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Chair: Kelly McCauley



Standing Committee on Government Operations and Estimates

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• (1100)

[English]

The Chair (Kelly McCauley (Edmonton West, CPC)): Good morning, everyone.

Welcome to meeting number 21 of the House of Commons Standing Committee on Government Operations and Estimates.

Pursuant to Standing Order 108(3)(c), we are resuming our study on the response of the government to the motion for the production of papers adopted on October 20, 2025, about contracts with Stellantis.

We are welcoming back some members from industry regarding these documents.

I understand, Mr. Jennings, that you have an opening statement for us.

Philip Jennings (Deputy Minister, Department of Industry): Thank you, Chair.

Thank you to all members of this committee for inviting me back.

I welcome the opportunity to provide clarity and additional information in your deliberations related to the Stellantis agreement with Canada.

Let me begin by saying that what I said on November 25 at this committee—that Stellantis proposed the redactions—reflected my honest understanding at that time.

[Translation]

As I also said on November 25, and as Stellantis confirmed in its recent testimony before this committee, Stellantis had agreed to the redacted version of the agreement shared with the committee, and the redactions concerned commercially sensitive information.

[English]

I fully support the right of parliamentarians to request and to view documents. Given the balance my department seeks to strike between ensuring we share information transparently with Parliament and its committees, and ensuring we protect commercially confidential information through our contractual obligations, we sought to share an agreement with very limited redactions.

I also want to situate this in its operational context and timeline, because that matters.

[Translation]

This committee first asked to see the contract on October 20. Given the urgency and out of concern to comply with the committee's request right away, departmental officials proactively made redactions based on their understanding of the information that Stellantis and other companies had previously asked to be kept confidential. This was done partly to save time and partly to ensure that the committee received the document as soon as possible. The contract was submitted to you on November 6.

[English]

As of December 4, this committee has the full, unredacted contract, which was shared with you following confirmation that Stellantis consented to doing so. I would also reiterate that the Stellantis representative noted last Thursday that Stellantis and the department have worked in a long-standing context of confidentiality. Over the life of major industrial arrangements, the department responds to committee requests, access to information processes and other forms of scrutiny.

[Translation]

As a result, we have detailed institutional knowledge of what the companies consider to be commercially sensitive information. That's why officials acted quickly, in good faith and to meet this committee's deadlines.

[English]

I also want to speak to the role of public servants in this work. In dealing with businesses across the country, confidentiality arrangements are a normal part of securing investments, supporting innovation and delivering good jobs for Canadians. Balancing transparency with the protection of legitimate commercial information is a core responsibility, and we take that responsibility seriously.

[Translation]

To be able to make cautious and responsible investment decisions, the government needs to rely on commercially sensitive information that companies provide to us during our due diligence process. Companies provide us with this information because they trust us to protect it.

● (1105)

[English]

Upholding that trust is fundamental to our work and is essential to safeguarding the public interest. The reason for this is simple. These agreements and the confidentiality required to implement them are vital to protecting Canadian jobs, communities and workers.

Finally, let me close with this. We are here to work with you. My department and I stand ready to answer every question you have. We are committed to assisting this committee in its work, including its review of the unredacted Stellantis contract, with a view to ensuring that all members have the information they need. That commitment is unwavering.

[Translation]

Thank you.

[English]

The Chair: Thank you very much.

We'll start with Mrs. Block for six minutes please.

Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you, Chair.

I will be splitting my time with Ms. Jansen at the three-minute mark.

Although I was not in attendance at the last committee meeting where you appeared, I watched, with interest, your testimony where you told members that Stellantis had been the one to propose redactions to you, after which of course Stellantis outlined, in a strongly worded letter, that they did not recommend or suggest any redactions to the SIF agreements we received.

Today, you come here and say that it was your “honest understanding” when you provided that testimony to us. You also said today that officials proactively redacted the documents before going to Stellantis. That's very different from what you presented to committee at your first appearance.

My question for you is this. Who told you to lie to this committee?

Philip Jennings: I'll start by just saying that I've also reflected since my last appearance before you. It's clear to me that I could have been much clearer about the redaction process. I regret that the committee was left with a mistaken impression. I certainly had no intention to misrepresent. I am happy today to provide as much clarity as I can and answer those questions.

What I can say is that no one asked me to lie. In what I represented to the committee, the part that was accurate was that Stellantis did consent to the redactions that were in the version of the redacted document that was shared with you.

I can also say that my understanding at the time, which was ultimately incorrect, is that Stellantis had initially proposed those redactions.

Kelly Block: You understood that.

You're the deputy minister. It took Stellantis writing a strongly worded letter in response to what they heard you tell this committee. We were not the only the ones under this mistaken assumption that you presented to this committee; it was also Stellantis.

Your obligation as a public servant is to Parliament, yet today you continue to represent the fact that you were simply trying to protect their commercial interests by not presenting this committee with the unredacted documents.

In fact, in response to my questions last week, Ms. Piruzza actually said they were also the ones who proposed that we be given the unredacted documents.

Who told you to refuse an order from this committee after it was unanimously agreed to by all members that we would call for the unredacted documents?

Philip Jennings: First, I'd say that the right of parliamentarians to see documents of the kind requested is fundamental to their ability to hold the government...to Parliament and to Canadians.

As part of our regular work, the department does come into possession of confidential information at infrequent times. We are asked at different times to produce those documents. The process that is typically involved is in—

Kelly Block: Mr. Jennings, my question was, who told you not to provide the unredacted documents? It's a simple question. Were you the one who made that decision as the deputy minister?

Philip Jennings: The process that we followed was—

Kelly Block: I want to know who made the decision because I'm challenging the process. We're parliamentarians.

Actually, I'm going to end there and I'm going to turn it over to my colleague.

Tamara Jansen (Cloverdale—Langley City, CPC): I have exactly the same question. You make it very clear that your commitment to Stellantis seems to be much stronger than it is to parliamentarians, so I have to ask the exact same question. Who on earth would have told you that you needed to make sure we didn't get to see unredacted documents, which is what was asked for by the entire committee?

● (1110)

Philip Jennings: What I can say, which is what I said at my last committee appearance here, is that we try to strike a balance in terms of providing documents that parliamentarians are asking for with the commercially—

Tamara Jansen: We do have that testimony. What we're looking for now is who would have told you that Stellantis is the one that gets the priority here in this case.

Philip Jennings: I never said there was a priority.

What I said is that it's a balance between trying to provide Parliament with what it needs with the commercially confidential clauses that are in our contracts.

Tamara Jansen: Who would have decided that parliamentarians do not get an unredacted document? That's the basic question here.

Philip Jennings: No one ever made that decision.

Tamara Jansen: Well, somebody did because that's what we got.

Philip Jennings: What we proposed in the letter to this committee was an approach that was adopted in past parliaments where unredacted versions of contracts were shared with parliamentarians. This worked and was accepted by past committees of INDU and ENVI. We were proposing the exact same thing in this case.

Tamara Jansen: Excuse me. I have a very short time.

I know you talked last time about how that's how it's been done before. That's not what we asked for at this committee. We asked for the documents as we needed them. The entire committee asked for that.

You're saying that the other committees accepted this, so that's why this decision was made. Is that your testimony now?

Philip Jennings: My testimony is that this is what I proposed to this committee—

Tamara Jansen: You proposed that.

Philip Jennings: I proposed that through a process of consulting with Stellantis. We both agreed to sharing a redacted version of the contract.

Tamara Jansen: That puts Stellantis ahead of parliamentarians.

Philip Jennings: Since that time, we and Stellantis have both shared and agreed to share an unredacted version of the contract. The document is fully available to you now and we look forward to being able to answer any questions.

Tamara Jansen: It is, after we fought like crazy.

The Chair: I'm sorry, that is our time.

We now have Ms. Rochefort for six minutes.

Pauline Rochefort (Nipissing—Timiskaming, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Jennings, for being present today.

Before we go any further, I'd like to come back to what the contract says in terms of the consent that's required.

Would you be able to read the section in the contract that indicates that consent is required?

Philip Jennings: I'm going to turn to one of my colleagues.

I don't have the actual contract in front of me so I'll turn to Stephanie.

Pauline Rochefort: Thank you.

It's been in the public testimony before.

Tamara Jansen: Are we allowed to read out of the contract then?

The Chair: I suspect Ms. Rochefort was more making a point and not asking for a specific statement from the contract.

Pauline Rochefort: Correct. Yes.

In general, what does section 16 in the contract on the consent required indicate?

Stephanie Tanton (Assistant Deputy Minister, Innovation Canada, Department of Industry): Section 16 of the confidentiality clause in our agreement, and this is standard language in our agreements, includes that each party, so that's both Stellantis and the government, shall keep confidential and shall not consent without the other party's agreement to disclose the information contained within that agreement.

Pauline Rochefort: My impressions are as well that there are certain acts of government that you are bound to respect.

Would you be able to name some of these acts? As public servants, that is your obligation as you pursue your work to also respect these acts of confidentiality. I was thinking, for example, of the Access to Information Act and so on.

Philip Jennings: Yes, I think that's a good example.

Maybe the best way to answer that is to say that this government takes any obligations it has, in terms of confidentiality, very seriously. That is under all contracts that we have and under all existing federal legislation and laws. Access to information is another example, but it also includes clauses that exist in many agreements we have with companies.

As I outlined earlier, we need this commercially confidential information to be able to do the proper due diligence. At the end of the day, we're essentially trying to ensure that the investments that are made on behalf of Canadians are done with the best prudence possible. In return, the companies trust the government to not share that information without having their consent to do so.

The access to information law is different in terms of how it's structured versus how it is in contract. However, ultimately, the consent of the companies is required to be able to share this information, either publicly in ATIP or in this case with Stellantis with the condition that it be shared with this committee in camera.

Pauline Rochefort: My understanding as well is that such contracts have terms and clauses that dictate how funds are disbursed, milestones for example.

Would that be the case with this particular contract as well?

• (1115)

Philip Jennings: That is typically how contracts of this size would flow out. At the end of the day, these are multi-year projects. Typically, there would be flows and payments we've made against expenditures that are made by companies.

Pauline Rochefort: As well, would employment targets typically form part of such contracts?

Philip Jennings: Certainly, it would be typical in terms of what would be there. Benefits, for example, would be jobs, capital expenditure investments, R and D investments, and IP investments. These are the types of things that are typical in contracts.

I hope you'll understand that we seek to maximize the benefits to Canada as we make investments. In addition to benefits we also have clauses related to non-performance against those benefits and they're also typically found in these kinds of contracts.

Pauline Rochefort: I was satisfied, Mr. Chair, in reading through the contract that those clauses were there. I found that to be a very well-structured contract.

I want to come back to a comment made by Mr. Patzer. I thought he asked an excellent question at one of our last meetings. He asked, "Does clause 16.1 supersede Parliament, or does Parliament supersede clause 16.1?"

Mr. Bédard answered by saying, "Clause 16 in the contract is a typical confidentiality clause", which we expect our public servants to try to respect as they do their work, but "[t]hose clauses do not override the power of certain bodies, including"—as you pointed out, Madam Jansen—"the courts and Parliament, to compel the production of documents."

In trying to understand the power, I've gone to look, and it does come with certain obligations. As we have this discussion by reviewing the contract in camera, that is in a sense power being exercised.

My question is directed to Mr. Bédard.

Would that be proper, Mr. Chair?

The Chair: Sorry; I should have mentioned that before. I'll pause your time. As I mentioned last time, Mr. Bédard is with us, so feel free to direct questions to him.

Michel Bédard (Law Clerk and Parliamentary Counsel, House of Commons): In the contract, as you paraphrased my evidence from the last meeting, those confidentiality clauses do not bind the courts, Parliament or bodies that have the power to send for records. You cannot override a legal power by contract.

Just as with a court, the party can make a request that certain information not be disclosed publicly. A witness or a party before Parliament can request that certain information be kept confidential so that it would be, for example, only for the consideration of members at the in camera sessions, and maybe special safeguards would be put in place for the consultation of the documents, but that is at the discretion of the committee, which has to consent to it.

Ultimately, the committee has the power to send for records and may insist on the production of unredacted documents, and then it's for the committee to decide what it sees fit in terms of distribution.

The Chair: Thanks. That is our time.

Mr. Lemire, welcome back to OGGO.

You have six minutes, sir.

[*Translation*]

Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

Mr. Jennings, as they say, a person can catch more flies with honey than with vinegar. The same applies to the auto industry, and we know that this industry is cyclical. We need only think back a few years to our bidding war with the Americans, who wanted to heavily subsidize their auto industry to attract investments, like the Stellantis investment, over to their side.

I've always been a critic of this kind of one-upmanship approach. What we need instead is to develop an industry, an entire supply chain, based on regional resources, particularly for electric batteries. We need to extract and process lithium, nickel and other minerals close to the resource. Every step is included, from crushing to manufacturing anodes and cathodes. Abitibi-Témiscamingue has sulphuric acid, lithium and more. All of these steps would equip us to produce what could be the greenest battery in the world using a production cell that respects the work, that doesn't impose forced labour, and that meets the highest environmental standards. Quebec's laws are extremely strict in this area. Institutional knowledge can also be leveraged. If we did all that, I think that industries would flock here to Quebec and Canada to build their cars. We would be producing the greenest product with the best traceability in the world. That's what will bring companies to invest here.

Because of the free trade agreement with the United States, the strategy used four or five years ago ultimately consisted of giving money away to attract these companies. It was relatively easy. All of a sudden, however, we realized that we hadn't developed a mining value chain for critical and strategic minerals. Donald Trump's arrival stalled the business momentum and Stellantis ultimately decided to move its Jeep Compass production activity elsewhere. This is problematic, and puts Canada in a very difficult situation.

My first question concerns a number of issues. Stellantis, Honda and Volkswagen were there. We're talking about agreements worth tens of billions of dollars. Quebec didn't need to feel too left out because there was a potential investment in Northvolt. Naturally, as Quebecers, we know that the small and medium-sized enterprise ecosystem and jobs revolving around the auto industry are exclusively in Ontario. However, Quebec leads in all things related to innovation in the electrification of transportation. Still, we feel robbed.

As far as the Stellantis, Honda and Volkswagen strategy goes, are the contracts similar? Is the Stellantis contract specific to Stellantis? Is each of these contracts developed along these lines?

• (1120)

Philip Jennings: The contract with Stellantis isn't limited to electrification only. Volkswagen and NextStar are examples of times when a highly unique structure was implemented in an effort to promote battery production in Canada. It came partly in response to incentives introduced in the United States at the time. It was really about battery production and sales in Canada. The idea was to offer the same kind of subsidy as the one available in the United States. It wasn't put in place until then. At the time, the idea was really to make sure that, despite a bit of lag, the global trend toward electrification would continue. In some parts of the world things were really advanced. Canada wanted to be part of the auto sector of the future. That was the reason for the investments made. In the case of batteries, that's why a unique approach was needed. Production subsidies were a necessity.

For Stellantis, however, it was more of a standard investment for developing car models that would have been built in Windsor and Brampton. The only thing I would add is that it included electric vehicle production. Two electric vehicles are produced in Windsor: the Chrysler Pacifica van and the Dodge Charger.

Sébastien Lemire: I appreciate the regret you expressed at the outset, but the fact remains that this, in my opinion, is a global issue.

Obviously, there's the issue of transparency and the Canadian government's wishes in matters of accountability, especially by the Department of Industry. In a global context, however, how might the fact that the rest of the world was watching have affected the decision you made, prior to the regret you expressed? I'm thinking more specifically of multinationals potentially interested in investing in the Canadian and Quebec battery industry, because that's where the resource is and where the clean energy may be. To what extent was your decision influenced by an awareness that the world was watching and by concern over the possible disclosure of trade secrets?

Philip Jennings: I'm not sure that I entirely understand the question, but—

Sébastien Lemire: If you make a contract public, other parties interested in signing contracts with you might feel nervous at the prospect of ending up in the spotlight, like Stellantis right now. People doing business don't want to manage a crisis. Still, I think that lessons can be learned from the current situation. Lessons should have been learned after what happened two years ago. Disseminating these contracts is creating a problematic situation again.

What message does that send to the rest of the world and to investors?

Philip Jennings: I'll do my best to respond. I hope it will answer your question.

As I've said a few times, we have to strike a balance between the need to provide Parliament with access to the documents it wants to see, and the fact that we're dealing with the very commercially sensitive information of companies. When we process documents with due diligence, companies expect us not to disclose any information that would be damaging to competition. This is a clause that we often discuss with companies to avoid causing long-term, competition-related problems.

We try to protect that right. During previous Parliaments, we had agreements with some committees to share redacted copies of documents with them, but in camera. The most recent example is the Standing Committee on Environment and Sustainable Development. Twenty-three companies took part in the meeting, and we agreed to redact certain information for them all.

• (1125)

[*English*]

The Chair: Thank you. That is your time.

Mr. Patzer, go ahead, please.

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): Thank you, Mr. Chair.

Mr. Jennings, at the last committee, you basically threw Canadians under the bus. You threw Stellantis under the bus, and you threw the previous deputy minister under the bus by saying that he's the one who issued this contract, but you keep saying that it's a standard contract.

Is this still the type of contract that your department is going to put out going forward, this very same contract? Will you use the same template going forward?

Philip Jennings: I'll answer the question by saying that we do have a standard template that we start off with for contracts with any company, and then we modify it based on the types of investments being proposed and the types of commitments we're trying to secure. There are modifications from a standard contract. We don't ever take an exact contract and share it with another company. We essentially modify it based on the sector they're in, the types of investments they're proposing to do and the types of commitments we're trying to secure.

Jeremy Patzer: Do you accept that Parliament supersedes the Access to Information Act?

Philip Jennings: I accept that Parliament can get access to documents it requests, yes.

Jeremy Patzer: Okay. Thank you.

Mr. Chair, I have a matter-at-hand motion that I would like to move, if that's okay: "That the committee classify as public the redacted copy of SIF Agreement No. 813-816251 and amendment agreement No. 1 and amendment agreement No. 2."

The Chair: Did you wish to speak on that?

Jeremy Patzer: Yes. Absolutely.

The Chair: On my speaking list I also have Mr. Seeback and Ms. Khalid.

Jeremy Patzer: I would just like to make a couple of remarks on it. We had Stellantis come here and say that all the redactions are for the commercially sensitive information. We've had the confirmation from these folks here today, but also last week, that it's the commercially sensitive information that is redacted.

The minister has been clear that she is going to or that she is suing Stellantis. We know that in court proceedings, these types of things will be made public anyway. I think it's only reasonable for the document to be made public. Of course, I'm only asking for the redacted copy. I'm not asking for the unredacted copy.

The Chair: Next is Mr. Seeback, and then Ms. Khalid.

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

I think a summary of what we've heard at committee so far is very important and relevant to why this motion should be supported. I hope it's going to be supported unanimously by all parties.

What we heard very clearly when Stellantis was here is that the whole contract isn't commercially sensitive. That's on the record. That's what the Stellantis representative said when she was at committee. I then asked her if all of the commercially sensitive materials had been redacted from the redacted version of the contract that we received, and she said yes. That is what has happened.

We know that these redactions are what the Government of Canada considered commercially sensitive, because they were the ones who did the redactions. We've now figured that out. We heard it was a collaborative thing; but no, in fact, it was the department that did the redactions, and clearly they would have redacted what was ever considered to be commercially sensitive by the government. What we have now is a document whose commercially sensitive parts will not be available to the public.

I will echo what Mr. Patzer said. As a former litigation lawyer, what I can tell you is this. The Minister says she's going to sue Stellantis. As part of that lawsuit, the first stage of that will be the drafting of the pleadings. In the pleadings, they are required to outline their case, which will include citing sections of the contract they are relying on for the breach. Those would include things like the job guarantee, because the minister is alleging that it was breached. If you're going to allege that the jobs guarantee was breached, you're going to have to cite that section of the contract in your pleadings. That is going to be public shortly, as the minister has said she is going to sue Stellantis.

As you move on in a lawsuit, you move to documentary production. Given that this is the document that the lawsuit is based on, this document will be produced through the documentary production process. Lawsuits are public. That's how our lawsuits work in

this country. Therefore, this document in its entirety without redactions will likely be produced in the lawsuit.

What we're asking the committee to do now is to release the redacted version that protects all of the alleged commercially sensitive material.

You have to ask yourself why this would not be supported. I suspect that my colleagues across the way are not going to support this motion, and you have to ask yourself why. The government itself redacted what it thought was commercially sensitive, and Stellantis has said that the commercially sensitive materials have been redacted. The only thing the government is trying to do by not releasing these documents is to protect itself from the embarrassment of what's in the contract.

I want to be very clear with Canadians on this. This contract is an embarrassment, and these Liberals are probably going to seek to stop the production of this contract to protect themselves from some of the very embarrassing decisions they made in the contract. They're probably going to filibuster this motion, hoping that the Christmas adjournment will come and that they can once again hide the details of this contract from Canadians.

On that, Mr. Chair, I would suggest that if the Liberals do decide to filibuster in order to block the release of this contract to protect themselves, perhaps we should extend the meeting on Thursday. I'd be more than happy to sit until midnight or later to get this document released. I leave that to your discretion.

With that, Mr. Chair, I am urging my colleagues from the Liberal Party to not hide this contract from Canadians and to agree with this motion.

Thank you, Mr. Chair.

● (1130)

The Chair: Thank you.

The speaking list is open.

Ms. Khalid.

Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you, Chair.

To be clear, work always comes first. I am more than happy—and I know my colleagues are also more than happy—to sit for as long as we need on whatever day it is to make sure that the work of this committee gets done and make sure that Canadians are well-served. That is absolutely not a problem.

I have a question, but before I get to my question, I want to be very clear. I think that all members on this committee have provided effective scrutiny as to what has happened here. I don't think any of us have been defending anything. We have been fulfilling our duty and our role as members of the mighty OGGO and making sure that government is held to account to make sure that, in the future, we do governance better and that we enter into contracts better as well.

As members may know, we agreed to make sure that we had this meeting today on this topic. I think it's very disingenuous for members to make accusations against other members on this committee about their intentions.

With that, I just want to seek a point of clarification from you, Chair.

I know that one of the Conservative members moved a motion on December 4, and I just want to know how it is different from what Mr. Patzer has moved today as a matter at hand. Also, what happens to that motion if we dispose of this today? I would think that it's basically the same thing, from my understanding.

The Chair: It wasn't moved. It was only read into the record. It's not moved, so it's kind of a moot point.

• (1135)

Iqra Khalid: Is it the same motion, Chair?

The Chair: It's different, but—

Iqra Khalid: It sounded the same.

Hon. Jenna Sudds (Kanata, Lib.): Can it be circulated?

Iqra Khalid: Yes, can we circulate what exactly Mr. Patzer has moved today?

The Chair: Do you have that in writing?

It doesn't matter, because that one wasn't moved. They're not the same. Normally the rules are that you that can't bring in the same one.

Iqra Khalid: Chair, I'm not questioning whether that can come or go or what have you. I just wanted to know if this then remains on notice for members to move at a later time, or if this motion—

The Chair: It remains—

Iqra Khalid: — is passed today, would it then become moot?

The Chair: I would assume it becomes moot, because I can't imagine that, if this one passes, someone else would move it, but because it's on notice, it can be moved, I assume.

Iqra Khalid: It's basically the same.

That's it, Chair. I don't have any other remarks. Thank you.

The Chair: Seeing no one else on the list, we'll call for a vote, please.

(Motion agreed to: yeas 8; nays 0 [*See Minutes of Proceedings*])

The Chair: We are now on to Ms. Sudds for five minutes, please.

I apologize; it's Mr. Gasparro.

I will be apologizing and resigning in the House of Commons later today.

Some hon. members: Oh, oh!

Vince Gasparro (Eglinton—Lawrence, Lib.): Thank you for coming again.

When we looked to Stellantis appearing before this committee previously, there was obviously a lot of discussion surrounding their comments that the government recommended that the redactions be made. Obviously, there's been a lot of discussion around here.

Can you describe how this redaction process generally unfolds?

Philip Jennings: The general way it functions is really within the confidentiality clauses of the agreements, which are typically that we need to have consent from third parties to release information into either the public domain or a parliamentary committee. That process typically involves a back-and-forth discussion with the companies and the government about what's being requested by the committee, in this case, and what could be released.

The role of the government in this case is trying to ensure that we are as open as possible about what we release and as transparent as possible with the committees while also protecting commercially confidential information, which is important for the companies that shared it with us in trust.

There are occasions when companies will offer redactions. In this case, which I've clarified in my comments, we've had a long-standing relationship with Stellantis. We have an understanding of the types of information they feel should be redacted for commercial confidentiality reasons.

In this case, what we did for expediency's sake is highlight for Stellantis the areas we thought they wished they had redacted. Stellantis, at any point, could have changed their minds and offered to have further redactions or they could have asked for fewer redactions, but they essentially consented to the redactions that were highlighted for their consideration through that process.

Vince Gasparro: I'm glad you referenced that joint effort, because prior to Stellantis' appearance, they issued a letter that clearly laid the blame at the feet of your department for the redactions. However, in their testimony, they describe the redactions as "a joint effort in...ensuring that...sensitive information is maintained confidential".

Can you explain this apparent discrepancy or, frankly, flip-flop by Stellantis?

• (1140)

Philip Jennings: I'd rather focus on the joint effort, because that really is fundamentally how the confidentiality clauses function in these contracts.

Our experience with Stellantis, as well as with the numerous companies we've worked with in previous committees, is a back-and-forth discussion to try to meet the transparency obligations of Parliament with this confidentiality clause.

Not because I was in the department at the time, but from speaking to people who dealt with this in the past, there have been many times when the department actually pushed back on companies in terms of trying to redact too much information. It's really about finding the right balance between meeting the needs of Parliament without compromising what would be a mistake to do, which really was commercially confidential.

Vince Gasparro: I'm glad you talked about people, because we've spent the better part of this meeting talking about some process in Ottawa that, quite frankly, in the grand scheme of things, the person trying to put food on their table doesn't really care about.

With the Brampton facility on pause and given broader uncertainty surrounding the auto sector, what concrete steps is the government taking to help secure jobs, reassure workers and maintain Canada's competitiveness against broader pressures from the global trading environment and the changes that are taking place?

The Chair: You have 20 seconds.

Philip Jennings: Since the U.S. government and administration have redefined trading relationships with Canada and all other countries around the world, this government has put a number of measures in place over time to try to protect jobs and protect sectors that are most at risk.

I only have 20 seconds so I can't spend time going through them, but there have been a number of measures announced over time, including recent ones to increase the supports for the steel and lumber sectors.

Vince Gasparro: Thank you.

The Chair: Mr. Lemire, you have two and a half minutes.

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

This is an important issue, Mr. Jennings. How far can we trust the accountability process, especially in this context? Committee members are encountering some lack of clarity, administrative hesitancy and possible reluctance to provide full information, even though it's essential to accountability. As I see it, that's important.

We understand that you consulted Stellantis before sending the letter of November 3. You told us that Stellantis had agreed to the redaction. Can you provide the committee with a paper trail—I mean, with emails, instructions or internal notes—supporting your claim that Stellantis asked for certain clauses to be censored? Obviously, that is part of the committee's rules and it will benefit our work.

Can you also assure us that the department didn't try to blame Stellantis for the redactions to protect itself politically? Right now, we sense that trust is broken, and that does no one any good. The rebuttal by Stellantis seems to put the blame on you.

In short, we'd like some clarity. Can you send committee members notes explaining the reason why Stellantis asked you to censor certain clauses?

Philip Jennings: I'd be happy to share the documents we have with you. I haven't seen them myself, but I can ensure that they're shared with you.

What I can confirm, as Stellantis also confirmed in its evidence last week, is that Stellantis was in agreement concerning the redacted copy of the document.

Sébastien Lemire: How did it indicate its agreement to you?

Philip Jennings: I don't know, to be honest.

Sébastien Lemire: Was it during a conversation, by email, in a text?

Philip Jennings: I believe it would have been during a conference call or by email. I'd have to confirm that. However, Stellantis confirmed it last week. Furthermore, we had received that confirmation before sharing it with the committee.

Sébastien Lemire: Do you get the impression that they simply wanted you to take the blame for something they had consented to?

Philip Jennings: I think that the important thing is the testimony they gave last week: It was a joint effort.

● (1145)

Sébastien Lemire: Thank you.

[*English*]

The Chair: Okay, that's it. I wish we had more time.

Mrs. Jansen, go ahead, please, for five minutes.

Tamara Jansen: I just want to ask some more questions about process because, of course, regular Canadians who are having a hard time putting food on their tables want to make sure the people who they sent here are worrying about the process in order to make sure their tax dollars are spent well.

You testified that only a few people within industry had seen the full, unredacted contract. Is that still your evidence today?

Philip Jennings: That is still my evidence in terms of the full contract.

As I mentioned a bit earlier, there are other departments sometimes that are consulted on parts of it, to try to get access to their expertise to do our due diligence on contracts.

Tamara Jansen: The Treasury Board officials who are responsible for spending oversight told us that agreements of this size normally undergo a robust legal review before authorities are granted, whereas Ms. Tanton said that there were no lawyers in the room during negotiations. I'm just wondering if "robust legal review" reflects what happened in this contract.

Philip Jennings: What I can confirm is that for all contracts that are signed by ISED, there is a legal review. As Ms. Tanton testified the last time we were here, there are some standard clauses that legal does not need to review, but when there are differences overall, Justice does give advice.

Tamara Jansen: In your mind, with the \$15-billion contract, a robust legal review happened on behalf of taxpayers.

Philip Jennings: I'm sorry. Just to be clear, do you want me to turn to the NextStar agreement? The \$15-billion contract is not the Stellantis agreement.

Tamara Jansen: I'm just trying to make sure. In general, it looks like "robust" isn't a word you would use if you look at all these different contracts.

Perhaps I can send it to my colleague here. I'm going to share my time with her.

Kelly Block: Can you advise how much time I have?

The Chair: You have three minutes.

Kelly Block: I think what we've established here today at committee is that you agree with the law clerk's opinion that the will of Parliament supersedes any clause that may be written into an agreement that's presented to a company that is receiving billions of dollars from taxpayers. Is that correct?

Philip Jennings: It would be speculating for me. I'm not a lawyer. What I can say is that I respect Parliament's desire to get documents.

Kelly Block: It's not Parliament's desire. It's Parliament's right.

Philip Jennings: I respect Parliament's right to documents.

Kelly Block: Thank you.

I guess what I am wanting to confirm is that the clause we've been speaking about around confidentiality is rather disingenuous to use in a contract, understanding that if a company is being offered millions, even billions, of dollars of taxpayers' money, that may come under the scrutiny of Parliament at some point in time. I'm wondering if you would agree that it needs to be made clear to a company that is entering into a contract with the Government of Canada that when they are receiving billions of dollars of taxpayers' money, there will be another level of scrutiny applied by parliamentarians to these contracts. Would you agree with that?

Philip Jennings: I will go back to what I said earlier. Commercially confidential information is very important for us to do our proper due diligence. The company's willingness to share that, for us to do that due diligence is related to them being able to—

Kelly Block: I'm sorry, Chair. That is not the ruling of the law clerk here today.

You continue to go back to that point, which tells me that what you say and what you intend are two very different things, going forward. I would just caution you that we have the law clerk's opinion on the right of Parliament. You've said you agree to that. Why do you keep referring back to the commercially sensitive information that may be included in a document when in fact we as parliamentarians have the right to call for that commercially sensitive information unredacted?

Philip Jennings: What I am highlighting, as I did in my last testimony as well, is that we try to find balance in terms of what Parliament—

• (1150)

Kelly Block: It is not your job to try to find the balance. It is your job to comply with the will of parliamentarians.

Thank you.

The Chair: We'll finish up with Ms. Sudds, please, for five minutes.

Hon. Jenna Sudds: Thank you very much, Chair.

Thank you to all for being here again with us today and for answering our many questions.

Now that the committee has passed a motion to classify the redacted copies of the agreement as public, I would like to ask you a few questions around the job guarantee. I think that is clause 6.1. Can you speak to us about what this clause entails with regard to job guarantees?

Philip Jennings: Can I ask my colleague to pass me the contract? I don't have it with me.

The Chair: Do you mean you don't have it memorized?

Voices: Oh, oh!

Philip Jennings: Not memorized; not all of it.

Sorry. Which clause is it, just to be sure?

Hon. Jenna Sudds: It's clause 6.1, "Create and Maintain High-Skilled Jobs in Canada".

Philip Jennings: Okay. Maybe to give you the broader context, there are a number of clauses, and I won't go through all of them now, in terms of trying to secure benefits. In some ways, this one is clearly a direct job support, but there are other clauses within the agreement, including maintaining footprints in Windsor and Brampton in terms of capex investments, that indirectly also support jobs. Combined, they are strong measures that at the end of the day are all about supporting jobs. In this case, this is really about trying to secure a certain level of full-time equivalents in terms of the entire footprint that Stellantis has in Canada. Those would be two sites in Windsor and one site in Brampton.

There is some flexibility within the numbers. As you can see, we're using kind of an average for FTEs. This is recognizing that there are times, which is typical in the auto sector, where some re-tooling has to occur between car mandates. During that time, the workers typically, negotiated with the unions, in this case Unifor, have an agreement that a certain level of workers is paused in terms of their work. Then they come back once the plant is reopened again.

In some ways, what's listed here is a negotiated agreement with Stellantis on what are the minimal jobs we expect to have for them during the life of the contract. But in the broader context, there are other clauses in this contract that we think also have job implications—notably, maintaining operations in Brampton while also maintaining operations in Windsor.

Hon. Jenna Sudds: Thank you for that.

I certainly think that, as members of Parliament, our seeing those efforts to ensure job creation and job guarantees as part of the agreement is incredibly important for many reasons, one being ensuring that these good jobs are created and maintained in our communities.

Is this typical? Is this something that we normally see in SIF agreements of this size?

Philip Jennings: It is certainly typical. I've never seen a SIF agreement or SRF agreement, as it has been renamed, that has not included job guarantees. Having capital expenditure guarantees is also typical. Innovation and R and D investments are also typical.

What can vary, as an example, is IP. That would really depend on the sector you're supporting, but these are all reciprocal things. The balance that we're trying to strike is what risk the government is helping to support so that businesses can invest in Canada while al-

so ensuring that there is a good public rationale for doing so, which includes what commitments the companies are making to Canada.

These agreements always include non-performance clauses. At the end of the day, if there is non-performance, there are remedies that the governments can access if people do not meet the commitments that are outlined in the contracts.

Hon. Jenna Sudds: Thank you very much.

That's all, Chair.

The Chair: Thank you very much.

Before we adjourn, I just need approval, please. The budget has been sent out. Can I get approval for that and for the continuing meeting with Stellantis?

Some hon. members: Agreed.

The Chair: That's wonderful.

On Thursday, it's at 3:30, and we'll be done at 5:00 with the president of Canada Post, whether or not the House rises.

Thank you again for being with us today.

We are adjourned.

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