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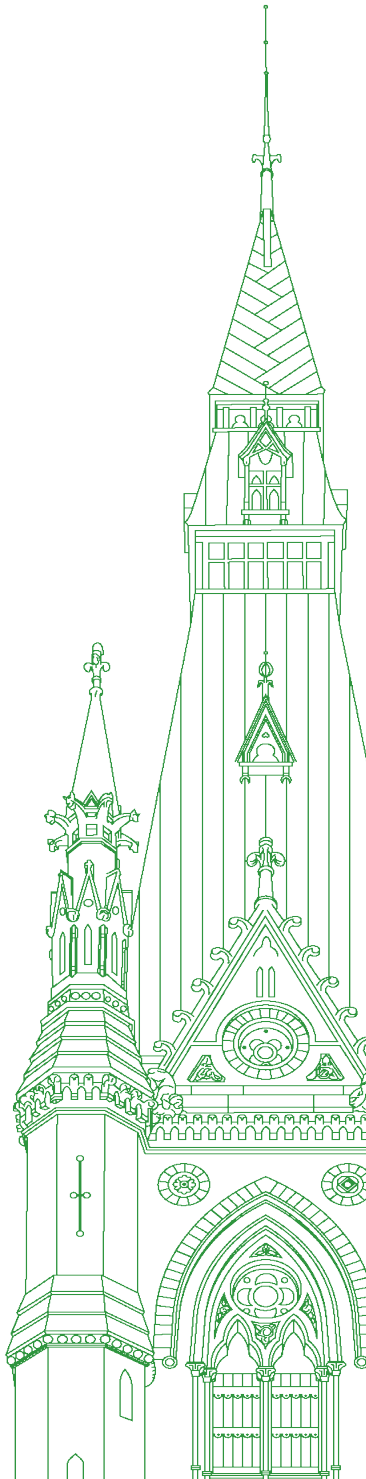
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● (1100)

[*English*]

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

Welcome to meeting number 57 of the House of Commons Standing Committee on Government Operations and Estimates, known everywhere as the mighty OGGO.

We have three witnesses today. One is joining us virtually.

Colleagues, as always, keep your hands and earphones away from the microphone. Since we have one witness here virtually, if you're addressing questions, please be specific as to whom you are addressing. If you're just addressing it to the three in general, could you please—because, again, one is virtual—pick someone first to start with.

We have three opening statements.

We'll go to Mr. Yasin first, please.

The floor is yours, sir.

Maaz Yasin (Global Head, Government Solutions, BlackBerry): Thank you, Mr. Chair and members of the committee. It is great to be here with you today on this very rainy day in Ottawa.

[*Translation*]

Thank you for having me.

I am proud to represent a Canadian company that protects government communications, both here and around the world.

[*English*]

My name is Maaz Yasin. I am the head of government solutions at BlackBerry, a proud Canadian company headquartered in Waterloo, Ontario, and with a large workforce in Kanata, not too far away from here.

Many Canadians still think of BlackBerry as the smart phone with the keyboard. I know a lot of you probably had one, and no, sadly, we're not bringing it back. However, BlackBerry is still here, still Canadian and back to being a Canadian growth story.

Today we provide mission-critical software that powers the world around us. Mostly it is out of sight. Our QNX software, built right here in Ottawa, runs in more than 275 million vehicles. It is moving into robotics and medical devices and enabling the future of physical AI and industrial automation.

BlackBerry Secure Communications is the mission-critical standard for governments and organizations that cannot compromise on security or control. We protect voice, messaging, files and even the metadata around them for governments in the G7, NATO and within the G20.

When infrastructure is strained and lives are at risk, our platform helps agencies coordinate the response. It is certified to the world's most demanding government and defence standards, including NATO restricted.

I come to this committee from a particular vantage point. I spend most of my time abroad promoting our technology to foreign governments. The first question I get is rarely about the price of our technology. Oftentimes, the first question is, “Does Canada use this?”

Digital sovereignty is no longer a buzzword. It's a budget line item for governments worldwide. They want their most sensitive data and communications platforms hosted and operated in their own country. Before they can trust a foreign supplier with that, they want to know that its own country and its own government already has.

We are, of course, proud of our long-standing relationship with the Canadian government since our smart phone days. Keeping sensitive government communications under Canadian control is critical to Canada's digital sovereignty. We thus see the buy Canadian policy as both pragmatic and necessary.

It's pragmatic because our partners already do this in some way or form. The U.S., the U.K., the EU, Australia and many other countries around the world all give some kind of weight to domestic and trusted suppliers, especially where security is at stake.

It's necessary because scale matters. Canadian technology companies can't build world-class capabilities on exporting sales alone. A home market that knows us, uses us and becomes our champion is what lets us compete globally. It also brings jobs, R and D, and revenue back to Canada.

Supporting Canadian capabilities in Canada reduces strategic dependencies while strengthening the domestic innovation ecosystem and Canada's long-term resilience.

As the committee considers next steps, I'd offer one suggestion. In sensitive digital and security technology, what matters most is trust. There isn't really a one-size-fits-all approach, in our opinion, but it does matter where the data resides. It matters, for example, where the majority of the workforce is located. It matters that Canadian workers benefit from the industrial benefits of Canadian government procurement. The more mission-critical the the use case, the more stringent the sovereignty test ought to be.

Canadian companies don't need special treatment. We need to win on capability. When the capability is there, our own government's trust is a powerful export promotion and industrial benefits tool we can have.

Buy Canadian isn't necessarily about closing doors to others. It's about championing Canadian industry and setting up Canadian companies for success abroad.

Thank you. I look forward to your questions.

● (1105)

The Chair: Thank you very much.

Our next witness is Mr. Dentelbeck for five minutes, please.

Chuck Dentelbeck (President and Chief Executive Officer, Canadian Lumber Standards Accreditation Board): Thank you.

My name is Chuck Dentelbeck. I'm the president and CEO of the Canadian Lumber Standards Accreditation Board.

Our primary responsibility is to ensure that lumber is safe for use in Canada in a structural application. We've been doing that since 1960. We are an industry-run organization, with oversight from manufacturers as well as—we call them—public oversight directors, and they can be from government as well as from municipalities, in that we do have building code officials involved in our structure.

We've been involved in the buy Canadian program right from the start, in terms of identifying where you can purchase lumber in Canada to prevent fraud that could occur with this program. That was my primary concern when it was presented to me, that this was an opportunity that could be exploited within our industry.

The buy Canadian program, at this point—as I presented in my report—shows that about 53% of our domestic production currently goes to the U.S and 40% remains in Canada. The rest of it goes elsewhere in the world. We need a home for our lumber.

We've been paying countervailing and anti-dumping duties since 2016, when the softwood lumber agreement expired. That has turned into a lot of money that could have been put back into capital investment within Canada. We still do a lot of capital investment. There are times when we're making friends, not money, in the industry.

With the buy Canadian program, we've identified internally that there's about a billion board feet that could go back into new construction, in terms of not building single-family homes like we used to, but we're now building multi-unit dwellings.

As you know, the building code varies across the country. There's the national code, but then the provinces adopt what they want. We do have differences in the country. We think there's an opportunity for about a billion board feet in laminate timbers and alternates to our general stick-built buildings. That would be about a 5% increase within our industry. We think the buy Canadian program would facilitate much of that movement within the industry.

I will leave it there and turn it back to the chair.

Thank you.

The Chair: Thank you very much.

Now we'll go to Mr. Crowder, virtually.

The floor is yours, Mr. Crowder, for five minutes, please.

Frank Crowder (President, United Steelworkers Local 7135): Thank you, Mr. Chair and committee, for allowing me to speak today.

My name is Frank Crowder. I'm the president of United Steelworkers Local 7135. We represent members at National Steel Car in Hamilton.

The purpose of the buy Canadian policy is to strengthen opportunities for Canadian businesses and help industries become more self-sufficient and resilient to changes in the global economy. Over a year ago, National Steel Car began ensuring that 98% of each railcar we build is made from raw material that is Canadian content. The only content of a railcar, the 2%, that is not Canadian comes from parts that are simply not available here, though we are doing everything we can.

National Steel Car was forward in its thinking. It did this before the buy Canadian policy was announced in an effort to seek help from our government and to gain assistance and relief from the tariffs imposed by the United States of America.

Unfortunately, our efforts have caused more difficulty for National Steel Car. While we have been a great example of a Canadian company supporting the domestic economy, the increased costs we incurred have resulted in less profit that could have been shared with our workers.

National Steel Car had to make a contract offer in its bargaining with the union that is well below rising inflation and cost of living. Due to the workers not being able to afford groceries, housing or even gasoline for their vehicles to get to work now, we had to turn down the offer, which has resulted in a strike. Our members are now entering their 13th week of receiving no income from National Steel Car. Our people are suffering by having to eat less. They are being evicted because they can't pay their rent. They are suffering from marital issues due to the stress of being unemployed. National Steel Car is losing its workforce as people leave the area to seek employment elsewhere, and it is not able to offer better wages to attract new employees. This will cause permanent damage to the functionality of the business.

National Steel Car builds the railcars that carry our natural resources to other communities and ports. An example is potash. We build enclosed hopper cars for potash. Canpotex is a Canadian potash exporting and marketing firm incorporated in 1971. It is based in Saskatchewan. It manages the entire Saskatchewan potash exporting industry, including transportation and delivery.

We also build grain cars for Viterra, one of Canada's largest grain handlers; Richardson International, a massive Canadian-owned agribusiness with major grain handling, purchasing and port terminal facilities in British Columbia, Ontario and Quebec; Cargill Limited, a major multinational corporation buying, processing and exporting large volumes of western and eastern Canadian grains; and G3 Canada Limited, which was formed from the assets of the former Canadian Wheat Board and operates a modern, high-efficiency grain-handling and terminal network.

What about Canadian crude oil, which is primarily transported by major class I railways, such as the Canadian National Railway and Canadian Pacific? Will these companies now be purchasing their railcars from Mexico or even the United States, which started this tariff war?

In early 2025, before the buy Canadian policy and in response to the tariff threat from a foreign country, National Steel Car introduced a plan called Operation Backbone to all three levels of government. The plan was endorsed by the United Steelworkers. The union attended the presentation to government representatives to show our support. Our participation was a distinctive co-operative moment in union-employer relations. Full co-operation with the government would have been historic.

At the most basic level, the plan requested support from the government to keep both the union members of USW Local 7135 and the non-bargaining employees working. The plan was to offer funding to our customers to assist in the purchase of our railcars. The cost was expected to be net zero, as it would have offset the amount of employment insurance the government paid out, as well as the loss of income tax collected if these workers were laid off. The capture of these potential losses was also exponential: One job loss at National Steel Car means 10 job losses in the industries that supply us with raw material and in the local businesses that depend on our patronage. Consider everything from the steel we use to build our railcars to the coffee a person buys on their way to work.

The buy Canadian program, in its current format, is hurting us. It has the potential to hurt Canadian sovereignty.

Here are some facts about National Steel Car.

We are the number one producer of railcars in North America. No one produces as high a quality of car as we do and at the speed we can manufacture them. We have patents on the most efficient, cost-effective product. National Steel Car is 100% Canadian-owned and -operated and has been in business for over 114 years. Canada moves 75% of all product by rail. We are Canadian infrastructure. The loss of our company would put our country in the position of relying on foreign nations to supply us with the means to move all that product.

● (1110)

To ensure Operation Backbone would be an acceptable plan for our government to approve, National Steel Car ensured that our railcars use 98% Canadian raw material, a greater expense for the company that ensured Canada sovereignty. National Steel Car also promised not to lay off any workers, absorbing the cost of their wages in hopes of having Operation Backbone accepted.

We have been informed by the company that no assistance was received from any level of government, and National Steel Car was left with these costs. We feel that our government has abandoned us.

The union and the company are in contract negotiations and, unfortunately, a strike has occurred. The members of the United Steelworkers Local 7135 have been standing on the street for over three months now, with no end in sight. The company has informed us that due to tariffs and other financial issues—

The Chair: Mr. Crowder, I'm afraid I have to interrupt. We are quite a bit past the five minutes. Can I get you to finish up, please?

Frank Crowder: Sure, no problem.

Simply, Prime Minister Mark Carney has promised an $8.7-billion package in co-operation with Doug Ford.

The House of Commons Standing Committee on Government Operations and Estimates has asked four questions.

We feel that this is hurting our business, not helping.

Thank you.

The Chair: Thank you very much.

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

Dan Mazier (Riding Mountain, CPC): Thank you, Mr. Chair, and welcome attendees.

Mr. Yasin, on May 25, BlackBerry's vice-president testified at a Senate committee and stated, “We are a Canadian company; thus, we guarantee data sovereignty”.

Can a Canadian subsidiary of a foreign company make the same guarantee when its parent company is subject to foreign laws?

Maaz Yasin: Mr. Chair, when it comes to technology companies, we do feel that there is a need for companies to be Canadian, and on what Canadian means, obviously, I think this committee has been looking at it—

● (1115)

Dan Mazier: Can they make the same guarantee as a Canadian company, such as yours?

Maaz Yasin: The guarantee being...?

Dan Mazier: Guarantee to security....

Maaz Yasin: Data sovereignty can certainly be guaranteed by Canadian subsidiaries offering in-country cloud hosting and things like that.

Dan Mazier: Mr. Yasin, under the government's buy Canadian policy definition, a Canadian supplier needs a registered place of business in Canada. There is no ownership or specific minimum employee requirement. The Toronto Star found that in the government's own contract records Amazon can be listed as a Canadian company.

Under those rules, BlackBerry is no more Canadian than Amazon. Do you agree with that?

Maaz Yasin: Well, we certainly feel very Canadian, because we have our global headquarters here.

It's something that I was alluding to in my opening remarks. Based on the sensitivity of what the government is procuring, we need to have a flexible definition of what a Canadian company is. Just having an office is one thing. What percentage of your global employees are in Canada ought to be considered. Global headquarters and all those things ought to be also considered.

Dan Mazier: Mr. Yasin, in March, the government published a news release to announce that it was extending BlackBerry's SecuSUITE contract until 2033. In the news release, it said that this deal “reinforces the [Government of Canada]'s commitment to the Buy Canadian Policy”.

Can you confirm that this was an extension of a contract BlackBerry already held and is not a new contract?

Maaz Yasin: It was the extension of a contract and with new product being deployed. It's a bit of both. A new technology is now going to be supplied to the Canadian government.

Dan Mazier: Was there any competition for that contract or for this extension?

Maaz Yasin: I can provide the answer to that, but I don't have the answer on that right now.

Dan Mazier: If you could supply that to the committee, that would be great.

According to the government's own records, the BlackBerry contract being extended was assigned in 2021, years before the buy Canadian policy existed. It was also listed as non-competitive, meaning the government didn't invite any other bids. The buy Canadian policy says it applies to competitive procurements. How can it apply to a contract that was never competed for?

Maaz Yasin: Well, we've had a long-standing relationship with the government, as you know, from our smart phone days. Then the specifics of how and when the government scales up or decides to procure different products under that arrangement are up to the government and the direction they want to take.

Dan Mazier: Were there any buy Canadian rules used when the contract was extended?

Maaz Yasin: I don't want to speak for the government, but I think having a Canadian technology to replace often unauthorized or consumer messaging applications that are not Canadian was certainly an intention.

Dan Mazier: Of those buy Canadian rules, which ones were actually applied to this extension of the contract?

Maaz Yasin: It's that we are a Canadian company and offering a messaging solution that comes from a Canadian company replacing non-Canadian technology. That's how I would see it.

Dan Mazier: Besides being Canadian, you're unaware of any other buy Canada specifications that were applied to this contract.

Maaz Yasin: The fact that we are a Canadian company headquartered in Canada, I would say is a....

Dan Mazier: Meanwhile Amazon could be considered a Canadian company. It's a foreign company.

Maaz Yasin: We have our global headquarters in Canada.

Dan Mazier: Yes, because you are Canadian.

This isn't buy Canadian. It's an old contract with a new label. Is that right? This isn't really a buy Canadian contract. This is just an extension of a contract that existed before this.

Before the buy Canada phrase or anything like that was being used, you guys were dealing with buy Canadian policies.

Maaz Yasin: The contract, as it stands, was for a different set of product mixes, and the government decided to introduce a new secure communications technology recently.

● (1120)

Dan Mazier: One of the things that I'm still questioning is that you didn't bid on it, yet you qualified for a buy Canadian policy. I don't know how the two line up. It was an extension of a policy, so it didn't really qualify for a buy Canadian policy.

Maaz Yasin: That's a question for the department, Mr. Chair.

The Chair: Thanks very much.

We'll go to Ms. Sudds, please, for six minutes.

Hon. Jenna Sudds (Kanata, Lib.): Thank you very much.

Thank you to the witnesses for being here today.

I want to start with Mr. Yasin as well.

Of course, you know that QNX has a large presence in my riding. I've had the pleasure of being in and out of there many times over the last decade or more.

You mentioned in your remarks that QNX is in 275 million vehicles worldwide. Did I get that correct? You're now in industrial AI, as well as in robotics.

Can you speak about what the actual products are that BlackBerry is now developing? We all know about the smart phone, of course, but can you specify what it is you're doing now?

Maaz Yasin: When we moved away from the smart phone, we took the heritage, essentially, of what the smart phone was known for, namely the reliable operating system and the security. The reliable operating system transformed into something that was becoming very popular at the time, which was vehicles with software. That reliable software ensures that when you do a lane assist or cruise control and things like that, the car's electronics work as intended, because if they didn't, that would be very bad.

The other thing that BlackBerry got into was secure communications, picking up on, again, the heritage of the BlackBerry smart phone. We're protecting data on any mobile device, whether it's your House of Commons-issued iPhone or Android phone, but also providing a more sovereign and secure capability to make calls and exchange messages without your data and your metadata being subject to the cloud and being on premises for, especially in the context of governments.

Lastly, we provide emergency crisis management capabilities, which you actually all have the benefit of taking advantage of at the House of Commons, with the crisis management tool known as BlackBerry AtHoc.

Hon. Jenna Sudds: That's amazing. Thank you for that.

Picking up on my colleague's line of questioning, BlackBerry is a Canadian company. Is that correct?

Maaz Yasin: That's correct, and it's proudly so.

Hon. Jenna Sudds: How many employees do you have in Canada and worldwide, roughly?

Maaz Yasin: At the last count, I believe we're in the range of 2,000 employees. It's much smaller than in the old days. The large majority of those are in Canada.

Hon. Jenna Sudds: You have Canadian headquarters.

Maaz Yasin: That's correct. We're in Waterloo, Ontario.

Hon. Jenna Sudds: You pay Canadian taxes as a business.

Maaz Yasin: That's correct.

Hon. Jenna Sudds: It's a Canadian company, by all accounts, in the buy Canadian policy.

I recall the announcement my colleague referenced. I was there, actually, in Waterloo for that announcement. My memory is that it was for BlackBerry SecuSUITE, which is a new product for the Government of Canada to take on.

Can you speak a bit about those capabilities that we acquired through that procurement?

Maaz Yasin: Sure. A lot of people are probably familiar with apps like WhatsApp or Signal. They're cloud-based applications, and oftentimes, they end up being used by people in the government because they're convenient. What the communications you're using are not is sovereign within Canada. There is no guarantee of how that metadata is being used, and it's not protected.

The SecuSUITE product offers two things. It offers complete sovereignty of communications and metadata. The government, in this case, if it's the user, has the peace of mind of knowing everything is sitting on its server. It also offers a much higher degree of security in protecting that information than other consumer applications do. We're proud to have achieved a very rigorous set of certifications from the Canadian government, NATO and around the world that really validate that security in how we protect information.

That is the technology the government has proceeded to acquire.

● (1125)

Hon. Jenna Sudds: That's incredible.

You mentioned in your testimony that you travel extensively to other countries on behalf of BlackBerry. Can you share with us what you are seeing as far as what other governments are doing is concerned? Are they moving forward, or do they have similar policies whereby they favour companies from their own country?

Maaz Yasin: There's a varying degree of rigorousness, depending on the country. I've seen everything. Certain governments, just informally, have it in their culture to prefer a local company for matters of procurement. Obviously, it also depends on the level of sensitivity of the use case.

Others have very stringent requirements. For example, in some gulf countries, there's a requirement to have your regional headquarters employ a certain number of people. We see varying levels of “buy X” programs around the world.

Hon. Jenna Sudds: That's incredible. Thank you.

I believe that's my time. Thank you.

The Chair: It is. Thanks very much.

Madam Gaudreau.

[*Translation*]

Marie-Hélène Gaudreau (Laurentides—Labelle, BQ): Thank you very much, Mr. Chair.

Thank you to the witnesses for being here.

It's important to know their opinions. We have talked about the specifics of the situation.

Let's talk about the real issues. What about the supply chain?

If we say that, even today, we should buy Canadian, that presents a challenge.

Mr. Dentelbeck, I will start with you.

Are there any vulnerabilities in the supply chain? Are you prepared? Are you in a strong and sustainable position?

[*English*]

Chuck Dentelbeck: The short answer is yes.

[*Translation*]

Marie-Hélène Gaudreau: There you go.

[*English*]

Chuck Dentelbeck: The industry is prepared in many ways. We can make any product and ship products anywhere, whether they're our standard two-by-fours two-by-10s or two-by-12s.

With our laminate products, we've increased production across the country. There's been remarkable capital investment, once again, in that area to ensure that we can have those special products go well.

[*Translation*]

Marie-Hélène Gaudreau: Some companies are facing liquidity challenges. People are telling me that the objective is all well and good, but they aren't in a position to produce more.

Would you be able to handle an exponential increase in demand?

[*English*]

Chuck Dentelbeck: Yes.

[*Translation*]

Marie-Hélène Gaudreau: That's excellent.

Mr. Crowder, what is your opinion on this matter?

[*English*]

Frank Crowder: I'm sorry, but the interpretation didn't come through very well. Can I have the question repeated?

[*Translation*]

Marie-Hélène Gaudreau: Are there any obstacles preventing us from doing everything we can to buy Canadian from now on?

Would your sector be ready to meet the demand?

[*English*]

Frank Crowder: National Steel Car has the ability to produce very quickly. We are the fastest producer of railcars. We can have cars out there very quickly, yes.

[*Translation*]

Marie-Hélène Gaudreau: That's excellent.

The reason I ask is that, when we talk about service locations, labour or the supply of raw materials, there is a lot to cover. It's something we wonder about. I don't know whether you knew, but yesterday was an opposition day. We were wondering where things stood in relation to contracts that are not primarily Canadian. That's a question we need to ask.

There are no vulnerabilities, then. That's good.

Can the policy work in the long term and become an industrial strategy?

It should not be used temporarily, simply because there's a crisis.

I would like to hear your comments, Mr. Yasin.

● (1130)

[*English*]

Maaz Yasin: That's a very good question.

The strategy needs to.... Ultimately, I would imagine the objective is to create industrial benefits for Canada. Something that I alluded to in my opening remarks was that using a one-size-fits-all approach to accomplish that benefit is not going to work. Obviously, there needs to be a bit of flexibility. Sure, having an entity, and paying taxes and being a Canadian company are important. Having jobs in Canada, if contracts are going to benefit Canadian workers, is important too.

From my vantage point, when it comes to technology procurement, how is that technology going to be used? This is the government operations committee, so what is the risk to continuity of government operations?

What other stringent tests need to be applied? That depends on the technology in question. Not all technology is created equal. Perhaps for certain technology that is not as mission critical, a looser definition could work, but for others, maybe it needs to be a bit tighter.

[*Translation*]

Marie-Hélène Gaudreau: Thank you for your response.

I will ask you the same thing about lumber, Mr. Dentelbeck.

Would you like to see an industrial strategy put in place?

[*English*]

Chuck Dentelbeck: Yes, and we have the capability. We have made significant investments in the industry. The way you used to increase production was to add another line, and now the way is technology. The technology we've implemented has made it possible to forgo additional lines but increase capacity. We need an industrial strategy that supports that.

[*Translation*]

Marie-Hélène Gaudreau: I think we have opened the door by saying that we are going to start the work and see what benefits come of it, but we need long-term predictability and a cross-sectoral strategy.

Mr. Crowder, what do you think?

[*English*]

Frank Crowder: National Steel Car has the ability to ramp up very quickly to build cars for any customer and in any style that is requested. We have a lot of patents that are ready to go.

We can increase our workforce very quickly. We historically have been able to do this. Even since World War II, we've been able to increase this quickly. National Steel Car is a very efficient plant and can pivot very quickly.

[*Translation*]

Marie-Hélène Gaudreau: Thank you, Mr. Chair.

[*English*]

The Chair: Thank you.

Mr. Bragdon, go ahead.

Richard Bragdon (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

I'd like to address my questions in large part to Mr. Dentelbeck.

I come from a forestry town. I grew up there. My dad worked at the pulp and paper mill for over 50 years before retiring. Sadly, that mill has announced a shutdown, and it's having a devastating effect in the community and region I represent. Obviously, our forestry sector, whether it's there or in lumber mills, which we have in New Brunswick as well, is feeling the impacts of this unresolved tariff issue. It's been going on for over a decade now, or for many decades, really, in one way or another.

What I'd love to get from you, Mr. Dentelbeck, is an overview of where you see the forestry sector in Canada right now and the biggest challenges that are facing it. I know there's a lot there, but what is the current status of that?

Then I have some follow-up questions for you on this.

They are big questions.

Chuck Dentelbeck: I can talk about some areas, but I can't talk about others.

I would say the biggest challenge is the countervailing and antidumping duties that we have with the U.S. We've been dealing with those for a long time. The impact that occurs flows backward. For example, the wood chips that they would use in pulp and paper, we have mountains of this stuff sitting around in Canada. We have facilities closing, and we don't have a home for them. We have phytosanitary issues in order to export that product. We're working on research, which seems to take too long, in my view. I want to rush. We do have issues.

As for the health of the industry, in the groups there now, we have fewer companies, but they produce more out of those companies. We've seen a consolidation within the industry. They will survive, but they are looking elsewhere for where they're going to set up.

● (1135)

Richard Bragdon: Do you feel that the buy Canadian approach is having the desired or positive impacts overall, or is it not really addressing the five-alarm fire that's in our forestry sector?

I should just let you answer that, and then I'll follow up.

Chuck Dentelbeck: It's a pretty broad question for me to address.

The buy Canadian...we can move the product in there, but we need the opportunity to do it.

As for the situation within the industry, like I said earlier, 53% of our domestic production ends up in the U.S. If they do something, which they've been doing for a while, it has a significant impact. I don't know how much money we have sitting there in those duties that have been collected, but it hasn't been distributed back to the mills as it has been in previous rounds that we've gone through with them. It's money that sits there.

We need to have the approach that we want to have our domestic product. We changed our rules in 2023. I identified in 2016 that we had a billion board feet coming into the country that doesn't comply with our system that the manufacturers in Canada go through. That product can get in through the building code. There are ways to do it. However, we've changed the rules, and we've discussed that with all of the exporters that will send stuff to Canada, but we've made it clear that they need to comply with our rules.

I don't want that product in the buy Canadian program. How's that for an answer?

Richard Bragdon: Thank you.

I have a couple of questions that I'm going to try to squeeze in.

Is the Canadian attestation process onerous for lumber firms, or is it more onerous for the government? To your knowledge, has the federal government used this list to confirm that vendors are Canadian for the purpose of procurement opportunities?

Chuck Dentelbeck: It's not onerous, because the way our structure is set up, we can clearly identify the origin of the product. That's on the stamp.

I do not know if the Government of Canada has used our listing.

Richard Bragdon: I have two more questions.

Which lumber products, if any, are accredited Canadian firms not able to supply to the federal government? To what extent can Canadian lumber suppliers compete with foreign counterparts in federal procurement opportunities?

Chuck Dentelbeck: I don't think there are any products that we can't compete with.

Richard Bragdon: Okay.

How has the competitiveness of these firms changed with the buy Canadian rules? Do you feel we are still competitive?

The Chair: Give a brief answer, please.

Chuck Dentelbeck: We're competitive.

Richard Bragdon: Thanks.

The Chair: Thank you, Mr. Bragdon.

Ms. Rochefort, go ahead, please.

[*Translation*]

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

[*English*]

Mr. Dentelbeck, it's a pleasure that you are with us today.

In my former life, I occupied the position of president of the Canadian Wood Council, so I know the great work you do to ensure that we have quality lumber products in Canada. I think it's part of the reason our neighbours to the south love our Canadian wood products.

Thank you for all your efforts and your work.

Forestry is important. In my life now, in my riding, Nipissing—Timiskaming, forestry is important. We want to ensure that the buy Canadian policy will deliver orders for those mills and jobs for the workers in those mills.

I looked at your website, and I was delighted to see that you now have a segment, “Buy Canadian”, and those are your members. I was wondering. Are they all of your members? Are they all listed?

Chuck Dentelbeck: Yes. They're all—

Pauline Rochefort: It's a very impressive list when you go through it. There are a number of agencies and a number of Canadian companies. That brings me to my three-part question.

You mentioned the one billion board feet opportunity that's out there, and that could be brought home, as you positioned it. I would be interested in hearing you outline what you believe are the steps to turn that into a reality.

I was also interested in your comment on the building codes and the continued lack of alignment of the building codes in the provinces. My understanding was that the committee on internal trade was tackling that issue to a certain extent, and I don't know where that is. I don't know if you have any comments that you could add to that, but I am interested in understanding what more the government could do.

Now that you have the list on your website, what more could the government do to align, to bring orders and to ensure that in the specification process by architects, engineers, builders and contractors, wood is specified and Canadian wood is ensured? I give you carte blanche to expand in any way you'd like to talk about that billion board foot opportunity.

● (1140)

Chuck Dentelbeck: Okay. The billion board feet opportunity comes through our Canadian quality assurance system, and there are a number of groups involved in it. The Canadian Wood Council is one of them. FPInnovations is another one, as well as the National Lumber Grades Authority, CLSAB and Canada Wood. There's a whole group that's involved in this.

The code changes we've advocated for are to make use of these laminate products in the multi-use dwellings. We think there's the opportunity of a billion board feet that could go into that. We would encourage the codes to adopt this. As you alluded to, they all do their own thing. Many times, they're out of sync. What I mean by this is that one province is going to adopt the 2025 code, and we'll find that another province is now adopting the 2015 code. There is that issue. It would be really nice if we could have the country use just one building code.

There are additional requirements imposed within provinces. That can relate to earthquakes or seismic issues. That is a key element. That's why some will have a different specification in their codes. There's that opportunity, I think, if we were on the same page. I mean, the seismic is there, and I think it's an unknown element to most people in Canada that we do have some seismic issues in this country, other than Vancouver. We're sitting in one. That's part of it. I would really like, in my own view, to have the building codes be common.

I would like to see a faster building code cycle. That may not be one of the elements of builders, because they would have to keep up with it, but it would be nice to shorten it. When we identified the issues, it took us from 2018 to 2025 to finally get the change in place. That's not an acceptable pace.

As for the specifiers, in terms of Canadian use, we've seen that they're quite aggressive and want to use this product. We want to make it available. Companies do need help, because it is a significant capital investment to set up the laminate guys, for example. It's not the same as a regular mill, but we need to supply that product.

Then we get into the whole forestry discussion, which is not my territory, and I say this in terms of provincial forestry rules and the desire for wood. There are allocations that are set by each province, and it's about getting access to that fibre in order to make sure we can supply the product.

There are a lot of issues tied in here. It's multi-layered.

Pauline Rochefort: Thank you for listing those. Certainly—

The Chair: We're past your time.

Pauline Rochefort: I'm out of time.

Thank you. That was a great answer.

The Chair: Madam Gaudreau is next.

[*Translation*]

Marie-Hélène Gaudreau: Thank you, Mr. Chair.

I'll continue with that.

What about the Quebec building code? Is it a helpful tool?

Quebec was the first to implement a certification standard for buildings with four stories or more.

What's the situation in that regard?

[*English*]

Chuck Dentelbeck: Nordic, for example, has been one of the companies that has really led the charge. They've been at the forefront as we move through this. I think they're a really good example. The code is there and we can make it happen. It's demonstrated in the work that Quebec has done.

[*Translation*]

Marie-Hélène Gaudreau: This isn't true for just renewable energy; it's also the case in the insurance industry. There's a lot of focus on fossil fuels, and unfortunately, there is a lack of knowledge about renewable energy. I'm telling you this because I worked for nearly 10 years in the forestry sector, promoting the message that trees grow back, that they are a renewable energy source, and that they act as carbon stores.

You're telling me that an industrial strategy can be cross-sectoral and also needs to be responsive to advancements in each individual industrial sector.

Right now, is that enough for Quebec businesses, given the limited cash flow they have to survive?

Are you able to respond quickly to supply challenges that may arise?

● (1145)

[*English*]

Chuck Dentelbeck: That's a tough one for me to answer because I'm not responsible for supply, but it turns into an issue for us, and we do, for example, bring logs from our neighbouring states into Quebec, and they're transformed or processed in Quebec.

We need access to the product, and you do have that big dividing line, which is the river between the north and the south. That's why we see a lot of logs come in from the U.S. and get processed in Quebec. We need access to the fibre.

[*Translation*]

Marie-Hélène Gaudreau: I'm out of time, Mr. Chair.

We would appreciate it if the witnesses wanted to follow up in writing with any priorities for policy changes.

Thank you, Mr. Chair.

[*English*]

The Chair: That can be provided in writing to our clerk, and it will be included in our study.

We'll go to Mr. Kuruk.

Mr. Kuruk, welcome to OGGO. The floor is yours.

Ned Kuruc (Hamilton East—Stoney Creek, CPC): Thank you.

Mr. Crowder, I'll direct my questions to you.

First, I'd like to say that my heart goes out to all of your workers on the strike line. I've been down there a few times myself.

Thank you for joining us today. I do have a few questions, so I'll get right into it.

Mr. Crowder, the United Steelworkers press release for the 2025 budget said:

> Buy-Canadian rules must be enforced, industrial dollars must translate into real jobs and production on the ground, and forestry and industrial communities need long-term certainty, not temporary relief. We see steps in the right direction. Now it's about follow-through.

Since that press release, have you seen follow-through from the government? Are buy Canada rules being enforced?

Frank Crowder: We have not seen follow-through from the government. Regarding buy Canadian, we've done our best to remain Canadian content as much as possible but, concerning the increased cost that has been imposed on us, we are not seeing assistance from the government to help us any further to build railcars for Canadian companies. That has now resulted in a strike because the company is claiming that the revenue is just not there to pay our employees living wages.

Ned Kuruc: Thank you, sir.

You've stated that National Steel Car is using 98% Canadian raw materials. It's a Canadian company of long standing, almost 100 years. There's nothing more Canadian than National Steel Car.

In response to the American tariff threat, National Steel Car and the United Steelworkers Local 7135, which is the employment there, jointly proposed a plan to all three levels of government to keep Canadians working. It was called Operation Backbone, which I was privy to when I went to do a site visit. I thought it was very clever and a really good plan that I was willing to endorse.

What support did you receive from the federal government on that?

Frank Crowder: We haven't received any report. The company's reporting is that no funding has come from the government. We were not asking for funding to be delivered to National Steel Car. We were asking for it to be delivered to other Canadian companies to purchase our railcars to replace aging railcars that are out on the rails now. This would have kept good Canadian jobs in Hamilton. It would have probably increased our workforce from only 1,200 to where we've been in the past with 2,400 workers.

The company's report is that they have received no help from the government even though we've taken these measures.

Ned Kuruc: The plan, to my understanding, when I remember it, was to finance Canadian companies to buy Canadian railcars. I thought it was a very clever plan. That's the nuts and bolts of Operation Backbone. Is that correct?

Frank Crowder: That is correct.

Ned Kuruc: It was a real buy Canadian initiative that was not followed through on or that has not gone anywhere since then. Is that correct?

Frank Crowder: No, my employer was very forward-thinking on this. We were actually talking about this before the buy Canadian policy happened. We were trying to entice the government to assist us by taking these measures, but we have not seen any benefit from it.

● (1150)

Ned Kuruc: You also stated in your opening statement, “We feel that our government has abandoned us.” What has that lack of support meant for the workers you represent at National Steel Car, sir?

Frank Crowder: Because of the tariff pressure on us and the reduction of any rail cars we would build for our American customers, we were hoping some Canadian companies would step up and purchase rail cars from us. National Steel Car has had to incur increased costs, which include the product we buy being at a higher price, it being Canadian content. We also made a promise to the government that we would not lay off any worker, and for almost nine months, no worker was laid off at National Steel Car even though the work wasn't there. We tried to keep these promises to the government. Again, we have not seen any assistance from the government for the work and for the initiative we took.

Ned Kuruc: Thank you for sharing that.

I'm going to step back to the buy Canadian.... You are a company that uses 98% Canadian products, employs Canadians and has been in business in Canada for almost 100 years. Your union and the bosses there have come up with Operation Backbone, where you finance Canadian companies to buy your Canadian railcars, yet your workers are striking. When a Canadian manufacturer like National Steel Car is struggling to keep its workers employed, what does that say about the government's approach?

The Chair: I'm sorry, Mr. Crowder. Please give a brief response.

Frank Crowder: It was very historic for the union and the company to get together to do this. All we needed was for the government to jump on board, and that was what caused the division between the union and the company.

Ned Kuruc: Thank you very much, Mr. Crowder.

Again, my heart goes out to all the workers out there, and I hope there's a resolution.

Frank Crowder: Thank you for being there for us.

The Chair: Thank you, Mr. Kuruc.

Mr. Danko.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Thank you, Mr. Chair.

My questions, I think, will primarily be for Mr. Crowder.

Frank, it's good to see you again. Thank you for the work you do representing Local 7135 and for bringing the perspective of your members to this committee. It's really important for us to hear the impacts on the ground.

In your comments, you mentioned National Steel Car being a proactive and advanced manufacturer using 98% Canadian content. I think that's the number you used. You also mentioned how the company did its best in the face of the illegal and unjustified tariffs in the United States to adapt, to adjust, to find new markets, and to work with the federal and provincial governments towards a solution.

In your previous exchange, I really appreciated the discussion of some of those initial efforts that were made through Operation Backbone. You and I were part of those discussions.

I just want to assure you and the workers that those discussions haven't stopped. They're ongoing. It's a significant commitment by the federal government and the provincial government to assist the workers and, as was said, to find new markets for the rail cars you produce.

I know that, locally, Mayor Horwath was also very supportive of the workers, and now mayor-elect Loomis is also very supportive.

I'm confident that we will reach a resolution on this. Primarily, understanding the impacts of weeks and weeks of being on the picket line, we want to make sure that you and your members get back to work.

My question for you, I guess, is, broadly speaking, the federal government.... We're talking about the buy Canadian policy, which is with regard to federal procurement. The federal government doesn't buy railcars, but as we talked about, we're trying to incentivize a market for railcars. In that way, we're investing billions and billions of dollars in nuclear, mining, oil and gas, electrification, infrastructure, housing and defence across the country by investing in the Canadian economy and providing the certainty and the market to grow economic production across the country. Does that help create the future market for railcars that National Steel Car would be able to supply?

● (1155)

Frank Crowder: It could. In the past, the government bought railcars from National Steel Car, before it deregulated the Wheat Board. The Canadian wheat car used to be an iconic thing in Canada.

We could also build cars for the military to transport military gear as necessary, and we could easily help solve the pipeline problem by moving oil by railcar. We could build those in Hamilton instead of purchasing oil cars from a foreign country.

John-Paul Danko: Thank you.

What impress me the most about USW Local 7135 and the work you do at National Steel Car is how advanced the manufacturing processes are that you use—automated welding, material cutting and that sort of thing.

Could you tell me a little about how competitive this Canadian company is in the North American market? The Prime Minister was in Mexico and spotted a National Steel Car logo on a railcar down there. The work you do is impressive. Could you share some details about what makes you competitive?

Frank Crowder: Many years ago, Henry Ford himself visited our plants and credited the advancement and how well we did. He was the innovator of the assembly line and even he was impressed by National Steel Car at the time. We build the most efficient and highest-quality railcar in North America. We are the largest producer. We can expand our production extremely quickly. We can easily pivot our workforce to build any kind of railcar.

The loss of National Steel Car in Canada would be very detrimental to our sovereignty. We're extremely efficient, and we can build a very large number of cars in a very short period of time.

John-Paul Danko: I only have a few seconds left, but I would like to give you the opportunity to expand on that sovereignty issue. I think that's also really important.

Frank Crowder: Sovereignty is very important. At National Steel Car, we build what moves everything in Canada. If we allowed another country to take control of that, imagine if they stopped giving us the product that moves our products. It would freeze our economy. We wouldn't be able to move any freight at all.

John-Paul Danko: Thank you, Frank, for joining us this morning.

Frank Crowder: Thank you.

The Chair: Thanks, Mr. Danko.

Thank you, witnesses, for being with us today.

May I ask a quick question?

Operation Backbone came up several times. Is there a cost allocated to that? Do you have a cost estimate that you can share with us? Is it public?

Frank Crowder: You would have to speak to upper management about that, not me.

The Chair: Okay. Thank you.

Dan Mazier: Mr. Chair, I have a follow-up question for Mr. Yasin.

What specific buy Canada policies apply to the extension of the contract? If he could table that as a report to the committee, that would be great.

Maaz Yasin: Sure.

The Chair: Is that something you can do? Is it that simple?

Maaz Yasin: Yes, I think we can do that.

The Chair: That's wonderful.

To our witnesses today, Mr. Crowder, Mr. Dentelbeck and Mr. Yasin, thank you for being with us and for assisting us with our study.

We will suspend for a couple of minutes to bring in our new witnesses.

● (1155)

_____(Pause)_____

● (1205)

The Chair: We are back, everyone. Thank you for your patience.

We have three new witnesses—one in person and two virtually—so if you're directing questions to someone, please identify who it is you are asking.

We're going to start the opening statements with Mr. Hare, and then we're going to Mr. Simard. We're having some IT issues with Mr. Plante.

We'll go to you last, Mr. Plante. If there are any issues with the translation or the sound, we will let you know.

Mr. Hare, welcome to OGGO. The floor is yours for five minutes, please.

Nigel P. Hare (Director of Stakeholder and Industry Relations, Ontario Ironworkers District Council): Mr. Chair, vice-chairs and honourable members of the committee, thank you for the opportunity to appear today.

My name is Nigel Hare, and I'm representing the Ironworkers District Council of Ontario. Our members build the backbone of Ontario's infrastructure. We erect the steel, install the reinforcing steel, weld, move industrial machinery and install architectural and curtain wall systems. From bridges to transit systems, hospitals, energy facilities and major industrial projects, our members help build this country.

We strongly support the federal government's buy Canadian procurement policy. It's an opportunity to strengthen domestic industries, protect Canadian jobs and invest in our workforce future, but buy Canadian cannot stop at the purchase order. It must also mean hire Canadian and train Canadian. I want to focus on three priorities.

First, protect Canadian fabrication and construction jobs. When the governments invest Canadian tax dollars in infrastructure, those investments should create opportunities for Canadian workers and businesses. However, imported structural steel, reinforcing steel and prefabricated building systems can enter Canada, undergo minimal processing and still be classified as Canadian-made. Cutting rebar, drilling holes or applying a finishing coat does not make foreign steel Canadian. We need to be clear that procurement standards recognize substantial manufacturing and fabrication—not simply cosmetic changes—performed in Canada.

Those protections must extend to the construction site. Foreign equipment suppliers can sometimes claim that proprietary systems require specialized personnel. That may be valuable for engineering, supervision and knowledge transfer, but it must not perform hands-on work and must never become a loophole to bypass qualified Canadian tradespeople who are ready and available to do the work. Public procurement must support Canadian jobs through the supply chain, from fabrication shops to construction sites.

Second, buy Canadian must mean train Canadian. Our ironworker training centres are funded primarily by our members and signatory employers, alongside valuable government partnerships such as the federal union training and innovation program. These investments expand training capacity, modernize welding facilities and equipment, and prepare apprentices and journeypersons for evolving industry demands. Classroom training alone is not enough. Apprentices need supervised, hands-on experience on construction sites to develop their skills, complete their hours and become qualified journeypersons.

When fabrication and construction work goes offshore, those opportunities disappear. We cannot invest public money in training Canadian apprentices with one hand while sending the very jobs they need overseas with the other. Procurement policy and training investments must work together to build a sustainable Canadian skilled workforce.

Third, public infrastructure investment must build careers, not just projects. Federal infrastructure spending presents an opportunity to deliver lasting economic benefits to Canadian communities. We encourage the greater use of project labour agreements and community benefits agreements. Project labour agreements establish clear standards for wages, working conditions, safety, workforce coordination and project delivery. Community benefits agreements create measurable opportunities for apprentices, local residents, indigenous people and under-represented communities to enter the skilled trades. For an apprentice, access to a major construction project is more than a temporary job. It means supervised training, recognized work hours, benefits, pension contributions and a pathway to a lifelong career. That's how infrastructure investment creates lasting value. It's not just for taxpayers today; it's also for the workforce of tomorrow.

Ontario's ironworkers are ready to deliver Canada's next generation of infrastructure. We have the skilled workers, experienced contractors, established apprenticeship programs and training centres to meet future demand. What we need is a procurement framework that connects public investment directly to Canadian jobs and Canadian training opportunities.

Our recommendations are straightforward. Buy Canadian: Protect domestic manufacturing and fabrication. Hire Canadian: Prioritize qualified Canadian tradespeople on publicly funded projects. Train Canadian: Connect infrastructure investment to apprentices and lifelong careers.

The true value of Canadian infrastructure is not only measured by what we build; it's measured by the Canadian jobs we create, the skills we develop and the opportunities we leave for the next generation.

Thank you, Mr. Chair. I welcome the committee's questions.

● (1210)

The Chair: Thank you very much.

Mr. Simard, we'll go over to you for five minutes, please.

Jean Simard (President and Chief Executive Officer, Aluminium Association of Canada): Thank you, Mr. Chair.

[*Translation*]

Thank you for inviting me to appear before the committee.

I represent Canada's primary aluminum industry, specifically Alcoa, Alouette and Rio Tinto. The industry employs 9,000 workers and produces 3.3 million tonnes of primary aluminum per year, 90% of which is exported, mainly to the United States and Europe. It is important to know that Canada consumes approximately 300,000 tonnes of aluminum per year, whereas we produce 3.3 million tonnes. We spend $6 billion annually in the Canadian economy, including $5 billion in Quebec alone.

My remarks will focus more broadly on the buy Canadian policy from the perspective of small, medium-sized and large businesses. The current trade war with the United States, our largest market, is forcing us to rethink how we do things. This policy is a perfect example of that. This policy is not only fitting, but also essential for Canadian small and medium-sized enterprises, SMEs, which are bearing the brunt of the trade war and imports of competing products from non-trading countries. The Aluminum Association of Canada contributed directly to the parameters that apply to our industry in this policy. We did it in the best interests of Canada's aluminum industry ecosystem. However, we were and remain very aware of the limitations and pitfalls specific to the Canadian context.

Canadian government contracts, across all levels of government, may seem appealing, since they amount to $150 billion annually. However, the intent tends to get lost in the execution; the devil is in the details. The critical mass phenomenon, where the scale is too small, will not be able to deliver the expected results unless calls for tenders for common products are consolidated to justify the investments required for the production of goods over time. For example, a tender to supply defence vehicle components may, by default, end up in the hands of a foreign supplier for whom the required volume represents only a marginal increase in production. Moreover, major industrial players, such as our aluminum smelters, already sell all of their production mainly to other countries. To create opportunities for local businesses, the government has to provide the predictability necessary for investment. Landing a single contract does not justify an investment, but being qualified to supply a product for a few years could justify such an investment.

The history of opening up government contracts to the lowest bidder no matter where they're from, the supply chains of major government suppliers, and the culture that has developed over the past several decades are creating situations that require changes in the current context. The constant presence of American suppliers in recurring calls for tenders, even stipulating the supplier's name or its product specifications as a benchmark product, must be identified and amended. Furthermore, having suppliers located in Canada but importing goods from the United States is no longer acceptable in the current context. There are also reference thresholds that are too high for calls for tenders, for example, an amount of $250,000. SMEs would be able to bid on contracts, but only for smaller lots. They produce what the government needs, but they are not capable of competing at that level of magnitude. However, having minimum thresholds of $50,000 and providing complete flexibility in deciding how to allocate a contract is a very attractive situation for businesses. Very often, however, companies are subject to the unpredictable decisions of the client on the ground, within a government or paragovernmental organization.

● (1215)

It's also important to take into account fluctuations in the price of aluminum by incorporating risk through formulas that adjust for the material's price over time. In the current context, the high variability of aluminum prices caused by the tariffs further increases the level of risk faced by small businesses. Unfortunately, these companies are usually unable to bid on government contracts for services because they cannot be certain of the price of the metal six months or a year from now. Rather than exposing themselves to this considerable level of risk, they refrain from participating in calls for tenders.

The government also needs to make businesses aware of calls for tenders. There are hundreds of thousands of businesses in Canada, most of which do not necessarily have access to the information on these calls for tenders. The government needs to leverage umbrella organizations, such as industrial clusters, chambers of commerce and other organizations on the ground, as well as artificial intelligence, to expand supplier coverage. Most importantly, the government mustn't keep doing the same thing it's been doing for decades while the world changes. It needs to move beyond traditional parameters in order to support businesses and an economy that has to reinvent itself.

As you can see, the challenge of this policy lies in its implementation.

[*English*]

The Chair: I'm sorry, Mr. Simard, but we're quite a bit past our time. Could I get you to wrap up, please?

[*Translation*]

Jean Simard: Okay.

The priorities should be mobilizing all government contractors, including local decision-makers, and holding them accountable, and reaching out to all stakeholders in the Canadian value chain as quickly and effectively as possible.

[*English*]

The Chair: Thanks, Mr. Simard.

We have Mr. Plante back.

Mr. Plante, rather than suspending to test your microphone, we're going to go ahead and have you give us your statement. However, if we have some issues with the IT or the translation, I'll have to interrupt you.

Please go ahead for five minutes, Mr. Plante.

● (1220)

Ryan Plante (Area Manager, Southwestern Ontario, Carpenters' Regional Council): Thank you, Chair.

Thank you to the committee for the opportunity to appear today.

My name is Ryan Plante. I'm here representing Local 2026, an affiliate of the Carpenters' Regional Council and the United Brotherhood of Carpenters and Joiners of America, or UBC.

Nationally, the UBC represents nearly 75,000 members in Canada. Our members work across a wide range of skilled trades, including carpentry, drywall, scaffolding, concrete formwork and pile driving, along with many other professions in the construction industry. They help build and maintain the critical infrastructure Canada relies on, including energy projects, hospitals, schools, mines, homes and much more. The UBC delivers industry-leading training through 42 training centres across Canada.

The Carpenters' Union supports the Government of Canada's buy Canadian policy. When public money is used to build infrastructure, it makes sense to support Canadian suppliers, materials and workers wherever possible.

Under section 3.4 of the policy, the definition of “Canadian service” includes “construction services”. That is a useful starting point, but Canadian content in a contract does not automatically create a pathway for workers in the project's region, or help someone begin and complete an apprenticeship. That is the opportunity I want to focus on today: connecting federal procurement to workforce development.

Major construction projects need skilled workers. They also create an opportunity to bring new people into the trades and to build a workforce Canada will need for future projects, but that does not happen automatically. It takes planning amongst governments, contractors, unions, training centres, indigenous partners and communities.

Apprenticeship is the strongest way to develop a skilled workforce. It combines classroom training with paid on-the-job learning and a recognized pathway to certification. For the pathway to work, apprentices need access to training and to steady opportunities to gain experience on the job.

The workforce challenge is a long-term one. BuildForce estimates that nearly 150,000 construction workers in the non-residential sector, roughly 20% of the 2025 workforce, will retire by 2035. Replacing that experience and preparing the next generation will take sustained effort.

The Carpenters' Union recommends that the committee consider workforce development as part of how buy Canadian is implemented for major construction projects. When the procurement and project allow for it, contractors should be asked to provide a workforce plan with practical, project-specific commitments. Those plans could identify apprenticeship opportunities, local hiring provisions, training and mentoring arrangements, and how progress will be measured and reported. The details should reflect the size and type of project, the available workforce and the communities involved. The goal should be to create real opportunities and develop skills, not to add requirements that cannot be met or measured.

Buy Canadian can do more than support Canadian businesses and materials. With a workforce component, it can also help build people and skills Canada will need to deliver its projects in the years ahead.

Thank you. I look forward to your questions.

The Chair: Thank you very much.

We will start with Mr. Reynolds.

Welcome to OGGO, Mr. Reynolds. The floor is yours.

Colin Reynolds (Elmwood—Transcona, CPC): Thank you very much, Mr. Chair.

Thank you very much to the witnesses for coming here today.

I want to start with my background. I was a construction electrician for 20 years. I was a construction electrician right up until two days before the election was called. I'm also a 20-year member of IBEW Local 2085 in Winnipeg and am still the sitting VP. I've spent a lot of time on job sites and out in the field.

I want to start my questions around LNG Canada phase two.

The LNG Canada phase two project has some components that are not going to be built here in Canada. They call them trains. For those of you who don't know, a train is essentially a freezer for natural gas. It's what takes the natural gas vapour and turns it into a liquid for shipping. These trains represent about one billion dollars' worth of manufacturing and workforce that won't be in Canada. The government has decided to allow these trains to be manufactured in China using Chinese steel, Chinese aluminum and Chinese workers.

My first question is going to be for you, Mr. Simard.

The Canadian steel and aluminum industries are really struggling right now. Our people build everything from ships to CANDU nuclear reactors. The government said that we didn't have the manufacturing capacity to build this specialized equipment here in Canada. That's why the decision was made for them to be built in China.

In your opinion, do you think we could have adapted our manufacturing here in Canada to build these trains?

● (1225)

Jean Simard: There are two sides to the answer. Theoretically, the answer is yes. Practically, the answer is no.

Theoretically, we can certainly adapt. It's a matter of producing the right alloy and having the processing required to provide the aluminum components. You then need to have a workforce trained and skilled to do the welding, if there is welding involved, or the assembly and stuff like that.

Practically speaking, it's the same thing with high-speed trains or any specific project. I talked about the problem of critical mass. After you've delivered the project, what do you do with the skilled workforce, the alloys and all the stuff that was tailored to this specific undertaking?

The competition in China or India has the critical mass. In other words, it's not about one project. They've been doing projects like these, and will keep doing them, for years. All that capacity—

Colin Reynolds: I'm sorry to interrupt.

This would be an opportunity for Canada to level up, essentially. Is that what you're saying?

Jean Simard: We don't have the scale. The problem is scale. If we do it once, we're stuck with infrastructure that we paid for, but there's no market.

Colin Reynolds: My next question is going to be for you, Mr. Hare.

On a project like this, what scopes of work would your members be doing?

Nigel P. Hare: Mr. Chair, our members would be doing everything from installing the rebar in the foundations and erecting the structural steel to moving machinery. It's all sorts of stuff.

Colin Reynolds: On—

Nigel P. Hare: I meant moving equipment.

Colin Reynolds: On a project like this, would there be a lot of this type of work for your members?

Nigel P. Hare: Absolutely.

Colin Reynolds: One billion dollars is a lot of work that's going elsewhere.

Nigel P. Hare: It's potential lost opportunities.

Without being aware of all the details....

Colin Reynolds: Mr. Plante, I have the same question for you, given that you're with UBC.

Your members would have a lot of this kind of work on site as well, if we were assembling these trains. What scopes of work would your members do?

Ryan Plante: Members of the UBC would predominantly do formwork, concrete foundation slabs, temporary building access, work platforms and scaffolding on a project of this nature.

Colin Reynolds: There would be a lot of scaffolding. That's for sure.

Would there be a lot of work for your members on a job site like this?

Ryan Plante: Yes, absolutely.

Colin Reynolds: My next question is for you, Mr. Hare.

Do you think that this was a bit of a capitulation to China, at the expense of Canadian workers, to have these things built off-site, using Chinese steel, Chinese aluminum and a Chinese workforce?

● (1230)

Nigel P. Hare: Without being super aware of all the details of the situation, I think it's definitely a missed opportunity for Canadian workers.

Colin Reynolds: Okay. Thank you.

The Chair: Thanks.

We'll go to Mr. Gasparro, please.

Vince Gasparro (Eglinton—Lawrence, Lib.): Thank you very much.

This question is for anyone, but Mr. Plante, we can start off with you.

Canada's government has put forward a clear plan to get major projects built more quickly, in both the near term and the long term, specifically through legislation that we have introduced and passed. I'm speaking of Bill C-5 and Bill C-39.

We are streamlining the regulatory process, which will create greater certainty for both labour and businesses, while the establishment of the Major Projects Office will help advance projects of national significance. At the same time, our buy Canadian policy, as you have rightly touched on, is intended to ensure that Canadian producers and domestic supply chains benefit from these very investments.

As we look to advance major nation-building projects, how prepared is your industry to meet the increased domestic demand for Canadian labour and Canadian material, which can then open up to others here?

Ryan Plante: I believe we need to be there early in the discussion of how we attack these major projects. In my experience in the nuclear industry, working with Bruce Power and OPG, that's how we've supported those programs—get to those discussions early about hiring Canadians, training the workers and the workforce needed and creating real opportunities for the members.

I believe what is needed to make sure that we can attack these things collectively is to be at the same table together, to be able to recruit and train people from the communities in which these projects are being done, whether it be indigenous communities having access to the work.... We've done some work with that, particularly with Bruce Power and OPG.

I believe that the real, actionable item is to be at the table early, in discussion with not only the procurement, but also the training and the apprenticeship application to the program.

We need to be there early is really the answer.

Vince Gasparro: Does anyone else want to jump in?

Mr. Hare, go ahead.

Nigel P. Hare: Mr. Chair, I just want to reiterate what Mr. Plante said. Being there early, getting shovels in the ground and having a good open dialogue so that we can forecast the upcoming work will help us deliver the workforce needed with our apprenticeship programs.

Vince Gasparro: That's great.

Again, this question is open to anyone to answer.

This has been touched on by several individuals. A goal of the buy Canadian policy is to strengthen our domestic supply chains here at home. How can we further the buy Canadian policy to ensure that we help cultivate our domestic industry amid the various geopolitical crises hitting our country?

Ryan Plante: I'm sorry, but can you repeat the question?

Vince Gasparro: As we look to strengthen our domestic supply chains here at home, how can we better further the buy Canadian policy to ensure that we help cultivate our domestic industries as our country continues to face geopolitical issues?

Ryan Plante: Representing Canadian workers is really our forte. I really believe, as we try to strengthen our buy Canadian policy and look towards how we integrate that into workforce development, that's where we'll really see the gains from it—creating the opportunity for our workforces alongside the buy Canadian policy.

I can't speak to the procurement side of things because we represent workers, but if we are aligned on both sides, in the procurement and the workforce development, I think we can see real gains for Canadian workers and Canadian businesses.

Vince Gasparro: On that point, Mr. Plante, you and Mr. Hare mentioned being involved earlier in the stages of planning and procurement. How do you think we should go about doing that? What do you think we can do to make sure that you are involved earlier in the process?

● (1235)

Ryan Plante: Early engagement really is just creating that dialogue as we see commitment for projects. It's creating that dialogue with industry—the buyers of construction, or the utilities, if it's a nuclear and energy project. We've worked really closely and have had that dialogue with that Canadian supply chain, along with the Canadian workforce that is retrofitting Ontario's nuclear fleet. This has shown that we can collectively come together when necessary to meet the needs of major projects.

What it would look like initially is being at the table early and creating the continuity between the utilities and the buyers of construction.

Vince Gasparro: Mr. Simard had his hand up, and we just noticed that. I don't know if you wanted to join in, sir.

The Chair: We're past our time, but do you have a quick response, Mr. Simard? Otherwise, we can get to you in a future round.

Jean Simard: We need to give visibility and time, which requires planning ahead, developing critical mass and making numbers larger by working between jurisdictions for the same types of services and/or materials that are required.

The Chair: Thank you.

We'll now go to our other Mr. Simard.

Welcome to OGGO, Mr. Simard. You have six minutes.

[*Translation*]

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

It is a pleasure to have you with us today, Mr. Simard. I just want to reassure everyone that we aren't related.

You know, when people talk about using more Canadian aluminum, they often forget that there's an essential step: processing. We don't necessarily consume primary aluminum, or an ingot, in the same way we might think of consuming steel. It needs to be processed before it can be used. That means extrusion or rolling.

Unfortunately, we may have less of that capacity, particularly for rolling, even though we have a few plants—two extrusion plants, I believe, in Quebec. There used to be a rolling mill here in the Saguenay–Lac-Saint-Jean region. I'm thinking of the Novelis rolling mill, which was unfortunately relocated to Oswego. The facility is still there. Like me, you've seen Minister Joly express interest in seeing the rolling mill reopen.

I would like to ask you a fairly simple question. In your opening remarks, you spoke about predictability.

Could primary aluminum smelters play a leading role in establishing such infrastructure? I'm talking about a rolling mill.

We could consider an arrangement involving the Midwest premium to gain a competitive advantage by producing rolled aluminum domestically. We could supply the Canadian market.

Do you think that your members, the primary aluminum smelters, could play a leading role in establishing such infrastructure?

Jean Simard: First, these are decisions that are up to each member. These are business decisions about competitiveness. More broadly, each of these members used to be involved in rolling processing but put an end to those activities several years ago.

The Canadian market, as you say, is a very small market. I mentioned during my presentation that 300,000 tonnes of aluminum are consumed in Canada. We produce 3.3 million tonnes of aluminum. There's still a problem here, the critical mass issue. A rolling mill will involve balancing a very limited market and a very limited demand with the North American market, which is a very large market. There's even the European market.

Government intervention will certainly be required to mitigate the risks of such a project. That is more or less the position I would take at this point.

Mario Simard: Yes, it might require government intervention.

I would still point out how surprising it is that we are a major producer of primary aluminum but have such limited capacity to process that aluminum. We rely heavily on the Americans for rolled aluminum. We send ingots to the United States, which sends them back to us once they've been processed, with added value.

I understand that this is a business decision, but primary aluminum smelters are still capable of innovating, and they have demonstrated this. I'm thinking, among other things, about what they did during the crisis. They cut the ingots into pieces to send them across the border as scrap metal products, which are not subject to tariffs. The aluminum smelters have therefore demonstrated that they are capable of innovating. I think a good example of that would be to use the Midwest premium mechanism to ensure that companies interested in aluminum processing could be more competitive.

That said, I understand that not everyone is an expert on the mechanism.

Has your association ever considered this kind of approach?

How could the Midwest premium be adjusted to support improved processing in Quebec and Canada?

● (1240)

Jean Simard: I'll go back to what I was saying earlier. The issue is purely commercial in nature. A North American market has emerged because of the Midwest premium. As far as I know, no player is interested in splitting the market by having a Canadian price and an American price. The North American price should be applied.

Mario Simard: It's good that you mentioned that.

If I understand correctly, political intervention might be advisable. I see that the federal government is investing heavily in aluminum smelters, in projects like ELYSIS. I'm happy about that. Government intervention might be advisable to ensure a form of competitive supply in Quebec and Canada if we leverage the Midwest premium.

In a way, you might want to encourage your members to propose such facilities to aluminum processors in Quebec and Canada. This would allow us to have more processing, more value-added activity and more aluminum consumption here. We are a major producer.

I understand that many commercial decisions are made, but sometimes political intervention can facilitate certain activities in a way that's consistent with market logic.

Do you agree?

Jean Simard: I don't really agree with that.

Mario Simard: Okay.

If you're telling me that, it must be mean that the market has to remain in the best interests of primary aluminum producers, in other words, as it is.

Jean Simard: It's a raw materials market, Mr. Simard. This is not a market that can be interpreted and shaped depending on political whims on either side. It is a raw materials market, and it is global.

Mario Simard: When you say that, you are basically saying to Minister Joly and those who intend to increase aluminum consumption in Canada that it's impossible because it's a raw materials market.

Is that correct?

Jean Simard: No, I didn't say that it was impossible. I said it would be up to the government to eliminate the risks associated with a situation like that. There are plenty of risks.

Mario Simard: That brings us back to what I was saying.

Do primary aluminum producers have a role to play in efforts to eliminate the risks associated with aluminum processing?

Jean Simard: It is not the responsibility of primary producers to eliminate the risks. We already have enough risks to manage on our own.

Mario Simard: In your opinion, your members have no role in increasing aluminum consumption in Quebec and Canada. It should, therefore, be a political role. It's a vicious circle, because it amounts to the same thing.

What I'm saying is that the federal government could incentivize primary aluminum producers to provide facilities for people who want to process aluminum. As I said from the outset, by leveraging the Midwest premium, we might create a better aluminum ecosystem for consumption in Quebec and Canada.

I feel like we're saying more or less the same thing, but saying it differently.

Jean Simard: Those are your conclusions, Mr. Simard.

[*English*]

The Chair: I'm sorry, but we're quite a bit past our time for a response.

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

Richard Bragdon: Thank you, Mr. Chair.

Thank you to the witnesses for being here this afternoon. I appreciate their coming, as well as their insights.

We have heard concerns that the definition of “Canadian supplier” can include foreign-owned companies operating in Canada. By and large, we don't know how much of a contract's value stays in Canada.

From your organization's perspective, does the buy Canadian policy provide a meaningful advantage to Canadian businesses, and if not, what would need to change to make sure it does?

I'll start with you, Mr. Hare, and then I'll move to the other witnesses.

● (1245)

Nigel P. Hare: Can you define “meaningful advantage”?

Richard Bragdon: Is this achieving the objective of what it's laid out for? Are there still inhibitors that should be addressed? Are you seeing some problems so far?

Nigel P. Hare: I think it's moving in the right direction. I mean, there are a lot of moving pieces at once. I'm not aware of what the actual roadblocks are at the present time.

Richard Bragdon: Okay.

Mr. Simard.

Jean Simard: I think directionally it's heading the right way. The problem is in the way it's delivered and the intricacies of supply chains in government procurement. It requires definitely reviewing all the suppliers in national defence and in public utilities to make sure we don't have situations where specifications for a product for which there is a recurring tendering process are built around a foreign American supplier, which means you cannot bid against this. It's a closed situation.

These have to be addressed. The only way to do this is through due diligence in the supply chains involving government procurement.

Richard Bragdon: Thank you.

Mr. Plante.

Ryan Plante: I do believe it can provide a meaningful advantage to our members. I do believe it has an initial advantage to the supply chain. As the supply chain grows, our members will be able to create expansions for those facilities. As we continue to prioritize Canadian supply chains, it creates opportunities for our members to support that growth.

That's the advantage I would see for our members.

Richard Bragdon: Thank you.

To each of you again, what should Canadians and businesses be looking to in order to determine whether the buy Canadian policy is actually working and achieving its objectives?

Nigel P. Hare: Mr. Chair, I think we should look at value added for dollars invested. If Canadians are going to be on the job site, I think it should go toward registered and accredited Red Seal apprenticeship programs and stuff like that. I can only speak for construction, but I know that when a local Canadian is doing the work and is in an apprenticeship program, that money will do double duty. The person will get a 30-year career out of the project. It's not just a simple building going up. It's an opportunity for someone.

I think it just needs to be used wisely to make sure we don't miss that.

Richard Bragdon: Thank you, Mr. Hare

I'll move to you, Mr. Simard, and then to Mr. Plante, of course. Could you be quick, please?

Jean Simard: It would be measuring back on an ongoing basis, with involvement by unions and industry, to make sure that the full value can be achieved through time.

Richard Bragdon: Thank you.

Mr. Plante.

Ryan Plante: I agree with the sentiment prior. If we measure the number of hours and the number of newer apprenticeships being started or completed, I believe that would give us a baseline as to whether the program is successful.

Richard Bragdon: I have one final question for you, Mr. Simard.

What can the government do to provide transparency to the buy Canadian policy for businesses and Canadians generally? Is there something they could do to make sure there is better transparency?

Jean Simard: Can you clarify “transparency”, please?

Richard Bragdon: It's making sure that Canadians are aware of the process, what is happening, what kind of results are being achieved and so on.

You can submit it in writing if we run out of time.

Jean Simard: There are two things. They have to make sure the process is accessible online. They must also reach out to all the businesses across Canada, using artificial intelligence, to make sure they have access to the information in a timely fashion.

The Chair: Thank you.

Ms. Fancy, you have five minutes, please.

Jessica Fancy (South Shore—St. Margarets, Lib.): Thank you very much.

Good afternoon to all the witnesses who are here today.

A lot of what I say today will be framed by how we help support and strengthen our SMEs.

Mr. Simard, you said a lot in your opening preamble—I took a lot of notes—about this juncture of where we are geopolitically and how we help our SMEs. You mentioned that the devil would be in the details on how we create stronger procurement pathways. You also mentioned the history of our markets creating two different situations that are happening, such as the existence of the suppliers in the U.S. needing to be changed. You also referenced thresholds and how we get some of our SMEs to help bid.

I'm wondering if you could expand on that a little bit from your earlier preamble. Thank you.

● (1250)

Jean Simard: First off, we have to weed out the lists across all departments, public utilities and government operations to make sure that we are able to force out U.S. suppliers in an acceptable manner, since we're being forced out of U.S. markets. We have to consider the fact that, by using HS codes, incoming bidders from the U.S., if they are not tariffed.... Our suppliers might be facing headwinds going into the U.S., so we should protect Canadian suppliers in the supply chains. That's very important. They're being hit back and forth, moving out and coming back in.

How do we support small and medium businesses? The biggest problem is providing information. There are hundreds of thousands of SMEs. The ones that are on government lists are the ones the government is used to dealing with, and not necessarily all the SMEs across Canada could avail themselves of these bidding processes. We're exposed to missing a lot of businesses that cannot export anymore and need to turn to a domestic market, but they cannot access the domestic market because they don't know how it works.

Jessica Fancy: I want to pick up on what you just said regarding it being an accessibility issue. The question that I have for you would be, how can the government make these federal procurement processes more accessible to our small and medium businesses and have the changes introduced through our small business procurement program? How can we help with that?

Jean Simard: Using AI as an enabler to reach out to businesses on a product-per-product basis is unbelievably easy. You just have to use the HS codes per product. We need to get there because this is the only way to be able to reach in a sufficiently granular way all the businesses behind a product or a service across Canada. Then you can share the information with them.

Jessica Fancy: I'm wondering, too, regarding your industry, how the federal government can create more opportunities to use Canadian aluminum in our infrastructure, in our construction and in our defence projects.

Then I'll go to Mr. Hare from an iron perspective.

Thank you.

Jean Simard: It always goes back to the essentials.

Aluminum is not something you use in as large volumes as steel. This is why the market is very small, and sometimes it's a niche market, so you have to make the numbers happen. If you want to have visibility through time, then have recurring certified tendering processes where you can qualify as a small or medium business, which gives you access to the bidding process for the next three or five years or something like that. This will incentivize the required investments to be made to be able to be a supplier.

Getting into the defence industry is very tough, because you need certification. It takes one or two years, and businesses are not set up to do this. They will need government support to get their certification. The last thing is, again, critical mass, critical mass and critical mass. You have to develop larger lots to bid on.

● (1255)

Jessica Fancy: I know that my time is almost up.

Mr. Hare, I was wondering if you could submit a similar answer regarding a steel perspective and what we can do to help with the procurement process.

Or would you let him quickly respond?

The Chair: No. We're already over the deadline.

Jessica Fancy: Okay. I tried.

The Chair: We don't have time to have it read in but, if you could email in a response, it would be wonderful.

Madam Gaudreau, you have two and a half minutes, and then we'll finish with Mr. Mazier and Mr. Danko.

[*Translation*]

Marie-Hélène Gaudreau: Thank you very much, Mr. Chair.

I will continue the discussion with Mr. Jean Simard.

My colleague Mario Simard raised an issue that really resonates with me. It concerns the Midwest premium.

As I understand it, you are talking not only about the critical mass, but also about the fact that there is no player who is interested in splitting the market.

However, what about the concrete political will that could help you meet the criteria of the buy Canadian policy?

Jean Simard: Could you please clarify your question?

Marie-Hélène Gaudreau: If you had the opportunity to tell Minister Joly what the policy needs to include for you to support it, what would you say to her?

Jean Simard: If you're referring to the buy Canadian policy, we support it. We even participated in developing this policy for months.

Marie-Hélène Gaudreau: Actually, when I spoke about the Midwest premium, I was referring to what Mr. Mario Simard explained: that we need to be very careful when it comes to market development. After all, we don't want to split market interests, so political intervention is needed.

What adjustments could be made to help you?

Jean Simard: We don't need help. The metal is being sold. There is a North American market.

If I understand your question correctly, you are asking about a rolling mill project, as mentioned by Mr. Mario Simard, that receives government assistance to mitigate the risk. You want to know what could be done to ensure that such a mill was able to access metal from the Canadian primary sector, that is, metal produced in Canada.

Once again, it comes down to the business case. I really can't comment on that. All I can say is that, for a rolling mill to be established in Canada, it would require serious efforts on the part of the government to get it up and running and to keep it in operation. Why? Because Canada doesn't have the critical mass needed for the market to take on such an undertaking on its own.

It's obvious that if a rolling mill is set up, it will need metal, and that material is traded on a North American basis. The rolling mills in the United States pay the North American price. There is a price, and it's the raw materials price.

Marie-Hélène Gaudreau: Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Madam Gaudreau.

We have Mr. Mazier, please, for five minutes.

Dan Mazier: Thank you, Chair.

Mr. Hare, I was in Windsor and Sarnia last week, where I was told that fabrication is being done overseas and shipped into Canada at uncompetitive prices. What are your thoughts on this?

Nigel P. Hare: My thoughts are that if we're talking uncompetitive, we need to look at value added to the Canadian economy if something's being made here.

Just because something is slightly less expensive on the front end, especially if it's with taxpayers' money, doesn't mean that it's going to add long-term value. A product that's produced here, even if it costs slightly more money, is dollars back into the Canadian economy. It's someone supporting a small business, buying a truck or buying a home, etc. It's giving jobs to young people and all that stuff.

I think we need to look at that stuff seriously and look at what the actual cost is in the long term.

Dan Mazier: Do you believe that the government's buy Canadian definition should be strengthened to address this?

Nigel P. Hare: There's always room to improve everything.

I think it's an amazing policy and it's a step in the right direction, especially from a hard situation. It's something that we can build an amazing Canadian workforce: We can really take advantage of this if it's well done. I think there's always room for improvement in everything, but I think it's an amazing start.

● (1300)

Dan Mazier: Mr. Hare, LNG Canada phase two, which is on the government's major projects list, will use modules fabricated in China. For phase one, the government waived anti-dumping and countervailing duties on fabricated steel modules. What does that mean for ironworkers when the biggest projects in the country are fabricated in China with the government's blessing?

Nigel P. Hare: Again, I work in Ontario. I'm not overly fluent with everything that's going on over there. I do think that it's a missed opportunity, but again, I'm not overly aware of everything going on in that specific case.

Dan Mazier: The government knew back in 2019 that we couldn't assemble these modules here in Canada and that some grades of the steel were not even made here in Canada.

Now, seven years later, we've learned that the entire facility portion of phase two is being sourced from China and the government has not adequately prepared industry to capitalize on this massive project. They had seven years' warning and the government did nothing to address this project and get ready for it.

Does this give you confidence that major projects in Canada will be completed by Canadian workers?

Nigel P. Hare: I think it shows us that we need to make sure that we do this properly.

To me, without being overly aware of the situation, it sounds like a lot of missed opportunities. Some of the best steel fabrication shops in the world are in western Canada. I'm familiar with some of them. I think it's a missed opportunity.

Going forward, we need to make sure that we handle it correctly, because this is an opportunity to really build a lot of Canadian jobs and help people develop their craft.

Dan Mazier: If we addressed the dumping and made sure that we were focusing on Canadian jobs, instead of leaving these definitions where things can happen, I think you would be in agreement with that. Is that right?

We need to tighten up things. As we have these conversations and we learn more about buy Canadian policies that have been implemented, there's still a lot of room for improvement.

Nigel P. Hare: Absolutely, yes, there's room for improvement in everything.

Thank you very much for your question.

Dan Mazier: Thank you.

Mr. Simard, the Canadian Coalition of Aluminum Extruders stated that offshore products are often being offered at prices below Canadian producers' input costs.

How are Canadian aluminum extrusion companies that use Canadian aluminum able to compete with this?

Jean Simard: The problem is that imports from non-market-based economies, such as China and Vietnam, are coming in below what Canadian extruders can compete against. The Canadian government should use tariffs to protect Canadian extruders from this situation. We've been in discussions with extruders and downstream processors in Canada about those issues, and we've also been in touch with the Canadian government.

Dan Mazier: How would we address this?

Jean Simard: It's always tricky when you're talking about incoming products in a large industrial value chain and how to address these situations, but basically, the only way to protect the industry against this is by using tariffs. You have to be able to put a level of tariff that doesn't create an asymmetry within North America. Again, we are in a North American market, with Canada, the U.S. and Mexico. The endgame has always been the U.S. This is where the all the metal ends up going.

The problem has always been, in situations like these, when one or two of the three countries put tariffs at a given level and there's the third country that doesn't follow suit, the metal will seep into that country. It seeks the path of least resistance. It comes in and then it floods the market and takes over market shares.

What they very often will do is, if you put a tariff on a product at level B, you will see metal coming in through level C, semi-finished products. It's the same metal but it's just been processed down the tariff codes. You need to be very vigilant.

Canada has put in a very useful tool now, which is the smelt and cast provision, where you have to declare the country of provenance and the country of second cast, which will help give transparency, visibility on what is coming in.

The other part that you want to use is tariffs to increase the cost to come in in order to protect your domestic production.

● (1305)

Dan Mazier: Would that tariff protect—

The Chair: We are way past our time. Thank you.

Mr. Danko.

John-Paul Danko: Thank you, Chair.

Thank you to the witnesses who have joined us today.

As a structural engineer, I've worked for 20 years in heavy civil. At one time, I was working on the largest construction site in Canada at Pearson airport. I'm always inspired by the skill, the ingenuity and the hard work that Canadian labour brings to the job site each and every day.

I want to start with a couple of questions for Mr. Hare and Mr. Plante.

You both spoke in strong support of the buy Canadian policy, recognizing that there may be some changes and improvements. That's what we're trying to achieve here at this committee. You both talked about the importance of workforce development.

Mr. Plante, I'll go to you first.

Earlier this year, the federal government announced the team Canada strong initiative, with $8 billion toward developing apprentices and workers in the skilled trades and $2 billion for workforce development. There's a $10,000 incentive for employers to bring on apprentices. There's a training grant for apprentices while they're going through their training and then a $5,000 certification bonus when they get their seal at the end of their training.

How important is developing the workforce at the same time that we are investing billions and billions of dollars in these large construction projects across the country?

Ryan Plante: I think they go hand in hand. It's not only important to develop Canada's next generation of skilled trade workers while we look down the road at massive amounts of projects across Canada, whether they are nuclear, mining or all kinds of different industries. We also need to do that collectively and early. We can't get a project in front of us without having the workforce ready to deliver that project.

When we look at our nuclear sector, we're completing these projects on time, sometimes under budget and ahead of schedule, while training the next generation of nuclear workers to build the next nuclear renaissance that we see in this country.

I do believe that the investment is much needed, and it goes hand in hand with the ability to recruit new workers. While we recruit them, we can show them a pathway to a generous career in the skilled trades.

I like to say “career” because I think it's really important that we're providing careers, not just jobs or small jobs in particular, where they would have to go from one job to the next job. They can see, with these major programs and these major projects, that they can finish a career inside the trade that they started. That's something that helps us recruit new members.

John-Paul Danko: Mr. Plante, I'm short on time. I apologize for cutting you off.

Mr. Hare, I want to give you some time to talk about something you mentioned that I think is really interesting.

You talked about project labour agreements and community benefits as being part of the evaluation criteria for federal tendering. The buy Canadian policy that we're talking about is part of the tendering process. It's an evaluation of the bid, bid by bid. Could labour agreements and community benefits be part of the evaluation process, as part of the buy Canadian policy? How would you see that working?

Nigel P. Hare: I think it's an important part of the process. I think it could allow the money that's being spent to do double duty and make sure it's a lasting investment, as opposed to just the dollars spent for the project.

I've had the privilege, over the years when I was in the field, to work on a number of big projects. I've seen stuff done with good intent that didn't have a lasting outcome. They had a local person pumping gas. I worked with that person 20 years ago. Where are they now? I don't know, because I don't know what the transferable skill is from pumping gas. I'm not discrediting someone who pumps fuel. I worked with a young apprentice rodworker. Where are they now? They're a journeyperson rodworker. They have a career and everything else.

If we're going to spend Canadian taxpayers' money, we need to make sure it does double duty. If it costs several cents more on the front end, it more than makes up for it on the back end.

● (1310)

John-Paul Danko: Thank you, Chair.

The Chair: Thank you very much everyone.

Witnesses, we appreciate your being with us today.

Mr. Hare, while you're here, I will give a shout-out to one of your colleagues, Mr. Parton, who's with Local 97 in the Lower Mainland. He's been helping us out on the issue of human smuggling, trafficked workers and illegal workers on federal infrastructure.

Mr. Parton, I know you're glued to OGGO at all times, so thanks for tuning in.

That was just a shout-out to one of your colleagues.

Again, witnesses, thanks for being with us today. We appreciate all of your feedback.

If there's nothing else, colleagues, we are done. I will remind you that we're not here Thursday, because it is budget day.

With that, we are adjourned.

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