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# Standing Committee on Government Operations and Estimates

EVIDENCE

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Friday, April 29, 2022

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Chair: Mr. Robert Kitchen





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• (1305)

[English]

**The Chair (Mr. Robert Kitchen (Souris—Moose Mountain, CPC)):** I call the meeting to order.

Greetings, everybody, and welcome.

It's so nice to hear other people enjoying the nice weather and seeing that around. If you want to come to Saskatchewan, you're welcome to deal with the snow that we're dealing with there, but that's okay; we'll leave that alone.

Welcome to meeting number 16 of the House of Commons Standing Committee on Government Operations and Estimates.

Today we will hear from the Minister of Public Services and Procurement and officials regarding the main estimates 2022-23, the departmental plans and her mandate letter.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely by using the Zoom application.

Regarding the speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members, whether they're participating virtually or here in person.

I'd like to take this opportunity to remind all participants of this meeting that taking screenshots or photos of your screen is not permitted.

Given the ongoing pandemic situation and in light of the recommendations from public health authorities, as well as the directive of the Board of Internal Economy on October 19, 2021, and to remain healthy and safe, the following are recommended for all those attending the meeting in person.

Anyone with symptoms should participate by Zoom and not attend the meeting in person. Everyone must maintain two-metre physical distancing whether seated or standing. Everyone must wear a non-medical mask when circulating in the room. It is recommended in the strongest possible terms that members wear their mask at all times, including when seated. Non-medical masks, which provide better clarity over cloth masks, are available in the room.

Everyone present must maintain proper hand hygiene using the hand sanitizer at the room entrance. Committee rooms are cleaned before and after each meeting, but to help us maintain this, we encourage everybody to clean the surfaces such as their desks, their

chair and their microphone with the provided disinfectant wipes when vacating or taking a seat.

As the chair, I will be enforcing these measures for the duration of the meeting. I thank members in advance for their co-operation.

I thank those who have come today for dealing with the brief technical issues we have had. I appreciate your bearing with us. It's nice to have everybody here officially. That's why it's helpful if people can show up at least five or 10 minutes early so we can do that and start on time.

With that said, I would like to welcome the Minister of Public Services and Procurement and her colleagues. I would invite the minister to make her opening statement.

Go ahead, please.

**Hon. Filomena Tassi (Minister of Public Services and Procurement):** Thank you, Mr. Chair.

Good afternoon, committee members, and thanks for inviting me to appear before you today.

Let me begin by acknowledging that I'm participating from my home town of Hamilton, which is located on the traditional territory of the Haudenosaunee and Anishinabe peoples.

With me from PSPC are my deputy minister Paul Thompson and associate deputy minister Arianne Reza, as well as other department officials.

From SSC, there is president Sony Perron and assistant deputy minister and chief financial officer Samantha Hazen, as well as other department officials.

I am pleased to be here for the first time as Minister of Public Services and Procurement and Minister responsible for Shared Services Canada to discuss my mandate letter as well as the fiscal year's main estimates and departmental plans for both PSPC and SSC.

I also want to take a moment to thank the committee and its members for being so accommodating and agreeing to reschedule my appearance after my medical issue that forced me to cancel the previously scheduled meeting. You have also offered your get-well wishes to me through my parliamentary secretary, and I'm deeply grateful for that.

Mr. Chair, PSPC has a wide-ranging mandate and touches on many aspects of daily and long-term government operations. As a common service provider, the department works to support the whole of government as it serves Canadians, from procurement to managing government buildings to being the pay and pension administrator for the public service and more.

Similarly, SSC delivers a wide array of IT services to government organizations so that they in turn are positioned to deliver digital programs and services that meet the needs of Canadians.

The array of commitments I have been asked to deliver on are complex, multi-year and often multi-mandate endeavours. Many of these priorities build on work led by my predecessors, and I'm honoured to continue delivering these important commitments for the benefit of all Canadians.

Let me begin by speaking about the important role that PSPC continues to play to support Canada's ongoing response to the pandemic.

While our aggressive procurement approach has resulted in a secure supply of vaccines and PPE, there is still more to do. Rapid tests and therapeutics are in high demand across the globe, and we are working to ensure we have enough supply of those commodities. We will continue working closely with our public health counterparts to secure whatever is needed as we make our way to the other side of this pandemic.

To date, Canada has procured and received 604 million rapid antigen tests, 598 million of which have been distributed to provinces and territories. We have contracts for nine different therapeutic treatments, giving us access to 1.7 million treatment courses.

Canada has contracts in place with the world's leading vaccine suppliers for all vaccines currently approved by Health Canada, as well as access to supplies of future formulations that will protect us against variants. Today the Prime Minister announced the next steps in assuring that Canada has a secure domestic supply of the latest vaccines through an agreement with Moderna to set up a manufacturing facility in the Montreal region. Tens of millions of N95 respirators are being produced in Canada every month, thanks to our long-term contracts with Medicom and 3M.

In short, Mr. Chair, PSPC and our whole team continue to deliver for Canada and Canadians as we work to finish the fight against COVID-19.

At the same time, another crisis has emerged on the world stage, requiring a global response. We have all witnessed the horrors unfolding in Ukraine following Russia's unprovoked and unjustified attack on that sovereign nation.

Now more than at any time since the Second World War, it is essential for all democratic nations to stand united and unflinching in our support of Ukrainian sovereignty. We are working with our

partners in government and abroad to facilitate and provide the necessary logistics in order to support the Government of Ukraine as well as the people of Ukraine, both for those who are staying to fight and for those who are fleeing the horrific violence.

Additionally, when it comes to protecting Canadians, our government is dedicated to ensuring that the Canadian Armed Forces have what they need to deliver on commitments at home and abroad. We continue with ongoing delivery of defence procurements. That includes the purchase of new fighter jets for the Royal Canadian Air Force. Following a rigorous evaluation of the proposals, the government has entered into the finalization phase of the process with the United States and Lockheed Martin. We are on track to reach an agreement later this year with delivery of the aircraft as early as 2025.

• (1310)

We also continue to work with our partners to renew the fleets of the Canadian Coast Guard and the Royal Canadian Navy. Shipbuilding involves a complex and challenging process and work, and we always seek to make improvements so that we can meet the objectives of the national shipbuilding strategy.

Procurement is an important part of my mandate. It's also a powerful lever that we will be using to drive just and inclusive economic prosperity. I'm very happy to say that we are making progress in this regard. For example, as we continue to walk the path of reconciliation, we are leading the implementation of a requirement to ensure that a minimum of 5% of the value of federal contracts is held by businesses led by indigenous peoples—first nations, Inuit and Métis.

More broadly, my department has launched a supplier diversity action plan that includes pilot projects to increase the participation of under-represented groups in federal procurement. For example, our Black business procurement pilot project led to the government awarding a series of contracts, and we received important feedback from the community about the process. Pilot projects such as this one are guiding changes to policies and processes that will help remove barriers to full participation in procurement for all suppliers.

Mr. Chair, in addition to levelling the playing field for under-represented businesses, we are doing our part to tackle forced labour. This is a concerning reality internationally, and we will support the Minister of Labour in introducing and implementing legislation that keeps our supply chains free of human rights abuses. In the meantime, we have introduced clauses in our contracts that place the onus on suppliers to keep their supply chains free of forced labour. Those that fail to do so will have their contracts terminated.

The department has other important work under way, including the renovation and rehabilitation of the parliamentary precinct. This is highly complex, multi-decade work that will continue to honour our history while ensuring that these iconic buildings meet the needs of a 21st century Parliament.

My department also continues to support environmental sustainability in government operations. As an example, with our energy services acquisition program we are modernizing the district energy system that heats and cools 80 buildings in the national capital region. We have already cut greenhouse gas emissions by 57% from the baseline year of 2005, and we are on track to meet our goal of being net zero by 2030.

Mr. Chair, public servants have worked tirelessly to support these and so many other government efforts. Like all workers, they deserve to be paid accurately and on time. This remains a top priority, and we continue our efforts to resolve the backlog of pay transactions and stabilize pay operations. Concurrently, Shared Services Canada is advancing work on the next-generation human resources and pay solution, one that is flexible, modern and integrated.

Like PSPC, Shared Services Canada plays a vital role in supporting government operations. Of note, SSC is working on several fronts to provide public servants with modern tools and updated government IT systems and to deliver digital services to Canadians that are secure, reliable and easy to use at any time from any device. I would also note that throughout the pandemic, SSC has adapted to new realities—for example, by launching new online collaboration tools for public servants working from home.

Similar to PSPC, SSC will continue to advance government-wide initiatives to increase the diversity of bidders so that more companies have access to government IT contract opportunities.

Mr. Chair, I have touched upon just a fraction of the important work of PSPC and SSC as outlined in each departmental plan and in my mandate letter. To deliver on our mandate and help PSPC continue to deliver on these priorities this fiscal year, we are requesting just over \$4.6 billion in the 2022-23 main estimates. As for SSC, we are requesting that the department's reference levels increase by \$710.8 million to \$2.6 billion.

I'm happy to take your questions regarding the main estimates, departmental plans and my mandate letter.

Thank you, Mr. Chair.

• (1315)

**The Chair:** Thank you, Minister.

We are so pleased to see you here and so pleased to see that your emergency has been resolved and you have come out very well. Hopefully our questions will not be as drilling as what you—

**Some hon. members:** Oh, oh!

**The Chair:** —have had to deal with.

With that said, we will start our questions with Mr. Paul-Hus for six minutes.

[*Translation*]

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Thank you, Mr. Chair.

Good morning, Minister. This is your first appearance before our committee in your current position. I welcome you.

My first question is about the aircraft. As you know, in 2015, Mr. Trudeau said that buying the F-35 was out of the question. Suddenly, on the morning of Monday, March 28, you were told that you were holding a press conference to announce that the government is moving forward on the F-35.

Were there any discussions on this subject within cabinet before arriving at this decision or were you taken by surprise?

[*English*]

**Hon. Filomena Tassi:** First of all, let me say that in 2016 we made the commitment that we were going to purchase 88 fighter jets. That was a commitment that was made in 2016, and we reached another milestone recently with entering into the finalization stage with Lockheed Martin on this very important procurement.

[*Translation*]

**Mr. Pierre Paul-Hus:** Okay, but I wanted to know if, prior to the announcement, there were any discussions that led to the decision to go ahead with the F-35 and if you were involved in those discussions. If so, was it mentioned that if there were problems in the negotiations, the Gripen aircraft would be chosen instead?

[*English*]

**Hon. Filomena Tassi:** What I'd say in response to that, Mr. Paul-Hus, is that you know that I can't speak about anything that was spoken about in cabinet; that would be a violation or a breach of cabinet confidence.

What I will say is that this process was extremely important to our government. It was important to get this right, and every step of the way we wanted to ensure that we had an open and competitive process. We were happy to see three bidders come in, and we are delighted that now we have reached the finalization stage with Lockheed Martin.

[*Translation*]

**Mr. Pierre Paul-Hus:** Just on the competitive process, I'd like to know why the Boeing Super Hornet was left out of the race.

• (1320)

[English]

**Hon. Filomena Tassi:** I would first say with respect to the process that I have been engaged throughout this process, and I am confident in the process and pleased with the process.

With respect to the qualification of bidders, what I can say is that we can't get into details with respect to that aspect, but every bidder had the opportunity to meet the requirements and the mandates that were placed before them, and the process unfolded in that manner.

[Translation]

**Mr. Pierre Paul-Hus:** From what I've heard, the Boeing Super Hornet was ruled out because its safety and information transmission capabilities did not meet Canadian criteria. Yet this aircraft is used by the US Navy. So I have a hard time understanding that this is the real reason. I wonder if there is not something else behind this decision.

Let's talk about something else. In the fall of 2020, about a year and a half ago, I asked your predecessor, Ms. Anand, when Davie Shipbuilding would be recognized as the third shipyard in the national shipbuilding strategy. Fifteen months later, we still have no news.

Can you tell us more today, especially since your mandate letter mentions it?

[English]

**Hon. Filomena Tassi:** First I just want to reaffirm, MP Paul-Hus, that I am very confident in the process on the procurement of the fighter jets, and I think the procurement process was a necessary one. It was rigorous, and at the end of the day, we're going to end up with the best plane at the best price with the greatest economic benefit for Canadians. I truly believe that and I am happy about the process.

With respect to the shipbuilding strategy, I'm very pleased with this strategy, and I know that with respect to the—

[Translation]

**Mr. Pierre Paul-Hus:** The question is more about the incorporation of Davie into the strategy. Ms. Anand said in the fall of 2020 that this was coming, but we still haven't heard anything. Will it be soon?

The problem is that the government announced the construction of two polar icebreakers and said that Seaspan Shipyards and Davie Shipbuilding would each build one. However, until Davie is accepted as a partner in the national shipbuilding strategy, nothing will happen.

I'd like an update on that, please.

[English]

**Hon. Filomena Tassi:** Yes, it's an important question, and I'm happy to provide an update.

What I will say is that we are working very closely with Davie on the qualification to be the third shipyard. We are engaging with them on an ongoing basis, working with them every step of the

way. We know that Davie is a strong, reliable partner and is doing significant work to help the government deliver for Canadians.

We look forward to continuing to work with Davie in this process and we will see the process through, but the engagement is constant, and both parties are working very hard together to get through this process.

[Translation]

**Mr. Pierre Paul-Hus:** That's great, thank you.

Last Tuesday, the committee received your colleague Ms. Fortier, the President of the Treasury Board. I asked her a question about a report by the parliamentary budget officer that showed \$15 billion in spending on military procurement that was not in the budget. No one could explain what it was. Ms. Fortier didn't really know, and the response from one of the officials with her was not clear either. I think the parliamentary budget officer knows the workings of the budget cycles better than we do. We are still in a grey area.

At the Department of Public Services and Procurement, do you know if there are any contracts or amounts that have been planned for military procurement, but that have not yet been included in the budget?

[English]

**Hon. Filomena Tassi:** Let me just say that on defence, we're going to continue to work to procure what is asked of us from the Department of National Defence. However, I'm happy to pass that over to my officials to respond with respect to the specifics of the question.

**The Chair:** Thank you, Minister.

I apologize to the deputy minister, but due to timing, if you could provide that information in writing to the clerk, that would be appreciated.

I see that Mr. Kusmierczyk is back. We'll go to Mr. Kusmierczyk for six minutes.

**Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.):** Thank you very much, Mr. Chair.

Minister, it is wonderful to welcome you back to the committee. Thank you so much for your introductory remarks.

Canadians want reliable and fast access to government services online, and I would say that this has become more true during COVID than at any other time. At the same time, staff are looking for fast and reliable digital tools and platforms for collaboration across ministries and across teams as well. They're looking for software that is fast, reliable, collaborative and responsive.

In the main estimates, we see a transfer of \$158.8 million from other government departments, OGD, to Shared Services Canada, SSC, for the Government of Canada information technology enterprise service model. Can you provide us with the purpose of this funding?

• (1325)

**Hon. Filomena Tassi:** Thanks for that important question, MP Kusmierczyk.

I agree with you in terms of ensuring that there's consistency across government. We want to make it easy and we want to be up to date in terms of the technological piece, which is what this transfer is going to do. It will help support the implementation of what is referred to as IT-ESM, the information technology enterprise service model, as an enterprise approach for managing IT services.

That gets to the point of your question. The government is implementing this to enable enterprise-focused, IT-focused decision-making, structures and processes; introduce IT service standards; enhance IT planning; and provide predictable and stable government IT infrastructure funding.

We think that this is very important, particularly at this time. The implementation of this will appropriate enterprise services to SSC, while SSC will continue to cost-recover for department-specific services.

**Mr. Irek Kusmierczyk:** Minister, as I understand it, this is part of SSC 3.0, the enterprise approach.

I want to ask you whether it is more internal facing, in terms of helping out officials and public servants in working together, or is this also going to help the user experience? Is that also part of this investment and this new 3.0 approach?

**Hon. Filomena Tassi:** My understanding is that it's more expansive, but I'm happy to turn that over to Sony to expand on that.

**Mr. Sony Perron (President, Shared Services Canada):** Thank you, Minister.

Mr. Chair, the work around SSC 3.0 is about creating a platform that allows public servants to work internally and effectively but also provides Canadians with the right digital tools. It's both.

When it comes to the \$158 million that you referred to earlier, it's about eliminating a lot of the transactional activity between the departments. This money is not new spending; it's just that it has been consolidated. Shared Services Canada is providing the service to all of the departments without having transactions for every demand.

It will also help us to optimize around mobile phones, email, mainframe services. Mainframe is the tool that many of the large departments providing service directly to Canadians are using to process a magnitude of data. It's important. It's changing the way we are doing the service. Rather than having 40 departments doing it on their own and submitting orders, it enables SSC to provide the services in a seamless way to try to gain efficiency and continue to reinvest in the infrastructure.

We secure, we stabilize, and we make it reliable over time. We eliminate a lot of the transactions around it. We make it simple for the enterprise with the right solutions.

**Mr. Irek Kusmierczyk:** That's amazing to hear, especially knowing just how complex the digital world is in government across so many ministries and across so many employees. That's terrific. I really do appreciate that.

I want to switch gears a bit from the digital infrastructure and the investments we're making in digital infrastructure to physical infrastructure.

It is my understanding, Minister, that you hold real property, a federal government file, as part of your portfolio. Can you share with us an overview of real property that PSPC oversees and what the budget is doing to help us to green buildings?

**Hon. Filomena Tassi:** I think it's an important question, because when we have opportunities like this to demonstrate leadership when we control buildings, we have an opportunity to move forward to demonstrate our commitment to take action to reduce greenhouse gas emissions from them.

As has been mentioned in my introductory notes, this year alone we have reported a 57.6% reduction in greenhouse gas emissions from our buildings as compared to the baseline in 2005-06. That is significant. We do have plans for ongoing work, and these plans are going to lead us, we estimate, to an 82% target reduction of greenhouse gas emissions by 2025 and put us in a very good position to achieve net zero by 2030 for our building portfolio.

● (1330)

**Mr. Irek Kusmierczyk:** Those are absolutely exceptional numbers, Minister. Thank you so much for your leadership on the greening government side of things.

Mr. Chair, how much time do I have? I do have a follow-up question.

**The Chair:** Thank you. The clock just went. I appreciate that, Mr. Kusmierczyk.

We'll now go to Ms. Vignola for six minutes.

[Translation]

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** Thank you very much, Mr. Chair.

Good morning, Minister.

As usual, I have a series of questions, but I only have six minutes.

In your mandate letter, it is mentioned that your department must continue to promote the diversity of bidders for public contracts, which is an excellent thing. I will always support positive discrimination.

This being said, can you assure us that it is and will always be positive discrimination, not exclusion?

[English]

**Hon. Filomena Tassi:** Thanks, MP Vignola.

I think this is an important item in my mandate in my role as minister of PSPC and Shared Services Canada. I think we have real opportunities here, and significant work is under way to ensure that we open up diversity to those who are trying to secure procurement contracts with the government—

[Translation]

**Mrs. Julie Vignola:** We agree on that, but I just want to make sure there's no exclusion. We agree that it is important that business owners from diverse groups have confidence in their ability and know that they will be accepted. The openness to positive discrimination brings this confidence. However, I want to make sure that there is no exclusion in the process and that the criteria are met for everyone.

[English]

**Hon. Filomena Tassi:** Just so that I am clear on the question—and I agree with you with respect to ensuring that this process is open and fair and brings down barriers—are you asking if there's going to be a specific exclusion for a certain type of business to procure a contract? Is that the question you're asking, that a specific exclusion would exist in the policy?

[Translation]

**Mrs. Julie Vignola:** That's right. I just want to make sure that no one, anywhere, is going to discriminate and that the best bidder gets the contract, no matter what company it is and who owns it.

[English]

**Hon. Filomena Tassi:** It's not my intention to have a situation of a specific exclusion. I mean, the only time a company would be excluded is if in fact the integrity regime isn't satisfied, or they, through their own behaviour, have undertaken actions or initiatives that have sort of taken them out of the qualification process, but not a specific exclusion.

[Translation]

**Mrs. Julie Vignola:** Thank you very much, Minister.

Recently, \$109 million was reinvested in the Phoenix payroll system. I understand that some of the known problems with Phoenix are caused by the fact that there are many collective agreements, that's obvious. We also know that there are always thousands of transactions every month to try to fix the problems that occur with each paycheck as well as past problems.

That said, how much more money do you think will have to be invested in Phoenix until ProGen, the next generation HR and payroll system, is finally ready?

[English]

**Hon. Filomena Tassi:** Let me say that I agree with you in terms of your point that it's important that we resolve this issue. I will say that our government is committed to resolving it. We are doing everything we can to ensure that employees are paid on time and paid accurately, and we are making progress in terms of the numbers. As of March 30, the backlog has been reduced by 64%—

[Translation]

**Mrs. Julie Vignola:** Yes, I am aware of these figures, they are interesting, and it is indeed important to reduce the backlog. However, do you think we will have to invest more money in Phoenix, like the \$109 million invested recently, until we have a solution that works? So far, in the trials, the ProGen system hasn't been working so well.

• (1335)

[English]

**Hon. Filomena Tassi:** What I would say is that that, number one, we are going to make the investments needed in order to ensure that the employees are paid on time and accurately. Second, we're going to continue the exploratory phase with respect to NextGen and the pay solutions and the human resource piece, because we have to get this right. We can't stop now. We have to continue.

It's my commitment that we're going to continue to move forward, and whatever investments are required in order to get this right, we want to make those investments, because we can't have public servants who don't have their pay and therefore can't put food on the table.

[Translation]

**Mrs. Julie Vignola:** Indeed, public servants deserve to be paid. We agree on that.

Your mandate letter also concerns Canada Post. From one year to the next, the government invests approximately \$22,210,000 in Canada Post, if I remember correctly. That said, in recent years, the government has also invested in Amazon Web Services, FedEx, and UPS, companies that compete directly with Canada Post. To be profitable, Canada Post needs to modernize. We've talked about this before. While the crown corporation has invested and continues to invest in modernization, it does not have the same resources as private companies.

Does the government intend to give Canada Post a boost so that it can complete its modernization and compete with the big American companies?

[English]

**The Chair:** Minister, I apologize for interrupting. It was a great question, but the unfortunate part is that we don't have time for an answer. If you feel that you can provide an answer to the committee in writing, it would be appreciated.

We will now go to Mr. Johns for six minutes.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Thank you, Minister. Thank you for being here today. I'm glad you're feeling better.

Late last year, the government—the Privy Council Office—conducted polling regarding Canada Post that raised the possibility of restructuring and of cuts to services and jobs. The poll asked about closing rural post offices, moving remaining door-to-door home deliveries to community mailboxes, reducing the frequency of mail delivery and using more automation to replace Canada Post workers.

News of this polling, as you can imagine, Minister, was understandably concerning for postal workers and for Canadians who rely on Canada Post. The poll was conducted prior to the release of your mandate letter, which asked you to “ensure that Canada Post provides the high-quality service that Canadians expect at a reasonable price and better reaches Canadians in rural and remote areas.”

Who commissioned this polling and why was it done?

**Hon. Filomena Tassi:** That's an excellent question, MP Johns, and I'm happy to have the opportunity to speak about it.

Look, this polling...and you're absolutely right about my mandate letter. I totally understand that. We want to ensure that we work with Canada Post to get them to a place where they are self-sustaining. That's the goal.

We recognize how important Canadians believe Canada Post is in terms of the services they provide. I've had stories about medicines during COVID that needed to be delivered, and the Canada Post workers continued to make those deliveries, so there's great gratitude to Canada Post and their workers.

With respect to the survey specifically, let me say this. It's critical for us to understand where Canadians are with respect to their relationship with Canada Post. We know that COVID-19 has changed many things, and it's critical as we move forward, as we make decisions and work with Canada Post, that those decisions are based on an understanding of what Canadians' views are with respect to their relationship with Canada Post. That information is information that is important.

I've had meetings with Canada Post as well as CUPW, and if you have any information that you want to share with me, please provide it, because the government wants to be armed with all that information so that we can make the right decisions with respect to guidance with Canada Post and working with them.

**Mr. Gord Johns:** Minister, I don't think this is.... You just cited the sacrifice of Canada Post workers through COVID to ensure that Canadians stayed safe. This isn't the way to reward them, by asking questions that are leading. Some of the questions were actually false information, as you are well aware, about the structure of Canada Post, such as that it's a stand-alone corporation. I have deep concerns around that.

I want to know what the plans are for Canada Post from your government and whether you will be transparent with Canadians and postal workers about those plans.

• (1340)

**Hon. Filomena Tassi:** First and foremost, let me say that there was no intention to mislead. If there was any misleading in that, it was not the intention of the survey.

I totally agree with you. We are grateful to those postal workers who worked through COVID and who took measures to keep Canadians safe as they delivered parcels and mail. I have great respect and gratitude for that service.

My focus here is in understanding how strongly Canadians feel about this. We recognize that the postal service is important to them. We want to be responsible in gathering information so that as we work with Canada Post moving forward, we're working in a way that lines up with our response to the desires and priorities of Canadians.

**Mr. Gord Johns:** Okay, Minister; I appreciate it.

There were promises made in 2015 to restore mail service delivery that haven't happened. I want to talk about the future.

I want to talk about the record profits of the big banks in this country. Communities across this country have seen branches being closed by those same banks that have had record profits, especially in rural and remote communities.

Many indigenous communities are underserved, leaving residents without access to financial services or relying on predatory payday lenders or businesses that gouge them when they want to cash their cheques. Most indigenous communities, as you know, have no access to a bank branch, especially in Nunavut, where it's a huge issue. This contributes to systemic inequities.

Postal banking could help Canadians access more affordable, quality banking services where none are currently available. Your pilot tests have been very positive. The Canadian postal workers union supports postal banking, and the revenue generated could help support Canada Post's other services.

Will you work with Canada Post, and us, to begin developing postal banking for Canada, as they've done in Australia? It actually shows profit there.

**Hon. Filomena Tassi:** I know that postal banking has been talked about for a long time. That conversation has been ongoing since I was elected in 2015. We are providing pilots in order to get the information so that we can be successful as we move forward. We're doing pilots with postal banking. We're also doing pilots with setting up a hub.

You speak about indigenous communities and the services that are needed, so my commitment—

**Mr. Gord Johns:** Minister, can we get a commitment from you that you're going to further this? This is a really key and important aspect for reconciliation through Canada Post and for your department. This is an opportunity.

**Hon. Filomena Tassi:** Canada Post, as you know, is an independent Crown corporation. We are going to work with Canada Post as they move forward. We are going to take all of the information we've received from Canadians. We are going to take the results of the pilots we are running in order to work with Canada Post to bring them back to being self-sustaining and, who knows, to maybe even making a profit in what they are doing.

**Mr. Gord Johns:** They want to know. Those communities that are underserved want to know that you're committed.

**The Chair:** Thank you, Mr. Johns, and thank you, Minister.

We'll now go to our second round, and we will start with five minutes with Mr. McCauley.

**Mr. Kelly McCauley (Edmonton West, CPC):** Thank you, Mr. Chair.

Minister, welcome to OGGO.

With regard to the F-35, if we sign the contract today, when would we start seeing delivery for the RCAF?

**Hon. Filomena Tassi:** The plan right now is that we hope the finalization stage will result in a contract by the end of this year, and if it is signed, delivery will begin in 2025.

**Mr. Kelly McCauley:** Where are you getting 2025 from?

The reason I ask is that I have an associate who is senior in U.S. defence on the procurement side, and he's saying that because we've waited so long, the earliest we could expect them to roll up the line is 2030, so where is 2025 coming from, please?

**Hon. Filomena Tassi:** I'm happy to turn that over to Simon, but before I do that, let me say this.

**Mr. Kelly McCauley:** We're short on time.

If you don't have the answer, could we get Mr. Page to answer quickly, please? I have a lot of questions.

**Hon. Filomena Tassi:** Absolutely.

**Mr. Simon Page (Assistant Deputy Minister, Defence and Marine Procurement, Department of Public Works and Government Services):** Thank you for the question.

The date is a project date. It's according to the overall schedule of the project, so the 2025 ambition is according to where we are—

• (1345)

**Mr. Kelly McCauley:** I'm sorry. On whose schedule is it based? Is it yours? Whose is it?

**Mr. Simon Page:** The schedules are usually the client's schedules. In this case, it's DND. We manage a schedule with them, because eventually the contract—

**Mr. Kelly McCauley:** Mr. Page, let me interrupt. This sounds like another one of our ongoing questions with the answer of “Well, you know, this is a group answer.”

Are you saying you have a definitive answer that it's 2025, or is this again a...?

**Mr. Simon Page:** From a PSPC point of view, we are responsible for conducting the finalization phase. This finalization phase is ongoing at the moment.

**Mr. Kelly McCauley:** Where is 2025 coming from? Have you been told that specifically by the manufacturer or the U.S., or is this wishful thinking on behalf of the PSPC and DND?

**Mr. Simon Page:** It's being discussed now as part of the finalization phase. We cannot get into these details at this time.

**Mr. Kelly McCauley:** Why can you not get into these details at this time? It's a very simple question on delivery.

**Mr. Simon Page:** It's a simple question, but it's part of our finalization phase. A finalization phase is the equivalent of negotiations, and negotiations are not to be discussed until—

**Mr. Kelly McCauley:** It seems funny that the answer to every question we ask is always “Well, it's part of negotiations.”

The U.S. is saying 2030 because there are so many people in front of us and there are only so many F-35s being made. You're saying 2025, but maybe not, because of negotiations.

I think Canadians deserve an answer. Do you?

**Mr. Simon Page:** The ambition through the finalization phase... All finalization phases are ongoing now. The schedule is a key piece of it, and so are other key pieces, so we are—

**Mr. Kelly McCauley:** Where did 2025 come from, if it's part of a negotiation you can't discuss? Where did that number come from?

**Mr. Simon Page:** At the outset, with the client departments when the project is stood up, a project schedule will be derived. That project schedule is embraced at the DPS level with PSPC and ISED, and then we move out with a solicitation process and some of the elements of the project framework. As we go along, the schedule matures as we get more details and—

**Mr. Kelly McCauley:** Let me interrupt you.

You have a wonderful word salad there, Mr. Page, and I'm sorry for being pointed, but I'm looking for a straight answer. Where did the 2025 date come from? DND is not negotiating with the U.S. on this contract; PSPC is.

Where's 2025 coming from?

**Mr. Simon Page:** It is a project date. The future fighter capability project date for delivery of the F-35s is 2025.

**Mr. Kelly McCauley:** What is that based on?

**Mr. Simon Page:** Based on the analysis that was done during the definition of this project, which is still ongoing. This project remains in the—

**Mr. Kelly McCauley:** Thanks, Mr. Page.

I'm going to pop back to the minister.

In January, at the meeting you unfortunately missed, we discussed a press conference where PSPC said we might announce the fighter decision soon or we might delay making it for up to another 12 months, based on squeezing out more benefits.

Whose decision was it to perhaps delay the decision for another 12 months? I think this was a January 10 press conference.

That's to the minister, please.

**Hon. Filomena Tassi:** MP McCauley, I'm not clear on the question that you're asking. You're—

**Mr. Kelly McCauley:** In January this year, PSPC held a press conference. When asked about the decision for the F-35, the answer was, “Well, it could be now, or we may delay.” In committee, we asked how long that delay could last, and we were told “Well, it could be another 12 months.” We asked specifically who made the decision, and we got the usual bureaucratic non-answer.

Who made the decision to perhaps delay the decision for another 12 months?

**Hon. Filomena Tassi:** If I understand properly, I think what you're referring to is the competitive dialogue. If we had not gone to finalization and we had gone to competitive dialogue, that would have taken an extra 10 to 12 months.

**Mr. Kelly McCauley:** It was extending negotiations between Saab and Lockheed Martin.

**The Chair:** Thank you, Mr. McCauley.

Minister, if you have anything further you'd like to add to that answer, please, by all means, submit that to the committee, or perhaps Mr. McCauley can ask that later in the day.

I want to emphasize to all committee members that the minister has agreed to be with us for the full two hours, and we really appreciate her agreeing to that.

We'll now go to Mr. Bains for five minutes.

• (1350)

**Mr. Parm Bains (Steveston—Richmond East, Lib.):** Thank you, Mr. Chair, and thank you to the minister. It's great to see you here today.

It was great to see that you gave so much attention to British Columbia last week. You visited Vancouver, Richmond, and the Seaspan shipyard. You know how important that is to our marine sector on the west coast.

I'm wondering if you had any new ideas from this visit that could help improve the national shipbuilding strategy.

**Hon. Filomena Tassi:** First and foremost, MP Bains, it was absolutely fantastic to visit Seaspan as one of our partners. As a woman who is a daughter of a steelworker and grew up in a steel town, it was remarkable to see what is happening at that shipyard.

I know that the shipbuilding business is not an easy one, but I'm so proud of the innovation of the work and the economic benefits and job creation that the national shipbuilding strategy is contributing. I was able to see that first-hand.

In addition to that, I was able to see the other benefits that are being realized by other businesses across the country. I had the opportunity to visit OSI as well, and to see that OSI now has contracts with other shipbuilding companies around the world because it got its start from the national shipbuilding strategy. It is successful. It had to hire more employees. The demand for employees is skyrocketing.

It was a fantastic visit, and it really helped me appreciate what an amazing endeavour has been undertaken by our shipyards. To see it first-hand was really remarkable.

**Mr. Parm Bains:** Thank you for that.

Can you tell us a bit about how you and your team work with these shipyards to develop delivery schedules? What oversights do you have once the ships are being built? What's your involvement in that process?

**Hon. Filomena Tassi:** That's an important question, and there have been challenges. I recognize and understand that. COVID has presented significant challenges, for example, with respect to supply chains and labour shortages. There have been issues that have been challenging. I recognize that, but my department is working very closely with the shipyards.

I would ask Simon to weigh in here to talk a bit about the day-to-day work that the department is doing with the shipbuilders, because I think it's important.

**Mr. Simon Page:** Thank you, Minister.

There are a few things we are doing with the shipyards. We do these things on a very continuous basis through the governance that we have established with those shipyards, through the umbrella agreements, and through our contracts that we manage with them.

One of the key ones I would like to highlight is the earned value management discipline, the EVM, that we have instilled within the national shipbuilding strategy enterprise, not only with the Vancouver shipyard but also with other shipyards. This earned value management discipline enables us to tie together some key data from a scope, schedule, and cost point of view and monitor in real time the progress of our projects. We do this for every project and implementation. We also want to do this for all upcoming projects, eventually improve our tools and apply it across the entire NSS, the national shipbuilding strategy.

We are looking at specific data from workforce management at the Vancouver shipyard. As highlighted by our minister, labour in our shipyards right now, with COVID's impact, is difficult to manage. We're trying to have a very granular look at what's going on from the workforce point of view within the shipyards and how it impacts each one of our projects.

I will also mention that we keep an eye on very high-level measures and metrics with, for instance, the joint support ships. We look at the number of blocks assembled. We look at specific gates, engine loadouts, the number of pipes that are assembled, the cables that are pulled and things like that. On top of the EVM, it gives us a full, comprehensive appreciation of where the project stands.

• (1355)

**The Chair:** Thank you, Mr. Page.

We'll now go to Ms. Vignola again, for two and a half minutes.

[*Translation*]

**Mrs. Julie Vignola:** Thank you, Mr. Chair.

Ms. Tassi, I'm going to come back to Canada Post.

Last year alone, the federal government signed contracts totalling \$24.6 million with Amazon Web Services, which is about \$2.4 million more than the annual amount it invests in Canada Post. That's not counting other contracts from 2011 to 2020 and those with the Canada Border Services Agency.

Is it normal for the federal government and its agencies to do business with American companies instead of a Crown corporation? Doesn't this send the message that the Crown corporation is not even competitive enough to serve the government properly?

Is this not a clear sign that it is time to invest at home to provide services to our citizens?

[English]

**Hon. Filomena Tassi:** Thank you for that question. I'm pleased that we've had the opportunity to come back to it, because I did want time to respond to it.

First and foremost, let me say that we want to work with Canada Post to do everything we can to ensure that Canada Post succeeds at being revenue neutral and that they're able to operate in a self-sustaining way. We want to work closely with them in order to get them to that place. We of course want to be collaborative and work together, because we know that Canadians rely on Canada Post services. That's why it's important that we gather the information and do the other things that we are doing.

With respect to your specific question, we did contract at the beginning of COVID. We put a contract in place, but it wasn't for delivery; it was to access the software that Amazon had in order to help distribute the life-saving PPE to Canadians across the country.

There was a small amount of usage, but this is the most important point: It was not-for-profit pricing. This was based on a cost-recovery basis. It wasn't a service that Canada Post could supply. It was actually the software that Amazon had, so that we could get life-saving PPE to places as quickly as we could.

**The Chair:** Thank you, Minister.

We'll now go to Mr. Johns for two and a half minutes.

**Mr. Gord Johns:** Minister, this government dealt with the momentous and urgent task of procuring COVID-19 vaccines for Canadians. That work has saved lives.

There's now a parallel epidemic going on in this country that has not received the same level of attention and urgency. That's the toxic drug crisis, which is resulting in the deaths of approximately 20 Canadians a day. What will you do to procure a safer supply of controlled substances to stem the tide of toxic drug poisonings that have left too many Canadians without their loved ones?

**Hon. Filomena Tassi:** First, let me say, MP Johns, how much I appreciate your advocacy in this area. I know that you're very passionate and you're working very hard, and I agree with what you are trying to achieve at the end of the day.

Although this may be a bit outside of procurement, I want to say that we recognize that problematic substance use is a health issue. We're working in other areas. We are diverting people who use drugs away from the criminal justice system towards supportive and trusted relationships in health and social services. In budget 2022, we invested an additional \$100 million. That's now over \$800 million that we've committed to support community-led harm reduction, treatment and prevention projects since 2015. We're going to continue to do what we can to save lives to end this national public health crisis—

• (1400)

**Mr. Gord Johns:** Minister, I'm urging you to take this on, and wholeheartedly. A hundred million dollars over three years for treatment, recovery, safe supply, education and prevention isn't even close to adequate when we've lost over 27,000 lives in this country under your government's watch. This is a health and human

rights issue, Minister. I'm asking you to take this on and to help lead with it.

Obviously, today Moderna has applied to Health Canada for approval for a COVID-19 vaccine for children aged six months to six years old. Currently children under five years have no access to vaccines. Since the onset of omicron, more young children have been hospitalized than in the previous waves of the pandemic, and the long-term impacts of COVID infections are clear.

Now, with the sixth wave and the removal of most public health measures, many parents and caregivers are feeling isolated and are understandably eager to get their children vaccinated. Can you confirm that the government has secured the doses needed to vaccinate children under five years old and outline how quickly these vaccines will be distributed to the provinces upon approval?

**Hon. Filomena Tassi:** Thanks for that important question.

For clarification, the \$100 million in this budget was in addition to the \$700 million previously committed since 2015, so the total is \$800 million. I appreciate your passion and I agree with you that we have to continue to do whatever we can to combat this opioid crisis.

In terms of your question on Moderna—

**The Chair:** Minister, I apologize for interrupting you again. Unfortunately, due to time constraints, I have to move on.

We'll now go to Mr. Lobb for five minutes.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thanks very much, Mr. Chair.

Good afternoon, Minister Tassi.

This is the first question I have for you today. In your mandate letter, the National Capital Commission is under your purview. It's in your letter. I wonder if you can give us an update on when Centre Block will be completed. What year will that be? What will the final cost be to taxpayers when it's completed?

**Hon. Filomena Tassi:** With respect to the specifics of that, the costing for Centre Block right now is \$4.5 billion to \$5 billion. I'm very happy to say that the project is currently on time and on budget, and I hope that it continues.

With respect to the completion date, I will turn that over to my officials because I would prefer they give the exact dates so that I don't misrepresent them.

**Mr. Paul Thompson (Deputy Minister, Public Services and Procurement Canada, Department of Public Works and Government Services):** Thank you for the question.

There is a very extensive engagement process with parliamentarians that has the target dates for each element of the project. The block two redevelopment, for example, just went through a design competition. There is a timeline associated with that.

There is the extensive work that's going on—

**Mr. Ben Lobb:** I know that, but can you give me a date when parliamentarians will be back in Centre Block?

**Mr. Paul Thompson:** That date is available. I don't have it at my fingertips, unfortunately. I'll have to get back to you in writing.

**Hon. Filomena Tassi:** Wojo is on. He's got it.

**Mr. Wojciech Zielonka (Chief Financial Officer, Finance and Administration Branch, Department of Public Works and Government Services):** I believe that Centre Block is supposed to be done in 2030-2031. The handover of Centre Block is going to be a year later. There is a transition period, with all of the moving in and everything that happens during that interim window.

**Mr. Ben Lobb:** Thanks.

Minister Tassi, I get comments of outrage from my constituents all the time. They're not toward you, but toward Harrington Lake and the costs associated with fixing up the Prime Minister's second or third property on Harrington Lake. It's the \$11.7 million that was spent and this \$750,000 kitchen that have my constituents pretty hot.

I understand that some of it is for sprinkler systems, but how can it be that a renovation to that place is almost \$12 million, in addition to a brand new one built right beside it just a few years ago? What are we doing with all these properties and why is it costing the taxpayers so much for vacation properties?

**Hon. Filomena Tassi:** With the official residences and the ancillary buildings, which are overseen by NCC—you're right about that—we have work to do in this regard. Many of these buildings are in critical or poor condition. Harrington Lake was in critical condition in 2018.

I prefer that we act so that we do not get to that point. These investments are important. Of course, we want to—

• (1405)

**Mr. Ben Lobb:** Yes, I agree with you, but what about a \$750,000 kitchen? I'm sure you've done some renovations over the years. I've done renovations over the years. I've never heard of a \$750,000 kitchen. Not even Drake's kitchen in Toronto was \$750,000. What do you get for \$750,000? Did you check this out yourself to see it?

**Hon. Filomena Tassi:** I'm happy to follow up with respect to that specific question. As we move forward, we want to ensure that the investments we are making, specifically in official residences, are investments that are responsible, that help us with our gas emissions and greening, that help us with accessibility, that help us with.... Those are important things.

However, I will follow up with respect to your specific question—

**Mr. Ben Lobb:** I'm running out of time here. I apologize.

One other question I have for you is about where Justin Trudeau is living today, not 24 Sussex but at the Rideau Cottage. My con-

stituents read that it's \$600,000 a year that we've spent at his place for the last six years. That's \$3.6 million.

Have you checked into what this would be for? This isn't even what they've spent at 24 Sussex. This is at Rideau Cottage. What's going on with that one?

**Hon. Filomena Tassi:** I think I would turn that over to my officials with respect to expenses on Rideau Cottage.

**The Chair:** Thank you for that. If the officials could submit that information to the clerk in writing, we will distribute it to the committee.

We will now go to Mr. Jowhari for five minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair.

Once again, Minister, welcome to our committee.

Minister, as you know, over the last few months we've been working on two studies on procurement, with the focus on air defence and national shipbuilding.

We've heard from the department, from the PBO and from industry experts. One theme that stands out is the fact that we are continuously facing some serious hurdles when it comes to procurement of defence equipment.

Based on your experience, and with the updates you are getting and observations you're making, what have been these hurdles over the last decade? How will the new procurement process improve not only procurement but also the project management and oversight and the reporting that's required to ensure that these hurdles are highlighted and that we have a way of managing them?

**Hon. Filomena Tassi:** Thanks for that question, MP Jowhari.

What I would say is that in “Strong, Secure, Engaged”, the defence procurement is strong for Canada in our strong, secure and engaged commitment. In fact, two-thirds of the projects in “Strong, Secure, Engaged” are either in the implementation stage, near completion or completed. We have a strong record for delivering.

Yes, there have been some obstacles. COVID-19 is an example of an obstacle we had to face that put pressure on supply chains and on labour. I would say that we are moving forward despite these things, and we're going to continue to work hard to ensure that we procure what is necessary for our military.

**Mr. Majid Jowhari:** Thank you.

You talked about “Strong, Secure, Engaged”. We’ve also heard that there are some investments that are going to be made on NORAD.

There’s another aspect that I think we’ve been criticized about as a country, and that’s the lack of proper implementation of cybersecurity. What specifically in PSPC do you see is the role, and for that matter, the role of the whole of the government, when it comes to implementing proper national security, with cybersecurity being in the front of it? What kind of funding allocation has been made, or are you engaged in negotiating?

• (1410)

**Hon. Filomena Tassi:** I know that this is an extremely important issue. There are so many ways that things are evolving, and there’s the threat of attacks. Shared Services Canada works very hard to keep networks safe, secure and accessible for Canadians.

Cybersecurity is actually a shared responsibility with Shared Services Canada, the Communications Security Establishment and Treasury Board Secretariat. We’re going to continue to make investments, and you see some of the investments that we’ve made here. I think that it’s really important that we continue to work as hard as we can to keep these systems safe.

**Mr. Majid Jowhari:** I appreciate that. That’s the general direction that we should be moving in.

As you know, we are investing in strengthening our naval forces. We are strengthening our air forces with the purchase of 86 F-35s, hopefully. We are also looking at investing, from what I’m hearing, about \$1 billion in NORAD modernization.

However, the experts in the market are talking about another aspect, which is cybersecurity. Specifically as it relates to national security and completing that picture, is there any discussion that your department is engaged in on cybersecurity, and not just with our internal network but also as part of national defence?

**Hon. Filomena Tassi:** I would actually turn that over to my officials.

**Mr. Sony Perron:** Thank you, Minister.

In budget 2022, you may have seen an investment toward Shared Services Canada and the Canadian Communication Security Establishment to extend some of the protection that is being provided to the core government operation of around 43 departments to a number of small departments and agencies. The reading of the NSICOP report was that this protection is essential. In order to enhance the posture of the government agencies and departments, these services need to be extended. In the last budget, there was an investment of around \$174 million over five years that will allow SSC and the CSE to extend that coverage of five key services that serve as our defence for the core government operation.

As the minister said, there are also a number of investments in the main estimates that will help to improve the posture. This is only about—

**The Chair:** Thank you, Mr. Perron. If you have a further addition to your answer, we would appreciate if you would submit that to us.

We will now go to Mr. Paul-Hus for five minutes.

[*Translation*]

**Mr. Pierre Paul-Hus:** Thank you, Mr. Chair.

Minister, defence procurement has been a problem for several years. As was indicated in the mandate letters, in 2019, your government wanted to unify defence procurement, but that was taken away, and now we don’t really know what’s going on.

I will give you an example of a major problem. We all want to increase defence budgets to 2% of GDP, as the NATO countries have committed to do. At the same time, we see that money is often spent unnecessarily. Think, for example, of the issue of the construction of offshore patrol vessels. Originally, it was five ships at a cost of \$400 million each. Things were going well, so the government wanted a sixth. Suddenly, the cost of each ship went up to \$800 million. Now we learn that the total bill has gone from \$2.8 billion to \$4.3 billion. When we ask what justifies this \$1.5 billion increase, we are told somewhat lightly that it must be because of COVID-19.

Minister, is there any way that Canada can get defence equipment at a good price and stop having cost increases that seem to come out of nowhere and are hard to justify?

[*English*]

**Hon. Filomena Tassi:** Thank you for that question.

As you know, DND is the client and we are the purchaser, so we will respond to what they ask us to purchase. That’s the first part, in terms of why we’re buying what.

The second part, with respect to the cost and when sometimes we have overruns, is that there are times when there will be certain delays. Shipbuilding and COVID is a perfect example. I heard from Seaspan about the delays from COVID and the resulting labour shortage and supply chain issues.

These things are going to happen, and of course we always want to be responsible as we move forward. We always want to be monitoring. We want to work with suppliers to do the best we can to ensure the projects come in on budget and on time.

• (1415)

[*Translation*]

**Mr. Pierre Paul-Hus:** Why is it always the taxpayer who has to pay for all the problems?

It is like looking away from the numbers and finding out, a minute later, that the cost of a project has increased by \$1 billion.

Take the example of the 15 frigates, which have not even started to be built yet. Initially, the budget was \$27 billion. Now the parliamentary budget officer puts the cost of the project at \$77 billion, whereas the government's own figures put it between \$50 billion and \$60 billion. Construction has not even started yet and the figures have already exploded. At some point, someone somewhere is laughing at us.

Are you currently working with the industry more closely to find ways to avoid cost explosions, which taxpayers ultimately pay for? We're not even talking about inflation. With the current inflation, I imagine the numbers will go through the roof again.

How do we get defence procurement to be effective and within the cost estimates?

[English]

**Hon. Filomena Tassi:** Fiscal responsibility and accountability are extremely important to me. As we move forward, of course we have to work very closely with the suppliers that we enter into contracts with.

With respect to the specific cases you've mentioned, I would turn that over to my officials, who can comment specifically.

[Translation]

**Mr. Simon Page:** I thank the member for his question.

I would like to add some clarification to the minister's answer by using the example that was mentioned—the Canadian warships.

Yes, we are doing very specific things to contain costs and to stay within the current budget envelopes. We have meetings with the shipyards and with the Royal Canadian Navy to review the situation, because a lot of these costs stem from needs that we must understand. We also have to look at the state of inflation. We must also understand the technology and how often it needs to be updated. There are a lot of things to consider. I can confirm that we have meetings to review these issues.

For example, we are currently holding meetings to refine the design of the models. It is also important to understand that these are unique and first-class models, and we have all learned new lessons from this exercise.

So it's not easy to put into one budget envelope what the costs are going to be, what the timelines are going to be, and what's going to be the most cost-effective for Canada, but we're trying to do that.

Let me add that we are currently in direct discussions with our British and Australian colleagues. They're doing the same project as we are in terms of the hull, but it's very different in terms of the combat systems. We have representatives who visit them and we consult with them. We try to learn as much as possible from their experiences.

[English]

**The Chair:** Thank you, Mr. Paul-Hus. We'll now go to Ms. Thompson for five minutes.

**Ms. Joanne Thompson (St. John's East, Lib.):** Thank you, Mr. Chair, and welcome, Minister Tassi. It's really nice to see you here.

I worked on the front line for the first three waves of COVID. It's always incredible to me, but I'm now going to ask you about the sixth wave. Could you speak to any funding that's allocated for a continuous wave within this COVID-19 pandemic? Also, with the previous efforts around securing PPE, vaccines and rapid tests to protect Canadians from this and future waves, where are we with existing supplies?

**Hon. Filomena Tassi:** Thanks, MP Thompson, and thanks for your work.

This is absolutely a whole-of-government approach. We came together because we recognized that the most important thing was the health and safety of Canadians, and this took an effort whereby partners were brought together across this country in order to provide everything that was needed to keep Canadians safe.

When we think of where we've come, we see that when COVID-19 descended upon us, we didn't even have an approved vaccine. Now we are in a...position. We entered into agreements with seven vaccine suppliers, and to this day we have a sufficient supply of vaccines for every Canadian to get their full complement of what they are eligible for. I thank my predecessor; I can't take credit for this. We know that vaccination is the best way to protect Canadians during COVID.

That's one piece I would say.

The second part is we have to thank businesses. We know that local businesses pivoted and tried to respond to the needs that were there. They retooled and invested and took risks in order to do that. We wanted to invest in as much domestic supply and capacity as we possibly could. We spent 42% of the money on domestic supply. There were times when we had to reach out because we needed to get the life-saving PPE here, and we weren't going to risk the health and safety of Canadians, so we did that.

When I look at where we're at now, we have contracts with Medicom, for example, which responded to Canada's call to action early to produce 20 million N95 respirators and 24 million surgical masks per year for the next 10 years. They are up and running in Montreal.

We look at the announcement the Prime Minister made today with respect to working with Moderna, which is looking here to provide a vaccine supply.

I will give credit. It was a whole-of-government approach. I think everyone realized that we needed to come together and put the health and safety of Canadians first, and I think we did that.

• (1420)

**Ms. Joanne Thompson:** Thank you. Leading a community health centre in those early days, I can certainly attest to the work that the PSPC did to really respond in a very timely manner.

I'll go back to the sixth wave. We're now seeing the BA.2 variant, and this certainly is a concern for many. Some provinces have opened up an eligibility for a fourth vaccine shot.

Would you mind speaking to the use of therapeutics in medical circles to relieve COVID symptoms? Does Canada have the use of therapeutics, and when did they come into Canada? If you have time to answer this part, do we have future contracts for therapeutics?

**Hon. Filomena Tassi:** Thanks for that important question.

I think we've all heard medical experts talking about this as another really important tool, and it is an important tool. These treatments are important to have in Canada, particularly for high-risk groups and the immunocompromised. The therapeutics are targeted for different groups, but for that group in particular.

In anticipation of the approval of Pfizer's antiviral treatment Paxlovid, we secured one million courses of the treatment in December. We also secured 500,000 treatment courses of Merck's antiviral pill. We announced the shipment of more than 30,000 Paxlovid treatments the day it received regulatory approval, and that was just working in advance, hoping the approval was going to come in, working with the suppliers and trying to ensure that the time lag was minimal. In fact, on this, it was the same day. We have another 120,000 on their way for the end of this quarter.

I would say that as of March this year, we've secured more than 1.7 million treatment courses from nine different therapeutics.

**The Chair:** Thank you, Minister.

We'll go to Ms. Vignola for two and a half minutes.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

Ms. Tassi, we are talking about new treatments, but I want to come back to the contracts that were signed with Moderna, Pfizer and AstraZeneca.

Is it possible, on the one hand, to know the value of these contracts and, on the other hand, to see these contracts?

[*English*]

**Hon. Filomena Tassi:** I appreciate your concern in wanting to see those contracts.

When we enter into contracts, there are times, because there's commercially sensitive information, that those contracts have to be kept confidential. We share whatever we can share, but in this instance, because the cost is commercially sensitive information, it cannot be shared.

• (1425)

[*Translation*]

**Mrs. Julie Vignola:** I wonder, because in other countries in the world, elected representatives were able to see the contracts signed

with the same companies. Why are there clauses in Canada that prevent elected representatives from seeing the contracts and that prevent the public from knowing how much it cost?

Everyone is happy to be protected. In this respect, we did a great job for sure. However, people like to know how much of their tax money was used. In Canada, we can't know, but elsewhere they can.

Why is there this sort of nebulosity around something that we paid for out of our own pockets? If we want to raise people's awareness so that they pay even more attention to their health, there is no better way than to tell them how much it cost.

[*English*]

**Hon. Filomena Tassi:** I understand your question. I would say in response that we don't want to risk the health and safety of Canadians by not getting a contract because we can't sign the contract because we can't abide by the terms. Because this is commercially sensitive information, we are not able to share what the cost of the vaccine is.

We have shared redacted documents with the health committee, which has asked for this information, and it—

[*Translation*]

**Mrs. Julie Vignola:** Yes, but why does Canada have confidentiality clauses that other countries don't have? Why do we have this cloak of secrecy on contracts? I don't understand the logic. I don't have anything against you or the former minister, but I'm trying to understand why we have a cloak of secrecy on contracts here that they don't have elsewhere.

Was it self-imposed? Did the companies impose it on Canada? Why does it apply to us, but not to others?

[*English*]

**Hon. Filomena Tassi:** I know that other countries have also shared redacted information, but I think because the question is very specific, I would turn it to my officials.

**The Chair:** Thank you, Minister.

Given the time constraints, if the officials would kindly provide that information to the committee in writing, it would be appreciated.

We'll go to Mr. Johns. Mr. Johns may want to pursue that same line of questioning. He has two and a half minutes

**Mr. Gord Johns:** Minister, you suggested that safe supply is not a procurement issue. Why are vaccines for COVID-19 a procurement issue but a safe supply is not? Vaccines save lives. Safe supply saves lives. If COVID-19 and the toxic drug epidemic are both public health emergencies, what's the difference? The difference is stigma, Minister, the stigma that devalues the lives lost to the poisoned drug supply.

Your colleague, the Minister of Mental Health and Addictions, told the CBC that safe supply “is going to be the way that we will save the most lives,” and yet the minister has not committed to a timeline for expanding access to safe supply, saying research is needed before it can be scaled up. Why is your government wasting time on pilot programs instead of ensuring that a safe supply is available across Canada?

Minister, with respect to stigma, your government keeps saying it's a health issue. It's in the amount of money you spend, it's in your policies, it's in the criminalization of people and it's in the laws that your government stands up for. What are you going to do about it? You're the minister of procurement.

**Hon. Filomena Tassi:** Thanks, MP Johns.

Look, again, you're championing this cause. I totally understand that and I appreciate all of your efforts, but the departments are the clients. PSPC procures what the departments ask for. For example, in defence, we procure what defence brings forward as what they feel they need in order to protect the military—

**Mr. Gord Johns:** I get it, Minister, but you're sitting at the cabinet table, and 20 people a day are dying. This is the leading killer between the ages of 19 and 39 in unnatural deaths in the province of British Columbia. It's more than homicides, more than motor vehicle accidents and more than all other unnatural deaths combined.

This is unacceptable. This response is unacceptable, and you're part of a cabinet that hasn't taken action to respond to this crisis. I'm asking you, as the procurement minister, to reach out to the Minister of Health and offer what you can to respond as you did with COVID-19. This has killed more people in my province of British Columbia than COVID-19.

You're the procurement minister and you got a lot of vaccines to British Columbia. Thank you for that. It saved lives. I need you to get a safe supply to British Columbia and the people across this country. People have to stop dying.

• (1430)

**The Chair:** Thank you, Mr. Johns.

We will now go to Mr. McCauley for five minutes.

**Mr. Kelly McCauley:** I have just a very quick question, and I hope for a relatively quick answer.

On the F-35s, walk me through the next few months between now and our finalizing a deal with them. Correct me if I'm wrong, but I think I heard somewhere that it may end up breaking off at the end and that we'll have to go to choice number two. Is that correct?

Can you just walk me through what would happen that could lead to that and what we're working on right now? Is it just the price?

**Hon. Filomena Tassi:** Right now, the process in finalization is that the bid that was presented had to be put into a contract, and the details and specifics have to be agreed to by both parties that reflect the bid that was presented. We are hopeful that we can get to that point before the end of this year, but it is not guaranteed.

**Mr. Kelly McCauley:** What would be a trigger that would make us walk away and end up with the Saab?

**Hon. Filomena Tassi:** I would pass that over to my officials.

**Mr. Simon Page:** Thank you, Mr. Chair, for the question.

I don't want to speak about specific triggers here. We are in a finalization phase. This is a live procurement process, and this live finalization phase equals the negotiations. Discussing specific aspects of the procurement here is highly delicate.

To the question about the next few months, we kick-started the finalization phase a few weeks ago. We expect this finalization phase to unfold over the next few months. We remain ambitious to have a deal by the end of 2022 with the—

**Mr. Kelly McCauley:** Sorry, Mr. Page. Let me interrupt.

On the talk of the negotiations not working and having to go to the backup one, is that just more of a last resort type of thing that probably will not happen, or is it a valid threat, for a lack of better words, to Lockheed, so that everyone stays open to the negotiations?

We didn't have it for the ships, such as, “Well, we'll go with the FREMM if we can't work it out with the T26.” We haven't done this before, as far I am aware. Why is it in the F-35 negotiations?

**Mr. Simon Page:** You are very right. This was not done for other procurements. Actually, the process that we established, with the option of going to finalization or entering into a dialogue at a given point into the solicitation process, was novel for the future fighter capability project.

At the outset, we knew this procurement was critical for the country, critical for—

**Mr. Kelly McCauley:** Mr. Page, we know all of that. Please, you just seem to be burning my time here. It's a simple question: Why is that hanging over this with the possibility that we are going to walk away from Lockheed and end up with Saab?

**Hon. Filomena Tassi:** If I may, Mr. Chair, I'm going to respond to that.

The process is that the bidders put in their bids and the selection process chooses the best bid, but now it has to be brought down to a binding contract that is going to reflect what was in the bid. This part of the negotiation takes seven to nine months, I believe, because it's critical. This is the legal document. This is going to be what our contract for the procuring of 88 fighter jets rests on. It's critical that we get this right, and it is critical—

**Mr. Kelly McCauley:** You understand my concern. We haven't done this with other, larger contracts either.

Let me ask you quickly. Regarding this \$15-billion phantom spending in the budget for defence—and I realize it's up to defence to tell us what that's for, and they don't quite seem to know—does PSPC have the capacity to spend \$15 billion and follow up the newly updated “Strong, Secure, Engaged” spending, which I think shows a 30% increase over the next 10 years, starting in 2025, over the original “Strong, Secure, Engaged” spending plan?

We are massively behind. We don't have the capacity now to procure....

What makes us think we can do the \$15 billion extra next year as well as this massive increase in the SSE spending that's now showing?

● (1435)

**Hon. Filomena Tassi:** That is a question for my officials.

**Mr. Kelly McCauley:** I've run out of time. I wasn't going to get an answer from them anyway, but thank you.

**The Chair:** Thank you, Mr. McCauley. If the officials can provide that answer to the committee, it would be appreciated.

We will now go to Mr. Kusmierczyk for five minutes.

**Mr. Irek Kusmierczyk:** Thank you very much, Mr. Chair.

Thank you so much, Minister, for being here with us for two hours and sharing two hours of your time. We've covered a broad swath of questions, so I really do appreciate your insight and your sharing your expertise and answers with us.

According to the Canadian Council for Aboriginal Business, indigenous people are creating new businesses at nine times the Canadian average. There is a tremendous amount of potential there. I know that PSPC has been doing a lot of good work to improve diversity of indigenous businesses in the supply chain of the federal government.

What are some specific challenges you have faced while working on increasing indigenous diversity there, and what are some positive stories as well?

**Hon. Filomena Tassi:** Thank you for that important question.

There are many challenges faced. One of the biggest ones has been COVID-19, but, in response to the pandemic, PSPC has awarded 41 contracts to self-identified indigenous businesses, and the collective worth of those contracts is close to \$200 million; it's \$197 million. They have been in various areas like logistics, air charter services, accommodation, IT professional services and the like.

I am committed to increasing opportunities for indigenous businesses from coast to coast to coast. I know we have more work to do here, but I really look forward to doing this work and moving forward.

We have set the 5% target as the floor and not the ceiling, and we are taking time to engage with indigenous-led businesses in order to ensure that we completely understand the barriers and do everything we can to bring those barriers down as well as to provide supports, whether that be information opportunities or training as to how to access procurements.

We have been progressing. There's more work to do, and this is an area I really look forward to.

**Mr. Irek Kusmierczyk:** Thank you very much, Minister, for that response.

I can tell you that there's a local company in Windsor-Essex called Harbour Technologies that partnered with an indigenous-led business, a company in northern Ontario, to produce PPE, specifically medical gowns.

Thank you so much for the work you're doing in terms of bringing more access and more partnerships with indigenous-led businesses across the country.

I want to change gears a little bit and focus now on accessibility. According to its 2022-23 departmental plan to align with the Accessible Canada Act and its regulations, “PSPC will use existing tools and leverage other mechanisms, such as private sector property management contracts, to roll-out the next phase of the technical accessibility assessments....”

I want to ask how that rollout of accessibility assessments is going for PSPC buildings in particular. I'm just curious about how those accessibility assessments are faring.

● (1440)

**Hon. Filomena Tassi:** I will turn to my officials, but before I do, in terms of details on the rollout of that phase, I will just say that we are making the commitment that we want to make our buildings accessible, we want to reduce emissions and we want to ensure that we are taking a leadership role and being responsible with respect to how we manage our buildings and whatever changes and construction we do with respect to them.

I will hand your question over to my DM to respond on the specifics of the rollout.

**Mr. Paul Thompson:** We are indeed making progress on the accessibility assessments of our buildings. About 31% of the assessments are now complete, and we're on track to complete the entire inventory of buildings by 2024. This is part of our broader accessibility plan. There's a requirement for every department to have an accessibility plan. We have an interim plan in advance of the requirements, and it is advancing. One of the elements is to complete these assessments.

We also have a very active program of work with the parliamentary precinct around the welcome centre and other features of Parliament. We have a very active advisory committee that is advising us on such issues as universal design and accessibility by design. It's a very active program to meet the aspirations of the Accessible Canada Act.

**The Chair:** Thank you, Mr. Thompson.

We'll now go into our fourth and final round. In order to finish on time, by three o'clock, because people have plane commitments and other commitments, we'll go with four minutes, four minutes, two minutes, two minutes, four minutes, four minutes.

We have six questioners. We'll start with Mr. Lobb for four minutes.

**Mr. Ben Lobb:** Thank you very much, Mr. Chair.

I have a question for Minister Tassi in regard to procurement that would be heading to Ukraine. It's about any of the equipment that we don't currently have that we're purchasing and sending to Ukraine. I know we have howitzers in inventory, but other than howitzers, are there items that would be sent to Ukraine that we actually don't have and will be purchasing off the shelf?

**Hon. Filomena Tassi:** I would pass that to my officials. I know we are doing everything at PSPC to assist in terms of the logistics piece, but with respect to the purchase aspect, I will pass that to my officials.

We are there to serve in terms of helping with logistics, whether that's when Ukrainians come to Canada to make it their home or to stay here temporarily, but with respect to transportation of those items, I'll pass that over to my deputy.

**Mr. Paul Thompson:** This is a very active program of work. Our colleagues at the Department of National Defence are working closely to identify the specific requirements. A lot of this is about the receptor capacity, at the receiving end, for different products. That really has to be worked through carefully. It can't be items pushed from us, but ones that can be received and utilized. That receptor capacity is key to what goes over there. We will continue to work to help facilitate it.

Then there will be the issue of replenishing those items that remain needed by the forces in the future, and that's where we would step in with procurements.

**Mr. Ben Lobb:** That's fair enough, but I think if you add up all the commitments, it's well over hundreds of millions of dollars that we're going to contribute to Ukraine one way or the other. When I hear "receptor", of the percentage of dollars that have been committed and of all the equipment that has been committed to go to Ukraine, or to Poland and then to Ukraine, what percentage has actually been received and deployed. Is it 5%? Is it 8%? Does anybody track that?

**Mr. Paul Thompson:** Mr. Chair, I'm afraid that would be a question better directed to the Department of National Defence, which is responsible for the overall donation profile as well as all the component parts.

**Mr. Ben Lobb:** That's fair enough. I don't know how it works. Minister Tassi would know better, but if I'm getting requests to pur-

chase, purchase, purchase and find, find, find, and nobody can tell me if any of it is ever making it to Ukraine and into action, at some point somebody has to say, "Hold up; we better dig in and find out if any of this is actually getting to the destination."

I'll move on to a different topic now. This is in regard to 24 Sussex Drive. I'm sure you guys are sick of hearing about this, but I read in the newspaper, and I'm sure you guys did too, from an ATIP that was acquired through the NCC, there's a big plan for a 15,000-square-foot official residence.

Is this true, and what is the pegged cost of this 15,000-square-foot residence at 24 Sussex Drive?

• (1445)

**Hon. Filomena Tassi:** As you acknowledged at the beginning, MP Lobb, the NCC of course oversees the official residences file. They will conduct internal studies and gather information. They did the "Official Residences of Canada: 2021 Asset Portfolio Condition Report", which indicated that 24 Sussex was in critical condition.

We're going to continue to work with them, but no decision has been made on this file.

**Mr. Ben Lobb:** Fair enough.

**The Chair:** Thank you, Mr. Lobb.

We will now go to Mr. Bains for four minutes.

**Mr. Parm Bains:** Thank you, Mr. Chair.

To the minister, as a committee we're looking to do a study on diversity of procurement. I'd like to ask you about this subject. In your opinion, where has our government made improvements on the diversity of procurement?

**Hon. Filomena Tassi:** Thanks for that question. It's an important question.

Let me start by saying this: It's my strong view that when we bring down barriers and allow everyone an equal opportunity to succeed—in other words, to bid on procurement projects with the government—it's a win-win. We benefit.

We have made some progress on this issue. We have issued a social procurement policy. We have issued a plan. We are preparing to issue a program in the summer. These initiatives are all being informed by actions that we have taken with respect to ensuring that we are getting all the information we need to understand what the barriers are so that we can work to bring down those barriers.

In fact, when I was in Vancouver, I did have a couple of really good round tables where I was getting information from those who want to enter into procurement initiatives, including a group of indigenous women who would love to get procurement contracts with the government. It was to listen to them in terms of understanding what the obstacles are and how we can work better to put supports in place. We do have Procurement Assistance Canada, which is helpful and led one of the round tables. They help Canadians better understand how to access these procurement opportunities, but at the end of the day, we want to come up with better tools, simpler processes and increased opportunities for diverse businesses. We're going to continue to work on this, because, as I said, at the end of the day it's a win-win.

**Mr. Parm Bains:** You said that there are programs coming in the summer and that Procurement Assistance Canada already exists.

**Hon. Filomena Tassi:** Yes.

**Mr. Parm Bains:** What will the new program in the summer be?

**Hon. Filomena Tassi:** Procurement Assistance Canada will be rolled out, but it will be a little bit more specific with respect to what we are doing in this area.

We did announce the social procurement policy about a year ago. We do have the plan that has been launched. It's critical that we do this information gathering from various groups that really want to have access to federal procurement contracts and that we come up with a program that's really going to make a difference and that in fact brings down barriers.

Procurement Assistance Canada does exist. It offers training and advice. In fact, they hosted one of the round tables that we were at. The people at the round table who had used that service felt it was helpful. There's still more work to do, and we look forward to doing that work.

**Mr. Parm Bains:** Thank you, Minister.

How much time do I have?

**The Chair:** You have 15 seconds.

**Mr. Parm Bains:** I won't be able to get my last question in.

Once again, thank you, Minister, for attending today.

**The Chair:** Thank you, Mr. Bains. We'll now go to Ms. Vignola for two minutes. Two minutes can go by very quickly.

[*Translation*]

**Mrs. Julie Vignola:** Yes, I know that, Mr. Chair.

I'm going to ask my questions quickly, but I would like to get answers in writing.

At the beginning of the pandemic, respirators were purchased at 181% of the normal price. A contract for \$237 million was awarded to FTI Professional Grade. How much of that contract was ultimately paid out? Of the 10,000 respirators ordered, how many have been received and how many are sitting in government sheds?

On information technology, Shared Services Canada is asking for \$2.6 billion. What are the reasons for this 37% increase over last year?

What amounts are going to Cisco or a company that sells Cisco products?

What are the government's intentions regarding the awarding of contracts to IBM for the possible implementation of a digital passport?

Time and time again over the past two years, the outdated computer systems have been cited as the reason for the delays at the Canada Revenue Agency and at Immigration, Refugees and Citizenship Canada, among others. It also explained, in part, why files could not be checked to see if a person was committing fraud or was a victim of fraud.

How soon do you expect the systems to be fully functional and no longer considered outdated? Finally, what are the plans to avoid further obsolescence of the systems in the future?

I would like to get answers in writing. There are six or seven questions, I know it is a lot, but I am aware of the time. As I only had two minutes, you would not have had time to answer even one of my questions.

I thank you again for taking the time to be with us during the two-hour session of the committee. I am very grateful to you.

I wish you all a great weekend.

● (1450)

[*English*]

**Hon. Filomena Tassi:** Thank you, MP Vignola.

Let me briefly say that I appreciate your work. Clearly you have a lot of questions, which of course I do not have the time to answer. I am happy to answer subsequently in writing or to have officials contribute as well. Thank you for your good wishes and thank you for your respectful engagement.

**The Chair:** Thank you, Minister. Should you or your officials need a little bit more clarification on what was actually asked, please notify our clerk. We will try to transmit that to you as quickly as possible.

We'll now go to Mr. Johns for two minutes.

**Mr. Gord Johns:** Thank you, Minister, for being here for two hours to take some really difficult questions on some really critical and urgent issues. I appreciate your being here.

I want to go back to the question I asked earlier about the announcement around Moderna today. They applied to Health Canada for approval for a COVID-19 vaccine for children who are aged six months to six years old. Currently, we know that children under five years old still have no access to vaccines.

Can you confirm that the government has secured the doses needed to vaccinate children under five years old? Can you outline how quickly these vaccines will be distributed to the provinces upon approval?

**Hon. Filomena Tassi:** Thanks for that important question. I'm pleased that we've had time to come back to it. It's always a pleasure, MP Johns, to work with you.

Look, we have good news on the Moderna front; I just had a call with them this week. The relationship is an important one, and they have helped save many lives in Canada. This announcement that the Prime Minister made today I think is absolutely fantastic. We want to increase domestic supply and production, so that's exactly what we're going to do.

With respect to your question, it was exactly why I had reached out to Moderna. We want to make sure that we do have an ample supply. I will say that we have 20 million doses, with options for 15 million additional doses for both 2022 and 2023. Agreements are in place for a future supply of up to 95 million doses from 2022 to 2024. Those agreements are always on the latest formulations. As you will know, the "junior pediatric", as we call it internally—there is a pediatric, but this is a junior—is essentially a portion of the vaccine that we have in possession now. As soon as Health Canada gives the approval, we're very happy that we will have the supply.

**Mr. Gord Johns:** Thank you.

**The Chair:** Thank you, Minister.

Thank you, Mr. Johns.

We will now go to Mr. Paul-Hus for four minutes.

[Translation]

**Mr. Pierre Paul-Hus:** Thank you, Mr. Chair.

Minister, I will come back to the issue of the famous \$15 billion. We have no idea where this amount will be allocated.

We are here to talk about budgets. We have meetings where we have several discussions, after which parliamentarians are asked to adopt the budget appropriations. However, how can parliamentarians adopt budgetary appropriations when the government cannot clearly explain where this famous \$15 billion is and, more importantly, what it will be used for?

• (1455)

[English]

**Hon. Filomena Tassi:** This question again, Mr. Chair, I would send over to my officials. It's essentially a defence issue, but I'm happy to have my officials respond.

**Mr. Wojciech Zielonka:** Maybe I can jump in, Mr. Chair.

As the CFO for PSPC, I can say that the \$15 billion is not something that we have in our budget. It would be more appropriate to send that question to DND.

[Translation]

**Mr. Pierre Paul-Hus:** I understand, Mr. Zielonka. This funding goes to the Department of National Defence, but for procurement contracts, and it is Public Services and Procurement Canada that

must award the contracts. These are amounts of money that do not exist anywhere, but that are budgeted.

We will leave it alone. I think the government should find a smart answer for this famous \$15 billion, which, by the way, was found by the parliamentary budget officer.

Minister, I have a question for you about Canada Post.

Last January, Radio-Canada reported that the aboriginal reserves had different postal codes. I am currently in Quebec City, two kilometres away from the Wendake reserve. Right now, in Wendake, if you send a package, you have to pay 30% more than elsewhere. This makes no sense. We are talking about the Wendake reserve, which is located in the centre of Quebec City. Since the reserve's postal code is different, it is considered a remote area. The same problem exists throughout Canada.

I imagine that you are already aware of this situation, since it was in the news in January. Have any measures been put in place? When we talk about support for aboriginal people, it seems to me that this is one of the problems that should be very simple to solve.

[English]

**Hon. Filomena Tassi:** Yes, I am aware of this situation.

In order to provide timely and consistent service to all Canadians, the cost of mailing depends on the size of the parcel, the distance to the original destination, the cost of transportation and processing delivery.

This issue is one that we continue to look at, and I also appreciate your bringing it to my attention.

[Translation]

**Mr. Pierre Paul-Hus:** Thank you, Minister. It would be very important to look at this issue. We can understand in the case of remote regions, but in the case of the reserves located near Montreal or Quebec City, it doesn't make any sense to pay 30% more to send a package.

As for transparency, several witnesses told us that parliamentarians had a problem with access to information on procurement.

Do you agree that more information should be provided to parliamentarians on the progress of the various major procurement issues? If we asked, would it be possible to obtain regular reports, in your opinion?

[English]

**Hon. Filomena Tassi:** Are you asking about defence procurement or about procurement generally?

[Translation]

**Mr. Pierre Paul-Hus:** I'm talking about major procurement contracts in different areas. I know that you award a lot of contracts, but I'm talking about major defence procurement contracts, for example, or contracts like those awarded during the pandemic for the purchase of vaccines. So I'm talking about issues that are somewhat evolving. Would it be possible for the Standing Committee on Government Operations and Estimates to receive regular updates, upon request, so that we can do our job properly?

I just want to know whether or not you are open to providing us with this information. More details can be given later.

[English]

**The Chair:** Thank you, Mr. Paul-Hus.

Minister, could you provide that answer? Unfortunately, time-wise—

**Hon. Filomena Tassi:** It's going to take me a bit of time, but succinctly, there are measures in place whereby information is shared. If you have a specific ask, especially in defence procurement....

I mean, we are sharing information. What I wouldn't want to see is layering on extra work that's going to get in the way of the work that officials are doing in order to get projects done, but at the same time, I understand that if you think there's a specific problem in a specific area with respect to the information being shared, then I'm happy to hear about that and to look at it.

• (1500)

**The Chair:** Thank you, Minister.

We'll now go to Mr. Jowhari as our last questioner. You have four minutes or less.

**Mr. Majid Jowhari:** Thank you, Mr. Chair. I'll be splitting my time with my colleague MP Thompson, so if you could flag me within two minutes, that would be really appreciated.

First of all, Minister, as I'm one of the last who will be asking questions, I want to thank you for coming to our committee and dedicating a full two hours to answering our questions.

Minister, I want to focus on one of the items in your mandate letter in which I'm quite interested. It's the issue of forced labour in our supply chain.

Can you share with us what our government is doing, and specifically what you are doing at PSPC to ensure that Canada is procuring ethically sourced goods? What is the government's response vis-à-vis some of our large corporations that are engaged abroad, specifically in mining? Are we ensuring that resources they use don't fall under forced labour and that ethnic groups aren't forced to provide those services?

**Hon. Filomena Tassi:** Thanks so much, MP Jowhari.

Before I answer, let me say this, because I don't think I get concluding remarks: Look at the really respectful dialogue. I appreciate the questions that you've asked and the respect that you've shown. I want to continue to work collaboratively with everyone to deliver for Canadians.

The forced labour issue is one that's important to me. Previously, I served as Minister of Labour and looked to move forward on this issue. I am delighted that my mandate letter says that I'm going to work with the Minister of Labour to move forward on legislation to eradicate forced labour in supply chains. It's really important.

We have made some steps forward, and they are important. For example, at PSPC there are now terms and conditions in contracts that state that if forced labour is used, we can terminate the contract. It gives us the power to do that. We took the significant and maybe even unprecedented step of extending the forced labour ban in CUSMA to all imports, and we did that in July, I believe. That was an important step.

We are taking steps and we have taken steps. This is critically important. We know Canadians would not support any use of forced labour in our supply chains. I look forward to continuing to work with the Minister of Labour and all colleagues in the House to come forward with legislation in this regard.

**The Chair:** Mr. Jowhari, you have a minute and 20 seconds.

**Mr. Majid Jowhari:** I'll yield that to Ms. Thompson.

**Ms. Joanne Thompson:** Thank you. I appreciate that.

Minister, the final question I want to jump to is on the NSS. Being the MP for St. John's East and understanding the significance of the coast along Newfoundland and Labrador, I want to touch on the NSS and the efficiencies and self-reliance that it brings to the country. There's also the enormous economic benefit.

Could you touch on this and the jobs that the NSS has created to date? How can we continue to improve this economic benefit?

**Hon. Filomena Tassi:** Thanks, MP Thompson.

This is an extremely important question. When we look at the shipbuilding strategy, we know that shipbuilding is challenging and difficult work, but we have companies right here in Canada that are working so hard to ensure that these ships are made in Canada.

As of December 31, 2021, we've awarded over \$21.07 billion in the national shipbuilding strategy. It's contributed approximately \$20 billion, or \$1.82 billion annually, to Canada's GDP, and it's created or maintained close to 17,000 jobs between 2012 and 2022. It indicates the importance of this. It demonstrates the economic benefits.

Again, what I would share is that OSI is not a unique example. There are other examples. OSI is a company that got its start from the national shipbuilding strategy. It was—

**The Chair:** Thank you, Minister. I appreciate that. Unfortunately, four minutes goes by very quickly.

I would like to thank you, on behalf of the committee, for spending the full two hours with us today. It's greatly appreciated. We re-

ally do wish you well with everything else and with your endeavours.

With that said, I'd like to thank the interpreters, technicians, analysts and clerks for all the work they've done.

I declare the meeting adjourned.

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