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Chair

Mr. James Rajotte

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• (1530)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call the meeting to order. This is the 16th meeting of the Standing Committee on Finance. We are continuing our review of Bill C-9, an act to implement certain provisions of the budget tabled in Parliament on March 4, 2010, and other measures.

Colleagues, we are continuing with our review, part-by-part, of the bill. We did get to part 20.

Mr. Mike Wallace (Burlington, CPC): Our vice-chair got us to part 20.

The Chair: The vice-chair, who I understand was very efficient and very popular with government members, got us to part 20. We will hopefully get through parts 20 to 24 today. It will obviously depend on the number of questions.

Today we have some officials with us from the Department of the Environment. Am I correct on that?

Mr. Yves Leboeuf (Vice-President, Policy Development, Canadian Environmental Assessment Agency): Canadian Environmental Assessment Agency.

The Chair: The Canadian Environmental Assessment Agency. Welcome. Thank you for being with us this afternoon.

Colleagues, we will proceed with the same five-minute rounds. We will start with questions.

I have Mr. McCallum.

Hon. John McCallum (Markham—Unionville, Lib.): I have a few short questions.

Why do you think it's important that the public not be consulted or not be permitted to give their views prior to the government determining the scope of an environmental review?

Mr. Yves Leboeuf: Well, what is being proposed in the amendments is not to narrow the scope of the project. In conditions that would have to be made public, it's basically to create an authority for the Minister of the Environment to establish in which circumstances it would be possible to focus the assessment on certain components of the project.

Hon. John McCallum: As I understand it, the public would not really be consulted prior to the determination by the minister of what that scope would be.

Mr. Yves Leboeuf: It's something that is still pending at this point. There is no legal requirement in the act to have public consultation on the conditions the minister would establish. That

doesn't mean there can't be public consultation; that's something that's not been determined at this point in time.

Hon. John McCallum: But the minister would have the authority to determine the scope prior to having any public consultation, if he or the cabinet so desired?

Mr. Yves Leboeuf: That's correct. They could decide not to consult the public. The minister could decide to establish conditions and make them public and authorize a narrower scope.

Hon. John McCallum: I wonder if you could give us examples of the types of projects that, through these new measures, might not require any assessment at all and currently do require assessment.

Mr. Yves Leboeuf: Sure. First, there is nothing in the proposed amendments that would exclude projects from the requirements of environmental assessments that are not already excluded.

When you look at the package of amendments being proposed here, they essentially cover three things. The first is to make permanent some exclusions that are already in existence and that were introduced by regulations a year ago and make them permanent now. These are exactly the same exclusions that were covered in those regulations a year ago and the same circumstances when public infrastructure projects are to benefit from federal funding under specified programs. Those programs are the same as those that were set out in those regulations last year.

Hon. John McCallum: Maybe it would be helpful if you could refresh our memories by summarizing those categories of projects that were excluded temporarily before and are now going to be excluded permanently. Which types of projects would those include?

Mr. John D. Smith (Director, Legislative and Regulatory Affairs, Policy Development, Canadian Environmental Assessment Agency): Those are the projects that are set out in the schedule to the bill. There's a variety of projects—14 classes of them. To summarize, they deal with modification or construction of various types of buildings in certain circumstances.

They deal with construction of public transit facilities or bus rapid transit systems. There are several that deal with expansion of public transit systems, roads or highways, or modification or widening of a bridge. There's an exclusion that deals with construction of facilities for treatment of potable water and similarly for facilities for waste water treatment. Lastly, there are a variety of exclusions related to recreational facilities, such as pools or rinks, sports fields, community parks, and so on.

That's an overview specific to the 14 classes.

Hon. John McCallum: It sounds like a very extensive list of things.

Thank you very much.

The Chair: Thank you.

Mr. Pacetti.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Along that vein, why was it temporary last year and permanent this year? I didn't catch that part. This year all the money in the stimulus funding is going to lapse, so shouldn't it be temporary again this year?

• (1535)

Mr. John D. Smith: The exclusions are tied to projects that are funded under 14 or 15 specific funding programs. You're right, many of those will expire at the end of this year, but there are some, notably the Building Canada plan, that don't expire. Those will continue. So there very well may be projects that are partway through construction at the end of this year that would be funded under those programs.

Mr. Massimo Pacetti: I didn't hear all of your answer to Mr. McCallum, but all the amendments last year were temporary?

Mr. John D. Smith: Yes, the whole schedule of those 14 classes were all subject to a sunset clause at the end of next month.

Mr. Massimo Pacetti: But there was something related to waterways, or navigable waters, and that didn't touch the environment section at all?

Mr. John D. Smith: No, those were amendments to a separate piece of legislation.

Mr. Massimo Pacetti: Thank you.

The Chair: Thank you, Mr. Pacetti.

Monsieur Paillé.

[*Translation*]

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Chairman, I would like to officially thank Mr. Wallace, in Canada's other official language, for the quality of his biscuits and to remind him that "biscuit" is masculine.

We can be quite surprised to see these kinds of suggestions concerning the environment in a financial bill, but I know this melting pot isn't your decision.

Can we say that the Department of the Environment is abandoning its environmental responsibilities and transferring them to the Canadian Environmental Assessment Agency?

Mr. Yves Leboeuf: No. In fact, what is consolidated at the Canadian Environmental Assessment Agency is simply a switch from a complex system already established under the act... This quite complex self-assessment system means that all federal government departments and agencies are required to conduct environmental assessments when decisions are required on projects. For bigger projects, the large-scale projects subject to in-depth studies or review boards, it often happens that two, three or four federal decision-makers take part in the same project. In those cases, they all have separate responsibility for conducting an environmental assessment for the project.

In practice, honestly, in many cases, this has resulted in a nightmare and a bureaucratic and administrative labyrinth leading to major delays at the start of the process, even just to start the process. In some cases, they have to wait 15 or 16 months at the departments concerned just to confirm that an environmental assessment is required. Once they are in a position to confirm that, they start one assessment, then another, for major projects subject to in-depth reviews for up to 10 or 11 months, simply to get through the first stage of determining what type of environmental assessment should be conducted.

The idea here isn't at all to transfer responsibilities from the Department of the Environment to the Canadian Environmental Assessment Agency. For some of these projects, the environment department is one of the authorities responsible and is required to conduct an environmental assessment. In many cases, it's the other departments, such as Fisheries and Oceans Canada, Transport Canada or Infrastructure Canada. The idea here is to get away from this system, where two, three or four different departments have parallel obligations with regard to a single project, and to consolidate responsibilities within the Canadian Environmental Assessment Agency.

Mr. Daniel Paillé: If I understand correctly, we had a big administrative mess. Now we're saying that we're at least going to have a big mess for everyone in the same place.

Wouldn't the Government of Canada be well-advised to consider that, since we have environmental assessments in Quebec, for example, since we have everything that's necessary for all those projects, it's going to rely on the environmental analysis conducted by the provincial authority?

Mr. Yves Leboeuf: There are all kinds of issues that go beyond the amendments proposed here and that are relevant to the operation of the federal environmental assessment process, including the one you're raising, the interaction between the federal and provincial processes. They have been, and still are, the subject of numerous discussions.

There was a meeting of the Canadian Council of Ministers of the Environment last October, at which all the ministers agreed to take advantage of the next parliamentary review of the Canadian Environmental Assessment Act—that's a legal requirement and it is to start soon—to consider these models for collaboration and cooperation at the federal and provincial levels. The kind of approach you're suggesting will clearly be discussed in that context.

• (1540)

Mr. Daniel Paillé: You said that four or sometimes five federal departments are involved in an environmental assessment. We're trying to resolve that with the bill, but there will always be 10 provinces and one federal government. It seems to me it would be simpler to resolve this by saying that the provinces will take care of it.

Mr. Yves Leboeuf: Here's how we operate in practice: we have federal-provincial cooperation agreements with a number of provinces. This kind of agreement has been in place with the Government of Quebec since 2004. Under these agreements, when federal and provincial proceedings are triggered on a single project, the two levels of government work together to conduct a single environmental assessment that generates relevant information so those levels of government can make their decision together.

The Chair: All right, thank you.

Mr. Carrier, please.

Mr. Robert Carrier (Alfred-Pellan, BQ): Thank you.

Good morning.

I see in the presentation on Part 20 that the purpose of the amendment to the act is to provide for decisions to be made in legislation rather than by regulation and that some infrastructure projects will be subject to an environmental assessment.

It troubles me a little to see that environmental studies wouldn't automatically be required by regulation, in accordance with established regulations, but rather in legislation.

What do you mean by in legislation? Perhaps it's defined a little further on. I'd like you to tell me that. Are we determining, in legislation, the type of project that will be subject to an environmental study, that would subsequently therefore be automatically conducted, or will the decision to go the legislative route be on an ad hoc basis, depending on each project?

Mr. Yves Leboeuf: No change is proposed in Part 20 to the way of deciding which projects will be subject to environmental assessments or to determine whether they require an environmental assessment. The part of the legislative summary you are referring to refers directly to exclusions that already exist by regulation and concerning which Mr. McCallum earlier asked how they were adopted last year. They are now permanent, those exclusions that were established for a two-year period, that were excluded by regulation last year. It is now being proposed in the bill that they become permanent exclusions.

A new power would thus be created in the act for the environment minister, in the event some project, an excluded project was to cause problems from an environmental standpoint or raise environmental concerns. That would be a new discretionary power for the minister of the environment: to require that such a project be subject to the act. That's new, to the extent that these projects had been excluded by regulation for a year. This is a power that did not exist, and it is not possible to create such a discretionary power for the minister by regulation. So that's why this is being done in the context of the act itself.

Mr. Robert Carrier: In your opinion, is this an improvement, with respect to environmental studies, that would stem from Part 20 of the bill?

Mr. Yves Leboeuf: With respect to excluded projects, these are the same ones that had already been excluded for a year. The question of trying to reduce the number of environmental assessments in the case of smaller-scale projects has been discussed on numerous occasions for many years, including in the context of the previous legislative review. Following that review, the minister

of the environment at the time, minister Anderson, undertook to reduce the number of environmental assessments conducted under the act by one-third.

The number of projects subject to the act, even taking these exclusions into account, is roughly the same as it was at that time. There are various reasons for that, including the fact that a larger number of organizations than at that time are currently subject to the act. But essentially, this stems from discussions that had been underway for a long time.

Mr. Robert Carrier: Don't you think all these studies will be subject to legislative decisions, depending on the government in place, the party forming the government?

Mr. Yves Leboeuf: All these excluded projects are still subject to the various regulatory requirements, whether they're federal, provincial or municipal. They are still subject, as the case may be, to provincial environmental assessment procedures, if the provincial procedures are triggered in the case of those kinds of projects. The regulatory framework in place—federal, provincial and municipal—is still applicable to all those projects.

• (1545)

Mr. Robert Carrier: Thank you.

[*English*]

The Chair: Go ahead, Mr. McKay.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Mr. Chair.

The problem with this legislation is that you really don't know what it means until you actually have a project in front of you, and then at that point it's a bit of the eye of the beholder.

I understand that you wish to streamline the process. That makes some sense. I understand that you don't want each agency tripping over itself. That makes some sense. Nevertheless, there may be instances of projects that really call out for a very detailed assessment from a variety of standpoints.

The issue that's topical these days is drilling in the Beaufort Sea. Would this proposed legislation apply to drilling in the Beaufort Sea?

Mr. Yves Leboeuf: Those proposed amendments are completely neutral with respect to the overall environmental assessment framework that applies to drilling in the Beaufort Sea.

Hon. John McKay: What does "neutral" mean? Does it mean the minister could use these to consolidate the review process, or he or she could just retain the current process?

Mr. Yves Leboeuf: Under the Canada Oil and Gas Operations Act, the responsible authority, the federal agency responsible for permitting drilling in the Beaufort Sea, is the National Energy Board. Those amendments, as you can see from them, will consolidate in our agency the responsibility to do comprehensive studies, except for the projects that are regulated by the National Energy Board or the Canadian Nuclear Safety Commission, for which it's basically the status quo. They were already responsible for managing the environmental assessments of the projects they're regulating, and even if these amendments are passed and come into force, they will continue to be the ones responsible for the management of those assessments.

Hon. John McKay: Well, in the Beaufort Sea it's not likely the Canadian nuclear agency would be applicable, but the National Energy Board certainly would have a primary role to play. Would the role of the National Energy Board in a project such as the Beaufort Sea potentially be enhanced by this legislation?

Mr. Yves Leboeuf: It doesn't change anything.

Hon. John McKay: You're saying they would do whatever it is they do and your department would do whatever it is you do.

Mr. Yves Leboeuf: Exactly, and the only circumstances in which our agency or the ministry of the environment would be involved more directly in those projects would be the referral of any of those projects to the ministry of the environment for the establishment of a review panel; if the project is of such a magnitude that it may require an assessment at the review panel level, under the act it's for the ministry of the environment to establish such a panel.

Hon. John McKay: I take it, then, that this legislation would therefore apply to projects of much less magnitude than, say, drilling in the Beaufort Sea.

Mr. Yves Leboeuf: If I might correct you on that, the main impact of the proposed changes relates to major projects, except those regulated by the NEB and the CNSC, as I mentioned, for which the status quo is maintained, but it's to the other large projects that are subject to assessment at the comprehensive study level, as I mentioned earlier, that the most important change would occur.

Hon. John McKay: What does it mean when it says it allows the Minister of the Environment to delegate the power to establish the scope of a project? In establishing the scope of the project, you determine which path it follows.

Mr. Yves Leboeuf: Yes, but it's not the path. There are two things different, and that came clearly out of a Supreme Court of Canada decision at the end of January, in which the court indicated that the scoping decision and the decision about the required level of assessment are two different decisions. The past practice before that for all federal departments, and in fairness for our federal partners, was consistent with the state of the law as it had been established by lower courts, in many cases the Federal Court of Appeal; the practice was to establish the scope of the project, and they had discretion to focus on some components only.

• (1550)

Hon. John McKay: Who would establish the scope of the project?

Mr. Yves Leboeuf: The various federal departments have decisions to make.

Hon. John McKay: You had a whole bunch of people.

Mr. Yves Leboeuf: Exactly. Those 30 to 50 federal departments or agencies were all responsible for making decisions.

The Chair: Okay. Thank you, Mr. McKay.

Monsieur Mulcair, *s'il vous plaît*.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Thank you, Mr. Chairman.

Mr. Leboeuf, you referred to the signing of the agreement by Mr. Anderson in 2004, unless I'm mistaken. That agreement simply made it possible to appear only once rather than twice before two different groups—a citizens group, an environmental group, or engineers who were interested in a project. They took someone who was appointed at the federal level, and they sat him down with the BAPE people. Is that correct?

Mr. Yves Leboeuf: Yes.

Mr. Thomas Mulcair: Nothing was lost?

Mr. Yves Leboeuf: No.

The intent behind this approach, which is still the one used not only in Quebec, but also in most provinces, is not to rule out or eliminate the requirements of one of the two levels of government with regard to environmental assessments, but rather to work hand in hand so that there is only one assessment, which is conducted jointly.

In practice, in Quebec, that's done in the manner you described, with the addition, to the two regular members of the Bureau d'audiences publiques sur l'environnement, of a third member appointed by the minister of the environment. It becomes a joint commission where they prepare a report that is considered by both governments.

Mr. Thomas Mulcair: I'll sum up the situation. This is a situation I know about, since I was minister of the environment at that time, and I signed that agreement with Mr. Anderson. Nothing was taken away from the safety net that was in place, whether it be the work of our bodies, screening, analysis, etc. We maintained the status quo. The only people who were dissatisfied were the consulting engineers, who could no longer appear twice before two different commissions and thus bill for both appearances. I stopped receiving Christmas cards from the engineers, but apart from that, everyone was happy, since there were no recalls.

In this case, however, I think it's fair to say that less importance will be attached to these matters because of the amendments that are being proposed.

Mr. Yves Leboeuf: What part are you referring to in saying that?

Mr. Thomas Mulcair: To the part we're studying, Part 20 of Bill C-9.

• (1555)

Mr. Yves Leboeuf: To what aspects of Part 20? I have a different take on Part 20, but is there something particular in Part 20 that enables you to draw that conclusion?

Mr. Thomas Mulcair: Let's start with this. Let's suppose we want to have an environmental assessment conducted for a project by an agency that is neutral, an independent umpire. Let's say we refer the project to an agency like the National Energy Board, which has its nose in files concerning large-scale energy projects. I respectfully submit that we're approaching what, in the theoretical field of regulation, is called regulatory capture.

There are two major theories on regulation. The first is the theory of regulatory lag. People like you who study a situation, people who regulate the banks or securities markets, will always lag a little behind the Goldman Sachs of this world or behind the engineers who have to design a project because that's the nature of the beast. They will be ahead. The established regulations will be slightly behind, hence the English expression, regulatory lag.

The other theory is the theory of regulatory capture. When you work in a single field that you are supposed to regulate, sooner or later you wind up with the same point of view as the people who belong to that field. Let's leave the environmental field for a moment. The individual who was earning millions of dollars at Goldman Sachs thought there was nothing abnormal in the fact that everyone at Goldman Sachs was paying himself bonuses of several millions of dollars. There's nothing more natural, since that person has always lived in that world.

I contend that someone from the National Energy Board who's based in Calgary, who has his nose in those projects, and who is no doubt very competent, does not have the necessary autonomy or independence. I think that the environmental assessments as currently provided for, before this amendment arose, are conducted by people who are far more neutral, autonomous and independent than the people from the National Energy Board.

I also think we're beginning to approach a critical point in the weakening of our federal environmental standards. Last year, the Navigable Waters Protection Act was scuttled. This year, we're reducing our environmental assessment protection for the reasons I've just given.

Mr. Yves Leboeuf: There's nothing in Part 20 that provides for a transfer of responsibilities to the National Energy Board. The National Energy Board's responsibility for environmental assessments will remain essentially the same, even if Part 20 is adopted. Part 20 states that the responsibilities of the Canadian Environmental Assessment Agency are being consolidated by requiring that more in-depth studies be conducted, except for projects regulated by the National Energy Board or by the Canadian Nuclear Safety Commission. Those two quasi-judicial agencies are already responsible for the environmental assessment of the projects they regulate. We're maintaining the status quo for their projects.

Mr. Thomas Mulcair: In your professional point of view, that role won't be diminished in any way?

Mr. Yves Leboeuf: The proposal that we consolidate the environmental assessments in advance, which is included in Part 20, is a longstanding request by all sectors and stakeholders.

Mr. Thomas Mulcair: I'm willing to admit it, but that wasn't the gist of my question. I took the liberty of putting the situation in the context of the weakening of the Navigable Waters Protection Act,

but let's set that aside for the moment. Let's just talk about Part 20. I want your opinion as a professional.

This in no way, in any manner whatever, represents a weakening of our environmental assessment system in Canada?

Mr. Yves Leboeuf: If I rely on your assessment in advance, that isn't the effect this will have.

Mr. Thomas Mulcair: I'm simply trying to understand the distinction. I can come back to this, Mr. Chairman.

[*English*]

The Chair: I just wanted one clarification. You talked about some of the exclusions. Just to clarify it and put it on the record, can you just explain why an environmental assessment would not be required for certain federally funded infrastructure projects?

Mr. Yves Leboeuf: Why they would not be?

The Chair: Why would they not be?

Mr. Yves Leboeuf: As we mentioned earlier, those projects and classes of projects were excluded a year ago by regulation. The rationale at the time was essentially based on the experience acquired mostly by Transport Canada and Infrastructure Canada involved in conducting environmental assessments of these types of projects for 14 or 15 years. They had conducted 1,000 assessments of such projects during that period, more or less. Their experience demonstrated that at the end of the day, when it comes time to ensure that these projects do not cause significant effects, which was the focus of the act, there was no added value in doing a federal environmental assessment in that context. There were already sufficient measures out there, be they the federal regulatory framework, Fisheries Act authorizations, Navigable Waters Protection Act permits, provincial and municipal regulations, bylaws as they apply to those projects, and provincial environmental assessments as they may apply to them. This framework, already in place independently of a federal environmental assessment, was sufficient to ensure that those types of projects will not cause significant effects.

The Chair: Okay. Thank you for clarifying that.

Mr. Carrier.

[*Translation*]

Mr. Robert Carrier: Thank you.

You asked the question I wanted to ask. Whatever the case may be, in my view, the fact that these studies aren't conducted by a department or an agency specialized in the field constitutes a weakening of the commitment to respect the environment. Ultimately, you're delegating this responsibility to the department that commissions all the infrastructure projects, and doing so without conducting any study.

Mr. Yves Leboeuf: As I said, this is based on the experience acquired by these departments and agencies over a period of 14 or 15 years in the assessment of this type of project.

Mr. Robert Carrier: I'm still asserting the idea that, with respect to the analysis, this is nevertheless a loss in environmental terms.

Le président: That's all?

Mr. Mulcair.

Mr. Thomas Mulcair: Thank you, Mr. Chairman.

I want to go back to the last point we were discussing. I was asking Mr. Leboeuf whether Part 20 of Bill C-9 wouldn't have the result, in concrete terms, of weakening environmental assessment as a whole in Canada. I don't want to put words in his mouth, but I'm trying to summarize what I understood from his answer.

You answered that you were doing that. As a legislator, I'm taking a cold look at this. I don't doubt your competence: I'm asking you what the effect of Part 20 is as a whole. Is the position that the exclusions provided for and the screening done in a different manner in no way represent a weakening, in any regard whatever, consistent with your opinion as a professional?

• (1600)

Mr. Yves Leboeuf: Yes.

Mr. Thomas Mulcair: What's your basis for making that statement?

Mr. Yves Leboeuf: With regard to the three components covered by the bill and the exclusions, as I said, experience acquired over a period of 15 years shows that these projects cause no major effects. They have been excluded for a year and will continue to be excluded.

Let's talk about assigning responsibilities for conducting in-depth studies to the agency. In our opinion, and in my opinion, that will lead to higher quality environmental assessments. We're talking about assigning the environmental assessment process to an agency whose main and sole mandate is to oversee the conduct of high-quality environmental assessments. Let's be honest, that's no longer the case of all the departments that have to enforce this act and that often have contradictory mandates and that aren't always purely environmental in nature.

By concentrating these responsibilities in an agency whose principal mandate that is, we think that will lead to higher quality environmental assessments. As I indicated, based on our consultations with all stakeholders over the years, there appears to be a consensus that this will lead to higher quality environmental assessments.

As regards the third component of the bill and of Part 20, that is to say granting the minister of the environment the discretionary authority to establish the scope of projects and making it possible to focus the environmental assessment on certain components of those projects, the terms and conditions of the application of those provisions will still have to be established when those amendments have been passed. However, Mr. Mulcair, the objective is not to reduce environmental protections.

Mr. Thomas Mulcair: Once again, Mr. Chairman, we have to be very careful. I'm not attributing motives to anyone. Mr. Leboeuf tells me that the objective is not to reduce environmental protections. He's giving us an orientation argument.

I'm trying to do my job as a legislator. I'm looking at Part 20 and I see a reduction. He tells me the exclusions were included in the regulations a year ago and that we're only incorporating them in the act. However, in the same breath, he explains to us that these assessments have been done for 15 years. We can try to see eye to eye. In legislation, we are creating new exclusions and we will

entrench them. He said that, over a period of 15 years, we have realized that this was not that serious on the whole. However, he can't convince me that, in the past 15 years, there haven't been any cases in which that was absolutely necessary, hence my claim that this is a reduction.

Mr. Yves Leboeuf: That's not what the experience acquired by Transport Canada and Infrastructure Canada shows.

[English]

The Chair: You have 30 seconds.

[Translation]

Mr. Thomas Mulcair: I'd like to come back to that.

Let's take a concrete example. Mr. Leboeuf, are you saying that, if the Department of Transport is doing work on a road, for example, and passes through a wet area, making a decision for the projects in question in legislation and not by regulation—so we don't have the flexibility to change the decision—does not constitute a reduction of environmental protection in Canada?

Mr. Yves Leboeuf: As we speak, Mr. Mulcair, these projects are excluded by regulation. If one of those projects were to raise environmental concerns, it would remain excluded. With the proposals contained in Part 20, the minister of the environment would have the power to require an environmental assessment of that kind of project, if such a situation were to arise.

Mr. Thomas Mulcair: I'm going back to my critical mass argument. With the reduction in the strength of the Navigable Waters Protection Act last year, and with what we're doing in legislation, no longer by regulation, this is an established fact. We would be moving to a piece of legislation that entrenches the principle that there is no assessment. That has been in the regulations for one year. That's not a lot of time for us to be able to assert that.

From now on, the exception would be what the rule used to be. The rule used to be greater prudence in assessments. Now, greater prudence will be the exception. I respectfully submit to you that this entrenches a reduction.

• (1605)

The Chair: Mr. Leboeuf, do you want to answer?

[English]

Mr. Yves Leboeuf: I don't think he has any question, so I'm not sure.

The Chair: Merci, Monsieur Mulcair.

I want to clarify, then, because you said in French that you will have an environmental assessment of greater quality. Perhaps you could just repeat in English some of what you said in French and explain why you say that.

Mr. Yves Leboeuf: Essentially, when I mentioned that, I was referring to a broad consensus among stakeholders, many of whom had been asked about and had supported consolidating those responsibilities to do environmental assessment in a central organization. The reason for that is that you end up with environmental assessments being conducted by one organization whose central and unique mandate is to ensure that high-quality environmental assessments are conducted, as opposed to those responsibilities being dispersed between 30 or 40 different departments whose mandate is not only to do high-quality environmental assessment.

The Chair: Ms. Duncan, in order to sign you in, we have to either have Mr. Mulcair—

Mr. Thomas Mulcair: I'm leaving.

The Chair: Ms. Duncan, just to be clear, we're having five-minute rounds with officials and we're reviewing part 20 of Bill C-9. We will hopefully have witnesses on this section sometime next week.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): I have witnesses from CEAA, and how much time do I have?

The Chair: You have five minutes.

Ms. Linda Duncan: Thank you very much, Mr. Chair.

I appreciate you coming before this committee, and I appreciate being before this committee. I wish, in fact, you were before my committee, which was what was supposed to happen. That is the concern I'm hearing from hundreds of Canadians across the country.

It was in fact the recommendation of the Commissioner of the Environment and Sustainable Development, and as I understand, CEAA thought that was an excellent idea. So of course what is most disturbing of all is that this is being given short shrift as far as public consultation is concerned. I'm also advised that the RAC has not met in a year and a half, and that is the logical place to review this.

I apologize if this is repeating, because I wasn't here in the earlier part, but I would appreciate it if you could explain to the committee why it is so necessary to take these measures that are in part 20, one being the transfer to the NEB and the nuclear committee, and the other one giving the entire discretion to the minister to scope projects. That has been raised as a very serious issue with absolutely no guidelines. I'm wondering if you may have recommended that there be guidelines, regulations, or something to the exercise of that discretion.

The bigger concern is about whether there are more amendments to CEAA coming. Are we going to keep having amendments through the budget bill? Have you been working on additional omnibus amendments? Is there going to be an opportunity for a more fulsome review by all the people in Canada who are affected by these changes?

Mr. Yves Leboeuf: Let's start with the parliamentary review of the act, which is, as you know—and that's what you were referring to—a statutory requirement that was added to the amendments to the act at the end of the last review of it in 2003. This is still a requirement. Part 20 of this bill does not suggest removing that requirement to do a comprehensive review of the act. This legal requirement is still there and the review has to commence, if I'm right, by June of this year. It will be based on what this specific provision says, for the

House of Commons to refer the review of the act to a committee of the House or of the Senate or a joint committee. I'm not aware that this referral has occurred yet, but the requirement is there.

To go back to another point you mentioned, Ms Duncan, about the NEB and CNSC, that's a point I made before you arrived. Just to clarify once again, there is strictly nothing in part 20 that would result in a transfer of responsibilities from our agency, or from the Minister of the Environment, to the NEB or to the CNSC. They are currently responsible for the conduct of environmental assessments they're regulating.

The proposals here are neutral in that regard in the sense that they would consolidate in our agency the responsibility to do comprehensive studies, except for those regulated by those two quasi-judicial bodies. They would remain responsible for them, as is currently the case. So, to clarify, no change is proposed in that regard.

The third one was related to the discretion to scope. As a requirement under the relevant provisions of part 20, there will have to be conditions established by the Minister of the Environment, and there's a requirement to ensure that those conditions will be made public. As you can imagine, those conditions are not in place, but it is our objective to work with the minister and with partners on the development of such conditions if those amendments become law.

• (1610)

Ms. Linda Duncan: Thank you for your response, sir.

I think the preference of Canadians would be that Canadians are consulted in the development of those conditions and are not told after the fact, which has become the pattern.

I'm not pointing fingers at you. You only happen to be in the agency.

It would certainly be encouraged by all the Canadians I've heard from. We need a more open and transparent process.

The Chair: You have one minute left.

Ms. Linda Duncan: Yes, okay.

One of the arguments put forward by the minister was on the remaining duplication. I wonder if you could provide the committee with a single example of the main mechanisms that you and your predecessors have put in place.

Isn't there still a responsibility for the federal government to look after its jurisdictions—for example, for fisheries, first nations, transboundary, and international agreements?

Mr. Yves Leboeuf: Yes.

Ms. Linda Duncan: What has happened to those under part 20?

Mr. Yves Leboeuf: Perhaps you could help me and tell me which part.

Ms. Linda Duncan: It's particularly the exemptions. I'm specifically talking about the provision that exempts the necessity for an environmental assessment.

Mr. Yves Leboeuf: For exemptions that would now be introduced in the act and that are in the regulations, as I mentioned previously, a body of experience is developed by those federal departments and agencies. They assess these types of projects for a period of 14 years to demonstrate, based on their best experience, that the projects will not cause significant adverse effects.

At the end of the day, the purpose of the CEAA is to ensure the projects do not cause significant adverse effects. Based on their experience, it was demonstrated that these types of projects do not cause significant adverse effects.

It was independent from federal environmental assessments, because they're regulated by the provinces, the municipalities, and the federal government through all the other regulatory instruments you mentioned that remain in place in relation to them.

The Chair: Okay. Thank you.

Thank you, Ms. Duncan.

We're going to move on to part 21. We'll let the witnesses come to the table for part 21.

Part 21 amends the Canada Labour Code with respect to the appointment of appeals officers and the appeal hearing procedures.

Monsieur Paillé.

[Translation]

Mr. Daniel Paillé: Thank you.

Good morning, madam.

With regard to the proposed clauses concerning the Canada Labour Code, I won't ask you once again to comment on the fact that amendments to the Canada Labour Code appear in a budget implementation bill. However, I would like to address two questions, two themes.

Clause 2172, on page 712 of the bill, states that the Minister of Labour appoints officers at his discretion. However, they are currently being designated. What will become of the current officers, who were originally designated? We have to take it for granted that they are experts in the field, in health. Will they continue their work or will they be replaced?

•(1615)

[English]

Mrs. Lenore Duff (Senior Director, Strategic Policy and Legislative Reform, Department of Human Resources and Skills Development): Current officers who were designated will continue to work in health and safety but will not hear appeals.

[Translation]

Mr. Daniel Paillé: How was the designation done at the time? I'm trying to see the difference between designation and appointment within the machinery of government. Why are we doing this?

[English]

Mrs. Lenore Duff: The use of "appointment" indicates Parliament's intention to ensure the independence of decision-makers from government.

The amendments would bring part II of the code in line with part III of the code in terms of labour standards. Under part III, the wage recovery referees are appointed by the minister. In the other, the designations were public servants. The appointments are outside experts. It's a change in terminology to match what's already done under part III of the code.

[Translation]

Mr. Daniel Paillé: Does that mean that we were previously protected from the government and experts were designated, but that now the government will be able to appoint whomever it wants?

[English]

Mrs. Lenore Duff: They were designated in the past as well, in the same manner, by the minister. The appointments now will allow the minister to make outside appointments. In fact, that wasn't restricted before. This is just bringing it into line with the same language that applies to part III of the Labour Code for wage recovery referees. It will mean the appointment of outside experts, and it provides some arm's length from the government in order to hear these appeals rather than having public servants do it.

[Translation]

Mr. Daniel Paillé: Clause 2176, on the following page, states that appeal decisions must be provided within 90 days after the end of the hearing. Do we have an idea of the current average length of the time period?

[English]

Mrs. Lenore Duff: I unfortunately don't have the current average, but I can provide that information in writing to the committee. The 90 days will provide for more timely decisions, as there has been some concern about the length of time that the appeals processes have taken.

[Translation]

Mr. Daniel Paillé: The fact that you don't know the current average and that you wanted to restrict the time period to three months suggests that the average is longer. In fact, I want to know what will happen if the 90-day time period is exceeded.

Will a procedure apply making it possible to appeal the decision rendered in the context of the appeal? Shouldn't a provision be included stating that, if the 90-day period is exceeded, the appellant wins? No penalty is provided for cases in which people who are appointed exceed that time period. I'm not saying they will, but if that 90-day period is set, it has to be complied with and an incentive has to be provided for in that connection.

[English]

The Chair: Okay. Could we have just a brief response, please?

Mrs. Lenore Duff: The amendments are intended to address issues of timeliness and efficiency. A 90-day timeframe for a decision is seen as reasonable and is in keeping with labour code practices of other tribunals. There isn't a way to arbitrarily decide whether or not it's a win. I believe the minister has the power to extend that deadline beyond the 90 days for certain provisions, but I need to check that as well and get back to you. Really it is aimed at providing for more timely decisions, which both employers and employees are interested in having in these cases.

•(1620)

The Chair: Thank you. If you can get that information to the clerk, we will distribute it to all members.

Mr. Carrier.

[Translation]

Mr. Robert Carrier: Good morning, Ms. Duff. I'm going to go back to the appeal officers since that's the main object of Part 21.

How many appeal officers are there right now? I only need an approximate figure. Is it five, 50, 5,000 persons?

[English]

Mrs. Lenore Duff: It's not 5,000. I'm sorry, I don't have that number. What I have is that this will reduce the number of FTEs by between three and five people. So it's a very small number.

[Translation]

Mr. Robert Carrier: We're not talking about a large number of jobs here. It's quite surprising, in view of the fact that you're the specialist responsible for informing us about this part, that you don't know how many people that represents. I think the number is important in the context of the evaluation we have to conduct.

[English]

Mrs. Lenore Duff: Yes. Just to be clear, it will affect three to five people. I understood you to be asking, initially, how many people there are in total in terms of health and safety appeals officers.

[Translation]

Mr. Robert Carrier: I was talking about the appeal officers.

[English]

Mrs. Lenore Duff: This change will affect three to five people, depending on the number of appeals that come in.

[Translation]

Mr. Robert Carrier: How many appeal officers are there in total?

[English]

Mrs. Lenore Duff: I don't know the answer to that question. I'll have to get back to you on that.

[Translation]

Mr. Robert Carrier: I'd like to have some clarification. I think this is important in the context of the evaluation we have to conduct. You said earlier that the people in place were going to stay there. This is simply a new policy that the government wants to apply through this part. Will some people lose their jobs?

[English]

Mrs. Lenore Duff: The people will not remain in those positions. Public servants who are currently doing this as appeals officers will not continue to do that job. The system will change so that these officers will be appointed. They will be outside experts. It will affect three to five people.

[Translation]

Mr. Robert Carrier: You seem to be saying that all the appeal officer positions will be abolished, that we'll be starting over from scratch and that the minister will appoint new officers. Is that correct?

[English]

Mrs. Lenore Duff: That's right. We'll do that rather than designating current public servants who are doing the work now.

[Translation]

Mr. Robert Carrier: Will those who aren't appointed by the minister keep their job security? Will they be assigned other duties in the department?

[English]

Mrs. Lenore Duff: Yes. The expectation is that they will be absorbed into the department, into the labour program, in similar positions.

[Translation]

Mr. Robert Carrier: What you're describing to me is worse than what I had imagined. We're not even retaining the expertise of the people who are already occupational health and safety specialists. Instead we're going to proceed with political appointments. I thought the government had a rationalization plan for its human resources. Here you're telling me about increasing the number of government employees. You say they won't belong to the public service. However, they will be paid by the government. They'll be contract employees.

[English]

Mrs. Lenore Duff: They will be appeals officers appointed by the minister. It's a common practice in the labour program to have outside experts hear appeals. It's an arm's-length relationship. They're not from the government side, the employer side, or the employee side.

[Translation]

Mr. Robert Carrier: This is an additional government expense designed to set aside public servants in order to hire other people.

•(1625)

[English]

Mrs. Lenore Duff: Again, we're not setting aside public servants. They will be integrated into the program. The appeals officers will only be engaged when there is an appeal to be heard. They won't be on staff all the time. Savings are expected from this measure, rather than expenditures.

[Translation]

Mr. Robert Carrier: You're hiring people to replace those who are already in place. So this is an additional expense.

[English]

The Chair: I want to clarify something. Ms. Duff, perhaps you can respond.

My understanding, from reading and going through the clauses here, is that clause 2172 changes the definition of appeals officer in section 122 from a person who is designated to a person who is appointed. This makes it clear that officers may be from outside the public service. My understanding is that this expands who can then be an appeals officer. Is that correct?

Mrs. Lenore Duff: That's correct.

The Chair: Okay. In terms of an appeal filed with the minister—clause 2173—my understanding is that the appeal will be commenced with the filing of a notice of appeal with the minister rather than through the current process of filing with an appeals officer. Is that correct?

Mrs. Lenore Duff: That is correct.

The Chair: Okay. In terms of the next clause, with respect to appointments—that the minister shall appoint an appeals officer upon receipt of the notice of appeal, the appeals officer will be appointed for the purpose of inquiring into and making a decision on the appeal, and this parallels the appointment provisions in part III of the Canada Labour Code—is there anything in that section you want to comment on?

Mrs. Lenore Duff: No. That is the process. It would be the same process as used in part III. We're now making the process similar for part II so that there's consistency across the program with how we treat appeals.

The Chair: Just so members understand this, basically it is sort of expanding the pool as to who can be chosen to be an appeals officer. The appeal is a notice of appeal with the minister rather than with the appeals officer. Those are the essential changes in this part of Bill C-9. Is that correct?

Mrs. Lenore Duff: That is correct.

Can I return to one question that I have the answer to? The average time of an appeal is now being limited to 90 days. On average, in the past, the appeals took six and a half months between the time the appeal hearing was held and a decision was issued.

The Chair: Okay.

Mrs. Lenore Duff: That was one of the questions I said I'd come back to.

The Chair: Thank you.

Monsieur Paillé, *encore*.

[Translation]

Mr. Daniel Paillé: The answers don't provide much clarification.

How many appeals are there per year?

[English]

Mrs. Lenore Duff: Forty decisions are typically made a year, on average.

[Translation]

Mr. Daniel Paillé: The average period is 195 days. So people currently sit as full-time appeal officers, as it were. You're telling us that these people will be absorbed into the public service, since they will no longer be occupying those positions. However, if they refuse, since they were clearly doing this work on a full-time basis—am I to understand that they will be entitled to lay-off pay? And could the same public servants who can leave the public service with lay-off pay be appointed by the minister and thus occupy those positions, no doubt with greater compensation, and thus take advantage of the system? Even if there are only four or five individuals, I'm trying to see whether this merry-go-round can occur.

[English]

Mrs. Lenore Duff: I'm afraid I can't speak to HR practice. That's not my area of expertise. But there is no expectation that anyone would be leaving the public service. If they do leave the public service, they'd be entitled to the same protections and benefits of any other public servant.

[Translation]

Mr. Daniel Paillé: We agree that these people have expertise, since they've been carrying on this occupation for a number of years. So it's possible and highly desirable for the minister to reappoint these people who have expertise.

Furthermore, you're telling us that the average length of an appeal process is six and a half months. So that means between 195 and 200 days. By means of an act, we're setting a maximum of 90 days, 100 days less. Thank you very much, that's very brave. However, if that's not feasible, what happens after 90 days? It's all well and good to put that into an act; we're in favour of virtue and motherhood, but you can't have both at the same time.

• (1630)

[English]

Mrs. Lenore Duff: As I said, our expectation is that the 90-day timeline is a reasonable limit and that the appeals will be heard and processed in that period of time.

[Translation]

Mr. Daniel Paillé: If the period is currently 195 days, as my colleague from Outremont said, with all due respect for the public service, how can we suddenly go from an average period of 195 days to a maximum of 90 days? How is that possible?

[English]

Mrs. Lenore Duff: As I mentioned, it is in trying to build in efficiencies in the system to ensure that these appeals are responded to in a 90-day period, and that is a common timeline for other appeals within the labour program.

[Translation]

Mr. Daniel Paillé: Can we express some doubt on that subject, madam?

[English]

The Chair: Okay. Thank you.

Mr. Mulcair, on part 21.

[Translation]

Mr. Thomas Mulcair: Thank you, Mr. Chairman.

I wanted to ask an orientation question. Why has the decision been made to provide for the appeal officers' powers by regulation rather than in legislation? This is quite unusual. This kind of thing is usually provided for by legislation, not delegated legislation.

[English]

Mrs. Lenore Duff: Are you asking me why we changed it from the system that we have now?

[Translation]

Mr. Thomas Mulcair: In fact, it's provided in Part 21 that the powers of the appeal officer will be established by regulation rather than by law. I simply wanted to know why.

Perhaps there is a better way of asking the question, so as not to compel you to answer an orientation question. Are there any other models, in your opinion, under which someone is given this power, a quasi-judicial power to all intents and purposes, by regulation rather than in legislation.

[English]

Mrs. Lenore Duff: I wouldn't be able to answer about other models. As mentioned, this is bringing it into line with the other appeals officers that exist to hear appeals under part III.

[Translation]

Mr. Thomas Mulcair: If I'm not mistaken, it's currently provided in legislation, not by regulation, hence the proposed change here. I simply wanted to know why. Usually, when we create a quasi-judicial function, given the solemnity and importance of the function, we tend to do so by legislation. I'm just trying to understand why it's being done by regulation.

[English]

Mrs. Lenore Duff: I don't know the answer to that question. I'll have to go back and report back.

[Translation]

Mr. Thomas Mulcair: Mr. Chairman, I'll close by asking whether we can check to see whether there are other models. We don't know of any. I'd like to have the answer.

[English]

The Chair: We can have that sent to the clerk and we'll send that to all members.

Okay, thank you.

Ms. Hall Findlay, I technically do need unanimous consent to have you ask questions.

A voice: Oh, you have it.

The Chair: Ms. Hall Findlay, please.

Ms. Martha Hall Findlay (Willowdale, Lib.): You guys, just the love...the love in this room.

Ms. Duff, thank you very much for being here. One of the questions that was being asked earlier, and my question might help, because when you're moving something from a duration of six and a half months to 90 days.... My question was, how long does an appeals officer tend to spend per case? Because if you said you had about 40 decisions a year, are these appeals officers occupied full-time on appeals, or do they do other things?

• (1635)

Mrs. Lenore Duff: They are occupied. They work only on appeals, but not only on hearing appeals; they do background research and investigation as well.

Ms. Martha Hall Findlay: But they are fully occupied in the appeals process, then.

Mrs. Lenore Duff: Yes, they are fully occupied in the appeals process.

Ms. Martha Hall Findlay: Then that doesn't help answer the question of how you go from six months to 90 days. I was hoping that there might be a different answer there. In that case, if you have appeals officers who work full-time on the appeals process and they are going to move away from doing that, but they're going to be kept in the public service, they're going to keep their salaries, assuming they stay employed.... As you've said, they're going to continue to be employed. But then the process is going to hire outside appeals officers on—I think you were saying—an as-needed basis. I really don't understand how that's going to save the government money.

Mrs. Lenore Duff: When I said that they would be kept within the public service, I mean that they would fill positions that are vacant or positions from which people retire. They wouldn't be leaving the public service. It would be by attrition. We would be filling other positions that become vacant in the area. We aren't keeping double positions with someone in the public service and an appeals officer doing the same job.

Ms. Martha Hall Findlay: Okay. I asked that question and I will just add a little bit of the concern that my colleague expressed. We'll kind of believe it when we see it, partly because we're in the process of hearing at other committees how the government is going to establish freezes on all the departments and where they're going to cut costs.

From a people-management perspective, it just isn't that easy to shunt people over into jobs that apparently happen to be there waiting for them and then bring in people from the outside. But you've answered the question, so thank you.

Thank you, Mr. Chair.

The Chair: Thank you, Ms. Hall Findlay.

If we can get that information as soon as possible, we are continuing with this bill tomorrow and next week, so we would appreciate that. Thank you very much for being with us here this afternoon.

Colleagues, we will go on now to part 22, "Payments to Certain Entities": Canadian Youth Business Foundation, Genome Canada, Pathways to Education Canada, and the Rick Hansen Foundation. I'll ask our guests to come forward.

Are there any questions, colleagues?

Monsieur Paillé.

[Translation]

Mr. Daniel Paillé: I have a number of questions.

Let's talk about the \$10 million that is being granted to the Canadian Youth Business Foundation. Could you tell us about the mode of operation and say how it is that this money will be offered to people 18 to 35 years of age? Are these grants or guaranteed loans?

It says here that mentoring, financing and resources will be provided. How will we ensure that this new financing will in fact help young entrepreneurs? You'll understand that this interests me, historically. I want to know because \$10 million can be very effective, just as it can be completely wasted. I'd like to know whether this \$10 million to the Canadian Youth Business Foundation will be managed a little more efficiently.

[English]

Mr. Jonathan DeWolfe (Chief, Industry and Knowledge Economy, Economic Development and Corporate Finance, Department of Finance): Sometimes people between 18 and 34 don't have the collateral or business experience to secure a loan through conventional channels. The Canadian Youth Business Foundation does not require an entrepreneur to have either the requisite collateral or business experience. What they do require is a business plan and a commitment to take on entrepreneurship as a full-time job, not as a part-time business or a summer job, per se. They require the entrepreneur to enter into a two-year mentorship agreement at minimum to ensure that they have proper supervision in order to give them the best chance and the best opportunity for their business to succeed.

• (1640)

[Translation]

Mr. Daniel Paillé: Yes, I understand what a mentoring service is, and it's a very good idea. We're talking about a minimum of two years. The first 24 months are always the toughest, even if the subsequent months are not necessarily easier.

Will this \$10 million be used to pay for the mentoring services? Will it be capital for the businesses that the young entrepreneurs create, in the form of loans or loan guarantees? That's what I want to know.

[English]

Mr. Jonathan DeWolfe: Sorry, I should have been more clear. It is for \$15,000 loans, up to \$15,000 per entrepreneur. The Business Development Bank of Canada is available to provide an additional \$15,000 per entrepreneur. Those loans are on commercial terms and they are expected to be repaid. In other words, they're not grants and they're not forgivable loans per se.

[Translation]

Mr. Daniel Paillé: So these are loans that are not guaranteed. If I correctly understood, you're saying that this will be at commercial rates, but that you're not expecting a lot of repayments.

[English]

Mr. Jonathan DeWolfe: No. Repayment is expected, and they do have a strong repayment rate to date. This program's been around for a number of years. In other words, there's not a large loan loss to date under this program.

[Translation]

Mr. Daniel Paillé: Consequently, this \$10 million, to all intents and purposes, could have been in a special fund to ensure... This \$10 million will come back, but where will it come back? Will it come back to the Canadian Foundation? Who is being repaid?

If I'm a young entrepreneur and I repay the foundation, does that \$10 million constitute subscribed capital for the foundation?

[English]

Mr. Jonathan DeWolfe: I believe that's correct, yes. It's back to the foundation, which they then re-lend.

[Translation]

Mr. Daniel Paillé: Moving on to other fields of jurisdiction, I would like to talk about the Pathways to Education Program, which is receiving \$20 million, and the Rick Hansen Foundation, which receives \$13.5 million. The first program clearly concerns education, whereas the second concerns health.

Was that coordinated with the constitutional jurisdictions of the provinces? It seems to me that education and health are exclusive fields of jurisdiction for Quebec and other provinces. We now have \$33.5 million that is toying with the maple leaf.

[English]

Mr. Mark Hodgson (Senior Policy Analyst, Labour Markets, Employment and Learning, Social Policy, Federal-Provincial Relations and Social Policy Branch, Department of Finance): Mr. Chair, with respect to Pathways to Education, it's a charitable organization that's been operating since 2001. The funding will be provided to it to provide mentorship, tutoring, and support to under-represented and at-risk youth to encourage them to complete high school and go on to post-secondary education. It's not directly related to the education system.

[Translation]

Mr. Daniel Paillé: What about the Rick Hansen Foundation?

[English]

Mr. Jonathan DeWolfe: The Rick Hansen Foundation's funding is in support of research, the foundation's operations, and the 25th anniversary campaign of that foundation. Again, it is not for education, per se.

[Translation]

Le président: Thank you.

Mr. Mulcair, go ahead, please.

Mr. Thomas Mulcair: I knew the subjects, but can someone give us an indication of the percentage? In the case of the Rick Hansen Foundation, what percentage of that very large amount is allocated to people 25 years of age?

• (1645)

[English]

Mr. Jonathan DeWolfe: The funding agreement for the Rick Hansen Foundation funding has not been completed, so I can't speak to the allocation within that \$13.5 million at this time.

[Translation]

Mr. Thomas Mulcair: Historically, what amounts have been granted to that foundation?

You cited the example of the Canadian Youth Business Foundation, which has been around for a long time. For how many years have we been giving to the Rick Hansen Foundation? Is it in the same order of magnitude as what we've given in the past?

[English]

Mr. Jonathan DeWolfe: The amounts are consistent, yes, with amounts given in the past. Budget 2001 allocated \$7.5 million, for instance, over three years. Budget 2005 allocated \$10 million, and budget 2009 \$10 million again. There's an expectation of matching from other partners of \$7.5 million in each of those instances.

[Translation]

Mr. Thomas Mulcair: Thank you, Mr. Chairman.

Le président: Go ahead, please, Mr. Carrier.

Mr. Robert Carrier: I'd like to go back to the Pathways to Education program. The information in the document indicates that the program will improve access to postsecondary education for young people. I think that's really the objective of the bill, of Part 22, at least.

As my colleague mentioned earlier, education is a provincial jurisdiction. I'm from Quebec, and there are programs there aimed at school drop-outs and education budgets. So we are interfering in a field of provincial jurisdiction.

Do you at least intend to compensate the provinces that would like not to take part in this program? You could at least allocate those amounts to the government that takes full compensation for the program to administer it itself and include it in its system. That's the problem in Canada, and what explains why it works poorly. There are provinces that stand up and stick to their jurisdictions. In Quebec, in education at least, we have a good department that takes charge of all public education through appropriate programs. So we are causing interference.

There's good will in all this. The program itself is very nice on the outside, but this is often needlessly added to existing programs. Could you compensate Quebec if it wanted to withdraw from this program and receive the amount of money that corresponds to our taxes?

[English]

Mr. Mark Hodgson: Mr. Chair, while I can't comment on the constitutional division between federal and provincial responsibilities with respect to education, this funding will be provided to a charitable organization that will determine where it will be providing mentoring, tutoring, and other non-financial and financial support to high school students. I couldn't address a hypothetical question about compensation for provinces, since it's not a transfer to a province. They are funds that will be provided to a charitable organization.

[Translation]

Mr. Robert Carrier: Is the charity you refer to already known? Is there one per province? Is there a list of organizations to which you're going to allocate those amounts?

[English]

Mr. Mark Hodgson: This is a fairly unique charity. It has an impressive track record in reducing dropout rates. It has been in place in Regent Park in Toronto since September 2001 and has reduced the high school dropout rate from 56% to below 10%. I'm not personally aware of other organizations that have the scope and inclusiveness of the programming provided to high school students, but there may be others. I'm not an expert in the field.

[Translation]

Mr. Robert Carrier: What charity are you referring to? There's only one managing this entire budget, isn't there?

[English]

Mr. Mark Hodgson: That's correct. It provides a whole range of assistance to the youth at risk and to their parents and families to encourage completion of high school and going on to post-secondary education.

[Translation]

Mr. Robert Carrier: What organization is it?

[English]

Mr. Mark Hodgson: Pathways to Education is the name of the charity.

• (1650)

[Translation]

Mr. Robert Carrier: All right. I'd like to ask the same question concerning the Rick Hansen Foundation, which is in the health field. It's an organization that wants to solve the problems of people suffering from spinal cord injuries. In every province, a department of health manages similar programs. With regard to this foundation, will the provinces wishing to manage these programs be able to obtain compensation for this?

[English]

The Chair: A brief response, please.

Mr. Jonathan DeWolfe: Likewise, I can't speak to constitutional issues, per se. I can say that this funding is for research, the 25th anniversary, and for the operations of the foundation, and not for health care delivery.

The Chair: Thank you.

We'll go to Ms. Hall Findlay, please.

Ms. Martha Hall Findlay: Thank you, Mr. Chair.

Thanks very much for being here.

On all three of these, they are only in this year's budget, they are only for this one year, is that right? Or is it planned that this money would be spread out over time?

Mr. Jonathan DeWolfe: I'll speak to three of those. For the Rick Hansen Foundation, the \$13.5 million is in fact over three years, beginning in 2010-11. For Genome Canada, the funding is \$75 million recorded in 2009-10, but it's—

Ms. Martha Hall Findlay: 2009-10?

Mr. Jonathan DeWolfe: That's right. It's lump-sum, multi-year funding. That is to say, Genome Canada can apply that against its expenses over the coming years.

Ms. Martha Hall Findlay: But we only have this one lump sum. Do we have a timeframe, or is it open-ended until the money runs out?

Mr. Jonathan DeWolfe: The funding for the innovation centres is sunset to expire in 2012-13. On the funding for the competitions under Genome Canada, the timeline is not specified, but that funding is available to them as they disburse funding with respect to competitions. That's the 2009-10 lump sum to Genome Canada.

The remaining program I have responsibility for at the Department of Finance is the Canadian Youth Business Foundation. Again, that's a payment for youth in 2009-10 and 2010-11.

Ms. Martha Hall Findlay: So it's this year and the next year coming.

Mr. Jonathan DeWolfe: That's right.

Ms. Martha Hall Findlay: What about Pathways to Education?

Mr. Mark Hodgson: That funding will be over five years.

Ms. Martha Hall Findlay: It is for five years. It would be helpful if it actually said that in there. But these are great; this is not a comment on the content or the.... These are terrific. But there is a recurring concern among a lot of organizations because they don't know when the funding is going to stop, and that's why I ask specifically about the timeframes. They don't know when they're going to have to reapply, or the funding is very limited in time and they have to reapply. They spend a lot of time reapplying.

We've done a bit of analysis of some of the spending over the last years compared to announcements. You are saying that the funding is "up to" \$10 million and "up to" \$75 million. The language is pretty clear. But I've noticed over the last couple of years that an awful lot of things have been promised, in the sense of funding promised "up to" these numbers, yet in many cases—80%, 90%, or in some cases even 100%—the money is never spent. So just in terms of the expectations of the people who are involved in these programs and who do some really good work, what are your departments actually telling them on the ground now about the kind of money they can actually expect, as opposed to just read about?

We're talking about real people who are actually needing to pay staff and lend money. What are they being told about the money that's actually available now or in the next couple of months?

Mr. Jonathan DeWolfe: With respect to the three programs I've identified, I'm not aware of any issue of funding not going out the door. They have established track records, and I'm not aware of any funding lapsing in the past.

Ms. Martha Hall Findlay: Of these ones?

Mr. Jonathan DeWolfe: That's right. That would be Genome Canada, the Rick Hansen Foundation, and the Canadian Youth Business Foundation.

Ms. Martha Hall Findlay: So anything promised by the government in the past has been fully funded?

Mr. Jonathan DeWolfe: It's been pretty close to that, to my knowledge.

Ms. Martha Hall Findlay: That's a better track record than a lot have.

Thank you.

• (1655)

The Chair: Mr. Menzies.

Mr. Ted Menzies (MacLeod, CPC): Thank you, Mr. Chair.

I just have a quick question about Genome Canada. For those who are actually watching this discussion, I'd like a bit of a clarification about Genome Canada, which is a fairly new organization, relatively speaking. Who else helps fund it more than we do at the federal level? Do the provinces? We're not the sole source of funding for Genome Canada.

Mr. Jonathan DeWolfe: Yes, that's correct. In fact, Genome Canada is compelled to raise matching funds equal to the federal contribution.

If you give me a moment, I'll find the breakdown of contributing partners, but it is one-to-one funding.

Mr. Ted Menzies: So it is based on matching?

Mr. Jonathan DeWolfe: That's right.

Mr. Ted Menzies: I think there was a comment about the six innovation centres spread across the country. Geographically, how are they laid out?

Mr. Jonathan DeWolfe: I'll speak to the breakdown first. There are foreign partners, industry partners, institutions, and the provinces. Of those, the provinces are the biggest contributor.

Mr. Ted Menzies: If you don't have an answer, you could perhaps provide it afterwards.

Mr. Jonathan DeWolfe: We could come back to that, perhaps.

Mr. Ted Menzies: Okay, thank you.

Thank you, Chair.

The Chair: Thank you, Mr. Menzies.

I have Mr. McKay.

Hon. John McKay: Why is the money for Genome Canada being back-dated?

Mr. Jonathan DeWolfe: Historically, for Genome Canada, there have been lump-sum payments, recorded in the in-year—and that's 2009-10 for the 2010 budget. The advantage of upfront, lump-sum payments is that they allow the foundation to have the security of knowing that the funds are there for a number of years for them to draw down. That helps them lever funds from other partners, because there is security that the funding will in fact be there.

Hon. John McKay: I understand that, but what I don't understand is why this \$75 million starts in the fiscal year that's already ended, and you're doing it in this particular budget. I don't understand the point of that.

Mr. Jonathan DeWolfe: I can't speak to why that is the case, necessarily, because it's a decision of the Minister of Finance. I can tell you about some of the advantages of doing it that way.

Hon. John McKay: I understand the stability of funding in terms of expectations and matching funds, and all of those things—but maybe Mr. Menzies could tell us.

Mr. Menzies, could you tell us?

Mr. Ted Menzies: Maybe, maybe not.

Hon. John McKay: I see.

So the officials aren't able to tell us, and the parliamentary secretary, who's supposed to represent the political decisions, can't tell us either.

An hon. member: You never answer any more.

Hon. John McKay: We could swear Mr. Menzies in.

Have a seat. You're more than welcome.

Mr. Ted Menzies: Then you'd be swearing at me.

Hon. John McKay: Well, we'll change the dynamic here.

The Chair: Do you have any further questions, Mr. McKay?

Hon. John McKay: I don't know if this is of any great significance, but it does strike me as a curiosity. I can't recollect another example of where you take money in 2010 and backdate it to the previous year. I don't know why you do that and I don't know what the implications are of doing that.

Maybe you could ask your political folks what that means.

Mr. Jonathan DeWolfe: I could clarify one aspect of that. By doing it in 2009-10, and if the budget implementation act passes before June 30, that funding would be available to Genome Canada immediately to start drawing down. It gives them the security of having the funding right away.

Hon. John McKay: But it's drawing down moneys you have allocated to a budget for a fiscal year that has already expired.

Does this make any sense?

Mr. Jonathan DeWolfe: The books on 2009-10 close on June 30, 2010.

Hon. John McKay: Therefore, does that mean that Genome has already spent their money and you're just backfilling?

Mr. Jonathan DeWolfe: No.

Ms. Martha Hall Findlay: But aren't we talking about our fiscal year?

Mr. Jonathan DeWolfe: Genome has not spent the money. It's available to them over the next number of years.

• (1700)

Hon. John McKay: But only if this gets through by June 30. Is it available for it...?

Mr. Jonathan DeWolfe: If the funding did not get through by June 30, it would still be available to Genome Canada, but in the next fiscal year.

Ms. Martha Hall Findlay: Whose fiscal year? The government's?

The Chair: Order. Mr. McKay has the floor.

Mr. Jonathan DeWolfe: Against the government's fiscal year of 2010-11.

Hon. John McKay: So they would bump it on to a following year. So that would bump everything down the road by one year, presumably.

Mr. Jonathan DeWolfe: It would delay funding for Genome Canada.

Hon. John McKay: I'm not quite sure I understand the implications of this.

The Chair: Okay. Thank you, Mr. McKay.

I have Monsieur Mulcair, and then Monsieur Paillé.

Monsieur Mulcair.

[*Translation*]

Mr. Thomas Mulcair: I want to thank the professionals from the Department of Finance who are with us this afternoon. I wouldn't ask this question if the meeting was being broadcast. The last thing I want is to embarrass anyone. The fact remains that, as an elected representative, I am always intrigued by the following situation: it's mainly the Department of Finance that sends people to us. They are very highly qualified and provide us with impeccable answers.

However, it's impossible for us to get the merest answer in French from anyone from the Department of Finance. To rise to your important duties, aren't you required to have some knowledge of French?

[*English*]

Mr. Ted Menzies: What relevance does this have, Chair?

[*Translation*]

Mr. Thomas Mulcair: Mr. Chairman, Mr. Menzies is entitled to his questions and I'm entitled to mine, as an elected member. The Department of Finance systematically sends us people who are incapable of speaking a word of French to us. I said I would never have asked this question if the meeting had been broadcast, but—

[*English*]

Mr. Ted Menzies: You are absolutely wrong.

The Chair: Order, order.

Mr. Ted Menzies: You left the room to go do a media scrum. You were answered in French.

The Chair: Order, order.

Mr. Mulcair, that may be a fair question to ask of the Department of Finance as a whole, but the officials who are here today are here to respond to parts of the bill specifically. So your question is not concerning a part of the bill.

It may be a valid question to ask the Department of Finance as a whole.

[*Translation*]

Mr. Thomas Mulcair: However, the question has been asked, and the comment counts for every time the Department of Finance appears. I respect your role as Chair, and I'm going to respect your decision.

[*English*]

The Chair: Okay. Thank you.

Monsieur Paillé.

[Translation]

Mr. Daniel Paillé: I don't want to take advantage of the last question of the member for Outremont, but the fact remains that I would at least have appreciated getting some answers. I want Mr. Menzies, who is the minister's parliamentary secretary, to know that I have a great deal of respect for the people from the Department of Finance. I was previously an employee in a Department of Finance. When we talk about taxation, financing, finance, we get superb answers. I don't bear you a grudge, but as regards the quality of the answers we've received today, we'll pass.

With regard to the fiscal year, I'm tossing out the following assumption like a life preserver: wouldn't it be that Genome Canada's fiscal year starts later and that, consequently, by making a payment now, we fall into that fiscal year? I'm simply trying to help you.

[English]

Mr. Jonathan DeWolfe: No, that's not what I was trying to get at. The Government of Canada's books close on June 30. That would be, for lack of a better term, the deadline for the BIA to pass, in order for Genome Canada—

[Translation]

Mr. Daniel Paillé: In the Government of Canada, the fiscal year ends on March 31.

[English]

Mr. Jonathan DeWolfe: That's the end of the fiscal year, that's correct. I'm talking about the closing of the books.

[Translation]

Mr. Daniel Paillé: Has Genome Canada received an advance on the amount as a result of an assumption that the budget would be adopted? Has the Department of Finance granted an advance to Genome Canada assuming the agreement of the House?

[English]

Mr. Jonathan DeWolfe: No.

The Chair: I think we do need clarification, though, on this point. I don't know what the answer is to Mr. McKay's question. So can someone give us the answer to Mr. McKay's question? The funding is allocated to Genome Canada. My understanding was the same as Monsieur Paillé's, so clearly I'm not correct in that. Why is it allocated and backdated? If it's not a difference in terms of fiscal year, what is the reason that the money for Genome Canada will be available for Genome Canada for this fiscal year?

• (1705)

Mr. Jonathan DeWolfe: Again, that's a budget decision by the Minister of Finance, but this is not a new or novel practice.

The Chair: All right. My time is up.

I have Mr. McKay and Mr. Wallace.

Hon. John McKay: Could I suggest that this is a desire on the part of the minister to recognize the \$75 million in the last fiscal year, and that he is, in effect, running up the deficit by \$75 million in that fiscal year? Is that a correct assumption?

Mr. Jonathan DeWolfe: I've already spoken to the advantages of a lump-sum payment with respect to getting Genome Canada access to that funding as quickly as possible. I cannot speak to your—

Hon. John McKay: That's not relevant to my question. The issue is, when the money is recognized—

Mr. Jonathan DeWolfe: Right.

Hon. John McKay: —for the purposes of the Government of Canada's budget, I'm suggesting to you that the minister has chosen to run up the debt by \$75 million for the fiscal year that has already ended, and it will be closed on June 30.

Mr. Jonathan DeWolfe: Mr. Chair, I've already spoken to the advantages of a lump-sum payment to Genome Canada recorded in 2009-10. I don't think I can speak to the motivations of the Minister of Finance.

Hon. John McKay: I wouldn't want you to speak to the motivations of the Minister of Finance. It's a puzzle to us all.

I just want to know whether the effect, by doing it this way, by backdating it this way, in fact increases the indebtedness of the Government of Canada as of March 31 of this year.

Mr. Jonathan DeWolfe: Posed that way, I think I can answer your question. The deficit in 2009-10 will be \$75 million higher than it would have been absent this measure. If the budget implementation act were to be delayed beyond June 30, that \$75 million would be recognized against the projected deficit for 2010-11.

Hon. John McKay: Thank you.

The Chair: Thank you.

Mr. Wallace.

Mr. Mike Wallace: I'm going to ask an elementary accounting question. Around here most of us believe that the end of March, March 31, is the year-end.

Mr. Jonathan DeWolfe: That's the fiscal year-end.

Mr. Mike Wallace: That's the fiscal year-end, that is correct. So any spending in my office after March 31 is allocated to my next year's budget. Is that correct? My budget. You're telling us, though, that all spending is allocated then, but the books aren't actually closed off, from the Government of Canada's perspective, till the end of June. Is that correct?

Mr. Jonathan DeWolfe: That's right.

Mr. Mike Wallace: So any budgetary change that happens before June of that current year, of the year we're in, is included in last year's piece.

Mr. Jonathan DeWolfe: Sorry. Let me be clear. The funding agreement with Genome Canada had to be and was concluded before March 31.

Mr. Mike Wallace: It was concluded.

Mr. Jonathan DeWolfe: That's right, but to recognize that—

Mr. Mike Wallace: Just to recognize the agreement....

Mr. Jonathan DeWolfe: —the BIA would need to be passed before June 30.

Mr. Mike Wallace: Right. So if the agreement had been signed and concluded after March 31, even if it's in this section of the budget and the budget still passed before June 30, would it have applied in this year or would it apply in next year, if the agreement was signed after the 31st?

Mr. Jonathan DeWolfe: It would not be possible to record the \$75 million in 2009-2010 if the funding agreement was concluded after March 31.

Mr. Mike Wallace: Thank you very much. I think that clears it up.

The Chair: Thank you, Mr. Wallace.

I want to thank you for being with us here this afternoon.

Colleagues, we will move on to part 23, dealing with amendments to the Telecommunications Act, which makes “a carrier that is not a Canadian-owned and controlled corporation eligible to operate as a telecommunications common carrier if it owns or operates certain transmission facilities”.

We have with us Mr. MacGillivray, from Industry Canada.

Mr. McCallum.

• (1710)

Hon. John McCallum: Before we get into this, can I just say, because I think we have bells at 5:30—

The Chair: We have bells at 5:30.

Hon. John McCallum: —and we have to talk about subsequent meetings and witnesses, might we have such a procedural discussion in approximately ten minutes?

The Chair: Ten minutes from now?

Hon. John McCallum: Well, that would give us ten minutes.

The Chair: Okay.

I have two members who want to ask questions on this part.

Monsieur Paillé, *s'il vous plaît*.

[*Translation*]

Mr. Daniel Paillé: Mr. Chairman, I'm aware of the fact that time is passing, but I would like to say two things. First, we won't let ourselves be pushed around when it comes to asking questions. And when the bell rings, we won't continue sitting and pretend we don't hear it. Consequently, we won't agree to sit if the bell rings. We're here to do a good job.

With regard to Part 23 and competition, satellites are being excluded from the review and from any control over Canadian ownership. Is there an analysis, a model of an impact study that was done at the Department of Finance or within government on the financial impact that this amendment could have on the government or the Canadian economy?

[*English*]

Mr. Allan MacGillivray (Director, Industry Framework Policy, Telecommunications Policy Branch, Department of Industry): This change will itself be permissive; that is to say, it doesn't follow that there's necessarily going to be any impact. It's just permissive. If passed, this provision will allow the four Canadian satellite companies, if they so choose, to increase their foreign ownership. But they are still required to operate in Canada under other regulatory requirements of the government. So it's not clear that there's any financial impact of this change on the Government of Canada.

[*Translation*]

Mr. Daniel Paillé: Is there an impact study for the Canadian economy? Is a possible decline in prices anticipated? Is there a model at the Department of Finance to justify this kind of decision?

If there's no impact on the Canadian economy, why do that?

[*English*]

Mr. Allan MacGillivray: I think the rationale for this change has been best expressed by Canada's largest satellite company, which is Telesat. Just on Tuesday the CEO of Telesat, Mr. Goldberg, testified before the Standing Committee on Industry on the benefits of changing the foreign investment restrictions as they applied to his company. He explained the situation as the fact that Telesat is the fourth-largest company in the world in terms of satellites, but it is actually much smaller than its three largest competitors. So their concern is that unless they have the opportunity to enter into equity-based alliances with other competitors in the marketplace, they're going to become increasingly marginalized in the international marketplace.

[*Translation*]

Mr. Daniel Paillé: I understand that this is the official line of the Department of Industry. Unless I'm mistaken, you work at the Department of Industry. However, we are before officials from the Department of Finance and before the Standing Committee on Finance.

During the reading of the Throne Speech, the Governor General announced, on behalf of the government, that Canada's door would be open to venture capital and foreign investment in telecommunications. In the budget, that was limited to satellites. However, the Minister of Industry has made a decision on Globalive. In one fell swoop, he cancelled the administrative decisions.

Do you believe that this little part announces the opening up of all telecommunications sectors? If so, is it also the government's unavowed intention to open the entire broadcasting field to foreign ownership?

• (1715)

[*English*]

Mr. Allan MacGillivray: You're quite correct that the Speech from the Throne did make a general commitment—I believe the words were to the effect of opening the doors of the telecommunications industry to further foreign investment.

This particular amendment to the Telecommunications Act deals with one narrow portion of that commitment—that is, as it would affect the satellite sector. The Minister of Industry has yet to indicate his intentions more generally as to how he intends to address the more general commitment that was in the Speech from the Throne.

I would say that issue is actually being reviewed by the industry committee. They have had hearings this week and I think will again tomorrow.

[*Translation*]

Le président: Mr. Paillé, a brief question.

Mr. Daniel Paillé: In the case of Globalive, he has already shown the direction. You're not required to answer me.

[English]

The Chair: Okay. Merci.

Mr. McKay.

Hon. John McKay: Just quickly, you said there were four companies that would be affected by this legislation currently.

Mr. Allan MacGillivray: That's correct, yes.

Hon. John McKay: And what's the current rule with respect to the ownership of a satellite?

Mr. Allan MacGillivray: It's actually the satellite company, and the rules that apply to the satellite industry are those that apply generally to all telecommunications carriers. And in the legislation there are effectively three requirements: the company that is the carrier has to have no less than 80% voting shares held by Canadians; the board of directors must be composed of 80% Canadians, as a minimum; and the company must be controlled in fact by Canadians.

Hon. John McKay: So if we take out the 80% controlled by Canadians, 80% of Canadian shares, and 80% Canadian directors, and eliminate that entirely, that's what the effect of this decision would be.

Mr. Allan MacGillivray: That's correct.

Hon. John McKay: And presumably if you do that, you list yourself.... Are any of these companies listed on the Toronto Stock Exchange?

Mr. Allan MacGillivray: Not that I'm aware of. They're all privately traded, as I understand.

Hon. John McKay: So the owners of these companies would then dress themselves up, get on the Toronto Stock Exchange, and issue shares, presumably.

Mr. Allan MacGillivray: Obviously what they do or don't do is going to be a private business decision. Mr. Goldberg has indicated that one of the options they may pursue is an IPO, but as I said, that will be the company's choice.

Hon. John McKay: Who is Mr. Goldberg?

Mr. Allan MacGillivray: I'm sorry, he's the CEO of Telesat, the largest provider.

Hon. John McKay: Okay, so Mr. Goldberg could in theory have the company listed on the Toronto Stock Exchange. It would be one option, in theory, just an entire sale of the shares to pretty well anybody.

Mr. Allan MacGillivray: As I said, you'd have to ask Mr. Goldberg what his intentions are.

Hon. John McKay: No, I'm not saying "ask Mr. Goldberg", but this is in theory.

So does the test of whether it is of significant benefit to Canada apply?

Mr. Allan MacGillivray: Yes. I'm not an expert in the Investment Canada Act, but I can tell you that the Investment Canada Act would apply if the assets of the company were above the threshold that is in there.

Hon. John McKay: The threshold is \$300 million, isn't it?

Mr. Allan MacGillivray: I believe that's correct, yes—\$298 million, as I recall.

Hon. John McKay: I have no idea what any of these companies would be worth, either on the private market or on a public market like the TSX. So if in fact they're worth less than \$300 million or whatever the threshold test might be, there would be no issue as to whether the sale of this particular company or companies would be of significant benefit to Canada.

Mr. Allan MacGillivray: As I've mentioned, Telesat's CEO did give testimony this week, and I believe, based on his testimony, their asset value is above that threshold.

Hon. John McKay: It is above the threshold.

Mr. Allan MacGillivray: Yes. I can't speak to the other three; I'm sorry.

Hon. John McKay: What is it that these companies can't do now because they don't have access to capital or whatever? What is it they can't do?

Mr. Allan MacGillivray: As Mr. Goldberg explained, they have a foreign partner—Loral Skynet—and they are more or less at the limit in terms of their ability to issue shares to non-Canadians. They are seeking the flexibility to potentially acquire other smaller companies through share exchanges. For example, if they wanted to acquire a smaller satellite provider that offers service in the Middle East, where they actually have a gap—Telesat is not in a position to offer service there—they could do a share swap. Right now they can't because they would not be able to offer shares to foreigners.

• (1720)

Hon. John McKay: Are there significant minority shareholders in any of these companies?

Mr. Allan MacGillivray: I'm sorry, I can't speak to the private shareholders. These are private companies. As I say, I can speak to Telesat because he's spoken on the record.

Hon. John McKay: What did he say on the record? Who are the minority shareholders for Telesat?

Mr. Allan MacGillivray: Well, the two principal shareholders are Loral and the Canada Pension Plan Investment Board.

Hon. John McKay: Canada Pension Plan and Loral?

Mr. Allan MacGillivray: Loral Skynet, which is out of the U.S., yes.

Hon. John McKay: That's a U.S.-based company.

Mr. Allan MacGillivray: That is correct.

Hon. John McKay: I have one comment, which I think Mr. Paillé and others have made over time. I don't profess any expertise in the telecommunications or industrial community. This is the kind of thing that should be looked at by the industry committee and dealt with, rather than coming before the finance committee.

I leave that as my comment.

The Chair: Okay, thank you.

Mr. Wallace, please.

Mr. Mike Wallace: Thank you.

I'm fortunate enough to be on the industry committee, and the gentleman from Telesat was in front of us this week explaining things.

Basically, John, the concept is that there are some growth opportunities if he's able to acquire partners, which he's not able to do at this point. They're a small player of the big four. He's number three, and he thinks there's some opportunity to grow. That's why he wants some flexibility.

We are studying it.

Hon. John McKay: What about the other three?

Mr. Mike Wallace: They're all foreigners. He's the biggest Canadian group. He has twelve satellites, and the others have many more.

Anyway, it was very good. It's in the blues. It's a very good piece from the industry committee this past week.

Mr. Chair, I know we're getting close to time here, and we have another section to go. My first suggestion was going to be to resume this committee meeting after votes, come back after votes and try to finish these last two sections tonight. I didn't seem to get too many takers on that.

I don't know what the answer is, but I'd be happy to share my five minutes with Mr. McCallum, because I know he wanted to talk about the issue of timing. Can I share my time with him?

The Chair: Well, there's nobody on the list, so he can certainly go on it.

For members' information, we did invite witnesses for tomorrow's session, so if we don't finish today, the plan was to do this section and the other section on Tuesday and continue with witnesses on Wednesday and Thursday. But if the committee wants to give me some direction, that would be helpful.

Mr. Mike Wallace: I think Mr. McCallum had a concept earlier.

Hon. John McKay: Can we hear Mr. MacGillivray before we get to that?

The Chair: Are there any further questions for Mr. MacGillivray?

Thank you very much, Mr. MacGillivray. We appreciate you being here this afternoon.

We have one part left. I don't know if there are a lot of questions on that part....

There are a lot of questions on that part, okay. So we can either deal with it on May 11 or we can deal with it earlier than that.

Mr. McCallum.

Hon. John McCallum: I don't have a strong view as to whether we finish with the officials tomorrow or next Tuesday. I think it has to be done at some point without cutting off the questions.

My thought was that if we had perhaps three-hour meetings instead of two-hour meetings on Tuesday and Wednesday of next week, we might be able to hear all of the witnesses from the Bloc and the NDP, and most of our witnesses. I think the Conservatives might be willing to cut theirs, and then we could perhaps vote on it on Thursday of next week. That was my thought.

The Chair: May I have a quick show of hands? Does the committee prefer to do part 24 tomorrow at the beginning, or on May 11?

An hon. member: I'd say tomorrow.

The Chair: Okay, we'll do it first thing tomorrow. Then we'll have witnesses after that.

Mr. Mulcair.

• (1725)

[*Translation*]

Mr. Thomas Mulcair: I'll be brief. I'd just like to mention that the Canada Labour Congress would like to be heard. Our witness list was very short. These are very important social partners for all elected members. I am taking the liberty of suggesting that we invite its representatives.

Some aspects may concern the agricultural sector, and we have absolutely no one in that sector, no witnesses. The National Farmers Union could be an idea.

[*English*]

The Chair: Okay. There are two more witnesses.

[*Translation*]

Mr. Thomas Mulcair: I have one final suggestion. In fact, this could be at the same time as the Canada Labour Congress. I would ask that the Canadian Union of Postal Workers be added to the list if it isn't already on it.

It's on it already; that's perfect.

[*English*]

The Chair: But if we have the witnesses, you're okay with us doing clause-by-clause on May 13.

Mr. Thomas Mulcair: Yes.

The Chair: Monsieur Paillé.

[*Translation*]

Mr. Daniel Paillé: If I understand correctly, tomorrow we're also hearing from witnesses, including representatives of the Fédération des travailleurs et travailleuses du Québec. I just wanted to mention that.

Since we're talking about the schedule, I'd like to emphasize the meeting on the 25th.

[*English*]

The Chair: It's cancelled because—

[*Translation*]

Mr. Daniel Paillé: We're accompanying Mr. Menzies.

[*English*]

The Chair: Thank you.

Colleagues, we will start with officials tomorrow, endeavour to finish, and then go to the witnesses. I have authority to extend the hours for next week to hear from all of our witnesses, and to finish clause-by-clause on May 13.

Thank you. I appreciate that direction.

The meeting is adjourned.

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