



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

43rd PARLIAMENT, 1st SESSION

Standing Committee on Industry, Science and Technology

EVIDENCE

NUMBER 021

Friday, June 5, 2020

Chair: Mrs. Sherry Romanado



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• (1405)

[English]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): Good afternoon, everyone. I now call this meeting to order.

Welcome to meeting number 21 of the House of Commons Standing Committee on Industry, Science and Technology. Pursuant to the order of reference of Saturday, April 11, the committee is meeting for the purpose of receiving evidence concerning matters related to the government's response to the COVID-19 pandemic.

Today's meeting is taking place by video conference, and the proceedings will be made available via the House of Commons website.

I would like to remind the members and witnesses to, before speaking, please wait until I recognize you by name. When you are ready to speak, please unmute your microphone and then return it to mute when you are finished speaking. When speaking, please speak slowly and clearly, so that the translators can do their work. As is my normal practice, I will hold up the yellow card when you have 30 seconds remaining, and I will hold up the red card when your time for questions has expired.

Now I would like to welcome our witnesses. From the Chemistry Industry Association of Canada, we have Madam Isabelle Des Chênes, executive vice-president.

[Translation]

From Groupe Robert Inc., we're joined by Jean-Robert Lessard, special adviser, public and government relations.

[English]

From Hoffman-La Roche Limited we have Logan Caragata, director, federal government affairs and policy, access division, and Fanny Sie, strategic healthcare partner, artificial intelligence and digital health. From the Montreal Port Authority we have Mr. Daniel Dagenais, vice-president, operations.

Each witness will present for seven minutes, followed by a round of questions.

With that, we will begin with Madam Des Chênes.

You have the floor for seven minutes.

Ms. Isabelle Des Chênes (Executive Vice-President, Chemistry Industry Association of Canada): Thank you very much, Madam Chair.

It's my pleasure to be with you today on behalf of Canada's chemistry and plastics manufacturers. You may be aware that Canada's chemistry sector generates nearly \$60 billion a year, making us the third-largest manufacturing sector in the country. This is split almost evenly between pharmaceutical and industrial-grade chemicals, the latter of which I will speak to you about today.

Before I begin my formal remarks, however, I would like to extend our sector's appreciation to Parliament and the Government of Canada for the extraordinary and timely measures taken to support Canadians and Canadian businesses during this unprecedented time.

I have three messages to share with you today. They'll be easy to remember, as they're a bit of a take on the three Rs. The chemistry sector is resilient, responsive and well poised to lead Canada's economic recovery.

First, our sector is resilient. There have been no material impacts to our companies or their supply chains. Most of our industry continues to operate at normal levels of production. Some have seen production decreases while still maintaining operations, and others are experiencing production increases. The sector so far has not required economic supports and has experienced very limited layoffs.

Second, our sector is highly responsive. Canada's chemistry sector produces important water treatment and disinfection chemicals essential for public safety. These have been in extremely high demand to support the COVID-19 response. Plastics also play an important sanitary role for medical and food packaging purposes and are inputs into PPE, or personal protective equipment. Demand for these products has increased significantly as a result of COVID-19.

Our members have also reconfigured value chains and production activities to assist in the response. For example, Shell Canada, BASF Canada and Procter & Gamble have all reconfigured operations to make hundreds of thousands of litres of hand sanitizer, which they have donated to hospitals and community support organizations. Also, led by BASF Canada and Trimac, both CIAC members, our sector has supported the development of the rapid response platform. This platform matches PPE producers with those who have PPE needs. In its first three weeks of operation, more than 25,000 PPE matches have been successfully completed through the platform.

Finally, while being resilient and responsible, the sector is also poised to contribute to Canada's economic recovery. Over \$7 billion of capital investments are currently under way and scheduled to come into production in late 2021 and early 2022, and we anticipate that a significant portion of the additional \$11 billion committed or announced in capital investments that were deferred due to COVID will materialize to assist in the recovery. All of our facilities have deferred scheduled major maintenance activities, and it will be of utmost priority to get these projects under way as soon as possible. These projects can involve thousands of contractor staff and total in the hundreds of millions of dollars, injecting much-needed capital into the economy.

In addition, Alberta, Ontario, Quebec and British Columbia are all looking toward the chemistry sector for significant additional investment growth beyond that already announced.

Let me close by offering two pieces of advice on what Canada can do to support future growth in Canada's chemistry and plastics sectors.

First, it is essential that the Government of Canada embrace the investment growth potential of the chemistry sector. As the fundamental building blocks of the modern world, chemistry solutions will play a vital role as we build the post-COVID-19 economy. The Government of Canada should work collaboratively and in a coordinated manner with the provinces to deliver a team Canada approach to attracting global investment to the sector. Governments working together have benefited Canadians in the response to COVID-19. We need to see the same coordinated approach as we restart and grow our economy.

Second, while it needs to maintain its focus on addressing the challenging issue of plastic pollution in the environment, the Government of Canada must use tools other than the Canadian Environmental Protection Act and in particular its schedule 1 list of toxic substances to regulate plastic waste. Declaring plastics toxic in Canada will greatly undermine the confidence of global investors. It will deliver a message that Canada is indeed ambivalent about growing the sector, despite the resilience, responsiveness and economic opportunity demonstrated throughout the crisis.

Thank you again for providing me with the opportunity to speak with you today. I look forward to your questions.

• (1410)

The Chair: Thank you very much.

[Translation]

Our next witness is Jean-Robert Lessard.

Mr. Lessard, you have the floor for seven minutes.

Mr. Jean-Robert Lessard (Special Adviser, Public and Government Relations, Groupe Robert Inc.): Thank you for the opportunity to tell you what we did during the pandemic.

On March 12, Groupe Robert Inc. took its first steps. It addressed the situation by setting up a crisis management committee to ensure daily communication with all its employees. The committee implemented several measures, including the suspension of visits to its

facilities, except for visits from critical suppliers. These suppliers had to fill out a self-identification form before being allowed in.

We stopped business travel and instead focused on the use of communication technologies such as Skype, Microsoft Teams and Zoom. Groupe Robert Inc. also funnelled all questions and suggestions from employees to a single address, covid19@robert.ca.

In addition, a series of hygiene measures were implemented in keeping with the recommendations made by public health authorities in Quebec and Canada. Employees enter through a single door, where there's a washing station and where their temperature is taken. Our drivers must follow a protocol for the use of disinfectants to clean their cabins. The housekeeping team has increased its cleaning rounds of all areas. The mechanical maintenance team must disinfect all required instruments before and after use. To encourage physical distancing in common areas, we've changed the break and meal times.

At the end of the school break, several employees who returned from trips needed to be quarantined. In addition, although the lockdown has eased, basic hygiene rules are part of daily life. These include physical distancing, hand washing and coughing into elbows.

We created a dedicated COVID-19 team. The team consists of three employees from the health and safety department. Its mandate is to research all relevant information on the pandemic. These three employees became the resource people to consult in order to avoid any wrongdoing or misinformation, including erroneous statements in certain press releases.

A number of employees are now teleworking. Our managers have received training on best practices for managing teleworking teams.

I must mention the establishment of various protocols for the steps required when an employee is diagnosed with COVID-19. We were fortunate, because only eight out of 3,600 employees contracted the coronavirus. I'm pleased to report that all eight employees have recovered.

The implementation of shorter hours and, above all, more timely support through online training has made it possible to reassign employees to other duties in order to limit layoffs. We also believe that the strong collaboration between the employer and the union should be noted. This collaboration led to the establishment of a forum that enabled the employer and the employees to work together to convey the same message.

At the height of the crisis, we temporarily laid off 459 people. In this period of crisis, Groupe Robert Inc. is pleased to see that its strength lies with its employees, who have tried to find solutions and accomplish great things.

• (1415)

We've been in business for 73 years. We've learned that the only way to overcome challenges such as this one is to work as a team.

The Chair: Thank you, Mr. Lessard.

[English]

Our next witness is from Hoffmann-La Roche Limited. You have the floor for seven minutes.

[Translation]

Mr. Logan Caragata (Director, Federal Government Affairs and Policy, Access Division, Hoffmann-La Roche Limited): Madam Chair and honourable members of the committee, on behalf of Hoffmann-La Roche, we want to thank you for the opportunity to speak today. We applaud the efforts of the federal government and of front-line health care workers to combat the spread of COVID-19 and to protect our economy.

• (1420)

[English]

Roche is a global pharmaceutical and diagnostics company focused on advancing in science and improving health outcomes for patients. Our combined strengths have made Roche a leader in personalized health care, a strategy that aims to tailor the right treatment to the right patient at the right time.

In 2019 we invested \$284 million in research and development, with \$57 million in clinical research in Canada. Most recently we announced a \$500-million investment over five years to establish a global site, bringing up to 500 highly specialized jobs to Mississauga.

There are a number of initiatives Roche is working on to address some of the challenges associated with the pandemic. Phase three clinical trials are under way to study the safety and efficacy of one of our medications in hospitalized adult patients with severe COVID-19 pneumonia. On the diagnostics front, our molecular test was approved under Health Canada's special access program and contributes to a significant portion of testing across Canada. We have also submitted our antibody test for approval, which we are expecting shortly. We are very pleased about the potential of this test as we begin to move into the recovery phase and engage with the COVID-19 immunity task force to combine our efforts.

Another initiative we're very proud of is our open innovation challenge, a funding program supporting ideas, addressing some of the biggest challenges of the pandemic. After receiving more than 800 submissions from across the health sciences and technology community in Canada, we're excited to help develop and implement 11 of those ideas. One looks at testing climate conditions on COVID-19 transmission through an aerosol chamber designed by a team of virologists and engineers. Another project uses real-time artificial intelligence to track, monitor and predict symptoms among high-risk seniors.

We've also assembled the Roche data science coalition, a group of academic and private organizations with a common mission. This coalition endorses grassroots challenge identification, access to data and the development of actionable insights related to the pandemic. Our collaborators include Self Care Catalysts, ThinkData Works, Amii, the Vector Institute and experts in privacy. Over the last eight weeks we have secured five to seven years' worth of global partnerships and have developed over 100 artificial intelligence solutions, virtual dashboards, market reports and overall deeper partnerships with stakeholders across the globe.

Ms. Fanny Sie (Strategic Healthcare Partner, Artificial Intelligence and Digital Health, Hoffmann-La Roche Limited): This pandemic has exacerbated many existing gaps in our health care system while showing the immense value that the life sciences sector brings. Issues such as system capacity, lack of virtual care and data fragmentation across the country are igniting a pressing demand for sustainable change. We have started to see incredible flexibility and leadership in our health system's immediate response to the pandemic. However, it's important to use learnings from this crisis to catalyze meaningful long-term change.

As we shift the focus to recovery, there are great opportunities to accelerate innovation and move our country forward. The future of life sciences in Canada is extraordinarily bright. There are many actions that the government can take to promote growth at home and abroad.

First, the federal government should revive the health and biosciences economic strategy table. The announcement of the industry strategy council is a good start, but we encourage the government—with input from industry, patients and other sector stakeholders—to revitalize this work to identify specific and measurable next steps. It's also important to acknowledge the need to rethink some of the recommendations in the context of pandemic planning and of building our capacity for the next potential crisis.

Second, a strong data ecosystem is a key success factor in the response to COVID-19. The pandemic has exposed significant limitations in the ability to collect, access, integrate, share and analyze high-quality data. It has also magnified concerns that data cannot be easily compared between jurisdictions, as each province uses different data collection methodologies, standards and policies. Furthermore, most provincial data is publicly inaccessible and incomplete. We believe that we can win this fight through the sharing of safe and secure health care data and knowledge, abiding by local privacy laws, to better inform patient care and health system decision-making.

Lastly, there needs to be an increase in investments in programs like the Scale AI and the digital superclusters that Roche is very proud to be a part of. COVID-19 has demonstrated the catastrophic effects to both patient health and the economy as a result of a lack of constant innovation in our sector. By rewarding innovation and increasing investment into innovative technologies, such as genomic sequencing, cloud computing, digital health tools for remote patient care and monitoring, as well as medicines that deliver superior outcomes, we stand to deliver unprecedented value in both health benefits for patients and economic growth for our country. These technologies will position Canada as a leader in personalized health care and allow us to provide patients with exactly what they need from their health care systems.

Whether through diagnostics, medicines or insights, Roche is a committed partner, helping to navigate and ultimately end the COVID-19 pandemic. The life sciences sector has the amazing potential to lead the economic recovery of this country. Healthy Canadians bring a healthy economy. Through collaboration with patients, patient organizations, companies like Roche and the government, we can mobilize these ideas into action.

Thank you very much for your time today. We are happy to address any questions you may have.

• (1425)

The Chair: Thank you very much.

Our next witness is Mr. Dagenais from the Montreal Port Authority.

You have the floor for seven minutes.

[Translation]

Mr. Daniel Dagenais (Vice-President, Operations, Montreal Port Authority): Good afternoon.

I want to thank you for the opportunity to speak as part of the committee business. My name is Daniel Dagenais. I'm the vice-president of operations at the Montreal Port Authority.

I want to start by expressing my sincere appreciation for the port workers, seagoing personnel and all supply chain workers. They've been working tirelessly since the beginning of the pandemic to ensure that all sectors of the industry across the country can continue to operate.

I also want to thank the government for its efforts to minimize the impact of the COVID-19 pandemic on Canadians. In particular, I want to thank the officials and departmental staff with whom we're in contact. They've remained available and attentive during our many calls over the past few weeks.

Naturally, I also want to thank our clients and business partners for their trust, along with our workers, who have also demonstrated their trust over the past few weeks.

The Port of Montreal is the second largest port in Canada. It's the only container port on the St. Lawrence. Our continental markets for goods are mainly Quebec, Ontario and the American midwest.

A port is a hub for goods, where all modes of transportation come together. Every day, 2,500 trucks come to the port to pick up and deliver goods. Two thousand ships a year come to anchor in our waters. Every week, 60 or 80 trains pass through the interchange area to deliver goods.

The Port of Montreal's operations generate economic benefits of about \$2.6 billion and support almost 19,000 direct and indirect jobs. Last year, in 2019, over \$100 billion worth of goods crossed our docks. It was the sixth record year for the Port of Montreal. However, March 2020 will certainly go down in history for us. We had record volumes in 2019, since the amount of goods kept increasing. In the first quarter of 2020, the volumes were already 5% higher than in 2019.

In March, the Canadian and Quebec governments recognized the essential status of the movement of goods. As a result, our employ-

ees were excluded from lockdown orders and closure instructions. We had to quickly adapt our business processes to comply with safety instructions.

COVID-19 is having and will have an undeniable impact on the Canadian and Quebec economies and on supply chains. For the supply chain players, the pandemic, and the resulting health crisis, is primarily a challenge for workers and employers.

What happened at the start of the pandemic? The winning conditions for dealing with this type of disaster mainly involved risk management, which had to be embedded in our culture. We needed a business continuity plan with a pandemic component, meaning the implementation of a series of health measures such as hand washing, physical distancing, the closure of our offices, and the distribution of personal protective equipment and material. Of course, we've done just about everything that you've already heard about. I echo what Mr. Lessard said earlier about the measures taken.

In addition, we've been working hard for a very long time to diversify our markets, specifically to ensure proper crisis and risk management and to thereby better withstand economic shocks and price increases.

Early on, the Montreal Port Authority mobilized its management team and employees. It established crisis management at the strategic level, but also a tactical committee on the ground to find the right measures to implement. These groups were mobilized and these committees were created to build on the trust that we already have in our workers. This aligns with our culture of resilience.

We needed to establish our priorities, get our messages out and properly convey them to our employees. Once we had mobilized our direct contacts, we mobilized our operators. Naturally, we had to remain attentive and support their activities, but also maintain the flow and align our guidelines.

We have only one work disruption to report. It happened early on, when there was a great deal of confusion and information seeking. What has made the difference is the consistent message that employees clearly play a key role in our actions and responses. This strategy has worked well not only with our employees, but also with our tenants' employees.

• (1430)

The third item that I want to talk about is the collaboration among all the supply chain players. We must communicate and remain factual, responsive and sensitive to concerns. Early on, we started listening. The logistics chain players asked us to work with them to resolve anticipated issues, such as shortages of containers and storage space. We quickly took stock of available space together with the CargoM logistics and transportation cluster in the Montreal area.

We also kept track of the availability of containers to avoid running out and to ensure that Canadian exporters could export their goods. As a result, there's no crisis. Traffic continues to flow through our facilities. To date, the Port of Montreal remains fully operational and free of congestion.

In addition to the collaboration with the cluster and the logistics chain players around the Port of Montreal, work was done at the national level with the network of port authorities. We also reached out to our international partners to identify, understand and share information. We tried to identify best practices and draw inspiration from them, while establishing partnerships. A great deal of work was done with the Port of Antwerp and chainPORT, an association of ports interested in logistics and innovation.

At the same time, we worked with the Scale AI and IVADO Labs innovation supercluster to create tools to help us distinguish goods and mobilize the logistics chain to improve the flow of goods through our facilities. These goods are often critical to combatting COVID-19.

In conclusion, I want to add that our infrastructure remained open. Our infrastructure is strategic, and it must be adapted to long economic cycles. We must meet needs, which requires a business continuity plan. We must then establish priorities, communicate, and maintain our clients' trust in the logistics chain.

The Chair: Thank you, Mr. Dagenais.

[English]

For our witnesses, this is a reminder that, if you need translation services from French to English, please change the channel on your Zoom to English.

With that, we will start with our rounds of questions, and our first round of questions goes to MP Tracy Gray.

You have the floor for six minutes.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair.

My first questions today are for the Chemistry Industry Association of Canada.

With COVID-19, we're seeing, for obvious health and safety reasons, a spike in the use of single-use plastics, plastic bags, PPE and other items to stop the spread of the pandemic.

With the encouraged use of these materials to stop the spread of the virus and also with the added demand for food safety, Ms. Des Chênes, do you think the government is correct in wanting to label plastics as toxic?

• (1435)

Ms. Isabelle Des Chênes: We've been working very closely with the government and support the Canadian Council of Ministers of the Environment and the federal government in their approach to managing plastic in the environment, in particular, their approach for zero plastic waste.

Our concern with the federal government's impending approach to regulating single-use plastics and plastic pollution in the environment is that they have indicated they want to use the CEPA, Canadian Environmental Protection Act, in particular, schedule 1, which is a list of toxic substances. We find that would create confusion with consumers, particularly those who today are wearing face masks and are doing their take-out in plastic packaging.

More importantly, it's the ambivalence that is a signal to Canadian industry that the government is really not interested in investments in chemistry in the plastics sector. Certainly we agree that plastics in the environment don't belong there. They need to be managed, but we feel there are other tools, including circular economy legislation, that would allow us to properly manage plastics and keep them in the economy.

Mrs. Tracy Gray: Thank you.

In your conversations you say you're having, have you seen any indication that the federal government might be changing its stance on ruling out these products as toxic?

Ms. Isabelle Des Chênes: We are hoping so. We feel there's a tremendous opportunity with the CEPA review process, which should be getting under way in either June or July this year.

There's an opportunity there to potentially bring about amendments, in particular to the pollution prevention section, that might be able to help the government address its concerns, while ensuring the toxic designation isn't used. That would be incredibly helpful.

Mrs. Tracy Gray: Thank you.

If plastics are labelled as toxic under the Canadian Environmental Protection Act, how much of a hit to the industry would it cause, in your opinion?

Ms. Isabelle Des Chênes: We're looking at the two polypropylene investments that are currently being made in Alberta and Ontario. We're also looking at CKPC, the Canada Kuwait Petrochemical Corporation, and Pembina. They have received supports and have deferred their \$4-billion investment in Alberta until after the COVID crisis. That is a propane to polypropylene investment, and these two, Inter Pipeline's and CKPC's, are the first such investments in Canada. Polypropylene is a critical component of personal protective equipment: N95 masks, gowns, etc.

Given that this construction has not yet begun, that is at significant risk, as are the future \$11 billion in investments that have been earmarked for Alberta and Ontario.

Mrs. Tracy Gray: What barriers are currently in place, other than COVID-19 where things are on hold? In the bigger picture, what are the barriers in place right now preventing these kinds of investments in Alberta and in Canada?

Ms. Isabelle Des Chênes: The biggest ones are around investment supports.

One of the things that's really critical to understand is that we're using feedstocks from Canadian natural gas and natural gas liquids, which can bring about greenhouse gas emissions reductions in intensity, up to 60% in some cases, compared to other products worldwide.

Things like a permanent accelerated capital cost allowance would be very helpful, particularly as we see this current round wrapping up. CKPC is going to start thinking about breaking ground next year, and those supports won't be available. Making the ACCA permanent would be incredibly helpful for us.

• (1440)

Mrs. Tracy Gray: Thank you.

I have time for one more quick question here.

I've read reports that investments in the United States for new projects in your industry can be as high as \$300 billion, and that represents a huge amount of economic activity and good paying jobs. Would you say that Canada is getting its fair share of new products, relative to the size of our opportunities here?

Ms. Isabelle Des Chênes: We usually run about 10% of investment linked to the U.S. We've been tracking much less than that, but again, we have the potential for another \$20 billion in investment and are hoping that, with the right supports in place and good, sound policy, we'll be able to get there.

Mrs. Tracy Gray: Thank you.

The Chair: Thank you very much.

Our next round of questions goes to MP Jowhari for six minutes.

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

Thank you to all the witnesses. It was quite informative.

Let me start by asking a question of the Chemistry Industry Association of Canada.

Madam Des Chênes, you mentioned the three Rs: resilience, responsiveness and recovery. Under the resilience heading, you talked about minimal impact and said that no economic incentive was needed for your industry. Under responsiveness, you specifically talked about the rapid response platform. Under recovery, you talked about the \$11-billion investment that is planned to come in 2021 and 2022.

Let me start with the no impact and resilience. Was it a quick shift in the industry that helped minimize or eliminate the impact, or was it the nature of the industry that it was well suited in helping this pandemic?

Ms. Isabelle Des Chênes: It's a little bit of both. If you think back to 9/11 and the 2008 financial crisis, the chemistry sector weathered those fairly well, primarily because 95% of manufactured products globally include chemistry solutions in them. They're made up of chemical compounds and solutions.

In this particular case, those sectors saw a reduction in production primarily because their chemicals went into mining, forestry and the automotive sector. We saw some significant declines in those sectors as a result of COVID. There are also some more economic outliers there, too. Those that did increase production did so because they were focused on the disinfectants, the chlorines, the bleaches, etc.

Mr. Majid Jowhari: We had some downturn and we had some upturn.

Can you spend a little time on the rapid response platform that you developed as part of your responsiveness?

Ms. Isabelle Des Chênes: Yes, it's an excellent platform. It was spearheaded by BASF Canada and Trimac. It builds on a platform that had been in place to link people who had goods to transport with trucks and transportation, sort of a dating network.

In this particular case, BASF and Trimac were able to modify it so that we could make it available to a broad spectrum. We've shared it as broadly as we could, including through the industry department. If you have a need for masks, gowns or face shields, you input those needs and the algorithms will set you up with the closest supplier to you. It's been running for three weeks. It's been incredibly effective.

Mr. Majid Jowhari: Thank you.

I'm going to quickly switch to La Roche.

Mr. Caragata, you mentioned antibody testing, and you said that you're hoping to get approval on that. Can you expand on the type of testing and how different antibody testing is from the other types of tests that are being investigated or researched?

Mr. Logan Caragata: Yes, maybe my colleague, Fanny, can expand a little as well, given her background.

The first test that was approved was a molecular test. These have been the tests that have been used throughout the COVID pandemic. The serology test is more focused on determining whether folks have had the disease in the past and not known it. For example, as a younger person, perhaps I had it earlier. I went to the Dominican Republic prior to coming back home, and then the pandemic occurred, so perhaps I had it. That's the type of test that the serology test would be used for, on people like me, and it would be a great use for folks who work in the health care system or folks who are teachers or things like that to check to see if they've had COVID in the past.

• (1445)

Mr. Majid Jowhari: That will definitely help the front-line workers. Great.

Let's go quickly to Madam Sie.

You talked about a three-gap system capacity and also data fragmentation. Unfortunately, I didn't get a chance to get the second one. I really want to focus on the data fragmentation. You talked about the data ecosystem: collect, assess, analyze and share. As it relates to the testing, I think access to this information and the participation in those is a key question as the rate of adoption of these various applications are being questioned.

I only have about 45 seconds. Can you expand on how important that is in helping complete the circle around data fragmentation?

Ms. Fanny Sie: I completely agree with you. I think testing data is important because it gives us a pulse on who is a confirmed case versus who potentially has immunity. There's also looking at the epidemiological evidence, where you cannot particularly test it in an individual, but you can look at population risk patterns to determine the probability of somebody having COVID. The combination of those types of data together can breed a really nice emergence strategy or something that we can use for pandemic planning. I completely agree with you, but there's a much larger picture to take into account, and that fragmentation is not helping.

The Chair: Thank you very much.

[Translation]

We'll start the next round of questions with Mr. Lemire.

Mr. Lemire, you have the floor for six minutes.

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Madam Chair.

My question is for Mr. Dagenais.

Mr. Dagenais, I first want to point out that a major crisis such as COVID-19 has demonstrated that the Port of Montreal's infrastructure is indeed effective. We're seeing the culture of resilience that you referred to earlier. I want you to talk about the impact of your innovative adaptations, particularly the digital innovations.

Have these things contributed to your success in recent months?

Mr. Daniel Dagenais: Thank you for the question.

We implemented our strategy in the different sectors of the chain. Our valued assets, which I mentioned earlier, are obviously our workers and our corporate culture. They contribute to our resilience. Innovation plays a key role in our work at the Montreal Port Authority.

Our partners are aware of the various initiatives launched in the past few years. We recently launched a new initiative to decode customs declarations and ship manifests before goods arrive on our shores. We'll be using information technology tools and artificial intelligence to decode the documents, in order to properly identify shipments used to combat COVID-19.

Next week, we'll show our partners everything needed to develop the communication plans. The goal is to provide a flow of information to all logistics chain players. As a result, they can make the right decisions and they won't leave drugs, medical equipment or inputs in plastic, for example. This material is used to make personal protective equipment, which is considered necessary. The goal is

for everyone to make the best possible decisions to facilitate the movement of these goods and to give these goods preferential treatment.

In addition to the movement of goods, and in keeping with the same goal of ensuring the safety of our employees, a series of measures will be implemented. These measures include the imminent introduction of proximity wristbands, which will alert employees when they're less than two metres away from each other. This will keep employees apart and ensure that they follow all the health rules. The goal is to never let our guard down and to keep the chain running.

● (1450)

Mr. Sébastien Lemire: Thank you, Mr. Dagenais.

My next question is along the same lines, and it's for Mr. Lessard, from Groupe Robert Inc.

In recent years, Mr. Lessard, you've invested heavily in digital technology so you can better manage your supply chain operations. That strategy has clearly paid off given your work volume during the pandemic.

Can you tell us more about that?

Mr. Jean-Robert Lessard: Actually, from the outset, we were seriously concerned. We had more than 1,500 drivers all over Canada and the United States, and we wondered how we were going to supervise all of our employees to ensure safety. The measures we put in place were effective right from the start. We didn't waste any time: we went looking for the information we needed.

Within the first two days, we started taking workers' temperatures and observing physical distancing. You and I both know that's no small feat. We had to take into account the drivers arriving at the warehouse and the warehouse employees, not to mention those working at the distribution centres. We were very proactive, especially when it came to food and medical supplies. The demand was very high, indeed.

As strange as it may sound, we had to take safety precautions to track our trailers because they were carrying products that were being targeted by people who wanted to resell them. We had to be very cautious, especially with mask shipments. Obviously, that's something that was known. When we unloaded the famous Russian aircraft, the media were there and people were taking photos of the trailers. We had to transport all of those masks to specific destinations. Those were crucial steps we had to take.

What was disappointing was coming across inconsistencies in the supply chain. For instance, consideration hadn't been given to entrusting logistics experts with the product inventories, leading to a mask shortage because millions of masks were expired.

I'd like to make a small recommendation to the provincial and federal governments, if I may. It's important to deal with companies that specialize in logistics and have the ability to track expired product inventories, among other things.

The Chair: Mr. Lessard, sorry to cut you off, but that concludes this round of questions.

[English]

The next round of questions goes to MP Masse.

You have the floor for six minutes.

Mr. Brian Masse (Windsor West, NDP): Thank you, Madam Chair.

Thank you to our witnesses for being here.

My first set of questions will be for the Chemistry Industry Association.

In your presentation, you mentioned that schedule 1 is creating confusion. Can you maybe expand on that? I'd be interested to hear a bit more about this confusion that you've identified.

Ms. Isabelle Des Chênes: Sure. I mean, the plastics haven't been listed there yet, but the CEPA's schedule 1 is titled, "List of Toxic Substances". There are tons of substances, over 3,000, that are listed there, including zinc and CO2. If something is applied there, it means.... Once it's listed, it requires a management process.

We feel that plastics are not toxic. If they are in the environment, they don't belong there. That's what the issue is. Our firm belief is that we need a way to manage plastics to keep them out of the environment and create a circular economy so that we can reuse them over and over again.

The confusion that listing them as toxic creates is that if you're about to hand your child some Lego and that Lego is made of plastic, are you going to be comfortable handing that child something that has been designated as toxic?

• (1455)

Mr. Brian Masse: We used to have asbestos in our crayons, so it's not unusual that we have different chemicals in there. My car has chemicals and so forth.

Are you disputing the science about the toxicity of it? Are you saying that, scientifically, it doesn't belong on this list? I'm not sure. Are you saying that consumers or the general public are confused? Who is confused?

Ms. Isabelle Des Chênes: The science hasn't been done yet. The science is still very much in flux.

The federal government would need to do a risk assessment to determine what the impacts are. A draft science assessment was conducted by Health Canada and Environment Canada. It was primarily a review of the state of science, and it identified the fact that plastics are problematic in the environment, but there are no materi-

al impacts at this point because the science is just not available yet in terms of human health. More work needs to be done there.

The confusion is if you have campaign organizations that say that plastics are toxic and are sharing that information with the public. Plastics are ubiquitous. Your headset is made of plastics. There are plastics in your clothing. It becomes a problem in terms of trying to ensure that consumers are comfortable with products.

Mr. Brian Masse: Your position then is that consumers and the general public are confused about the level of health effects of eating plastics or wearing plastics. Is that the position?

Ms. Isabelle Des Chênes: No, that's not the position. The products haven't been listed yet. We're asking the federal government to choose an alternative method to manage plastics. If you declare polypropylene, for instance, as toxic, that becomes problematic because the face masks you're wearing or the face shield you're wearing would then be deemed toxic. That's where the confusion lies.

Mr. Brian Masse: I don't think it's that confused.

I worked for quite a long time on microplastics, and my legislation with regard to that went through the House. My experience is that people understand the difference between having plastic microbeads in their toothpaste, which they are now swallowing and are in the food chain, versus putting on this plastic headset that I have on right now. I don't think they are naive about the differences between those two different things.

I'm trying to figure out who is confused and on what issue. Your position is that confusion has been created or will be created, but again, I don't think the public is confused. I don't think retailers and packaging people are confused that there's a different consequence to how the product is used.

Who again is confused? I don't quite understand who is confused.

Ms. Isabelle Des Chênes: That's a fair point.

Our position is that these are not toxic, but they need to be managed. They can't be in the environment. Microplastics in particular degrade or deteriorate, and they should not be in the environment.

There are a number of other tools that we can implement, including circular economy legislation, that will allow us to incent the development of advanced recycling technologies to help with product design and create polymers down the road that have fewer additives in them and are safe. For us, it's that juxtaposition where you're saying a plastic is toxic, but everyone is using it, and that's what creates confusion.

• (1500)

Mr. Brian Masse: It reminds me of when I was on city council before this life. I pushed for the elimination of spraying chemicals unnecessarily, and we heard from the industry that it couldn't be done, for different reasons.

My time is up. Thank you very much.

The Chair: Thank you, MP Masse.

We now move to our second round of questions. Our first MP is MP Dreeshen.

You have the floor for five minutes.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Madam Chair.

Welcome to everyone for being here this afternoon.

I too would like to speak to the Chemistry Industry Association of Canada. When I look about 10 miles north of where I am, I see Joffre. There's a place where the petrochemical industry that we have in Alberta is really so critical.

On plastics and the use of them, I was in China a couple of years ago on a trade mission and they were in every place you would go in order to make sure there was food safety and security. A cob of corn would have a plastic wrapping on it. When we speak of single-use plastics, we've seen it in our grocery stores, where everyone is saying there's not going to be a charge on these plastic bags anymore. They want us to use them rather than bring in potentially contaminated fabric types of bags. There are so many things like that out there.

You mentioned, Ms. Des Chênes, that there are barriers for investment. Really, that's a critical part because it seems lost in this discussion of Canada's natural resources and the significance of them. No one looks at the 60% greenhouse gas reduction that you're speaking of. No one looks at that as far as agriculture is concerned. We recognize how much better Canada is than other places around the world, yet we do this signalling that we're going to stop this or stop that. I think of neonicotinoids and so on. There's this great push to take them away because they're going to kill bees. Well, quite frankly, the canola fields are where the beekeepers are taking their bees so that they have healthy opportunities to grow their product.

I'm really concerned about the way in which the industry is being portrayed. It seems as though we can't get through to people just how significant it is and how the money that can be made from our industries can go toward cleaning up plastics in the oceans and all these types of things if we would just unleash the power that we have in our industry.

I want to ask a question about some of those barriers or some of the things that are making us uncompetitive. One of them, of course, has to do with our carbon tax, where it is right now, what it is going to be in the near future. We are trying to compete with companies around the world. If we shut down our industry, it will be filled in from other places around the world. I'm curious as to what you feel the impacts of our over-regulating and not making ourselves a global player are going to do for our industry.

Ms. Isabelle Des Chênes: Thank you for the question.

I think one of the important things to keep in mind is that we are a natural resources country, and one of the things we forget is that our natural resources are actually among the lowest among other jurisdictions in terms of greenhouse gas emissions through the manufacturing cycle. Why is that? It's because we have more hydroelectricity than any other jurisdiction and we use natural gas in order to displace coal and other inputs. It's really important to keep that in mind.

What it means is that for our industry we have a lower greenhouse gas intensity footprint than many other jurisdictions. It means that the products that we produce are already, on a life-cycle basis, better for the environment than something coming out of China, and even sections of Europe.

Some of the barriers that we find.... We support a carbon tax. We support the idea of putting a price on pollution. The government's new clean fuel standard is a great opportunity to address transportation fuels. Our concern with the clean fuel standard is that on gaseous or industrial fuels it means that we'll be paying twice for the same molecules. Understanding that we're emissions-intensive, we're trade-exposed, we're more than happy to pay our part in terms of carbon pricing. We just don't want to pay twice for the same molecule that we're working with.

• (1505)

Mr. Earl Dreeshen: I know my time is just about up. Of course, you are in an industry where you can pass the cost of a carbon price on to consumers. Is that correct?

Ms. Isabelle Des Chênes: No, we can't. We're a trade-exposed sector. We primarily export.

The Chair: Thank you very much.

Our next round of questions goes to MP Lambropoulos.

Ms. Lambropoulos, you have the floor for five minutes.

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Madam Chair.

I'd like to begin by thanking all the witnesses for being with us today.

Before I begin my questions, I want to mention to the committee that, at 12:55 today, the clerk sent out my notice of motion to all MPs in this committee. I'd like for us to discuss a draft report on June 22, a day that has already been set aside for committee business. I don't want to discuss this any further today. We can discuss it further on a committee business day so as to not take any further time away from the witnesses.

I'll continue on with my question.

[Translation]

My first question is for Mr. Dagenais, from the Montreal Port Authority.

The Port of Montreal is the biggest port in eastern Canada. It contributes to an ecosystem of 6,300 companies and represents 19,000 jobs.

Can you tell us how much of a decline in marine transportation operations Montreal has experienced?

Also, can you tell us how many people have lost their jobs at the Montreal Port Authority since the pandemic began?

Mr. Daniel Dagenais: Thank you for your question.

As far as our operations are concerned, the first quarter of 2020 was quite good. However, beginning in mid-April—extending into the end of April and the month of May—we started feeling the effects of the downturn. The impact is now visible every day. Ship and train traffic is down. For fiscal 2020, we anticipate a drop in revenue of about 12%. As you know, our organization is self-financing, so we've had to make adjustments because of the 12% decrease. It's affected our capital spending plans, in other words, long-term investments in maintaining and building infrastructure. The goal is to balance cash flow.

Luckily, we haven't had to lay anyone off at the Montreal Port Authority, which employs 250 people. Our administrative staff, however, is currently working from home. Nearly half of our workforce is hard at work on the ground every single day, maintaining infrastructure, operating the port's own railway network and delivering services ranging from trucking and security to fire prevention.

Ms. Emmanuella Lambropoulos: Thank you.

Do you have any specific recommendations for the federal government?

[English]

In the economic recovery, how can we help everyone get to a better place?

[Translation]

What actions can we take to support the Port of Montreal and marine transportation?

Mr. Daniel Dagenais: The decrease in volume certainly had consequences for the port authority and its cash, so revenues. It forced us to make adjustments, which simply means deferring spending.

Naturally, assistance or flexibility of any kind that helps us continue to invest and contribute to the economic recovery is welcome. We already had construction projects planned. We have a \$1.2-billion capitalization program spanning the next few years; it includes port expansion with the construction of a new container terminal in Contrecoeur.

For the time being, all of that infrastructure is not in jeopardy. That said, some program flexibility, or support to ensure infrastructure sustainability or to advance investments would very much be appreciated. Both our clients and users would benefit, to be sure.

• (1510)

[English]

Ms. Emmanuella Lambropoulos: Madam Chair, how much time do I have left?

The Chair: You have 33 seconds.

Ms. Emmanuella Lambropoulos: Thirty-three seconds is not very much time for another question and answer, so I will let the rest of my time go.

Thank you very much.

The Chair: Our next round of questions goes to MP Patzer.

Mr. Patzer, you have the floor for five minutes.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Thank you very much, Madam Chair.

I'll start with the Groupe Robert.

Has your group heard that almost two months ago the Canadian Federation of Agriculture warned that a lack of financial stability and labour for farming could lead to gaps or breaks in our food system? As a shipping company, do you share their sense of urgency when it comes to maintaining domestic food supply?

Mr. Jean-Robert Lessard: Yes, of course. I would say 45% of our volume is related to the food industry so we keep a very close eye on the new markets coming out after COVID.

We also see a lot of problems with the distribution. We have 32 distribution centres related to the food industry, and we have a lot of capacity. The problem is to get access in the big cities. As you are well aware, they have closed certain streets and certain areas to trucking. We would like to deliver the food but with a big trailer it would be mostly impossible, and that would have, for sure, a real effect on the cost of the food. If we have to bring our containers back to the distribution centre and put food in a small truck, it will have an impact on the cost for sure.

Any new regulation put on imports by the government has to be very well explained, because with all the agreements you could see, like the one between Canada and Europe, Europe ships 80% of its exports to Canada and Canada sends back only about 20% of that value, so we are losing on that.

We're not complaining because we do a lot of transportation to the Port of Montreal, but in fairness to the food industry in Canada, especially if you contact Groupe Export in Montreal, they will give you all these facts about how it's working, and if Canada puts pressure on food export compared to the import of European products.

Mr. Jeremy Patzer: Do you think the media reports and government announcements have communicated to the public the crucial importance of Canadian agri-food and its challenges?

Mr. Jean-Robert Lessard: Yes, for sure.

I believe in agri-food because I sit on the board of Groupe Export in Montreal. One of the problems is that Groupe Export was very well organized to go to all kinds of exhibitions across the world, and now it's all governed at the federal level and that's created a problem because a lot of the companies are very unhappy about that situation.

I think we should have a second look at it and how agri-food works with the provinces. Some provinces are not well organized, but others, like the one in Quebec, are very well organized. We participate through SIAL in Montreal and in Toronto. We talk to the exhibitors and they worry about the future, not having the Groupe Export agroalimentaire involved in it.

• (1515)

Mr. Jeremy Patzer: Has enough been done to secure our food supply chains here in Canada, do you think?

Mr. Jean-Robert Lessard: Oh, yes. We're getting more and more organized and technically with the systems in place, we have lots of good control regarding all types of food. I am talking about yogourt or fruit and vegetables or any other products.

We have to maintain quality through the trucking system and the distribution centres, and ensure that customers are secure with that. That could be the most important thing. We have no problem with the organization.

The Chair: Thank you very much, Monsieur Lessard.

Our next round of questions goes to MP Erskine-Smith. You have the floor for five minutes.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks very much. I just would ask a question very quickly to the Chemical Industry Association.

I took it that you weren't disputing the harm that plastics cause to the environment. You were questioning the science as it relates to toxicity for humans. Is that right?

Ms. Isabelle Des Chênes: No. The draft science assessment that was conducted by Health Canada and Environment Canada was very clear. They reviewed health impacts and environmental impacts. It was a lot easier with the science available to them to really make strong links to some of the impacts on the environment, particularly endangering wildlife. For the health impacts, they noted that more research needed to be done. There just wasn't enough information available there to make assessments.

Mr. Nathaniel Erskine-Smith: Right, I took that. The intention of my question was to say that the evidence is clear in relation to the environment.

I guess the part I'm struggling to understand, as we have this conversation, is whether you agree that single-use plastics that are harmful for the environment should be prohibited.

Ms. Isabelle Des Chênes: You know, I represent the plastics industry, so to say that we support a ban on single-use plastics is not something that—

Mr. Nathaniel Erskine-Smith: Even if they're unnecessary and harmful for the environment...?

Ms. Isabelle Des Chênes: What we support is the CCME's zero plastic waste strategy. We support enhanced infrastructure for collection.

We don't support the fact that plastics are in the environment. They're far too valuable to be in the environment, frankly. They provide incredible inputs into new products, either through the plastics cycle—

Mr. Nathaniel Erskine-Smith: Look, I'm not talking about plastics writ large here. When I talk about single-use, unnecessary plastics like the plastic bags that I shouldn't really have in my house and that I collect from the grocery store en masse, surely you're not saying that has a significant and positive contribution to our economy. Is that what you're saying?

Ms. Isabelle Des Chênes: Well, it supports thousands of jobs here in Canada. The most important thing is that it doesn't belong in the environment, so we need to put systems in place to ensure that it doesn't leak into the environment.

Mr. Nathaniel Erskine-Smith: One of which may be a prohibition.

Ms. Isabelle Des Chênes: One of which may be a prohibition.

Mr. Nathaniel Erskine-Smith: Thanks very much.

My other question is for Logan Caragata from Roche. Serology testing is critical as we move forward. We've seen the Elecsys anti-SARS-CoV-2. It is approved in the EU, approved in the U.S. and approved in the U.K.

Is there availability in these jurisdictions today?

Mr. Logan Caragata: Yes, they're available in those jurisdictions.

Mr. Nathaniel Erskine-Smith: Can you remind me of the accuracy?

Mr. Logan Caragata: I don't have the exact numbers, Nathaniel. I can check for that and get that to the committee.

Mr. Nathaniel Erskine-Smith: I had 99.8%. If it's something otherwise, I would like to know.

Is it available in Canada?

Mr. Logan Caragata: We're waiting on the licence from Health Canada that we submitted about three weeks ago. We've seen that in other jurisdictions it's typically taken about a month. We expect we will get it sooner rather than later, so we'll—

Mr. Nathaniel Erskine-Smith: You haven't seen processes in Canada being particularly slow in comparison to other countries.

Mr. Logan Caragata: No. What we saw with the molecular testing was that it moved very quickly. That one was approved on March 16, and it was very fast. With the serology tests, there's been a little bit more of a delay. I wouldn't say "delay": I think they're doing their due diligence on these ones. There's nothing unusual we've seen in Canada versus other jurisdictions at this point.

• (1520)

Mr. Nathaniel Erskine-Smith: Do you foresee any supply chain challenges with ensuring that there is great availability of these serology tests?

Mr. Logan Caragata: We don't foresee any supply chain challenges with the serology tests at this time.

Mr. Nathaniel Erskine-Smith: Fanny, you've spoken about the importance of data. If you were to grade Canada and provinces in sharing data, what grade would we have to date, dealing with the greatest threat to health in my lifetime?

Ms. Fanny Sie: If I were to do a scale of one to 10, I would love to say that we were on the upper edge of that. Unfortunately, I have to be honest, so I'll say a six.

Mr. Nathaniel Erskine-Smith: Okay, so it's a barely passing grade. To fix the data sharing, which is critical.... You talked about surveillance testing, strategic testing. Data's critical for doing that. B.C.'s been successful because of that, not just the capacity to test but also to test smartly. What are your recommendations for improving the use of data with respect to testing and tracing?

Ms. Fanny Sie: As I noted in my initial comments, I think it's important to do a combination of both. It would be nice if we could test every single person every single day, but that's not going to happen. It's like taking what we can from our capacity and then complementing it with data, and doing that in an intelligent way as we gradually open up the markets. We open up to one level, and then we do monitoring or testing. We open up to the next level, and then we monitor. That level of combination analysis would be optimal, in my eyes.

Mr. Nathaniel Erskine-Smith: Thanks very much.

The Chair: Thank you so much.

[Translation]

We will now start the next round of questions.

Mr. Savard-Tremblay, you have two and a half minutes. You may go ahead.

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): My question is for the Montreal Port Authority representative. Clearly, every dollar invested in the Port of Montreal directly benefits partners in the supply chain by helping them do business more efficiently and bringing down operating costs.

Mr. Dagenais, can you tell us how money invested in the national trade corridors fund as well as federal technology and innovation programs could also impact the supply chain in Quebec?

Mr. Daniel Dagenais: Thank you for your question.

The national trade corridors fund has indeed financed projects at the Port of Montreal, and so has Scale AI. You're referring to investments linked to what's called the innovation and artificial intel-

ligence supercluster. In both cases, the Port of Montreal has undertaken projects. One that's currently being fast-tracked focuses on identifying necessities and essential medical supplies.

Another project being fast-tracked supports a more coordinated and better-equipped decision-making process for supply chains in Quebec. It involves grouping and digitizing the flow of incoming goods from Europe more than 25 days before they arrive in Canada so supply chains can adapt and be ready to make weather-based decisions. As you can well imagine, crossing the Atlantic remains a rather perilous and unpredictable undertaking to this day.

Projects funded through the trade corridors program include infrastructure upgrades, an intermodal yard and the construction of a road link. We also received funding for container terminals.

The Chair: Thank you very much.

[English]

The next round of questions goes to MP Masse.

You have two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

With regard to the Montreal port, I am interested in the high lake levels in the southern part and how that's affecting operations in your area. Have there been increased complications managing that because of COVID? We have a lot of work that needs to be done on docks and in a number of different areas—even prior to this. I'm curious as to what's happening in your region.

• (1525)

[Translation]

Mr. Daniel Dagenais: Thank you for your question.

We are carrying out infrastructure projects to improve our berths as well. The high water levels complicate underwater work, of course. In some cases, the work was put on hold during the first phase of the COVID-19 pandemic response. Construction in Quebec was disrupted between March and April, which delayed the beginning of work in the spring.

I did visit our construction sites yesterday, however, and they are fully up and running. The projects are under way, and we will make up the time we lost in the first few months. As for the high water levels, our users—shipowners—make full use of the water column allocated to them.

[English]

Mr. Brian Masse: Do you have any projects that have partnerships with infrastructure programs? We've faced this in the past, when some of those programs' deadlines needed to be extended or couldn't get extended and they ran over them, causing complications for those projects' completion. I'm wondering if you have any of those challenges. That's one of the things I worry about with some of the infrastructure projects that might be rolled out with municipalities, provinces, and the federal government—the date and time. In the past when we've had some building programs, they've run into problems later on because they couldn't even procure the proper equipment and in the contracting.

I'm curious if you're running into that now. You may not be.

Mr. Daniel Dagenais: Yes, actually this week we had a conference call—I don't know whether you were made aware of it or not—with Infrastructure Canada exactly about that project, which has not yet started and will now be delayed somewhat. We've somewhat lost the opportunity of this entire construction season. We often jokingly say that Canada is a country of two seasons, winter and construction.

This spring, this delay has brought on some insecurity for some of our vendors and suppliers. They can't really guarantee whether or not they can start their work this year, so we've asked for a postponement.

The Chair: Thank you very much, Monsieur Dagenais.

We now move to the third round of questions.

Our first round of questions goes to MP Rempel Garner. You have the floor for five minutes.

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): Thank you, Madam Chair.

I'm going to pick up on a line of questions started by my colleague, Mr. Erskine-Smith. I am interested in the concept of unnecessary versus necessary plastics. I think that's a good way of framing this debate during the pandemic. Prior to the pandemic, there was a lot of discussion about how we don't need single-use straws and single-use plastic bags because they're unnecessary. In the context of human health and environmental health, a calculation was made that was detrimental to our use of these products. Then when the pandemic hit, we had opposite advice from public health officials, who were basically saying not to bring your reusable plastic bags to the grocery store but instead use single-use plastics because of the potential impact on human health.

Ms. Des Chênes, I'm just wondering if you can speak to the industry's perspective on this. If you're arguing that the approach is not to list plastics as a toxic substance under schedule 1 of CEPA, then how can we deal with that trade-off? We know that plastics are ubiquitous. We know they're used in everything in everyday life, but how do we, as legislators, mitigate that trade-off that we're always talking about, so that the fears of the people who are concerned about the floating plastic garbage icebergs off of the coast of Indonesia are dealt with.

I'm also concerned about microbeads in our Great Lakes. I don't want those in my digestive tract.

How do we square that circle? How is the industry association going to lead on that issue so that regs aren't just happening to it, but that you are an active partner in this discussion?

• (1530)

Ms. Isabelle Des Chênes: It's a great question. You're right: Prior to the pandemic there was that call for unnecessary plastics. What we've found is that in certain circumstances plastics can perform better than other materials. I think our approach is that if you are seeking alternatives, then look at them from a life-cycle basis. You don't want to pick an alternative that will have more impacts on the environment down the road. You really need to take a life-cycle approach to that. To an earlier point around science, it's really important for that.

What we're looking at and what we've been advocating for with the provinces and with the federal government is really not too far out of line with the CCME action plan on zero plastic waste. It's really putting the pieces in place that will allow the implementation of extended producer responsibility. That means that they're responsible for the plastics they put on the market and pay the cost of collecting them back. We see this work very well in British Columbia: Compared with much lower numbers across the country, 70% of their plastics are recovered. Ontario is starting a blue box modernization program that will see it move to extended producer responsibility.

We also look at investment supports around advanced recycling that allows for chemical recycling. This will allow us to take those hard-to-recycle products, like razors, stir sticks and cutlery, and really transform them, bringing them back down to their molecular level, and then they can be used to create a whole new set of products.

Hon. Michelle Rempel Garner: One of the things that I think has been more of a municipal issue in many jurisdictions in Canada is that a lot of recycled plastics can't be used as feedstock for different products. We hear about plastics being collected and then shipped overseas and being put in garbage dumps in other countries. How is the industry working to ensure that if recycling is going to be the option, that it is actually used in feedstock in a broader scenario?

Ms. Isabelle Des Chênes: Well, recycling is one option. Mechanical recycling, advanced chemical recycling—

Hon. Michelle Rempel Garner: Look, people often tell me that we don't need plastic straws, but your industry association would say that we do need plastic straws. People will say that we can't recycle these straws or that recycling doesn't get into the industry, right? How does the industry deal with this, rather than just pushing against regs? Is it by saying it needs be part of the solution here in using it as feedstock?

Sorry, Madam Chair.

The Chair: Very quickly, I'll let you answer that.

Ms. Isabelle Des Chênes: Okay. We're working with key partners to try to build markets that allow us to use those recycled products in roofing tiles, in outdoor furniture, in a number of applications that will allow us to actually.... If you build the market, then it's easier to collect the content. You can set the recycled content standards, and we can adhere to that.

The Chair: Our next questioner is MP Longfield.

You have the floor for five minutes.

Mr. Lloyd Longfield (Guelph, Lib.): Thanks, Madam Chair. I'm just going to continue briefly with Ms. Des Chênes because this is a very good conversation and discussion that we're having.

Particularly interesting to me, when you're mentioning the life cycle and circular economy, is something that my community is quite involved with, the circular food economy. How do we get the most life out of a molecule once it's been processed. I know polypropylene is harder to deal with than other materials. We do have capital cost allowances, high capital cost reductions and accelerated allowances for machinery and equipment that helps with the environment.

What role has any of that played in the responsible care program that CIAC is working on, in looking for solutions to keep things out of landfills?

Ms. Isabelle Des Chênes: Our members are a very innovative lot. They're scientists and chemists. It's really important to them to help deliver solutions. A lot of the things they're working on right now are product designs. How can you redesign products for recyclability? How can you design them in a way that uses less of those products?

We also have members that are advanced recyclers, companies like Pyrowave, GreenMantra and Polystyvert. They take those products that don't necessarily need to be cleaned and provide a different stream from your traditional recycling blue box stream.

● (1535)

Mr. Lloyd Longfield: Hematite in Guelph is another company that's taking some scrap from Magna operations and turning it into plastic for speaker boxes. They're sharing technology. They're actually even sharing moulds, so that one company's waste becomes the input for another company.

As we set up the CEPA schedule 1 and the other regulations to really put the pressure on innovation, that's really where we need to head, and I appreciate that the definition of toxicity is something that has to be looked at. It's really a definition that's within regulations, versus the ECCC work. I think we are more or less heading in the same direction to try to keep this expensive product out of landfills as it's terrible for the environment.

Ms. Isabelle Des Chênes: Well, that's just it. Thank you.

Mr. Lloyd Longfield: Mrs. Sie, I'd like to switch over to data. I love data. It's just one of those things, right? You love it or you hate it, but when you look at the data science coalition.... I'm looking at manufacturing plants and large numbers of employees going into certain situations, maybe even office towers—people going into office towers—and how we aggregate data to do proper contact tracing.

How are we working with manufacturers and supply chains to more adequately share the information? You mentioned some gaps and fragmentation. Is there a solution that you're working on with government and industry?

Ms. Fanny Sie: Yes. I would say that the data science coalition is actually a unique view into the future. We decided to go 10 years into the future because all of a sudden, all of these multi-industry organizations, whether they were start-ups or multinationals, decided that we're all one company. We're all going to make sure that we're mission-focussed and mandate-focussed. We're going to get rid of the pandemic.

We started to share resources. We started to share data, and then all of sudden, there was an expediting of digital solutions that could be used for the pandemic, and we're using our channels to try to mobilize that information as fast as possible. It started with a critical mass, but I see it expanding outside of the typical players.

Mr. Lloyd Longfield: The Mozilla Corporation has a saying that you work openly and you share data, you share information and you get better solutions.

How does this fit within an IP structure, which is contrary to that?

Ms. Fanny Sie: When we think about open data, the benefit of looking at open data is to see the actual benefits of data so you can prove that it actually works. Then there's that decision: What do we compete on and what do we not compete on? I think in the future there's going to be this industry coalition or decision or table where we say, okay, no one's getting into the market right now, so let's decide that we're not going to compete in this area. But then we'll compete in this area, and I see that working.

Mr. Lloyd Longfield: And in the meantime, saving lives.... Why not?

Ms. Fanny Sie: Absolutely.

Mr. Lloyd Longfield: With data—go figure.

Ms. Fanny Sie: But, you know, that would work out.

Mr. Lloyd Longfield: My card is coming up, but thank you.

Ms. Fanny Sie: You're welcome.

The Chair: You know me well, MP Longfield.

The next round of questions goes to MP Gray.

You have the floor for five minutes.

Mrs. Tracy Gray: Thank you, Madam Chair.

I have a few questions for Groupe Robert Inc.

A few weeks ago we heard from the Western Canadian Shippers' Coalition at this committee. One concern they raised was about potential shortages in shipper containers. I know you mentioned in your opening remarks that so far things have been managed from your side reasonably well, and you've been tracking everything. But they were talking about a concern of theirs that they saw coming down the line. Is that a concern of yours as well? Do you see that in your company and within your industry there?

Mr. Jean-Robert Lessard: At the beginning of COVID, we had, I would say, worries about it. We were working very closely with the Port of Montreal, and because I am on the board of CargoM, we as a group looked at all the transportation and logistics. We made a *sondage* to know exactly how much space was available for empty containers to make sure there would be a good inventory. We talked to the customers also...to deliver the full containers in order to give us some empty containers. In fact, the group of transportation companies working with the Port of Montreal were all successful and we managed to get through that problem within about two weeks. It was, I would say, a good realization, and it relieved pressure on the companies like us, and also on the customers, because they were worried. Some of them were still exporting, and to export you needed the empty box. It went very well.

• (1540)

Mrs. Tracy Gray: Okay. Thank you.

The other question that I have has to do with the lack of standardization with interprovincial trucking rules. I hear this quite often. What are some of the biggest challenges that Robert has had with this in transporting goods between provinces?

Mr. Jean-Robert Lessard: Between provinces we didn't have too many problems. At the beginning, many truck stops were halted and our drivers were not in a position to have a shower or get food—things like that. With the pressure of the Quebec association and the Canadian Trucking Association, we had, I would say, good communication with these people, and finally within about two weeks things were in place.

For transportation going state-side, it was another big item. Most of the places were closed and we had problems for our drivers. Where we had terminals, we had to put in place showers and food supplies for the drivers just to make sure they could continue to do their work. It was, I would say, a tough process, but we took charge.

Mrs. Tracy Gray: Good. Thank you for that.

When I look at what's called the government's "regulatory reconciliation and cooperation table"—and this has to do with interprovincial trade, specifically—I've noticed some of the changes being targeted to be resolved actually this year in the transport industry. These include standardization for regulations on electronic logging devices, size and weight restrictions, as well as commercial truck driver certifications. Would getting some of these regulations standardized have a meaningful impact for your company or for getting goods across the country?

Mr. Jean-Robert Lessard: It's very important because we could compete at the same level. With different rules in different provinces, sometimes it was difficult to establish our costing. It took a little while to get the electronic control in place. Now with

the hours of work, the driving, the control in place, it means we can compete at the same level. Some others were using regular log books, and they had three log books on board. Now with the electronic...it is quite difficult.

It's also good for the safety aspect of transportation because it's all in our systems. These factors control the number of hours of driving and put the drivers to rest if they need to.

[Translation]

The Chair: Thank you very much, Mr. Lessard.

[English]

Our next round of questions goes to MP Ehsassi. You have the floor for five minutes.

Mr. Ali Ehsassi (Willowdale, Lib.): Thank you very much, Madam Chair.

Thank you very much to all of the witnesses who have appeared before this committee.

I should, in turn, apologize because I was experiencing technical glitches. There are many aspects of the testimony I missed. I am eternally grateful for all the guidance you have each provided.

For my first question, if I may, I would like to follow up on what Madam Rempel Garner said. My question is for the chemical industry.

She rightly stated that you can't just push against regs. The reality is that there are many shortcomings in how things currently stand. As I understand it, the witness for the chemical industry has rightly pointed out, much as my colleague MP Longfield has stated, that it's all about innovation. It's about making sure we're responsive and we're moving forward.

However, the question and the challenge remain. How are we going to ensure that plastic isn't dumped all around the world? This is a problem that many Canadians were concerned about. Again, I appreciate full well that the representative from the chemical industry has said that there has to be advanced recycling [*Technical difficulty—Editor*] chemicals for quite some time.

If I could ask you one more time—

• (1545)

The Chair: Mr. Ehsassi, I'm sorry to disturb you. I just wanted to pause you for a moment because we're having a lot of trouble hearing you. You keep cutting out.

Would you repeat the question, please.

Mr. Ali Ehsassi: Perhaps I could ask the representative from the chemical industry this question. In the absence of all this innovation, and recognizing the fact that these are time-consuming things, how can we deal with the problems such as ensuring that Canadian chemicals and plastics aren't dumped around the world?

Ms. Isabelle Des Chênes: You're absolutely right. It's not just one piece. Innovation is an important piece; collections, sorting, advanced recycling techniques are another piece. We support extended producer responsibility as well, which is really having the producers commit to taking back their products.

We also support regulation. We think it's an important part of it. It's how you regulate that we're very concerned about. We believe it's really important for the government to fulfill its commitments and to ensure that these plastics do stay out of the environment and that they are properly managed. We understand that a discussion paper will be distributed in the fall. It will have ideas about prohibitions, but about management and exemptions as well.

We're fully supportive of the need to manage this issue and the need to manage plastic pollution. Wherever we can, we think there's an opportunity there, particularly when a CEPA review is about to take place. There's an opportunity there to take a look at the legislation and see how we can beef it up or amend it so that it can directly address the issue of plastics in the environment.

Mr. Ali Ehsassi: Thank you for that.

I understand you're saying that your concern is that the use of the word "toxic" in the regulations will essentially, according to you, have a chilling effect to come to any conclusive results on that issue.

Do you have any estimates? Have you had an opportunity to do any studies that would demonstrate this would be the case?

Ms. Isabelle Des Chênes: As I noted, we have a \$4-billion project that has not yet broken ground in Alberta, and that could be impacted. We also have a couple of members who are interested in and have been actively pursuing an opportunity in Canada, to the tune of \$10 billion. However, designating plastics as toxic would certainly send that chill in investment, and they have other opportunities.

The other concern for us, in terms of our partnership with the United States and Mexico as part of the USMCA, is that there are certain elements there that would require risk assessment if the products were to be declared toxic.

In terms of our regulatory co-operation, we need to ensure that whatever is put in place is something that allows the free flow of goods between Canada and the U.S., given that our products cross the border several times before they're actually completed.

• (1550)

Mr. Ali Ehsassi: So far we have no proof that the use of the word "toxic" will stand in the way of that—

The Chair: MP Ehsassi, apologies. Your time is up.

[Translation]

We will now start the next round of questions.

Mrs. Vignola, you may go ahead for two and a half minutes.

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Madam Chair.

My question is for Mr. Lessard.

Earlier, Mr. Lessard, you mentioned the problems truckers encountered in the first few weeks.

I heard about those issues. I have family and friends who work in the sector, and they told me that they didn't have access to wash-room facilities, whether in Quebec, Ontario, other provinces or across the border. When they would cross the U.S. border, any food they brought was confiscated and thrown away. They were seen almost as pariahs, so they ran into problems at loading and unloading sites.

Which of the measures put in place did the most to ensure truckers felt respected and less stressed?

Mr. Jean-Robert Lessard: As you mentioned, it was an intense experience for our people, not necessarily between Quebec and Ontario—although that is a very busy corridor for us—but more in the U.S. It's true that, when they arrived at the drop-off or delivery point, they were often treated like pariahs.

In some cases, consignees didn't want to sign documents confirming receipt of the goods. Since everyone has a cell phone, we set up a procedure where truckers would take a photo of the document and a photo of the person receiving the goods. That way, we were able to make sure we would be paid.

Obviously, truckers had lunch boxes with them, and there were a few times when they weren't allowed in with their food. What was insulting was that truckers had paid people to prepare food for them, but when they got to the border, it was thrown out.

That put tremendous strain on truckers, but things got better when the people at the Canadian Trucking Alliance and the Association du camionnage du Québec got involved. They lobbied hard and were able to convince border authorities that, at a minimum, drivers were entitled to eat and to use the facilities.

Mrs. Julie Vignola: Can you tell us briefly whether you and your truckers incurred significant financial losses because of the things you just told us, in particular, the challenges around getting people's signatures and the fact that food was being thrown out?

Mr. Jean-Robert Lessard: No, we didn't incur any financial losses because we were very proactive; we called customers and told them that it was ridiculous. An electronic procedure was then put in place.

I must admit, though, that not everyone is well set up to do business electronically, so they may have lost money because of that.

On our end, we didn't lose any money. If they paid us, we would go back to deliver the goods, but if not, we wouldn't.

The Chair: Thank you very much, Mr. Lessard.

[English]

Our next round of questions goes to MP Masse.

You have the floor for two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

To Hoffmann-La Roche, with regard to health and privacy issues, we heard from the Privacy Commissioner of his concerns about his capabilities. Right now he has to go for legal challenges; he can't impose administrative monetary penalties and so forth. I'm wondering if you have any thoughts with regard to that parameter.

Canadians are concerned about a number of different things. One of them is their privacy, and health data is an issue. Could you maybe elaborate on what you've presented and also the Privacy Commissioner's expressions at this committee?

Ms. Fanny Sie: Absolutely.

I think privacy is always a very sensitive topic, and we're more careful because we know the risks relate to consequences that he can't necessarily take back. It also sets precedent for the future.

When we look at what we've done, the world has moved very conservatively and has either moved forward just a little bit or not moved at all. Because of that, we haven't been able to really see the benefits of data.

Given the particular urgency of this, we've talked to a number of patient groups. We've said, "We want to be able to empower you to contribute to science. We want to be fully transparent with you and say this is the particular dataset we need, and if we can have that under your full consent, it will go to this particular study and will be used to create these particular tools."

There is huge traction with patient foundations and our patient advocates that this is what they want. They want to be able to contribute. Their data matters. They are valued in the system, and they want to be able to do this for science and for Canada.

I think it's important—we talk about this a lot—that are working with the ecosystem, being across the table with all stakeholders and co-developing with each another. If we do that, then we can ensure that everything we do is within proper guidelines.

We speak to our privacy experts and the appropriate authorities, but there is traction for grassroots contributions and challenge definitions. It's not insurmountable is what I am saying.

• (1555)

Mr. Brian Masse: Okay, thank you very much.

I know I'm out of time, Madam Chair. Thank you.

The Chair: Thank you very much.

That wraps up our third round. We have a few minutes remaining, so I will move to MP Dreeshen.

You have the floor for the remaining time.

Mr. Earl Dreeshen: Thank you very much, Madam Chair.

I'd like to go back to Madame Des Chênes.

We were talking earlier about the conversion of propane to polypropylene. You mentioned that when that particular product, polypropylene, is exported, there is no tax associated with that because of export issues and so on.

When that polypropylene is being used here in Canada, is there a carbon tax on it?

Ms. Isabelle Des Chênes: Not yet, because we aren't producing polypropylene in Canada just yet.

Ms. Isabelle Des Chênes: Yes.

Inter Pipeline broke ground last year and is developing a polypropylene capacity. They'll be using propane, so natural gas, in order to move that forward.

What's really interesting about their facility is that they've been doing greenhouse gas emissions intensity tests, and it will be 65% below global average for greenhouse gas intensity.

Mr. Earl Dreeshen: Okay. Could you expand on that?

Mr. Earl Dreeshen: Certainly, and that's great.

I'm just wondering, still on the propane that is being used, there will be a carbon tax paid on the propane.

Is that not correct?

Ms. Isabelle Des Chênes: Not just yet.

There is a carbon tax paid on the energy inputs, and because propane is gaseous, it's not yet part of the tax package. However, as part of the clean fuel standard, once it moves away from the liquid gases, it will then start looking at gaseous or solid gases, and that's where the taxes will be in 2023.

Mr. Earl Dreeshen: Thank you.

I guess that's my point, because, of course, as a farmer, I am paying a carbon tax on the propane I am using.

To go back to one of the comments earlier about transportation and everything and how Canadians are going to end up paying more for food, quite frankly, we had better understand that it's the distribution costs, the processing costs, and some of the labour costs associated with some of the more refined ones that are bringing up that cost of food. It's not money that's going to the farmers. I just wanted to make that particular point.

With regard to one last point, if I could speak with the Montreal Port Authority, I know there are millions of tonnes of fuel—oil and gas—that are coming in through the Montreal port. If there were a future government that chose to disrupt tanker traffic in the St. Lawrence, how much damage could that do to the port of Montreal?

Mr. Daniel Dagenais: Well, Montreal has a long history with the petrochemical industry. You may or may not know this, but there used to be at least five refineries on the Island of Montreal. Now there is only one, operated by Suncor. There is an extensive tank farm that is actually the distribution hub for all of eastern Canada and part of the New England area as well. Petroleum products, or liquid bulk, represent about 16 million tonnes out of the 40 million tonnes that will be handled at the port on an annual basis. It is a substantial amount of traffic.

Don't forget, also, that there's another refinery in the Quebec City region on the south shore of Quebec.

I don't know exactly to what extent your question was about restricting tanker services, but doing that would be an issue.

• (1600)

Mr. Earl Dreeshen: Yes, and my point was, simply going back to the concept of a moratorium—and we've seen that on the west coast—it has nothing to do with foreign oil; it's Canadian-based oil that is being disrupted. That is my point.

I realize, Madam Chair, that I'm close to the end, so I will cede my time. Thank you.

The Chair: Thank you very much. That is our time for today.

I'd like to thank the witnesses again for being with us on a beautiful Friday afternoon.

[*Translation*]

Thank you for your time and your input.

[*English*]

With that, I will call this meeting adjourned. I will see you all on Monday.

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