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The Honourable Roger Gallaway

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•(1535)

[English]

The Chair (Hon. Roger Gallaway (Sarnia—Lambton, Lib.)): Welcome to meeting number four of the Standing Committee on Transport. We are moving, we hope, into the final phase of consideration of Bill C-4, referred to us on October 19.

Today we have before us as witnesses, as agreed upon by committee members, from the Air Transport Association of Canada, Mr. Warren Everson, who is not a stranger to this committee. Welcome, Warren.

From Air Canada, we have Mr. David Shapiro, who is the senior counsel for that corporation; and from the law firm of Cassels, Brock and Blackwell, Mr. Donald Gray.

I understand, gentlemen, that you're going to have one agreed-upon submission no longer than 10 minutes; and we will then move to questions. You've all appeared before parliamentary committees or House of Commons committees before, and you know the routine.

So I would invite whoever is going to make the statement to proceed.

Mr. Warren Everson (Vice-President, Policy, Air Transport Association of Canada): Thanks, Mr. Chairman.

I'm going to steal one minute of the time from our submission. Nobody who knows me would mistake me for an expert in finance, and I don't intend to speak at length, but I did want to say this is ATAC's first opportunity to be before the committee with its new membership. It was with pleasure that I agreed to be here today, because this committee has really been the most crucial body for us in Parliament over the last few years.

Ours is an industry, as you know well, that's been badly beaten up in the last few years, with security and insurance, wars abroad, and fuel prices spiking up. Really, the only body that has consistently been available to us to examine our issues and listen to us and challenge us with questions has been this committee. We've had a very good relationship, which we want to keep.

ATAC is the major airline organization in the country. We represent all the major commercial airlines as well as all the flight schools, and we have associate membership from other countries as well. So we are a good point of contact within the industry, and it's my pleasure to extend to you my offer of help and information whenever we can provide it.

This legislation is important to us, and accordingly, we've brought two experts to speak to it. Mr. Chairman, it's not my intention to talk

any further, but to simply turn it over first to Don to talk more generally about the convention. Don is one of the fathers of this convention in Canada and an expert in it. And then I will turn it over to Mr. Shapiro to talk about why air carriers, specifically, will benefit.

Thank you again.

Mr. Donald Gray (Lawyer, Cassels, Brock and Blackwell): Thank you, Warren, and thank you, Mr. Chairman.

We really appreciate the opportunity to be here today. My entire practice is in airline finance, and our clients have financed a significant portion of the airliners of Canada's various airlines over the past several years.

I know you've had a fairly detailed briefing from various ministry staff members as to the technical aspects of the convention, and it is a fairly complicated convention. I just wanted to touch on some of the highlights of why it's important to the Canadian aviation industry and in particular give a couple of examples of why not having this convention has given us problems in the past.

The first important objective of the convention is to support the theories behind asset-based financing, which is financing based on the value of the asset, in this case the aircraft as opposed to the creditworthiness of the debtor, and to recognize those principles worldwide. We're a little spoiled in North America in that our personal property system has already pretty much recognized that, but in many jurisdictions in the world there is no recognition of the legal concept of a mortgage or a lease on a mobile piece of equipment, let alone the ability to register, record, or perfect those interests.

Second, one of the primary objectives of the convention is to reduce the legal risk that's involved with a number of these multinational transactions. I'll give you an example of problems we've had in the past. A couple of years ago, working for Bombardier on a transaction, we contacted local counsel in a third world country that was receiving a Bombardier aircraft. As we often did, we tried to find counsel to explain what the rules were in that jurisdiction. The answer was literally, well, this country was formerly part a French colony and part an English colony; some of the judges were trained in French civil law and some of the judges were trained in English common law; the French civil law doesn't really recognize aircraft leases while the English common law does, and it depends on who you get. That's literally the "response" we got, and it's not that uncommon. Needless to say, the lenders in the transaction weren't terribly impressed, and Bombardier ended up losing that sale.

Another element of the transaction is the reduction in what we call hidden liens or timing uncertainty. When repossessing an aircraft in Central America for a Canadian bank a couple of years ago, we had a situation where we paid off everything local counsel said we had to pay off that would take priority. Then the airport manager comes out and says, well, my sister catered the airplane, so you have to give us another ten thousand bucks, and my uncle cleaned the airplane, so you have to give me another twenty thousand bucks. By the time everything was said and done and we were able to move the airplane out, that particular bank was so ticked off at the process that I don't believe they've financed a Canadian airline since then.

In terms of timing uncertainty, quite a famous example in international airline finance is from a country in Africa that shall remain nameless, where there's a Boeing 727 sitting on the ramp at their major airport. It's been there for more than twenty years, and there have been a number of judgments. There was a king who wanted to set up his own airline, got financing, and never paid a penny. We got orders to repossess it, but the ministry wouldn't allow it to be moved and customs wouldn't allow people to go into the country. The airplane still sits there and today has less than zero value.

The next important feature of the convention and in many respects the most important feature is a single international registry worldwide for all registrations and all searches. A typical Air Canada Airbus transaction, for example, would deal with export credit agencies from Germany, England, and France, supported by a series of banks from each of those countries, all supporting a portion of the transaction. There'd be a loan into a lessor based in the Cayman Islands, another loan for the equity portion from another jurisdiction, and a sublease into Canada. It's very complicated to decide where to make registrations, where to get searches, and what opinions you need.

Lawyers will often in their own jurisdiction say yes, you've done everything you need, but very few lawyers will say you don't have to worry about other jurisdictions. There are still lawyers in Canada today who say, oh, you should register in every single place Air Canada flies, in every province and territory. That's just not good law, but that's what we're stuck with.

The final and, in our view, most important element of the convention is the predictability in insolvency. In many jurisdictions you have local discretion: you can oppose a stay; you can't have your airplane back; we'll think about it. And like the case in Africa, they're still thinking about it 20 years later, and that's very problematic. David will talk more about that specifically, as to how it affects Air Canada transactions, but that's a key feature for us.

• (1540)

The bottom line is that we think that as members of Parliament you will find supporting this to be one of the very easiest tasks you have this year. We have the very rare circumstance where there is complete and absolute unanimity of all stakeholders. Bombardier and Embraer can't agree on anything; they can't agree on what planet they're on, yet they agree on the huge need for this convention. Air Canada and WestJet, who can't agree on anything, agree on the critical requirement for this convention.

I run a conference on airline finance each year in Toronto, and the Minister of Transport was kind enough to speak there last Friday. We had a whole series of sessions with counsel for lenders, lessors, borrowers, and airlines, and there were huge disagreements as to what should go in a proper financing, but everybody agreed on this. The counsel for WestJet, who's just done a whole series of transactions, at the end of his speech said, to all of the government officials who are here, please, please, please support this convention; please, please. I suggested he put another "please" in, which he did. That's how important these guys regard this.

I'll just quickly touch on stakeholder benefits. From the government's perspective it will reduce the pressure on governments to get involved in airline finance either through Industry Canada-type support—export credit support—because of the simplification of financial assistance and the rules, or through a significant reduction in the risks for governments that do finance aircraft exports, as Canada's Export Development Corporation does for Bombardier, with the resulting increased exports driven from that.

Bombardier has lost a number of deals over the years because of problem jurisdictions. They've done the commercial sale but simply haven't found anybody who is willing to take the risk of financing into that jurisdiction because there's a concern about ever being able to get the aircraft out.

For the financial community—financiers, lessors, investors, and manufacturers—there's a reduction of risk. In fact, the U.S. Export-Import Bank, which is the U.S. version of Canada's Export Development Corporation, is the world's largest financier of aircraft; they support the U.S.'s Boeing exports. They have come right out and said, we charge x dollars for a fee; we'll cut it in half if you get the benefit of the convention. And of particular note for Canadians is the fact that WestJet is currently a large Ex-Im Bank customer through their Boeing sales, so WestJet will get a huge cash benefit the second this becomes law in Canada. Air Canada is looking at Boeing for potential future sales and the same thing will be equally applicable to them.

These are the guys who are the experts. They finance these transactions and they see in dollars and cents a dramatic reduction in the risks if this convention becomes law—when this convention becomes law, we hope.

My last point is, worldwide, who will the biggest beneficiaries be? In my opinion, the single largest beneficiary of this convention in the world will be Bombardier because of the regional nature of their markets. In terms of airlines, as David will tell you, because Air Canada competes with U.S. carriers that have financings available to them that are not available to us in Canada, Air Canada stands to be one of the leading beneficiaries. We've already talked about WestJet and other Canadian carriers.

Thank you, Mr. Chairman.

The Chair: Mr. Shapiro, we're almost out of time. I don't know if you wanted to add something.

Mr. David Shapiro (Senior Counsel, Corporate and Finance Law, Air Canada): It's just to get some guidance, Mr. Chairman. I'll try to keep it extremely brief, to a few moments.

The Chair: Two minutes.

Mr. David Shapiro: I'll use the time allotted, Mr. Chairman, and try to keep it down to the two minutes.

To go right to the point, I can say there are two major benefits airlines should expect to realize from this convention, the first being a reduction in costs related to simplifying transaction management. My colleague Mr. Gray has mentioned that there are complications relating to where to file security interests in aircraft. Aircraft transactions are supremely complicated. One of the issues that need to be dealt with in any aircraft transaction is where one registers a mortgage and how you get security to protect the lender or the lessor. For a house transaction that's never a problem. Everybody knows where the house is and where the house is staying. In an aircraft transaction it is because the aircraft moves around. Lawyers spend an inordinate amount of time trying to determine where to file their protection, and airlines end up paying for it. So the first primary benefit is that there will be a reduction in those costs.

The second benefit is that there will be a whole new source of funding—this is the most significant point—available to airlines with the implementation of the Cape Town Convention and the passage of Bill C-4. With that, debt in the capital markets becomes available that heretofore has not been available to airlines other than—and I emphasize this—airlines primarily in the United States. This convention, along with the passage of this bill, rectifies that and gives a tremendous opportunity to redress an imbalance in favour of U.S. airlines and to allow Canadian airlines to compete on a fair basis without ever having to turn to the government and ask the government to bear any costs. It's a cost-free method of achieving those two objectives.

Thank you, Mr. Chairman.

• (1545)

Mr. Donald Gray: Mr. Chairman, may I have just one additional moment?

I apologize for the fact that after a detailed technical review of the bill and working with counsel for Air Canada, we would like to recommend a couple of very minor, but we think important, clarifications, technical amendments, to the bill. One of them is needed because, unfortunately, the way it's drafted has produced some ambiguity that could produce significant litigation, and in fact for no purpose whatsoever. It's because a definition is used two different ways, and it's important that what definition we're talking about be clarified.

If I may, it's a single amendment, although it applies to each of the four statutes being amended, and it is that there's a reference to a creditor who holds security in aircraft objects, etc. "Creditor" is defined in the Cape Town Convention as meaning lessor, mortgagee, conditional seller, but "creditor" is used in the Canadian bankruptcy legislation to mean only a mortgagee. There's no question that the intent is that it include lessors and conditional sellers. Unfortunately, the way it's drafted right now that question remains open, and with a very simple amendment we could avoid significant and material litigation.

Mrs. Bev Desjarlais (Churchill, NDP): I have a point of order.

I'm assuming that an amendment's not going to be given here, because....

The Chair: This is a recommendation from a witness. It's up to the committee to decide.

I would just point out to Mr. Gray that we had the Department of Justice here last Thursday and they were quite silent.

Mr. Donald Gray: My apologies for that, but as I said, we did do our own review with our bankruptcy guys, with our clients, with Air Canada and their counsel on the other side, and there's a number of very complex statutes being amended here. The intention is very straightforward, and it just seem a shame, after the 10 years—

The Chair: To get through all of this, maybe we should move to questions.

There's always the business of report stage in the House. I'm not disagreeing with what you're saying, but you are over time by a few minutes and I think maybe members would like to flesh this out and you can respond to them.

We'll begin, I think, with Mr. Nicholson.

Hon. Rob Nicholson (Niagara Falls, CPC): Thank you very much, Mr. Chairman, and thanks very much to the witnesses for taking time to be with us here today.

This is an interesting bill on a number of levels. I'm in the opposition, as you may know, and I'm not in the business of going out of my way to assist, and applaud, and credit the government with legislation. That's not our role in the Parliament. But when I had a look at this, I couldn't figure out anything wrong with it. It seemed to me to make so much sense that we indicated right from the beginning that this certainly has to be a good idea.

You did raise the matter of the definition of creditor. I have, as part of the schedule, the Convention on International Interests in Mobile Equipment. It's referenced here at page 10 of the notes that were given to us by the parliamentary secretary. Now, the word "creditor" is defined there as: a chargee under a security agreement; a conditional seller under a title reservation agreement; or a lessor under a leasing agreement. It seems to me a completely different definition of creditor.

Maybe Mr. Shapiro may also want to respond, because I know this is in his area of expertise. Where in the actual Bill C-4 is what you think is the conflict or the problem?

• (1550)

Mr. Donald Gray: Thank you, Mr. Chairman.

If we take a look at the CCWA revision, which is the most important—

Mr. Jim Gouk (British Columbia Southern Interior, CPC): Could you give us a reference, though?

Mr. Donald Gray: Yes, 11.31 is the proposed new language, and it says: "No order made under section 11 prevents a creditor who holds security on aircraft objects"—

I'm sorry, it's clause 16 of the bill.

The Chair: It's on page 6 of the bill.

Hon. Rob Nicholson: Since I still have the floor, Mr. Chairman, I'd note that I don't see a definition of "creditor" there that would put it at odds with the convention.

Mr. Donald Gray: That's the problem. It's that subclause 2(2), I think it is, of the bill says the definitions of the Cape Town Convention will apply. But unfortunately, Canada's insolvency legislation has been around for a long time and they have their own definitions of the identical term. The definition of creditor in the Bankruptcy and Insolvency Act, for example, is just a mortgagee.

So now you have the Cape Town Convention that says creditor includes lessors. The act itself says creditor does not include lessors. That's where the conflict and ambiguity is. There's no question that the intention is that creditor, for the purposes of this bill, be lessors, and in fact we'll lose the benefit if you don't include lessors.

Hon. Rob Nicholson: There is no question about that. But the bill itself says: "Unless a contrary intention appears, words and expressions used in this Act have the same meaning as in the Convention and the Aircraft Protocol."

You are worried that the contrary intention in the various pieces of legislation that we are amending might mean that this is the definition used because that definition is slightly different from the one in the Cape Town Convention. Is that basically it?

Mr. David Shapiro: From that as well as the fact that it then uses the words "security interest". When you couple the word "creditor" with the definition under the actual act that is being amended with the words "security interest", which isn't otherwise defined in the convention, security interest would be limited to a standard creditor being a lender as opposed to extended to a lessor, for example.

Hon. Rob Nicholson: We may come back to this, Mr. Chairman, in the clause-by-clause consideration.

Can I ask you about something you said, an interesting story you told. I think you said there was a Latin American country in which you ended up having to pay off the wife or the girlfriend, or the sister or somebody, at the airport. Which country was that?

Mr. Donald Gray: It was Mexico.

Hon. Rob Nicholson: Mexico. Is this standard practice there? Is this an exception to the rule?

Mr. Donald Gray: Unfortunately, it's not an uncommon situation. Even in Canada, to give an opinion as to what interest could take priority over an aircraft lease or an aircraft mortgage is a very difficult opinion to give, because you have some conflicting federal and provincial legislation. Tax priorities change in bankruptcy, as opposed to out of bankruptcy. And this is a very sophisticated legal system. In many of these other countries, it's local discretion. A judge can decide who should be paid off.

Hon. Rob Nicholson: It's too bad. Mexico was trying to make such great strides to enter the first rank of world countries. Stories like this certainly don't help. I noticed your Canadian reticence in not saying which African country has somebody's plane sitting on the tarmac. I think we're probably doing a favour to business people and travellers everywhere if we bring as much publicity as possible. It may help them to correct the local situation. It certainly gives a warning to Canadians as to what they might expect doing business.

Thank you very much for your testimony. I think it's important for us to hear from people who are directly affected by a bill like this. It certainly confirms our own investigation of the bill, and I thank you.

The Chair: Ms. Desjarlais.

Mrs. Bev Desjarlais: To my colleagues, my apologies for questions, but there is always something that comes up.

I have a curious question. I have to admit that when we looked at the bill my staff and I certainly got the impression it was intended to benefit Bombardier probably more than anyone else, so it was no surprise to have you say that. Also, it is probably no surprise for you to indicate that you worked for Bombardier, or had done work for Bombardier. It made me a little bit uncomfortable when it was mentioned that it was pretty much your bill. I felt a little bit more uncomfortable as one thing led to the other. I then had to start writing out questions. These are things such as whether by reason of this registration it's going to have any kind of tax implications in any way, shape, or form, as in the amount a company may have to pay in taxes or anything else.

• (1555)

Mr. David Shapiro: I'm not a tax expert, but it is not anticipated that there would be any tax implications. There would certainly be some registration fees associated, as there are, but those fees would be much reduced from what they would be in the absence of this bill.

Mrs. Bev Desjarlais: By tax implications I mean breaks in Canadian taxes based on registration in any way, shape, or form.

Mr. David Shapiro: Mr. Chairman, it is virtually inconceivable that such implications would be associated with this.

Mrs. Bev Desjarlais: I only mention it because Bombardier tends to get into these kinds of situations, so I had to make sure.

Mr. Donald Gray: Mr. Chairman, may I offer a point of clarification. I certainly have represented Bombardier in the past. I also represent Boeing and Airbus, and I was even recently asked to represent Embraer. We also represent GE and a number of the other aircraft financiers. I just used Bombardier as an example.

The reason I referred to the Bombardier example is that Boeing and Airbus are big enough that they tend to be able to get their deals done. It's the Bombardiers and Embraers that go into the smaller, less developed jurisdictions, where they have more problems in raising financing. That's why they would be more of a beneficiary than a Boeing or Airbus.

Mrs. Bev Desjarlais: I will clarify for you and for Bombardier. I wasn't suggesting there was necessarily anything bad in your representing it. It just put extra cautionary thoughts in my head to make sure there aren't going to be any issues that show up later on down the road. I think we have all agreed that, in the bill as it is, we couldn't find any problems with it. We haven't gotten any indication from anybody that there was a problem. In having some new thoughts come out, it was making sure there aren't going to be any problems in the future.

That's it for my question.

The Chair: Thank you, Ms. Desjarlais. I'm glad to know you're not engaging in corporate profiling.

Are there any further questions?

Thank you for coming. We appreciate your input.

Mr. Karygiannis.

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): From our side, I also want to thank the panellists for coming and for giving us their input. Certainly, we welcome their input and we thank them for being here.

Mr. David Shapiro: Mr. Chairman, I leave it to you to rule me out of order, but Mr. Gray mentioned two elements. He spoke to one.

Mrs. Bev Desjarlais: Just on a point of clarification, it's my understanding that witnesses don't make amendments to the bill.

The Chair: Witnesses can propose amendments within the allotted time, Ms. Desjarlais.

Mr. Warren Everson: Mr. Chairman, can I just say we apologize? We don't normally disrespect the committee by bringing amendments twenty minutes before clause-by-clause.

The Chair: It wasn't that, Mr. Everson.

Mr. Warren Everson: We would not normally do this, but we should remember the bill came to the committee on first reading. It is an important convention. It will be with us for many, many years. While I'm disgruntled—and I'm sure you are—at the idea of wording changes, we wouldn't want the committee to be passing legislation knowing that we'd left a hole in it. We do apologize.

The Chair: Yes.

On this point, Mr. Nicholson.

Hon. Rob Nicholson: Let's quit beating around the bush. Let's hear it. Is there some other technical aspect of this bill that you'd like to address besides the concerns you've raised about the definition of a creditor? Is there something else?

Mr. David Shapiro: There is one other, and that does in fact allow me to address a comment made earlier by the honourable member Bev Desjarlais.

The airline is extremely supportive of this and will stand to benefit perhaps almost as much as any aircraft manufacturer. Having said that, there is an element of the convention, a drafting clarification, that would make this balanced in terms of whether it is pro-creditor or pro-debtor, meaning pro-manufacturer or -lender or pro-airline. The drafting of the bill in one respect—where it talks about what an airline needs to do to keep the aircraft beyond the 60-day period—says you must agree to perform all your obligations, and then it says “other than the fact of being insolvent”.

There are other obligations the airline will not be able to perform. Therefore, it will not be able to keep the aircraft beyond the 60 days, which is not the intent of the legislation, such as, for example, meeting certain financial requirements or financial thresholds. There are certain things associated with the insolvency that would also not be curable, and this bill would not be intended to preclude the airline from keeping it.

We would be able to clarify at some point, either in discussion or with proposed wording, if it would be helpful to the committee. The thrust, though, is that this is inadvertently more pro-creditor than it

needs to be. It is otherwise a perfectly balanced bill without any losers, all being winners.

• (1600)

The Chair: Let me ask you this, Mr. Shapiro. Have you brought amendments?

Mr. David Shapiro: We don't have the formal wording, but we could present it within minutes.

The Chair: And on an additional question, we heard witnesses last week, including lawyers from the Department of Justice—

Hon. Jim Karygiannis: That's the point I make, Mr. Gallaway.

I have a point of order, Mr. Chair.

The Chair: One moment, please, I'm just in the middle of this.

Were you consulted by the Department of Justice in terms of the drafting of this?

Mr. David Shapiro: We had received this some matter of weeks ago. It's with our apologies that we haven't done the thorough review to present it.

The Chair: Thank you.

Mr. Bonin, and then Mr. Karygiannis.

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Chair, for us to consider an amendment at this point would in all fairness require that we look at all sides of that amendment and, I would suggest, involve other witnesses. If we table an amendment here and it doesn't pass, then we take away the opportunity of tabling it at report stage.

I can't speak for the committee, but even though we may not consider that amendment, you still have time to work with the department and the minister. Probably everyone will understand that it's clear and it should be done, but for us to do it will delay the whole process, I would think. You still have two kicks at the cat in the House.

The Chair: Mr. Karygiannis.

Hon. Jim Karygiannis: I understand, Mr. Chair, that conversations have gone on between the representatives and the department. There's one set of amendments, some wording, that someone has come up with. You just introduced something else, but you need to go to the department and work with them. So if I may—and I'm sure we'll get consent from my colleagues across the table—maybe we will give the opportunity to the witnesses to work with the said departments and this will be brought forth in the House. If that's okay with everybody, we would really appreciate it.

Mr. Jim Gouk: I would largely agree with that. I'm sure it wouldn't be a problem. However, if the department and the minister or the minister's office have something they are prepared to bring forward at report stage, I would ask that we get advance copies of it so that we're not trying to decipher it and make a decision in the House.

The Chair: We'll get a final point from Ms. Desjarlais.

Mrs. Bev Desjarlais: It's just so that "advance" implies more than a day or two days, so that we can get it looked into.

The Chair: We're not here to negotiate the terms of that.

Thank you for coming. Thank you for your input.

On that note, we're going to suspend for about two minutes while our witnesses leave, and then we'll proceed to clause-by-clause.

• _____ (Pause) _____

•

• (1605)

The Chair: I would ask those standing to take a seat or to leave, at their pleasure.

One of the questions I've been asked about clause-by-clause consideration is whether we're going to do the long form or the short form. I want to assure those who asked the question that we're going the short-form route.

I assume we have agreement that with respect to these very technical matters and very legal matters raised by our witnesses, those can be brought forward at report stage. I want it on the record that all opposition critics and parties will be given the most advance notice of this as possible, as practical.

As soon as it's drafted, it will be given to you. Mr. Karygiannis, who is parliamentary secretary to the minister, is here. He's undertaking to ensure that that occurs.

I want to remind you, Mr. Karygiannis, that this is on the record of this committee.

Having said that—

• (1610)

Hon. Jim Karygiannis: Is that you speaking for me, Mr. Gallaway?

The Chair: No. I'm only putting the understanding that has been arrived at on the record.

Hon. Jim Karygiannis: Thank you. I will certainly undertake that.

The Chair: All right. Thank you.

All right. If we could turn to clause-by-clause consideration, you should have what I call a crib sheet. It's the agenda, but I call it a crib sheet.

Mr. Jim Gouk: We're going to do clauses 2 to 19, and then we're going to come back to do clauses 1 to 3. So are we going to do clauses 2 and 3 again?

Hon. Rob Nicholson: It's the schedules.

The Chair: It's the schedules.

Mr. Jim Gouk: It's the schedules. Okay.

The Chair: I'll ask the questions.

(Clauses 2 to 19 agreed to)

(Schedules 1 to 3 agreed to)

(Clause 1 agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill carry?

Some hon. members: Agreed.

The Chair: Shall I, as chair, report this bill to the House?

Some hon. members: Agreed.

Hon. Rob Nicholson: Please do.

The Chair: Thank you for that.

Thank you for your time today.

Mr. Jim Gouk: Before we go, could we officially clarify what we're doing tomorrow at noon?

Hon. Jim Karygiannis: We have an invitation for lunch with the minister.

Mr. Jim Gouk: Yes, but there's another invitation.

The Chair: We'll put that on the table, then. As I understand it, all committee members received an invitation last week from the Railway Association to a luncheon in the Parliamentary Restaurant tomorrow at noon. Most of us, as I understood it, accepted.

An invitation arrived yesterday by telephone, as I understand it, from the minister to all committee members to meet with him tomorrow. I spoke to the minister very briefly today in the lobby and pointed that out to him. I was also told that six individuals had responded "yes" to his invitation. I don't know who they are.

It's entirely up to you. If I could make the following suggestion, we could have a very brief meeting with the minister. As I understand it, he simply wants to meet committee members in a rather neutral setting.

Madame St-Hilaire told me that would be good, with the condition that the wine was very expensive, but it's entirely up to you. If you want to meet with him very briefly in the Parliamentary Restaurant at about 12 o'clock, as I understand it, for a few minutes, then we could all move on to the railway dinner.

Mr. Jim Gouk: Is he going to come to the parliamentary dining room to meet us? Is that what you're saying?

The Chair: That was my understanding.

Mr. Karygiannis.

Hon. Jim Karygiannis: Is this for the minister?

The Chair: This is for the meeting with the minister.

Hon. Jim Karygiannis: Well, it's going to be tough to be in two places at the same time.

The Chair: It's up to you.

Mr. Dave Batters (Palliser, CPC): Mr. Chairman, if I may?

The Chair: Yes.

Mr. Dave Batters: We all received the invitation from the Railway Association some time ago, and a number of us have agreed to go to that. Then we received the invitation from the minister by phone. Was it yesterday or today?

The Chair: That's when I received it.

Mr. Dave Batters: Perhaps colleagues across the way could speak to the minister on that. On this side of the House—I think I can speak for everyone—we'd love to sit down with the minister. But I think, in showing the minister due respect, it should be more than two minutes in his office and then running to a prior engagement that we've committed to. Perhaps we could come up with another day.

The Chair: Okay.

Mr. Karygiannis.

Hon. Jim Karygiannis: The minister wanted to meet with us before he comes to committee to see if there are any concerns. I will certainly pass it on to the minister and see if there's an alternative time and place we can do that. We, through the chairperson, will notify the minister's office.

The Chair: I don't think we have to become the social calendar for anyone's office.

Yes.

Mr. Jim Gouk: We did make a commitment to another group.

The Chair: Yes. I think that's what I wanted to convey to him today.

Hon. Jim Karygiannis: I'm sure we can make it another time.

The Chair: Having said that, I also want to remind members that on Thursday at 3:30, in the same location, the minister himself will be here.

Hon. Jim Karygiannis: Mr. Chairman, I know that our colleagues had expressed a wish that somehow the committee could look at an alternative time on Thursday. Have they worked out the possibilities of time and if we can accommodate that?

The Chair: Mr. Karygiannis, I don't want to negotiate that here. This is a committee meeting, and I think it's best left to after hours.

• (1615)

Hon. Jim Karygiannis: Okay.

The Chair: Having said that, I would thank you for your cooperation today.

We stand adjourned.

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