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Chair

The Honourable Diane Marleau

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• (1530)

[English]

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): I call this meeting to order.

Good afternoon. Before I welcome our guests I would like to make a quick announcement. Our chair, Diane Marleau, is not here today due to a death in her immediate family. I'll be chairing the meeting in her absence. Our thoughts are with her at this moment.

Today's meeting will be a little different, with the concurrence of the balance of the committee. Generally our witnesses give us ten minutes and then we get into a long question-and-answer session. My understanding is that with the depth of the presentations necessary today and the volume of witnesses we have—with both this presentation on behalf of Public Works, and the International Trade Tribunal following—they've asked for longer presentation periods.

With the concurrence of the committee I would ask for consideration so we can allow that, with the thought that when questions come before the committee afterwards we won't have our regular allotted time.

Can I get general agreement in the committee to limit the questions of all members to five minutes? We'll be hard-pressed to get very many of them in, quite frankly. I ask for your consideration and thoughts.

Are you all in agreement, or would you like a discussion on this matter?

Ms. Nash.

Ms. Peggy Nash (Parkdale—High Park, NDP): I think this is a complicated subject. I'm interested in hearing what the witnesses have to say, but I would very much like to get in as many questions as possible. Perhaps I can ask the chair that when we get to the questions and answers we try to get in as many questions as possible. Maybe in some cases we can ask for documents instead of lengthy answers.

The Vice-Chair (Mr. Daryl Kramp): I totally concur. So once we get to the questions we'll try to move them along. Of course, the cooperation of all members will help us along in that fashion, and maybe keeping directly to the point.

Without further comment, I'd like to welcome our first set of witnesses. From the Department of Public Works and Government Services we have Liliane Saint Pierre, assistant deputy minister of acquisitions; George Butts, director general of the services and

specialized acquisitions management sector, acquisitions; and Marshall Moffat, director general of the small and medium enterprises sector.

The floor is now yours. Welcome.

[Translation]

Ms. Liliane Saint Pierre (Assistant Deputy Minister, Acquisitions, Department of Public Works and Government Services): Thank you, Mr. Chairman, and good afternoon, everyone.

First I would like to thank committee members for this opportunity to share with you information about PWGSC's procurement activities.

[English]

George Butts will provide an overview of procurement activities, the constraints involved, and the impact of trade agreements.

Marshall Moffat will describe his group's role in reaching out to the 99.9% of Canadian companies that are not large corporations, the group's successes to date, and its prospects for the future.

I'd like to add that in the audience there are also some members of the acquisition team who can, upon request, answer your questions.

[Translation]

First I'll give you an overview of our activities.

As the federal government's central purchasing agent, PWGSC is Canada's largest buyer of goods and services. It alone represents 85% of government procurement by value. We manage more than 60,000 transactions a year totalling some \$12 billion.

Our goal in procurement is simple: it is to fulfil government's operational requirements - everything from uniforms and equipment for the Canadian Forces to office supplies.

We work, however, in a complex environment, influenced by trade agreements, Treasury Board policy, various statutes, and oversight bodies such as the Canadian International Trade Tribunal, as well as the Auditor General.

• (1535)

[English]

In addition, under the Federal Accountability Act, PWGSC is putting in place a code of conduct for procurement. The FAA also creates the position of procurement ombudsman. Under Government of Canada contracting policy, we must ensure an open, fair, and transparent procurement process while working to remove barriers to competition.

Implicit in all of our activities is a commitment to obtaining the best value possible for Canadian taxpayers. It comes as no surprise that this has a significant impact on the economy, and you will be hearing more about this later in our presentation.

[Translation]

While we occasionally find ourselves in the spotlight, it must be said that the vast majority of our contracts are trouble-free.

Fewer than 1% of contracts are challenged through the Canadian International Trade Tribunal, and only one in five of those challenges are validated.

That said, Mr. Chairman, we are always striving to improve.

As the committee knows, we are in the midst of a transformation effort. Ours is focused on changing our procurement role from one based on transactions to one based on the provision of strategic management of supply, and the creation of a whole-of-government approach to procurement.

[English]

Our approach to procurement is collaborative, and we are working hard to build partnerships with Canadian businesses. Over the past several months, we have set up consultation committees with key industries to allow us to hear first-hand their challenges and concerns prior to finalizing our procurement strategies. The committee on temporary help, for example, has met 16 times since last November. These meetings are instructive both to us and to suppliers, and they underscore our commitment to fairness and transparency, as well as good value for taxpayers.

In addition, we set up the Office of Small and Medium Enterprises to break down barriers to doing business with the Government of Canada in all regions of the country. You will be hearing about this from Mr. Moffat, but first I would like to turn the floor over to George Butts.

Mr. George Butts (Director General, Services and Specialized Acquisitions Management Sector, Acquisitions, Department of Public Works and Government Services): Thank you, Madam Saint Pierre.

Mr. Chairman, I too appreciate the opportunity to address the committee and to share with you some specifics of public procurement from the perspective of PWGSC that I have realized over my 20-plus years in public procurement.

This will be a fairly quick overview, starting with the contracting principles and objectives and leading up to a typical contracting process. We've provided a number of slides that really only introduce a number of the issues and topics related to public procurement. My focus will be on the process and the management control framework that supports that process.

Public procurement is not just about buying something at the lowest possible cost. We are committed to doing the best possible job for taxpayers on behalf of our clients. Each procurement file that goes through our offices is handled in a manner that respects the principles and objectives as shown on this slide.

We often illustrate public procurement as a balancing act, wherein we endeavour to supply multiple needs—client operational require-

ments, socio-economic objectives, industry demands, cost to taxpayers—and all with considerable oversight and review by both public and private interests.

The legislative and regulatory framework in which public procurement operates is at times daunting, making the task of the procurement officer one that is effectively managed by trained professionals within PWGSC and client departments.

Public procurement is a job. It's a career within PWGSC, not simply an added function carried out by a program or project manager. Our procurement officers are trained to carry out their roles. They fully appreciate that they represent the Government of Canada when they solicit bids or undertake contract negotiations, often involving millions of taxpayer dollars.

Madam Saint Pierre, in her opening remarks, stated that PWGSC, on behalf of the government, spends approximately \$12 billion annually through procurement. Now, this total of course varies each year and is reported in two databases, one via the Treasury Board Secretariat, as required by our trade agreements, by calendar year, and the second within PWGSC's database, where we report on fiscal year or the budgetary year. Thus, when you take a look at procurement numbers, a bit of a cautionary note: you may see figures that sometimes do not always reconcile. Make sure you're looking at calendar year versus the fiscal year.

Now, slide 5 is provided really to illustrate that the contracting is carried out by many entities within the government. You will see here that government departments issue a significant number of low-dollar-value contracts. When I refer to "low dollar value", I'm referring to less than \$25,000.

PWGSC, in fact, only issues about 10% of the number of contracts, but this represents between 80% and 90% of the dollar value spent on procurement each year. So again on this slide, you can see the less-than-\$25,000 contracts, awarded mainly by client departments, the 109, 110 client departments, comprise in the order of 368,000 or 370,000 documents, for just under \$1 billion.

Slide 6 is provided to illustrate how we buy things. The government contract regulations require that we solicit bids, except in some excluded situations. "Electronic tendering"—as I go down the left-hand column—refers to our posting a notice of opportunity on the government electronic tendering service, commonly known as MERX. "Traditional competitive" is inviting tenders through source lists. An ACAN, or advanced contract award notice, is posted when we think there is only one supplier who is capable of meeting our needs. It signals our intention to negotiate with that supplier and invites others who think they can satisfy the requirement to challenge it. You will see on this slide, "non-competitive row", almost the bottom right-hand corner, that the majority of our contracting is awarded as a result of competitive processes.

● (1540)

On slide 7, I've attempted to show what we buy, and that everything is classified via a goods and services identification number, G SIN, some 17,000 categories of goods and services that we buy. They're all classified into various groupings, again down the left-hand column: goods, services, construction, telecommunications, and architectural and engineering services.

The numbers on the chart represent the authority limits for entry into contract. You will note they are highest when we follow an electronic tendering process. Why? That's because it is the most open process. Again, this is when we post the opportunity on MERX, the government electronic tendering service. For any contract above the high values you see on these charts, we are required to seek the authority of Treasury Board to enter into the contract.

I'll spend one more moment on this chart. Look at goods, electronic tendering, you'll see two figures on the top, \$30 million and \$40 million. The department or the minister has \$40 million worth of authority as assigned by Treasury Board Secretariat to enter into a competitive contract whereby we have solicited bids electronically. If we use source lists, next column, that authority drops to \$10 million. If we go non-competitive or sole-sourced, the authority drops to \$2 million. So sole-sourced, anything above \$2 million, goods, contracts, we're required to go to Treasury Board submissions.

The number just to the left of those three that I pointed out, \$30 million, \$7.5 million, and \$1.5 million, those are the numbers that are delegated within the department to officials, to bureaucrats. So between \$30 million and \$40 million for electronic tendering, we have to go to the minister; again, above \$40 million we go to Treasury Board. Below \$30 million, the ADM has a matrix that delegates it throughout the entire department to all levels of the organization.

The figures below that, the \$400,000 across the board, are authorities that can be delegated to client departments to enter into contract. Of note, for goods that authority must be delegated by the Minister of Public Works and Government Services to other departments. All departments have been delegated \$5,000, not \$400,000, and there are only in the order of 16 that have accepted \$25,000 delegations, a few more in the pipeline right now.

I'll move on to the final slide. This was really one that could take me a long time to go through, but I've tried to summarize it as well. I first used this slide to describe the process to the public accounts committee when they were reviewing the 2003 reports of the Auditor General on sponsorship and advertising.

The slide attempts to summarize a typical—and I must stress this, typical—process for contracting within Public Works and Government Services. It shows the various key stages of a contract, from inception, defining the requirement, to paying for the services received.

A couple of key points on the slide: First of all, responsibilities are segregated. You'll see at the top of the slide, outside the boxes, I've indicated project and payment authority in the customer department and contract authority within PWGSC. Our responsibilities are segregated, and the authorities are well articulated in the contract.

Where there are joint responsibilities, these are generally well defined and understood by both the client department and Public Works and Government Services.

Secondly, contracts are not awarded in a factory. There is no one-size-fits-all approach to every requirement. Where this may be possible in areas of recurring needs, for example, standing offers or supply arrangements are put in place. Many people are involved, and a series of checks and balances are employed, depending on the risks associated with each procurement, whether those risks be determined by dollar value or other sensitivities.

As you go through those nine boxes on this chart, you will see checkpoints of approval authorities, legal risk reviews by our colleagues in the Department of Justice, contract quality control reviews, Treasury Board reviews, etc. There's a series of them.

● (1545)

The next point I'd like to make is that procurements are planned and advertised, bids are received and evaluated, and contracts are approved and awarded and managed with professional quality and care. Each step respects the principles of open, fair, and transparent procurement.

With that, I'd like to hand off to my colleague, Marshall Moffat, to deal with the OSME.

Mr. Marshall Moffat (Director General, Small and Medium Enterprises Sector, Department of Public Works and Government Services): Thanks a lot, George.

What I'd like to do is take you through this deck and give you a bit of insight into what we're doing in the Office of Small and Medium Enterprises and how we're helping smaller companies do business with the Government of Canada.

On slide number ten there's an outline of the four areas I'd like to cover. The first one is the role small and medium enterprises play in the economy. Second are the kinds of concerns and challenges smaller companies face in doing business with the Government of Canada. Third is our mandate and how we help small and medium enterprises do business with the government. Finally are some recent examples of the impact the office is having in helping smaller companies increase business opportunities with the government.

I have to point out that the Office of Small and Medium Enterprises was established in September 2005. Then last spring the government made a decision to add six new regional offices to what was, at that time, only our headquarters office so we could reach out to smaller companies right across the country. Those six offices were established this past fiscal year. So the last fiscal year was kind of a phase-in period in which those offices were getting up and going and getting staffed with people. This fiscal year that we're just starting now is our first fully operational, fully staffed year as an office.

Slide number 11 speaks a bit to the importance of small enterprise in Canada. Of the roughly 2.4 million companies in Canada, 2.33 million are small and medium. So there are very few large companies in Canada. Smaller companies account for 45% of GDP and 66% of employment. And they're ubiquitous right across the country.

The bottom half of the slide shows how smaller companies have interacted with government procurement over about two years, from January 2004 to September 2006. So that's two and three-quarter years. Almost 80% of the total number of contracts that George Butts was talking about earlier are with small and medium enterprises. About one-third of the value of the contracts are won by small and medium enterprises.

Slide 12 gives an overview of the concerns of smaller companies, which they have expressed to us. We interact with small companies right across the country on a daily basis. These five issues, or challenge areas, for smaller companies were identified in the first few months of our existence and have been maintained since then. There's a clear consensus among companies as to what their challenges are.

First is access.

Second is accountability, in the sense of transparency. They're always telling us that there are improvements that can be made in transparency and in ease of accessing information.

Renewal means procurement renewal—the approach we take to that—and being mindful of ensuring that smaller companies continue to have access.

Complexity is a problem. Smaller companies don't have a lot of time to pore over complex documents. What can we do to improve that?

Finally is the socio-economic challenge. This is the aboriginal set-aside program, access of regional firms to opportunities, green procurement, environmental impacts, and innovation—that is, buying innovative products from companies.

I'd like to mention just one quick overview point on this to indicate the nature of how we have responded to these challenges. First of all, on the complexity issue, the department has been simplifying the language and templates and standardizing the language and templates in all the requests for proposals that go out from the department, from the smaller, simpler proposals all the way up to the very large and complex ones. We have templates now for all these different types, including standing offers, and we're using them now. It makes it a lot easier for a company.

• (1550)

We've front-end loaded the crucial information that a company would have to see about a particular request for proposal to know whether it's something they need to get involved in. So on the first two to three pages, all of the key information of what we're looking for, how big the order is going to be, and who you have to contact about, all that is right at the front so that a company can make a decision fast and doesn't have to search through the document to find the information it needs. That's just one example of what we're doing in making things simpler for them.

What we're doing on access is a couple of things. The key problem that smaller companies have is scale. Because they're small, it's difficult to respond to a large-scale requirement, whether the large scale is just the size of an order, or whether it is the breadth of product line that you have to supply, or whether it's the geographic scope you have to deliver to. What we've been doing in designing new requests for proposals is we've been trying to design them in such a way that smaller companies aren't inhibited from being able to bid by those three constraints.

First, in terms of just the size of the order, we're developing tiers, so that for smaller-scale orders you can bid solely on them if you want, and the requirements for those are leaner requirements than for the very big ones, so that smaller companies have access and can move up a ladder. Secondly, on product breadth, we're often taking the full product breadth of what we need and dividing it into vertical components and allowing companies to bid on one or more of those subclasses of product. Thirdly, on geography, we're continuing to use regional master standing offers so that regional firms have the choice of bidding only in their regional area of operation and capacity of delivery. They don't have to bid, necessarily, nationally. I just want to give you a conceptual understanding of the ways we're responding to these issues.

On slide 13, this describes the mandate of the office. We basically do two things. First, we reach out to smaller companies to understand their issues and to equip them with the information, through our regional offices, that they need to understand the procurement system and identify their business opportunities better. Secondly, we work within the procurement system to try to identify with our colleagues, like George Butts, ways that we can design our procurement plans so that smaller companies have an opportunity to bid. So these are the detailed things we do, but basically those are the two big functions.

On slide 14 and the following slides after that, I just want to give you a brief overview of some of the impacts that we've measured in recent months. First, on engaging smaller companies and trying to interest them in doing business with the government, we've had 3.3 million visits on our Business Access Canada website. We'd seen that over 8,000 new suppliers have registered this past year to do business with the Government of Canada.

On slide 15, on assisting and informing smaller companies on procurement opportunities and how the procurement system works, we responded to over 7,000 inquiries from smaller companies, asking for help about “How do I do business with the Government of Canada?” We’ve staged over 300 events, often cooperatively, with the provinces to inform groups of small and medium companies on how to do business with the government. That has had roughly 6,200 participants. These numbers represent the phase-in year. We’re going to try to increase these numbers significantly in this coming fiscal year.

• (1555)

On slide 16, on procurement policies that the department has modified to ensure access, we have two examples I want to show you. First of all, for office supplies, the number of smaller companies has increased from 24 to 68 across the country. In the case of servers, and these are the computer servers that your desktop goes to when it needs to be connected elsewhere in the system, the SME involvement as qualified companies has increased from 21 to 42. From 2004 to 2006, the percentage value of contracts that have been won of the total by small companies has increased from 24% to over 30% last year. The trend is upward.

On slide 17, the last slide, we’re also improving our ability to analyze the participation of smaller companies in procurement and also what the impact of procurement is on the economy, regionally and nationally.

I want to share a couple of pieces of information with you. First, when we buy goods and services, the labour costs imbedded in all of those products to the companies we’re buying from is equivalent to approximately 140,000 full-time jobs in the economy. Second, we buy \$12 billion in Public Works, and after you use the multipliers and Statistics Canada’s input-output model, the CANSIM model, the total impact on the economy is \$19.5 billion a year from our \$12 billion in procurement.

We’re working diligently now with Statistics Canada and Industry Canada to deepen the specificity of this information. We’re looking at different industry sectors and different provinces as to what the impacts are there. We will have the capacity soon to go all the way down to individual cities.

Thanks very much.

• (1600)

The Vice-Chair (Mr. Daryl Kramp): Thank you to all of our witnesses for making a wonderful attempt at shortening and simplifying a most complex and extensive subject.

For the couple of members who came a bit late, we’ve modified the rules a little today. We’re reducing the speaking time down to five minutes or less, if possible, due to the volume of presentations that are being made here today.

We’ll start our questions with Mr. Simard. Of course we’ll finish with our set of witnesses here at 4:30 and then we’ll get on to the next delegation.

Mr. Simard.

Hon. Raymond Simard (Saint Boniface, Lib.): Thank you very much, Mr. Chair.

Welcome to our witnesses today.

My first question would be with regard to the non-competitive procurements. If I’m not mistaken, it’s about 12%, or \$1.15 billion. What kinds of products would that be? What percentage of that would be military products, for instance?

Mr. George Butts: I’d have to make an educated guess here, but we can certainly provide the numbers.

Hon. Raymond Simard: I’d like that.

Mr. George Butts: It might be more appropriate if we actually gave you the breakdown of the number of contracts and what they are. You have to appreciate, again, that the number goes up and down every year.

The table I provided you is titled “Greater than \$25,000”. Let me be very clear about this. One of the exceptions under the government contract regulations is that for less than \$25,000, you do not need to compete, so I’ve simply taken that out of the equation. This is the greater than \$25,000. In addition, if you look at our total number, there are amendments in our total number. Amendments are in effect sole-sourced. They’re already with a company, so you’re only amending their contract. That’s out of there as well. That chart you’re looking at refers to the line on the previous chart of the “Greater than \$25,000”, and the numbers equate to \$11.4 billion, etc.

There’s no doubt that there are military procurements there. There are issues where there are intellectual property rights, only one source, which is one of the reasons we can go sole-source. If it is the black box and we have no choice but to go to that firm to either upgrade a piece of code or to upgrade a system, then it is sole-sourced and that’s what we do.

Hon. Raymond Simard: Can you give me an idea of what kinds of products would be sole-sourced, besides military equipment? I can understand if you’re looking for a certain airplane, but in the private sector, for instance, what would you be looking for?

Mr. George Butts: Architectural and engineering-type work. An architect who designs a building has moral rights to the design of that building. We are obliged to go back to that architect if we wish to make modifications to the look and feel of that building. That’s one particular area.

There’s a lot of software. If you try to change Microsoft’s code, you’re not going to do it unless you go back to Microsoft. There are a lot of issues in the telecom industry, in the software industry, and things that we’re doing in space right now with our colleagues south of the border through the Canadian Space Agency. So there are a number of areas where we have a sole-source requirement.

Hon. Raymond Simard: Well, with regard to space, it’s interesting, we have a company in Winnipeg that produces satellites. One of their concerns—and this may be a question for the next group coming up, I’m not sure—was that the U.K. protects its industry, for instance, and our government is buying products from the U.K., as opposed to buying them from our local source here. Do we have anything in place here to protect our industry? Or would that be a question for the next group coming up?

Mr. George Butts: I read the trade agreements very clearly as an attempt to be non-discriminatory. We are not to discriminate against suppliers of signatories to the trade agreements any more than they are against our companies.

When we are looking at procurements, however, there are a number of things we look at first of all. What is it we're buying? Some trade agreements list things that are included and others list things that are excluded. So we need to do a proper review and see which agreement is applicable in the particular case of what it is we're buying. It may not be.

We need to look at who we're buying for. Some government entities are excluded. The Canadian Space Agency, for example, is not covered by NAFTA, by the international trade agreements. It is covered by the national ones, the AIT, the agreement on internal trade, but not the international.

We also have to look at the dollar value of what it is we're purchasing, because each of the trade agreements has different thresholds at which they apply for both goods and services.

So we look at all three elements. And then in addition to that, we have to look at whether there are any other considerations we need to take into account, like land claims.

• (1605)

Hon. Raymond Simard: But as a rule you would go for the cheapest price, no matter where the product comes from?

Mr. George Butts: As a rule we would go for the best value product for Canadian taxpayers, not the cheapest price.

Hon. Raymond Simard: Okay, not necessarily the cheapest price.

Mr. George Butts: And I think I tried to be very clear in my remarks about that. It's not about buying at the cheapest price.

Hon. Raymond Simard: And what consideration does the product being Canadian have? Do you attribute a certain number of points for that?

Mr. George Butts: We do not. If it is trade-covered we do not attribute a certain number of points. If it is not trade-covered we can apply what is a Canadian content policy, and at that time we'll look at —

The Vice-Chair (Mr. Daryl Kramp): Thank you for your response.

Thank you for your questions, Mr. Simard.

Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you very much, Mr. Chairman.

Good afternoon, ladies and gentlemen.

I'd like to go back to this notion of “best value” because I had a little trouble understanding. Ms. Saint Pierre, according to the document you presented to us, or perhaps it was in notes I read somewhere, you reserve the right to make a choice in the products you buy, without considering whether it's really a Canadian product or one that comes from elsewhere.

Did I understand correctly?

Ms. Liliane Saint Pierre: Thank you for the question.

One of our first considerations, when we plan a purchase, is to identify needs. There is a major difference between the goods that we can buy and services. Once we've established needs, we manage to determine whether it is a product that we can buy at the lowest price, thus at the lowest cost, or whether we need a product of this quality, but at that price. In some cases, we are open to the possibility, in assessing a request for proposal, of combining the two and going after the best value, that is to say what will represent quality and price.

Ms. Diane Bourgeois: I want to put that into practice. Let's say I have a Canadian business located in Nova Scotia that manufactures pumps and that you need pumps for the Department of National Defence, but there's also a subsidiary of an American business in Toronto manufacturing pumps. On the basis of the plans and estimates, there's no possible disparity between the bids of the two businesses: they are identical.

Which one are you going to choose, if you're putting up a building for National Defence in Quebec and you need a pump? If the two products are identical, will you choose the one from Nova Scotia, which is typically Canadian, or the one from Toronto, which comes from a subsidiary of an American business?

Ms. Liliane Saint Pierre: When we receive requests, apart from specifications—pumps, in this case—we have to check to see whether the good that we have to purchase is subject to a free trade agreement or not. It depends on the nature of the good and its value.

• (1610)

Ms. Diane Bourgeois: All right. So the free trade agreements count.

There are three local chambers of commerce in my riding. As much as possible, I buy the products of my riding. Buying local is important, and I encourage my fellow citizens. Do you have that philosophy in your department? Is buying Canadian important? Are we encouraging our Canadian labour force, or the American labour force?

Ms. Liliane Saint Pierre: For all purchases that are not covered by free trade agreements, so low-value purchases like purchases of goods under \$32,000, we strongly encourage the use of credit cards, which enables the departments and regional government offices to buy directly in the region. That in itself stimulates local procurement.

Ms. Diane Bourgeois: Yes, but let's suppose it's a \$60,000 pump. It could be a \$3 million Boeing aircraft.

Ms. Liliane Saint Pierre: Let's take the example of the \$60,000 pump. That purchase is subject to and covered by the free trade agreements. Consequently, we have a legal obligation to issue a call to tender to all businesses in the countries that have signed a free trade agreement.

Ms. Diane Bourgeois: Would it be possible for you—

[English]

The Vice-Chair (Mr. Daryl Kramp): Your five minutes are now up. Thank you, Madame Bourgeois.

Mr. Hawn.

Mr. Laurie Hawn (Edmonton Centre, CPC): Thank you, Mr. Chairman.

I have a number of questions, none of them too long.

Under socio-economic impact, you talked about the amount set aside for aboriginal, regional, environmental, and so on. Can you give me an idea of how big that is? Is it a percentage or a dollar amount?

Ms. Liliane Saint Pierre: I don't have the exact amount of the total contract value, if you wish, of procurement that we did last year related to set-asides.

Having said that, I think it's very important to understand what a set-aside does. As soon as we start a procurement process by which we identify a set-aside, such as the aboriginal, this allows us to remove that procurement from the trade agreements, which will allow us to procure in Canada.

Mr. Laurie Hawn: There was a new ITAR agreement signed today. Are you concerned with ITARs? Does that fall under your bailiwick in terms of the impact of the new agreement? You may not even know the details, and I don't.

Ms. Liliane Saint Pierre: I'd like to say that I don't know all the details, although I do have an expert we could call. Having said that, ITARs are very important because we are also responsible for large military procurements on which ITARs have quite an impact.

Mr. Laurie Hawn: Right. So it has significant impact.

In summary notes, it says that NAFTA imposes procedural disciplines aimed at promoting transparency, predictability, and competition in public sector procurements. How has the Federal Accountability Act impacted that with respect to merging with the NAFTA procedures?

Ms. Liliane Saint Pierre: First, the Federal Accountability Act is a piece of legislation that has quite an impact on my world in acquisitions because it reconfirms our openness and fairness, which is the foundation of what we do.

At the same time, when you look at the FAA provisions, a procurement ombudsman needs to be appointed to review the procurement practices of the government and also to respond to vendor complaints. It's complementary to the Canadian International Trade Tribunal and others.

At the same time, our department will draft a code of conduct for procurement through the FAA, and it will be promulgated soon. The code will clarify the government's expectations from both suppliers and public servants, and it will strengthen our commitment to openness and fairness.

Finally, the FAA is also putting an emphasis on the office of small business in Canada.

• (1615)

Mr. Laurie Hawn: There's no conflict that you see between the FAA provisions and NAFTA. You can make it work together.

Ms. Liliane Saint Pierre: Actually I think it's quite complementary, because as part of the mandate of the procurement ombudsman, he will look at and review some of the complaints for procurement that are under the threshold of the NAFTA.

Mr. Laurie Hawn: I assume you keep statistics on these kinds of things. We talk about Canadian content and so on. Do we track how much Canadian content we've had in government contracting over the years? Is it going up or down, or staying the same?

Mr. Marshall Moffat: We don't actually evaluate the Canadian content, except when trade agreements don't apply. In that case, we try to maximize Canadian content through the industrial and regional benefits policy. On all of those excluded large contracts, for example, military contracts in which we don't necessarily have to follow international trade law commitments, we maximize Canadian benefits on every single one of those huge purchases. So that's one thing we do.

In our ongoing contracting—that is, where we do have to follow trade law—we follow the law and the requirements. We don't differentiate between a Canadian-owned company operating in Canada and a foreign-owned company operating in Canada. We call both of them Canadian-based companies.

Mr. Laurie Hawn: Because they're providing Canadian jobs.

Mr. Marshall Moffat: Exactly. When we buy from a Canadian-owned company or a foreign-owned company, we don't measure the Canadian part of the value of their product versus the foreign-produced part of the product. We don't do that. It's possible to calculate those things, but that's what the Department of International Trade, Industry Canada, and StatsCan do.

The Vice-Chair (Mr. Daryl Kramp): Thank you, Mr. Moffat.

Ms. Nash.

Ms. Peggy Nash: Thank you, Mr. Chair.

Welcome to the witnesses. Thank you for your simplified complex presentations.

I want to pick up on Mr. Moffat's comments. Except for defence procurement, it seems as though the federal government has largely abandoned using procurement as a tool for industrial and regional development under trade agreements. I know in the U.S., for example, there are "buy American" programs that are exempt and there are certain minority contractors exemptions.

I'm wondering why we don't have policy flexibility here in Canada, if we're covered by the same agreement.

Mr. Marshall Moffat: The way the agreement was negotiated, if you had a program in place that provided domestic preference in procurement, you were allowed to keep it. It was grandfathered. But if you didn't have a program like that, you were prohibited from introducing one.

Ms. Peggy Nash: So we weren't swift enough to get one in place while the negotiations were going on.

Mr. Marshall Moffat: I'm not sure that's a disadvantage for our companies, and I'll explain why. First of all, the free trade agreement in North America allows free trade across borders. What that means is it gives better access for our companies to bid on U.S. government business, just as it allows U.S. companies to bid on Canadian government business. But the U.S. government procurement is 15 times bigger than ours.

Ms. Peggy Nash: Is it possible to get that type of trade balance, the statistics of the trade balance, how much of the U.S. procurement goes to Canadian companies and employment, and how much of Canadian procurement goes to U.S. companies? It would be interesting to see a trade balance, and if that's changed at all since 1994, say, when NAFTA was signed, and what the balance is today. I suppose you folks have those numbers.

Mr. Marshall Moffat: We don't have them, but it might be possible for Statistics Canada to break that out. It depends on how their data is organized. I think it would be a challenge for even Statistics Canada to be able to break that out. We can't do it, because we don't differentiate between the U.S.-based value versus Canadian value when we buy in procurement. There are, however, trade data that StatsCan has. The problem would be differentiating government procurement within the trade data that StatsCan has. That would be exceptionally difficult to do, to deliver what you're looking for. In theory, it could be done, but in practice it would be quite difficult to carry out.

• (1620)

Ms. Peggy Nash: But without that kind of data, the actual outcome of greater access to the U.S. market is anecdotal and speculative if we don't have hard data to back it up.

Mr. Marshall Moffat: We have some hard data, but in large measure we have to rely on the U.S. government for information on that. We know there is a healthy amount of Canadian supply involved in supplying the U.S. government, but we'd have to investigate with them through their data sources how to measure that more effectively.

Ms. Peggy Nash: And no one has ever tried to do that?

Mr. Marshall Moffat: We haven't tried to do that yet.

Ms. Peggy Nash: Does the federal government have a list of goods and services that are not subject to international trade agreements and that we could apply industrial or regional policy to?

Mr. Marshall Moffat: I can do the first half. Do you want to rescue me?

Mr. George Butts: Yes, sure.

Mr. Marshall Moffat: There are two aspects where we can maximize Canadian content. The first is for large military procurements where we can declare an exemption from trade law, for the military, for the really big military, and there we make sure that there are significant Canadian industrial and regional benefits. So for those really big military procurements, we can do it.

For the smaller procurements that are under the threshold levels, where there is a requirement to treat foreign and national companies equally, in that area we can also act to ensure Canadian content.

In the middle area, that's a little more tricky, because we have to follow the international trade law and we don't have any outs.

The Vice-Chair (Mr. Daryl Kramp): I'm sorry, but we're through the time on that one.

Ms. Peggy Nash: Is that something that perhaps you could follow up in writing with me?

Mr. George Butts: By all means. It would be my pleasure.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

The last bit of time for questioning our group here will go to Mr. Simard.

Hon. Raymond Simard: Thank you, Mr. Chair.

Just following up on that, Mr. Moffat, with the industrial and regional benefits, as a rule, what is the percentage? For instance, if we're buying a product that is made only in the U.S.—a plane—and that happens all the time on military equipment, we normally insist on having that company reinvest a certain amount of money in Canada.

What has been the rule of thumb for that? Is it a dollar-for-dollar match or how does that work? Is it dollar for dollar?

Mr. Marshall Moffat: Yes, it's pretty much dollar for dollar. So the capital cost of the planes we're buying, for example, have to be matched by the same dollar value of industrial and regional benefits to Canadian companies.

Hon. Raymond Simard: How about the maintenance contracts? That usually amounts to almost as much as, or sometimes even more than, the product itself.

Mr. Marshall Moffat: Right.

Industry Canada looked very hard at that to see two things: whether there are Canadian companies that are already qualified to provide that kind of service; and then secondly, whether there is a way that Canadian companies can be trained, as it were, or licensed by the manufacturer to carry out the maintenance.

In some cases, it's possible. In other cases, you really have to go to the manufacturer because it is just too commercially confidential or too technical for another company to do. But definitely Industry Canada looks at exactly that kind of an opportunity, and they push hard with the supplier to ensure Canadian content.

Hon. Raymond Simard: Is it true that the industrial and regional benefits, for instance, can be basically anything? It can be the purchase of toilet paper. We always use that example, and I've always wondered if that's true or not.

Mr. Marshall Moffat: It falls into two parts. First, my understanding of what Industry Canada does is that they try to maximize the indirect benefits to Canadian industry—in other words, Canadian industries that would supply components to actually be used in the equipment, or Canadian companies that would provide servicing for that equipment over its lifetime. They try to maximize and get the most there, because that's very long-term, 20 to 30 years, so you can build an industry on that.

If that isn't enough to equate to this balance between the capital cost and an equivalent amount of industrial and regional benefits, then they look for offset benefits, which are other commercial relationships between that company and Canadian companies that end up with more—

Hon. Raymond Simard: But it doesn't have to be high-tech stuff. It can be purchasing any Canadian product, basically, so the toilet paper thing does in fact apply. You can buy any Canadian product and it applies as an IRB. No?

• (1625)

Mr. George Butts: Mr. Chair, may I jump in on this one for a moment?

To come back to more basic principles first, it's important to know that every procurement that the government undertakes over \$2 million is subjected to a procurement review policy of the Treasury Board. So we go out and let other departments know—Industry Canada, Western Economic Diversification Canada, Quebec, ACOA, Fisheries and Oceans, DND, all of the interested people—that there is a procurement over \$2 million, and they identify if there is something in their program that might benefit from this procurement as well. We'll see, at times, agreements in the Miramichi for armour for vehicles. So these things come up. Everything is out.

On procurements greater than \$100 million, industrial benefits are dealt with as a distinct function. There are clauses written in the contracts to deal with the industrial and regional benefits. They are managed, they're followed, and we really look at things that are of direct benefit, as opposed to the toilet paper example.

There are stories of toilet paper, by all means. It goes back quite some time. Now you'll see windshields for vehicles or oil tanks, something much more specific, and they're specified in the contracts.

Hon. Raymond Simard: Thank you.

With regard to the less than 1% being challenged, it's still \$120 million. I'm just wondering who's challenging and what they're basing their challenges on. Are they Canadian companies challenging that it was opened up to foreigners, perhaps, or are they American companies, for instance, challenging that it wasn't opened up?

What are the bases for these challenges?

Ms. Liliane Saint Pierre: With regard to the 1% figure, if you look through the applications or the complaints filed to the trade tribunal over the last five years, you will see that we have 330 related to that. At the end, some are accepted or rejected after being heard. We found a little more than 60 of them to be valid.

Challenges are mainly from Canadian companies. The challenges are mainly related to the evaluation, the way in which the evaluation was proceeded with. More and more we get statements or comments related to potential conflicts of interest—for instance, when one person worked for one company and then went to another, or from a government department to a company.

Those are some of the areas in which there have been challenges.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Our last questioner in the first round is Mr. Poilievre.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): On the subject of directing benefits to Canadian enterprises, if we were to abrogate our agreements under NAFTA and other trade agreements in order to favour Canadian bidders, would you expect to have some retaliation from trading partners who currently make their procurement available to Canadian enterprises?

Ms. Liliane Saint Pierre: This, of course, is a big “if”. The basis of trade agreements is to promote trade and exchange between countries—

Mr. Pierre Poilievre: I understand that. That's not my question.

If Canada were to adopt policies—beyond those that exist already—to direct trade to Canadian enterprises, would it be fair to speculate that foreign countries and foreign governments would be forced to retaliate against Canadian companies that are bidding for that foreign work?

Ms. Liliane Saint Pierre: I think it's fair to say that we could expect that there could be some consequences.

Mr. Pierre Poilievre: Yes, okay. So in the case of the United States, which has procurement that's 15 times larger in dollar value, that might be very risky for Canadian businesses, would it not, if we were to enter into some sort of procurement trade controversy with the American government?

Ms. Liliane Saint Pierre: I think there's a certain risk there.

Mr. Pierre Poilievre: Okay.

I think it's something to keep in mind when we see some of the old protectionist flags from the 1960s starting to be raised. I want to make sure we're aware of all the risks involved in that approach.

You say here that 71% of government-wide procurement is done through electronic tendering. Is that through the MERX system?

Ms. Liliane Saint Pierre: Yes.

Mr. Pierre Poilievre: All of it is through the MERX system?

• (1630)

Ms. Liliane Saint Pierre: Yes.

Mr. Pierre Poilievre: Okay.

Secondly, Consulting and Audit Canada was eliminated after revelations of hideous corruption, some of which is being studied by the public accounts committee right now. Where is the business that used to be conducted through Consulting and Audit Canada being directed now? Is that now being done by Public Works, or has it also been absorbed by the departments?

Ms. Liliane Saint Pierre: First of all, in terms of Consulting and Audit Canada, the consulting part does not handle any more contracting. If there is a requirement for that contracting to be done by department, it's being done within the acquisitions branch of Public Works.

Mr. Pierre Poilievre: You indicate here the \$1.4 billion in procurement being done over the \$25,000 limit that's being done by operating departments and agencies. Why would we have such a large number of contracts that are bigger than \$25,000 done through the department instead of having those processes done through Public Works?

Ms. Liliane Saint Pierre: Most of the contracts that comprise business volume are related to services. Government departments do have delegated authorities to procure their own services to a certain limit.

Mr. Pierre Poilievre: So this is almost all services?

Ms. Liliane Saint Pierre: Most of it.

Mr. Pierre Poilievre: Do you have the percentage that is services?

Ms. Liliane Saint Pierre: Between services and goods that governments departments do by themselves, I will have to verify that.

Mr. Pierre Poilievre: Actually, I'm looking for the percentage of goods over \$25,000 that are procured directly by the departments. I don't expect that it's very much, but I'd just like to know.

Ms. Liliane Saint Pierre: It's not very much. The Minister of Public Works does have the authority to buy goods, and it's the Minister of Public Works who does delegate up to \$25,000 for the goods. For the services, it's optional, and the delegation is much higher and is being provided by...

Mr. George Butts: Two million dollars.

Mr. Pierre Poilievre: Okay.

Given that the Consulting and Audit Canada scandal occurred largely with the procurement of so-called services, and given that services are still done largely through departments and not through centralized procurement at Public Works, what are we doing to avoid the same kinds of abuses that we saw at Consulting and Audit Canada from happening at a departmental level, given that Public Works is not in charge of enforcing most of those procurement transactions?

Ms. Liliane Saint Pierre: There are many procedures and rules and policies that have been put in place. First of all, related to services, through the transformation initiative that the department is leading, it is putting in place a huge instrument by which you will regroup all different types of services, establishing a whole series of rules and procedures upfront. And at that time we delegate the authority to departments, but by delegating that authority we are asking the department to comply with the rules and the process that have been agreed on. This is one of the key measures that has taken place.

Another point that will really help in avoiding such a recurrence is the fact that with the procurement ombudsman, the new role, for services under a certain threshold, enterprises, suppliers, and individuals will be able to complain if there is any abuse. I think that this is a step in the right direction.

The Vice-Chair (Mr. Daryl Kramp): Thank you, Madam Saint Pierre, and thank you to all of our guests for attempting to simplify a mega-mega-billion-dollar responsibility and a very, very complex topic.

Hon. Raymond Simard: I just want a clarification on information Ms. Nash asked for. Will you be providing this information on the percentage of American companies getting our procurement of the \$12 billion? The opposite as well: how much Canadian companies are getting from American contracts? Can you provide those numbers? Is that what you're asking, Ms. Nash?

• (1635)

The Vice-Chair (Mr. Daryl Kramp): Let's not get into it now. My understanding is that the answer was given by Mr. Moffat at that particular time on that, and which he could reiterate that same—

Hon. Raymond Simard: Okay, so with Stats Canada?

The Vice-Chair (Mr. Daryl Kramp): He mentioned that it is possible, but it would be theoretically very, very impractical.

Yes.

[Translation]

Ms. Diane Bourgeois: Mr. Chairman, can we ask the witnesses whether they would be available to come back, since they haven't answered all our questions? This time, since we have a lot of questions left, we could devote the two hours to them, if that's possible.

[English]

The Vice-Chair (Mr. Daryl Kramp): Might I suggest, Madame Bourgeois, that should this committee have the wish to bring them back, then certainly we can give instruction to the clerk. And we would definitely entertain that possibility should it be a decision of the committee.

[Translation]

Ms. Diane Bourgeois: Do I have to introduce a motion? No? Could we set a date among ourselves? Thank you.

[English]

The Vice-Chair (Mr. Daryl Kramp): Once again, thank you very, very kindly.

We will suspend for a minute or two while we welcome our new delegation.

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• _____ (Pause) _____

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• (1640)

The Vice-Chair (Mr. Daryl Kramp): We'll call this part of the session to order.

We'd like to welcome the delegation from the Canadian International Trade Tribunal. We have Elaine Feldman, the vice-chair; Randy Heggart, the director of procurement review; and Reagan Walker, general counsel.

Welcome, and we apologize in advance for the brief time we have to spend with you today. But of course, depending on your presentations and the purview of the members here, we'll see how we progress with this meeting. I hope we'll reach a satisfactory assessment of what you have to offer today without another meeting, but let's just play that one by ear.

Without further ado, the floor's open to you.

Mrs. Elaine Feldman (Vice-Chair, Canadian International Trade Tribunal): Thank you very much, Mr. Chairman.

Thank you for the invitation to appear before the committee.

My name's Elaine Feldman, and as you said, I'm the vice-chair of the Canadian International Trade Tribunal. On my left is Reagan Walker, who is the tribunal's general counsel; and on my right, Randy Heggart, who's the director of procurement review at the tribunal.

Let me start today by giving you a brief overview of our mandate.

The tribunal's an administrative tribunal, operating within Canada's trade remedies system. We are an independent, quasi-judicial body that carries out its statutory responsibilities in an autonomous and impartial manner and reports annually to Parliament through the Minister of Finance.

The tribunal hears cases on dumped and subsidized imports, safeguard complaints, and appeals from customs and excise tax rulings. When requested by the federal government, the tribunal also provides advice on other economic, trade, and tariff matters. The tribunal also hears complaints about federal government procurement. I'm appearing today to discuss that aspect of our mandate with you.

Bid challenge began in Canada on January 1, 1989, with the coming into force of the Canada-U.S. Free Trade Agreement. At that time, it was handled by the Procurement Review Board. The United States has had a similar mechanism in place since the 1930s.

The bid challenge portions of the North American Free Trade Agreement, the Agreement on Internal Trade, what we call the AIT, and the World Trade Organization Agreement on Government Procurement, the AGP, came into force on January 1, 1994, July 1, 1995, and January 1, 1996, respectively. The government mandated the tribunal as its reviewing body for bid challenges under these agreements.

I have provided to the committee a briefing document on the provisions and coverage of the three trade agreements, and now I will provide a quick summary of the key objectives and provisions of these agreements.

Generally stated, the objective of procurement review in Canada is to ensure that procurements covered by the trade agreements are conducted in an open, fair, and transparent manner, and, whenever possible, in a way that maximizes competition.

As a party to NAFTA and the AGP, Canada has agreed to provide suppliers from the other countries that are parties to this agreement with an equal opportunity to compete with Canadian suppliers for contracts involving specified classes of goods and services, including construction services bought by certain government departments, agencies, and enterprises, such as crown corporations.

The signatory countries have reciprocated by opening up their government procurement opportunities to Canadian business. These agreements guarantee national treatment and non-discrimination for goods and services originating in Canada, as well as to the suppliers of such goods and services.

Some notable exceptions to the coverage of these agreements are communication services, transportation and relocation services, shipbuilding and repair, and goods and services related to military operations, such as armaments and vehicles. The agreements also allow exemptions for reasons of national security and for small and minority businesses.

As a party to the AIT, the federal government has agreed to provide all Canadian suppliers with equal access to procurement opportunities involving most goods and services, including construction services, in the government departments and agencies and crown corporations listed in the AIT.

The AIT prohibits the federal government from discriminating against goods or services of a particular province or region and the suppliers of such goods or services and those of any other province or region. The AIT imposes constraints on procurement procedures aimed at promoting equal access to procurement for all Canadian suppliers.

● (1645)

Although most federal government procurements with a value of over \$25,000 are covered by the AIT, notable exceptions are advertising and public relations services, health services, and social services.

The AIT contains exemptions for national security, for measures with respect to aboriginal peoples, and for measures that are part of a general framework of regional economic development. The AIT also allows preferences for Canadian goods and suppliers and for Canadian value added, as long as those are consistent with Canada's international obligations.

I would now like to talk briefly about how the procurement review process is carried out at the tribunal.

Suppliers may challenge federal government procurement decisions that they believe have not been made in accordance with the requirements of NAFTA, the AIT, or the AGP.

Potential suppliers who believe they have been unfairly treated during the solicitation or evaluation of bids or in the awarding of contracts on a designated procurement may lodge a formal complaint with the tribunal.

A potential supplier is encouraged to attempt to resolve the issue first with the government institution responsible for the procurement.

If this process is not successful or a supplier wishes to deal directly with the tribunal, the supplier may ask the tribunal to consider the case by filing a complaint.

When the tribunal receives a complaint, it reviews the submissions against certain criteria. If the tribunal decides to conduct an inquiry, the government institution is sent a formal notification and a copy of the complaint itself. An official notice of the complaint is also published in MERX and in the *Canada Gazette*.

If the contract in question has not been awarded, the tribunal may order the government institution to postpone awarding it pending the disposition of the complaint.

After receipt of its copy of the complaint, the government institution responsible for the procurement files a response. The complainant and any intervenor are sent a copy of the response and then have the opportunity to submit comments. Any comments are forwarded to the government institution and other parties to the inquiry.

Once this phase of the inquiry is completed, the tribunal reviews the information on the record so far and decides whether a public hearing is necessary or whether the case can be decided on the basis of the information on the record. Generally, cases are decided without a public hearing.

The tribunal then determines whether the complaint is valid. If the complaint is found to be valid, the tribunal may make recommendations to the government institution, such as to re-tender, to re-evaluate, or to provide compensation.

The government institution, as well as all other parties and interested persons, is notified of the tribunal's decision.

Recommendations made by the tribunal in its determination are by statute to be implemented to the greatest extent possible.

The tribunal will ordinarily award reasonable costs to the complainant or the government institution, depending upon which one is successful in the case.

In the last five years, the tribunal has received 330 procurement complaints. Consider that during the same time period there were more than 100,000 contracts for goods and services above \$25,000 issued by Public Works and Government Services Canada alone. Although the complaints represent only a small percentage of the procurements performed by the federal government, their small numbers belie a significant impact on the integrity of government procurement through the disciplinary and instructional effects of complaints found valid.

Of those 330 complaints, 315, or more than 95%, were filed by Canadian suppliers. As you can see, the procurement review mechanism at the tribunal has primarily become a vehicle for Canadian business to address its concerns with the way some government procurements have been conducted.

With 18 years of procurement review experience in Canada behind us, it is important to emphasize some key lessons.

Truly competitive procurement processes require open bidding, clear procedures, and transparent criteria for selection.

• (1650)

Such a process enhances the integrity of the procurement system in Canada, invigorates the delivery of government services, and translates into savings for the taxpayer.

One of the intended purposes of the Federal Accountability Act is to ensure that the bidding process for government contracts remains fair, open, and transparent. Along the same lines, the Canada-U.S. free trade agreement and its successor, NAFTA, required that Canada adopt and maintain bid challenge procedures for procurement in order to promote fair, open, and impartial procurement procedures. The formal process of procurement review at the tribunal allows

Canada to meet these obligations, as well as similar ones under the AIT and the AGP.

Before opening the floor for questions, it is important to set out the areas within which I am able to answer questions. I am speaking today in my capacity as vice-chair of the tribunal. Our mandate is to ensure that federal government procurements respect the obligations set out in our domestic and international trade agreements. I am thus able to answer questions on the provisions of the trade agreements and on the tribunal's procurement review process.

As an adjudicator, however, I am not at liberty to speak to individual cases. Moreover, I must stress that the tribunal administers these provisions of the trade agreements but has no policy responsibility with respect to the trade agreements. I am therefore unable to speak to government policy.

Mr. Chair, I would now be pleased to answer any questions you and your colleagues may have.

The Vice-Chair (Mr. Daryl Kramp): Thank you very kindly.

We'll simply repeat the earlier round process.

Mr. Simard, you're up.

Hon. Raymond Simard: Thank you very much, Mr. Chair, and I thank the witness for being here this afternoon.

My first question is on the structure of the tribunal: how many members there are, how you are named, the terms. Could you tell us a little bit about that?

Mrs. Elaine Feldman: The tribunal may have up to nine members, but we presently have seven. We have a chair, two vice-chairs, and four members. We are governor-in-council appointees. We may serve for a maximum of two terms, and the maximum of each term is five years, so the absolute maximum that any member or vice-chair or chair may serve is 10 years.

• (1655)

Hon. Raymond Simard: Okay.

I'm not sure whether you can answer this; I think you indicated that you can't speak to specific issues. But when talking about some of the things that are outside the agreement, we didn't talk about the bulk sales of water. Can you speak to that at all? I've never understood whether or not it was included in NAFTA. It's not clear.

Mrs. Elaine Feldman: That's certainly outside the bounds of—

Hon. Raymond Simard: That's outside your boundaries?

Mrs. Elaine Feldman: Yes.

Hon. Raymond Simard: Okay, I'm sorry. I just thought I'd try to get a clarification.

What are most of the complaints about? You're getting quite a few complaints and you're getting them mostly from Canadian companies. What are the complaints about?

Mrs. Elaine Feldman: They cover the waterfront. I have been in my position as vice-chair for about a year and a half and I have seen complaints on everything from the provision of portable toilets to the delivery of Canada's food mail in the north.

Hon. Raymond Simard: But there has to be something that comes forward all the time; there has to be something...or not necessarily.

Mrs. Elaine Feldman: Well, the subjects of the procurements vary greatly. The issues relate to whether the procurement has been carried out fairly.

Hon. Raymond Simard: Right. Are your decisions final?

Mrs. Elaine Feldman: Our decisions may be appealed to the Federal Court of Appeal.

Hon. Raymond Simard: Oh, they can?

Mrs. Elaine Feldman: Yes.

Hon. Raymond Simard: And are they often appealed?

Mrs. Elaine Feldman: They are sometimes appealed, yes.

Hon. Raymond Simard: You were saying that in a lot of cases you don't go to personal hearings. Is that what you indicated?

Mrs. Elaine Feldman: That's right.

Hon. Raymond Simard: So you would just issue some kind of decision.,

Mrs. Elaine Feldman: We work on the basis of the submissions that have been filed. They comprise the record, which is open to all the parties in the case. We tend to make our decisions based on the written record, but if a party is unhappy with our decision, winner or loser.... Sometimes I believe both the winner and the loser have appealed to the Federal Court of Appeal because they don't like a certain part of the decision.

Hon. Raymond Simard: Okay, that's fine. Thank you.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Mr. Nadeau.

[Translation]

Mr. Richard Nadeau (Gatineau, BQ): Thank you, Mr. Chairman.

Good afternoon, everyone.

When a company wishes to file a complaint, the process, which we have studied, seems relatively long. Furthermore, based on my reading, as part of the process, it would cost about \$300,000 to reach a set of outcomes.

What exactly is the story on this process, and what stages does a company's complaint have to go through? I'm not asking you for a very detailed answer, but a rather general one.

Mrs. Elaine Feldman: Usually, from the moment the representatives of a company know there is a problem, they can try to resolve it with the department concerned. If there is no resolution, they can turn to the tribunal, but there are deadlines that must be very strictly observed. You have to file with the tribunal within 10 days after observing the problem. When a complaint is filed within 20 days, it can't be accepted. The tribunal is supposed to render decisions quite quickly. It usually tries to do that within 90 days, but that can go up to 135 days.

Mr. Richard Nadeau: I don't know you, and I'm not engaged in this profession, but I find that 10 days is quite a short deadline. We're

talking here about observing deficiencies in the process, whether it's administrative or otherwise.

The table concerning complaints, which we've received, states that 330 complaints were withdrawn. Some complaints were not accepted, others were valid or not valid, and so on. That covers quite a long period. And yet it seems to me that there isn't a large number of complaints, considering the large number of corporations and potential disputes. So why 10 days?

• (1700)

Mrs. Elaine Feldman: My colleague tells me that's under the free trade agreements?

Mr. Richard Nadeau: You're talking about free trade with the United States and Mexico?

Mrs. Elaine Feldman: I'm talking about NAFTA and the WTO agreement.

Mr. Richard Nadeau: Does the same thing apply to both small and large businesses?

Mrs. Elaine Feldman: Yes.

Mr. Richard Nadeau: From the moment the tribunal rules that a complaint is valid, how does the process work? You say you respond within 90 days, but time nevertheless elapses between the moment you rule that the complaint is valid and the moment when each of the parties appears before you, doesn't it?

Mrs. Elaine Feldman: No.

Mr. Richard Nadeau: No, not at all?

Mrs. Elaine Feldman: As I said, we usually receive a complaint in writing. The members of the tribunal decide whether or not to accept the complaint for investigation purposes. That's the first step. If we decide to investigate, we send a copy of the complaint to the department concerned. The department then sends us its version of the events in writing, and the reason why, in its view, there was no violation of the agreements. Then the complainant sends us its comments on the department's response. Then the tribunal makes a decision. There usually isn't a hearing. The decision is based on the written representations that we've received.

Mr. Richard Nadeau: It's based on the documents provided.

Mrs. Elaine Feldman: Yes.

Mr. Richard Nadeau: Some small and medium-size businesses want to sell their services to the federal government. I live here in the region. The representatives of at least two businesses have told me that their chances were not as good because their businesses were located in Gatineau, not in Ottawa. These people have kept their businesses in Gatineau, but have opened an office in Ottawa. I don't know whether they did it to be more accessible and more visible, but the fact of being in Ottawa rather than Gatineau has enabled them to do better business. As the minister said when he appeared, changing postal codes is unacceptable. I'd like to know whether complaints in that regard have been filed by small and medium-size businesses.

Mrs. Elaine Feldman: No. I'll put the question to my colleagues and—

Mr. Richard Nadeau: I know that's more specific, more local.

So, for the tribunal, regardless of the size or annual revenues of the business?

Mme Elaine Feldman: Regardless of the business, provided certain rules are complied with. Among other things, the amount of money involved in the complaint must be greater than a given amount.

[English]

The Vice-Chair (Mr. Daryl Kramp): Thank you, Mr. Nadeau.

Mr. Hawn.

Mr. Laurie Hawn: Thank you, Chair.

Thank you, witnesses. It's good to meet you.

I have a couple of questions on attachment two on page seven, about the number of complaints over the last five years.

There have been 330 total complaints, of which 63 were found to be valid. What was the total dollar penalty attached to that, or remedy attached to that, and who paid it?

Mrs. Elaine Feldman: Do you mind if my colleague answers?

Mr. Laurie Hawn: No, not at all.

Mr. Randy Heggart (Director of Procurement Review, Canadian International Trade Tribunal): It would be difficult to give a total on that, each individual one. They range so much and we don't have an accumulated statistic on the total value of the procurements.

Mr. Laurie Hawn: But are we talking millions, in general?

Mr. Randy Heggart: We're talking a total value of about \$1 billion, probably.

Mr. Laurie Hawn: Now, do those penalties get paid—

• (1705)

Mr. Randy Heggart: Sorry, I'm talking about the value of the procurement itself, not of the—

Mr. Laurie Hawn: Yes, that did sound like a lot for penalties.

Who pays that remedy? Obviously, it depends, I guess, on the finding of who's found guilty, if you will. Do the taxpayers pick up any of that?

Mrs. Elaine Feldman: Well, sometimes. The recommendation of the tribunal could be to retender a procurement if the contract has not yet been issued. So although the value may be high, the actual monetary compensation.... We may not be recommending monetary compensation.

Mr. Laurie Hawn: Yes, I understand. The remedy is not only financial.

Mrs. Elaine Feldman: That's right.

Mr. Laurie Hawn: And is it a mix of Canadian companies and foreign companies in that 63?

Mr. Randy Heggart: Probably the majority would be Canadian companies.

Mr. Laurie Hawn: Okay, so the same sort of ratio, about 95%—

Mr. Randy Heggart: Same sort of ratio, the 95%, yes.

Mr. Laurie Hawn: Do you have any relationship with a similar body in the U.S.?

Mrs. Elaine Feldman: Not at the level of the members of the tribunal. Because we are an independent, quasi-judicial body, we operate within the confines of the Canadian legislation.

Mr. Laurie Hawn: It would probably be counterproductive to have any kind of informal arrangement, I would think, but I'll leave that.

With the new procurement ombudsman, how do you see his or her duties interfacing with yours? How do you see that sorting out as a working relationship?

Mrs. Elaine Feldman: As I said earlier, our responsibilities are defined by statute. Those will not change in any way. The purpose of the tribunal's procurement mandate is, as I said, to ensure that procurements are conducted in a fair, open, and transparent manner. I imagine that the new body will have a similar mandate.

Mr. Laurie Hawn: Everybody's trying to do the same thing under the Federal Accountability Act, to procure an ombudsman in the International Trade Tribunal.

Mrs. Elaine Feldman: But our mandate will not change.

Mr. Laurie Hawn: No. Okay, thank you. That's all I have.

The Vice-Chair (Mr. Daryl Kramp): Ms. Nash.

Ms. Peggy Nash: Thank you, Mr. Chair, and good afternoon to the witnesses.

I have a question to see if I understand this correctly. As I understand it, the agreement on international trade has a dispute settlement process to handle AIT procurement disputes.

Mrs. Elaine Feldman: That's the agreement on internal trade.

Ms. Peggy Nash: Internal trade, right. But as I understand it, the federal government chose to use the CITT to handle AIT procurement disputes. Is that correct or not?

Mrs. Elaine Feldman: Yes.

Ms. Peggy Nash: Can you tell me why that was done? Why not handle the disputes under the AIT process? What was the advantage of going to the CITT process?

Mrs. Elaine Feldman: Again, I cannot speak for government policy, but the CITT has been involved in procurement review for over 18 years, so we were a body that was already in existence with experience.

Ms. Peggy Nash: So there are two processes that are set up, and some go through the AIT and some go through the CITT. I'm just wondering why there are two.

Mr. Randy Heggart: When you say the AIT, I'm not sure I understand what you mean.

Ms. Peggy Nash: As I understand it, there's an AIT procurement disputes settlement process. Is that correct? Is there no other process?

Mr. Randy Heggart: There's a separate one for the province and then there's the federal one as well.

Ms. Peggy Nash: Okay. I'm just wondering why there are two bodies to deal with dispute settlement issues.

Mrs. Elaine Feldman: As I said, I think the focus for procurement disputes for the federal government is the CITT, whether it's under the AIT or the international trade agreements. Then the AIT may have other provisions relating to violations of the other non-procurement provisions of the AIT.

Ms. Peggy Nash: So the vast majority of complaints that the CITT handles are domestic complaints, or Canadian supplier complaints.

Mrs. Elaine Feldman: That's right, and they may be under any of the three agreements.

Ms. Peggy Nash: In your job you can't deal with policy, but if the government decided that it wanted to use trade policy for a political goal—and I'm thinking of the Conservative government under Mr. Mulroney, which implemented a boycott policy with South Africa to protest the apartheid regime—would that be permissible under the current trade agreements, or could that be subject to a trade complaint that would come before your body?

• (1710)

Mrs. Elaine Feldman: In terms of procurement, a South African supplier would not be able to lodge a complaint with the tribunal because South Africa is not a member of the multilateral agreement on government procurement.

Ms. Peggy Nash: If there were a country that was a signatory to that agreement and that had practices Canada disagreed with, such as human rights violations, slave labour, child labour, or something like that, would Canada be able to implement a boycott policy?

Mrs. Elaine Feldman: I think we're getting outside the realm of procurement.

Ms. Peggy Nash: If that country then raised a complaint before your organization, would that be an acceptable complaint?

Mrs. Elaine Feldman: The grounds of complaint are limited to the specific provisions that are found within the CITT Act, which then take you back to the international agreements.

I know this sounds circuitous, but—

Ms. Peggy Nash: I guess our boycotts based on human rights or other violations are subject to or overridden by trade agreements.

Mrs. Elaine Feldman: I'm not saying that, because I'm not commenting on boycotts. I can only talk to you about the procurement responsibilities of the tribunal.

Ms. Peggy Nash: So if Canada decided it was not going to award any contracts to a country based on human rights concerns and that country was a signatory to international trade agreements and that country filed a complaint to the CITT, that's something you would review but you could rule against that complaint.

Mrs. Elaine Feldman: It has to be a specific procurement that comes to the tribunal for review. You don't come to the tribunal with complaints about policies, or—

Ms. Peggy Nash: No, I understand, but if there's a country that tried to apply—

The Vice-Chair (Mr. Daryl Kramp): Ms. Nash, you're over your time now. Are you comfortable with the response on that?

Ms. Peggy Nash: No, I don't think we've really gotten a full response on that.

The Vice-Chair (Mr. Daryl Kramp): Fine, but I think you've gotten the similar response—

Ms. Peggy Nash: I think you're saying that whether or not I'm comfortable, my time has expired.

The Vice-Chair (Mr. Daryl Kramp): Your time has expired. I'm just trying to be reasonable.

Ms. Peggy Nash: Saved by the bell.

The Vice-Chair (Mr. Daryl Kramp): Next, Mr. Poilievre.

Mr. Pierre Poilievre: Just so I understand how your mandate came to be, with regard to domestic procurement controversies, did your organization assume the mandate that had previously been covered by the Procurement Review Board?

Mrs. Elaine Feldman: Yes.

Mr. Pierre Poilievre: All right. And with the coming into force of the procurement ombudsman, it's been a while since I've read the Accountability Act—we actually went through it line by line in a similar committee—but what enforcement powers does he or she have to their decisions regarding procurement disputes? Or are they simply recommendations that are made public?

Mrs. Elaine Feldman: I'm sorry, but, again, I can't speak to that because I don't deal with that. I can only speak to matters that fall within the mandate of the tribunal.

Mr. Pierre Poilievre: So you don't see any change at all in the way your tribunal functions as a result of the coming into force of the procurement ombudsman?

Mrs. Elaine Feldman: That's correct.

Mr. Pierre Poilievre: Okay. You said that your decisions are appealable to the Federal Court. Are those appeals *de novo*, or are they just reviews that inspect whether there are errors in fact or law?

Mr. Reagan Walker (General Counsel, Canadian International Trade Tribunal): Thank you for the question.

It's limited to judicial review.

Mr. Pierre Poilievre: It's judicial review. So it's just errors in fact and law that—

Mr. Reagan Walker: It's limited to errors of law, but including whether or not there was sufficient evidence to support the factual conclusions, for example, being considered an error of law. Basically, it's a determination of whether or not the tribunal was patently unreasonable in reaching a conclusion based on the evidence before it, whether the tribunal strayed beyond its jurisdiction, and the usual types of judicial reviews that quasi-judicial tribunals are subjected to.

It's the Federal Court of Appeal, by the way, not the Federal Court.

• (1715)

Mr. Pierre Poilievre: Thank you for the distinction.

So in layman's terms, it determines whether or not the tribunal made a specific error. It does not start from scratch.

Mr. Reagan Walker: Correct.

Mr. Pierre Poilievre: The multilateral agreement on procurement is the basis upon which your tribunal operates. Is that correct?

Mrs. Elaine Feldman: No, we operate on the basis of domestic legislation, which refers back to the international agreements. There's a CITT Act.

Mr. Pierre Poilievre: Okay. Can you list the agreements, then, the legislation is predicated upon?

Mrs. Elaine Feldman: Well, it covers the obligations that are found originally in the Canada-U.S. Free Trade Agreement, now subsumed by the NAFTA, the World Trade Organization's Agreement on Government Procurement, and the Agreement on Internal Trade, which is not an international agreement.

Mr. Pierre Poilievre: Okay. Can you list that last one?

Mrs. Elaine Feldman: The Agreement on Internal Trade is an agreement between the federal and provincial governments.

Mr. Pierre Poilievre: Was the multilateral agreement on procurement done under the rubric of WTO?

Mrs. Elaine Feldman: Yes, it was, but unlike the WTO agreements, which apply to all WTO members—and I think they are now in the order of 150 members—a country has to decide that it wants to become a party to the agreement on government procurement. So there are significantly fewer than 150 members. If you count the EU as one, you might say it's in the order of 25. If you count the EU as 25, then maybe there are close to—

Mr. Pierre Poilievre: Okay, that's fine. What I'm trying to zero in on here is if a company from a country that is a member of WTO is not a member of the multilateral agreement on procurement, does it have any standing in your—

Mrs. Elaine Feldman: No.

Mr. Pierre Poilievre: So it's not actually the WTO. You had said it was the WTO agreement on government procurement that is the basis of your operation, but it sounds to me as though it's actually the multilateral agreement that—

Mrs. Elaine Feldman: Well, the agreement on government procurement is under the auspices of the WTO.

Mr. Pierre Poilievre: I just need to get this point here.

Mrs. Elaine Feldman: It is a WTO agreement. It just does not cover the entire membership. You have to decide to be a member of the agreement on government procurement.

Mr. Pierre Poilievre: Okay, but is there a difference between the agreement on government procurement and the multilateral agreement on government procurement? Is it the same thing?

Mrs. Elaine Feldman: Yes, it's the same thing.

Mr. Pierre Poilievre: So that's all we need to know, then. If countries have opted into that agreement, then they're covered?

The Vice-Chair (Mr. Daryl Kramp): Mr. Poilievre, that's the end of your questioning.

Mr. Pierre Poilievre: Okay, thank you.

The Vice-Chair (Mr. Daryl Kramp): Now it will be Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Good afternoon, ladies and gentlemen. I'd like to go back to the handling of complaints.

Of course, there are big businesses in Canada, but, if the government decides to open its market to small ones, we absolutely have to know whether they are protected from the government, certain departments or problems that may arise. If I understood correctly, the complainant has 10 days to file its complaint, after which you go to see the department concerned with that complaint.

Mrs. Elaine Feldman: No, not quite. On the basis of what we've sent the complainant, we decide first whether we can say there is a problem. If we decide there is one, we send the complaint to the department involved. If we decide there isn't one, if the 10 days have elapsed, or if the complaint comes from someone who cannot appear before the tribunal, we reject it at that stage.

• (1720)

Ms. Diane Bourgeois: That applies if the complaint is filed within 10 days. You'll correct me if I'm wrong, but 10 days is a very brief period of time for an aggrieved business. Very often, it takes a long time before the bids are opened, unless the business is on the spot. Large businesses can be on site when the bids are opened. Very often, however, that's not the case for small businesses.

Mrs. Elaine Feldman: It's 10 days after they've learned that they haven't won the contract.

Ms. Diane Bourgeois: A small business whose representative may have had to go to China may know a week after the bids are opened that it wasn't selected. Then it has 10 days to file a complaint.

Approximately how much does it cost a business to defend itself? Do you have any figures?

Mrs. Elaine Feldman: You can come with or without a lawyer. Since there's usually no hearing, and the process involves submitting documents, it's hard to state a specific amount.

Ms. Diane Bourgeois: All right.

I'm going to you a specific example: the bicycle industry. Perhaps you can't talk to me about that. I don't know; I'm not sure. We had restrictions.

Mrs. Elaine Feldman: That wasn't a public market case. Bicycles was something else entirely.

Ms. Diane Bourgeois: All right.

How many complaints are you handling right now?

Mrs. Elaine Feldman: In the public market?

Ms. Diane Bourgeois: Yes, in the Canadian public market, how many complaints are you handling?

[English]

Mr. Randy Heggart: There are approximately 12.

[Translation]

Mrs. Elaine Feldman: There are about 12 that are open.

Ms. Diane Bourgeois: And how many are you currently treating in the international market?

Mrs. Elaine Feldman: The 12 complaints are all the complaints being handled.

Ms. Diane Bourgeois: You only have 12 complaints currently on the go.

Mrs. Elaine Feldman: Yes. As I said, we try to resolve our cases within 90 days. So we've already resolved some cases this year.

Ms. Diane Bourgeois: You have 87 employees, if I understood correctly.

Mrs. Elaine Feldman: We do other things than the public market.

Ms. Diane Bourgeois: You must specify it.

What follows is very important for me. Is the government required to enforce a decision that you render in favour of the business?

Mrs. Elaine Feldman: As far as possible. It's not like a decision by a superior tribunal, that the government must accept. We make recommendations.

Ms. Diane Bourgeois: I think that's fine, Mr. Chairman.

I'm going to leave some time for others.

[English]

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Mr. Poilievre.

Mr. Pierre Poilievre: My question relates again to our favourite agreement, the multilateral agreement on procurement. If Canada were to opt out of the multilateral agreement on procurement, your tribunal would no longer protect foreign suppliers, but would Canadian companies also lose the protection they have before foreign tribunals?

Mrs. Elaine Feldman: I can't really speak to that. Again, I deal with what comes to the CITT—

Mr. Pierre Poilievre: Of course you can.

Mrs. Elaine Feldman: I can't in my capacity as vice-chair of the CITT.

Mr. Pierre Poilievre: If you know the agreement, which I presume you do, because your legislation seeks that you operate under it, then you would know whether or not the Canadian suppliers under that agreement are given protection for fair treatment abroad.

Mrs. Elaine Feldman: I can answer that question—

Mr. Pierre Poilievre: Are they?

Mrs. Elaine Feldman: Yes, and the agreement on government procurement provides for reciprocal treatment, so Canadian suppliers in those countries that are parties to the agreement on government procurement may also challenge procurement practices in those countries.

Mr. Pierre Poilievre: Is that reciprocity cancelled if a country pulls out of the agreement? For example, if a country pulls out of the WTO agreement on government procurement, it would no longer have that reciprocity, would it?

• (1725)

Mrs. Elaine Feldman: That's correct.

Mr. Pierre Poilievre: Okay, that's what I'm getting at. Once again, while someone might want to complain about the access that foreign companies have to Canadian procurement and the standing those companies have before this Canadian tribunal, it's important also to keep in mind that Canadian companies are given the same protection abroad under that agreement.

Mrs. Elaine Feldman: Yes.

Mr. Pierre Poilievre: Okay.

The Library of Parliament has prepared a briefing and I have it here. It says: "In Canada, the preferential treatment of national suppliers in the government procurement process has essentially resulted in a government policy which stipulates that..." and it quotes section 1 of the contracting policy. That's a Treasury Board policy. I won't read the whole policy, but at the end it says here that the objective is to seek "the optimal balance of overall benefits to the Crown and the Canadian people".

The reason I find that hard to understand is because in the first part it says it's predicated on best value, and here it talks about the optimal "overall benefits". By benefits, I presume they mean spinoffs and job creation, etc. Which is it?

Mrs. Elaine Feldman: We don't get involved in that. As I said earlier, we look at whether there has been a violation of evaluation of bids, whether there's been an allegation of conflict of interest. We don't get into the sorts of issues you're raising. I think the previous witnesses would be better placed to answer that question.

Mr. Pierre Poilievre: So you only look at the legislation and ascertain whether it has been violated in the bidding procedure?

Mrs. Elaine Feldman: That's right.

Mr. Pierre Poilievre: What does the legislation say on the issue of industrial benefits for the Canadian economy? Does it say anything?

Mrs. Elaine Feldman: It incorporates, as I said earlier, by reference the trade agreements. It doesn't specifically refer to the matters that you're raising.

Mr. Pierre Poilievre: Okay, so is the legislation—

Mrs. Elaine Feldman: It talks about national treatment, non-discrimination. That's what the trade agreements talk about.

Mr. Pierre Poilievre: So the legislation just references, has big arrows that point at, an international agreement?

Mrs. Elaine Feldman: The specific international agreements that I mentioned earlier—the NAFTA, the AGP.

Mr. Pierre Poilievre: Great, thank you.

The Vice-Chair (Mr. Daryl Kramp): Thank you, Mr. Poilievre.

We have just a couple of minutes.

Madam Nash.

Ms. Peggy Nash: Thank you.

I am confused by my predecessor's questions. Mr. Poilievre, I'm not sure if you're calling for us to abrogate trade agreements or not. Your questions were a little confusing.

Let me ask a question about complaints under the CITT. Can you tell me whether you know the incidence of Canadian complaints against other countries based on this trade agreement?

Mrs. Elaine Feldman: No, I don't.

Ms. Peggy Nash: Who is the guardian of those statistics? Is it the national government? Is it their tribunals that have these? Do we not track when Canadian companies complain that they're being unfairly treated under these agreements by foreign governments?

Mrs. Elaine Feldman: Again, it's not something the CITT does. We track the complaints that come to us, but I don't know who tracks—

Ms. Peggy Nash: So if France made a complaint to Canada, you would track that?

Mrs. Elaine Feldman: Let me be quite clear, we don't deal in country-to-country disputes. We deal with disputes that are brought by particular companies. So a French company could come before the tribunal, yes.

Ms. Peggy Nash: So if Michelin in Paris, or wherever, decided it was being unfairly treated regarding tires for government fleet vehicles, they would make a complaint, but we do no tracking through your body for Canadian companies that complain internationally.

Mrs. Elaine Feldman: That's correct.

Ms. Peggy Nash: Where would one make that? Where is the appropriate source of that information for us to seek that information?

• (1730)

Mrs. Elaine Feldman: To be honest, I don't know if there's any body in the Government of Canada that tracks that, because, as you said, it's an individual company that brings the complaint, and that company may or may not inform a government body. I truly don't know if they do. There's no requirement on a Canadian company to inform any part of the Canadian government that it's bringing a complaint in France.

Ms. Peggy Nash: Okay, thank you.

The Vice-Chair (Mr. Daryl Kramp): Okay. Thank you very kindly.

To our delegation from the Canadian International Trade Tribunal, thank you very, very kindly for your input and for your assistance here today. Also, in the absence of our regular chair, I'd like to thank our clerk and our research staff, and certainly my colleagues, for their courtesy and consideration to help us through this meeting here today.

Have yourself a great day, everyone. Enjoy the recess.

The meeting is adjourned.

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