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Chair: Peter Schiefke



Standing Committee on Transport, Infrastructure and Communities

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• (1100)

[English]

The Chair (Peter Schiefke (Vaudreuil, Lib.)): I call this meeting to order.

Welcome to meeting number 26 of the Standing Committee on Transport, Infrastructure and Communities. Pursuant to Standing Order 108(2) and the motions adopted by the committee on Thursday, September 18, 2025, and on Thursday, December 11, 2025, the committee is resuming its study of the changing landscape of truck drivers in Canada.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

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

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the ear-piece and select the desired channel.

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

Colleagues, before I welcome our witnesses for our first panel today, on behalf of all members of this committee I want to take a moment to extend our condolences to the families of the two Air Canada pilots who were tragically killed yesterday in the incident at LaGuardia and also offer our thoughts and prayers to all those who were injured and all those who were affected by that tragic incident.

With us today we have, as an individual, Peter Verleysen. From Canada Post, we have Doug Ettinger, president and chief executive officer; and Alexandre Brisson, chief operating officer.

I'd like to welcome all three of you to our committee today. Thank you in advance for contributing to this very important study.

We're beginning our opening remarks today by turning the floor over to you, Mr. Verleysen. You have five minutes, sir.

Peter Verleysen (As an Individual): Thank you very much.

I would like to thank the committee for having me. I would also like to thank Mr. Philip Lawrence for the work he has done for our family.

Before I get into our family details, I want you all to put yourselves in our family's position. Think about how you would have handled this. I want you to see the length of time and the lack of support with our current laws and no hope for justice.

Let me tell you the story of my sister, Gail Verleysen.

On September 10, 2021, Gail went to her job, working on a ranch in Alberta. This was her day job, but, more importantly, it was her passion. Gail was told to go and fix a fence on a nearby ranch. She loaded up a side-by-side and a post pounder to pull behind her vehicle.

She started down the road when a pair of transport trucks came up behind her. The first truck never slowed down or moved over to go around her. This truck impacted Gail's vehicle, causing her death. The second truck, which had a dash camera, was able to slow down and stop prior to reaching the accident scene.

The accused was charged a few months later, and then the mess began that has yet to end as of today. We saw an extreme waste of time by the accused trying to decide whether to plead guilty or not. He used 12 or more court appearances before a preliminary trial was ordered. While the trial did not produce as much information as we had hoped for, we respected the process.

We learned that the accused had the gas pedal to the floor and never let off until one second before impact. At the end of the day, the judge ordered a full trial. He said that he could not understand why anyone would drive directly into a vehicle or object.

We had a trial date set for January 2024. We finally felt like we would get this behind us. We received a notice a few months later that the accused or the defence attorney had another trial and that we would need a new date. We got pushed to January 2025. In early 2025, we received another notice of another delay.

When it was heard by the judge, we learned that the accused had left the country and could not attend court. We learned that the accused was here on a visa and that both the visa and his passport had expired. The accused returned to India in December 2024.

In January 2025, the judge ordered an extradition and a Canada-wide warrant for the accused. To date, we have yet to see the extradition paperwork completed. The accused's attorney said that he would return upon getting a new passport, which would take roughly nine months. He is still not here today. We have had no word of him returning or attempting to work towards ending this case.

I ask this committee to take action on a few things.

Families of victims like ours deserve a faster end to the legal process. We ask you to consider that delays be kept in check to provide victims a faster resolution in the criminal court system. We deserve the right to know how Gail died, which is still sealed from our family. This includes Gail's autopsy.

I ask you to put forward legislation that would take away the accused's passport while charged in order to prevent situations like ours. We ask you to consider new technologies, such as driver-facing cameras, so investigators can learn about an accident faster. We ask for the accused of a major injury or death to be financially responsible in a manageable way. We have learned that both the companies and the drivers rely on insurance companies for any right to a civil claim.

Last, I ask you to take a moment to talk with your colleagues and work with the Department of Justice and the Attorney General and lobby for a major overhaul. The system puts victims last and does nothing to bring closure. Instead, the current system drags victims through what feels like years of a never-ending process.

Our family has no hope left for criminal justice to be served or for even a trial to ever be completed. This should bother every single one of you.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Verleysen.

Next, we'll turn the floor over to Mr. Ettinger.

You have five minutes for your opening remarks, sir.

Doug Ettinger (President and Chief Executive Officer, Canada Post Corporation): Good morning, Mr. Chair.

[*Translation*]

Hello, everyone.

My name is Doug Ettinger. I am the president and CEO of Canada Post. My colleague Alexandre Brisson is with me. He is our chief operating officer.

• (1105)

[*English*]

Before getting started, I want to share that we very much appreciate the important work all committee members are doing here to ensure safety for the industry and all Canadians.

As you know, we've shared information with you in advance to help with this study. We're here today to simply help in any way we can.

To be clear right off the top, Canada Post does not engage any contractors under the Driver Inc. model.

[*Translation*]

Canada Post does not engage any contractors under the Driver Inc. model.

[*English*]

In fact, as you'll hear today, there is no place for the Driver Inc. model at Canada Post, and we fully support any regulatory changes that eliminate the Driver Inc. model right across Canada.

As one of the country's largest purchasers of goods and services, Canada Post has an important responsibility for rigorous procurement controls on our RFPs. We conduct fair, open and transparent procurement, ensuring our supplier activities are conducted with integrity and are compliant with all applicable laws and regulations. All suppliers doing business with Canada Post must comply with our supplier code of conduct as well as with the terms and conditions of their agreements. These agreements clearly state a commitment to legal compliance, safety, integrity and ethical business practices. For example, contractors must ensure that all facilities, equipment and operational practices meet our safety and security standards. They must safeguard mail and property, and maintain insurance, of course. Conditions like these are mandatory for doing business with us.

It's also essential that we actively ensure that our conditions are being met. Our supplier agreements give us the right to audit contractors at any time, with full access to their records, their facilities and their vehicles, and we definitely do that. In addition, to further our efforts, we utilize third party experts who specialize in ongoing validation of suppliers' contract requirements. These reviews look at key requirements, such as WSIB certification, carrier insurance, credit and other information. This approach has grown out of meaningful consultation with leading Canadian corporations in the transportation sector and with Transport Canada, over many years. When there is a violation of a supplier agreement, we are entitled to take appropriate action, including terminating it without further obligation.

As you know, in the transportation sector it is not uncommon for suppliers to engage subcontractors to meet demand and to fulfill service requirements. For Canada Post, the contracting supplier remains fully accountable for meeting all contract requirements and for ensuring that any subcontractors comply with the terms of the agreement and all applicable laws. This includes, but is not limited to, meeting all legal, safety and security requirements and ensuring that their workers receive appropriate training, supervision and screening.

A last point—and it is a very critical one—is that health and safety is our top priority at Canada Post. It's number one of all of the things we do, bar none. It's non-negotiable at Canada Post, and not just for our employees: Any carriers operating on our behalf are expected to prioritize health and safety. In fact, we have a zero-tolerance supplier policy when it comes to serious driver safety violations—one strike and you're out.

[*Translation*]

When it comes to safety, one strike and you're out.

[*English*]

We expect our suppliers to be thorough in their oversight of subcontractors, with safety as the top priority. We are not aware of any Driver Inc. practices within our network, but we have been following these committee discussions and would invite, of course, any evidence of it. As I said earlier, our processes are robust, and we're always looking to improve them, so if there's an allegation of misconduct that you believe we are not aware of, we will investigate it immediately, as has been our practice.

In conclusion, I can assure you that Canada Post does not engage the Driver Inc. model, and we have a rigorous approach so as to ensure that continues to be the case. We will continue to prioritize driver safety and to ensure responsible and ethical practices throughout the company and with our contracted services.

• (1110)

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

We begin our line of questioning today with Mr. Lawrence for six minutes, please.

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

First, we'd like to join you in sending our thoughts and prayers to the victims of the tragic instance at LaGuardia Airport. We send our sincere condolences to the families of the lost, and send our thoughts, prayers and best wishes for a speedy recovery to those recovering.

My questions will be for you, Mr. Verleysen. I appreciate the thank you at the beginning of your speech, but I must admit I feel that, as your MP, I've let you down. I feel that multiple governments, both provincial and federal, have let you and your family down. I'd like you to start by telling us a bit about your sister, what type of person she was and what we lost.

Peter Verleysen: We lost a 30-year-old who was very community-focused. She led 4-H groups. She led a lot of development in the ranch community as well as with the youth of the community. She

was very active in contributing back to society every day. She would work day and night to do that.

Philip Lawrence: Thank you.

We'll move to the accident of that very tragic day just so that people understand. It's your understanding, from what you heard in the court process, that basically the truck driver did not even slow down. It was a transport truck versus a side-by-side.

For those who are not familiar with it, or maybe for those at home, a side-by-side is a little bigger than an ATV. A massive transport truck hit a side-by-side basically without slowing down.

Peter Verleysen: That's correct. Yes. She never had a chance in this at all.

There was no need for it. Through the preliminary trial we were able to see the reconstruction somewhat, although not fully. The black box told us that he never let off the gas until one second before impact.

Philip Lawrence: Through the court process—you've highlighted all the multiple delays—you've been able to receive very little information. For example, did you receive anything about the qualifications of the truck driver or any information such as that?

Peter Verleysen: None of that information was shared with us. As we got into trial, we hoped to learn about that. We still have yet to.

Philip Lawrence: This individual then left the country due to a passport being expired. Is that correct?

Peter Verleysen: Yes—and his work visa. He was here on a work visa.

Philip Lawrence: He is now out of the country. The legal process cannot resume until he returns to the country. Is that correct?

Peter Verleysen: That's correct.

Philip Lawrence: Have extradition processes begun to bring this gentleman back to Canada to continue the criminal process?

Peter Verleysen: We're told that it's begun. It's gone to the RCMP in Ontario. It's been there for probably close to a year, at this point. Quite honestly, we don't understand what could possibly be written in that report, at this point, to take this long.

Philip Lawrence: Have you received any type of assurance that he will be back in six months, or in a year or two years or 10 years from now?

Peter Verleysen: He had said through the courts that he would get a new passport and return and that it would take nine months. It's been way longer than nine months. It's been almost a year and a bit and he's still not here.

Philip Lawrence: Wow.

I want to go back to the safety portion so that everyone's aware of the danger that is posed on our roads. After the accident occurred, was his licence immediately suspended? Did he quit driving? Tell me what happened there.

Peter Verleysen: No, he continued to drive. In fact, we learned that he did move provinces to a different firm. He was here in Ontario before exiting the country.

Philip Lawrence: Given the loss that your family has endured and that you have felt and will continue to feel for the rest of your lives, do you feel that the court process has let you down?

Peter Verleysen: I do 100%. There has been no system that looks at the victim's position. Everything about the accused was put before the victim's position. We have sat without an autopsy and without any real definition of how she died.

• (1115)

Philip Lawrence: When it comes to the extradition of this gentleman, who I might say is obviously avoiding the criminal process, do you feel as though the immigration system has let you down?

Peter Verleysen: Yes. First and foremost, I feel that he shouldn't have been able to board a plane to leave the country. On top of it, what kind of qualifications gave him the ability to do this? Why is he afraid to prove his innocence if he has such qualifications?

Philip Lawrence: Finally, has the fact that he was able to drive almost immediately after this accident, and just by switching carriers in different provinces was able to get back on the road, weakened your thoughts of Canadian safety?

Peter Verleysen: It has. As I drive around, I find myself very cautious when I'm around different transport drivers and notice how they drive down the road. I'm sure most of the committee feels in that same position when they're out in public.

Philip Lawrence: Thank you very much for your testimony today. I know this could not have been easy for you. I'm so sorry for your loss, and I'm hopeful that some change can come of your tragedy.

Thank you very much, Mr. Verleysen.

The Chair: Thank you.

Next, we'll go to Monsieur Lauzon.

[*Translation*]

You have the floor for six minutes.

[*English*]

Stéphane Lauzon (Argenteuil—La Petite-Nation, Lib.): I will ask my questions in French, if you don't mind, Mr. Ettinger and Mr. Verleysen.

[*Translation*]

Mr. Verleysen, I am truly sorry that you lost a member of your family.

We're all committed to improving the system. We heard your testimony, which covered several topics and recommendations. You spoke about increasing security measures, cameras, amending licensing laws and regulations and so on. We are ready; we're here to find solutions and to work with the provinces and territories. We know that licensing falls under the jurisdiction of the provinces and territories. We're therefore ready to make recommendations.

We've heard from several witnesses who told us about the licensing process. They also spoke to us about irregularities, particularly when it comes to information sharing. You mentioned that you lack information. We heard from the witnesses that there's a lack of information across the provinces and territories when it comes to sharing information about the non-complying truckers. Do you think the committee should look into this further?

[*English*]

Peter Verleysen: I believe the committee should look further into this, but you are the federal power. Please make the provinces accountable to you. We don't have this information. We never learned how Gail died.

[*Translation*]

Stéphane Lauzon: In your recommendations, you propose that the federal government establish a procedure whereby the provinces would pay a fee to the federal government.

I don't see how the system could be changed to act on your recommendations. Laws and regulations would need to be put in place to ensure that companies take responsibility and do not award individual contracts to truckers working under the Driver Inc. model. That would already be a step in the right direction. We have eliminated the T4A form, which is a good step forward.

Do you have any other recommendations for us to hold companies more accountable so that they become both more cautious and more diligent?

[*English*]

Peter Verleysen: I believe that, yes, you could impose some management on the provinces, but on top of it, there has to be accountability brought into the whole system for both the companies and the drivers. We've seen a lack of accountability from both parties.

Let me bring you back to the civil side. We are dealing with the insurance company. We are not dealing with the firm. No one is getting a break in their insurance because of these situations. We have to find a way to make these people accountable for their system, as every single system in lots of other capacities in other industries has fines and regulations associated with situations like this. There isn't the same standard here.

• (1120)

[*Translation*]

Stéphane Lauzon: Thank you, Mr. Verleysen. I join the entire team in offering our condolences following the loss of this family member.

Mr. Ettinger, since time is running out very quickly, I would ask you to be brief.

You have been clear, you've said repeatedly that Canada Post does not engage any contractors under the Driver Inc. model. We went out and met with companies on the ground, and they told us they weren't very familiar with the subcontractor hiring process. How can you be sure that Canada Post has no connection whatsoever with Driver Inc. truckers for its deliveries? How can you assure us of that?

[*English*]

Doug Ettinger: Thank you. That is a great question.

As CEO, it's my responsibility to make sure that we have the right processes in place and the right checks and balances. We procure two billion dollars' worth of goods and services across Canada.

The first thing I'll say is that we have a rigorous and comprehensive procurement process. It's robust. It's transparent. It's fair. With regard to transport services, we have over 300 contractors and about 800 contracts. We take safety seriously; we really do.

There is no engagement of Driver Inc. throughout Canada Post for a couple of key reasons.

First of all, we have a supplier code of conduct—call it stage one—that the potential contractors have to adhere to. That's rules, laws, regulations, employee policies, etc.

Second, we have our own agreements, the terms and conditions of which have been built and baked into these agreements over 20-plus years of working closely with Transport Canada. We are interacting with them all the time. Our agreements are very stringent around technical requirements, the fleet, the drivers, the training and the safety.

If those two things aren't met, we don't even get into other things. They are disqualified from the process.

My last point is that we have a very thorough auditing process. We audit all of the companies and all of the activities. Last year, we did almost 1,500 audits, and we took action on 650 of them. We had 17 drivers removed, and we replaced 12 lanes with different services.

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

[*Translation*]

Thank you, Mr. Lauzon.

I will now turn over the floor to Mr. Barsalou-Duval for six minutes.

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

I like to thank the witnesses here with us today.

Mr. Verleysen, to you and your entire family, please accept my sincere condolences on the passing of your sister. I hope we will be able to make changes so that this kind of situation occurs as rarely as possible. We know that it can happen, but we wouldn't wish it on anyone.

Mr. Ettinger, the Standing Committee on Transport, Infrastructure and Communities called you to appear twice to testify. After you refused twice, we had to send you a subpoena. If I were in your shoes and I saw people were insisting that I testify before the committee, I would ask myself a few questions. I would think that perhaps I'm being called to appear because it's important. If they're insisting, it's probably because there's a good reason for them to insist.

I must admit that I've been a member of Parliament for a decade now, and in my 10 years on the Hill, I've never seen a Crown corporation refuse to testify. Right now, we are pouring public funds into Canada Post and keeping you afloat with taxpayers money. I find it absolutely unacceptable that you refused to come here to explain yourself, to be held accountable, and that we had to force you to be here.

Don't you find it shameful that we had to force you to testify today?

[*English*]

Doug Ettinger: I lost the last part, but thank you for that.

Yes, this is a very important committee doing great work for safety. We fully support any enhanced regulations that this committee and the government are looking at. In fact, we applaud that. There is no place for the Driver Inc. model in Canada, period. We don't believe in it. We want to see it eliminated across Canada.

I apologize for not being at the earlier appearances. We had some conflicts, but we're happy to be here now to help. We provided letters and background information to help, and I think we've given the information on all of the suppliers we've used over the last 10 years.

[*Translation*]

Xavier Barsalou-Duval: I hear your apology, but it remains unacceptable that we had to compel you to appear today.

In the messages we received at committee, as well as in the testimony you have provided so far, you have mentioned that Canada Post does not engage with the Driver Inc. model and does not employ Driver Inc. contractors. In my view, awarding contracts to these truckers still amounts to a form of engagement. Furthermore, as a Crown corporation, you have a duty to set an example. People expect your conduct to be beyond reproach. Instead, we see you rewarding companies that defy our laws.

Aren't you accountable for that? Today, I get the impression that you're saying you're not guilty, and that you have nothing to do with any of this.

• (1125)

[English]

Doug Ettinger: We believe strongly in the need for safety. It's the number one priority in our company, not only for employees but also for contractors and carriers that work on our behalf.

Again, we're here to try to help. We do set an example in Canada that's a very important example with our stringent processes, our terms and conditions, and our very robust auditing of all of our carriers that we work with.

[Translation]

Xavier Barsalou-Duval: Mr. Ettinger, did you read La Presse on February 9? Have you read the reports stating that over 25 companies you work with allegedly use the Driver Inc. model and hire Driver Inc. truckers?

[English]

Doug Ettinger: Yes, I have read that information, of course. It concerns me. We have contacted all of the names of the companies, but I can assure you that we are not engaged in any activity around Driver Inc. in Canada, period.

[Translation]

Xavier Barsalou-Duval: I find that response rather inconsistent. You say you're not involved in this, but you're giving them contracts. I have court rulings here. Companies have been named. It's been proven that they misclassified workers, which means they used the Driver Inc. model.

Worse still, I have examples, if you're not convinced yet. I didn't hear you say that, but I almost get the impression that you're telling us that the news is fake news.

I can give you the names of companies. Autobahn, a well-known member of the Canada Truck Operators Association—which is the Driver Inc. lobby—receives contracts from Canada Post. BPR Trucking was fined \$30,000 by Employment and Social Development Canada. That company is prohibited from bringing in temporary foreign workers. There's a reason for that. Sim-Tran, or Simard Transport, which had contracts with you, was hit with a \$136,000 penalty by the Workplace Safety and Insurance Board, or WSIB, the Ontario equivalent to Quebec's Commission des normes, de l'équité, de la santé et de la sécurité du travail. A \$136,000 penalty corresponds to \$3.4 million in unreported wages. These are people who likely used the Driver Inc. model. Canada Cartage Diversified, which received numerous contracts from Canada Post, was subject to a \$161,000 penalty by the WSIB, which is roughly equivalent to \$4 million in unreported wages. Roadies Shunt Services was hit with a \$193,000 penalty by the WSIB, representing \$4.8 million in unreported wages. This company received a huge number of contracts from Canada Post, even in 2024 and 2025. Daytona Freight Systems owes \$8.7 million in unreported wages.

You're telling me that all these companies have nothing to do with the Driver Inc. model, even though we filed access to information requests, obtained the information and found that all these companies had been subject to corrective measures by the WSIB. Millions of dollars in wages are not reported to the government by

these companies. These are shady companies that you are indirectly funding with public money. Are you not guilty of that?

[English]

Doug Ettinger: Again, thank you for that information.

We have a very clear and robust system. Again, we do full auditing all year long, and not only of our own team, but we have contracted parties that audit these. I have no evidence and nothing that I can point to. If you have strong evidence, I'd be happy to take it back today, and we'll look into it immediately. I'll guarantee you that we'll terminate anybody who has made serious violations in this space, which is so important for Canadians.

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

We'll make sure that Mr. Barsalou-Duval can get that information to you so that you can do that diligent work after the meeting.

Doug Ettinger: Thank you.

[Translation]

The Chair: Mr. Groleau, you have the floor for five minutes.

Jason Groleau (Beauce, CPC): Thank you, Mr. Chair.

I too would like to offer my condolences to the families of the two Air Canada pilots. It was a very tragic accident.

Mr. Verleysen, please accept my sincere condolences as well.

Mr. Ettinger, thank you for being here, and Mr. Brisson as well. We've been waiting a long time for you. We've worked very hard to get you here.

I will pick up on up on my colleague's remarks. There's an excellent article in La Presse by Mylène Crête. She states that you've hired more than 20 companies that do business with Driver Inc. truckers. I was shocked to learn that a Crown corporation was cutting corners when it came to safety on our roads. Do you condone that, Mr. Ettinger?

• (1130)

[English]

Doug Ettinger: Thank you for that.

We are not cutting corners when it comes to road safety. Our financial situation is well known to Canadians, but safety is an area that is non-negotiable for us. In fact, if contractors get through our rigorous process...again, the supplier code of conduct, the terms and conditions that are stringent around their requirements. Then we get to pricing. We will pay more for pricing to get a quality carrier. We want a balanced approach. We actually make sure that our structure of our procurement is done that way.

[Translation]

Jason Groleau: I understand that, but if we had to send the bailiff to get you to come here, I imagine there are some things you don't want to say. When people have something to hide, they don't want to show up.

We're talking about more than 25 companies. We have evidence that you hired them. My colleague has evidence. What are you going to do in the future to make sure this doesn't happen again? It has to stop.

[English]

Doug Ettinger: We have investigated all of that.

I understand that the article is out there from La Presse, but from everything I can see in the team and all of our auditors, there is no credence to that. We have not engaged on the Driver Inc. model in Canada, period, and have no intention of it.

[Translation]

Jason Groleau: So, you had \$1 billion in losses last year, and you're telling me you didn't cut corners using these Driver Inc. truckers. Even though we have evidence, you're telling me otherwise.

[English]

Doug Ettinger: That's right. We have not seen the evidence, and we're always looking for it. We're always looking for things that we can improve on to make sure these things don't continue.

To me, there's no place for Driver Inc. in the Canadian landscape, period. It's wrong. Employees have to be treated with respect, with the right training, screening and safety every single time.

If there is evidence—no one has provided that information to us so far—as soon as we get it, we will investigate immediately. As I said earlier, we will terminate any carriers that have serious violations of safety regulations.

[Translation]

Jason Groleau: Thank you.

I have two questions for you from a very courageous woman who came here to testify. Her name is Nathalie Poulin, and she's the mother of Alexandra Poulin, who sadly died in a serious accident involving some Driver Inc. truckers. She asked me to ask you this question in memory of her daughter Alexandra, and for the safety of everyone who uses the roads.

As president and CEO of Canada Post, are you prepared to commit today to changing the bidding criteria so that Canada Post no longer gives priority to the lowest bidder, and so that strict public audits ensure that every transportation company working for the Crown corporation, either directly or through subcontractors, meets the highest employment and training standards to ensure safety on our roads?

[English]

Doug Ettinger: We're already doing it. We do not support contracts at the lowest price. We are not cutting corners, clearly. In fact, if they don't meet the qualifications, the stringent technical requirements or the supplier code of conduct, they're disqualified

from the next stage of engagement on procurement, which gets into price and other things.

As I said earlier, we will pay more for good quality and safety. We want a balanced, value-added approach. This is so important in Canada. There is no place for this in the Canadian economy, period.

[Translation]

Jason Groleau: Thank you.

What is your process? You tell me that you don't hire these companies directly. However, the companies you hire do hire other companies. That's the problem. What tools do you have to combat this?

Alexandre Brisson (Chief Operating Officer, Canada Post Corporation): There are several ways to do that. What we control is the process. The way we conduct tenders is extremely structured. After that, it's important for us to check our approach by asking ourselves whether we can demonstrate, in practice, that we have a very watertight process for doing business with new companies. We subject all truckers who come onto Canada Post property to extremely detailed audits. Whether it's a supplier directly contracted by Canada Post or a subcontractor, the process is exactly the same, and the audit is just as thorough. We observe the truckers' activities on-site to see if they meet our safety standards.

• (1135)

The Chair: Thank you.

Alexandre Brisson: We watch how they interact with our people. We check to see if they're wearing the jacket and if the zipper is zipped.

The Chair: Thank you.

Alexandre Brisson: We even go out into the streets to observe them and see if they obey traffic signals, like red lights.

The Chair: Thank you very much, Mr. Brisson. Unfortunately, the time is up.

Alexandre Brisson: That's okay, thank you.

[English]

The Chair: Next we'll go to Ms. Nguyen.

Ms. Nguyen, the floor is yours. You have five minutes, please.

Chi Nguyen (Spadina—Harbourfront, Lib.): Thank you, Mr. Chair.

Thank you very much to the witnesses for joining us today.

I'd like to start with some questions for Canada Post.

We have seen this article, and know about the list of companies, those 25 that you mentioned. You have taken some actions. You talked about your auditing process. I'd like to understand a little bit more about the steps you took as senior leadership once you heard and saw the news. What happened with these 25? What are your steps here?

How do we make sure, with the third party auditing that you have in place, that you are confident in this?

Doug Ettinger: Thank you. That's another excellent question.

When we saw the article in La Presse, we followed up with those companies. None of them are contractors of ours today. We have reviewed the list.

Again, there are no incidents or violations of Driver Inc. within our ecosystem in Canada Post.

Again, our process is very robust and very aggressive in terms of audits, as Alex was just describing. We are watching them ourselves and with our own third party experts to make sure that they're living up to the standards that we all require around safety.

Chi Nguyen: One of the challenges we keep hearing about throughout this study is that the role of education really falls to the provinces. How are you making sure that is part of your process as you onboard and hire teams to do this work?

Doug Ettinger: I'll ask Alex to follow up on that.

Alexandre Brisson: I'm going to say even more broadly, as Mr. Ettinger was saying, health and safety at Canada Post is paramount. Not only do we train our employees, but we train our suppliers on our practices and on what's right to do on Canada Post's premises. Even in the procurement process, we have actual steps.

When we say we look at quality first and then we look at price, quality first means you have training programs. We ask, "How is it you do that? How is it you maintain qualification for your drivers?"

From the onset when we acquire new suppliers to handle our business to the day-to-day work where we audit and test the drivers and look at them to see what they do, we try to control all of these aspects because, again, security is our number one priority.

Now, we can always be better, and that's why we remain in contact with Transport Canada and big players in the industry. Some of our audit processes were developed this way to incorporate the best of the transportation industry today and keep improving on what we do.

From start to finish, we're applying a very structured approach, and it's based on training and qualification all the way through.

Chi Nguyen: If we look at the implications for the companies that you terminated, were there fines? Were there other consequences? I'm not sure if you're able to speak to that, but I'm curious.

Alexandre Brisson: I won't speak to fines, but one part of collectively improving here is to provide feedback. That's what our audit process is doing. There are different infractions. If your vest is not zipped all the way up, that's one infraction. If you show up and your equipment is not safe, that's really something else. There's a full range of activities and consequences.

We see it as part of our job to consistently provide that feedback so suppliers can improve. Those that don't show the right priorities from a health and safety standpoint are terminated.

Chi Nguyen: Thank you very much.

Mr. Verleysen, thank you very much for joining us today. I really appreciated your bravery in sharing your story with us. I'm so sorry for the loss of your sister.

You had recommendations around the adoption of more technologies, etc. If we were to look at creating a mandatory national data-sharing system, what kinds of elements would you look to see in that, such as insurance policies? What would give you some signals that we're doing our job in terms of the federal leadership that you'd like to see?

Peter Verleysen: One signal would be if you were to have a national data bank of infractions, accidents and that kind of thing, so that a new company taking on those risks is more aware, first of all. Also, maybe it would start to weed...the process of self-accountability there.

Again, our whole system has been a pass-the-buck system, and nobody has taken responsibility on any level.

• (1140)

The Chair: Thank you very much.

[*Translation*]

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

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

Mr. Ettinger, I can hardly believe my ears when I hear you speak today. It's as if there were no self-reflection and everything were perfect on your end.

Basically, we summoned you here today because we want you to clean up your act, and you're telling us you don't need to, because everything is clean. However, I have a ruling here from the Supreme Court of British Columbia regarding one of the carriers that were named. That probably doesn't count either.

The documents from the Workplace Safety and Insurance Board of Ontario, commonly known as the WSIB—for you, that doesn't count. There's no problem on your end. Even though we're putting the information right under your nose, you continue to deny that there's a problem.

Mr. Ettinger, you've been in your position since March 2019, which is around the same time the Driver Inc. phenomenon began to spread everywhere. Has any minister ever questioned you about this issue? If so, which minister and how many times?

[English]

Doug Ettinger: Thank you. I appreciate that.

From my first day in this job, safety has been our number one priority. It's pretty clear around the world that companies that focus on safety not only for their employees but with their suppliers are the most successful.

[Translation]

Xavier Barsalou-Duval: I asked you which minister you had the opportunity to discuss this with. Have any ministers questioned you?

[English]

Doug Ettinger: With all of the ministers.... I mean, in terms of safety—

[Translation]

Xavier Barsalou-Duval: All the ministers have questioned you on this issue. They came to your office and asked you what you were doing. Isn't that right?

[English]

Doug Ettinger: Not about this—no.

[Translation]

Xavier Barsalou-Duval: No?

[English]

Doug Ettinger: No, this is the first time this issue has come up in my seven years in the job.

[Translation]

Xavier Barsalou-Duval: So no ministers have called you or approached you to tell you that there was a problem at Canada Post.

[English]

Doug Ettinger: No, in any way, shape or form; this is the first time this issue has been tabled.

[Translation]

Xavier Barsalou-Duval: Okay. I'm asking you because I have here a letter dated September 26, 2023, from the Canadian Trucking Alliance. In this letter, which is addressed to Minister Jean-Yves Duclos, the alliance states that there is a major problem at Canada Post. It says that it has contacted several ministers regarding this issue and that it has also contacted Canada Post, but that it has not received a satisfactory response. It has been unable to get answers to its questions and the problem remains unresolved.

In a nutshell, what you're telling me is that the ministers who have served so far have not done their job because they did not follow up on this letter—just like you, for that matter. Is that correct?

[English]

Doug Ettinger: All I'll say is that this is the first time this issue has been tabled. If you have strong evidence, which you believe

strongly in, please get it to us today and we will follow up on it immediately.

Thank you.

[Translation]

The Chair: Thank you very much, Mr. Barsalou-Duval.

[English]

Thank you, Mr. Ettinger.

Mr. Muys, the floor is yours. You have five minutes, sir.

Dan Muys (Flamborough—Glanbrook—Brant North, CPC): Thank you, Mr. Chair.

Thank you to the witnesses who are here today.

To Mr. Ettinger and Mr. Brisson, in regard to the story in La Presse and the examples that have been raised by Monsieur Groleau and Monsieur Barsalou-Duval, and the allegations that have been made, you indicated there were some internal investigations that were done. Were the results of those made public at all?

Doug Ettinger: No, I don't believe they were, but as we do on all these things, we take them very seriously. We were not able to find any substance to those allegations.

Again, we did not receive anything other than the article that we saw in La Presse. We followed up.

I'd love to get information. I wouldn't "love"—it's a terrible thing. If anyone on this committee or anywhere else has information that would show violations, we will move on them and act on them immediately. I give you my promise on that.

Dan Muys: It sounds like there are going to be some documents forthcoming to you to look at. Would you commit to making the results of those internal investigations public, in the interest of transparency?

Doug Ettinger: Yes, we will follow up on them accordingly.

Dan Muys: You've talked about the rigorous, robust and transparent system that's in place. With what's coming out of this meeting here today and the discussion, what next steps would you commit to doing to re-evaluate that system and make enhancements to that system?

There seem to be some gaps.

● (1145)

Doug Ettinger: From our perspective, as we've discussed, we feel like our process is very robust and very strong. In fact, we think we're an example to other Canadian companies. We are a Crown. We have to abide to much higher standards than other companies. I'm not commenting on them, but we have a responsibility. Again, safety is our number one priority within our company. We're very proud of that.

I fully support this committee and the government, and applaud them for moving forward on looking for changes around CRA and labour sharing of data and penalties. We would, of course, fully implement those programs and fully endorse them based on the recommendations of this committee. We see no place for Driver Inc. in Canada, period.

Dan Muys: You indicated that the right to audit is important to you. It's important, certainly, to all Canadians. I think you mentioned it, but I don't recall the number, so how many audits have been done in the past year? How many audits were done in previous years?

Is there a need to ramp that up?

Doug Ettinger: I'll kick it off and maybe Alex can jump in with a little bit more.

In 2025, we did just under 1,500 audits of different carriers. We took action on 650 of them—small actions and larger actions.

Dan Muys: Are those audits specific to the Driver Inc. model?

Doug Ettinger: No, there's no Driver Inc. model to be reviewed.

This is for all of the contractors we have. I think we have something like 320 contractors in our system.

Dan Muys: There were no audits specific to Driver Inc.

Doug Ettinger: No, because as I said there are none we're aware of in our system.

Dan Muys: Is that something you can commit to doing now, retrospectively, after this committee? Can you go back and take a look at whether there were specific—

Doug Ettinger: Absolutely, sir. We'll go back and look at the data. If there's new information that tells us something new, we will do a deep dive on it.

Dan Muys: Okay.

This was mentioned in French, but I want to ask the question in English so it's on the record in both languages. It's about the tools you have to hold subcontractors to account.

Obviously, \$2 billion is a big amount in procurement through contractors. A lot of that is happening through subcontractors, and maybe that's where the greatest risk for gaps lies.

Doug Ettinger: Alex, why don't I hand that over to you?

Alexandre Brisson: I would say—as I said in French—that we treat subcontractors just like contractors because, to us, they show up on our property, they have a truck, they need the right equipment, they need to be qualified and they need to have the right driver's licence for what they're driving. We audit them whether they're subcontractors or not.

I think it's also important to mention that we have, over the years, beefed up our ability to conduct audits. We're hiring third party firms to do that for us. They go to the suppliers' premises and look at the way they train. They look at their equipment. They look at the way they run their own yards beyond Canada Post, because that's important to us.

We're not just auditing on our premises. We're spending time at the suppliers' facilities, as well.

The Chair: Thank you very much, Mr. Brisson. I'm not picking on you, by the way. It just so happens that you're always the last person to be asked a question, and time is running out.

Next, we'll turn it over to Mr. Kelloway.

The floor is yours. You have five minutes, sir.

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

Mr. Verleysen, I want to say thank you so much for being here and for sharing recommendations. I also thank MP Lawrence for inviting you. It's important to hear your story, your sister's story and the recommendations.

I'm going to pivot to Canada Post.

This morning, we heard about the robust and strong process you have, which I appreciate. We have such limited time here, but when I hear of robust and strong processes, I think it's important to unpack as much as we can.

Can you give us a sense of what that is? When you looked at La Presse and saw the stories, and the companies in those stories, what did you measure? What informed your decision that there was not enough evidence to suggest that there was an infraction or something against Canada Post's policy?

Alexandre Brisson: The process covers things from the day we hire a supplier to the day the goods are delivered to us, as well as audits.

Regarding the names that came up in La Presse, they're part of our process. We've audited them in the past, so they're known to us. Again, you heard that today. If there's factual information you're able to share with us that we can investigate, we'll gladly do it. There's no question about that.

The procurement process is one that's public and very structured. It has different stages. You have to clear a stage before you can move on to the next one. I think you can talk to any supplier and they will tell you that applying for a piece of work at Canada Post is work. You have to show all the programs you have. That's a challenging part. We even go to the extent where, if you're not selected in our process, we'll sit down with you and explain why you weren't and how you can improve. Part of our job is to try to make everybody better, and we're definitely willing to play that role. That's at the heart of health and safety. That's the procurement process.

At the auditing level, we're very structured too. We start by looking at the way a person behaves in our facility. We look at the quality of equipment, then dispatch our own people on the street to watch how people are driving and what they do. I would call this quite comprehensive. We're detailed. With health and safety, you don't cut corners—you go all the way or you don't go. We're going all the way. That's why there are a lot of notices we're sending out about a vest having to be zipped up. We're at that level. If you show up and some equipment is not ready, we are not only going to send you home but also going to contact the supplier. You're going to show us the inspection record on all these types of equipment you're running, even outside Canada Post.

We're going to great lengths to drive a process that's quality first in everything we do.

• (1150)

Doug Ettinger: The only thing I can add to that is this: We have full access to all their records, all their vehicles and all their employees. We can access those at a moment's notice, and we do.

Mike Kelloway: We'll go into the part of the questioning that probably requires just a yes or a no. It's about some things you've already discussed.

You have not employed the Driver Inc. model in any form or fashion.

Doug Ettinger: No.

Mike Kelloway: You have stated on three or four occasions here today that you support the removal of Driver Inc.

Doug Ettinger: We support the removal 100%. We'd like to see it done as soon as possible.

Mike Kelloway: A few of my colleagues from the opposition asked, should information come up that would suggest the Driver Inc. model is being used, what you would do about it. You've gone back about that. I've started with the compliance framework and trying to unpack that, because it's hard to unpack several processes in three minutes.

Doug Ettinger: Yes.

Mike Kelloway: Do you see any area that you can strengthen, based on this particular accusation of Driver Inc. being used? Have you seen anything that you can improve on, look at or re-examine, based on suggestions that Driver Inc., in some form or fashion, has been used?

Doug Ettinger: That's a great point. We're always looking to improve. We're not saying we're perfect, as was mentioned earlier. We're clearly not. We make mistakes. If there's evidence, we will do a deep dive into that, based on all of the full access we have to

all of the data. We will put those companies on the mat and we will go deep into them.

Our processes are very rigorous, but there are always things we can improve. As we see recommendations come out of this committee, we will be all over them and we'll employ them fully, because there's nothing more important than what we heard here earlier today about the sanctity of life and the tragic things that occur on the roads. We do not want to be part of that in any way, shape or form.

Mike Kelloway: Thank you.

The Chair: Mr. Verleysen, Mr. Ettinger and Monsieur Brisson, I'd like to thank you on behalf of this committee for appearing before us today and contributing to this very important study.

Colleagues, we're going to suspend for a couple of minutes to allow the clerk to transition to the next round of witnesses.

The meeting is suspended.

• (1150)

(Pause)

• (1200)

The Chair: I call this meeting back to order.

Colleagues, I have the honour of welcoming the following witnesses for the second round.

From the Association of Canadian Port Authorities, we have Daniel-Robert Gooch, president and chief executive officer; from Desgagnés Transarctik Inc., we have David Rivest, president and general manager; and from Melford Atlantic Gateway, we have Mike Uberoi, chief executive officer.

Welcome to all three of you.

We'll dive right into opening remarks.

Mr. Gooch, I'll turn the floor over to you to get us started.

Daniel-Robert Gooch (President and Chief Executive Officer, Association of Canadian Port Authorities): Good morning. I'm pleased to be here on behalf of the Association of Canadian Port Authorities, which represents Canada's 17 port authorities. These are essential national critical infrastructure and will play a central role in delivering on the country's trade diversification and economic resilience objectives.

Let me focus on four key areas.

[Translation]

First, financial agility. Canada's port authorities are facing a significant infrastructure gap, estimated at between \$15 billion and \$21.5 billion by 2040.

Unlike many other parts of the transportation system, port authorities do not receive ongoing public funding. Port authorities rely on their own revenues, access to federal programs and private financing to build and maintain critical infrastructure.

• (1205)

[*English*]

The challenge is that the current borrowing framework from 1998 is too rigid and does not reflect commercial realities. Borrowing limits are fixed, tied to outdated ratios and can take years to adjust through federal approvals. That creates delays, increases project costs and makes it harder to attract private capital.

There is a clear opportunity here. By introducing higher and more dynamic borrowing limits that reflect the actual earnings capacity and potential of port authorities, the federal government can unlock significant private investment, provide greater financial certainty and reduce reliance on unpredictable public funding.

Port authorities are already working with Transport Canada on solutions, but some aspects of the port authority model itself must be improved. If ports are expected to deliver on Canada's trade diversification agenda, they must be equipped with modern financial tools to do so.

The second point is governance and board appointments. Canada's port governance model strikes the right balance between local and regional stakeholder needs and federal oversight, but the federal appointment process is creating real challenges. In some cases, board vacancies have remained unfilled for years. That affects continuity, reduces effectiveness and slows decision-making at a time when ports are expected to move quickly on major infrastructure and trade priorities.

There is a straightforward fix. Bill C-33 previously included a provision that would have introduced a 12-month deadline for federal appointments. We believe that approach should be reinstated in any future legislative efforts. Timely and transparent appointments will strengthen governance, improve investor confidence and ensure that boards are able to provide the leadership needed to deliver on national objectives.

The third point is unlocking partnerships and expanding permitted activities. Modernization is not only about infrastructure but also about giving port authorities the flexibility to operate in a more commercial and competitive environment. Today, legislative limitations restrict the scope of activities that port authorities can undertake. They limit their ability to capitalize subsidiaries, participate in joint ventures and pursue partnerships that could strengthen their financial position.

Expanding the definition of permitted activities and enabling greater participation in partnerships would allow ports to develop complementary revenue streams and reinvest those revenues into core marine infrastructure. This is not about moving away from their core mandate; it is about strengthening it. Greater flexibility would improve financial resilience, accelerate project delivery and better position Canadian ports to attract private capital.

The final point is trade corridor investments. We strongly support the trade diversification corridors fund and the federal govern-

ment's focus on building more resilient and diversified supply chains. Ports are central nodes in these corridors, and investments must be coordinated across marine, rail, road and inland logistics systems.

We were encouraged to hear Minister MacKinnon note in his recent appearance before this committee that the government recognizes the importance not only of major port projects but also of smaller, lesser-known initiatives that are critical to overall system performance. That recognition is important. It is important that funding supports not only major high-profile projects but also smaller high-impact investments that will address bottlenecks and unlock regional trade. The program reflects this with a targeted stream for high-impact projects, a collaborative stream to address specific challenges and an open call to address regional infrastructure gaps.

In closing, Canada's ability to diversify trade and strengthen economic resilience will depend on having ports that are financially agile, well governed, operationally flexible and supported by coordinated infrastructure investment.

We appreciate the committee's leadership on this study and look forward to engaging with you afterwards.

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

Next we'll go to Mr. Rivest.

[*Translation*]

Mr. Rivest, you have the floor for five minutes.

[*English*]

David Rivest (President and General Manager, Desgagnés Transarctik Inc.): Thank you, Mr. Chair and members of the committee, for the opportunity to appear before you today.

I'm appearing on behalf of Desgagnés, which is a Quebec-based marine transportation group. The company owns and operates a fleet of Canadian flag vessels and is active in general and dry-cargo transport, liquid bulk transport, essential marine services to Quebec's lower north shore communities, Arctic sealift operations, and maritime port and terminal operations.

From our perspective, Canada's port strategy should be built on major gateways, capable medium-sized ports and Arctic-serving nodes.

Major gateways are indispensable. Canada needs them for scale, specialization and access to global markets. At the same time, if Canada is seeking to further diversify trade, then a port network must do more than move large volumes from a few locations. It must also support community resupply, resource development and industrial supply chains. In practical terms, this includes cargoes such as construction materials, industrial raw materials, mining supplies, forest products, steel, concrete, project cargo and wind turbine components—to name a few—moving to and from industrial users and processing sites.

Many medium-sized ports operate in a very different reality from large, specialized gateways. They require adaptable handling, flexible warehousing, outdoor storage, marshalling areas, efficient rail and road interfaces and, where needed, bonded space and responsive custom services.

As an example, the impact of inadequate infrastructure is evident on Quebec's lower north shore. At La Romaine, one of 12 communities served by the *Bella Desgagnés*, quay load limits reduce usable container capacity by about 50%, effectively doubling handling requirements and cutting efficiency by roughly 40%. Delays at one port cascade eastward as the vessel cannot make up for lost time along the route.

In practice, weak infrastructure leads directly to higher costs, lower reliability and more fragile supply chains in these communities. In that context, I would respectfully offer three recommendations.

First, the committee should recommend that Transport Canada treat medium-sized, regional, remote and Arctic-serving marine sites as strategic trade infrastructure in the implementation of the new federal corridor and Arctic funding programs. These sites should be assessed not only on their current throughput, but on their long-term strategic contribution to trade resilience and supply chain performance. Relevant investments include berth and wharfage upgrades, dredging where navigation depth is a constraint, warehouse modernization, safe outdoor storage and lay-down areas, improved rail and road connectivity, and environmental improvements that strengthen long-term operational performance.

Second, the committee should recommend that federal project evaluation place explicit weight on industrial enablement and cargo adaptability. Marine development projects should receive stronger consideration where they support industrial clusters, enable secondary and third-tier transformation, accommodate for evolving cargo mixes and complement major gateways. This is a more strategic test than tonnage throughput alone.

Third, the committee should recommend improved trade-enabling coordination and operational responsiveness, including where customs and bonded-area capabilities are needed to support ports handling mixed cargo, including containers in sufficient and efficient routing.

In the Arctic and in the north, Canada is increasingly using an operational base, hub and node approach. That same logic should inform Canada's port system. Having strong major gateways supported by capable secondary sites connected through reliable inland and maritime logistics is how Canada strengthens communities,

supports industry and builds more resilient, Canadian-controlled supply chains.

In closing, if Canada intends to expand into new markets and reduce reliance on the United States, it should continue to strengthen major gateways. It should also modernize the broader network around them—regional terminals, medium-sized ports, Arctic-serving nodes and industrial logistics platforms—because that is how Canada builds a system that is efficient, resilient, adaptable and truly national in function.

• (1210)

Thank you.

The Chair: Thank you very much, Monsieur Rivest.

Next, we'll go to Mr. Uberoi.

The floor is yours. You have five minutes, please.

Mike Uberoi (Chief Executive Officer, Melford Atlantic Gateway): Mr. Chair and honourable members, I'm here today representing Melford Atlantic Gateway.

We're not here to ask for help with planning or permissions. We've done the work. Melford is a greenfield development consisting of a large marine terminal, construction of 32 kilometres of rail and a logistics park.

We are the most shovel-ready infrastructure project in Canada today. The federal and provincial environmental permits are secured for our 1,800-acre industrial site, which is completely free of urban congestion. We have consulted and secured first nations investment in the project. We have an eight-year labour agreement in place providing the exact long-term stability that global shipping lines demand. The project is private sector-led, ready to be built. What we need now is a country ready to back it.

Today, a massive volume of Canadian trade is moving through U.S. ports. When we rely on our competitors, like New York and New Jersey, which handled 8.7 million TEUs last year, Canadian jobs and economic activities follow that cargo south of the border.

Melford isn't just about stopping leaks to the U.S.; it's about opening Canada to the world. The Province of Nova Scotia recognizes Melford's importance, as demonstrated in the letter of support sent in October from Premier Houston to Prime Minister Carney requesting that Melford be included as a priority.

We urgently need this big-ship capacity. Over the past 35 years, Canada's share of east coast container volume plummeted from 7.3% to 2.8%, yet on the west coast, Canada's market share grew by more than 300%. The west coast achieved this success because of federal government support and investment in new terminals—Deltaport and Prince Rupert.

On the east coast, we now have the exact same opportunity. Melford can be the Prince Rupert of the east. With a 36.5-metre natural deep harbour and no air draft restrictions, we can handle the ultra-large container vessels that define the future of global shipping.

Melford provides much-needed big-ship capacity. A port capable of receiving the largest vessels will increase the total volume of cargo handled by Canada. Cargo moving through Melford could feed and utilize other east coast and seaway ports, rather than watching those lose port share to U.S. competitors due to congestion or vessel size limitations. As the maritime adage goes, a rising tide lifts all ships. This has been proven to be true on the west coast, where both Prince Rupert and Vancouver have flourished since Prince Rupert's opening.

What Melford adds is capacity, resilience and future-proofing of Canada's supply chains. Furthermore, while we're focused on developing a deepwater container port, Melford has recently attracted interest from a variety of sectors that recognize the site's unique attributes. It's an optimal location to serve as a logistics hub for on-shore and offshore wind—including supporting wind west—pulp and paper, steel mills and defence-related activities. However, none of these broader economic activities can be utilized without the construction of the terminal.

Our recommendations to this committee are straightforward.

One, formally recognize Melford as a national strategic asset for trade diversification.

Two, prioritize shovel-ready infrastructure investments that can unlock projects of national significance that have already cleared regulatory and consultation hurdles.

Thank you. I look forward to your questions.

• (1215)

The Chair: Thank you very much.

We'll begin the line of questioning in the second round with Mr. Muys.

Mr. Muys, the floor is yours. You have six minutes, sir.

Dan Muys: Thank you, Mr. Chair.

Thank you to the witnesses from all parts of the country who are here.

Mr. Gooch, welcome back to the committee. You've been here many times.

As you know, this committee studied large port infrastructure expansion projects a few years ago, and I think you provided some testimony towards that. There were 12 recommendations that came out of that, many of which you echo again today, many of which

your members who have been here for this study have mentioned, in terms of agility, financial flexibility and streamlined reviews.

How do we get beyond the talk? That was three years ago, and the response from the government at that time was that this was important. We had Bill C-33, which you referenced had at least one good aspect. It died on the Order Paper.

How do we get beyond the talk into action? What's the low-hanging fruit that can move forward very quickly?

Daniel-Robert Gooch: Thank you for the question and for the ongoing support of the committee.

I think a lot of people are saying that there's not much that can really focus a mind more than crisis. Certainly the government now definitely recognizes the value of diversifying Canada's trade and is making solid steps to move in that direction. We quite like the trade diversification corridors fund and the fact that it's open to calls for regional projects, which was not something we were necessarily sure was going to happen.

There seems to be a corridors approach with the way that the corridors fund has been designed in terms of the articulation of strategic corridors that will hopefully guide investment. There are some additional aspects of the model that need to be reformed. We have had some good conversations with the Department of Transport. I'd say that they are still early discussions, and we do understand that the government is looking at a trade diversification strategy as announced in the budget. If there's legislation to support that, we certainly hope that the input we had on Bill C-33 will be taken to heart as any future legislation is developed.

We also think, though, that some of this can be done through government policy. It does not necessarily require legislative change.

• (1220)

Dan Muys: What about financial flexibility? That's something that your association has put out a report on. We heard from your members and from you, and Bill C-33 seemed to really fall short on that. We heard that when we did our tour of the ports for that study back in March 2023.

How urgent is that to move on? There are opportunities that can be seized upon, and a model that's 30 years old is not cutting it.

Daniel-Robert Gooch: We think that there are some reasonable, modest reforms to the model that can make ports more flexible. Really, they all kind of go together.

I previously worked in the airport sector. They have a very different model. We're not suggesting that this model needs to be changed, but we would suggest greater flexibility in terms of being able to develop revenue lines. If a port wants to develop a revenue line in an area of land that is, perhaps, not critical to commercial activity, given that we do recognize that land has to be protected and water access needs to be protected, perhaps we need greater flexibility in terms of putting up an office tower, for example, on that land that can serve marine and non-marine uses.

We would also suggest more flexible borrowing. My understanding is that our ports don't have the same financial capacity that other organizations of a similar size would have. It can take a year or longer.... You're hiring a consultant, and then the work is redone. I think in our early discussions, Transport Canada has recognized that it could be improved, so we're hoping to see that be improved as well. Really, it all goes together.

There's a role for infrastructure funding as well to push some projects over the line. I know it gets overused a lot, but it's a whole tool box of financial flexibility that we're looking for.

Dan Muys: What about the bleed to U.S. ports? Once volume is lost, it doesn't necessarily come back so easily. Are we structurally too slow? What streamlines and changes need to be made so that we're not seeing, as was just referenced in the opening statements, business going to New York, New Jersey or ports on the west coast, for example?

Daniel-Robert Gooch: We're in a competitive environment in North America. The ports in the U.S. have far greater financial capacity. New York is a massive port, and it's quite dynamic at the moment. Some of our members are taking a look to try to get a better understanding of what's going through the U.S. versus what's going through Canada. I think it's fair to say that it's also quite dynamic, given the Trump administration's plans to put fees on cargo that goes into Canada destined for the U.S. We don't really have a good handle on just what the impact will be.

On the positive side of things, if we're successful in diversifying.... I'm hearing that some of our ports on the east coast are starting to have capacity issues. It is good that this government is moving fairly quickly and that there's a lot of engagement with our members at an individual level on what that looks like.

The Chair: Thank you very much.

Mr. Kelloway, the floor is yours. You have six minutes, sir.

Mike Kelloway: Thank you, Mr. Chair.

My questions will be for Melford. I really appreciate your testimony about the importance of port development in Melford, Nova Scotia. You talked about diversifying supply chains, having less reliance on the United States and reducing congestion at existing gateways. I wonder if you can unpack Melford's role in that. How do you see that evolving?

The second piece to it is this. One of our focuses of this study is on large ports and existing infrastructure but also new ports that may focus on assisting larger ports in some way. I'm wondering if you can also unpack Melford as it relates to collaborating with other ports, not as competition but as an immense value-add to Atlantic Canada and all of Canada.

• (1225)

Mike Uberoi: Let me start by giving a little bit of background on Melford. Melford is not a PowerPoint presentation and an idea. We've been working at this for over a decade. We've secured the land through a land acquisition process in which we acquired 106 parcels of land from 66 different landowners. We've done all of the design, the engineering and the permitting. We're ready to start construction. That being said, being able to build that land assembly has created the opportunity for an efficient terminal with a very large footprint that can be constructed on the deepest water on the east coast of North America. Having that deepwater big-ship capacity allows us to go to shipping lines and be able to offer that capability.

When I was CFO at Halterm—I'm dating myself; I looked it up this morning—30 years ago, Maersk brought the *Regina Maersk* into Halifax to demonstrate that ships are getting bigger. It wasn't that they were going to come but that they were there now and that they were only going to get bigger. It was “get your act together because we need infrastructure to support them”. That was 30 years ago.

On the west coast, with the development of Deltaport and now, I hear, T2 in Prince Rupert, we've seen market share grow by 300%.

On the east coast, we haven't had that same type of new build or new infrastructure built. Melford creates the opportunity to reverse that trend.

Mike Kelloway: Can Melford assist and collaborate with existing infrastructure—for example, Halifax or the Port of Montreal? Are there synergies there that can be worked in or are being worked in by your operation?

Mike Uberoi: I believe so. It would take some legislative changes. Montreal is a great port—end-to-end service, full load, full discharge with vessels—but it's limited by the amount of draft so that the vessels can get into Montreal.

Most, if not all, of the cargo that goes through Montreal and that goes into Asia is transshipped somewhere in the middle. Why couldn't you transship that in Melford? Bring the big ship into Melford, transship the cargo and move it up into Montreal. It would take a legislative change, but we can help support Montreal in that aspect.

From a Halifax perspective, when you look at the volume that the terminals are doing today, you see that Melford wouldn't cannibalize Halifax, and there are two reasons for that.

One is that Halifax's biggest customer is MSC. MSC owns 49% of the terminals in Halifax. It's not going to move cargo from its own terminals.

The other piece is that the majority of the cargo that goes in and out of Halifax moves by rail. The railway isn't interested in moving that cargo to a different terminal. It already has that cargo, so it's not looking to cannibalize that cargo. Anything in and out of Melford would have to be incremental to that.

I think we can work with Halifax, and we're happy to have that conversation. There's a limited amount of space on the waterfront. There's urban congestion. There are air draft issues. So, it's limited with the amount of capacity that it has for big ships. We're happy to have that conversation with Halifax to see if we can work with it. Maybe the grain elevators should be in Melford and not in downtown Halifax.

We're happy to work with them—with Mr. Gooch and the Canadian port authorities and with the Halifax Port Authority—to see if there's a holistic way to look at Nova Scotia and what's best for the province.

Mike Kelloway: Mike, you talked about recommendations in your testimony. I want to make sure that we capture them in terms of the funds that we have now that are open.

I also want to make sure that we capture the recommendations that you have for this committee that we'll draft at some point that are reflective of ports like Melford and other ports across Canada that are looking to be part of the solution in terms of the supply chain and the general economy of Canada.

• (1230)

Mike Uberoi: In addition to my previous recommendations, I would recommend that the Major Projects Office look at Melford and look at ways that we can strengthen the supply chain so that it's not just Transport Canada and the tools in that tool box. It may need broader tools.

The Chair: Thank you very much.

[*Translation*]

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

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

I thank the three witnesses for being with us today.

I'll start with Mr. Rivest, the president and general manager of Desgagnés Transarctik Inc.

I believe it was last week or the week before, when it became public that the government has decided to subsidize the cost of shipping steel within Canada to help the steel industry cope with U.S. tariffs. This is not necessarily a bad thing because, in many cases, it wasn't financially feasible to ship steel from the east coast to the west coast or vice versa. There's a steel mill in my riding, so of course I care about what happens to our workers.

However, the government chose to subsidize 50% of the cost of rail transportation rather than let folks choose their preferred shipping method. What is Desgagnés's response to the fact that the gov-

ernment has essentially decided to favour rail transportation at the expense of marine transportation?

David Rivest: Thank you for the question.

For starters, the government's plan to facilitate or support transportation on an east-west or west-east axis, primarily for steel and lumber, is a good thing. I think it's a good thing. However, subsidizing only one mode of transport—in this case, rail—creates an impediment for other modes of transport, including marine transport.

Last summer, we saw major changes to supply chains because of the new tariffs. Specifically, we realized that steel coils had been shipped from Ontario to Quebec. Desgagnés was involved in unloading ships at the Port of Valleyfield. Because of the government subsidy, that cargo, which makes up nine or 10 trips per year, would be moved over to rail, a mode of transportation that may be less environmentally friendly, slower and less efficient.

What we would like to see here is for the rail subsidy to apply to other modes of transportation as well, including marine transport, so there's a level playing field for everyone.

Xavier Barsalou-Duval: Have you talked to government representatives about this? Do you know how they justify supporting one mode of transportation at the expense of another, thereby indirectly creating unfair competition?

David Rivest: Our company has worked with our associations, which have discussed the matter with Transport Canada and others, but we don't have any answers yet. I know discussions have happened internally, but any changes to the approach or how it will be rolled out have yet to be confirmed. At any rate, our company has not had any dialogue or seen any indication that there will be any change in the very short term for the upcoming season.

Xavier Barsalou-Duval: Will there be substantial losses? Conversely, had the subsidy been made available to you, would you profit as a result? Do you have a sense of how much profit or loss there might be?

David Rivest: Definitely. Take my earlier example, shipping steel coils from Ontario to Quebec, which we're involved in directly. I'm sure there are others that other operators could point to.

Last year, we saw a substantial decline in the quantity of steel imported from overseas and delivered to Valleyfield on its way to Quebec City. The tonnage dropped by about 70%, which was made up for by equivalent tonnage short sea shipped from Ontario to Quebec. So, if the subsidy applies only to rail transportation, the Port of Valleyfield will lose about 70% of its tonnage, which will have a direct impact on the hours our employees work and, of course, on the regional economy.

• (1235)

Xavier Barsalou-Duval: Thank you.

It sounds like the region will experience major impacts in that sector. I'm eager to find out what you hear, but they may be in the same position and can talk to government representatives now that they're more aware of what this means.

If I'm not mistaken, your company is also dealing with issues around customs clearance. Many other witnesses who have appeared here have told us that there aren't enough customs officers to process goods. Can you tell us a bit about how the staffing shortage is affecting your operations?

David Rivest: I can tell you that, over the past two years, the Port of Valleyfield has seen a drastic decline in the number of ships transporting goods from Europe to Quebec, goods that are then distributed locally.

Some ships would contact the port. They had mixed cargo, such as steel and other products combined with containerized goods. Because of the Canada Border Services Agency's limited capacity at this point, that cargo is diverted to U.S. ports in the Great Lakes. In other words, traffic at the Port of Valleyfield is down overall.

This is just one example of why border services and customs need to be more agile in serving multiple ports other than large-scale ports. I'm talking about regional ports, medium-sized ports that make an important contribution to supply chain efficiency nowadays.

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

Mr. Groleau, we'll go to you for five minutes.

Jason Groleau: Thank you, Mr. Chair. I missed you so much, and I'm happy to be here today.

Thank you for being with us, Mr. Rivest. We've met before. You're the senior executive at Desgagnés Transarctik Inc.

I'll continue along the same lines. There's been a lot of talk about investing in large ports and marine facilities, which is good. We all agree on that. You talked about more recognition for and investment in medium-sized ports. Can you expand on that? Why are those ports and facilities important?

David Rivest: Large ports certainly play a critical role in import and export, container terminals and bulk liquids and solids.

Medium-sized ports also play a critical role. These multi-purpose ports are very versatile. They complement the primary transportation axes. For example, they handle general cargo and wind turbine components. We know that major projects are in the works in Quebec, and port infrastructure will be needed to receive those components. Medium-sized ports have to be versatile. Their infrastructure

has to be up to date, and the wharves need adequate bearing capacity. They also need improved environmental management to better support all of the major projects in the works, not only in the province but across the country.

Jason Groleau: Mr. Rivest, we've already talked about this in the past, and I'd like you to explain it to me in a bit more detail. You've told me that there should be support for sites that permit industrial development for secondary and tertiary transformation. I don't really understand that, so can you give me some details?

David Rivest: Certainly.

Our focus right now is port facilities. For many of them, import and export is the first step in subsequent distribution by rail or other modes of transportation. Our recommendation is to look at which port facilities could be developed to support heavy industrial secondary and tertiary transformation in the vicinity of port facilities.

One example of where that could apply is the Bécancour Port, which is involved in transshipment and servicing heavy industrial activities within the industrial park. What it does is complementary because the primary clients, the aluminum smelters and other processors, use the port facilities. However, the facilities are also used for staging other types of cargo and coordinating shipments to Canada's Arctic.

To sum up, these port facilities are becoming multi-purpose. They can pivot over time in response to changing supply chain needs. The government should focus on these types of port facilities, and not just on developing ports themselves, but also on developing everything that can gravitate around them so as to create long-term jobs and industries.

• (1240)

Jason Groleau: Now let's talk about another region: the Far North.

The planet is experiencing a lot of changes right now. In other words, there's instability everywhere. For our sovereignty, don't you think we should be investing more in the Arctic, in the Far North, in ports and marine facilities? Don't you think that would be an excellent investment?

David Rivest: Absolutely.

Desgagnés Transarctik Inc. serves more than 50 destinations in Canada's Arctic, including communities and mine sites. Investing in infrastructure is essential. Do we need deep-water ports everywhere? No. We need ports at key locations, but we need them to have infrastructure that can handle all of the goods being offloaded from ships.

The same principle applies to what the Canadian Armed Forces are currently saying about major sites, secondary sites and hubs for subsequent distribution. We recommend continuing to expand that. I think they're on the right track. However, there has to be infrastructure to receive cargo, there has to be a presence, and there has to be traffic. That's critical to developing the Arctic not just in one specific place, but everywhere.

Jason Groleau: How much time do I have left, Mr. Chair?

The Chair: You have 30 seconds left.

Jason Groleau: That's not much.

Lastly, Mr. Rivest, how can the government help Desgagnés Transarctik Inc. develop that market? There are lots of assets in the north.

David Rivest: What we need is agility within the regulations. We also need proactive, regular dialogue.

We know the Arctic well. We've been operating there for 60 years. We plan to be part of its development in the years to come. We're looking for proactive dialogue around smart, harmonious development. With all the resource development going on, Canada's Arctic has huge potential. We're on the right track, but we need ongoing dialogue.

Jason Groleau: Thank you, Mr. Rivest.

The Chair: Thank you, Mr. Rivest.

Mr. Lauzon, you have the floor for five minutes.

Stéphane Lauzon: Thank you, Mr. Chair.

I thank the witnesses for being here.

I will ask my questions in French.

Mr. Gooch, in 2023, the committee produced a report entitled "Addressing Port Infrastructure Expansion in Canada". One of the recommendations was that the government should help facilitate greater data sharing. We've talked a lot about small, medium-sized and large ports. Large ports are using best practices.

Do you feel that, since those recommendations were made in the report, communication about best practices being employed across Canada has improved?

Daniel-Robert Gooch: I'm not sure I'm familiar with that report. Would you please ask the question again?

Stéphane Lauzon: Here's my question: Is there good collaboration between large ports and small and medium-sized ones? I'm hearing that there are two categories. As a member of this committee, that's not music to my ears. What I like is collaboration and information sharing.

Mr. Rivest and Mr. Uberoi, I'd like your comments on this too.

Mr. Gooch, I'd like to know how you collaborate in the area of sharing best practices to foster an equitable system across Canada.

Daniel-Robert Gooch: I think there's good collaboration. Our organization is made up of 17 port administrations, and the CEOs get together four times a year to discuss challenges the industry is facing.

[*English*]

Obviously, I can't be sharing commercial information, but we operate technical committees where our members get together to talk about things like security, environmental best practices and operational best practices. There is a lot of collaboration and not as much competition as I think we hear about. There seems to be a bit more of a perception of fierce competition. It's not like Air Canada and WestJet. It's very different.

• (1245)

Stéphane Lauzon: Or Air Transat; yes, of course.

[*Translation*]

Mr. Rivest, I'd like your perspective on large ports sharing information and best practices with small and medium-sized ports.

David Rivest: Sure. We're at various ports across the country, but we're not really at the large ports like Montreal and Halifax. That said, medium-sized ports can benefit from data sharing too.

As ship operators, what's important to us is fleet efficiency. We want continuous operation with ships arriving at the port at the right time to be loaded and unloaded and to depart. Essentially, the ship must always be moving.

Where data sharing might help us in the future is for route and itinerary planning. There's not much transparency there at this point. Planning for ships coming into port and terminating their activities happens mostly manually, through written correspondence and phone calls.

Other than for route planning, data sharing would help all of the support services, such as mooring ships and arranging for tugs if needed. It could make things run more smoothly. It would enable us to adjust the speed of the ships so they arrive at the right port the right way at the right time.

Stéphane Lauzon: Mr. Uberoi, given the current global economic context, we're stimulating the Canadian economy with Canadian products.

If you had one recommendation for the committee that would enable us to give you the tools you need, what would it be?

Our government wants to be better so it can do even better in the Canadian economy. We want to become less dependent on certain countries, such as our neighbours to the south, who shall not be named, but we have to distance ourselves more, especially when it comes to manufacturing. Steel is one example. We produce the basic material, which then goes through secondary and tertiary transformation in the United States. Then we receive the goods and redistribute them.

In your opinion, how can we do a better job of improving that supply chain?

[English]

Mike Uberoi: I think it's a matter of looking at the entire port network in collaboration instead of isolation. There are opportunities to do a better job in certain circumstances or certain areas. There tends to be a disconnect between the larger Canadian port authorities and the privately owned ports. I think there's an opportunity to work closer together.

In the Melford situation, we believe opening up Melford by constructing the wharf will actually broaden the base of trade. It will give us access to the logistics park, which will have more economic activity than the actual terminal itself.

The Chair: Thank you very much.

[Translation]

Thank you, Mr. Lauzon.

Next we'll go to Mr. Barsalou-Duval for two and a half minutes.

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

Mr. Rivest, earlier you spoke of the importance of medium-sized ports, the regional ports. You even went so far as to say that certain ports needed investment, if I am not mistaken, because their handling capacity infrastructure was limited.

In fact, this is something we have also heard in other committees, whether about the port of Quebec or that of Matane. The port of Quebec, however, is not a small port, but it has century-old infrastructure, part of which has recently collapsed. I know that you also operate in the regions, if I am not mistaken. How have we reached a point where there are ports all across the country whose carrying capacity is declining? This situation is jeopardizing our economies.

New funds have been announced by the government to diversify economic trade. On the one hand, what assurance do we have that the money will go to these ports? On the other hand, is there enough of it, and how can this be achieved?

David Rivest: I would say that regional ports or medium-sized ports play a critical role in the overall port network.

Very often, goods arrive from overseas at a major port, such as Halifax or Montreal. These goods will be unloaded, but subsequently consolidated at other sites so that they can be distributed to smaller regions.

Smaller and medium-sized ports are an integral part of the overall port network, and we must not lose sight of that. As regards the distribution of funds, it is important to remember that it is not just the major ports that should benefit, but also the smaller ports.

Why do we need to invest in infrastructure? Investments were made in port facilities 40 or 50 years ago, but their maintenance has been neglected. We therefore find ourselves with regional sites in smaller communities that are essentially falling into disrepair.

We must ensure we target the right areas to determine which port sites are important. We must have not only a short-term vision, but also a long-term vision. When building infrastructure and making massive investments such as those anticipated, we need to look 20 or 40 years ahead. We need to determine how the region will develop and how a port site can benefit from this. We also need to act with agility. We must not simply say that a port must serve a specific product today. We need to determine how investments can be made so that a port site can adapt over time, in line with evolving supply chains.

• (1250)

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

[English]

Mr. Muys, the floor is yours. You have five minutes, sir.

Dan Muys: Thank you, Mr. Chair.

My question is for Melford Atlantic.

I was struck by a couple of figures you indicated in your opening statement. I think you said that east coast volumes had dropped from 7.3% to 2.8%. Why is that? What are the factors behind that?

Mike Uberoi: I think a big piece of it is the infrastructure that's available. When you look at the west coast, at Prince Rupert and Deltaport and the whole history, it started with Centerm and Vanterm in the city. It went outside to Deltaport. Then Rupert was built, providing that big-ship infrastructure and allowing them to triple their market share on the west coast. When you look at the east coast, those same investments haven't been made in new and efficient terminals.

Dan Muys: Just for context, what is the span of time for those figures?

Mike Uberoi: It's 35 years.

Dan Muys: Okay.

You also talked about losing business to New York and New Jersey. New York City on its own has the same GDP as all of Canada. Obviously, it's massive. What can the Government of Canada be doing to help reverse this trend, in your view?

Mike Uberoi: In my opinion, the east coast needs big, efficient infrastructure to be able to make sure they can efficiently handle the large vessels. If not, the vessels will simply sail by and go to New York. If you have the infrastructure to handle the big vessels, it provides the ability to access markets that they don't today. Those big ships go to multiple places throughout the world, reducing the transit costs for shippers.

Dan Muys: For Canadian shippers at a time of diversification... Okay.

Mr. Gooch, I want to read a quote from your association: Canada needs “streamlined project reviews” to make major infrastructure happen “much more quickly”.

Where are we at today in terms of whether the federal processes that exist currently are an impediment to that happening and to slowing the modernization and expansion of ports?

Daniel-Robert Gooch: I think there's a lot more work to be done. I will say that our individual members that have projects are pretty deeply engaged. Some of them are involved in the Major Projects Office already.

I don't have a lot of insight into what's being done there, but I do know that we are hearing the right things from the Impact Assessment Agency and from the Minister of Transport about recognizing the need to speed things up, and not just at those major projects. That really was our biggest concern, or a question mark, I guess, in terms of the approach.

Dan Muys: Can you quantify, at least comparatively? The obviously slow process is going to go to what sort of speed? What are you hearing?

Daniel-Robert Gooch: I'm not sure that we've seen enough. I know that my members probably have some views, given that they're actually involved in conversations that I'm not part of. There is definitely more work to be done to ensure the vision we're hearing about is translated into much more improved project times.

Dan Muys: Hopefully, they're fast enough.

Let me have a bit of a speculative question, just because we had the minister here and I think he intimated that there may be a ports bill coming. I may be reading between the lines a bit, although I don't think that much. What would you like to see in that if you had your wish list?

Daniel-Robert Gooch: Well, we can certainly share this. We've shared with the Department of Transport and the minister's office our views on Bill C-33 and the things we'd like to see carried forward.

I'd say that a 12-month deadline on board appointments is an easy fix. Having directors who are waiting for three, four or five years to find out if they're going to be on a board is not working. Also, I know that there were some measures in there that were welcomed by our members in Quebec on greater collaboration amongst ports.

As well, we don't know that the financial flexibility we're looking for needs to be dealt with in legislation, but legislation to improve the borrowing process—anything that can improve the borrowing process—I think would be welcome.

• (1255)

Dan Muys: Other than a deadline of 12 months on board appointments, what other elements of Bill C-33 do you think are worth carrying forward?

Daniel-Robert Gooch: I'd say that those were probably the main ones.

I think there were some things that weren't dealt with in the bill. On the rules around capitalization of subsidiaries and joint ventures, we did put in some suggestions on that. For example, we have a port member who says that the limits on how they can capitalize a joint venture, a subsidiary, mean that they have an engagement with one first nation but they wouldn't be able to do another one until greater flexibility is provided there.

Subsidiaries today do provide a lot of flexibility, but I know that there are some rather specific suggestions that we'd be happy to share with the committee.

The Chair: Thank you.

Finally for today, I'll turn the floor over to Ms. Nguyen.

You have five minutes, please.

Chi Nguyen: Thank you very much, Mr. Chair.

Thank you to the witnesses for joining us today.

[*Translation*]

I will ask my questions in English. Please excuse me for that.

[*English*]

We're learning a lot in this study. When we're thinking about a whole-of-systems approach to this work—the smaller-sized ports, medium-sized ports, as well as the big players—could you each share a bit about how red tape and intergovernmental challenges may contribute to any pain points you're seeing in the system?

Daniel-Robert Gooch: We spoke earlier about greater agility for the Canada Border Services Agency to respond to opportunities. I think it would be worthwhile to hear from them if you haven't already.

The way the work is shared, Transport Canada really has the economic policy mandate there, and CBSA sees it very much as an implementer. In terms of how that relationship works, we've certainly seen them working together more closely, but greater nimbleness for CBSA to be able to respond to challenges.... I will say that they've had a lot thrown at them over the last couple of years: auto theft, the border issues enforcement. I know that sometimes money is a part of it, and they need some help, which they've been getting, but they need more.

David Rivest: I'll voice three separate examples that we've lived through in the last 12 months.

First, when it comes time to repair wharves or to do a wharf construction, we're seeing that, for port authorities and different entities, it's a 10-year-plus process. That is significantly true.

Second, it's critical for us to maximize the voyages coming in, and the water depth. We're seeing a two- to three-year process to obtain authorizations for dredging.

Third, regarding the development of land or hinterland adjacent to ports, we're talking about two- to three-year processes for permitting, development and construction. That is very long. It is lacking in terms of agility and proactivity.

What we're seeing is this: If the corridors funding does transcend...and things do get to the execution stage.... We need faster processing for everything this entails, in terms of construction, dredging, warehouse development, land development, etc.

Mike Uberoi: For us, it's a little different. We have all of our permits in place. It was a time-consuming and expensive process, but we have that behind us.

The one example I would give is this: A couple of years ago, it was leaked that we had applied for funding through the NTCF. This appeared in articles in The Globe and Mail and La Presse, I believe. It created expectations among our shareholders and partners. We made the application in 2022. We never received an official yes or no, so...quicker decisions on applications.

• (1300)

Chi Nguyen: Thank you.

As we are also making significant defence and security investments, I'd love to hear a bit about how doing this work will strengthen our capacity and our global reputation.

Do you have recommendations, Mr. Gooch, on how we can continue to grow and increase our presence globally?

Daniel-Robert Gooch: I'm not sure that we have any defence-specific recommendations there. I think we are seeing interest in developing ports, generally. I know a lot of the defence investments are not necessarily going to be co-located with commercial, but a lot can be done by marine.

David Rivest: In terms of defence, what we saw in the last, different announcements is dual-use infrastructure. I think that's a very good angle to it. If we're looking at port infrastructure, airports and lay-down areas in the Arctic that have both defence and civil uses, it's definitely a right angle.

Mike Uberoi: I'd echo David's response about dual use. We've been approached by two separate groups looking to use our facility for a potential defence-related activity. Without a marginal wharf system, we can't do it.

The Chair: Thank you very much.

I want to thank all the witnesses, who took the time to appear before us today and contribute to this very important study. I wish safe travels home to each and every one of them.

Colleagues, this meeting is adjourned.

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