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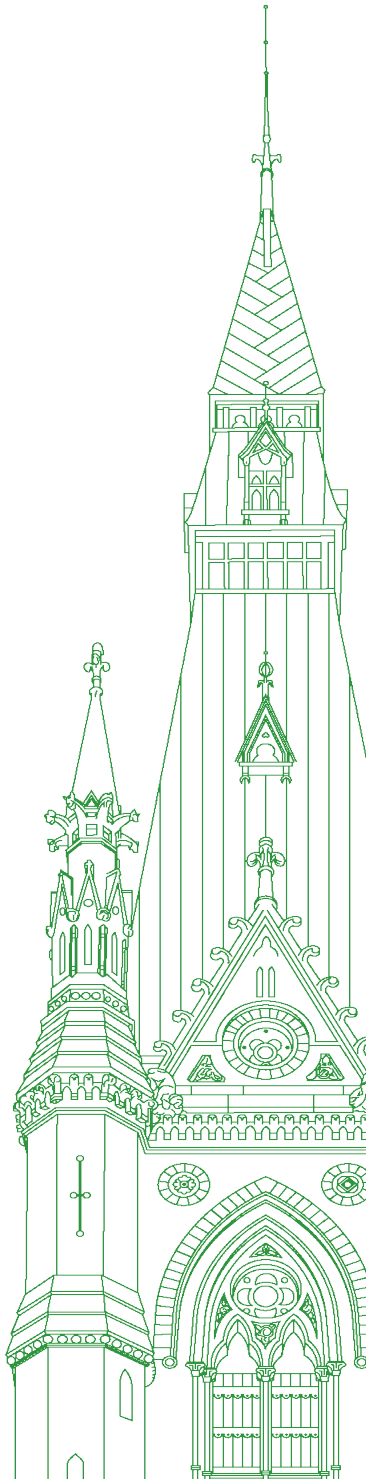
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Legislative Committee on Bill C-39

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Chair: James Maloney

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● (1005)

[*English*]

The Chair (James Maloney (Etobicoke—Lakeshore, Lib.)): Good morning, everybody. I'd like to call this meeting to order.

Welcome to meeting number five 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.

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

Please wait until I recognize you by name before speaking.

Those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you're not speaking.

Those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor audio, English or French. Those in the room, you can use the earpiece and select the desired channel. You will be asked questions in English and French, so make sure the interpretation devices are functioning accordingly.

I will remind you that all comments should be addressed through the chair. Those on Zoom, if you wish to speak, raise your hand. Members in the room, wave your hand.

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

From Canada's Building Trades Unions, we have Sean Strickland, executive director. From the Confédération des syndicats nationaux, we have Caroline Senneville, president; Ioanna Egarhos, union adviser, legal services; and Jonathan Michaud, union adviser, health, safety and environment department. From the Conseil du patronat du Québec, we have Michelle LLambías Meunier, president and chief executive officer; and Norma Kozhaya, vice-president of research and chief economist.

Each organization will be given up to five minutes for an opening statement, and those will be followed by questions.

Mr. Strickland, I will start with you and yield the floor.

Sean Strickland (Executive Director, Canada's Building Trades Unions): Thank you very much, Mr. Chairman.

Thank you to the committee for having me here today.

My name is Sean Strickland. I'm the executive director of Canada's Building Trades Unions. CBTU is the national voice for more than 500,000 skilled trades workers across Canada. Our 14 affiliated unions represent workers in more than 60 construction trades and occupations.

While most of our members do not work in federally regulated workplaces, we do welcome some important changes to the Canada Labour Code that are contemplated in this bill.

We called for and support stronger action on wage theft and worker misclassification, better protection when contracts change hands, more help for workers trying to get their first collective agreement, and faster grievance arbitration. We do, however, have some concerns.

First, we have concerns about the proposed changes to how workers are grouped for collective bargaining. Under the current law, a union or a council of unions can apply to establish a single geographic bargaining unit, covering employees at two or more employers. Bill C-39 would amend section 34 to expand that process, allowing the minister of labour, the board itself or even employers to initiate this even when no union has applied. We can't support giving employers a role in deciding how workers organize themselves. That decision belongs to workers and their unions, not to employers or the government.

We also have concerns with proposed changes to section 107 of the Canada Labour Code. As part of the government's consultation process, we were clear that we stand with the broader labour movement in calling for section 107 to be repealed. Since that is not the path the government seems ready to take, we also offered an alternative proposal in our submission. We call for more time for bargaining, cooling-off periods, clear rules around worker misclassification, and a mediator.

However, the process needs to be stronger, with clearer limits on when the minister can intervene. The mediator needs to be independent. Both sides should agree on a mediator chosen from a roster they have agreed on in advance. If they can't agree to the mediator within five days, the CIRB should appoint someone from that same roster. If the minister disagrees with the mediator's advice on their review of the collective bargaining process and the minister decides to intervene, the minister should have to table written reasons in the House of Commons. Otherwise, instead of creating guardrails, the proposed process could ultimately be used by a minister as a justification to end a legal strike or lockout.

In our submission, we also said that the national interest needs to be clearly defined, with clear limits on when the government can intervene. CBTU believes the minister should be able to end a work stoppage in only two circumstances. The first is if there is a significant and imminent threat to public health, public safety or public security that cannot reasonably be dealt with without government intervention. The second is if there is a truly exceptional circumstance, and a negotiated settlement is not reasonably possible within a reasonable period.

Even when one of these conditions is met, intervention should be a last resort. The government should use the least intrusive measure to find a resolution. If workers are ordered back to work, the government must ensure a fair process to resolve outstanding issues. The goal should still be a negotiated agreement, not to automatically send the dispute to binding arbitration. Ending a work stoppage is not the same as reaching an agreement.

The bill clearly does not abolish the right to strike, but it does lay out under what conditions the government can limit that right and intervene to end a legal strike or lockout. This could affect 1.4 million workers in federally regulated industries. That is why CBTU is focused on the process and on putting genuine limits on a minister's power. Even though most construction workers will not be directly affected by the changes in Bill C-39, we know that changes at the federal level can influence how provinces approach their own labour laws.

Bill C-39 is a big bill. There are parts that we were happy to see, including some important steps toward getting more major projects moving in Canada. The government's one project, one review approach can help reduce delays, give investors more certainty and get projects built faster.

We welcome measures to improve transportation project coordination, expand trade corridors, modernize port governance and strengthen supply chains. These changes will help create more good-paying, unionized jobs and more opportunities for apprentices to learn a trade as we build the infrastructure Canada needs.

Mr. Chair, in closing, CBTU supports important parts of Bill C-39 that will get major projects moving, create good union jobs and strengthen protections for workers, subject to indigenous-provincial-territorial consultations.

We ask this committee to preserve those gains while making the necessary changes to protect meaningful collective bargaining, the right to strike and the right to organize.

Thank you, and I welcome your questions.

● (1010)

The Chair: Thank you, Mr. Strickland.

Ms. Senneville.

[*Translation*]

Caroline Senneville (President, Confédération des syndicats nationaux): Thank you for having us. The chair went through the introductions, so I'll get right to it.

I'll start with the positive aspects of the bill. In the view of the Confédération des syndicats nationaux, or CSN, applying the arbitration mechanism to the first collective agreement really adds value. The CSN welcomes the transfer of certification and the requirement to abide by the collective agreement when a new contractor succeeds a previous contractor. We also appreciate the introduction of administrative monetary penalties for bad faith bargaining.

Nevertheless—and I want to stress this point—the CSN has called, and continues to call, for the repeal of section 107 of the Canada Labour Code. Why? In the CSN's view, the only limits on the right of association should be those provided for international law. What does international law say? It says that restricting the right to organize is warranted only to protect the health and safety of the public or to address an extreme national emergency. Just this spring, the International Court of Justice stated that striking is one of the main tools a union has to promote the interests of workers and improve their working conditions. The right to strike is necessary in order to effectively exercise freedom of association. The right is protected in convention No. 87 of the International Labour Organization, which was established in 1948 and signed by Canada in 1972.

This fall, Quebec's administrative labour tribunal, Tribunal administratif du travail, issued a decision on October 9 in a case involving early childhood centre Le Jardin de Robi. The tribunal determined that the system of service intended to ensure the public well-being and enshrined in Quebec law infringes on freedom of association, because it creates a power imbalance, hinders collective bargaining and impedes the effectiveness of striking. Accordingly, the tribunal deemed the provisions of the system inoperative in relation to the parties, because they were contrary to freedom of association and were not justifiable in a free and democratic society.

Of course, we want to see section 107 repealed, but we are pragmatic. The decision to maintain section 107 should not be made by the labour minister. It should come from the Canada Industrial Relations Board, a neutral body. The powers the minister is being given to suspend a strike and order arbitration are a serious infringement on freedom of association. Even when framed by the national interest, the decision is arbitrary, vague and unacceptable. Maintaining section 107 in the bill puts business economic interests above union rights of association, even though under Canada's normative order, freedom of association is constitutionally protected and the economic interests of businesses are not.

We recognize the good intentions in the bill: increasing bargaining resources, adding a special mediator, extending the conciliation period, establishing targeted preventive conciliation to bring the parties together and avoid a labour dispute, and moving the process up by six months. While they are all interesting measures, they won't have any real effect, in the CSN's view. If section 107 is maintained, what we will see most is a wait-and-see attitude from employers. They will always have reason to hope that the arbitrator will come in and declare a knockout win, and we are the ones who will be knocked out.

Now I'd like to say a few words about the environment. Although it may seem like a good idea to centralize environmental decision-making, environmental issues are complex and require expertise in different areas in order to protect natural environments and the public. Because of the expedited process, the CSN is of the view that centralized decision-making will prevent issues from being thoroughly examined. We take issue with the fact that the project work can begin before the impact assessment. The impact is often environmental damage, but projects are being allowed to move forward before the damage can be identified. Breaking up a project will likely lead to an artificial division of the work in order to bypass the law. In fishing, habitat credits are used to pay now for future destruction and pollution. There was a similar effort in Quebec, a similar provision, and it simply didn't work.

What's even worse, in our view, is that Bill C-39 confirms that the Canadian economy is based precisely on the development and export of natural resources. In light of what's happening with the administration south of the border, I was under the impression that we wanted to transform the economy and thus transform materials here.

● (1015)

Focusing exclusively on natural resources keeps our economy vulnerable. We need to build a resilient economy and ensure the health of the environment for future generations.

[*English*]

The Chair: Thank you very much.

Last is Madame Kozhaya.

Norma Kozhaya (Vice-President of Research and Chief Economist, Conseil du patronat du Québec): It's going to be Madame LLambías Meunier.

The Chair: Okay. Go ahead.

[*Translation*]

Michelle LLambías Meunier (President and Chief Executive Officer, Conseil du patronat du Québec): Good morning.

Mr. Chair, members of the committee, thank you for having us today.

My name is Michelle LLambías Meunier, and I am the president and CEO of Conseil du patronat du Québec, or CPQ. We represent the interests of more than 70,000 employers of all sizes in every region of Quebec, in both the private and parapublic sectors.

I want to say from the outset that we welcome the study of Bill C-39. In an uncertain global economy, it is essential to reverse Canada's low rates of productivity, investment and economic growth, all of which have been documented. Between 2015 and 2024, Canada ranked second-last among OECD countries in real per capita GDP growth.

In the CPQ's view, the bill proposes significant and necessary policy directions. My remarks this morning will focus on two things, first, regulatory efficiency and, second, stability in labour relations.

Regarding part 1 of the bill, we strongly support the government's commitment to streamline and expedite the federal regulatory process. Completing major projects in Canada has long been a complex and excessively lengthy undertaking. It often takes more than five years to obtain all the necessary federal decisions before construction can even begin. This delay is mainly due to administrative overlap, the lack of coordination and the large number of stakeholders. In the World Bank's ease of doing business index, Canada dropped from fourth place in 2006 to 23rd place in 2020.

Consequently, we welcome the introduction of the one-year timeline to review projects and make decisions, and the consolidation of impact assessment and permitting considerations into a single federal decision. Nevertheless, the timeline must be based on clear guidelines regarding the completeness of files. That requires a real cultural change within departments; their focus needs to shift from the pursuit of zero risk to sound risk management.

In addition, we want to stress the importance of finalizing the harmonization agreement with Quebec to make the one project, one evaluation, one decision principle a reality.

I will now turn to the proposed amendments to the Canada Labour Code. The CPQ was actively involved in the consultations on the Canada Labour Code review. We applaud the inclusion of the national interest consideration, and the addition of the special mediation mechanism to increase opportunities to reach an agreement at the bargaining table and, in our view, improve labour relations. It's a step in the right direction.

Still, we feel that the bill is incomplete. The government has the ability to intervene only after a labour disruption has occurred. In key sectors, waiting until a strike or lockout is under way means accepting that significant and sometimes irreversible harm will be done to exporters, manufacturers, farmers and, above all, the public.

That is why the federal government needs to be able to act preemptively when an imminent work stoppage threatens the national interest. The code should also allow the government to appoint a special mediator well before the period specified in the collective bargaining process expires, to ensure that the process can be completed. Early intervention would help to resolve disputes before impasses arise and work stoppages likely to undermine the national interest are imminent.

In conclusion, streamlining the regulatory process does not mean circumventing social and environmental standards. Rather, it equates to improving efficiency, coordination and predictability. Bill C-39 is vital to enhance the competitiveness of our businesses, but it must be implemented rigorously and include robust tools to pre-empt labour issues.

Thank you. I look forward to answering the committee's questions.

● (1020)

[*English*]

The Chair: Thank you very much.

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

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

Mr. Strickland, I'm going to start with you, and I want to pick up on some of the conversations and comments you had with respect to the challenges in parts of Bill C-39, which are the changes to the Canada Labour Code. I want to give you some context.

Tom Doran from the ILWU said, “The importance of our work cannot justify stripping away our rights. Lasting labour peace comes from fair, negotiated agreements.”

Mark Hancock, national president of CUPE, said, “Bill C-39 is an unfair and unnecessary attack on Canadians' constitutional rights”. He also said, “It will make labour relations worse, not better.”

Bea Bruske, president of the Canadian Labour Congress, said, “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.”

Yesterday, Lana Payne of Unifor said that the “explicit attack on the right to fair and free collective bargaining” was “the last thing the workers of Canada need right now”.

These are some pretty damning statements by the labour movement in Canada about the changes that are being made essentially to section 107. This committee is designed to try to make things better, so would you support amendments, or do you think the government should support amendments to this bill that would address the concerns that are being raised by unions across the country?

Sean Strickland: Thank you for the question, MP Seeback.

I don't know if the amendments that could potentially be proposed would address those concerns that you just illustrated. That's for those folks who made those comments to respond to. From our perspective, we submitted a brief during the consultation process, and we expressed some things that could be done to strengthen the bill. There's the special mediator, for example, chosen from a roster that's agreed to by both parties. If they can't agree on the mediator, the CIRB appoints one within five days. I also think that the definition of national interest....

Look, we stand with the labour movement in saying that section 107 should be repealed, but if the government's not going to repeal it, we have to have some practical considerations on how that could be amended. What we're saying is that, if you're going to invoke section 107, it has to be related to public health, public safety and/or imminent public threat.

There are all kinds of examples I can give you around that. Right now, “national interest” is fairly vague. How do you define national interest? One person's national interest is someone else's parochial interest. I think the concern that's expressed by my colleagues in the labour movement is that we don't want to see these changes to Bill C-39 continue to validate early intervention in the collective bargaining process. The guardrails that are put in right now are an improvement, like the mediator, for example, conciliation, longer time periods, reporting to Parliament, and more public discourse around whether or not the minister is going to intervene. I think there are some things that could reasonably be done to amend this bill to make it stronger.

Kyle Seeback: There could be things like defining what national interest means, for example.

Sean Strickland: That's correct.

Kyle Seeback: There could be things such as preserving the independence of the CIRB, meaning that, when there's a referral to the CIRB for a work stoppage, they don't automatically have to do what the minister says. If you remember, in the first Liberal section 107, they referred the WestJet dispute to the CIRB, but they didn't explicitly say that the strike had to be lifted. The CIRB, independent and impartial, used its discretion and didn't order the strike to end. Would those kinds of things be improvements?

I'm going to pass it on to Madame Senneville as well.

[*Translation*]

Caroline Senneville: Mr. Strickland and I see things the same way. I want to be clear: In our view, maintaining section 107 of the Canada Labour Code, even if it's improved, will lead to more disputes and challenges. In the meantime, then, are there improvements that can be made?

Yes, the definition of national interest is very vague. In our view, the minister's discretion politicizes labour relations. We see that as very harmful. National interest could mean anything. It's too bad because the bill seeks to bring stability to labour relations, but the vague language does the opposite by opening the door to arbitrary decisions. That is why, when it comes to using criteria that are more specific than just the national interest, we really want to see the decision in the hands of the Canada Industrial Relations Board, not a single person, the minister.

● (1025)

[*English*]

Kyle Seeback: Mr. Strickland, I want to go back to what you said about geographic certification and how two employers can now apply for that geographic certification.

Do you think an amendment saying that two employers can apply, but only with the consent of the union, would make the geographic certification changes more palatable?

Sean Strickland: It would be subject to further review, but at first blush, that sounds very acceptable.

Kyle Seeback: That's great.

Madame...?

Caroline Senneville: I agree.

[*Translation*]

Kyle Seeback: That's it for me, Mr. Chair.

[*English*]

The Chair: That's very efficient. Thank you.

Dr. Martin, please go ahead.

[*Translation*]

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

Thank you to the witnesses for appearing before the committee today.

Ms. LLambías Meunier, you said you welcomed the single window approach the bill proposes. What do you see as the main areas of federal overlap or duplication slowing down major projects in Canada? How will Bill C-39 help?

Michelle LLambías Meunier: I'm going to let my colleague Norma Kozhaya, our chief economist, answer that.

Norma Kozhaya: Good morning. Thank you for your question.

Certainly, duplication is happening in a number of areas. One example is consultations. Various processes can be undertaken. That's particularly true when it comes to the period between permit applications and authorizations. Right now, we can't do that at the same time, but under the bill, we will be able to, even at the beginning of certain preparations. All of those elements will contribute to a more reasonable time frame than we have now and ideally an answer and decision in less than a year. Obviously, that doesn't include the federal-provincial duplication of processes, on top of the federal duplication I just mentioned.

Danielle Martin: Thank you.

The committee has heard from stakeholders who fear that a faster process will mean weaker project reviews, especially in relation to nature and the environment. Could you explain how it's possible to protect against that risk? What does the bill include to address that? How is it possible to move more quickly and predictably while being more thorough?

Norma Kozhaya: It's definitely possible to go faster while being thorough. That's the purpose of the bill. That's also my wish. It simply comes down to eliminating the overlap and duplication, in other words, establishing a single window. Other countries have done the same thing while being just as thorough, including Australia and Europe, especially Denmark, which is a unique case. It simply means centralizing processes and allowing them to be carried out simultaneously. It also means coordinating processes early where possible, so that the work isn't being done twice by two separate bodies. That is how environmental and other standards can be respected within shorter time frames.

Michelle LLambías Meunier: I just want to add one thing.

I want to be clear that, at no time, has the CPQ called for the removal of requirements. We are asking for better coordination, a review and elimination of duplication, greater transparency and greater predictability to carry out projects in a more timely way.

Danielle Martin: We, in government, do not want these important regulations to be watered down either.

● (1030)

[*English*]

Mr. Strickland, I come from the health care sector, where binding arbitration is the norm. As we know, under the terms of Bill C-39, in exceptional cases—and they will be exceptional cases—the minister can direct the end of a lockout or a strike due to the severity of its impact. The law goes through, in considerable detail, all of the hurdles that you've described that need to be met before that's even considered. Then, once a legal strike is under way, there is the option to....

I don't think we have discussed very much at this committee what happens after that. What happens after that, according to the law, is not that employers just get their way; rather, the dispute goes to binding arbitration with an independent arbitrator.

You can't draw a complete parallel to the universe of essential work, and I understand the difference, but I found it interesting to hear some witnesses come forward and speak as though binding arbitration is not a fair process that is used in labour disputes all the time. In fact, it's used all over the place. Maybe you could help us understand a little about how binding arbitration works in the instance of an independent arbitrator. Help us to understand how putting something before an independent third party might not be perceived by some as an adequate last resort.

Sean Strickland: The issue that has created some concern with this latest iteration around section 107 is how, in the past, the intervention by the minister has been used by mostly employers in the collective bargaining process, rather than them actually rolling up their sleeves and getting down with their employee counterparts to negotiating an agreement. They know, rightly or wrongly, that the government has their back. There are some examples that demonstrate this, such as Air Canada, where they move it to binding arbitration right away and let the arbitrator figure it out. The employers use that to their advantage. I think that's statistically proven.

The concern is that, when we go forward, the binding arbitration process should not be tainted by the fact that parties in the dispute will use that without actually doing the hard work of bargaining.

Danielle Martin: To be clear, we're talking about an independent arbitration process. We're not talking about—

Sean Strickland: I'm absolutely talking about an independent arbitration process.

What I'm saying is, in the previous iteration, when it moved to binding arbitration, it was too quick, and it didn't allow the parties to actually roll up their sleeves and go to work to get an agreement. That's why having a mediator in place first is a good step. That will better inform the binding arbitration process, if the minister decides to use that.

Danielle Martin: It's a very important distinction. Thank you.

Sean Strickland: You're welcome.

[*Translation*]

Danielle Martin: I think I'm out of time, Mr. Chair.

[*English*]

The Chair: You're done. You're right on time.

Mr. Ste-Marie, go ahead.

[*Translation*]

Gabriel Ste-Marie (Joliette—Manawan, BQ): Welcome to all the witnesses and thank you for being here.

My questions are for the CSN representatives.

Ms. Senneville, in your opening remarks, you referred to Quebec's administrative labour tribunal and its decision in the matter involving the early childhood centre Le Jardin de Robi. You pointed to the connection between the decision and section 107 of the Canada Labour Code mentioned in the bill. At this committee, I have heard certain people say the two weren't connected at all, so could you please explain the connection to us?

Caroline Senneville: In our view, Quebec's former labour minister drew on section 107 of the Canada Labour Code to design legislation allowing the government to, on one hand, make unions provide vital services, in other words, essential services, and on the other, impose mandatory arbitration to end a strike or lockout. There is a lot of similarity here.

When we read the new version of section 107, we see the national interest as similar to the rights and needs of the public. Although the jurisdictions are different, we do see the connection and similarity.

Gabriel Ste-Marie: Thank you.

Another case we could refer to is the Supreme Court's decision regarding the Saskatchewan Federation of Labour. As you said in your opening remarks, the right of association, the right to strike, is a fundamental right that must be—

Caroline Senneville: It's a constitutional right.

Gabriel Ste-Marie: Sorry, it's a constitutional right that is internationally recognized. However, the right must be limited so as not to endanger a person's life, for instance, so there is a value hierarchy.

You said a business's economic interests should not take precedence over a constitutional right. Can you elaborate on that?

● (1035)

Caroline Senneville: After the Second World War, the Universal Declaration of Human Rights was proclaimed in 1948, and it includes the right of association. That is part of a free and democratic society. It means we have the right to organize to defend our interests. That's significant. Nowhere does the Universal Declaration of Human Rights mention protecting corporate profits.

Of course, we're in favour of economic prosperity. Going on strike is never fun, and the first economic impact is felt by workers, who lose income. They decide whether or not to strike by secret ballot. They know when they're going to go on strike, but they certainly don't know when they're going to go back to work or how much it's going to cost them. In that regard, international law and the Supreme Court's decisions align. It's protected in Canadian constitutional law.

I repeat, the right to strike should be subject to as few limits as possible in any free and democratic society. I think all of us here want to live in a free and democratic society.

Gabriel Ste-Marie: Thank you for that.

Like several others, you spoke about the ambiguity surrounding the invoked national interest. We also heard from other witnesses that Bill C-39 would roll back labour rights, which would be unique among G7 countries. No other country would roll them back to that extent—for example by giving the minister the discretionary power to end a labour dispute without a vote or debate in the House before elected members.

Do you share that opinion?

Caroline Senneville: Yes, and I would remind you that few G7 countries require a strike to be called solely in the context of a collective agreement. In most other G7 countries, wildcat strikes may occur, but not in Canada. The right to strike here is already restricted. It forms part of our industrial relations framework. I would point out that there are other options when it comes to strikes.

I might add a few words about arbitration. You know, when workers unionize, their goal is to have a say in their working conditions. When workers aren't unionized, the employer offers a contract and it's a take-it-or-leave-it situation. When workers are unionized, they vote on demands, they vote on industrial action and they vote on the draft collective agreement. Arbitration takes that away. Voting is no longer part of the process; someone else decides, so the very reason for unionizing—to have a say in one's working conditions—is lost. That is the first point.

The second point is that often the arbitrator will also make decisions of a financial nature. However, when it comes to making decisions about work organization—which has a real impact on workers—the arbitrator is not a workplace expert. There are workplace experts on both sides of the bargaining table—on the workers' side and on the employers' side. Solutions to improve the workplace must emerge from that discussion. Often, the arbitrator does not get involved. The situation drags on, and as a result, labour relations, rather than improving, will deteriorate because those issues remain unresolved.

Gabriel Ste-Marie: Thank you very much.

In this regard, the government says that this bill will increase stability in the economy and in society. Would you agree that the bill will improve stability in the workplace?

Caroline Senneville: No, and this is mainly due to its vagueness and arbitrariness. As I said, in our view, there will be more disputes and challenges, and conflicts will drag on for longer. If one of the parties thinks it can sit back and do nothing—as Mr. Strickland put it—to resolve the collective agreement, conflicts will last longer and be more challenging. It is important to understand that too.

There are some interesting provisions in the bill in this regard, but when a dispute arises and is poorly resolved—particularly through arbitration—labour relations become strained. The next round of negotiations will therefore be even more difficult. I think we've witnessed that in several sectors where, ultimately, section 107 of the Canada Labour Code was invoked because the parties' positions were so far apart. There is a culture of industrial relations that means people no longer negotiate because someone else will decide. The result is not greater stability; quite the opposite.

Gabriel Ste-Marie: Thank you very much.

[*English*]

The Chair: Thank you.

We'll start the five-minute round with Mr. Gourde.

[*Translation*]

Jacques Gourde (Lévis—Lotbinière, CPC): Thank you very much, Mr. Chair.

I'd like to thank the witnesses for joining us. This is truly quite important.

Was the Confédération des syndicats nationaux consulted before the bill was introduced?

● (1040)

Ioanna Egarhos (Union Adviser, Legal Services, Confédération des syndicats nationaux): Yes, the CSN took part in consultations in the spring. The consultations did not focus on this bill, but rather, generally speaking, on the limitations posed by section 107 as it is currently drafted.

Jacques Gourde: Was the Quebec Employers' Council consulted on Bill C-39?

Michelle LLambías Meunier: Yes, we participated in the work of the committee, which met a few times, to offer our recommendations following a number of consultations.

Jacques Gourde: You mentioned special mediation in your earlier remarks. Could you expand on the importance you attached to it, given that you spoke about it at length?

Michelle LLambías Meunier: For us, the introduction of a special mediator is truly a positive aspect of the current bill. I must say that during the consultations and this committee's deliberations, there was consensus on the need for an integrated special mediation mechanism. We consider it a safeguard, much like the reports to be produced by the special mediator and the impact assessment. That said, what we find regrettable is that deadlines are not suspended during the special mediation process.

A process is being introduced in the belief that it will help reach an agreement at the bargaining table. However, there is no guarantee that this process can be completed before a decision is reached or before a labour dispute is triggered. We are therefore calling for a suspension of time limits during special mediation—or alternatively for the mediation process to be initiated as soon as it becomes apparent that negotiations are reaching an impasse.

Jacques Gourde: Ms. Senneville, do you agree with the special mediation process requested by the Quebec Employers' Council?

Caroline Senneville: Yes.

Jacques Gourde: That's good. That's common ground.

However, when it comes to arbitration, I think there is a certain reluctance on your part when it becomes mandatory.

Caroline Senneville: Absolutely, and I've explained that clearly. Arbitration means the parties don't sit down to resolve the issue. When someone else makes the decision, it always has a detrimental effect on the workplace, particularly on working conditions. Often, the issues we want to negotiate are working hours, the distribution of work or the definition of tasks. However, all of those require an understanding of the workplace, which arbitrators often lack.

As I was also saying, people don't unionize so that someone else can dictate their working conditions. People unionize because they want to have a say, whether through drawing up demands, through the whole bargaining process and, ultimately, through a secret ballot on the draft agreement-in-principle. The majority then prevails.

Jacques Gourde: Do you think that, in terms of future bargaining, Bill C-39 will give too much power to the minister or the executive?

Caroline Senneville: Absolutely—which is why we are proposing that the Canadian Industrial Relations Board should eventually conduct arbitration should this provision remain in the bill.

Jacques Gourde: Witnesses have told us that the law will likely be challenged all the way to the Supreme Court of Canada. Could your organization be among those that might challenge the law?

Caroline Senneville: If the past is any indication, I would say yes.

Jacques Gourde: Have you read the Quebec Bar Association's report, which set out certain benchmarks? It was released yesterday.

Caroline Senneville: No, I haven't. Had it been the day before yesterday, perhaps, but yesterday, no.

Jacques Gourde: I believe it will be tabled here at our committee. It will be quite interesting.

Caroline Senneville: We'll read it.

Jacques Gourde: In the event of a challenge, what will happen if the Supreme Court of Canada strikes down certain provisions of the act?

Caroline Senneville: Well, that will force the government to go back to the drawing board. It's happened before—it happened at the Superior Court of Quebec—when large sections of the Pay Equity Act were struck down, the government had to go back to the drawing board.

When the Saskatchewan ruling was handed down, it also forced a review of the essential services laws. Many provinces were forced to review those laws.

That is what the court does. No one is above the law.

● (1045)

The Chair: Thank you.

Ms. Desrochers, the floor is yours.

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

I would like to thank the witnesses for joining us this morning. I know that a great deal of preparatory work has gone into this, and I thank them for examining this bill, which is very important.

Ms. LLambías Meunier, we discussed Quebec's and Canada's competitiveness and the impact of regulation. Given the current geopolitical context, I think we all agree that it is absolutely essential to carry out the economic transformation we are currently pursuing, and to equip ourselves with the tools to move forward more quickly, thereby attracting investment and supporting economic development.

I would like you to tell us what risks we face if we fail to equip ourselves with the tools to move forward, as set out in Bill C-39. What is at risk? You said earlier that Quebec has fallen from fourth place to twenty-third. What impact does this have on families and small businesses?

Michelle LLambías Meunier: Well, as you said: It's not just our reputation as a business partner that's at risk, but also our ability to generate growth and achieve economic prosperity. Let us remind you that economic prosperity doesn't solely benefit businesses, but also our very ability to provide services to the public.

We must be very mindful of our current circumstances. The reality is that our business conditions are poor right now. Not a single entrepreneur we speak to nowadays—especially in the current geopolitical context—tells us that things are going well, that they have the workforce they need, that the regulatory framework is favourable to them, or that the tax system is favourable to them. In this highly competitive environment, we must therefore be able to attract investment, but above all to turn that investment into projects. This strategy of turning it into infrastructure projects is fundamental.

That said, we cannot take 20 years to complete projects. This is not about scaling back requirements, it's about ensuring that we proceed in a diligent, transparent and well-coordinated manner, and that we are able to deliver projects.

Caroline Desrochers: Thank you very much.

You said this wasn't just a matter of supporting businesses, because we know there are workers and families involved. Yesterday, we heard from the Canadian Federation of Agriculture, which has 190,000 members, most of whom run small farms. You represent 70,000 members. I'm sure they're not all large businesses and that many of them are small and medium-sized. For them, barriers to the movement of their goods and services affect their very survival.

So, in terms of the national interest, I would like you to tell us a little more about the impact of strikes that hinder the transportation of goods and services for your members.

Michelle LLambías Meunier: Consider a classic example: the shutdown of a port or railway. Such an event can result in losses of a billion dollars a day. Beyond the economic impact, however, it means goods do not reach their destination, whether in pharmacies or supermarkets. Ultimately, who are the people most impacted by such situations, apart from businesses? It is the general public.

Therefore, a prolonged strike or lockout with such damaging consequences does indeed have a major and disproportionate impact on the general public.

Caroline Desrochers: Thank you, Ms. LLambías Meunier.

Ms. Senneville, I would just like to clarify something you said earlier. This is not a new version of section 107. On the contrary—I believe the proposed measures actually restrict the use of section 107. Above all, I think we have been very clear on the issue of preventive use, which we do not wish to advance.

Would you agree that, when employers and unions have the tools to engage in dialogue sooner and maintain constructive conversations—as we propose in the bill—disputes can effectively be resolved before they escalate? How might this have had a positive impact on the events of recent years?

● (1050)

Caroline Senneville: It can't hurt. If the employer is acting in good faith, that will help. However, if there is an off-ramp, and if, in their mind—

Caroline Desrochers: The off-ramp already exists. We are limiting it.

Caroline Senneville: Yes, but we would like to see section 107 repealed.

Don't get me wrong. Yes, it can help if employers are acting in good faith. However, when the situation has become entrenched and employers are not acting in good faith, they simply have to wait for this process to run its course and sit on their hands, as we say back home.

Caroline Desrochers: You mentioned monetary penalties. Is that a positive step? Will it help?

Caroline Senneville: It won't do any harm, but our experience shows that employers are sometimes prepared to spend millions of dollars on legal fees to prevent a trade union from being formed, to delay collective bargaining or to pay fines, rather than spending those millions on improving working conditions.

[*English*]

The Chair: Thank you.

Ms. Larouche, go ahead.

[*Translation*]

Andréanne Larouche (Shefford, BQ): Thank you very much to the witnesses for joining us today.

As a member from Quebec, I will direct my first questions to Ms. Senneville and Mr. Michaud.

With regard to workers' rights, we fully understand that, as you said, the right of association is protected internationally. It has been a human rights issue for several decades now, as you pointed out.

Another right that is undermined by this bill, and which has not been discussed sufficiently, is the right to a healthy environment. Your brief also addresses the environmental aspect of this bill, however. I would like you to tell us about Bill C-39's impact on the environment.

Caroline Senneville: I will ask Mr. Michaud to answer.

Jonathan Michaud (Union Adviser, Health, Safety, and Environment Department, Confédération des syndicats nationaux): The first consequence is the ability to circumvent most impact assessment and environmental laws. We also question the fact that, as we see with the right to strike, powers are centralized with the minister.

Therefore, this ability is problematic. Many provisions include the notion of a region of national interest, the definition of which is very unclear. There's being able to pre-approve projects or impose only a few conditions to enable projects to move forward before the impact assessment is even done. Also, new rights-of-way of under 300 kilometres may not be subject to an impact assessment process at all. Finally, as Ms. Senneville said in her opening remarks, there is the possibility of splitting up projects.

As far as the environment is concerned, we think that, even though the impact assessment laws will continue to exist, the current version of the bill will simply make it possible to circumvent them.

Andréanne Larouche: We're hearing that the government doesn't want to remove the rules, that it just wants to provide a framework so everything flows more quickly and easily. However, regarding environmental assessments, it's simply about authorizing projects before an assessment has been conducted. Even then, the minister has the discretionary right to authorize the project to move forward.

Ms. Senneville, could you answer the question in 20 seconds?

Caroline Senneville: Damage to the environment causes damage to the public, and it is expensive. It also doesn't work well with a sustainable economy. We are already paying the costs associated with climate change. If we don't take preventive action with well-crafted projects, we'll continue to pay them very dearly in the years to come.

[*English*]

The Chair: Thank you, Ms. Larouche.

We have Mr. Gourde next, and then Dr. Martin.

I'll give you three minutes each.

[*Translation*]

Jacques Gourde: Thank you, Mr. Chair.

I will speak with you, Ms. Senneville, as well as the representatives of the Conseil du patronat du Québec.

We have two major players here with us. It is really rare for a committee to hear from the Conseil du patronat du Québec and the Confédération des syndicats nationaux at the same time. We might be making history today. During my first turn, there seemed to be some synergy between your two groups, which I've rarely seen.

Is there anything about the Conseil du patronat du Québec's positions regarding Bill C-39 that bothers the CSN?

I will ask the same question to the Conseil du patronat du Québec, to find out if there's anything about the CSN's positions that bothers them.

Caroline Senneville: We might partially agree on a specific diagnosis, because unions support productivity.

Ms. LLambías Meunier and I believe this involves workforce training, among other things. A well-trained workforce helps increase productivity. We have also fallen behind in innovation. Quebec is one of the least innovative societies. No one wants inefficient regulations.

However, business productivity depends on investment. I am sorry, but there have been tax cuts. Since then, businesses' cash flow in Quebec has increased by $900 million. There is not enough investment, not enough innovation and not enough automation, even though there is a labour shortage. We need to focus on training. As I said, we want effective, well-designed regulations. However, it is false to say that simply reducing regulations and granting tax cuts will make businesses more productive if there's no training.

● (1055)

Jacques Gourde: Thank you, Ms. Senneville.

Ms. LLambías Meunier, is the CSN right to criticize you for not investing enough? Do you also have anything to share with us about the CSN?

Michelle LLambías Meunier: We don't want to squabble. There is indeed an alignment with certain basic principles, including training. I'm going to stick to the bill we're talking about today.

For us, this is a positive bill. It's a step in the right direction. We agree that there needs to be a special mediator when it comes to the Canada Labour Code. Where we don't necessarily agree is on what this bill proposes as a check on the Canada Labour Code, with impact assessments and a mediator report to allow both workers and employers to have more predictability and, yes, ultimately find an agreement at the bargaining table. We recognize that the bill aims to improve the likelihood of reaching agreements at the bargaining table. I'm not going to talk about what the CSN doesn't agree with. Rather, I wanted to reiterate those points about what we support in the bill.

[*English*]

The Chair: Thank you, Mr. Gourde.

[*Translation*]

Jacques Gourde: Oh, my time's up. We were having fun.

[*English*]

The Chair: Dr. Martin, go ahead.

Danielle Martin: Thank you.

I want to come back to Mr. Strickland, because we've been talking about predictability on this committee quite a bit. Of course, we all acknowledge that predictability is really important for investors and proponents who are thinking about building big projects, but we haven't talked that much about how it relates to the workers.

Regarding what we've just been talking about, in terms of the workforce and skilled trades, having a line of sight into what's coming and the projects that are coming is really important to help us build the apprenticeships and do the training of workers who are going to be necessary. These projects don't build themselves; we need workers to build them. I see that as being, in part, the government having done a lot of work around investing in Red Seal trades and around union-led training in a variety of different contexts.

There's also a conversation about immigration, the workforce of the future that Canada needs, and how we can continue to be a country that is supportive of and built by, among others, established Canadians and new Canadians.

Can you talk to us about skilled trades planning and how this bill and the ability to plan might help with the skilled trades?

Sean Strickland: I think the aspects of the bill related to one project, one review are directionally very positive, subject to language in the bill related to indigenous, territorial and provincial consultation.

The Canadian industrial landscape is littered with megaprojects to maximize the benefit of our natural resources that never made it to a final investment decision for a variety of reasons, many due to regulatory inefficiency. What this bill is setting out to do is achieve some regulatory efficiency. It's not about cutting corners. It's not about cutting standards on environmental assessments. It's about trying to achieve regulatory efficiencies.

The government has done that somewhat by delegating some approval authorities with different arrangements in British Columbia and Ontario, and with the creation of the Major Projects Office in Bill C-5. I was at the LNG announcement in Vancouver a couple of weeks ago. The CEO of LNG indicated that they advanced their final investment decision because of the expedited nature of the work they're able to do with the Major Projects Office.

Given the economic landscape and the issues we're having with our friends south of the border, it is imperative for us to get this right. Our skilled trades in Canada—I represent over 500,000 of them—are ready to build Canada. I think that we can do this, and this bill is very much a step in the right direction.

● (1100)

The Chair: Thank you, Dr. Martin.

Thank you to all of our witnesses. We very much appreciate your contributions.

Unfortunately, we're out of time for this panel, so we will suspend very briefly, ladies and gentlemen, to get ready for the next panel.

● (1100)

_____(Pause)_____

● (1105)

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

I want to make a few comments for the benefit of the witnesses.

Have you all appeared before a parliamentary committee before? Do you all know the rules? Do you know how it works? Okay, I'm going to skip over a lot of stuff.

All comments should come through me. You know how to work the translation, the headpieces, etc. There's nobody on Zoom.

I would like to welcome our second panel, then. From the Canadian Trucking Alliance, we have Jonathan Blackham, director of policy and public affairs. From the Federally Regulated Employers—Transportation and Communications, we have Derrick Hynes, president and chief executive officer; and Christopher Pigott, partner at Fasken Martineau DuMoulin. From the Railway Association of Canada, we have Eric Harvey, president and chief executive officer; and Nathan Cato, chair of the board of directors.

Each organization gets up to five minutes for opening remarks. That will be followed by questions, which will come in both official languages.

I will cede the floor to Mr. Blackham to start for five minutes.

● (1110)

Jonathan Blackham (Director, Policy and Public Affairs, Canadian Trucking Alliance): Thank you for the opportunity to appear today on behalf of the Canadian Trucking Alliance to discuss Bill C-39.

By way of background, the Canadian Trucking Alliance is a federation of the nation's provincial trucking associations, representing around 5,000 companies who collectively employ around 250,000 Canadians. Trucking is Canada's largest freight mode, carrying the majority of Canada's internal and cross-border trade. Virtually every sector of the economy depends on trucks to move raw materials, business inputs and final goods to market. It also plays a vital role in connecting all other freight modes.

CTA is cautiously optimistic about Bill C-39 and supports its overall objectives of accelerating infrastructure development, strengthening trade corridors, improving supply chain reliability and addressing serious labour non-compliance taking place in our sector.

I want to begin with this issue. It's one of particular significance to us and one that has not received much attention to date in committee—the government's continued commitment to strengthening enforcement against Driver Inc. For over eight years, CTA has sounded the alarm about the widespread non-compliance associated with this practice, including employee misclassification and wage theft. Driver Inc. undermines legitimate employers, denies workers important protections and creates an unfair competitive climate for legitimate businesses.

We were therefore very pleased to see the government commit additional resources for compliance and enforcement, along with digital tools to address wage theft and employee misclassification, with a specific focus on our sector. We appreciate Minister Hajdu's highlighting our industry in her testimony here and her continued leadership on this front.

However, we want to emphasize that the job is far from over. In particular, progress towards enhanced vetting for employers participating in programs such as immigration programs, along with sustained proactive enforcement by ESDC, is desperately needed.

Likewise, we do feel that there was one big missed opportunity in all of this, and that was to address the well-known challenges, abuses and misuse associated with paid medical leave. This is particularly frustrating for compliant companies in our industry, who continue to face skyrocketing costs—and I do mean skyrocketing—as well as widespread disruption within their business and within their customer base, while they also watch as businesses operating in the underground economy completely sidestep these obligations.

Turning to infrastructure and trade corridors, our industry has long called for greater coordination and investment in infrastructure, including highways, border crossings and port and intermodal connections. We therefore support measures to accelerate approvals and improve coordination for nationally significant transportation projects. In this, we encourage the government to ensure that trucking and highway infrastructure, of course, receive appropriate attention. We are very much interested in hearing more about the national trade corridors council and to ensure that our industry has a meaningful voice.

On reducing red tape and modernizing trade, we welcome measures to enable electronic trade documents to reduce paper-based requirements. This is something very good.

Finally, on supply chain stability, Canada's economic competitiveness depends in part on the reliable movement of goods. Therefore, we support efforts to improve coordination across our national transportation system and to strengthen mechanisms to resolve disruptions—and, indeed, to prevent them—including labour disruptions when the need is clear.

While it is true that some trucking companies do have unions, generally speaking, particularly in the long-haul segment, unionization is much lower in our industry than in others. With that said, when there are disruptions within the transportation system, be it in our industry or in other transportation modes, the effects are felt well beyond those two immediate parties and often extend to our industry and our customer base as well. Therefore, our primary interest in this topic is to see a greater stability maintained within the overall supply chain.

In closing, the trucking industry, once again, is cautiously optimistic about what we see here, but of course the ultimate results remain to be seen: if it does reduce border delays, if it creates more efficient highway corridors, if there are fewer supply chain disruptions and if it produces greater compliance within our industry.

Thank you.

The Chair: Thank you very much.

Next, we have Mr. Hynes, I believe.

Derrick Hynes (President and Chief Executive Officer, Federally Regulated Employers—Transportation and Communications): Thank you, Chair, and good morning, honourable members.

My name is Derrick Hynes, and I am the president and CEO of FETCO. I am pleased to be joined this morning by Christopher Pigott, who is a partner at the law firm Fasken and serves as external legal counsel to FETCO.

In my limited time, I will focus on two parts of Bill C-39. These are division 1, under industrial relations, and division 3, under paid medical leave.

First, I'll speak on industrial relations and the new framework established for collective bargaining. FETCO is encouraged that Bill C-39 recognizes that labour instability in Canada's transportation supply chains is a chronic problem that must be addressed. FETCO members are generally encouraged by the direction set via the proposed changes to the Canada Labour Code in this bill.

Unfortunately, Bill C-39 falls short of achieving the government's objective of providing an effective and stabilizing solution to this pervasive labour instability problem. The bill introduces new tools for the minister of labour for dealing with challenging collective bargaining tables. The introduction of both a special mediator to assist with difficult negotiations and a national interest assessment to inform ministerial decision-making will prove useful in some circumstances. However, this will not be enough in others.

The ability for government to intervene to protect Canada's national interest only after a work stoppage has occurred will continue to permit broad damage and will not bring the stability intended by Bill C-39. Customers and investors around the world will continue to see Canadian supply chains as risky. We urge your committee to support an amendment to this bill that will give the minister the authority to act pre-emptively in highly extraordinary circumstances to stop a strike from occurring when meaningful collective bargaining is no longer possible and it is clear the national interest is at risk. We have specific text to recommend in this regard.

Our second area of concern relates to paid medical leave. We are encouraged that Bill C-39 recognizes that paid medical leave, as required under section 239 of the Canada Labour Code, is not functioning as it should. The changes introduced in this bill are welcome, but they are inadequate. This policy, introduced under the last government, requires all federally regulated employers to provide 10 days of paid medical leave to all employees. This leave was introduced during a global pandemic when 10 days of isolation were required when a person came into contact with the disease or someone carrying it.

Our members support providing employees with protections when they are unable to come to work due to illness. Most have a wide range of protections in corporate policies or within collective agreements, but this paid medical leave requirement has gone far beyond providing basic insurance for employees. There are three critical problems. First, the number of days is simply too high. We cannot find a single jurisdiction in Canada or even in North America that mandates 10 days of paid medical leave. Second, the leave stacks on top of similar leave protections embedded in corporate policies or within collective agreements. Many employers are on the hook for more than 10 days. Third, there is no recourse for employers to manage misuse. An employer can ask for medical certification only after an employee takes five consecutive days of sick leave.

What has been the impact of this policy? It has been recurring labour shortages during peak periods in critical supply chain industries. This has a direct impact on productivity, when organizations are forced to scale back on operations. It's been millions of dollars in new costs for medium-sized employers and tens of millions for large employers on an annual basis. Expenses include the cost of the leave, the cost of the replacement staff and the administrative burden to manage the process. Some employers are scaling back on capital investment, workforce development and employee hiring. We think it is accurate to describe all the paid leave provisions—and there are others—introduced under the last government as a government-imposed productivity crisis.

There are simple ways to fix this policy that maintain its primary objectives but make it more sustainable in the long term. We have recommended some amendments in our brief to you. These are, first, introduce language that addresses entitlement stacking and related problems; second, modify the restrictions on the right of employers to seek medical certification; and third, reduce the annual entitlement from 10 days to five days to bring it closer to other jurisdictions.

Thank you.

● (1115)

The Chair: Thank you very much.

Mr. Harvey, go ahead.

[*Translation*]

Eric Harvey (President and Chief Executive Officer, Railway Association of Canada): Mr. Chair and members of the committee, thank you for the opportunity to present the Railway Association of Canada's perspective on Bill C-39.

Our industry supports the government's objectives of accelerating infrastructure projects, encouraging investment, and strengthening Canada's competitiveness. However, certain provisions of the bill risk undermining these objectives. We believe targeted amendments are necessary to ensure the stability of our supply chains.

[*English*]

You have heard and will continue to hear a consistent message from supply chain participants, including the message from 18 national associations, in a letter I shared with you yesterday: Canada needs greater certainty to build, invest and trade, including the ability to intervene proactively before a strike or lockout significantly disrupts our supply chains.

We strongly support measures that accelerate infrastructure development and encourage private investment, including streamlined federal approvals, expanded exemptions for railway construction and the productivity mega deduction, a long-standing RAC priority that will strengthen supply chains and Canada's competitiveness.

There are also positive changes to the Canada Labour Code. Earlier bargaining can help. Special mediation and public reporting can improve transparency and accountability. Geographic certification can help promote supply chain stability at B.C. ports.

However, Bill C-39 falls well short of solving Canada's labour stability challenges. As proposed, the section 107 authority can be exercised only after a strike or lockout begins. By then, significant economic damage will already have occurred, and Canada will continue to repeat the damaging pattern of routinely telling global customers and investors that our supply chains are not reliable.

Railways cannot simply turn operations on and off. With 100,000 railcars and 4,000 locomotives across 40,000 kilometres of tracks, railways must begin winding down operation days or even weeks before a potential work stoppage. Trains stop. Ships wait. Canadian businesses lose sales. Workers lose income. Customers make other arrangements. Our trading partners again question whether Canada can deliver, and traffic diverts to alternative U.S. ports and supply chains.

This is not simply a labour relations issue: It is a national economic and trade issue. The Senate transportation committee recognized this challenge in its “Keep Canada Moving” report, recommending alternative dispute resolution when rail or marine work stoppages threaten the national interest. Bill C-39 should act on this recommendation by allowing the government to intervene before a work stoppage in exceptional circumstances, when failed negotiations threaten significant harm to the national economy.

We're not asking government to routinely intervene in collective bargaining. We always want to reach a negotiated outcome with unions, and we work hard to achieve deals at the bargaining table. We are talking about exceptional circumstances in which the national interest is at stake because of failed negotiations, no reasonable prospect of an agreement, a pending work stoppage and evidence of significant harm to Canada's national economy, trading relationships, consumers and exporters.

We also recommend removing extended interswitching from Bill C-39. Previous pilots demonstrated that this measure diverted Canadian rail traffic, jobs and investment to a U.S. carrier. This policy undermines the government's trade diversification, investment and economic growth objectives.

We are also concerned about the proposed national trade corridors council. We have already seen the supply chain table and the national supply chain office, neither of which demonstrated that greater government involvement improves supply chain operations. What would another council accomplish that these initiatives could not?

We ask the committee to make three targeted amendments: Enable earlier intervention under section 107 in exceptional circumstances, remove extended interswitching and remove the national trade corridors council. These changes would help Canada build, invest and trade with greater certainty.

Thank you.

● (1120)

The Chair: Thank you very much.

We'll start with Mr. Albas for six minutes.

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

I want to thank all of our witnesses for coming today to help us try to improve this piece of legislation.

Conservatives obviously believe—and we've been making the case for over a decade—that Canada needs to build and needs to build faster, but on the transportation side, I'm really concerned that your industry is getting the short end of the stick in this bill.

Essentially, part 1 of the bill gives a statutory 12-month term. Now, we could take issue with whether that will actually deliver, but in part 2, where transportation is, there is just a cabinet directive that basically says there will be a one-year process.

There's a single window. I would prefer to actually make the national supply chain window the entity, because it exists right now and it has some familiarity with supply chains, but it's toothless.

I'll give an example. The Deltaport expansion, berth four, is a current project. As of September 19, 2026, the federal dashboard showed zero of five potential permits completed. The potential permits span Transport Canada, Environment and Climate Change Canada, and Fisheries and Oceans Canada. Outside of Transport Canada's area are the disposal at sea permit, the Fisheries Act authorization and the Species at Risk Act permits involving DFO and ECCC.

The question I have for all of you is this: Do you believe that there should be statutory timelines of a year in part 2 of the bill for Transport Canada? Do you believe that the office—whatever it ends up being—needs to have the coordinating power, so that you have a single window that can get all of that permitting done within the same time, just like in section 1?

I'll start with Mr. Harvey.

● (1125)

Eric Harvey: For the purpose of transportation projects that are direct concerns of ours, the bill is essentially proposing amendments under the Department of Transport Act that would give the minister the authority to coordinate the processes required for transportation projects. To that extent, we see it as an example of trying to have a single desk to coordinate all those processes.

There's also the proposal that the minister may create the transportation project office, which I guess is along the same lines. It is aimed at accelerating the approvals of projects.

Dan Albas: What I want to convey, though, is that coordination.... The Major Projects Office can coordinate between different departments and different agencies, but it does not have a formal approval authority, nor can it actually name and shame those departments that don't come through.

Therefore, what we're asking for is a single window, which the minister can name, that would have the authority, similar to what's in section 1 of the bill on the Canadian Nuclear Safety Commission, to do the consultation and coordinate any permitting that's outside their direct purview in a single coordinated permit.

Eric Harvey: I would say that the Canadian rail industry has been asking for a long time to accelerate the approval of projects—and not just rail projects, by the way, because we don't sell or make anything that we move. For us, accelerated approvals of all kinds of projects for products that we move is key, and that's not just for us; it's key for the Canadian economy as a whole.

To the extent that your proposal would in fact assist in accelerating those approvals without compromising on consultations and mitigation measures for the environment, we would certainly be prepared to look at it.

Dan Albas: I'll go to the Canadian Trucking Alliance, because when we're talking about major infrastructure, it includes roadworks, culverts and a lot of DFO and ECCC permits, in addition to Transport Canada.

Do you want to have a single window that has some authority and can bring all these different groups together so that projects get built within that statutory 12-month timeline?

Jonathan Blackham: Well, I certainly think we'd be open to the concept. From our perspective, we're looking to see things built faster. We rely heavily on the provision of infrastructure. We've been calling for a number of years for it to be expanded. If that's an idea to help improve things, then we're certainly open to the concept.

Dan Albas: One of the things that we've also been talking about in terms of amendments is that if an outside agency—in this case, ECCC or DFO—is deficient and does not meet the statutory deadline, then whichever entity is head of the process, whether it be the Canada Energy Regulator, the Canadian Nuclear Safety Commission or Transport Canada, should be able to name and shame with some public accountability and say that this particular group is out of order, so that there's some transparency and the relevant minister can then be alerted.

Would you be in favour of an amendment that would put the onus on those agencies that are not under the direct control of the minister or deputy minister of transport?

Eric Harvey: It is clear that in recent years—and this is why we welcome this project so much—there has been a long period of time before some approving authorities recognize that the file is complete and then give the authorization with all the conditions that typically industries are prepared to go with.

I guess the purpose here is to make sure that things are done efficiently and rapidly, again without compromising the quality of the review.

I think this goes along the line of the previous proposition or suggestion that you made—

● (1130)

The Chair: I'm going to have to ask you to wrap up, Mr. Harvey.

Eric Harvey: Okay. Again, if it would accelerate the process, we're certainly prepared to look into that, yes.

The Chair: Thank you.

Thanks, Mr. Albas.

Mr. Louis, please go ahead.

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

I want to thank all the witnesses for being here as well.

I'll start with the Canadian Trucking Alliance, which you mentioned in your opening remarks represents about 5,000 trucking companies across Canada.

Your organization expressed the need for strengthening trade corridors, reducing bottlenecks, digitizing trade documentation and modernizing transportation approvals. All of those objectives align closely with this bill, which addresses strengthening supply chains, strategic trade corridors, transportation project coordination and reducing administrative burdens.

For trucking companies in my region—Erb Group, Challenger motor freight—this can help. It's going to help move goods instead of moving paper.

Can we talk about strategic trade corridors and how we can focus on removing those bottlenecks? How could the framework that's proposed here improve the movement of goods and strengthen that supply chain, especially at those intermodal points?

Jonathan Blackham: Thank you for that. Broadly speaking, taking this type of focus on improving trade is in itself a win for us.

Trucking companies travel all over this country. They see all the issues out there. They experience the bottlenecks on the highway, and they experience them at facilities with other modes. They experience it in their everyday travel in this country. To see this kind of focus on trade corridors....

I mentioned in my opening statement that we were interested to hear more about the potential for a council. We would love to hear more about this. I think there are some who see potential and some who have some questions, as we do, but if the overall objective here is focusing on transportation—and in our case, highway transportation—we're all for it.

Tim Louis: That brings me to the shift to digital trade.

The building Canada strong act promotes digital trade and has tell-us-once information sharing to reduce duplicate reporting requirements. We've heard that from shipping, and we've heard that from ports.

How would that apply in trucking? How would fewer paperwork requirements and the use of digital trade improve efficiency? How can that lower costs? How can that enhance competitiveness? What would that mean for your industry?

Jonathan Blackham: It's excellent.

There is a surprising amount of physical paperwork involved in moving loads, probably more than people would expect in 2026. If we're aiming to reduce that, it's an excellent move, particularly at the border. There are a lot of issues with digitization and IT infrastructure at the border, so if we're making progress on that front, it's excellent, in our view.

Tim Louis: So many of the trucking companies are doing the proper thing, doing the right job, but you talked about misclassification and you talked about wage theft. The government is taking action at the same time as our provincial counterparts. The CTA is representing Canada, but you're also working with provincial organizations to address this. What can additional resources do to prevent wage theft and misclassification and Driver Inc.?

Jonathan Blackham: It's excellent.

In fact, ESDC in particular has shown a lot of collaboration, both with other departments and with provincial partners. This is absolutely something we need. They have a multi-agency presence at truck enforcement stations along the highway network, and this has produced excellent results, but it's here and it's there. It's not a sustained presence.

Within our industry, inspections still show a 40% to 45% noncompliance rate, which is massive. While we've made significant progress, particularly under Minister Hajdu, we still have a long way to go.

Tim Louis: What you're saying is enhanced resources, and then enforcement.

Jonathan Blackham: That would be for the misclassification team at ESDC.

Tim Louis: Thank you.

Turning now to the FETCO, thank you very much. Your perspective is important, because we're hearing from different sides on this big legislation. We're hearing different things from employers and we're hearing different things from labour. The commonality is on having negotiations start earlier when there is a potential to have strikes. That seems to be the common ground.

Ninety-five per cent of collective bargaining works out before it gets to that point, but the 5% needs to be addressed. It sounds like both sides are agreeing that starting those negotiations earlier, having longer conciliatory periods and having that mediator would work.

What advice do you have on starting earlier and having transparency to avoid the strike in the first place?

● (1135)

Derrick Hynes: Thanks for the question. It's a good one.

You properly point out that in most situations, collective bargaining is working in the federal space. The number could be that 95% or 97% of the time, the parties are coming together. There's a history of bargaining, and they are getting deals.

The legislation is aiming to get to those unique situations, those rare circumstances, when it's just not working and the impacts are significant. The legislation lays out a process that we think is really going to help in some situations.

The early bargaining would help to bring the parties together to talk about some of their issues and try to sort out some of their differences earlier in the process. The conciliation period would be extended from 60 days to 90 days for the experts from the federal mediation and conciliation service to help the parties try to come to a deal. The minister would have the authority to appoint a special mediator by day 75 of that new 90-day process, bringing an outside third party to the process to try to bring those parties to a deal. The objective throughout all of these steps is to try to incentivize better bargaining between these parties.

I think those on all sides of this discussion will agree that all of those steps are in the right direction. Where I think we tend to differ is on what happens next.

Let's say that the special mediator has come in and provided his or her expertise, but the parties are still hopelessly stuck in bargaining and there does not seem to be any meaningful bargaining happening. I think it's at that point that this process turns in a way that should be even more helpful, which is that the special mediator will issue a report to the minister, outlining what's happening at this table and recommending a series of steps forward.

Again, the parties still have an opportunity in the midst of all that to get a deal if they see government intervention as a potential outcome. Then we get to the process of some intervention by the minister, if it is necessary because a work stoppage in this space runs contrary to the national public interest. Again, it's important to point out that this would be in rare circumstances.

The Chair: Thank you.

We will go to Mr. Ste-Marie.

[*Translation*]

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

Greetings to all the witnesses, and thank you for joining us.

Mr. Blackham, at the beginning of your presentation, you talked about the problem related to the “Driver Inc.” phenomenon or low-cost drivers. Can you remind us what that is, what it represents in terms of risks to public safety and to your industry that pays real drivers? What has the government done so far and what remains to be done?

[*English*]

Jonathan Blackham: The industry calls what we're talking about Driver Inc., which is just a short form for incorporated drivers. A misclassification scheme is what it really is.

These drivers are people who are, by all regards, employees, but the employer says, “No, you're an independent contractor.” They don't meet the independence test. There's no argument to be made here. It's just a misclassification.

What that allows the company to do is sidestep the Labour Code. There's no overtime, and there are no vacation days. There's no paid sick leave. The list goes on and on. Per driver, they're pocketing probably $30,000 a year in illegal savings. It is completely warping the competitive landscape of our industry, and it strips workers of their rights. It is bad for everybody.

For a long time, we didn't have a lot of response to our issue. We were yelling, but there wasn't a lot of response. That's changed more recently, particularly under our current labour minister. There has been action taken. There's a misclassification team focused on our sector, but I think they lack resources. I think they're only making a dent in the problem, and there needs to be much more done and much more support for those folks.

[*Translation*]

Gabriel Ste-Marie: Okay. Thank you. I understand. We need more resources.

The Journal de Montréal published an article Sunday about fake driver's licences. I quote from the beginning of the article:

> Ordering a fake Quebec driver's licence online, *Made in China*, is child's play. Experts are sounding the alarm: these false driver's licences can be used by unsafe truck drivers or by criminals who will commit all kinds of fraud.

Do you have a comment on what this article says, and is this something you see with your members?

● (1140)

[*English*]

Jonathan Blackham: I did see what you're referring to. In terms of whether or not I can absolutely verify it, I can't, but I did see it.

What I can say is that I think folks would be surprised to see the level of fraud taking place in our industry. It probably includes licences, but it definitely includes insurance. There's a disrespect for safety practices, driver training—you name it—across the board. It's shocking to see it, but at the same time, I'm also not surprised to see it.

[*Translation*]

Gabriel Ste-Marie: Okay. Thank you.

I have a question for the representatives of the three organizations of this panel.

The union representatives we've welcomed so far have said that because of the way Bill C-39 defines section 107 of the Canada Labour Code, the employer will know that if the labour dispute drags on, the minister will have the power to put an end to it. This means an employer may sometimes want to voluntarily let the labour dispute drag on, knowing the minister will resolve the situation. Rather than encouraging the employer to quickly settle through negotiation, this could prolong the dispute. Some unions have used the dispute at Air Canada as an example, where the company expected the minister to intervene. Once the government said it wouldn't intervene, it took two days to come to an agreement.

I'd like to hear your thoughts on what the unions have said, starting with Mr. Hynes. Mr. Harvey and Mr. Blackham can add their comments afterwards if they wish.

[*English*]

Derrick Hynes: I think that's a really excellent question and one that gets to some of the, if I dare say it, myths that are being communicated on these issues on behalf of the employer community.

I represent, obviously, the employer community, the businesses that are doing this bargaining. It is inaccurate to conclude that an employer is waiting for the government to bail them out. Employers do not want collective bargaining settled through binding arbitration, full stop. For us, it's a failure in the process when we get to that point. It's better than the alternative of allowing a highly consequential work stoppage to occur in a critical supply chain space, but employers want to bargain with unions. They want to bargain in good faith. They want to settle on terms with the union in a full partnership that results in a win-win solution.

Employers and companies want certainty. They want stability. This process that we've been living through in the last few years with the invocation of section 107 has actually resulted in more instability. None of that is good for the employer. It's not what we want. We want a process that incentivizes better collective bargaining and gets the parties to deals without government intervention. Government intervention, for us, is a last resort when all else has failed.

[*Translation*]

Gabriel Ste-Marie: There are 10 seconds left, Mr. Harvey.

Eric Harvey: What we're asking for is that the intervention not be systematic, but only when strict conditions are met. It shouldn't necessarily be something that the employer can take for granted.

[*English*]

The Chair: Thank you.

Mr. Leslie, go ahead for five minutes.

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

I'll direct my questions to the Railway Association.

Mr. Harvey, your association has warned that Bill C-39 could send Canadian railway jobs and investments to the United States. Do you have any actual figures from the previous interswitching pilots that show how much Canadian business went to American railways?

Eric Harvey: That evidence is with Transport Canada. Basically, they collected the information from class I railways, CN and CP-KC, during the last two pilot projects.

Essentially, the experience of these two pilots shows that the traffic is an interchange with a U.S. railway. That traffic then moves to the U.S. The train that moves to the U.S. doesn't move in Canada. It is not moved by Canadian employers, and that traffic is not handled at Canadian ports. Everything essentially happens in the U.S.

Branden Leslie: Are you disputing...? Transport Canada, regarding the first iteration of this pilot program, found no evidence of unintended consequences from that pilot, yet you continue to insist demonstrable harm.

They stated, “less than 1%” of prairie traffic used extended interswitching during the 2014 to 2017 pilot. Could you provide any shipping costs or delays from the last pilot that support this position and any investments not made by railways due to the pilot program being in place?

● (1145)

Eric Harvey: Canadian railways invest massively in their network in this country.

In my opening remarks, I mentioned the number of employees we have and the tracks we have. The measure we're talking about is essentially diverting traffic to a U.S. railway that doesn't have 40 kilometres of track in this country and doesn't have 20 employees.

The issue for us is this. As we establish measures that divert rail traffic to the U.S., we are essentially establishing a process by which that traffic will move more and more to the U.S.

Branden Leslie: I appreciate what you're saying. I appreciate the investments that the duopoly has made here.

In a 2025 report from RAC, it stated, “In 2024, railways invested a record $4.5 billion”, up from 2023. This was, of course, while the pilot was operating. Further, the profits of both members of the duopoly went up about $400 million in 2025, after that major investment.

With profits rising and with investments going up, I fail to see how you can claim with any legitimacy that these pilot programs have had a significant harmful impact on your industry.

Eric Harvey: They did have an impact, because they diverted traffic for which railways are investing in this country, with the expectation of moving it in Canada. Essentially, this policy is about taking Canadian traffic and giving it to a U.S. railway at a below-market rate, at—

Branden Leslie: I don't believe that. I believe it's about competition.

In fact, I noticed a statement that you put out on September 24, where you said that your industry is best supported by “the power of free markets”. How is protecting this duopoly from any competition aligned with that statement?

Eric Harvey: I want to tell you a few things on this.

First, Canadian railways do compete with each other. You have CN and CP. They are two national railways. They do compete with each other.

The second aspect is that we're talking about grain, which already benefits from the maximum revenue entitlement for all traffic going to western Canada for export.

Essentially here, you're adding a measure that is aimed only at giving traffic, at a below-market rate, to a U.S. railway.

Nathan Cato (Chair of the Board of Directors, Railway Association of Canada): I will add on that one point. Back in 2018, Parliament created long-haul interswitching. It was designed as a replacement for extended interswitching.

This is not about competitive access for the shipper, because they have that. Today, under the law, it gives them access—up to 1,200 kilometres away—to a competing railway. It's simply about the rate that gets paid. Is it a cost-based, regulated rate?

Branden Leslie: Mr. Cato, I appreciate that you brought that up, because the usage of that was abysmal. The claims from shippers were, frankly, that they feared repercussion from the two major players. You can't move a grain terminal to go to a different railway. The opportunity, then, for extended interswitching to be available to create a legitimate market dynamic that is permanent would remove that potential likely impediment of repercussion, of rates going up, once the temporary pilot program is in place.

That's why, in my view, this should be permanent. A four-year program is better than an 18-month or a two-year program, but the permanency of that will prevent the duopoly from increasing those rates down the road.

The Chair: Be brief, Mr. Cato, if you have an answer.

Go ahead, Mr. Harvey.

Eric Harvey: I would simply like to say that there were two reviews that looked at this issue in detail, and both recommended that extended interswitching not be maintained—two studies that looked at the numbers and the impact on the market.

Branden Leslie: Who funded the studies?

Eric Harvey: Well—

The Chair: Thank you.

Mr. Kelloway is next.

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

It's good to see the witnesses today.

I have an observation, a comment and then a question.

The observation is this. We're well into this study. With respect to the use of section 107—the existence of section 107—we've heard from labour groups that are opposed to it and the existence of the guardrails that are being proposed with the legislation. We've also heard from industry, which has talked about pre-emptively utilizing section 107 to stop a strike.

I want to take a moment to maybe do a reset here. I want to be clear that the government has worked hard on this legislation to find a balance, quite frankly, that supports the national interest and workers. I'll be even more clear. We believe in the fundamental principles of the right to strike, which is being proposed in this legislation. I just wanted to highlight that as we move into this study.

We appreciate your opening remarks, each one of you. In particular, I'm going to start with Mr. Blackham.

I'm not sure if it was you, Mr. Blackham, but somebody mentioned COVID and conjured up some memories of how important all of you were during COVID, but in particular trucking and transportation, and how we found this new awareness of the importance of the supply chain. In this bill, we're proposing streamlining essential infrastructure.

I'm wondering, from your perspective, if you have a priority list in your mind and in the mind of your organization of what that means in terms of streamlining essential infrastructure from a trucking perspective. Can you articulate that now to us?

● (1150)

Jonathan Blackham: Sure. If I understand your meaning, for us, obviously, one of the main focuses could be the Trans-Canada, the national highway system.

As well as it connects east and west via trucks, there are major gaps: rest stops, lack of cell coverage along the way, and truck inspection stations that are often not open. In terms of a corridor or a key part of our transportation system that could be focused on, that's certainly one.

Mike Kelloway: We talked in this discussion today about misclassification. You talked about that with one of our members. I'm wondering how this bill, in your mind, addresses misclassification or assists it.

Jonathan Blackham: Certainly within the bill there are provisions, and attached to the greater effort here, we see an increase in enforcement resources. There are more officers coming. There's the introduction of digital tools and new enforcement techniques, and things like introducing or increasing director liability. That's in here. They're all excellent steps, in our view.

Mike Kelloway: I'm going to open this up.

Back in the day, there was a show called *Reach for the Top*. I don't know if they had it in your area, but it was a show for students. They called their questions “short snappers”. That's about the amount of time I have to ask this question. It's for everyone on the panel.

In terms of the digital trade act, can you unpack for people watching at home or for people who are here today how important that is in terms of where we are in still using paper for any transaction in relation to the transportation industry, and how the digital trade side of things will help in terms of efficiency and effectiveness?

Jonathan Blackham: Certainly, in our industry, truck drivers have a lot of paper—more paper than you would expect—in the cab of their truck as they make their journeys. To put it simply, to your point, if we're talking about reducing that paper, in our view that's good.

At the same time, I would say that as we digitize things broadly, which is excellent, there's also going to need to be a matching investment in the actual border IT infrastructure. There are known problems there. It does go down, and it does create issues for our industry.

Mike Kelloway: Maybe we could start with the rail folks.

Nathan Cato: Sure. I would say that we're very encouraged by the government's focus on this and Minister MacKinnon's focus on digital trade. We know it's a priority for him.

We look forward to working with Transport Canada, CBSA, Public Safety and others as the government's work on this accelerates and intensifies. Other countries around the world are way ahead of us on digital trade. It's a competitiveness issue—it really is—and for anything that's going to help with the efficient movement of goods and freight across borders and through our ports, we're obviously supportive of it. As I say, we look forward to working with the government.

Mike Kelloway: Thank you.

The Chair: Thank you for that, Mr. Kelloway.

That *Reach for the Top* question revealed the generational divide on this committee, based on the facial reactions.

Some hon. members: Oh, oh!

Mike Kelloway: I noticed that.

The Chair: Mr. Ste-Marie, it's over to you.

[*Translation*]

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

Mr. Harvey, you didn't have time to finish your answer in a previous exchange. I would like to hear your thoughts on that. I would also like to hear you talk about the idea of the national trade corridors council and get more details on your position.

● (1155)

Eric Harvey: Thank you.

Actually, I wanted to answer Mr. Leslie's question on who paid for the studies I was referring to. The first study was conducted by David Emerson and published in 2016. The second is the 2001 report. In both cases, it was recommended that the interswitching anomaly be removed.

With respect to the national trade corridors council, all we're saying is that, from a day-to-day trade corridor management perspective, we don't see a need for government intervention. Instead, it should be left to the private sector parties involved.

If I may, I would also like to tell the committee that yesterday, we distributed a letter signed by 18 supply chain user associations—I emphasize the 18—that propose to amend the act to give the government the power to prevent a strike, not just to intervene when it occurs, subject to strict criteria for its use and ask the government to make that amendment.

Gabriel Ste-Marie: You're talking about strict criteria. However, in this case, the government's power is based on national interest, an undefined concept. This means that it comes down to the minister's discretion.

In Quebec, as a comparison, there is already an organization that determines what essential services are, in particular. We don't have that at the federal level. They say to leave it up to management and employees. However, that is never done.

Should the strict criteria be defined in the bill?

Eric Harvey: We would be prepared to consider that, as long as they are formulated in a way that allows for verification and to ensure there is no abuse. The issue for us is not so much determining what is essential, but evaluating the consequences of the strike on the national interest and then authorizing intervention, regardless of a predetermined classification, which could sometimes lead to arbitrariness.

Gabriel Ste-Marie: You're saying it would be necessary to define what the national interest is.

Eric Harvey: Depending on what it is, we would have no objection.

Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you.

Thank you to all our panellists. We appreciate your taking the time to be here and share the benefit of your insight on this piece of legislation.

That's all the time we have for this panel. We'll suspend and get ready for the next panel. Please don't go too far, people.

● (1155)

_____(Pause)_____

● (1205)

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

Have any of the witnesses not ever appeared before a parliamentary legislative committee before?

A voice: I am new.

The Chair: All right, here's what you need to know. You have an earpiece that you can use for translation. You will be asked questions in both official languages, in all likelihood, so you need to understand how to work that. Take a moment. Everybody's going to be given five minutes for opening remarks, and then we're going to jump into rounds of questions. All questions should be directed through me.

On that note, I would like to introduce to the members our new panel for this last hour today.

From the National Maritime Group, we have Debbie Murray, president and chief executive officer. From the St. Lawrence Ship Operators, we have Saul Polo, president and chief executive officer; and Etienne Duchesne, vice-president of the council. From the Vancouver Fraser Port Authority, we have Peter Xotta, president and chief executive officer.

I will turn the floor over to Ms. Murray for the first opening remarks.

The floor is yours.

Debbie Murray (President and Chief Executive Officer, National Maritime Group): Chair and committee members, thank you for the opportunity to speak on behalf of the National Maritime Group, or NMG, as I'll refer to it. I am Debbie Murray, president and CEO of the National Maritime Group.

NMG represents more than 100 operators at 14 Canadian ports and on Canada's waterways, including terminal operators, stevedores and carriers that move most of Canada's water-borne cargo. Our members invest in technology, infrastructure, people and operations to keep ports functioning and cargo moving.

Canada's future prosperity depends on reliable trade corridors and timely investment in supply chain infrastructure. Repeated labour disruptions and lengthy approvals have weakened confidence in Canada as a place to invest and a dependable trading partner.

A port disruption does not end when operations resume. Backlogs can take days or weeks to clear, affecting vessels, rail, trucking, warehouses, exporters and importers across the country. Shippers, trading partners and Canadians have borne the cost of repeated labour disruptions in critical port and transportation supply chains. Bill C-39 addresses these barriers through reforms to labour, infrastructure, governance and digitalization.

NMG supports collective bargaining, the right to strike and the Canada Labour Code and believes the best agreements are reached at the bargaining table. At the same time, the framework must provide proportionate tools when a disruption threatens the national interest and there is no practical alternative for moving cargo.

NMG welcomes the proposed geographic certification provisions, the addition of a special mediator and the clarification of section 107.

Geographic certification would allow the minister, two or more employers or the Canada Industrial Relations Board to request that two or more bargaining units be combined in a single certification. This reflects the Ready report's recommendations.

Unlike other major Canadian ports, the west coast industry's bargaining structure is voluntary. If it breaks down, bargaining could shift from two coast-wide agreements to as many as 39 separate negotiations, creating rolling negotiations and chronic instability. Geographic certification could align bargaining cycles and provide greater predictability for employers, workers, shippers and trading partners.

The special mediator provision would give the minister an additional mechanism to help the parties reach an agreement when a labour dispute has significant national consequences. It supports meaningful bargaining and a negotiated outcome.

On section 107, NMG supports the bill's proposed clarification but recommends one further amendment. We are not proposing an override of collective bargaining. We recommend a narrowly defined prestoppage option when bargaining has failed, the special mediator's report indicates that a work stoppage is imminent, the parties are deadlocked and a stoppage would cause significant economic harm to the national interest. Any intervention must be necessary and proportionate, considering the expected harm and available alternatives. Waiting until operations have stopped imposes avoidable costs, because port capacity cannot be readily replaced and backlogs take time to clear.

NMG also recommends changes to paid medical leave provisions. At NMG, member operations and absences can affect an entire work gang, not only one employee. Workers declare their availability by shift and may be dispatched across multiple employer work sites. Unfulfilled dispatches can delay cargo movement and add costs across the supply chain.

At Canada's west coast ports, more than 3,200 paid medical leave applications were submitted in December 2025, compared to 763 in January 2025. During December 2025, apparently, 50 requests for four- to five-person longshore gangs went unfilled. NMG recommends reducing paid medical leave from 10 days to five and allowing an employer to request a medical certificate within 15 days of an employee's return for leave of more than three days. This would continue to support employee health and safety while better reflecting dispatch-based options.

NMG also supports improvements to project approvals, digital trade and port governance in the bill. The transportation projects office should operate as a one-window coordinator with a single project schedule, clear service standards and the authority to escalate delays. Digital trade provisions should support secure electronic documents and information sharing while protecting privacy, cybersecurity and commercial confidentiality.

NMG asks the committee to support Bill C-39, retain the proposed geographic certification and special mediator provisions, adopt a narrowly defined prestoppage option under section 107 and adopt NMG's paid medical leave recommendations. These measures would improve supply chain reliability while preserving collective bargaining and helping Canada compete as a dependable training partner.

Thank you.

● (1210)

The Chair: Thank you.

It's over to you, Mr. Polo.

[*Translation*]

Saul Polo (President and Chief Executive Officer, St. Lawrence Shipoperators): Thank you, Mr. Chair.

Members of the committee, thank you for inviting us.

I am Saul Polo, president and chief executive officer of St. Lawrence Shipoperators. I am joined by my colleague Etienne Duchesne, vice-president of the board of directors and business development manager at Desgagnés. He is participating through video conference.

St. Lawrence Shipoperators represents 175 companies operating ships on the St. Lawrence, the Great Lakes, and from the Arctic to the Atlantic Ocean, and more. Maritime transportation connects ports, producers and markets. It is essential to supply chain resilience.

We recognize the importance of Bill C-39 and support its goal of strengthening Canada's economy by improving trade corridors and expedite the construction of logistical infrastructure. Ship operators believe that predictable reviews, better federal coordination and timely decisions can help port projects meet trade needs.

In order for these measures to produce the expected results, their implementation must take into account the realities of the sector. The transportation projects office must streamline coordination, provide a meaningful point of contact for promoters and establish transparent timelines without adding an administrative step. Corridor planning must be informed by the experience of ship operators, ports, terminals and logistics partners. In the St. Lawrence-Great Lakes network, this means taking into account public and private ports and regional realities. A regional approach can reduce duplication and improve predictability while maintaining meaningful consultation with the communities involved.

Supply chain resilience also depends on our ability to prepare for disruptions. That's why we maintain that a 14-day strike notice is preferable to the current 72-hour notice. In maritime transportation, three days is not enough to reorganize ship schedules, port operations, crews and cargo handling. Two weeks' notice would give ship operators, ports and supply chain partners time to coordinate and mitigate the effects of a disruption. This is an operational readiness period, without prejudging the resolution of the dispute.

This planning capacity must align with maintaining a strong Canadian fleet. That is why we have a specific reservation about section 289 of the bill. It would create an emergency exemption to the Coasting Trade Act, allowing foreign ships to carry out some coasting trade activities without going through the usual licensing regime. We ask the committee to remove this section and maintain the current regime.

This regime already provides a recourse mechanism in emergency situations, including the use of a foreign ship when no suitable Canadian ship is available. The Canadian Transportation Agency has also implemented accelerated timelines for certain oil tanker and fast-tracked requests where no Canadian solution is proposed. Before rejecting this audit of Canadian capacity, it must be demonstrated that the current mechanism is not meeting the needs.

Coasting trade supports ship operators who invest in ships and crews in Canada, as well as the maritime jobs and skills that come with it. Maintaining Canadian capacity as a priority helps us move essential goods and respond to disruptions with domestic assets.

In conclusion, we support the measures in Bill C-39, which can expedite infrastructure construction and improve corridor coordination. We emphasize that 14 days' notice is required to give industry time to prepare. We also ask the committee to remove section 289, as no exemption to the current coasting trade regime is required. This is how we can improve the network's fluidity, while preserving Canadian maritime capacity.

Thank you.

● (1215)

[*English*]

The Chair: Thank you.

The last opening remarks go to Mr. Xotta, please.

Peter Xotta (President and Chief Executive Officer, Vancouver Fraser Port Authority): Thank you, Chair and members of the committee. It's my pleasure to join you today from the traditional territories of the Musqueam, Squamish and Tsleil-Waututh nations. Thank you for your service and leadership for Canadians in these consequential times for Canada.

There's no doubt that Prime Minister Carney's commitment to double exports to non-U.S. markets in the next 10 years is the right commitment at the right time.

What else is clear? As it has been stated by my colleagues on the panel, ports across Canada are at the heart of making that outcome a reality. As Canada's largest and most cargo-diverse port, the Port of Vancouver is going to play an outsized role. Today, the value of goods moving through this gateway is over $1 billion per day. We trade with more than 170 economies, with 80% of those exports already destined for markets outside of the U.S. For context, we've just set three years of record cargo volumes, and in 2026, we're on track for a fourth consecutive year of record volumes.

With game-changing projects on the horizon, like the Roberts Bank terminal 2, and the federal government's Port of Vancouver gateway strategy now in motion, we are confident—I am confident—that we're up for the challenge the Prime Minister has set out.

Adding to this momentum is the building Canada strong act. We want to move forward. We want to move more of what Canadians make, mine, harvest and grow, and we believe this bill takes a significant step forward in that direction.

We welcome high-impact measures, including moving toward one project, one decision to streamline federal review processes, codifying supply chain efficiency as an objective in the Canada Transportation Act, changes to increase trade digitization and new measures to promote labour stability while preserving important existing collective bargaining rights.

Here are our recommendations. To maximize the bill delivering on its intent, we offer four suggestions.

One, ensure that fee-setting provisions are workable, maintain flexibility and aren't interpreted in a way that hinders the mandate of ports by interfering with the financing of new, important infrastructure projects. This includes but isn't limited to clarifying the requirement for a port authority to operate on a self-sustaining financial basis—including current and future capital, infrastructure, growth and trade capacity requirements—and not to restrict fee revenues to the direct cost of the service associated with the particular fee.

Two, regarding an indigenous advisory committee, we strongly support the principle of long-term dialogue and engagement with first nations. In our jurisdiction, we've already gone above and beyond the federal government's intentions with Bill C-39 by signing two historic relationship agreements with the Musqueam and Tsawwassen nations and reaching mutual benefit agreements with 27 first nations on the Roberts Bank terminal 2 project. We recommend, therefore, allowing port authorities that have robust vehicles and processes for meaningful engagement already in place to use these rather than be compelled to create new, duplicative structures. This flexibility would be formalized through the letters patent process.

Three, regarding the future creation of the national trade corridors and the national trade corridors council, we underscore the importance of identifying the right performance metrics and the need for a balanced group of representatives that each bring broad supply chain perspectives to the table, rather than a siloed or sectoral interest.

Lastly, four, regarding the transportation project office, we welcome a complementary tool to more quickly advance the range of projects that are necessary. To avoid the risk of duplicative efforts, however, we recommend clarification during implementation that defines the roles of the interplay between the transportation project office, the national trade corridors council, the Major Projects Office and Canadian port authorities' existing regulatory accountabilities and processes, so that we maximize efficiencies and outcomes for Canada.

In closing, we strongly value this government's leadership. With minor refinements, we believe this legislation can help deliver for Canada. Together, we'll be moving more of what Canadians make.

Thank you.

● (1220)

The Chair: Thank you very much, sir.

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

Dan Albas: Thank you.

I certainly appreciate the opportunity to speak with all of you today.

Ms. Murray, we'll start with you.

Obviously, ports are an essential part...and we want to see that projects can go clearly and quickly. In Bill C-39, the government has proposed a transport project office that is discretionary and would offer a single window so that proponents could go to it, but it doesn't have any teeth. It's very similar to the Major Projects Office in that it can process paperwork and whatnot, but it can't actually approve a permit.

Do you think that needs to be rectified, so that the powers that are given by law in division 1 for other types of responsible authorities should also be vested in the transportation project office or whichever office ends up being used?

● (1225)

Debbie Murray: From our perspective, increased accountability and responsibility through the transport office is something we would support. If this is implemented through the bill, it would be imperative that there be some sort of mechanism to ensure that the office could keep all the different departments and all the permitting processes in line and accountable.

Dan Albas: Yes, as I said in the last panel, the Deltaport expansion berth four.... Essentially, you have a disposal-at-sea permit, a Fisheries Act authorization and a Species at Risk Act permit, so it's not just a Transport Canada lead.

Would you also want to see authority given not just to conduct all these things but also to bring in and coordinate those agencies or departments that are outside—and to name and shame when they don't deliver in the much-touted 12-month timeline?

Debbie Murray: I think it's important to have some sort of authority for a systematic assessment that constantly engages...and that knows where things need to be and where things need to land.

Dan Albas: Thank you.

Mr. Polo, on the Coasting Trade Act changes, you said before that you need longer timelines than simple three-day notices, etc.

Is that correct?

Saul Polo: Exactly.

Dan Albas: Okay.

My understanding is that the government right now, though, will put out, for five days, a call for capacity to Canadian operators that can pick up whatever emergency under the Coasting Trade Act is required, and this mechanism works well. If no one applies for it after those five days, the government can proceed to allow a foreign national to come in and do those things.

Why is that provision in the Coasting Trade Act changes important in Bill C-39, when the mechanism is already there and works quite well, according to [*Technical difficulty—Editor*]?

Saul Polo: I'll ask my colleague Etienne to complement my answer in a minute.

That is the main reason the focus of our comments today is on mentioning that this particular disposition needs to be removed. In the current Coasting Trade Act, there's already a disposition for emergency situations that is used, serves well and respects not just the domestic fleet but also the Canadian workers' presence and our way of doing business. What we're saying is that the current disposition already works well. It allows for a fast turnaround to consult with the existing operators and see who can supply...to any emergency situation.

If that's not the case, we could—

Dan Albas: What you're saying, then, is that the current provisions work well and that this is a solution without a problem.

Saul Polo: Exactly.

Dan Albas: Okay. Thank you very much.

I'll go to the Vancouver port authority.

Sir, thank you for your presentation today.

My understanding is that the port has been relatively good as the agent operating on behalf of any government department consultation to run those processes and then to coordinate them.

Does Bill C-39 complement that, or does it displace it?

Peter Xotta: As one might imagine, due to the complexity of the west coast from both a community perspective and a first nations one, the port authority has developed very robust processes for aiding proponents in the port in their consultations and in the case of projects where we are the proponent for direct engagement.

That has been successful, and we feel it has put us in a very strong position. Not every port has a requirement for that frequency and depth of engagement, so we think some flexibility in Bill C-39 is appropriate.

Dan Albas: Again, though, the criticism might be that it took you 10 years to go through Roberts Bank 2 and do all that before you could come to a decision.

Do you think that track record is what's causing this, or do you think there are other reasons the government is keen to give this to a different authority?

Peter Xotta: The track record of permitting in Canada for major projects is not one that is positioning us well. Thus, Bill C-39 is welcome.

Port authorities have the ability to permit projects on their lands, up to a certain level. We would argue that the systems we have in place are robust and should be supported and amplified. It's major projects of national significance like RBT2 and others that require assistance and modification, as is proposed in Bill C-39.

Not all of this is perfectly defined. We get that. We support the ambition of Bill C-39 and are prepared to be active participants.

● (1230)

The Chair: Thank you very much.

Mr. Bains.

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

Thank you to all of our witnesses for joining us today.

I'll first go to Mr. Xotta.

You are leading Canada's largest port network.

My first question for you is this: How will Bill C-39 provide certainty to supply chains, and how does that certainty translate to growing businesses and investment in the Port of Vancouver, from both Canadian businesses and international investors?

Peter Xotta: The challenge that I think is before us as a country is that, from the perspective of permitting timelines and stability in our supply chains, those are two things that are preconditions for existing investment in Canada from those that are currently here but also from anyone considering direct foreign investment into our country. Those are two things that we need to set about changing the brand of Canada on, and we believe that Bill C-39 will assist with that.

At the port, this is an enabling piece of infrastructure for Canada. We need to make sure that, to the extent that someone wants to invest in a mine in Saskatchewan or a plant in Alberta to ship their products, we are reaffirming those investments by timely support both from a regulatory perspective and in infrastructure in Canada's supply chains. I think the measures that are proposed in Bill C-39 get us down that path.

Parm Bains: One of those measures is that the bill will enable our government to track key performance measurements for entire trade corridors. As a multimodal port that is serviced by three class I railroads, can you tell us how this bill's trade corridor framework will help streamline the operations at the port, and what kind of performance measurement would help carry that out?

Peter Xotta: We think, as has been discussed with digitization, it creates greater visibility. It also focuses conversations on where there are actual problems as opposed to perceived ones. That visibility allows us to move forward with improvements in the supply chain to support delivering, as I said previously, confidence in shippers in Canada—and in those that might choose to engage in trade with Canada—that the supply chain is not in any way, shape or form the impediment to investments and business growth.

Parm Bains: Thank you.

For my next question, I'll go to you, Ms. Murray.

I met with the BC Coast Pilots last week. They described their system of final offer arbitration as an effective model that has allowed them to avoid job action. It adds stability and keeps costs down. While their system is one of many, how do clearer and more regimented systems of labour negotiations, as found in Bill C-39, support a better workplace and efficient, predictable operations?

Debbie Murray: We don't represent the B.C. marine pilots—just to make that clear—but I understand that you're using that as an example.

I think we have, in Bill C-39 now, proposed refinements and clarifications to the Labour Code that will help to enhance the collective bargaining process. Specifically, the geographic certification will provide greater stability and predictability in terms of the bargaining and the contract cycles.

In the instance where we potentially have a work stoppage that a special mediator has deemed to be imminent and that would have national impacts, we think that the provisions that are put forward in the bill will help strengthen and provide that predictability and stability that we need as a country to compete.

Parm Bains: Thank you for that.

I'm going to go back to Mr. Xotta again.

Can you just expand a bit on how the bill will make Canadian port authorities more competitive?

What kind of infrastructure will it enable to fit our government's trade diversification agenda?

● (1235)

Peter Xotta: Clearly, the Roberts Bank terminal 2 project is poised, we believe, to move forward. We're also engaged very closely with the Major Projects Office on other nationally significant projects. A big part of that narrative is around ensuring that the port has the capacity going forward to support bulk commodity growth, which is really fundamental to meeting the Prime Minister's objectives.

Embedded in that Port of Vancouver gateway strategy is the need for improvements primarily to rail but also to road infrastructure to support the growth that's anticipated.

The greater visibility of the metrics associated with growth will also hold all of us, frankly, accountable for making sure the improvements are made.

If I may comment again on labour stability, it's very difficult, when we're making targeted investments in infrastructure, if we aren't taking steps to address what is expressed to me, as a CEO, when I talk to shippers: the concern they have about the reliability of Canada's supply chain. It's not, strictly speaking, only about labour reliability. It's also about the robustness of our broader supply chain.

However, we believe the measures embedded here will assist us.

Parm Bains: I'm going to stick with you for one final question.

The port of Vancouver touches 16 different communities, including my hometown of Richmond, British Columbia. Could you share something about the previous engagement, consultation and work you've done with indigenous communities, and the environmental impact...you've done, leading into the growth of this port?

Peter Xotta: Understand that port authorities have an obligation, through the Canada Marine Act, to engage with communities, including first nations, on the impacts of their activity. The port of Vancouver, like many ports, is a major metropolitan area with competing interests on land. Our approach with both communities and first nations has been to engage with them on an ongoing basis to create a rapport such that, when opportunities arise for us to grow Canada's trade, those relationships are hopefully good, or at least established, so the conversation isn't viewed as transactional.

The Chair: Thank you, Mr. Xotta.

Peter Xotta: Those relationships are really helpful.

Thank you.

The Chair: Mr. Ste-Marie.

[*Translation*]

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

I would like to extend my greetings to all the witnesses and thank them for being here.

I would like to extend a special greeting to Mr. Polo, a colleague who served for many years in the National Assembly.

By the way, Mr. Polo, my questions will be for you and Mr. Duchesne. You're representing the St. Lawrence Shipoperators. These questions will focus on clause 289 of the bill. In a discussion with a colleague earlier, you said that an exemption already existed prior to Bill C-39. When a Canadian vessel isn't available, it's possible to use the services of foreign ship operators.

What does clause 289 of Bill C-39 change?

Saul Polo: Thank you for the question.

The current process requires consultation with Canadian ship operators. We must consider the domestic Canadian fleet before determining whether to grant an exemption to foreign ship operators. Our concern with clause 289 stems from the fact that it circumvents this provision to authorize foreign ship operators to respond to emergencies.

Perhaps my colleague, Mr. Duchesne, can elaborate on the response and describe the current situation.

Etienne Duchesne (Vice-President of the board, St. Lawrence Shipoperators): Our concern is that clause 289 undermines the fundamental principle of the current regime by letting foreign vessels engage in coasting trade in situations that fall outside the scope of the current regime. This will weaken the regime that we all know.

● (1240)

Gabriel Ste-Marie: Over the long term, how would maintaining this clause affect investments by Quebec ship operators, the maritime expertise developed in Quebec and the capacity of the St. Lawrence to rely on a Canadian fleet during emergencies?

Etienne Duchesne: In our view, the main impact wouldn't be immediate. It would become apparent gradually as Quebec ship operators make their investment decisions. As I said, clause 289 undermines the fundamental principle of the current regime. Even though this exemption would be rarely used, it would set a precedent for potentially circumventing the requirement to verify the availability of Canadian vessels.

For Quebec and the rest of Canada, this is particularly important. A significant portion of the Canadian fleet operates on the St. Lawrence. Investments in vessels, crews, seafarer training, technical services, shipyards and the entire Quebec maritime ecosystem depend on stable demand for Canadian capacity. To that end, we're calling for the current regime to remain in place and for the removal of clause 289 from the bill.

Saul Polo: This is the complete contradiction in clause 289. This bill purports to promote the unity of the Canadian economy, yet it calls into question an aspect that strengthens the Canadian domestic fleet. Of course, this also affects the crews, the workers and everything. Regarding this point and our demand, both the unions and the management are firmly opposed to this clause of the bill.

Gabriel Ste-Marie: Thank you.

I find it really odd to see this provision in the bill. As you just said, we want to support the Canadian economy. Yet here, we're undermining it. The ordinary law already contains a provision to call on foreign ship operators after verifying that no Canadian vessels are available here. It seems that the government is responding to requests from large foreign corporations such as Maersk at the expense of local companies. In any case, in practice, this seems to benefit them.

I would like to ask for your comments on this. However, I also have a question. When a vessel flying a flag of convenience or registered in a tax haven engages in coasting trade—for example on the St. Lawrence River—it will be exempt from complying with the legislation, as set out in Bill C-39. In your opinion, which legislation will apply to the vessel? Is it the Canada Labour Code, or the labour code of the country flying the flag of convenience, such as Liberia, for example? Do you have an answer to this question?

Saul Polo: Mr. Duchesne, would you like to respond?

Etienne Duchesne: Yes. The legislation that applies on board a foreign vessel is the legislation of the flag state. You should understand that we aren't opposed to foreign ship operators or to calling on them. This approach becomes necessary when the Canadian fleet has been consulted and no capacity is available.

To answer your question, this doesn't mean that a ship operator flying a foreign flag is necessarily bad. That isn't the case. We aren't opposed to this. We just want to ensure that research within the Canadian fleet continues. We also want to emphasize that—as mentioned by my colleague, Saul Polo—this runs counter to the goal of Bill C-39 to build a strong economy. When emergencies arise, Canadian ship operators will be needed more than ever.

Saul Polo: Mr. Ste-Marie, I would like to add something. Clearly, the current provisions of the Coasting Trade Act and the domestic fleet legislation certainly promote Canadian tax revenue here, through the jobs created here and the Canadian ship operators who file their tax returns here in Canada. Clearly, the current system—even in times of crisis—makes it possible to respond to these situations and also boosts Canadian tax revenue.

Gabriel Ste-Marie: Thank you.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you.

Mr. Gourde is next.

[*Translation*]

Jacques Gourde: Thank you, Mr. Chair.

Mr. Ste-Marie, thank you for asking questions about coasting trade.

Mr. Polo, this is really quite complicated. I don't understand the government's stance on keeping clause 289. Do you have any examples that would explain the government's strong desire to keep it, or are we just completely in the dark?

● (1245)

Saul Polo: I'll ask my colleague, Mr. Duchesne, to elaborate on my response.

I would say that, even in emergencies or in situations where information is circulating—publicly—that a Canadian ship operator or vessel can't respond to a certain request, the current operating procedure makes it possible to reach out to domestic ship operators to consult with them. If there's no need to respond to a particular request—even in a crisis—the current mechanism already covers this.

In our case, we aren't analyzing any unwritten information and we don't have any opinion on this. That said, we're committed to preserving the Canadian domestic fleet, the crews and the jobs in Canada. In our view, this provision undermines much of the progress made over the decades here in Canada.

Etienne Duchesne: To add to that, I would say that no evidence supports the need for this provision. To our knowledge, we have never encountered a situation where the regime failed to respond to a Canadian emergency.

Jacques Gourde: I gather that, if we extrapolate, clause 289 could favour American ship operators or other flags. If so, do you have any specific consortium or companies in mind that might be interested in capturing a share of Canada's coasting trade traffic?

Saul Polo: Clearly, this provision “extrapolates”, to use your term. It certainly undermines the way that things work. Once a loophole is opened—and this has been our concern from the start, as mentioned by my colleague, Mr. Duchesne—it undermines this operating procedure, which already strikes a balance. We accept that, should no Canadian vessel be available, we already have a mechanism in place.

We're completely opposed to this provision. On the contrary, we want to strengthen the Canadian fleet. We want to enhance its value. This has been our association's mission for 90 years. We want to enhance the value of the Canadian fleet, advocate for it, promote it and demonstrate that it can meet all needs, even in emergencies.

Jacques Gourde: I'll be more direct. Please name the biggest competitors of Canadian ship operators, or the three main companies. If you can't name them here, please send us that information in writing. Maybe that will make it easier for you.

Do foreign companies want to enter the Canadian market?

Saul Polo: As my colleague said, we aren't opposed to this. This isn't a competition. This isn't group A versus group B. We're mainly looking to stand our ground here and to show our ability to serve and support the Canadian economy. It's hard for me to even begin to oppose this. On the contrary, these foreign companies play a certain role. We all work together.

That said, when it comes to connecting two Canadian ports—two points of service in Canada—our interest clearly lies in supporting the Canadian fleet.

Jacques Gourde: Do Canadian ship operators have access to American ports from time to time?

Saul Polo: Canadian ship operators maintain a significant presence in American ports. As soon as we transport Canadian goods to American ports, a number of our ship operators—including the ship operator that employs my colleague, Mr. Duchesne—provide cargo transportation services to American ports, and vice versa as well.

The Coasting Trade Act advocates for connecting two Canadian ports, which we're advocating for here today.

Etienne Duchesne: I would like to add a quick comment.

We find it difficult to speculate on what lies behind all this. We don't understand the purpose of this provision. We don't understand where it comes from. The Canadian Transportation Agency oversees the coasting trade regime, after all. Hence our request for the removal of this provision. What's its purpose? Is that purpose harmful? It's hypothetical and we don't know. For our part, we see that we have a program that works. We have a regime—

Jacques Gourde: I'm sorry to interrupt you, Mr. Duchesne. I have one last question.

Could the American government have pushed for a share of the market, given all the negotiations currently taking place with the Americans, and could the bill include clause 289 to make it easier for certain American ship operators to gain access?

Saul Polo: We don't operate on the basis of assumptions.

That said, if you're referring to the current business environment, we've been advocating for the Canadian fleet and for our ability to serve not only Canadian companies but also American markets for a number of months now. As far as we're concerned, we'll continue to advocate for Canada's Coasting Trade Act.

● (1250)

Jacques Gourde: Thank you.

[*English*]

The Chair: Thank you.

Mr. Kelloway is next.

Mike Kelloway: Thank you, Mr. Chair.

My questions will be for the Vancouver Fraser Port Authority.

We've heard at this committee, and in fact we've heard today, that when it comes to major projects and major infrastructure, indigenous involvement is critical to these long-term projects to ensure long-term success. You did speak to this to some degree, but I think it's important to expand on it.

Can you please speak to the involvement of indigenous communities in Vancouver Fraser Port Authority operations?

I have a couple more questions, if you don't mind.

What does your organization engagement with indigenous communities look like? The third question would be this: How would this bill's measures ensure indigenous representation? How would that work in practice for organizations such as yours?

Peter Xotta: Thanks for the question. I'll try to be brief and not repeat myself.

The port authority has been engaged for many years. There are many nations on the coast that we consult with through the process of engagement on a particular project. However, we have established relationship agreements, essentially protocol agreements, with some of the more prominent and frequently engaged nations that are in the vicinity of our major terminals. Those agreements are producing ongoing engagement of a variety of types, certainly with respect to projects but also employment, procurement and other types of benefits.

We have 27 mutual benefit agreements with nations associated with the Roberts Bank terminal 2 project. Those define the accommodation and other aspects of receiving, essentially, what we view as support for the Roberts Bank terminal 2 project. In other words, to the extent that the port.... It's always our intention to fulfill the obligations that are embedded in our permits and other agreements with the nations, and on the basis of those, we have received these mutual benefit agreements. That process is one that is evergreen in terms of there always being new projects and bases for engagement with those communities.

My comments with respect to Bill C-39 are not to usurp that process in Vancouver, because it is complex, and we're having success. We're hoping that the provisions in Bill C-39 support ongoing work in our port, and maybe in others, without creating duplicative structures.

Thank you.

Mike Kelloway: Thank you for that. I'm going to stick with you.

The bill will allow ports flexibility to engage in a broader range of activities, including engaging in joint liability partnerships and creating entities other than wholly-owned subsidiaries. I'm wondering if you could speak to the flexibility of what is being proposed in that bill. It's an important piece of the bill in terms of how it helps the Port of Vancouver better fulfill its mandates not just for British Columbians but for all Canadians, being the largest port that we have and given its importance to Canada writ large.

Peter Xotta: The intent of the legislation is to give appropriate flexibility to port authorities to engage in activities that support shippers and our trade agenda, and not necessarily the port per se. As I listen to my colleagues in the St. Lawrence, I realize, first off, that if you've seen one port, you've seen one port. Even within Canada, the dynamic on the St. Lawrence or on the east coast is dramatically different from the environment that we have on the west coast.

We have engaged in joint ventures through the existing provisions of the Canada Marine Act. We are also actively involved in delivering physical infrastructure in municipalities through the various funding support programs that have existed.

My intention would be to explore through Bill C-39 how we can continue to be proactive in advancing the trade agenda through the west coast, which is very different, I believe, from what is contemplated on the St. Lawrence or at the east coast ports with respect to these provisions.

All I will say is that additional flexibility is something we want to explore through these provisions.

● (1255)

Mike Kelloway: Okay, I have the time to ask one more question.

Another important piece of this bill is our ability to track key performance measurements for entire trade corridors. Do you agree with that? What kind of performance measurement would help you carry out things that would be of benefit, obviously, to your port?

Peter Xotta: On the principle of the performance metrics, frankly, if we don't have data to inform the conversations of the trade corridor councils, we'll end up with a lot of anecdotes, which don't really move us forward. It's really important to do those two things in concert.

From the perspective of our digitization efforts, our focus has been on the Port of Vancouver, but bringing a national lens, given that what we're talking about is a national agenda, is critically important. We're key supporters and can provide input into that process. We're very supportive.

The Chair: Thanks, Mr. Kelloway.

We have about five minutes left, so I'll go to Mr. Lawrence next for about two minutes and then to Mr. Louis for two minutes.

Philip Lawrence (Northumberland—Clarke, CPC): Okay. I have one question for you, Mr. Xotta, and then I will pass it over to my colleague Mr. Albas.

You talked in your earlier testimony about the national projects office. Overall, I, as well as many experts, have been disappointed in the fact that only one project has been approved.

Have you had any consultations, on which projects have you had them, and what impact have they had?

Thank you.

Peter Xotta: I mentioned previously the announcement of the Port of Vancouver gateway strategy. That is unfolding with respect to engagement with the Major Projects Office. We are also engaged with the Major Projects Office in the consideration under way today of the listing of the RBT2 project by Canada, as well as the Pacific link project that was recently announced. We're obviously not the proponent, but we will be engaged with the Major Projects Office and the proponent in terms of the impacts at tidewater.

Frankly, our having the ability to energize the discussions among federal ministries that are involved in providing permits for major projects is what I see as the value proposition of the Major Projects Office. I won't speak to the number of projects that are listed.

Dan Albas: Thank you, sir.

I'd like to quickly ask Ms. Murray a question.

Ms. Murray, in your opening statement, you talked about the national transportation council that's being set up. Obviously, there are powers that are given to the minister under the Canada Transportation Act that allow the minister to get information and then share it with a member of the national trade corridors council. This is a lot of proprietary information. There could be conflicts of interest that are not contemplated in Bill C-39.

Could you please supply the committee with some detailed analysis as to what you think should happen if amendments were made to deal with your concerns?

I'm sorry we don't have much more time.

The Chair: We have no more time, to be accurate, but thank you.

Dan Albas: Could she say yes or no?

Debbie Murray: Yes.

Dan Albas: Thank you. Bless your heart.

Debbie Murray: Thank you.

An hon. member: Oh, oh!

The Chair: Which question was she answering?

An hon. member: Just that she can say it.

The Chair: Mr. Louis, we'll go back to you for two minutes.

Tim Louis: Thank you, Chair.

I will direct my questions to the Vancouver Fraser Port Authority.

Mr. Xotta, I had the opportunity to meet with you at the port authority last year, and one of the things we discussed was that ports need to expand, but infrastructure connecting the ports to the rest of the country can involve challenges and extend well beyond a port's mandate. Things get more complicated when they involve other jurisdictions, waterways, rail connections and multiple federal regulators.

Can you give the committee a concrete example of the type of approval that, when we worked together and empowered the appropriate local federal authority, shortened the process without lowering standards?

Peter Xotta: Certainly, it's always our intention to move forward in meeting all standards with respect to projects. We have the greatest success in delivering projects on federal lands and waters that we have direct influence over and on which we can work with our federal colleagues to make sure they are permitted in a time frame. Strictly speaking, some of the supporting infrastructure that is necessary to meet our trade objectives is, of course, outside of the port's jurisdiction, in municipalities.

We have had the greatest success where municipalities have been interested in and capable of delivering, in partnership with Canada and the port authority, the infrastructure that will enhance road or rail capabilities. Where we struggle is where we don't have that partnership.

We have examples of where we've moved forward. We have the Holdom overpass, a $250-million piece of infrastructure that's enabling trade for potash, coal and grain to Vancouver's north shore. The municipality gets a tremendous benefit out of that.

If we have a municipality that is not interested, that's going to stand in the way of Canada meeting its objectives, and that's what we need to address.

● (1300)

The Chair: Thank you very much.

I appreciate all of our witnesses for taking the time to be here and sharing their insights on this important piece of legislation.

Thank you to all of my colleagues around the table. We'll see you at the next meeting.

The meeting is adjourned.

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