations lead to bad bargaining outcomes over time. We don't believe it's wise to compel certain outcomes, because it forgets the very important foundation upon which those outcomes must depend, and that means going through the process. It means resolving the issues.

With arbitration, we believe that not only would the court find it to be unconstitutional, but it would create an environment in which problems stack up and labour relations deteriorate, and that will follow our business and our business reputation far more than any problem that this bill purports to resolve.

● (1140)

[*Translation*]

Gabriel Ste-Marie: Thank you.

You have a minute left, Mr. Chartrand.

David Chartrand: Clearly, there's a problem with section 107. What's going to happen is what we're seeing now, court challenges, as you mentioned, because the right to strike is protected under the charter. Any attempt to take away workers' right to strike will, of course, come up against legal challenges that are going to drag on for years, as is happening now. They're going to cost taxpayers money. On top of that, this will definitely meet with fierce resistance from workers.

Imposing a contract on workers creates a work environment where, as I explained, no one wins. Both sides don't leave feeling that they've won. It creates poor labour relations. Statistics show that unhappy employees are less productive. What the government is trying to fix on one side will actually hurt things on the other, and it will end up making the situation even worse. There are workplaces where people are unhappy because they didn't get their fair share of the profits the employer was making and a collective agreement was forced on them.

I know I have a minute. That's what happened at Air Canada in 2012. Workers ended up having to accept an arbitration-imposed contract with a two-tier pension plan and two-tier pay grade for new hires. The last 10 or 15 years have been a nightmare. The two groups work side by side, doing the same work, but one gets paid seven dollars less an hour.

Gabriel Ste-Marie: Thank you.

[*English*]

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

We'll go to Mr. Leslie for five minutes.

Branden Leslie: Yesterday, we pressed the environment minister on a major loophole in Bill C-39. The government can promise faster project approvals all it wants, but the deadlines mean nothing if regulators can take months to decide whether a company has submitted enough information to start the clock.

We heard in the last panel from the Canadian Manufacturers & Exporters and the Canadian Chamber of Commerce that they're worried about that shifting to the front end, which will ultimately cause the same delays we've seen over the past decade. They also seemed supportive of an amendment that my colleague proposed, so I'm curious on your position.

Would you support an amendment giving the Canada Energy Regulator and the Impact Assessment Agency a firm 45-day deadline to either confirm that an application is complete or provide, ideally one time, a list of the missing components of that application?

John Gamble: Not wanting to get into whether 45 is the right number, conceptually, I think clarity makes everybody happier, as well as including the review agencies. Moving goalposts is always a challenge.

To be clear, it's not unique to the IAA. It's not unique to the federal government. It's almost a time-honoured sport in this country to move goalposts in the approval regimes. However, there is a framework in this bill that allows some pragmatic, workable guidance that will give more clarity and more confidence.

To be clear, you cannot guarantee an approval. Sometimes, a firm “no” is better than an indefinite “maybe”.

Branden Leslie: To continue in that vein, Mr. Gamble, what about the consequences? We can talk about the intention of the bill as being faster approvals, but there are no consequences when the government misses its own deadlines.

What consequences should we be building into this legislation to make sure that there is accountability on the government side to do its job in a timely manner?

John Gamble: I heard the exchange earlier, and I was afraid you would ask that.

Branden Leslie: We're open to ideas to make this legislation better.

John Gamble: Without getting into the.... Now you're getting into governance. There should be transparency. When deadlines are missed, it should be known. There should be reasons for it.

Always, the best way is to prevent ill events from happening in the first place. One of the fallacies of risk management is to push the risk onto someone else and make sure that you're going to get them if things go wrong. The best way to avoid delays and the way to avoid risk is to get the parties on the same page so that you can prevent adverse situations from happening in the first place. That's where your opportunity is.

The other thing I mentioned, which I'm actually more concerned about, frankly, is that we're going to see—it is hoped—lots more new investment.

We also have a push to put in more housing. We have the province trying to do that. I want to make sure that we have the capacity within the civil service to assess and turn around decisions quickly, and to do so in an informed way.

● (1145)

Branden Leslie: I think you mentioned transparency a few times in your opening remarks. To me, that looks like not just reporting internally but publicly reporting the actual totality of the application process, from when it starts to when you have all the permits to start construction.

Is that a good insertion into this legislation to ensure accountability and transparency?

John Gamble: I would be inclined to say yes, without knowing exactly what information.

It's not just about transparency. Data is very important in decision-making. It's important to continuous improvement. It's important for investors making informed decisions. I think transparency is more effective than some punitive measure.

Branden Leslie: I understand that you, personally and as part of the association, have supported for a while now the idea of creating regions of national interest, which this legislation is aiming to do. When I read it, there's really no clear definition of what that means. The minister really was very unclear yesterday in her conversations about it. We don't know the process for how cabinet would go about designating a geographic area.

I'd like to ask you a few questions.

Shouldn't legislation granting these extraordinary powers define what qualifies a national interest to begin with?

John Gamble: Any information that gives the investors and the stakeholder community better insight into whether this is a reasonable investment and whether there's a prospect of going forward is helpful. Whether it should be in the legislation or by regulation...I will let the wise minds around this table make that determination. Clarity is always better.

Branden Leslie: We've seen this with the MPO. Whoever has the best lobbyist is going to potentially get to the front of the line.

To me, it would make sense that if a province, municipality, industry association or group of businesses believes it has a region in which this broad-based definition we're trying to legislate today makes sense, it would be good for it to know how to apply and if it needs the best lobbyist to get to the top of the list. Is that a fair imposition within this legislation?

John Gamble: I'm not going to quite let you put words in my mouth, but criteria are very important for informed decision-making by proponents, the government and government agencies. They certainly de-risk the likelihood of even a legitimate decision being viewed suspiciously or people simply not understanding it.

The Chair: Thank you, Mr. Leslie.

Go ahead, Mr. Kelloway.

Mike Kelloway (Sydney—Glace Bay, Lib.): Thank you, Mr. Chair.

Thanks to the witnesses who are here, and to Mr. Chartrand on Zoom. I really appreciate the testimony so far today. It's been very illuminating.

I'm going to try to get three questions to the three of you. I'm going to start with Mr. Gamble. It's more general. I'll have more specific questions for the other two witnesses.

Major projects that are happening and major projects that will happen are a pretty big deal for Canadian workers, unionized workers, companies and communities. I'm wondering if we could distill—because you've given some really good testimony—what you see the top five impacts of this bill will be in relation to the workers and industries in comparison to what we have now.

John Gamble: First of all, I'm not going to stray into the labour provisions, because that's just not my lane.

It's certainty. I think we've had complacency in this country. We had a very reliable trade partner. It's nothing new to talk about how long it takes to get an approval in this country. This has gone on for decades, and we all have some shared responsibility on this. We have an opportunity to move the needle in creating that business certainty to also create clarity for the stakeholders, and this is often forgotten about. The clarity is also beneficial to the stakeholders, because some of the delays that were talked about earlier happen because someone all of a sudden at the last minute realizes, "My gosh, this is going to affect us. I need to get involved." The more information everyone has up front, the better.

It's good for, first of all, the proponents, the people who finance these projects. They're looking for a return on investment, as they should. Then workers, suppliers, professionals, construction workers and the people who mill steel and do all these other things want the confidence that their jobs are not going to be here just next month or next year: They want the confidence that there will be demand for their services and products going forward.

That will put a little swagger back in this country. It will make Canada a desired place to come. With the chill in the United States, we have an enormous opportunity to bring the best and the brightest minds here. I think we have a real opportunity to build out.

Canada is already an engineering superpower. We're already a mining superpower. Let's see if we can leverage some of those superpowers here at home.

● (1150)

Mike Kelloway: Thank you very much for that answer.

I'm going to pivot to Mr. Chartrand.

[*Translation*]

Good morning, Mr. Chartrand.

[*English*]

I don't want to repeat the questions from my esteemed colleagues, so I'll focus on something specific in relation to the increased resources of the CIRB. There's a reason I'm asking this.

How important is doubling down on resources to deal with capacity issues in relation to complaints, applications and disputes in a timely manner? Clearly, that's not happening now, so I'm wondering how important it is.

I'll wait for your answer, and then I have a follow-up question for you, sir.

David Chartrand: It's extremely important to add resources to the CIRB. Decisions are taking a very long time to be handed out because of the lack of resources and the lack of personnel at the CIRB right now. Cases that should receive decisions within two to three months—three months, usually—sometimes take much longer than that. When you're trying to organize and certify a group, sometimes it takes a very long time to get decisions from the CIRB on certification. That gives time to employers to intimidate workers if they want to.

It's extremely important for the CIRB to get more resources.

Mike Kelloway: Thank you for that.

My follow-up question is something that someone mentioned just moments ago about labour relations and behaviours. I think Mr. Perry mentioned it. He was talking about how behaviours form a discussion and its success or failure, whatever the case may be.

In terms of building a stronger relationship between employer and employee, would it be safe to say that investments in this particular piece of the legislation would be your desired outcome and give a possibility of a desired outcome of building stronger relations between employer and employee?

David Chartrand: Sure. In consequence, if there is investment and decisions are made faster and all that, there's less frustration from the employees and from our members, so I would think that yes, any investment would be good at the level of the CIRB to help settle disputes.

Mike Kelloway: Thank you very much. I think I have only about 20 seconds left.

Mr. Perry, I want to make sure I understand correctly, because I appreciate your testimony.

In terms of this legislation, when a collective agreement ends, the focus is to get people to the table before that happens, six months prior, to discuss the topics and the issues that need to be resolved. I want to make sure of this. Is that something that you see as a positive attribute in the proposed legislation?

Capt Tim Perry: Yes. With more time there would be a more nuanced answer, but yes, the time does help.

The Chair: Thank you, Mr. Perry. Thank you, Mr. Kelloway.

Mr. Ste-Marie, we'll go to you, and then we're going to end after you're done.

[*Translation*]

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

Mr. Perry, I was wondering whether you wanted to tell us more about what you think of the requirement to issue the notice to commence collective bargaining six months prior to the expiration of the collective agreement. If not, let's talk about strengthening the bargaining process. Are there any specific legislative amendments you see as priorities, to help employers and unions reach agreements before disputes arise?

[*English*]

Capt Tim Perry: Collective bargaining is really a method of problem-solving. Problem-solving takes time. It benefits from the time, attention and energy it's been given. With an opportunity for more time, attention and energy to be given, the process would benefit, and therefore the outcomes would benefit.

In addition, if we're going to talk about process and what can happen in that period of time, we want a meaningful exchange of information. Prior to that, we want a healthy, expedited grievance arbitration process so that problems don't build up and you're not trying to deal with an accumulation of problems when you commence bargaining. Let's focus that bargaining time on the contract that should follow.

[*Translation*]

Gabriel Ste-Marie: Thank you very much.

There's a minute left, Mr. Chartrand. You can have the last word.

David Chartrand: When the relationship between an employer and a union is good and the working relation with workers is good, there is no need to wait until the end of a collective agreement to start negotiations. Very often, we sit down, agree with the employer and draft letters of agreement. That has happened to me on multiple occasions in 35 years. The process always works much better at the expiration of a collective agreement when you have that kind of relationship, because there are no accumulated frustrations on the part of the employer, the union and the workers.

If there is a healthy relationship between the two parties, where both want to negotiate and there are situations where everyone wins, there is not need for section 107 or to try to restrict workers' right to strike. A lot of people seem to forget that, at the federal level, 95% of collective agreement negotiations are settled without any conflict and with a good agreement, where everyone comes out a winner and thinks there was something in it for them. This is extremely important.

There are provisions in the act. We have seen the application of back-to-work legislation, but only after they were debated in the House and as part of existing legislation. We went through that at Air Canada, with postal workers and many others. Therefore, section 107 is not necessary; it could be removed.

Gabriel Ste-Marie: Thank you.

● (1155)

[*English*]

The Chair: Thank you, Mr. Chartrand.

Thank you, Mr. Ste-Marie.

Thank you to our witnesses. Unfortunately, this brings us to the end of the discussion on this panel. We all appreciate your contribution and your taking the time to be with us today.

We'll suspend for a couple of minutes until the next panel starts.

● (1155)

(Pause)

● (1200)

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

I have a few comments for the benefit of the witnesses.

Please wait until I recognize you by name before speaking.

For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, French or English. For those in the room, you know how to use the earpieces—or you should by now.

I would like to remind the witnesses that committee members may ask you questions in either French or English. If you need interpretation, please take a moment now to prepare your earpiece and select the listening channel.

As a reminder, all comments should be addressed through the chair.

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

From the Canadian Labour Congress, we have Bea Bruske, president.

Thank you for being here.

From the Canadian Union of Public Employees, we have Mr. Mark Hancock, national president, who is joining us by video conference.

Each of you will be given up to five minutes for opening remarks, followed by questions.

Ms. Bruske, I'll start with you.

Bea Bruske (President, Canadian Labour Congress): Thank you, Chair and members of the committee.

You've heard from a number of business leaders about the importance of economic stability, and I want to start by saying that Canada's unions share this goal. We want a strong Canadian economy. We want businesses to succeed. We want reliable supply chains, good jobs and stable labour relations.

We know how to achieve stability: It's by making sure that both sides have a reason to bargain and to reach a collective agreement.

Approximately 95% of federally regulated disputes are settled without a work stoppage. That is a simply remarkable record and one that we should be working to strengthen. It works because employers know that workers can withdraw their labour and stop operations. Workers know that striking comes at a significant cost to themselves and their families. Both sides have something at stake. Both sides have a reason to reach a deal.

The proposed changes to section 107 would upset this balance. They would give the minister unfettered power to end a legal strike and to suspend workers' constitutional rights based solely on a minister's opinion that a strike has or could have an adverse effect on the “national interest”, defined as virtually whatever the minister believes it to be.

Far from creating guardrails, we believe that Bill C-39 would entrench a controversial interpretation of existing powers that is currently facing four constitutional challenges.

In its current form, Bill C-39 would give employers a reason to hold out instead of reaching a deal, putting decades of labour stability at risk. Workers will lose faith in a legal process and may take action outside that legal process, increasing the risk of illegal strikes and more serious labour conflicts.

There's a longer history here that we need to remember.

In Atlantic Canada, generations of coal miners fought for the right to organize, to bargain collectively and to improve workplace conditions. In Cape Breton in 1925, a striking miner, William Davis, was killed by company police during a bitter labour dispute.

Those struggles helped to shape the labour relations system we have today: a system that recognizes that workers must have meaningful rights and the ability to actually exercise those rights.

To be clear, the Canada Labour Code did not create the concept of strikes. It created a system by which unions and employers agreed to the rules of engagement in resolving labour disagreements.

Labour peace is fragile, and the proposed new powers for the minister effectively remove the right to strike from workers. Taking away the right to strike is not going to eliminate labour conflict. It takes away the legal framework for resolving it, and what looks like greater stability on paper is going to create more instability.

The CLC has put forward practical alternatives. We have provided our amendments directly to the labour minister. Our central proposal is to explicitly clarify that section 107 does not empower the minister to end legal strikes.

We propose creating an independent panel of experts to assess whether ongoing strikes have created a genuine national economic emergency. The threshold would be exceptionally high, requiring serious, widespread and irreparable harm to the national economy. The panel would advise government, and if intervention were necessary, government would have to introduce legislation and make its case in Parliament.

We also propose that special mediators be independent of government, be experienced in labour relations and be trusted by both parties. Our experience under the public service labour relations act raises some concerns that the proposed special mediator process could delay settlements rather than help achieve them.

These are not untested ideas that we've put forward. Independent reviews of Canada's labour laws, including the Woods and Sims reports, recommended similar approaches decades ago.

Members of the committee, we share the government's interest in a strong and stable economy, but stability cannot be achieved by giving employers a reason to avoid reaching collective agreements. Certainty for businesses cannot mean that workers are certain to lose the right to strike based on the opinion of the minister of the day.

The overwhelming majority of collective agreements are reached without a strike because the system gives both parties a reason to negotiate. Weakening that incentive puts the entire system's success at risk.

We have given the government a clear path to protect workers' rights, support stable labour relations and respond to genuine national emergencies. I urge this committee to look at our proposed amendments and to protect the right to strike.

Thank you. I look forward to your questions.

● (1205)

The Chair: Thank you very much.

It's over to you, Mr. Hancock.

Mark Hancock (National President, Canadian Union of Public Employees): My name is Mark Hancock.

Thank you to the chair, and thank you for allowing me to make this presentation to you today.

CUPE represents 800,000 workers across Canada, including over 35,000 in federally regulated industries such as those of airlines, ports and telecommunications.

I'm here today with a simple message on behalf of our members from all across Canada. CUPE will fight any attempt to undermine our right to strike. While there are some positive measures in this bill, including first contract arbitration and successor rights at airports, unfortunately, the good news ends there.

The thing is that we are on board with the goal of ensuring well-paying union jobs in a stable economy. To achieve this goal, we need an industrial policy that puts workers first, not omnibus bills that completely undermine environmental, indigenous and workers' rights.

Previous governments that tried to end lawful strikes at least had the courage to introduce back-to-work legislation. They faced questions from the opposition, and those debates at least had the veneer of parliamentary oversight. Instead, this government has used section 107 time and time again to end perfectly legal strikes with no parliamentary oversight.

Instead of doing the right thing and repealing section 107, Bill C-39 further cements the ability of a minister to end legal strikes. Ministers are trying to tell you that they're putting guardrails around the power that they think they have, but we have never believed that they could use section 107 to end a legal strike. Neither did previous labour ministers, and that's why we're before the courts.

Under Bill C-39, the right to strike will only exist in the abstract, because a right that can be taken away the moment it's exercised is not a right at all. It takes away the most significant leverage workers have at a bargaining table, where the power is already stacked in favour of some Canada's richest and most powerful employers.

If you want to look into a crystal ball and see the future for this bill, look at a recent decision in Quebec. The Quebec administrative labour tribunal found that Quebec's Bill 14, which established similar powers for government intervention, violated the right to freedom of association. The tribunal said these powers undermined the balance of power between workers and employers and declared them constitutionally inoperative. In other words, the federal government is in the process of making a mistake that Quebec is already undoing. The warning couldn't be clearer.

Here's the bottom line: Free and fair collective bargaining works because both sides have something at stake, but when employers know the government is going to bail them out, why would they put their best offer forward? Bill C-39 doesn't encourage employers to bargain. It encourages them to lowball workers and wait for the minister to do their dirty work.

I won't ask you to take my word for it. Last summer, Air Canada CEO Michael Rousseau told the world on national television that his company didn't prepare for a strike because they expected the federal government to bail them out. When the government ordered our members back to work, our brave members defied that order. When the employer understood that we would not allow our rights to be trampled on, they finally got serious at the bargaining table, and we reached an agreement.

It should have been clear to the government then that it was government interference that undermined collective bargaining and emboldened the employer. Instead of learning from this mistake, this government is determined to cement it into law. This will not bring labour peace. This is a recipe for more disasters.

Mr. Chair, the Prime Minister won a mandate to stand up to Donald Trump. He did not win a mandate to weaken workers' rights to please investors on Bay Street. These rights are foundational to Canada and to who we are as Canadians. We cannot build Canada strong by weakening Canada's foundation. Workers are team Canada. That's why CUPE will continue to insist that section 107 be repealed from this bill.

Thank you.

● (1210)

The Chair: Thank you, Mr. Hancock.

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

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

Ms. Bruske, I want to ask you a question that I've put to some other witnesses today.

When the ministers were here yesterday, they seemed to think this report by a special mediator that is public would be the panacea that fixes everything. I don't think it would be. When I probed a little further, I asked the minister what would happen if the special mediator report found that the employer was bargaining in bad faith. I said that surely then the use of section 107 would be off the table. She would not confirm that or agree with that, which means it's still available for the minister to use. What are your thoughts on that?

Bea Bruske: It is outrageous to me that an employer could rag the puck, so to speak, and not bargain seriously yet still be rewarded with the use of section 107 to impose a collective agreement on workers.

Let's think about this for a minute. Workers and their unions come to the bargaining table to bargain seriously and to deal with the big picture issues that we heard about from the other witnesses this morning, such as automation, AI—things that are impacting those workplaces in this moment. To think an employer could be cited in a report by a mediator saying they have not been bargaining in good faith and still be rewarded by having a collective agreement imposed is exactly what is wrong with this particular legislation.

● (1215)

Kyle Seeback: Thank you.

Mr. Hancock, do you want to take the same question?

Mark Hancock: I agree with my friend Bea. It makes absolutely no sense from our perspective. We have over 4,000 certifications across the country, many of them in the federal sector. We're good at getting collective agreements. Very rarely do we have a strike vote. Very rarely do we have to take any type of action. I can tell you that it's in the cases when employers are unreasonable—when employers are messing around at the bargaining table or away from it—that we end up having to take action, generally. For the minister to give that type of answer scares the hell out of me, quite honestly.

Kyle Seeback: I've had the pleasure of being the shadow minister for labour for the past two years. I've travelled to hundreds of union locals from coast to coast. I know that no one says they are looking forward to going on strike. Striking is absolutely the last resort. The minister seems to think this bill is going to help collective bargaining.

I know you commented on this in your opening statements, but could you both tell me whether you think this legislation is going to improve the collective bargaining process?

Bea Bruske: I don't believe for a minute that this legislation will improve the collective bargaining process. I think this will embolden employers to hold out for not getting to a deal. We heard my friend Mark talk about the CEO of Air Canada admitting as much last summer during the Air Canada flight attendants' dispute.

Workers making a determination that they want to go out on strike is not an easy decision. Those are kitchen table conversations, and that comes after months and months at bargaining tables. That comes after many conversations within the workplace and with your families about whether you can afford to go out on strike and whether what's at stake is worth putting your livelihood at risk. The economic impact on workers is immediate. Their paycheques end when they start walking a picket line.

Not having the ability to hold employers accountable and force them to the bargaining table by withdrawing your labour upends the balance at the bargaining table. It is the only tool that workers and their unions have to enforce proper collective bargaining and force the employers to come in a meaningful way to negotiate.

I've spent many decades at bargaining tables. It comes down to how high that strike vote is 95% of the time. If the strike vote is high enough, then all of a sudden we see an employer's ability to come back with a better offer at the bargaining table. Without the ability to push the envelope and get the maximum leverage, we are going to have significantly more disputes.

Kyle Seeback: Mr. Hancock, I'm going to ask you a different question, because I'm conscious of my time. I want to talk to you about geographic certification, which I think is a bit of a sleeper in this legislation.

I asked the minister about it. She seemed to think it would be no big deal that two employers could seek geographic certification now anywhere in the country for any industry. I think it's deeply problematic. I asked her whether this would be done with the consent of unions. Of course, she said no.

What are your thoughts about this massive new expansion of the ability of employers now to seek to geographically certify unions against their will?

Mark Hancock: Thanks for the question.

I agree with you 100%. There may be cases in which it makes sense for unions to work together and for employers to work together, but both sides of the equation need to agree that's the best way to proceed. Bargaining, as Bea said, can be a difficult process. We see the scales tip very much toward the employer's side, generally. This is just one more example of the government potentially helping employers when it comes to bargaining. Very clearly, there may be some occasions, but all three sides have to agree: the government, the employer and the union.

Kyle Seeback: I think I have 20 seconds left, so I'm going to be really quick.

It looks as though there is going to be a special mediator in this legislation. Would you support enhancing the powers of the special mediator to try to improve bargaining?

Bea Bruske: There are two things. Number one, it's incredibly important that the special mediator be independent, and number two, it's important that they be a subject expert.

Both the labour and employer sides can agree on what that roster of special mediators should look like. They should have the power to compel the parties to come to the bargaining table and bring decision-makers to the bargaining table to force those good conversations.

● (1220)

The Chair: Thank you, Mr. Seeback.

Go ahead, Ms. Harrison.

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

Thank you to the witnesses for being here.

I'd like to put my first question to both witnesses, and I'd like to go to the transparency provisions in Bill C-39, through which the public could view the special mediator's report.

When major labour disputes affect Canadians, as we saw with Canada Post, and with rail imports especially affecting farmers and agricultural sectors, do you believe there is power in the transparency measure that allows the public to better understand who is working towards the resolution and who may be prolonging the dispute? In my opinion, naming and shaming is a powerful tool, especially in 2026.

That is for both witnesses.

Bea Bruske: Certainly, unions are democratic organizations, and they have to take any of the recommendations from their bargaining committees back to their members, who will vote on them. We feel that unions are very transparent in terms of how they respond to their members' needs and how they show their work at the table, so to speak.

I don't have an issue with a report being made public. I do have an issue with a report citing an employer for behaving badly that still has access to section 107 to utilize it to end a potential strike.

Mark Hancock: I agree with Bea.

We've had two rounds of bargaining go with the port of Montreal. We saw an employer that dragged their heels and took us through essential services for about two years, just playing games and not being interested in getting an agreement with the union at the bargaining table. We're very happy to see transparency as part of the process.

I think that the public would be quite shocked by some of the games that many of these employers play out there. Again, I agree with my friend Bea.

Emma Harrison: Thank you to both of you.

Mr. Hancock, you spoke to this already, but one objective of Bill C-39 is to encourage parties to resolve disputes at the bargaining table before a work stoppage occurs. Do you agree that providing mediation and conciliation supports earlier in the bargaining process could help the parties reach negotiation settlements?

Mark Hancock: We're always interested in working with mediators. We do that quite often across the country in both federally regulated sectors and provincial sectors. As I said earlier, most of the time we get a collective agreement even without a strike vote. We know how to bargain, we have great bargaining committees and we have really smart staff who know how to find a deal.

In those instances in which there are hiccups, we use mediators either at the provincial or the federal level. We're happy to use whatever tools will help both parties get to a place where a deal is found at the bargaining table and without any government intervention.

Emma Harrison: Ms. Bruske, would you like to answer that as well?

Bea Bruske: Certainly. A mediator can always be helpful. We don't have any issue with having additional expertise in the room. Bringing in decision-makers who have the ability to make those difficult decisions and foster good debate and discussion is incredibly important, especially in this moment when we have high youth unemployment and we have workers who are worried about the impacts of automation, AI and all of those kinds of things. Those bargaining table conversations are more important than ever, and we cannot short-circuit the system by getting to a quick resolution to those matters.

Emma Harrison: Thank you.

Mr. Hancock, during the Air Canada flight attendants' strike, you repeatedly stated that the best solution was one reached at the bargaining table rather than through imposed arbitration. Looking back, do you believe the parties would have had a greater chance of reaching an agreement if formal bargaining had begun earlier and additional federal mediation resources had been available from the outset?

Mark Hancock: Maybe. We would have had a better chance of getting a deal if Mr. Rousseau hadn't believed that the government was going to come to the rescue. That cost us a day of strike—legal or illegal, however you want to frame it—and we ended up spending that day pushing back on the government's intervention. We saw that in the last 10 to 15 days of bargaining prior to going on strike, things completely changed at Air Canada. They stopped coming with real bargaining proposals; they were coming without actually looking to find a deal. It was like a light switch went off.

Emma Harrison: Thank you for that.

One of the concerns you raised during the Air Canada flight attendants' strike was that you believed that the employer was not negotiating in good faith.

I have two questions. First, do you feel the negotiations could have gone differently if they had known the special mediator report was going to go public if a deal wasn't reached and the report outlined the position of the parties? Second, do you feel the administrative monetary penalties for not negotiating in good faith would have changed the outcome?

Mark Hancock: I don't know the answer to that. You would have to get inside Mr. Rousseau's head and Air Canada's—the employer's—head. I believe they knew that they were going to be saved, that the government was going to ride in on its white horse and save the day. They expected our members to fold and go back to work, but clearly that wasn't the case. If things had changed, if there were a mediator who could have shamed Air Canada.... Who knows? Hindsight is, as they say, 100%.

● (1225)

Emma Harrison: Thank you.

The Chair: Thank you.

Mr. Ste-Marie, I'll turn the floor over to you.

[*Translation*]

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

Good morning to both witnesses and thank you for being here.

Mr. Hancock, I'm going to continue on the same topic. Your union has directly experienced the consequences of the use of section 107 in the dispute involving Air Canada flight attendants. The government intervened to end the strike and impose mandatory arbitration.

You're calling for the repeal of that section. Instead of repealing it, the government is explicitly enshrining ministerial authority to end a legal strike in Bill C-39.

Why is it essential for you to repeal section 107? Also, what would be the consequences of maintaining the application of section 107 on the right to strike and collective bargaining? I imagine the proposed amendments do not address your concerns at all.

[*English*]

Mark Hancock: No, not at all. Like a lot of other unions, we're in the courts, with the government using section 107.

I know there are at least two or three other unions in the courts. We believe the government oversteps in a number of cases. We've maintained for the last few years, since section 107 started to be used by this government, that government should stay the hell out of bargaining and that the only place a collective agreement can be found is at a bargaining table with both sides, maybe with the help of a mediator.

As soon as the employers know that the government may or will intervene in trying to end the dispute, things dry up at the bargaining table. We've seen that time and time again.

We're in the courts. We're going to continue through the courts. We know our fundamental rights as enshrined in the Constitution and in the Charter of Rights. We have the right to withdraw our service when needed, and we're going to maintain that as we move forward.

[*Translation*]

Gabriel Ste-Marie: Thank you. This leads me to say that Bill C-39 does not provide stability or legal certainty.

Ms. Bruske, I'd like to hear your thoughts on the following. When workers decide to exercise their right to strike, the decision does not seem to be taken lightly. It has consequences for them, for their well-being. Why are they choosing that option? Is it for the sake of disrupting the economy, or is it because there is no other way left to negotiate an agreement?

[*English*]

Bea Bruske: Certainly, when workers make the very difficult decision to walk a picket line.... That is not an easy decision to make. That's after many months, usually, of bargaining and attending meetings with their union to understand what the issues at the bargaining table are. Workers don't make that decision lightly.

The first day on the picket line costs them their paycheque. They don't know how long they're going to be on the picket line for. For example, we have the Bank of Canada down the street; those workers have been on a picket line for over 100 days. However, the issues in front of them are big enough that they know they need to take action.

Whether it's wage inequality, dealing with job security, or dealing with the trade and tariff issues that we're dealing with right now in terms of how those are impacting their workplaces, workers know that the card they hold is to withdraw their labour. The employer holds all the other cards: where to invest, how to invest, how to organize their business, whether to expand, whether to shut down and whether to minimize production lines. Those are the cards the employer holds.

The card the workers have is the ability to withdraw their labour. Without that, you upend the table.

[*Translation*]

Gabriel Ste-Marie: Thank you very much.

The government cites the economic consequences of a strike to justify its action, but what is the point of going on strike if there are no economic consequences?

[*English*]

Bea Bruske: The whole point of having a strike or a labour dispute is to have an impact on the employer. You can't have an impact on the employer if you can't impact their business. Often it's also a public relations battle for the hearts and minds of the support: whether the public supports the employer or the workers in this particular case.

I think that, as illustrated with the Air Canada situation, every single Canadian understands that if you go to work for 40 hours and only get paid for 30 hours, that's patently unfair. This issue wasn't going to be resolved at the bargaining table, and those workers decided that they were willing to go out on strike and contravene a government order to return to work. Those workers felt strongly that this issue was enough for them to take action and potentially be fined and have other consequences.

When we are pushing workers to the brink, and they do not have the framework of being able to go out on a legal strike, that's not going to end strikes and labour disputes in this country. It will make them more unpredictable, potentially longer and potentially violent on the picket line. That is a huge problem. It means we will have a less stable economy and less stable workplaces.

● (1230)

[*Translation*]

Gabriel Ste-Marie: Thank you very much for your answer.

I have one last question on mandatory arbitration. Collective bargaining is not just about salaries; there are plenty of other things involved. You just mentioned the issue of Air Canada flight attendants. You also referred to the challenges posed by automation and AI, which were talked about earlier today.

Explain again why mandatory arbitration cannot replace meaningful collective bargaining, especially when there are complex issues like the ones you talked about.

[*English*]

Bea Bruske: Thank you for that important question.

In my experience at the bargaining table, what compels workers to go out on strike isn't, in general, wages and benefits. It's that something is at risk, whether it's their job security, respect and dignity at work or wages that are so far off base that there needs to be an economic strike in that way. However, arbitrated decisions don't generally get to the heart of those more complex issues, whether the issue is automation, how it's being used and how many jobs will be displaced; whether it's AI in terms of decision-making; or whether it's tariff-specific threats that a particular employer and the workplace need to manage.

Arbitrators will cut the baby in half, give a bit to both and say, “Here you go. Here's your new collective agreement. See you in three years' time.” We hope it won't, but that's usually what happens.

We need to find a way for the parties to stay at the bargaining table and to really drill down on the issues that are at stake in this moment. We are living in a vastly and quickly changing economic reality right now—with threats of tariff issues, threats of AI and automation, youth unemployment—that we're navigating. We have many challenges, and those challenges are best discussed and best resolved at those bargaining tables, not by an arbitrator who doesn't necessarily understand that particular sector of the economy or that geographic location of the economy.

The Chair: Thank you, Ms. Bruske.

Mr. Lawrence, go ahead.

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

I believe that the theory for the case for Bill C-39 is this government's belief that, by passing Bill C-39, it will make the collective bargaining process better. However, that relies on two premises, neither of which seems to be true, so I'd like your comment on this.

Premise number one is that the introduction of a special mediator will greatly enhance the ability—for unions in particular—to negotiate against bad-faith employers, if we're saying this honestly. Given the fact that the only thing the special mediator can do is produce a report, do you think they will have a meaningful impact on the collective bargaining process?

Bea Bruske: Having a special mediator and having transparency are not bad things, but in and of itself, having a special mediator is not going to solve the issues and the challenges at the bargaining table. Yes, they can provide a report. Yes, the minister can make that public. Yes, we can name and shame, and maybe that will drive some actions in some way, shape or form. However, if an employer is recalcitrant and does not actually want to reach a collective agreement on a difficult issue, a special mediator's report is not going to address that.

Philip Lawrence: Thank you.

The second premise, which I'd love for you to comment on, is that putting in so-called guardrails, or controls around the triggering of section 107, will make employers in particular more likely to stay at the table and get a deal done. My belief, however, is that these are not real safeguards. It has to be in the national interest, but who decides that? Well, the government decides what's in the national interest. I believe your organization has talked a bit about having an independent council, so could you comment on that and tell us about some of your proposed amendments to the legislation?

Bea Bruske: We believe this would enshrine the use of section 107 to break strikes, and we know that this section of the labour act has been in effect since 1984. Only in the last two years has it been used eight different times to break eight different strikes. In this particular case, we still have outstanding court actions, as you've heard some of my colleagues talk about. There are four court actions on this particular issue.

I want to point out that the ability to break a strike, as is contemplated under the new language in Bill C-39, section 107, in the second part, actually enshrines the ability to force workers back to work. That is a greater ability than any other G7 government has: the ability to enforce workers' return to work. Even the President of the United States does not have the ability to send workers back to work. They may have an opportunity to pause an ongoing labour dispute, but they don't actually have the ability to force those workers back without a vote in Congress. Therefore, this is going well beyond the point to which every other democracy we align ourselves with goes. This is hugely problematic because it removes the ability to have leverage at the bargaining table, to give both parties a need to get to the bargaining table and resolve complex issues.

● (1235)

Philip Lawrence: I'll roll this back to some of the changes or amendments we could make to improve the law. If I can, I want to get just a yes-or-no answer from you. I know it's difficult.

Given that the special mediator has extremely limited powers and can only publish a report, given the lack of protections or safeguards around the triggering of section 107 and given that, in fact, this would now entrench section 107 as part of our legal landscape, do you believe we will be worse off if Bill C-39 passes?

Bea Bruske: One hundred per cent: We will be worse off.

Philip Lawrence: Thank you very much. That's very clear. I appreciate it.

With regard to some of the improvements we could make, my colleague Mr. Seeback has talked about the potential of giving the special mediator more power—not demanding that they make a deal for the people, but perhaps giving the power to say that if you guys don't get a deal and if that employer doesn't get a deal, you're at least going to sit in the office, even if you're staring at the wall for the next three weeks. You're going to at least be in the office staring at your union counterparts.

Do you think this would be helpful?

Bea Bruske: Any time you force decision-makers to be in the same room is helpful in terms of driving conversation and discussion.

A mediator needs to be independent, needs to be a subject expert and needs to have collective bargaining experience in order to bring real value to the process.

Philip Lawrence: Thank you.

In my last 30 seconds, Mr. Hancock, could you provide me with a couple of comments on whether you believe that the status quo is preferable to Bill C-39?

Mark Hancock: Absolutely, it is much more preferable.

As I said earlier, we're fighting section 107 in the courts. I'd much rather be at a bargaining table getting a collective agreement done, with both sides agreeing to a contract, than having to deal with the government's interference with our fundamental right to negotiate collective agreements and our fundamental right to strike. That will become the fight if Bill C-39 continues, rather than getting a collective agreement at the end of the day.

The Chair: Thank you, Mr. Lawrence.

It's over to you, Mr. Bains.

Parm Bains: Thank you, Mr. Chair, and thank you to both of our witnesses for joining us today and for your leadership in supporting workers.

I'm going to stay on the special mediator piece.

Yesterday we heard from Minister Hajdu. She made a strong case that Bill C-39 enhances collective bargaining rights under proposed sections 87.01 and 87.02, which state that an independent special mediator must provide a report to the minister when the parties have not reached an agreement.

The report could be made public, and we've talked a lot about that today. It could reveal the intent from both sides—for example, if the employer is being unproductive. The public would see this and take it into account. There would also be monetary penalties if the negotiations are done in bad faith.

Do you believe that this adds some teeth to the process?

Bea Bruske: Monetary penalties are really dependent on how big or small the employer organization is.

Let's be frank: If you're trying to have a monetary penalty for an Air Canada versus a smaller organization, there's going to be a different kind of motivation on whether to resolve a problem.

Parm Bains: We also heard from the minister that some agreements had lapsed and had been allowed to remain lapsed for years, weakening ties between labour and management and weakening the collective bargaining process. In your view, will this change improve the bargaining processes and limit the ability for management to rag the puck? Could that happen?

Bea Bruske: What would improve the bargaining process is doing some of the things that have been announced. Having more resources for the CIRB to deal very expeditiously with matters outstanding between the parties is critically important. An arbitrated approach to bring quick resolutions to grievances and not letting those things pile up is an incredibly important part of the process.

We have suggested, very strongly, that at no point should workers be forced to abandon a picket line without a vote in Parliament. For decades, that is what has had to happen in order to send workers back to work. These are not light decisions when you're taking somebody's constitutional rights away. If this is a requirement the government feels is necessary, it should be tabling legislation in the House of Commons, and that legislation should be debated. Workers should understand what the discussion and the debate are about, and a vote can be taken.

Enshrining the use of section 107 to break a strike is the absolute wrong way to go. It will cause more labour disputes.

● (1240)

Parm Bains: The bill would also increase health and safety enforcement capacity and provide additional resources to better protect federally regulated workers. Would you agree that strong workplace protections and effective enforcement are issues unions have consistently fought for and that these provisions would benefit workers across the country? Could you shed some light on that?

Bea Bruske: I want to be clear that there are many positives in this bill. We talked about misclassification of workers. We talked about first collective agreements, increased supports to the CIRB and increased health and safety inspectors. All of those things are very good things. None of them, however, can balance out taking away the leverage that workers have at bargaining tables.

For all those good things, and they are things for which we have advocated over many years and decades, this should not take away the ability for workers to have their voice heard.

Parm Bains: Mr. Hancock, can you please shed some light on the same question?

Mark Hancock: I don't disagree. Of course we're all for healthier work sites. One of the most difficult things I do as a national president is to have conversations with locals that have lost a member in their workplace and to talk to families. That's the last thing any of us ever want to do.

Of course we're supportive of however we can make any workplace safer but, to echo my friend Bea, not at the cost of interfering with our fundamental right to strike. That needs to remain. That needs to be untouched to allow the parties to get collective agreements at a bargaining table without interfering with our right to strike.

Parm Bains: For the final minute, maybe I'll stick with you, Mr. Hancock. Can you comment on the monetary penalties that have been added for any employer that's potentially negotiating in bad faith?

Mark Hancock: Penalties are one thing. As Bea said, many employers have lots of money. It's part of the cost of doing business to pay fines or to pay costs associated with labour relations and bargaining.

At the end of the day, I'm only interested in my union and other unions being able to get collective agreements at a bargaining table without any intervention. If the government wants to fine employers, then go at it, but at the end of the day, that's not going to impact our right to get a fair collective agreement for workers. As I've said a couple of times, that's not going to interfere with our right to strike.

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.

Mr. Hancock, you are fighting section 107. As you said, there are other lawsuits ongoing. You have also said already that, if the current version of Bill C-39 is passed, you will challenge its constitutionality as soon as it comes into force. Can you elaborate on that?

[*English*]

Mark Hancock: Absolutely. As I said, we're in the courts for the previous use of section 107. We're going to use every tool available to us to fight Bill C-39 if it continues with this section 107 included. We don't have a choice. We feel very strongly about this. We feel that many court decisions over the last number of years have supported workers' right to strike and withdraw their services. We're going to continue on with those previous cases. We will mount whatever court challenges we need to in the future to make sure we have that unfettered right to bargain and to take strike action.

[*Translation*]

Gabriel Ste-Marie: Thank you.

You were talking about the various court decisions. The Supreme Court reminded us that the right to strike must be limited in order to protect people's lives, but that corporate profits were not a reason to limit the right to strike. Moreover, and you talked about this earlier, a week and a half ago, in Quebec, the Tribunal administratif du travail struck down the Quebec law that was based on section 107.

Under Bill C-39, the government is invoking this power to end a strike when there are economic consequences. As you said, it seems to fly in the face of the Charter and seems to be unconstitutional. Could you clarify that?

● (1245)

[*English*]

Mark Hancock: As I said earlier, we use every tool available to us to protect our members' rights and to protect workers' rights, and we've done so many times, whether it is now, with section 107, or in the past with other legal challenges. The problem with utilizing the courts is that it takes many years to get through those court procedures. In the example we talked about earlier, with Air Canada, yes, we could have just relied on the courts, but that would mean workers' going back and having to live with the existing collective agreement language, which didn't allow for pay when they're docked at airports and didn't deal with a lot of the issues they needed to deal with at that point.

That's why I keep going back to this: The only place we can deal with these types of situations is at a bargaining table. We're very good at that, and most employers are very good at that. When two sides sit down, they talk about the issues. Whether it's work-life balance, whether it's wages, whether it's benefits, whether it's scheduling or whatever the case may be, when the two parties sit down and look to find an agreement, we get those deals. It's when we have outside interference that we have real issues.

[*Translation*]

Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you.

It's over to you, Mr. Albas, for five minutes.

Dan Albas: Mr. Chair, I thank both of our witnesses for being here today and for offering their testimony.

I'll start with Ms. Bruske. Ms. Bruske, earlier in your testimony you cited that you gave the minister suggestions on how to improve things like section 107 over the consultation process, which are not reflected in Bill C-39. Is that the case?

Bea Bruske: That's the case. We provided a raft of recommendations.

Dan Albas: None of the raft of recommendations are in here. Would you be of the mind to share that with the committee?

Bea Bruske: Sure.

On the specific issue of section 107, as I noted earlier, we believe that any mediator should be independent and bring expert advice to the table—somebody who has that skill.

We called for an independent public interest panel that would determine whether there is an economic emergency, with a roster of things that need to be hit in order to make that recommendation to say, “Yes, this particular labour dispute hits that note. It's not just an inconvenience. It actually hits a note of a national emergency.” Then, the minister could take that recommendation from an expert panel back to Parliament, with a recommendation to say either, “We need to table back-to-work legislation” or “Here's what the expert panel has identified, and we don't need to table legislation.” Then, that debate could happen in the House so that people—workers—could understand how you would come to that rationale and could see how the outcome of that would be voted on.

Dan Albas: Can you send that to us in writing, please?

Bea Bruske: We will be happy to share that.

Dan Albas: Thank you very much.

I'll move over to Mr. Hancock. Mr. Hancock, last night I learned many things from the minister of employment. One of them is that I'm supposed to be able to ask her questions about a document none of us have seen, but I'm sure that you would find other things she said to be equally incredible. One thing she said is that there is no evidence of unpaid work for flight attendants. Would you like to correct the record, please, sir?

Mark Hancock: We've made an indent in that with both the Air Canada bargaining and, more recently, WestJet. Absolutely, there was. I know this had been raised in the House of Commons by different folks, including former MP Bonita Zarrillo, when the minister was in there. I can tell you this: Ask any one of 10,000 flight attendants at Air Canada, or any of the other thousands of flight attendants we have, about unpaid time.

Dan Albas: I want to ask both of you this in regard to the current section 107 as it exists, which reads, “The Minister, where the Minister deems it expedient, may do such things as to the Minister”, etc., versus what is going to be in Bill C-39, which is, “may take any measure that, in the Minister's opinion”, etc. That, to me, as a parliamentarian, opens it up because it has to just be the opinion of the minister. That is a big change.

Could you comment on that, please, Ms. Bruske?

● (1250)

Bea Bruske: You've hit the nail on the head that it gives unfettered powers to one minister to make a determination based on what they believe in that moment, based on whatever information they have received. It is a significant change, and that's absolutely cause for significant concern.

Dan Albas: No matter what's in the special mediator's report, it's the opinion of the minister. They could ignore it.

Bea Bruske: It's the opinion of the minister.

Dan Albas: Okay.

Mr. Hancock, go ahead.

Mark Hancock: I agree. We've looked at this bill a lot, at section 107. I think that one thing this government's attempting to do is to shelter itself from court challenges. It's done a decent job of that, but at no point will we, as a union, give up our right to strike. No guardrails are going to take away our right to strike. I think the government has missed the ball completely in this case.

Dan Albas: We have talked about giving more powers to the special mediator. One thing I'd like to talk to you about is clause 322. It would establish a defined special mediator period. A mediation period that is demonstrably moving the parties towards agreement should not automatically terminate because the statutory period expires.

Ms. Bruske, would you support an extension of up to 14 days on a special mediator's written recommendation when meaningful bargaining is under way and additional time would materially help the prospect of a settlement?

Bea Bruske: What I'm concerned about is that when you're down to the last strokes of bargaining, extensions of time are not necessarily helpful. You need to be working towards a deadline, because extensions often mean that you're just ragging the puck, creating a bigger frustration and not necessarily finding those solutions.

We're always concerned when there are additional timelines being added. Everybody knows what the bottom line needs to be. Everybody's had months and weeks to prepare for this moment. Let's go.

Dan Albas: I really appreciate that.

Thank you to both witnesses.

I have one last statement. Conservatives believe that government should be limited. Unfortunately, it seems the government is giving itself unlimited discretion when it comes to workers' rights.

The Chair: Thank you, Mr. Albas.

Last in the batting order is Ms. Desrochers.

[*Translation*]

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

I really want to start by thanking the witnesses for joining us today, but also for all the work they do to protect and advance workers' rights across Canada. It's really important, and I know it's not always easy. I was a public service employee for over 20 years, so I saw first-hand the important work of unions, and it's very, very appreciated.

I will also take the opportunity to set the record straight on section 107. Contrary to what was said earlier, Bill C-39 does not enshrine section 107 further, because it already exists. It is already being used. It is precisely because it has been used a number of times in recent years that the government and the minister have said they need to establish criteria and transparency mechanisms and codify the factors that will allow its use. In fact, that's what Bill C-39 codifies and what it proposes to increase protection and accountability.

Ms. Bruske, Mr. Hancock, do you agree that the bill adds additional requirements to regulate when and how section 107 is used, but also on what has to happen before we get to that point, whereas we are not there at all at the moment?

I'd like to hear your thoughts on that.

[*English*]

Bea Bruske: The fact that the government has used section 107 eight times in a two-year period does not mean that it should be enshrining the use of it. This is why there are four court challenges in play at this moment: Unions vehemently disagree that section 107 should be used that way at all.

As I noted earlier, if there is an economic emergency—

[*Translation*]

Caroline Desrochers: I'm going to interrupt you. My question is actually whether Bill C-39 proposes anything to govern the use of section 107. Regardless of whether you think section 107 should exist, does the bill propose any anything?

● (1255)

[*English*]

Is this providing a better frame for the use of it?

Bea Bruske: I don't believe it provides any guardrails whatsoever. I believe it gives employers a free pass not to bargain.

[*Translation*]

Caroline Desrochers: Mr. Hancock, what do you think?

[*English*]

Mark Hancock: I'm not interested in any guardrails around something that's going to impact my members' ability to exercise constitutionally protected rights. We don't have guardrails around whether people have human rights in this country. Ultimately, at the end of the day, my members will continue to exercise their right to strike with section 107 as it is now or with section 107 as it is contained in Bill C-39. I have no interest in guardrails.

[*Translation*]

Caroline Desrochers: Perfect, thank you.

Let's get back to the other elements in Bill C-39, especially the commitment. I'm referring here to my experience as a former public service employee. I spent several years without a collective agreement because negotiations for a new collective agreement often begin six months after the expiry of the old one.

Do you think codifying how negotiations should happen and putting deadlines on when they should start before the collective agreement expires will help negotiations and help workers get better results?

[*English*]

Bea Bruske: The best determinant of whether there's going to be successful bargaining is the parties' past behaviour at bargaining tables. When there's complex bargaining, parties will often, if they have a well-developed working relationship, start the bargaining process early, as we heard David Chartrand indicate earlier. However, removing leverage is not going to assist the parties in actually reaching a collective agreement.

[*Translation*]

Caroline Desrochers: Mr. Hancock, do you want to add anything?

[*English*]

Mark Hancock: As I said earlier, we have over 4,000 certifications. Every round of bargaining with different employers is different. I believe it's always best to start early and to meet often to talk about challenges that employers and workers face. I have no issue with that.

When progress is being made at the bargaining table, unions—and we showed this most recently with WestJet federally—are willing to go beyond the timelines as well. With as much time as possible spent at the bargaining table and both parties actively seeking a collective agreement, we're all better off.

[*Translation*]

Caroline Desrochers: That's perfect. Thank you very much.

[*English*]

The Chair: Thank you, Ms. Desrochers.

Thank you to both of our witnesses for joining us today and for their valuable contributions to this very important piece of legislation.

Thank you to the members.

We've had two long days. I will see you next Monday. Notice will go out later this week about the next meeting.

Thank you.

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