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Chair

Mr. Brent St. Denis

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Standing Committee on Industry, Natural Resources, Science and Technology

Thursday, October 28, 2004

• (1530)

[English]

The Chair (Mr. Brent St. Denis (Algoma—Manitoulin—Kapusking, Lib.)): Good afternoon, everyone.

I would like to welcome everyone to this Thursday, October 28, meeting of the Standing Committee on Industry, Natural Resources, Science and Technology.

We are doing part two of a four-part series that will help our committee determine its future business over the next few months. There was the suggestion of Mr. Schmidt and his team, and everybody agreed, that we look at the report of an advisory committee led by our witness today—and thank you for being here, Mr. Lussier. This is a report that has tweaked a lot of interest, and certainly that of this committee. There was unanimous agreement that we speak to you today and put this very important topic in the mix for our future business.

Before I invite Mr. Lussier to start, I want to let you know that on Tuesday we will have a briefing by foreign affairs officials on the trade side and by people from Industry Canada as well on outsourcing, that being the issue of manufacturing taking place in other parts of the world, which may be having an impact on some regions of the country.

On Thursday, for the fourth piece in this beginning series, we're going to have a session on energy and the Kyoto Protocol. We've decided for now that they are to be considered together. We will have on the energy side, George Anderson, the Deputy Minister of Natural Resources, who will be available to speak just on the energy issues.

Unfortunately, the lead for the government, Howard Brown, who is the climate change expert, is in Switzerland that day. So with your indulgence, we will spend those two hours on energy, and on the Tuesday right after the break we will do the session on the Kyoto Protocol. There's no way around that. If there are any objections to that, please let me know. But Mr. Brown is away. Hopefully he'll be back for that Tuesday.

I welcome your feedback at any time, as we evolve our future business.

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): I have only one question, Mr. Chairman. If we delay Kyoto until Tuesday, it means we won't really get started with our studies until well toward the end of November.

The Chair: Well, that's why I'm in your hands. It really depends on the energy and climate change file being the fourth piece that we

agreed to. If we try to do them all together as one meeting, we have to, based on our decision, look at all four before we decide on our future business. If you want not to do the energy and climate change briefing, we can go right into future business after the three briefings, if you want.

• (1535)

Mr. Werner Schmidt: I'm just thinking about the logistics. That's a two-week break between sessions, in effect.

The Chair: If you'd like, we can see if we can find somebody else on climate change to come with Mr. Anderson. We'll try to have a report on that by Tuesday, and on Tuesday, if you wish, if we can't change the current plan, if we can't change the Thursday scenario next week, and you want to start on a piece of work for Thursday, we'll try to do that.

Mr. Werner Schmidt: That would be preferable. Thanks.

The Chair: I think we can try to find somebody else to stand in for Mr. Brown. He can't be the only person there who can—

Mr. Werner Schmidt: If he is, we're in trouble.

The Chair: With that, again, Mr. Lussier, thank you very much for appearing today

We would normally limit witnesses to 10 minutes, but I think in the circumstance we would invite you to speak for longer than that if you felt so inclined. I see that you have quite a list of recommendations in your report. Members have had the report available to them in both languages, and we've had nice summaries prepared by our research staff. I would invite you to begin and start informing us, please, on the great work you did.

[Translation]

Mr. Gaëtan Lussier (Former Chair, External Advisory Committee on Smart Regulation, As Individual):

Mr. Chairman, members of the committee, I would like to thank you for your interest. I am personally very honoured to have the opportunity to meet with you this afternoon and to share with you the main points which were the result of 15 or 16 months of work over the past year.

Of course, I intend to give you a general overview of the work we carried out. I do not intend to review with you the 74 recommendations, but to tell you which issues the members of the committee focused on more particularly. I also think that what I will say today is important because it may encourage and incite the committee, of which you are the chair, to play an active role in the deliberations and processes which will have to be implemented if the recommendations are to have any meaning.

If we are to take seriously the issue of smart regulation—I prefer the English expression to the French one—it will take much more than political will. We will have to build a solid foundation based on cooperation between stakeholders to regulation, clarity of objectives which will have to be presented by the government when it introduces regulations, and, of course, a system of values based on respect and trust. In the 15 or 16 months of extensive work we conducted, we realized that whatever party may be in power, it cannot move forward alone on this issue.

Therefore, very quickly,
[English]

I will summarize our mandate so that you have in mind what happened.

We were set in place as a result of the September 2002 throne speech. It was done in early 2003 and our mandate was to end in September 2004. There were three components to our mandate.

The first component was to develop and propose a regulatory strategy for the 21st century, supporting Canada as a sovereign trading nation and offering a high quality of life to its citizens.

The second component, which is part two of the document that you have been looking at, was to identify priorities, that is, sectors—and they are not exclusive—and areas requiring regulatory reform that are critical to maintain what I call a Canadian advantage.

The third component was to review and provide an external perspective on current regulatory issues identified by departments and stakeholders.

[Translation]

So this is what I intend to do very quickly. I realize I have only ten minutes to speak. I may need your indulgence in asking for five additional minutes, but if you refuse, it is your right to do so, so please cut me off if need be.

I will very quickly give you an overview of the recommendations, but first I would like to give you a small idea of the consultations we carried out over that period. We contacted over 100 Canadian associations before beginning the process. This provided me with the opportunity to speak to individuals and groups in each province to ensure that... You understand as well as I do that, when a regulatory strategy is at stake, the jurisdictions of each level of government must be respected, they must all work together and complement each other's efforts, but this has to happen in a much more harmonious way than what we are witnessing today.

Once the work was completed, I still spent a lot of time consulting with at least 65 national associations in July and August. They included consumer associations and 15 environmental non-govern-

mental organizations. I consulted with life science organizations, industry and trade sectors, oil and gas associations and every provincial and territorial government. I was also very pleased to consult with first nations involved in economic development, and just today I received a very kind letter from the National Aboriginal Economic Development Board.

So all these activities led us to develop an approach which

• (1540)

[English]

right from the beginning we found that they were very supportive of the efforts we were putting in place. And in the direction and the advice they shared with us in the report, both business and citizen groups expressed a fundamental interest in working with government to resolve regulatory issues.

The largest gaffe I have to share with you—and I'll share it with you if you don't repeat it—was that it did not pay enough attention to the lack of coordination, both internally, within the federal government, and also with the stakeholder. But certainly it started at home within federal departments' coordination.

But the importance of precaution, as it relates to environmental and health regulation, was an element that was brought to our attention, and we tried to respect that faithfully as we were writing the report. Accountability and reporting on the progress of implementing the smart regulation strategy is certainly something, because if we were having any doubt, it was not about the content of the recommendation, especially in July and August, when I went out and consulted with those 65 associations. It was whether or not there will be sufficient momentum to implement those recommendations to permit Canada to better compete internationally, while at the same time continuing to ensure safety and protection of citizens, and, naturally, to ensure the elimination of regulatory differences that exist and that are required to be addressed as we move along.

So there is a strong role for government in meeting those regulatory objectives. Another element that came to us to address was how at risk we are. Even if Canada has a very strong foundation in how it has been implementing regulations, when we look at other countries around the world, whether it be Europe, Mexico, the U.S., Great Britain, whatever, we are losing the momentum that is going to permit us to keep the competitiveness and the ability to compete internationally. If you are interested, I can come back to that later.

I've already addressed the issue of the federal, provincial, and territorial cooperation. There's no doubt in our mind that the federal government needs to work much better than in the past with provincial and territorial governments and with aboriginal communities. There is a need to find new pragmatic and concrete solutions to get past these longstanding jurisdictional problems.

[*Translation*]

Discussions were also held on how to raise the profile of those who draft regulations. People involved in drafting regulation are not, I would say, shy people, but they don't get recognition. Very often they work in very difficult conditions. So we recommended, amongst other things, to enhance their abilities, since science, for instance, is developing so quickly. If we want them to actually work in an environment in which scientific regulation is becoming increasingly important, they really have to understand what is happening and be in touch with the way things work.

• (1545)

[*English*]

There is a need to find collective solutions; there is no doubt there.

You have seen as you've looked through the recommendations that we were addressing a major block of issues. The first one is international regulatory cooperation. We believe Canada has to use it in a much more strategic manner than it has in the past. It should be a very distinct component of foreign policy, with a principal focus on North America. We should as a country review and adopt regulatory approaches to our key international trading partners where that is possible. Specific Canadian requirements should be limited, in our view, to those areas where there is an absence of international North American standards—and Canada is pursuing some very important national goals—or where the government is advancing constitutional values that are specific to Canada.

I already touched on federal-provincial-territorial cooperation. We need to put our national house in order to provide a much more consistent regulatory environment.

Within the federal system itself, federal regulatory cooperation is something that has to be brought to a new level. At some point in time, we also indicated, when there are major projects, whether we're talking about the Mackenzie pipeline or oil and gas in Atlantic Canada, those departments should be involved in having a single window to facilitate stakeholder access. One aspect that is so difficult for industry or anybody dealing with regulators is to talk to the right person to find out what's going on. That's why we spend so much time articulating a vision and principles and values that should be guiding action in regulatory reform, whether it be timeliness, efficiency, accountability, or openness, which are not the norm presently. That should change.

We're talking not only about technical or policy issues in regulation, but equally about cultural change. Probably one of the most difficult parts will be to change the culture so as to become more relevant, more on time, and have more ability to involve the stakeholders in the process in a very transparent manner.

[*Translation*]

We also talked about risk management, which is a fundamental issue. There must be a much more integrated process on the part of the Canadian government to risk management that includes risk prioritization, risk assessment and risk communication and consultation.

No country today can claim to know everything there is to know. There are principles and procedures in place involving scientific peer reviews, and Canada should use these tools much more widely.

Our studies also show that Canadians' tolerance with respect to their definition of public interest is constantly evolving. We could come back to this if the subject is of interest to you. We must also explore new instruments for government action in the area of regulations, instruments that do not necessarily follow the traditional approach, but which may be economic in nature or of a different type. At the moment, a number of countries are examining how to make certain activities much more important.

I am very aware that time is flying by; I will be stopping soon.

The abilities of staff working in the area of regulations is also extremely important. In addition, of course, and I would emphasize this strongly—political commitment is absolutely required to establish and manage a process leading to smart regulation.

[*English*]

In part two of the process we looked at some specific sectors we thought were deserving of our attention, first because they were important to the future economic development of Canada, and it was also a way for us to test the values and principles we had established in looking at our vision. That's why we addressed, in a not very detailed manner, the automotive manufacturing sector; the drug review process, the new substance notification, biotechnology, which holds a lot of promise for the future in the 21st century; and also the first enabling of first nations economic development.

The environmental assessment process is something on which we spent a lot of time. This is a practical example of how there are silos in Ottawa among the various departments involved, and there is a complication with the provinces where everybody is pushing the same objective. We're recommending in fact that there should be an effort to explore the possibility of creating a single national environmental agency—maybe not for tomorrow or the day after, but at least at the federal level there should be homogenization of the work to be done. There are major projects that are presently delayed that cost millions and sometimes billions of dollars because of the lack of coordination and all the stuff that goes with it.

So there are regulatory issues that face the government's priorities and they need to be examined.

• (1550)

[Translation]

We also talked about greater regulatory coordination within the federal, provincial and territorial governments, and about understanding the cumulative impacts of different regulations. Sometimes, one regulatory text in isolation is fine, but when it is considered with ten others, the whole thing becomes too complicated. We must enhance transparency and consultation mechanisms. The process must be open. We must put in place regulations that are more responsive. At the moment, some regulations are overkill, and that is not what we need. We must make greater use of risk management principles and give more consideration than we have in the past to international cooperation.

We focused on—and I will conclude with this, Mr. Chairman—developing an action plan. How could we make it happen?

[English]

We say how we should make it happen. A major element we put in was that the federal government should develop a new regulatory policy within one year. It should implement a smart regulation learning strategy for the regulatory community. It should ensure that all regulations, as of September 23, the date I tabled the report, should be inspired by the principles contained in smart regulation. We should establish immediately a multi-stakeholder SWAT team for the industry sector that would be given six months to develop a smart regulation work plan for the sector.

Already I have at least three sectors in mind from the consultations that said, yes, we in food, in pulp and paper, in oil and gas, are prepared tomorrow morning to sit with all the stakeholders—and that means NGOs and environmental groups, and it means provincial, territorial, and federal governments, and everybody involved—and work within the framework you have been proposing to us.

We need a strategy to promote Canada's commitment to implement smart regulations, but more important—and I'm not trying to send you flowers and incense and all that stuff—I'm very pleased with your committee, but it cannot happen if Parliament doesn't pay attention to this very important sector as it relates to the future of Canada's economic development and the well-being of its citizens.

Thank you.

The Chair: Thank you, Monsieur Lussier. Your passion and interest in this area are very evident.

John Duncan will start for us. Thank you, John.

Mr. John Duncan (Vancouver Island North, CPC): Thank you very much for your passion and enthusiasm. I have talked to a lot of people from industry over the last three weeks or so, and they have a lot of passion and enthusiasm for this area of smart regulation as well. I just hope, as you do, that the political level will pay attention to this, because without that, the whole initiative will not succeed, and it is essential for Canada's welfare that it succeed.

I want to ask you, because first of all I think I'm on a panel with you in late November in Vancouver, a public policy forum—

Mr. Gaëtan Lussier: Yes. We spoke over the phone. Oh no, you weren't there.

Mr. John Duncan: Well no, I wasn't there; my staff were there.

I think it would help the group here if we had a little bit of personal background about you. What corporate sector did you come from?

• (1555)

Mr. Gaëtan Lussier: My professional career is easy. I spent 18 years as a public servant, mostly as a deputy minister; 7 years in Quebec; 12 years in Ottawa; and then 18 years as president and CEO of two food companies.

Mr. John Duncan: That's good enough. That's all we need.

This committee has agreed to look at smart regulations. The committee has also agreed to look at energy policy. I see them as being completely compatible, and as a matter of fact, when I've talked to people from the energy sector, the chemical sector, or other sectors, they see it as completely compatible as well.

Can you offer a vision for this committee as to how we might be able to accomplish that, because you've obviously gone through a whole bunch of consultations and dealt with many of the same people? They want to bring a different light to this committee than they brought to yours, in lieu of the fact that it's now an educational process and we're trying to move the ball forward.

Mr. Gaëtan Lussier: Mr. Duncan, to the first part of your question, on the political will, we are—and I am—certainly very concerned and want to make sure that will happen. It's not only because we spent so much time and energy developing that proposal, but also, as we were moving along, we thought it was fundamentally important for Canada's future that those issues be addressed to keep Canada enabled to compete and be ahead of the parade.

As it relates specifically to your question on energy policy, I have seen...and not only from the oil and gas people, who, though they're sometimes concerned, are very enthusiastic and prepared to work together with environmental people, with NGOs, in order to resolve issues and to go forward. I've seen that. Also, don't forget electricity in energy. It's a sector where presently we will need more. It will need federal and provincial cooperation, and it needs to be addressed in a much different way, which is why a unified Environmental Assessment Agency will become important.

To be specific on what plan you should follow, I don't have the intention of guiding you, because you have more experience than I do. But I would say that if there's a sector, we suggest a model for a SWAT team composed of all the stakeholders working together to get there and in six months reporting back to government—it could be to a parliamentary committee—what they have found that should be changed and improved if we apply the smart regulation principles.

You have in that sector people who are prepared and eager to work differently and not in isolation. As I said to them, the cooperation and transparency you're looking at is not only from the government level, it has to be from you guys too. They said, yes, we have to do that too; it has to be reciprocal.

So I don't know. I think you could call them in, because they have been very receptive to what they've seen in the report, and I'm pleased to hear they have been indicating to you the same commitment and interest. It's certainly a sector where improvement can take place.

I'll give you an example—I'm taking too long to answer your question Mr. Duncan, but it will take 15 seconds.

I was meeting people in Atlantic Canada dedicated to oil and gas. Many of those companies that do exploration lease boats and equipment from the North Sea area. Before they can start to operate in Canada, they have to replace the floatable stuff that goes over people. It costs them between \$1 million and \$3 million before they can operate the boat here. Then when the boat goes back to the North Sea, they have to remove all those things and replace them.

I don't understand that. If it floats, it floats. If it doesn't float, it doesn't float. That's too simple.

•(1600)

Mr. John Duncan: Are any of those SWAT teams that you talked about in place?

Mr. Gaëtan Lussier: No. They are recommendations, so I hope someone will pick up the ball somewhere. Hopefully, the government will eventually pick up the ball, because I have people who are very interested and who say, "Let's work together. Let's take six months and look at what regulations we have and see...." In the food sector, especially, where I come from, there are so many regulations that I call "small tyrannies" of differences between Canada and the U.S., for example, that will not affect one bit the fundamental principle of protecting the safety and the security of consumers, but they are a pain in the...because they do not, for example, permit processing companies in Canada to develop a world mandate. If you're processing cereals, they are not the same in Canada and the U.S. If you're processing popcorn—I could go on and on. There are little differences in cheese content and so on that are just there and do not permit a free flow of things.

Mr. John Duncan: When we have local examples of tyrannies or things that have created one-year or two-year delays or cost three quarters of a million dollars for a small business—all of those kinds of things—what should we do with those? Now that we have a smart regulation document that says the federal government has bought into trying to make this happen, we have a way to deliver a message to the government, and to the bureaucracy in particular, that this is dumb regulation—what they're doing is dumb regulation—just by virtue of having this and people being aware of it. Most people are

not aware of the smart regulation initiative. That's a role we can play. This would all be very helpful. But I guess that's not a question.

Werner wanted me to ask you if you could outline the SWAT team a little better.

Mr. Gaëtan Lussier: Let's use the food sector as an example. That would imply the primary sector, the Canadian Federation of Agriculture. That would imply FCPMC, Food and Consumer Products Manufacturers of Canada. That would imply CCGD, Canadian Council of Grocery Distributors. That would imply the Consumers' Association of Canada. That would imply representatives of the nutrition association. The principles are that everybody is in one sector. In other words, rather than being very narrow, the interests related to a specific sector are made horizontal.

Food is an example. In my own jargon of the past I would say the supply chain management, the supply chain people, from the producer up to the consumer table, those who are involved in that process would work and sit down together around the table with the Consumers' Association, with the CFIA, the Canadian Food Inspection Agency, and they will look at the existing regulation and see that, for example, Health Canada has the responsibility, that Agriculture Canada has the responsibility, and they will ask, "Are they helping us as an industry to go forward?" It will permit all the individuals to develop, hopefully, a consensus around the way the regulations that affect that sector should be progressing, should be making its work plan in the future.

The Chair: Thank you.

Thank you, John.

Serge, did you want to go next?

[Translation]

Mr. Serge Cardin (Sherbrooke, BQ): Thank you, Mr. Chairman.

Good afternoon, Mr. Lussier. You did say at the outset that you did not like the term "smart". Perhaps we could speak rather in terms of harmonizing various areas of specialization. However, throughout the entire process, we do understand that this has to do with economic considerations, that the objective is to make things easier and more profitable.

Is the idea of your work also to lighten or reduce regulations? We know that when regulations are introduced, even if they are not as smart as those we will have soon, the fact is that they are designed to protect all sorts of interests, considerations and values. So if we are trying so hard to harmonize or facilitate things, is the underlying objective of the process not to lighten or reduce regulations as well?

•(1605)

Mr. Gaëtan Lussier: With all due respect for your question, Mr. Cardin, I would say that throughout the lengthy discussions our committee held, no committee member ever suggested that our recommendations to the government would seek to reduce efforts to ensure consumers' safety and protection. We did suggest different procedures and ways of speeding up the introduction of regulations in some cases, but this was never to the detriment... Smart regulations must continue to ensure that public health and the environment are respected in the interest of the citizens. We did recommend some profound changes to procedures, but we never touched on the substance of the matter.

Mr. Serge Cardin: Number of organizations have done studies and analyses on smart regulation. The Canadian Federation of Independent Business was involved in this and prepared some reports that included some recommendations, I think. The Canadian Council of Chief Executives, of which Mr. D'Aquino is the president, has also looked at this issue. Mr. d'Aquino mentioned to us that there was a recommendation by the committee to develop a new federal regulatory policy before September 2005.

Was that one of your objectives?

Mr. Gaëtan Lussier: We recommended that the government—and I do not know which recommendation this was—develop a general policy on smart regulation within a year. We recommended that there be a reference framework established to inform any department that has or receives responsibilities under an act or amendments to regulations, what steps must be followed.

When you talk about the Canadian Federation of Independent Business, you are talking about deregulation. We did not touch on this issue, because that was not our objective. It was a question of developing regulations or alternatives to regulations that promote Canadian economic development, while providing adequate protection for individuals. The term used in English is “enabling”—that means a process that allows us to proceed, without harming the fundamentals. If you look at our document again, you will find nothing there that violates the fundamental principle of protecting health, safety and the environment.

Mr. Serge Cardin: With respect to not-so-smart regulation, I referred earlier to the Canadian Council of Chief Executives, of which SNC-Lavalin is a member. Not so long ago, just a few days back, the president of SNC-Lavalin attacked, but did not condemn, the federal government's environmental evaluation which, to all intents and purposes, blocked the company's investments in hydro-electricity. So that may be one example.

There is also the issue of federal-provincial relations. In Quebec, we have the BAPE in the environmental area, which has its own regulations about environmental evaluations. There is also the federal regulatory apparatus. This is an example of the type of situation we should be trying to avoid.

Mr. Gaëtan Lussier: I am at a disadvantage, because I did not hear what the president of SNC-Lavalin said. I therefore cannot comment on his remarks. However, as far as we are concerned, at the moment, if we have a project requiring an environmental assessment, there is a sequence followed in the process. The province does its work, and the federal government waits. Then the federal

government begins its work. Ultimately, this approach becomes too long and costly.

Our recommendation is this: even if there is no agreement about establishing a single national agency for all sorts of reasons, there must be agreement on the process and the factors to be taken into account so that the work can be done at the same time so as to shorten the time involved, which is much too long at the moment. I am not sure that the delays we have at the moment improve the quality of the final product.

At the federal level, there is the Canadian environmental evaluation agency, as well as Fisheries and Oceans Canada, which is always involved, because fish do swim everywhere. Very often, there is no communication between these two bodies; so we need them to work together. What needs to be done at the very least is to unify environmental evaluations at the federal level.

This is costing industry billions of dollars at the moment. The quality of the evaluation must not be sacrificed, but they must be done according to much more similar deadlines, processes and objectives.

•(1610)

Mr. Serge Cardin: We see what your objectives are, but the main weakness you highlighted earlier had to do with relations between departments.

Mr. Gaëtan Lussier: It is true that that is the first point.

There are too many silos. Mr. Duncan wanted to know where I was from: I am from a farm, I am a farmer's son. We had two silos on our farm. We see silos very often in government, and that is not a good thing.

Mr. Serge Cardin: It depends. If you have a good, well-balanced mixer...

Earlier, you mentioned that we were not obliged to try to achieve a single regulatory authority. I always take the example of environmental evaluations, for which we have the BAPE in Quebec. The important thing is for agencies to work efficiently on parallel tracks. Your objective is not to have all areas of provincial jurisdiction come under federal jurisdiction. The two levels of government can always work in parallel.

Mr. Gaëtan Lussier: No. We did not get into that. We wanted to remain pragmatic in our recommendations and not to get involved in day-to-day considerations of matters that are quite natural and proper.

However, we think significant changes can be made to promote development in some cases and to reduce costs. I would mention the example of the introduction of liquefied gas centres in Quebec. The environmental review process will be lengthy. However, if there were a different approach, it might be possible to eliminate delays that have nothing to do with the quality of the final product nor to the intrinsic value of the assessment.

Mr. Serge Cardin: You seem very aware of the difficulties that could exist between departments and provinces, regarding the free circulation of goods, etc. However, you talk about adapting regulations in the area of international cooperation, which could prove even more difficult.

Mr. Gaëtan Lussier: It is both difficult and not difficult. It is important that Canada have a clear, transparent policy. In no way do our recommendations seek to sacrifice what Canada represents. Let us take the example of drugs. At the moment—unless I am mistaken, because I have not been involved in this for two months—it takes between 350 and 560 days to get a drug approved. Is it necessary to repeat the entire procedure that was followed in Europe and the United States? Should we not rather take advantage of this fact to speed up the process, provided we are sure that high-quality standards were used, as we said?

As regards risk management—and this will be even more true in the years ahead—the impacts of biotechnology will open up a new range of health options. Things will be difficult if the times required are so long. Why not call on international experts? Harmonization does not mean that we will meekly submit to everything we are told. It would depend on the circumstances. The underlying idea is to improve quality.

I'm giving drugs as an example. If it takes less time to approve drugs in Europe and the United States, we would have more time to test the drugs on people than we do at the moment.

• (1615)

[English]

The Chair: Thank you, Serge.

Denis, then Brian.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Thank you, Mr. Lussier.

I do not know whether it is because of Halloween, but I am hearing some horror stories in your comments. I do understand that we have to eliminate some red tape. I also understand that the devil is in the details. However adaptable or flexible we may be while remaining pragmatic, it is essential that we have our own standards in the international context—this is less true at the national level, but I will come back to that—particularly as regards health—and here I would repeat your example of drugs.

So when you spoke about regulations, I liked the fact that you also mentioned the values that go with them. When we talk about standards, we have to be careful, because people's health and lives are involved. We saw cases where some countries made decisions much too quickly and they had an impact.

Am I to understand from your proposal that there be some type of systematic review? When you talk about expertise, are you suggesting that regulations also be subject to an on-going test?

Mr. Gaëtan Lussier: That is one aspect of the approach, Mr. Coderre whereby we say we must have performance indicators and they must be public. If we decide to establish a strategy of the type we are recommending, we must ensure that it is actually implemented. Otherwise, we will have to start all over with another committee in two or three years. That is in answer to your second point.

On your first point, I do not remember saying anything other than the fact that Canada and Canadians have a value system that we must continue to protect. We would never have suggested changes that would not do that. However, we also believe, when we talk about

people making regulations at the moment, that there should be a profound change in the culture and procedures, so as to be much more transparent and timely.

I could give you some examples once again, but Halloween is not until Sunday.

Hon. Denis Coderre: I would like to come back to this, because you have been talking about a transparency problem for a while. Give me a concrete example of a transparency problem with respect to the current public service.

For example, do you think there are transparency problems at the Canadian Food Inspection Agency because information is not getting out quickly enough? It may be said that this does take some time, but this may perhaps be attributable more to a communication problem between various stakeholders.

What do you mean when you talk about transparency?

Mr. Gaëtan Lussier: At the moment, if a company wanted to get a new product approved, in the food sector, for example, after providing all the necessary documentation to Health Canada, the application would ultimately go nowhere. There is no one to get in touch with. This is where I touch on communication. Is it possible to call someone to find out what is happening with the application? At the moment, people are referred to this person and that, which sometimes makes the regulatory staff aggressive, because they are overworked.

Hon. Denis Coderre: So you are telling us in pragmatic terms that there is a resource problem at the moment as regards the implementation of the regulations as well.

Mr. Gaëtan Lussier: Yes. We have far fewer people doing this than have other countries. As a result, the process takes longer and in some cases results in delays for companies that might...

I could give you a number of examples, since I have heard of several recently that had an impact on the ability of organizations to bring a product to market. This was not only in the area of health, but in other areas as well. In the end, competition from outside the country will win out.

Hon. Denis Coderre: I would like to come back to some of your recommendations. In recommendation 9, you spoke about federal-provincial relations. I would like to come back to the point raised by Serge earlier.

This is a debate we need to have in our society. In the name of pragmatism, adaptability, flexibility or simply to ensure that things get done faster, we might tend to say that if everything is harmonized, that is all right, and things will proceed much more quickly. However, there is a reality regarding jurisdiction and turf. There is even a reality regarding the very definition of these terms. Of course if a person wants to be an accountant in Quebec, the standards should be the same as in the rest of the country. However, when we talk about enforcing certain unique features in the environmental or any other field, it is important that respect be shown for these specific features.

What was your thinking about the concept of flexibility or pragmatism with respect to this idea of specific features, to ensure that harmonization does not amount to having a single model? With a single model, we may sometimes lose all the unique flavour. I think it is important to mention this.

• (1620)

Mr. Gaëtan Lussier: You are quite right, Mr. Coderre, and this is extremely important. The principle underlying all of this—and we went quite far in this regard—is that the first ministers must talk to each other. That does not mean that they must cast all their activities in the same mould, but we do ask them to work from the principles we established. The provinces still have many areas to settle among themselves, such as regulations on truck transportation, the number of wheels and so on. We could mention tons of such examples. These are things that change nothing about the fundamentals of security and protection, but they do have an impact on economic development. We live in a world where competition is fierce, and it will become increasingly fierce. So we should be finding ways to harmonize our activities. Harmonization simply means doing differently, but consistently, what must be done to protect Canadians.

Hon. Denis Coderre: So you think this matter should be discussed at a federal-provincial ministers' conference. If we cannot wait until then, the issue should be put on the agenda of the Minister of Transport, for example. I think that this the best example. There could be discussions about the number of hours truckers drive, for instance.

Mr. Gaëtan Lussier: That is correct.

Hon. Denis Coderre: I'd like to raise two points quickly. I think you have a challenge on your hands; namely, the concept of accountability. Let me explain what I mean.

[English]

I'd like to talk about accountability. I really believe that among ourselves, as parliamentarians, we have a role to play. At the same time, what you're looking for are regulations so it can be more pragmatic, more efficient, faster, and stuff like that. The perception I have with that is that sometimes the regulation might be more important than the legislation itself, which means, well, we don't need necessarily to take care of the situation, since the regulation will work by itself.

How do you address that?

You spoke a lot about transparency, but when we're talking about accountability, especially vis-à-vis the way your regulation works... because in the best of worlds, what you're saying, basically, is if we have all those regulations and we have the process to have an ongoing review, why do you need us?

Mr. Gaëtan Lussier: No, I think it's quite the contrary. I think you should be the guardian of the process that is taking place.

A voice: The watchdog.

Mr. Gaëtan Lussier: Yes. And I think this is very precious, at least in the mind of the committee that I've been presiding over.

There are various forms of *imputabilité*. When the government proposes and you, as members of Parliament, develop new legislation, the time between the legislation and the regulations that

accompany it could be two to three years in many instances. During that period of time, if it is scientific, science will have gone light years ahead in two to three years, so it will need to be looked at again.

So we're saying when there is legislation proposed to cabinet and then to Parliament, the framework of the regulations that will accompany that legislation should also be developed.

Hon. Denis Coderre: So basically you're saying it's not just legislation that should go through Parliament; we should do the same thing with regulations, which is exactly the way, when I was Minister of Immigration—sorry to be personal—we brought forward all the regulations with the new Immigration Act. So regulation and legislation from now on should be in front of Parliament, and parliamentarians should....

Is that what you're saying?

• (1625)

[Translation]

Mr. Gaëtan Lussier: We talk about transparency and accountability, I think that is a very important element. The other one, which I would mention very quickly,

[English]

is that the application, the implementation of the regulations across Canada from the same department, is sometimes like day and night, and it has nothing to do with there being three or four hours' difference. The interpretation is sometimes not identical on the same regulation in western or eastern or central Canada.

So there is some work to do there too.

The Chair: Thank you.

Brian has agreed with Werner to switch places.

Thank you, Brian.

Go ahead please, Werner.

Mr. Werner Schmidt: Sorry, I have to go very quickly here, as I have to leave. I have a problem with time.

I do want to commend you for coming. Thank you for your passion and for your enthusiasm, and thank you for the content as well.

The Library of Parliament has indicated certain things that you want to have done.

There are two questions I want to ask you. First, in terms of process, there's some suggestion the Privy Council Office take the initiative here, rather than a committee of this sort to do the study. That's one question.

The other question has to do with—I think you mentioned—three areas that you would recommend we start with. One of them was the food sector; the other one was energy; and I forgot the third one.

Mr. Gaëtan Lussier: Pulp and paper.

Mr. Werner Schmidt: Pulp and paper, that's right.

You had clear recommendations as to the composition of a SWAT team in food. Do you have a similar recommendation for the energy sector?

Mr. Gaëtan Lussier: Yes, the principles are the same.

I'll let you complete your question, sir. I'm sorry, I should not interfere.

Mr. Werner Schmidt: Okay, so you have that. I was finished. That part is fine.

But I'd like now to go back to the first part of the question, that is, the process itself, the role of this committee vis-à-vis the Privy Council of the government.

You have been a bureaucrat for many, many years, and you've also been the chief executive officer. You know exactly where things happen most quickly. So could you at least explain your recommendation?

That's the information I have here. It may not be correct. Maybe you're saying it is far better to go this way than the other way.

Mr. Gaëtan Lussier: First of all, I would like to explain to you why we have recommended that PCO be the challenging function. In the day-to-day business, on a day-to-day basis, the interface that exists between departments is for the most part taking place, and it needs somewhere, somehow, within the federal system, somebody who has a whistle. To me, that function is essential.

Is it PCO or is it somewhere else? I don't know. We thought that to start, to begin putting the strategy in place, PCO was the right place, because the Clerk of the Privy Council is the chief officer of all deputy ministers. It's the right place for a different way, a different approach, to start taking place, but I don't think it has an impact or influence on how a committee like yours should be playing a role.

I answered Mr. Coderre that there should be performance indicators in the implementation. I think the best way to have performance indicators adhered to is to have you watching on a regular basis, whether that's every six months or every year, to see what progress has been taking place.

Mr. Werner Schmidt: Mr. Chairman, I think this is a real challenge for you, to make a real mark and to make sure this industry committee becomes the moving force in the implementation of smart regulation in Canada. I think, at least from the information I have, every industry is going to love you. The factory people are going to love you, Mr. Lussier is going to love you, and I'm going to love you too.

The Chair: Is it the difference between looking smart or being smart?

We're going to Brian—and Michael, I have you on the list. We're going to go back to our regular order.

Thank you, Werner. Have a safe trip.

Brian, please proceed.

Mr. Brian Masse (Windsor West, NDP): The amount of love is even making me feel uncomfortable.

Taking off from the questions about the food sector, energy, and pulp and paper, I'd like your analysis on why the auto sector would not be in the top three.

Mr. Gaëtan Lussier: In fact, that recommendation has been influenced, sir—very, very bluntly and openly said—by the intensity of the various components of the sectors saying, this is where you should be starting. They were prepared to work to show that this model can work, but it is not, in my opinion, restrictive of what it should be.

The situation related to the automotive sector is different. It is related to the automobile sector, and we know who they are. It is related to the environment and gas emissions and all that stuff. It has to do with the height of a bumper. There is a lot of differential between Canada and the U.S. in the regulations on that front.

To be very transparent with you, it was a question of selecting three sectors that had raised their hands in the class and said, we want to be there first. But this has no impact.

• (1630)

Mr. Brian Masse: I think there has to be more thought put into what it should be, because one in six jobs in Canada is in the auto sector.

Mr. Gaëtan Lussier: But we have not pushed to the level we have with the others.

Mr. Brian Masse: That's fair. So there needs to be a little more discussion about that.

I'd like to move to a document that was provided to me from the Canadian Environmental Law Association. It was sent to your office on August 16. I don't know if you had a chance to see it.

Mr. Gaëtan Lussier: I probably did, but I don't have it with me.

Mr. Brian Masse: The crux of what they were arguing is that they felt that with the review of everything, the protection of human health, safety, and the environment was not significantly grounded in the report. Maybe you can respond to that suggestion.

Mr. Gaëtan Lussier: This organization is one of 15 NGOs that I met personally. I have equally received letters and have seen articles from environmental people, representatively, supporting the approach and understanding that we were not sacrificing any fundamental principles. I don't want to enter into a debate, but I want to tell you that among the 15 NGOs and environmental organizations that we consulted and that I personally got involved with, I remember the differential point of view, but from others, there was not that impression.

We remain open to doing things differently, but as it relates to the report, it's now out of our hands. We'll see what happens.

Mr. Brian Masse: They're raising that, and I wanted to give you an opportunity to respond to it.

I want to clarify—I don't know the process—who got on the list for consultation and who didn't. How was that list developed?

Mr. Gaëtan Lussier: We started back in May 2003 by writing to over 100 different national associations comprising a wide spectrum of economic sectors—NGOs, life sciences, health. We had responses, written in some instances; we opened up an Internet site; we invited them to comment; we did research, and we published all that research on the Internet and invited everybody to react.

The committee worked all during that time and finalized the draft report by the end of June, and we started again another process of consultation with over 65 national organizations, including the Canadian Environmental Law Society and others, to get their input and their reflections. In fact, it proved to be very important, because it influenced changes we made between the July-August period and the tabling of the report in September.

Mr. Brian Masse: Going on to the next stage you're advocating, I believe you mentioned you were discussing six months approximately for the process.

Mr. Gaëtan Lussier: It depends on the sector and where it should be undertaken. In designating the SWAT team, we thought that to give them a chance to do a good job reviewing existing regulations and comparing them with the principles we develop in smart regulations, and realizing that they have something else to do with their lives, six months would be a reasonable period of time that would permit them to make a report back to the government and for the government to act on it if it so wished.

Mr. Brian Masse: Would that be influenced as well by the sectors that were investigated? You're basing this basically on the food, energy, and pulp and paper sectors. Would it either be scoped down if one were eliminated, or expanded if...?

Mr. Gaëtan Lussier: Absolutely.

• (1635)

Mr. Brian Masse: Going back, I can't help myself always asking about auto, but if that sector were added to the component, how much longer approximately would we be looking at in terms of a setting?

Mr. Gaëtan Lussier: I don't know. I will give you a rule-of-thumb indication. You need to put the model in place, you need to develop the terms of reference and all that stuff, and then you have to invite people to work. In normal circumstances, it would take between six and nine months. I would think if people take it seriously and the three sectors identified are very serious and adamant, six to nine months should be good timing to give them a chance as stakeholders to analyze the composition and look at it in a different manner.

Mr. Brian Masse: Lastly, has there been any updating of the reports in September 2004? You have the report here, but looking now at what's happened in the last month, is there anything else that is provoking something new or different that you might have added?

Mr. Gaëtan Lussier: I think it's too soon to say that, because it's one thing during the process of consultation to have somebody tell you they are very happy and all that, and it's something else after that. There are always improvements, and perfection does not exist in the first round—I don't think it ever exists. So yes, there could be some other things, but I have to tell you that our mandate is finished, and now it's up to the government to decide what it wants to do with the 74 recommendations.

Mr. Brian Masse: I apologize. I have to leave as well for another meeting.

Mr. Gaëtan Lussier: That's all right. At some point in time I'll do the same.

Some hon. members: Oh, oh!

Mr. Brian Masse: Thank you for your time.

The Chair: Thank you, Brian.

Now we're on a second round. I'll be a little closer with the times. I let people go a little bit longer on the first round.

We're now at Marc Godbout, then Serge, if he wishes, and Denis, and then Michael.

[*Translation*]

Mr. Marc Godbout (Ottawa—Orléans): Thank you, Mr. Chairman.

First of all, this is an excellent report. I too can testify to your enthusiasm. I do not want to throw cold water on everything that has been discussed,

[*English*]

But, Mr. Chairman, it looks a bit like the impossible dream. I guess we are all in favour of streamlining all the regulations, but I've been involved in provincial government in ventures like this, and what happens is you're dealing with so many actors...

[*Translation*]

There are so many parties involved: the federal government, the provincial government, the municipal government and professional agencies, which can come from other countries as well. Imagine that you start dealing with a situation, say in the food sector, and that you manage to achieve much more consistency. If an accident were to happen somewhere, there would be a coroner's report and endless regulations would be introduced. I am quite prepared to believe you, but perhaps I am too old. Why would your proposals work when at all levels of government they have so often failed in the past?

Mr. Gaëtan Lussier: I am inclined to reply by saying, Mr. Godbout, that we can stick to the principles and values contained in this report. If, in everything we do in the future, we work from the principles we identified and their related values, there is a good chance that all the parties involved will believe in the processes. Of course, it is the same as with many other things. We must start working with those who are interested in making a change. That is why I mentioned the food, forestry and energy industries, where there is a profound desire to work with environmental officials at the federal and provincial levels, because there is a great deal at stake for these people.

Of course, achieving all this will take some time. There is no magic wand. As I mentioned earlier, profound culture changes are always difficult. It is difficult to be an agent of change.

[English]

The Chair: Merci, Marc.

Serge, *s'il vous plaît*; then it's Denis, then Michael.

[Translation]

Mr. Serge Cardin: Essentially, you are trying to deal with all the regulations of all the departments, which govern all areas of people's day-to-day lives. Those of us who have been in business are very well aware of this. The Canadian Federation of Independent Business also advocated the least amount of regulations possible. However, even if we cannot go that far in eliminating regulations, we must look at this. There may be some regulations that deserve to be reconsidered—I would even say lightened—but we should not simply eliminate them brutally and stupidly. The fact remains that we are overregulated in many regards.

• (1640)

Mr. Gaëtan Lussier: There are two parts to your question, Mr. Cardin.

First of all, as I was saying earlier, we did not touch on deregulation. However, I can tell you that I did hear about absolutely fantastic initiatives during the 15 or 16 months we worked on this project. At the moment, Quebec is an example as regards to deregulation. British Columbia is also making a considerable effort in this area.

Our mandate did not involve deregulation. We therefore looked down from 200 feet up in a helicopter so as to have an overview, rather than a view by sectors. That is why we have presented a strategy on regulations we think could be applied to all departments in the Canadian Government, in that it respects the underlying principles and values of this country.

Mr. Serge Cardin: I don't know whether this a translation problem, but you referred to 74 recommendations, while I see only 73. Which is it?

Mr. Gaëtan Lussier: The problem is that Lussier is getting older and forgot that there were 73 recommendations.

Mr. Serge Cardin: As I said a little earlier, when one has an opportunity to work in a company, one often hears the following type of ironic comment about regulation: "Why do things simply when it is possible to complicate them?" In fact, that is everyone's view. However, working strictly at the departmental level in an effort to protect people's health, the environment and the economy, would remove many of the irritants for everyone.

Have you identified or quantified certain elements?

Mr. Gaëtan Lussier: In the course of our meetings, consultations and research work, we did observe certain things that we did not include in the 73 recommendations contained in the report, for the simple reason that the mandate I described earlier was very well defined. Consequently, we agreed to stay within our terms of reference, even though we did look beyond that.

The Chair: Thank you, Serge.

You have the floor, Denis.

Hon. Denis Coderre: Thank you, Mr. Chairman. I want to come back to the issue of accountability. As regards transparency and

accountability, your approach would be to incorporate the regulatory framework into legislation through a parliamentary initiative.

Do you think the executive branch of government cannot be both transparent and accountable if it has responsibility for regulatory matters? In other words, is the difference between the old and new way of making regulations much more a problem of silos and red tape rather than a question as to who is responsible for the regulations?

Mr. Gaëtan Lussier: There are two factors here, Mr. Coderre. First, when the government decides to introduce a bill in Parliament, it must also publicize the framework of the regulations, even though this is not yet finalized. Doing so by means of Parliament allows all of the interested parties to know about what is going on.

Of course, there is a procedure at the moment. Two years later, regulations are published in the Canada Gazette, Parts I and II. This gives people time to react. However, in some sectors such as science and biotechnology, developments happen so quickly that by the time the regulations appear in the Gazette, they no longer necessarily reflect the scientific reality.

Hon. Denis Coderre: For the benefit of those listening, some would say we should point out that there is a process within the Cabinet committee as well.

Mr. Gaëtan Lussier: Exactly.

Hon. Denis Coderre: We should not give the impression that there is a two-year delay before this becomes public. Even before regulations are approved, there are public consultations. The pesticide case is one such example. You know how it works. There is a 75-day period during which people can react, and this is the responsibility of the Privy Council. Personally, I have seen many regulations changed. Should we not consider cutting the red tape rather than saying that this is not a transparency problem but rather one of communication?

I have no objection to more work being done here. However, I think people should realize how complex this matter is. Perhaps we must also give the government some flexibility and pragmatism. We should not take away all its authority and assume that Parliament will deal with everything.

• (1645)

Mr. Gaëtan Lussier: With respect to the first part of your comments, I would point out that the current regulatory process is shown on page 65 of the English version of the text. So you can have a look at that.

Moreover, my reference to transparency has to do with stakeholders and users. The fact remains that in purely practical terms, people who work in this field at the moment think that communication is one of the major problems. This gives rise to all sorts of impressions, some of which are not accurate. Communication and transparency are therefore closely linked.

Hon. Denis Coderre: I do not want to put you on the spot, but I would like to know whether you have felt some resistance from the people with an interest in this issue during your meetings. I know that

[English]

you spoke a lot about little tyrannies.

[Translation]

Some individuals—and I will be kind and not name them—have what is known as private turf.

Did you notice any resistance related specifically to the need for a change in culture?

Mr. Gaëtan Lussier: I will be frank with you. Throughout the entire process, I had an opportunity to speak with a number of deputy ministers and representatives of various departments. I had an opportunity to understand where they were coming from, where they were headed, and so on. In the vast majority of cases, I received an interested, interesting and enthusiastic welcome. In two cases I received a rather cool reception—and please do not ask me to name names.

Hon. Denis Coderre: My guess is you are talking about the agencies.

Your recommendations 33 and 35 about the ways to enforce regulations are extremely important to me, because you refer in particular to e-government.

The changes in culture and technical procedures also involve the use of advanced technology. Since I was involved in a debate about matters relating to identity and biometrics, I understand that you must necessarily look at the concept of security as such or at privacy considerations. I would like to know whether it will be necessary to have new privacy legislation. Does the current legislative framework allow us to implement these recommendations?

You met with quite a few interested parties, but I imagine you also spoke with some experts. I understand that e-government could be one way of harmonizing regulations between Canada and the United States, for example. Have you also met with our American neighbours to see how all of this could be implemented in practical terms?

Mr. Gaëtan Lussier: No. We did not go so far as to claim that we could also be responsible for implementing regulations. In the recommendations to which you refer, Mr. Coderre, there is no doubt that we distinguish between privacy considerations and access to government information for ordinary people.

When our committee began to dream—because it costs nothing to dream—we thought that if we managed to do that... We had a good example. When I went to New Brunswick, I was very impressed by the way in which e-government had been introduced. If a small- or medium-sized company makes a request, it is passed on to all the departments involved, and the permits are issued in a comprehensive way through the Internet.

So if we want to talk about transparency and facilitating access, that remains to be developed. We did not deal with aspects related to privacy. Nevertheless, as regards the implementation as such, I think there is technology available today that allows us for greater privacy protection and no opening of individual files. I do understand that privacy considerations are absolutely fundamental.

● (1650)

Hon. Denis Coderre: Thank you.

[English]

The Chair: Thank you, Denis.

Michael Chong, please.

Mr. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair.

Thank you very much for coming to this committee meeting. I found the report you put together very interesting, particularly step 8, where you talk about reducing the small differences in regulations between Canada and the U.S. Just yesterday, one of my constituents called to complain about how Transport Canada has a proposed regulation on rear bumper guards for tractor trailers, which is out of sync with the U.S. Department of Transportation. Even though this is a very, very minor cost to them to make this change—I think it's a couple of hundred dollars per trailer—it's a huge irritant because they now have to deal with two sets of standards.

I have three questions about your report. The first is, do you have any idea, out of the 9 steps and the 73 recommendations, what kind of timeframe we would be looking at to implement this, whether we are looking at something that would take a couple of years or something that would take a decade? That's my first question.

My second question is, how much would it cost to implement this? I know you've talked about significant benefits from implementing this for industry, productivity growth, and what not, but in terms of the government's costs, there's talk of implementing smart SWAT teams and creating other mechanisms, etc. I'm just wondering if there's any idea of costing.

The third question I have—and Denis Coderre touched on this... We have a horizontal department like the Department of Justice, which steers all the laws through the Government of Canada and manages that component of it. One of the things that was brought up was whether or not we would attach regulations to bills going through Parliament, but I see in your preliminary nine steps that there are different organizations and departments you are proposing be involved with this. I see the Privy Council Office, the Minister of the Environment, a first ministers' meeting, and a designated minister for step 8. Would it not be better to maybe have a single department responsible for implementing this—possibly even Justice, in the sense that they're a horizontal department responsible for law, and given that regulations are simply an interpretation of law? Having a single minister in a single department with a single point of accountability may actually be more effective in implementing this.

Mr. Gaëtan Lussier: I will start, Mr. Chong, with your last question. I would not favour having a single level of authority to implement the plan relating to smart regulation for the simple reason that it requires cultural involvement in making departments change the way they do things. If it is done by somebody, somewhere, people will watch it like a St. Jean Baptiste parade in Quebec; they will go on the sidewalk and say hello, but not get involved. Personally, in my little experience, that would not be too good.

As for the cost of implementation, no, we didn't do a formal costing. For example, touching on Mr. Coderre's questions on e-government and what the cost would be, we didn't do that. I can tell you, approximately, two things. If we look at a SWAT team, there are costs that are not related, and those people would not be paid. They would be coming...and it may involve transport, a room, lunch, that kind of stuff. So in the overall scheme of things it's a cost, and every cost is relevant, but it is minor in the overall aspect of it.

We believe that in order to have all of the people or stakeholders involved—and I know Mr. Coderre doesn't like the word “transparent”—and particularly the consumer groups, who have good ideas but no money, it will require giving them a bit more money to help them prepare to develop themselves.

There was a very interesting principle that we looked at, and the CRTC is using, which is inviting everybody to participate. If they bring value by their *témoignage*, by their presence, they will have compensation. If they're just there to annoy everybody, they will have to organize a bingo to finance their development. So there are various ways to develop.

The time it takes to develop I think depends on the political will. I'm oversimplifying it, but it's not one year and it should not be more than five years. There should be steps right away to set the example, to develop the tempo, the momentum, and then to go on. So between one and five years, but everything will depend on whether or not there is the political desire to act on it.

•(1655)

The Chair: I'm going to go to Brad, unless Marc and Denis have something.

Marc, a short one, and then we'll go to you, Serge.

[*Translation*]

Mr. Marc Godbout: My question is about recommendation 12. You recommend that the Privy Council—and here I am repeating a point that was raised earlier—should establish a mechanism. Could you give us a brief idea about the size of this mechanism? When a mechanism is established, sometimes it ends up looking like an infrastructure, or something much larger than was originally intended. Could you give us a few details on this?

Mr. Gaëtan Lussier: This would not be a very large mechanism, Mr. Godbout, but rather a small group that would ensure that the principles are implemented horizontally, by all departments whenever regulations or legislation comes before cabinet. So, not just the Department of Environment would be involved, but also Industry Canada, and so on. It is not an expensive process. What is expensive, on the other hand, is getting everyone to the same table to reach a consensus. There would be a horizontal approach, rather than silos.

[*English*]

The Chair: Thank you, Marc.

Brad Trost, please.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Let me first congratulate you again on this report.

Every one of us comes from a different area in our previous careers. My background was in mining, and I can tell you just how frustrated project geologists could get. They could spend twice as

much time filing the paperwork, the regulations. You have these talented, experienced scientists who, because of their senior experience in geology, have to head up the project, yet they're doing nothing but applying for regulations to put in roads, roads that are basically plowed through the bush, that are not accessible to most vehicles, and they're spending months and months to do it because of all the paperwork they have to do.

So let me commend you. If we can implement this, there will be a lot of grateful people in the future—people who don't know how grateful they should be to you for it.

I don't always know where I pick up these terms and I'm trying to remember where I was reading this, if it was in your report or somewhere else, but I was wondering about the concept of single-window regulations, I believe the term is, one-stop shopping. It struck me as sort of the Wal-Mart of regulations. Get it all in one target, in one place, and do it.

The Mackenzie Valley pipeline is a project that's of interest to me, and I can think of other mining projects in the future and how we could implement federal, provincial, and everything there.

I was wondering if you could expand a little bit again on how that would work. Maybe take the Mackenzie as an example, because we're going to have regulations dealing with aboriginal, environmental.... Take the list away.

Mr. Gaëtan Lussier: There are 14 different aboriginal communities involved.

I think this is one we've met, particularly with people who are very much interested and excited about the development of the north—oil and gas, mining, or the Mackenzie pipeline—who came to us with the idea that in those major projects there should be somebody who is the leader for everybody, to make things happen. So as an industry, you'd have one post office to remember, not 17, not 20. This is where we're saying in one of our recommendations that in the case of a major project, there should be a single window, and the Mackenzie pipeline is a very good example of that.

•(1700)

Mr. Bradley Trost: So would you be recommending that the government—how shall we say this—put the Mackenzie pipeline regulator, the tar sands regulator...that would group all the regulations together, and that's where it would be met? That would be the particular and overwhelming emphasis.

Mr. Gaëtan Lussier: The qualifier I would put on that, Mr. Trost, is that it's when we talk about major projects rather than the normal, day-to-day living. But in the major circumstances, the principle would be that there's a single window for every major project.

Mr. Bradley Trost: I suppose that could be defined either by parliamentarians or the minister. It's back to being our job then.

Mr. Gaëtan Lussier: Yes.

Mr. Bradley Trost: Another area I was particularly interested in—and I thought it was fairly wise, but I'm not too sure how we can always implement this—is dealing with the international regulations, putting it all together.

I have to say in theory it sounds marvellous, wonderful, beautiful, but I'm thinking a little bit about some of the practicalities of it. I would hate to be the regulator or even the politician who would have to put a regulatory process on, say, drugs, a process that was essentially approved by, say, a Swiss company, to find out four years later that the regulators in Switzerland had been bribed for the information, that there had been fake data, etc.

I was wondering if this problem had been addressed.

How do we reach out...? I mean, we can find the world's best standards and particulars, but how do we certify that there is actually quality going in there, because there are so many different...? We will mostly be dealing with first-world countries at our level; we're not going to swap regulations with...I don't want to pick on any countries, but some of the African countries. What would be the implementation mechanism to check...or even doing joint regulations with the United States. I can see the argument that there would be American regulations imposed on Canada.

Again, elaborate on that, if you would.

Mr. Gaëtan Lussier: Mr. Trost, I would start with your last point in relation to the question of how we will recognize whether or not we should delegate that to others.

We always said—and hopefully strongly here—that when Canada is in doubt, Canada should not use international stuff. When we believe the standards, the scientific content, have been sufficiently developed, either by the European Union or by the United States.... Another way, before we close our eyes and plunge, should be to have a peer review of international scientists who are involved in the area, to say, “You've seen this. You've studied it. You have been working in the lab on this. You're the experts. Tell us, does it make sense to you?” Do a peer review, and after that, Canada can decide whether it will go with it.

But it will not be an automatic thing. It will need some steps to ensure it effectively. What it would do is reduce the time it takes to develop drugs.

Why did we say that?

I think it's important to take 15 seconds for this, Mr. Chairman.

We developed this because when we look at biotechnology, when we look at life science, how it would impact on health, and new products that would have an impact, if we're not fast enough to analyze these, we will deprive Canadians of access to new technology, new ways of treating their illnesses and other things, and that will not be acceptable to Canadians.

We're saying let's develop a process that ensures we protect Canadians, but we will develop a process that's different from what we do now. Currently, whatever the tests done in the U.S. and Europe have been—one, two, or three—we start over again. Do we need to start these over again? I don't know the answer to that. But we need to have a process that shortens the time we take.

Mr. Bradley Trost: I have a little bit of a follow-up there.

I was wondering, when you did your study, say in Australia, the United States, the EU, have they been approaching this in a similar way? America is so large that it views itself as a continent and a world unto itself. Have there been reciprocal studies? Has there been any thought that could begin to start this process both ways? In that area, what has been engaged in? Again, could you elaborate?

• (1705)

Mr. Gaëtan Lussier: We studied what was going on in other parts of the world. There is variation in the way countries get to this concept of better regulations or smart regulations, but ultimately, even if the process has been different, the results are taking place.

If we look at the European Union, for example, the Netherlands is really an inspiring country that has been having an impact on the harmonization of standards among the EU countries. Two or three years ago Great Britain set in place a permanent industry committee—it's called better regulation—and it has industry representatives. It is a watchdog. It's terrible. It's like the Oscars in Hollywood: it rates departments, and every year it gives its Oscar and its thumbs down to departments in relation to how they act on regulations.

Surprisingly, Mexico is taking major steps. This is something Canada has to watch, because....

I'm taking too much time, Mr. Chairman.

Globalization is bringing liberalization of trade. Liberalization of trade makes market integration, whether we like it or not, take place more and more. When we export to Europe, China, Russia, the U.S., or Mexico, we're moving toward market integration. If the regulation aspect does not follow that market integration—without sacrificing the principles that make Canada different—then we will be in deep trouble as it relates to the future economic development of Canada.

That is what this report is all about.

Mr. Bradley Trost: To summarize your point, for global competitiveness for Canada it is imperative, because other nations are moving ahead.

Mr. Gaëtan Lussier: In our view, Mr. Chairman, we have no choice.

The Chair: Thank you, Brad.

I might indulge in a question as part of wrapping up, unless I see some other questions around the room.

It's been fascinating. Along the lines of Marc's comment, it's a big challenge, perhaps so big it might be intimidating for whomever to tackle. I think it's our job to shine a spotlight on this, and hopefully if we can, if it's the will of the committee, create some momentum towards implementing the recommendations your committee has put together. In a couple of hours it's difficult to replace the thousands of hours that you and your other colleagues have placed on the effort.

Generally speaking, though, you have problems. There are thousands of federal regulations in different areas. A constituent, a client in a particular industry, could have a question or a concern about a particular regulation. Somebody else could have a question or a concern about the process involving that regulation, and could have no difficulty with the regulation itself but simply with the administration of it.

Is the process you're asking government to pursue weighted towards fixing the way regulations are managed vis-à-vis the consumer, or is it fixing—not deregulating, but fixing—the regulations themselves? I think there are elements of both in there. But if one had to choose to focus on the administration and coordination for the fixing of the thousand small or large irritants, which of those two directions would have precedence?

Mr. Gaëtan Lussier: In my own words, Mr. Chairman, I would say that what we're proposing here is to permit Canada in the 21st century to ensure an accelerated, ongoing economic development for the benefit and welfare of its citizens, but it's to accelerate it. Competitiveness and globalization are changing the game, and if we are not careful we will lose the momentum Canada has been developing.

Whether we talk about biotechnology, which is a fantastic area for the future...it may be at risk if it's not properly organized. We're number two in the world, but we need to do better than we have been doing, because that's going to explode in the years to come. Science is going to make it explode and we need to be there.

• (1710)

The Chair: Are you saying it's the management of regulation as opposed to the regulations themselves? Even knowing it's both....

Mr. Gaëtan Lussier: I think if we forget about the 73 recommendations and only do one thing to make people communicate better—the stakeholders, the federal government, the provinces, the industry, the consumer—and ask them to develop a commonly understood base for the future, we will have accomplished quite a lot.

The Chair: I'll conclude with part B.

If this were a big project to chew and you had to bite off something, could you see us finding, with your help or somebody's help, an example of a problem, not too big a one for starters, but a little problem where we, if the committee were willing, could organize a one-day working session—in public, a committee session—for that particular problem, such as the food chain—

Mr. Gaëtan Lussier: The small tyrannies of differences.

The Chair: —with the stakeholders around the table, and take five or six hours and work our way through it, for example, as a simulation of a SWAT team for that particular thing with the committee, so that we could get our heads around what they would face.... Is that idea worthy of further review? Is that something this committee could do, should it choose to do?

Mr. Gaëtan Lussier: I'm not going to advise you on what you should do, but on the example you're using.... I mentioned there are three sectors that are eager to sit down and work together, so you have a choice.

I want to comment on what you said. This is a big, extra large pizza. As a committee you may want to just take a slice of it.

The Chair: So you would say, yes, that we could find within one of those three priority areas, or another area, should the committee choose, a problem, and in one day we could simulate what could be done—

Mr. Gaëtan Lussier: In one day you will scratch the surface. If you can do that in one day, my God, there must be a lot of people who will want to hire you collectively.

The Chair: It's the teacher coming out in me. It would be a way just to get a sense of what the challenge is. I don't think in a day you're going to solve it, but we can get a sense of what the challenge is.

If there is no other question or comment, I'm going to thank you, Mr. Lussier, very much for today. You've given us food for thought and we will have dreams about this—not nightmares.

Some hon. members: Oh, oh!

The Chair: Thank you, everybody, and I wish you safe travel home for those who are heading out in the next day or two.

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