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Chair: Mr. Raj Saini





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• (1530)

[English]

**The Chair (Mr. Raj Saini (Kitchener Centre, Lib.)):** Welcome, colleagues, to our second meeting of the Special Committee on the Economic Relationship between Canada and the United States.

This is our second meeting, but our first meeting with witnesses, so I'm really excited to have the officials here with us today.

I'm not sure who is speaking, but whoever it is, you now have the floor for five minutes.

**Mr. Michael Grant (Assistant Deputy Minister, Americas, Department of Foreign Affairs, Trade and Development):** Thank you very much, Mr. Chair.

My name is Michael Grant. I'm the assistant deputy minister of the Americas. I'll be giving the opening remarks. I'm joined by my colleague Steve Verheul, the assistant deputy minister for trade policy.

I would like to begin by acknowledging that I'm speaking to you today from the traditional unceded territory of the Algonquin people.

As members of this special committee will already know, Canada and the United States have long enjoyed a special relationship. Our two countries enjoy the largest trading relationship in the world. We defend and protect North America together. We are stewards of our shared environment. We stand on the world stage to respond to pressing global challenges together.

Mr. Chair, these are not merely words. We've just committed to revitalizing and expanding our ties with the United States in order to realize our relationship's full potential.

[Translation]

Last week, the Prime Minister and President Joe Biden announced the roadmap for a renewed United States-Canada partnership. It's a blueprint for an ambitious and whole-of-government effort against the COVID-19 pandemic and in support of our mutual prosperity. It creates a partnership on climate change; advances global health security; bolsters co-operation on defence and security; and reaffirms a shared commitment to diversity, equity and justice.

The government has quickly started implementing the roadmap through virtual meetings and calls between our two countries. In addition to phone calls and the meeting between Prime Minister

Trudeau, the president and the Deputy Prime Minister, we saw Minister Garneau, Minister Wilkinson and Minister Alghabra speak with their counterparts last week. We expect more discussions in the coming weeks.

[English]

Allow me, Mr. Chair, to briefly touch on a few priority themes in the Canada-U.S. relationship.

Foremost, our leaders have agreed that both countries' fundamental priority is to end the global pandemic. The spread of COVID-19 has caused upheaval in both Canada and the United States.

Consider last March. Canada and the United States arrived at a far-reaching agreement to limit discretionary and recreational travel across the border, an understanding that has been extended by mutual agreement. This collaboration set the tone for subsequent co-operation, including in getting our citizens home, ensuring continued operation of our supply chains, and assisting each other in the production and procurement of medical supplies and other essential goods.

Our work together in managing the flow of goods amid the pandemic is just one facet of the deeply interconnected economic relationship between Canada and the United States. This enduring trade relationship has been a model of success for the world for many years, starting with the Canada-U.S. FTA in 1989, continuing with NAFTA in 1994 and culminating today in the Canada-U.S.-Mexico Agreement, or CUSMA.

Of course, we have more work to do, guided by the new road map. For example, Canada and the United States will build a strategy to strengthen supply chain security and will also accelerate joint initiatives to support the recovery of small and medium-sized enterprises.

• (1535)

[Translation]

The government also recognizes the critical role that energy plays in our trading relationship. Canada is the United States' number one foreign supplier of all forms of energy, including crude oil, natural gas, hydroelectricity and uranium. The secure and affordable energy is sustainably produced. Energy underpins our exports. It supports the economy, jobs and competitiveness on both sides of the border. It provides energy security and resiliency to North America.

In the new roadmap, our two countries have recognized this. We've also agreed on the importance of our highly integrated energy infrastructure. Completing new and expanded energy infrastructure will fuel our economies and provide clean and renewable energy.

Supporting Line 5's continued operation remains a top priority, now and in the future, through Enbridge's tunnel project. We work tirelessly, through Canada's diplomatic network in the United States, to promote and strengthen the energy relationship and support projects like Line 5.

[*English*]

Energy security is just one important factor in our region's overall safety and security. Canada and the United States collaborate closely on defence, both at home and abroad. Collective security is a shared responsibility. Canadians and Americans have depended on each other for decades. Looking ahead, we will be expanding our co-operation on continental defence and in the Arctic, including by modernizing the North American Aerospace Defense Command and launching an expanded U.S.-Canada Arctic dialogue.

A further element that unites us is our shared natural environment. Canada and the U.S. share many waterways that mark or cross our shared border, from the Great Lakes to rivers such as the mighty St. Lawrence. Moving forward under the new road map, we will do more, such as launching a high-level climate ministerial to increase our climate ambitions aligned to the Paris Agreement and net-zero objectives while holding polluters accountable for their actions.

[*Translation*]

In launching the new roadmap for a renewed United States-Canada partnership, our leaders said it best in their joint statement: "the partnership between the United States and Canada endures because we invest in each other's success."

Canada welcomes the roadmap as a way to revitalize and expand its ties with the United States as we continue to work closely as partners, friends, allies and neighbours.

[*English*]

Thank you.

**The Chair:** Thank you very much, Mr. Grant. I appreciate your opening comments.

We will now start with the first round of questions.

Mr. Hoback, you have six minutes, please.

**Mr. Randy Hoback (Prince Albert, CPC):** Thank you, Chair.

Thank you, Mr. Grant. It's nice to see Mr. Verheul here also. This is a great topic, and I'm glad to be part of this committee. I think there are lots of great things we can do.

Mr. Verheul will probably agree with me that one thing we learned in the last negotiations was that this relationship with the U.S. is one that we have to keep fostering. We have to keep renewing it and keep working on it all the time. We can't take anything for granted. Of course, one of the things we're looking at here is this proposal for a U.S.-Canada road map on renewal.

In regard to that, Mr. Grant, what was the process in developing this road map? What did you go through? Whom did you consult with? Who was involved in this process as you put it together?

• (1540)

**Mr. Michael Grant:** In terms of constructing the road map, there were contacts between various departments, as well as between the National Security Council in the United States and the Privy Council Office on our side, as well as the Prime Minister's Office and the White House. It was a collective effort. It's tough to say who held the pen. It was coordinated centrally by the PCO and PMO, with input from many departments, and it was the same on the U.S. side.

**Mr. Randy Hoback:** So no consultation was done outside of government in regard to the acceptance of this road map.

**Mr. Michael Grant:** In terms of getting to the announcement of the road map, I think it was mostly done internally amongst officials and with our American friends. However, it's there for everyone to see and will certainly be part of the engagement with all Canadians as we move forward.

**Mr. Randy Hoback:** Let me move on to Line 5, which has serious consequences here in Canada, in Sarnia and of course out in western Canada. Is there anything in our international agreements going back to 1977, the treaty between Canada and the U.S. concerning pipelines, that makes sure the State of Michigan can't unilaterally shut down this pipeline?

**Mr. Michael Grant:** Right now the federal government is working very closely with Enbridge, mostly through mobilizing our diplomatic network in the United States, to engage the State of Michigan as well as other states that have a vested interest in Line 5. We are also looking at all of our options that are available, including the 1977 treaty. We're doing so in close collaboration with Enbridge. We also have a vibrant discussion going on with provinces, as it is in everyone's interest that we see this resolved as expeditiously as possible.

**Mr. Randy Hoback:** I'm concerned, because if one state is allowed to do this to Line 5, what's preventing another sector being at the mercy of a state that is doing that to their sector? Let's say that for cattlemen in North Dakota, suddenly North Dakota says, "We don't want Canadian cattle." Does that mean they can unilaterally do that?

I'm just curious. Under CUSMA, did we put any measures in place to even enhance the 1977 agreement? What are those options you're looking at in regard to ensuring that we do everything we can to protect our interests?

**Mr. Michael Grant:** I think Steve might want to come in on the question regarding CUSMA, but in terms of looking at all our options, it's exactly that. As you may know, there are processes in state court in Michigan, as well as in federal court. We do see this as a state-to-state issue between the Government of Canada and the Government of the United States.

This issue was raised in the recent meetings last week to ensure that the United States realizes the importance of Line 5 to Canada, and we'll continue to look at all possible options going forward.

Steve, did you want to comment on the CUSMA aspect?

**Mr. Steve Verheul (Chief Trade Negotiator and Assistant Deputy Minister, Trade Policy and Negotiations, Department of Foreign Affairs, Trade and Development):** Sure. Thank you.

Yes, certainly we do have provisions in CUSMA that could come into play on these issues, particularly in relation to investment obligations, but as I think Michael has pointed out, this is not really the route we want to go right now. I don't think we want to enter a long dispute that's going to take a very long time to resolve, along with a potential result that may not bring us what we want.

Our focus at the moment is to try to advocate very strongly to put pressure on the U.S. government and others to ensure that this doesn't actually come into play. That's our focus for the moment.

**Mr. Randy Hoback:** Mr. Grant, in your road map, you talked about energy infrastructure and putting in place new energy infrastructure. Of course, we've seen things like Keystone being shut down in the U.S., so what does this new infrastructure look like? Who's involved with it and what's the intent behind it?

• (1545)

**Mr. Michael Grant:** Thank you very much for the question.

First and foremost, it's also about protecting existing infrastructure, and Line 5 is a prime example of it.

In terms of new infrastructure, I can say that Canada is a significant exporter of hydroelectricity to the United States, and there are many opportunities in hydroelectricity to expand that export. As we look at ensuring our collective energy security, as well as looking at our efforts to collectively protect the environment and combat climate change, hydroelectricity provides an excellent example going forward.

**Mr. Randy Hoback:** Then when we look—

**The Chair:** Mr. Hoback, I'm sorry. Your time is up. Hopefully, we can pick it up after.

**Mr. Randy Hoback:** Thanks, Chair.

Thanks, witnesses.

**The Chair:** Next up is Ms. Bendayan for six minutes, please.

**Ms. Rachel Bendayan (Outremont, Lib.):** Thank you very much, Mr. Chair.

Thank you to our officials who are appearing as witnesses today. It's always a pleasure to see you again, Mr. Verheul and Mr. Grant.

I might start with you, Mr. Grant. I have read that in November 2020 Premier Kenney said that the death of Line 5 would be “dev-

astating” and that anybody who wants to cut off Alberta oil and gas exports would be “brain-dead”. One week later, Governor Whitmer took legal action to shut down Line 5.

In your experience—your obviously extensive experience and expertise in Canada-U.S. relations—was a statement like that by Premier Kenney helpful?

**Mr. Michael Grant:** Thank you very much for the question.

All I'll say is that I think this is important for the United States, the various actors, whether at the state level or at the federal level, and again, multiple states, because while this has a direct impact on Michigan, Ohio and New York would also be implicated. I think it's important that Canadian views be very well known. As I recall, Governor Whitmer had campaigned on this particular issue, so while the particular action maybe came as a bit of a surprise in terms of when it came out, I don't think we were terribly surprised that she was going to take action in that regard.

I think it's important going forward that Canada—the federal government and the provincial governments, and certainly the private sector and others—continue to make our voice heard and known among all of the decision-makers and influence-makers in the United States.

**Ms. Rachel Bendayan:** Thank you.

I would certainly agree that it is useful to engage in constructive dialogue and make our position known. I guess to that end, and picking up on what Mr. Hoback was mentioning earlier, the two of us sit on the international trade committee, and we worked very hard to ensure the ratification of CUSMA. In CUSMA there was a team Canada approach, a very thoughtful and strategic engagement of the United States on many different levels. Obviously, we are dealing with something on a smaller scale with respect to one state in particular.

Perhaps you or Mr. Verheul can expand a little bit on the engagement strategy, through different layers of government, between Canada and the United States in order to make sure that Canada's position is well known and that we are making every effort in order to engage the United States on Line 5.

**Mr. Michael Grant:** Thank you very much for the question.

I mentioned that last week in the high-level meetings Line 5 was raised, as was Canada's concern regarding the intent of the State of Michigan and the fact that we will vigorously defend the ability of Enbridge to continue to operate that line.

Our engagement in the U.S. is really multi-faceted. I mentioned our diplomatic offices. Of course, we have the embassy in Washington, but our consulates general in Detroit and New York are quite active in engaging, first and foremost, sitting governments but also legislators as well as those key industries and companies that rely as much as we do in Canada on those resources that are brought by Line 5. Some of those stakeholders we engage with include labour, which has a very important voice. There would be significant disruption in the United States on this. Collectively, we need to continue to make sure that message is heard.

I mentioned earlier that at the officials' level we have a regular dialogue with provinces to ensure that they have an understanding of our approach, and also to ensure that, again, we're all on the same page in terms of our engagement, because I believe that's necessary.

• (1550)

**Ms. Rachel Bendayan:** Mr. Chair, perhaps I have time for one more question.

I of course followed very closely the lengthy bilateral of last week between President Biden and our Prime Minister, as I'm sure you did as well.

Given your experience, can you speak a little bit to the uniqueness of that meeting and the synergies between our two countries with this new administration? I do feel as though it was quite a groundbreaking meeting, a real reset of our relationship.

Perhaps I can let you elaborate.

**Mr. Michael Grant:** Thank you very much.

I would agree. Even though it was virtual, I think it was a rather unique meeting—not just a single meeting but a set of meetings. As we have seen American secretaries get confirmed, it has been very interesting that virtually across the board the first person they are speaking to after being confirmed is their Canadian counterpart. I think this goes to the importance of the relationship, not only that we see but also that the Biden administration does.

Coming out of the meeting between leaders, what the road map kicks off is a very significant to-do list for both governments. While it's focused in certain areas, it covers a lot of what we do together. There is probably more alignment between Canada and the United States than there has been in several years. I would also argue that the shared ambition level probably hasn't been this high in a few years.

From an official perspective of working on Canada-U.S., it's quite an exciting time, and we look forward to the work to come.

**The Chair:** I'm sorry, Ms. Bendayan, but your time is done.

[Translation]

Mr. Savard-Tremblay, you have six minutes to ask your questions.

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Good afternoon. I want to acknowledge all my colleagues, as well as the witnesses, whom I thank for their presentations.

At the start of this dispute, some individuals, in particular those with ties to the affected companies, argued that the State of Michigan's move would violate the 1977 agreement between the Government of Canada and the Government of the United States of America concerning transit pipelines.

Do you agree with this view?

**Mr. Michael Grant:** Thank you for your question. As I said, we're looking at all the options, including the 1977 agreement, for changing the situation. We really want the State of Michigan and Enbridge to find a solution, without going to court or going through another process.

That said, we're well aware that we have other options, including the 1977 agreement.

**Mr. Simon-Pierre Savard-Tremblay:** I want to know whether the agreement would prevent the State of Michigan from making its moves. In your opinion, how likely is the State of Michigan to succeed in its efforts?

**Mr. Michael Grant:** Thank you for your question.

It depends on several things. That said, our priority is to find an amicable solution with Michigan and Enbridge. As I said, we'll use all the available tools to accomplish this. If we need to use the 1977 agreement, we'll do so. However, for now, we're working with the company, the provinces and the officers in the United States to find a solution.

• (1555)

**Mr. Simon-Pierre Savard-Tremblay:** The odds that the State of Michigan will at least be able to shut down the line are fairly slim, basically.

Nevertheless, the company has been slow to fix some leaks in its infrastructure. In a number of cases, these leaks end up directly in the waterways. Shouldn't the measures focus on this area?

**Mr. Michael Grant:** Thank you for your question.

We see this situation as an issue between the two federal governments of the United States and Canada. Of course, we want an amicable solution between the State of Michigan and Enbridge. However, we can see that there's already a dialogue with the federal government of the United States. As I said, we also have the option of using the agreement if necessary.

**Mr. Simon-Pierre Savard-Tremblay:** Thank you. I understand that. This strictly concerns the relationship between the two countries and the agreement that must be adhered to. That said, in terms of Enbridge, certain flaws haven't been fixed.

How can the federal government have any real leverage, in this case, if the company is slow to fix certain flaws?

**Mr. Michael Grant:** Thank you again for your question.

I may not have all the answers. I think that this is a very specific issue. I don't have an answer for you. However, I can check with my colleagues and, if possible, give you an answer later.

**Mr. Simon-Pierre Savard-Tremblay:** I wonder whether another witness could answer my last question.

Since that doesn't seem to be the case, I'll ask another one.

Given that Michigan is unlikely to succeed in shutting down the line, I wonder whether the company should fix some of the flaws. What's the urgency right now, given that the odds of the line actually being shut down are slim?

**Mr. Michael Grant:** If I understand your question correctly, the governor of Michigan set a deadline for the use of Line 5.

There are processes in the court of the State of Michigan and in the federal court of the United States. We believe that these processes will take place despite the deadline. The situation is urgent, but we believe that we have time to find an amicable solution.

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Mr. Grant.

**The Chair:** Thank you, Mr. Savard-Tremblay.

[*English*]

Mr. Blaikie, you have six minutes, please.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you very much.

With respect to Line 5, there are at least two important ways in which this issue is different from issues like the Keystone XL pipeline, for instance, or the Trans Mountain pipeline. One of those differences, in the view of the NDP, is that we're talking about a project that is existing infrastructure. It's not predicated upon increasing the rate of extraction or the amount of barrels per day. It's what we're already doing.

The second important distinction is that this is the pipeline that's part and parcel of Canadians being able to do value-added work, which they're unfortunately often not able to do. We've seen a significant reduction in refining and upgrading within Canada over the last 20 or 30 years.

As we look to this project and as we look to what will be an era of better co-operation, hopefully, between Canada and the U.S. on the climate change front, what do you think are some of the ways in which Canada, in the context of a larger North American energy strategy, can be advocating to have those kinds of value-added jobs so that Canada isn't simply the supplier of raw resource to the United States, where the upgrading and refining occurs? What are the opportunities for Canada to ensure that we're doing value-added work here and getting the benefit of the employment that comes with that secondary kind of work?

• (1600)

**Mr. Michael Grant:** Steve might want to come in on this later.

I would just note, although it's not specific to your question, that on Line 5, this isn't about increasing; it's about maintaining. We are also quite concerned—which is part of our advocacy with influence-makers and officials in the United States—about the implica-

tion of transporting that quantity of resources via other means, such as rail or truck, and the obvious risks involved there.

In terms of an integrated North American or bilateral energy market, it's exactly the point you're getting to in terms of the importance of ensuring that Canadian companies are taking advantage of both the front end and the back end. We talked about hydroelectricity, but there are renewables as well. Canadian companies have a lot to offer the United States in terms of their desire to develop this market. We see tremendous potential for Canadians in doing so. At the same time, with a more significant, more secure and climate-friendly energy supply down the road, this will also improve the attractiveness of investment in Canada and continue to build our ties outside of North America.

Steve, did you want to come in?

**Mr. Steve Verheul:** No, I think you really captured it, Michael. The Line 5 issue is really about maintaining that particular avenue, as you mentioned.

We do have a number of efforts under way to try to make sure that the new opening we have with the U.S. administration gives us the possibility of putting in more value added on the Canadian side when it comes to some of these resources that we're selling around the world. I think that's something we're focused on quite intently in terms of trying to maximize our benefits on that front.

**Mr. Daniel Blaikie:** When we look at the question of buy America, I think everybody around this table would share a sense of disappointment that we don't have a blanket exemption to buy America. I know many of us were hoping to see that come out of the last rounds of negotiations in CUSMA, for instance.

I'm wondering, given that we talk about partnership on climate change and the extent to which the North American economy is integrated, if we're not able to secure a blanket exemption from buy America policies. In particular, with climate-friendly initiatives—whether it's electric bus manufacturing in Canada or other kinds of industries and products Canada has to offer that would contribute to this united front in the battle against climate change—do you see those as being an avenue for securing certain types of exemptions from buy America by way of climate, if we're not able to do it across the board? Has there been any discussion along those lines to date?

**Mr. Steve Verheul:** Michael, I'll go ahead on this, if that's okay.

Yes, certainly with respect to buy America, I think our getting a complete exemption from the buy America provisions is something that's not likely to be politically possible in the U.S. We are taking an approach through which we're trying to focus on specific areas of interest, specific areas on which we can work with the U.S., and start to develop areas where we can put a lot of value added.

When it comes to buy America, we're looking at key sectors. We're looking at where our key objectives are. When it comes to the whole issue of climate-friendly processes or products, that's a major focus we're looking at. That's, I think, where we can very easily align with the U.S. to demonstrate that those markets, like many others, are very integrated, and that we can produce a lot of those types of goods and services together. We're much more reliable suppliers to each other than, potentially, other countries might be. That is a major focus at this point.

• (1605)

**The Chair:** Thank you, Mr. Blaikie. That ends round one.

We will now begin the second round, with Ms. Alleslev for five minutes.

Go ahead, please.

**Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, CPC):** Thank you very much.

Thank you to our witnesses for such an important conversation.

I'd like to start with some of the thoughts around COVID and the comments you made around its being a priority on the to-do list. Up until now, we've had a co-operative agreement between the U.S. and Canada on the production and procurement of critical medical supplies. I'm wondering whether the conversation has begun around how we might secure some of the vaccines that are currently being produced in the U.S. Could you share the progress on that conversation?

**Mr. Michael Grant:** Thank you very much for the question. I'll take a crack. Then if Steve wants to come in, that's fine.

Just to go back to the road map and the discussions last week, I think what you see is a pretty comprehensive engagement on all things COVID. That includes ministers and officials from a slew of departments, whether on the health side or the border side, just really ramping up their engagement.

When it comes to vaccines, to my understanding we have an agreement with a company for the provision of 20 million doses of vaccines from the United States. As it stands, we're looking forward to those deliveries. We have not seen anything to indicate that there would be any disruption to that.

Steve, do you want to come in?

**Mr. Steve Verheul:** I will, only to add that certainly, as you've described, Michael, on the vaccine side there's work going on.

The issue that I'm more focused on and that some of our teams are more focused on is how we make sure we're in the same space as the U.S. when it comes to what we're both going to be doing on COVID recovery and the economic issues related to that—the whole issue of building back better, which also draws in the environmental and climate change issues that have been mentioned be-

fore. The integrated economy and resilient supply chains are the kinds of issues we're focusing on. Obviously, vaccines are a priority, but there's much more we're doing with the U.S. in relation to COVID and its implications.

**Ms. Leona Alleslev:** Perhaps you could share some of the terms and conditions. What will the criteria be in terms of your conversations with the U.S. about when and how the border will open up?

**Mr. Steve Verheul:** Well, we have not set a specific point in time for when the border will open up. As you know, the border is open for essential services now, so we are having trade going back and forth to a very significant degree. What's being restricted is people coming back and forth across for more personal reasons or visits or vacations and that kind of thing.

We're focused on making sure that the economic trade that goes back and forth between Canada and the U.S. is preserved—and it has been preserved—but we're still restricting the travel for other reasons, and we intend to continue to do that.

**Ms. Leona Alleslev:** My question, sir, was around the criteria and conditions, because there are businesses in my riding indicating that there still are challenges, significant challenges, in getting across the border. It is impacting their ability to do business and their economic security and viability.

Canada needs the border to open up, not at the risk of any kind of health safety, so we recognize there's no time, but the real question is, what are the conversations and what are the criteria that we'll use? How will we know when we might be able to...? What kinds of things need to be in place, be they numbers of vaccines or numbers of infections? Give us an idea so that we can start to understand what those criteria and milestones need to be in the conversations you're having with the U.S.

• (1610)

**Mr. Steve Verheul:** Well, that's certainly something that's beyond where I work. I'm focused more on the economic side of things and am not involved in those kinds of issues. I know that when there are issues related to companies or businesses that are trying to get back and forth across the border, there are processes in place to try to ensure that we are allowing that trade to continue.

When we'll get back to normal and all of those other kinds of issues are more up to the health authorities, and certainly more up to other people who are more directly involved in those issues than I am.

**Ms. Leona Alleslev:** But in order to understand our economic future, we'll need to have some conversations about what those criteria are, so I'll look forward to any information that you might get on that topic in the future.

Before we leave that, could I talk quickly about the strategy to strengthen supply chain security? Could you give us some insight into how you define supply chain security and, therefore, what some of the key elements would be around that strategy?

**The Chair:** Give a 15-second answer, please. It's just about your time.

**Mr. Steve Verheul:** I'm sorry, Michael. Did you want to take that?

**Mr. Michael Grant:** It's over to you, Steve.

**Mr. Steve Verheul:** Okay.

Well, when it comes to supply chain security, we are having ongoing discussions with the U.S., because I think both of us are concerned about the kinds of disruptions we saw, particularly in the earlier stages of the pandemic, and we want to make sure that doesn't happen again.

We're having discussions about how we can make sure that our supply chains are going to be more secure, how we can ensure that our own integrated markets can perform a lot of those functions, and how maybe we can expand that even further so that we can have full confidence in each other in terms of having secure supply chains. It's really about looking at where you're getting your supply from—and we are certainly a secure supplier—and looking at countries where you may not have that same level of comfort and seeing whether there are other options. Those are the kinds of issues that we're looking at now.

**The Chair:** Thank you, Ms. Alleslev.

Mr. Sarai, you have five minutes, please.

**Mr. Randeep Sarai (Surrey Centre, Lib.):** Thank you, Chair.

Thank you to the witnesses. I want to commend you for always coming out to these trade-related committees and giving your well-thought-out answers and insights into what's happening.

I agree with what Mr. Grant said, and Mr. Verheul as well, which is that we don't want to antagonize our neighbours to the south and that, hopefully, we'll work out a diplomatic or a negotiated solution. There are provisions, I believe, under ISDS. We still have three years under USMCA and other protective measures under our trade agreements so that we can protect such arrangements.

My curiosity, when it comes to Line 5, is whether the Governor of Michigan is more concerned with just that one particular area, the Straits of Mackinac component. I understand there's a permit that the state has given for tunnels underneath to have it more protected there. Is her attitude on this that if that is done, she's okay? Is she forcing this decision to get the replacement in place—and if that is done in a satisfactory manner, she doesn't have an objection to the line overall—or is her objection to the complete line and fossil fuels in general?

**Mr. Michael Grant:** Thank you very much for the question.

Far be it from me to speak on behalf of the Governor of Michigan, but from our assessment, the concern is over the Line 5 that passes under the Straits of Mackinac. There has been a process under way to get approvals for the tunnel that would eventually re-

place this line, with essentially building the tunnel and then putting a new pipeline underneath. That process is proceeding.

As I understand it, Enbridge estimates that in the best-case scenario, that would only come online in 2024, hence the concern over a disruption between the ceasing of Line 5 and when that comes online.

That's our understanding of it, and yes, there are various provisions that we could turn to. As I've said, we are looking at all options, and we will ensure that all options that are needed are employed in order to find a resolution to this issue.

• (1615)

**Mr. Randeep Sarai:** Thank you.

My next question would be predominantly in terms of buy America federal procurement and infrastructure projects. What is the dollar figure that is at risk for Canadians and Canadian businesses that are already doing procurement or infrastructure building in the U.S.? What's the risk we're facing, so we can quantify it and know how much energy to put into this?

**Mr. Michael Grant:** Go ahead, Steve.

**Mr. Steve Verheul:** It's very difficult to actually quantify that risk. I think, with the initial executive order that President Biden announced, we are largely exempt from the provisions related to buy American, under that provision, so we're not too concerned about that, or at least not as concerned.

What we're more concerned about is the upcoming infrastructure bill that the administration is working on, which could include up to two trillion dollars' worth of infrastructure spending, much of which would go down to state governments and municipal governments. We do not have a waiver with respect to those kinds of products. Unless we get this right or unless we get some kind of special considerations or exemptions or waivers, we would lose the opportunity to be able to compete on projects under that infrastructure bill, which obviously is quite large.

However, we are focused on talking to the U.S. about this. They've indicated that there's an open door to consult on potential implications. They recognize the integrated market and the kind of disruption they could cause by insisting on buying American across the board, so we're going to be taking a very detailed look at all of this to ensure that our interests can be covered off under this infrastructure bill once it's approved in the U.S.

**The Chair:** You have 15 seconds, Mr. Sarai. You have time for a quick question.

**Mr. Randeep Sarai:** They may be able to do something in terms of content or quantity, just as with cars, if a percentage is American-built. Obviously, the material—concrete, steel, etc.—would mostly be from the United States, but if Canada can get an exemption so that we're probably providing more services in that regard, is that something we're looking at?

**Mr. Steve Verheul:** It is. We do think that.... Well, we will be certainly making the case that the U.S. doesn't produce enough steel or aluminum on its own. There are issues around concrete. There are issues around transportation infrastructure and waste-water management and all those kinds of issues where Canada supplies a lot of important elements to the U.S. We will be looking to try to work something out that works in both of our interests and maintains the integrated market in those areas.

**Mr. Randeep Sarai:** Thank you.

**The Chair:** Thank you, Mr. Sarai.

[*Translation*]

Mr. Savard-Tremblay, you have two and a half minutes.

**Mr. Simon-Pierre Savard-Tremblay:** Thank you.

Since the presentation touched on the issue of vaccines, I want us to take a step further in terms of the agreements with the United States on this matter.

The last time I checked, most of the doses weren't coming from the United States. Have we made any progress on that front? Have there been any developments?

**Mr. Michael Grant:** Thank you for your question. I'm not an expert on this matter. However, I believe that we have a contract with an American company for the purchase of 20 million doses. I don't have the exact details of when and how things will proceed.

I believe that there aren't any issues with the contract. So far, there haven't been any issues with the vaccines that come from other countries and that go through the United States either.

• (1620)

**Mr. Simon-Pierre Savard-Tremblay:** The previous American administration passed an executive order that gave Americans priority access to vaccinations. Unless I'm mistaken, the order is still in effect.

Do you know whether any steps have been taken in this area, at least for instances when it's harder to obtain supplies from Europe or other countries?

**Mr. Michael Grant:** During last week's meetings, our two countries agreed on the importance of protecting our populations. We'll continue to do so. For now, this includes vaccine procurement. The contract is between the Government of Canada and a private company.

We'll continue to monitor the situation. We must make sure that Canadians have access to the vaccines.

**Mr. Simon-Pierre Savard-Tremblay:** You said that the agreement is between the Government of Canada and an American company. If you're saying that you don't have the expertise to answer my question, I completely respect that. That's fine. You said that,

despite the American order, there wouldn't be any issues with the delivery of the 20 million doses.

Is that right?

[*English*]

**The Chair:** Could we have a very short answer?

[*Translation*]

**Mr. Michael Grant:** I can say that both governments agree that our two populations need vaccine protection. At this point, we don't see any issues with the contract between Canada and the American company.

Since this issue is very significant, we'll continue the dialogue with the American authorities.

**The Chair:** Thank you, Mr. Savard-Tremblay.

[*English*]

Mr. Blaikie is next.

Go ahead for two and a half minutes, please.

**Mr. Daniel Blaikie:** Thank you very much.

When we talk about supply chain resiliency, particularly for things like medical equipment and services, I'm wondering what the nature of the discussion is. One of the things we saw early on in the pandemic was interference by the States with the provision of some PPE, which was cause for concern. I don't know that there is anything you can do to completely eliminate that concern, except to have, as part of your strategy, the production of certain necessary items like that in your own country.

I am wondering about the extent to which we are talking about having supply chains within North America. Are we actually talking about sitting down at the table to have a strategy to ensure that a sufficient amount of those things is actually being produced in Canada, as part of a strategy to ensure that we have adequate supply on the continent but each partner is actually producing some of what's needed? That way we will not just be talking about hoping to have another agreement that we can have faith in and then seeing what happens when a crisis occurs, as we've already seen. We've seen how that can go sideways.

I am wondering if we're actually talking about having a plan, particularly for certain types of goods, as we've seen recently, so that we're not just hoping that things will go well when a crisis occurs, but we actually have a mutually agreeable plan to ensure that countries are able to look out for their own interests as well and aren't simply reliant on manufacturing capability outside their own borders.

Could you speak a little bit to the nature of the discussion and the extent to which that's part of it?

**Mr. Michael Grant:** Steve, would you like to take that?

**Mr. Steve Verheul:** Well, I haven't been directly involved in a lot of that. I think what we have been looking at is that the U.S. has indicated an openness to have further discussions in that direction. When we look back at what we did on PPE and ventilators early in all of this, we did succeed in making sure we had a consistent supply from the U.S., despite some concerns at the time. We did get that supply. There are ways for us to work this out, but I think it will involve further conversations.

As to what we can produce at home, I think most governments around the world are now looking at what they consider to be essential in terms of domestic production, to avoid some of the complications we found during this crisis. Obviously, that exploration will continue, and it will continue in Canada as well, but that's a bit more of a long-term issue.

• (1625)

**The Chair:** Thank you, Mr. Blaikie.

We will go to Mr. Strahl for five minutes, please.

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Thank you, Mr. Chair.

My question is regarding the softwood lumber agreement. Prime Minister Trudeau has now been Prime Minister under three different U.S. administrations. I think, certainly from our perspective, he missed a great opportunity to negotiate a softwood lumber agreement with President Obama. The last four years have obviously been more challenging in terms of trade, but now with this reset, as was mentioned, or the new road map, I don't see anything in the road map about softwood lumber.

Are we once again putting that on the back burner, or do you have a mandate to negotiate a new softwood lumber agreement for Canadians?

**Mr. Steve Verheul:** We are certainly prepared to enter into negotiations with the U.S. on a new softwood lumber agreement at any point in time. The challenge we have is that we don't have a willing partner on the other side. That may change as the U.S. administration gets more up to speed and as we have the new USTR confirmed and she starts to take on a lot of these files, but over the last number of years there has been no appetite on the part of the U.S. to enter into a negotiation. The U.S. industry continues to press them not to enter into such negotiations.

That's the reason we have been taking the approach of continually challenging U.S. decisions on softwood lumber duties and largely winning in most of those cases. We now have six cases under way, both at the WTO and under our CUSMA agreement. We're building up pressure to try to convince the U.S. to re-enter a negotiation, but so far we have not had a willing partner on that side.

**Mr. Mark Strahl:** Are either of you aware of whether the Prime Minister raised the issue of softwood lumber with President Biden on either his initial call or during the bilateral meetings?

**Mr. Steve Verheul:** I'm certainly aware that it was raised. I'm not sure in which context. I think it was raised in more than one context. I wouldn't want to state definitively whether the Prime Minister himself raised it or not. I would expect so, but I'm not entirely sure.

**Mr. Mark Strahl:** Okay. I didn't see it in either one of the read-outs or in the reporting on it from the Prime Minister's Office. Perhaps it was raised and just not reported.

I have seen some analysis that says the "America first" procurement policies of President Biden could hit us harder than the provisions in Trump's renegotiated NAFTA. Do you agree that if they were to shut down or severely limit the ability of Canadian products or producers to engage in U.S. infrastructure, it could have an even greater impact than some of the trade actions taken by the previous administration?

**Mr. Steve Verheul:** We don't really know yet, because we haven't seen any kind of details around what they might intend to do on infrastructure. I think what's important, and what we're taking as a positive signal, is that the U.S. administration has said that they want to consult with Canada as they move towards designing and implementing that particular program.

They are looking at the North American market as well. They are very much aware of the integration of our economies and that if they did have a strict buy America kind of approach, it would be costly, because we supply a lot of the goods that go into the products they are looking for.

**Mr. Mark Strahl:** Briefly, have you been given a mandate to fight back against buy America at the officials' level, or would it be similar to Keystone XL, where, once the U.S. administration makes a decision, the Canadian government just throws in the towel and accepts that result?

• (1630)

**Mr. Steve Verheul:** Well, I'm not going to comment on that, but I will say that what we're trying to do on buy America and buy American is make sure that we have the proper kinds of relationships with the new U.S. administration, so that we can have these kinds of conversations. They have opened that door, so we're starting to have them, and there's an openness to make sure they don't take actions that are going to cause damage to us in ways that we would certainly have difficulty with.

There is an open door to try to work this out the best way we can, and that's what we're focused on, trying to make sure that we do not face the kinds of damages that we could potentially face if the U.S. were to go it entirely alone.

**The Chair:** Thank you, Mr. Strahl.

For the final questions, we'll go to Mr. McKay for five minutes.

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

Thank you, Mr. Grant and Mr. Verheul. Both of you are outstanding civil servants, and we deeply appreciate the work you put in.

I wanted to link two ideas and get your comments. The first idea has been rightly discussed here, namely, buy American. The second idea hasn't been discussed as much, and that is the security exemption we have, primarily for defence.

I want to ask the question in the context of a conversation I had earlier today with a representative of Boeing. That representative pointed out that Boeing has been in Canada for 107 years. He considers Boeing to be a Canadian company. Everyone on this call has seen the massive amounts of business that Boeing does, both back and forth. Some of Boeing's products, of course, fall within the security exemption of defence, but many of them don't fall within the exemption.

My first question is, are we defining, for the purposes of the trade arrangements between Canada and the U.S., security in too narrow a fashion, in that in fact our economies are so intimately integrated that the security exemption should not merely be related to items that are clearly defence-oriented?

Let me give you an example. Those of us who live in southern Ontario a few years ago had a huge blackout that lasted two or three days, primarily because of a failure of infrastructure in the United States. Now, that is a security failure, and of course, with the advances of cyber and artificial intelligence and things of that nature, this becomes a far greater risk to all of us and to our well-being.

I'm wondering whether there are areas of discussion that could be entered into, as you gentlemen sit at the table with your American counterparts, in that security is at this point too narrowly defined and it is continually bumping up against the risk to both of our nations.

**Mr. Steve Verheul:** Do you want me to start, Michael?

**Mr. Michael Grant:** Yes, please.

**Mr. Steve Verheul:** Yes, I think that certainly is a point we've been thinking about quite a bit, because clearly on the defence side there are arrangements in place, and there is a much clearer kind of situation that exists there, but what we've been looking at most recently—and we've been having discussions with the U.S. about this—is the whole notion of security in a different sense: when we talk about supply chain security, when we talk about supply chain resiliency and when we talk about critical minerals we might supply to the U.S. and important imports we get from them.

It is security in a different kind of sense, but it is something that we're spending much more time on, because we both want to have secure sources of supply that would allow our economies to function without getting into some of the difficulties we've seen, and supply chain security can lead to that. With Canada and the U.S. being such long-standing, secure economic partners, it's ideal for the kinds of products we trade back and forth to have that kind of situation exist, where we're doing this on a security basis. It's definitely something that we've been talking about.

• (1635)

**Hon. John McKay:** Mr. Grant, do you have anything to offer?

**Mr. Michael Grant:** I would just add a thank you for the suggestion. I think it's creative thinking. As we begin what is clearly a new direction with the United States, looking at virtually all aspects of our relationship with a fairly high ambition level, that's certainly a creative idea that we can inject into the discussions going forward.

There are a lot of interrelated aspects to what you've put forward, including that we will soon be embarking on a review of NORAD and a modernization of NORAD, which will demonstrate the importance of our collective security. Again, it's a little bit apples and oranges, but I think it's a very interesting idea. Thank you.

**Hon. John McKay:** I understand that the negotiations with respect to NORAD and what—

**The Chair:** Make it a quick question, Mr. McKay.

**Hon. John McKay:** Okay. If I have an autonomous car, and there's a breakdown in a U.S. electricity grid and I end up in the ditch, that's a pretty major security concern that I have. If my water system is poisoned by a cyber-switch, that's a pretty serious concern, and it's a concern on both sides of the Great Lakes. I leave those as examples, real examples, for both of you.

Thank you, Mr. Chair.

**The Chair:** If I may have the indulgence of the committee, I would like to ask one question. It's more of a technical question to either witness.

One dispute with Line 5 is that the government revoked the licence for Line 5 in association with their department of resources. One argument that has been put forward by Enbridge is that they're regulated by a federal regulator, the Pipeline and Hazardous Materials Safety Administration.

Obviously, this has to play out in their internal courts system. I'm just wondering what we can do in the interim to support the process while this is going through the legal process. Could you give me a short answer to that?

**Mr. Michael Grant:** It's a very good question. I apologize, but I don't think I have the expertise to answer it specifically. I will only say that as we move forward, there is a process going on in the state court in Michigan as well as processes in the federal court. We look at this very much as a state-to-state issue and will continue to do so. We'll continue to work with Enbridge very closely going forward.

I think, on that particular issue, I'll have to defer a specific response. I know you'll be having other witnesses soon who may be able to provide that to you.

**The Chair:** On behalf of the committee, I want to thank both of you.

Mr. Strahl?

**Mr. Mark Strahl:** Forgive me. I think we all want to thank the witnesses.

On a point of order or clarification, the email notice we received indicated that the witnesses would be here till 5:10 eastern time. Then I noticed perhaps a different notice. I just want to get some clarification.

Obviously, we have two or three members who haven't had an opportunity to ask a question. If the witnesses have to go, they have to go. If there were time to go for at least one more round so Mr. Lewis from our side.... I see Mr. Housefather and Ms. Romanado. I think we could easily do five minutes for each. Then everyone would have had an opportunity to participate.

Again, depending on the availability of the witnesses, I would seek the unanimous consent of the committee to allow for those three members to have a five-minute round each.

**The Chair:** Is that okay with everybody?

**Some hon. members:** Agreed.

**The Chair:** Which names did you say? It was Mr. Lewis, Ms. Romanado and who else?

**Mr. Mark Strahl:** It was Mr. Housefather, I believe. I'd like to advocate for him as well. Then everybody would have had an opportunity to participate.

**The Chair:** Okay, so that's for five minutes each.

Are the witnesses okay with staying?

**Mr. Michael Grant:** Yes, absolutely.

**The Chair:** Okay, so why don't we go to Mr. Lewis for five minutes?

**Mr. Chris Lewis (Essex, CPC):** Thank you so very much. I certainly appreciate that. Thank you for the time. I'll make it as worthwhile as I possibly can.

Thank you very much, witnesses, and thank you to the committee for allowing me to speak.

My riding of Essex sits very, very close to the busiest international border in North America. The movement of goods—commerce, if you will—truly goes hand in hand with the movement of people. What I mean by this is that here in Windsor-Essex, in manufacturing and auto and the space industry we are losing business. We are losing jobs hand over fist.

Earlier on, one of the witnesses—forgive me, but I forget who it was—mentioned that there's a process in place at the border. I'm not sure if that process is really very strong. What's happening is that we cannot get our American counterparts onto our shop factory floors in Windsor-Essex to look at a part. Just last week they literally took an electric seat out of a car and had to ship it over to Canada. That takes days. So we're losing contracts.

Has there been any discussion between the Canadian and the U.S. governments with regard to broadening the definition of “contractual obligation”? Our Canadian industries, manufacturing companies, are losing business because they are under contractual obli-

gation to have people from the U.S. come to the shop floor, look at the part and approve it to the tune of maybe two hours. They then go back home and wait in quarantine for 14 days. I believe they should be essential. I'm wondering if there's been any discussion around really broadening that definition—again, we're not asking about busting the borders open—to allow for the contractual obligation.

I would ask either witness to please respond to that.

• (1640)

**Mr. Michael Grant:** Maybe I'll take a crack, and then Steve might want to come in.

As Steve mentioned earlier, since the border measures were put in place, they included provisions to allow essential workers and essential goods to continue. This includes moving goods back and forth across the border. At the same time, I think your point is very well taken. There obviously are some companies that have been affected and haven't been able to have visitors or technicians come in. I know that's something we have looked at.

I do know that in some instances, where it's getting to the point of national interest and there has been a need for technicians to come in, there are some provisions available to allow that to happen. I'll give you one example in that regard. It perhaps doesn't exactly fit yours, but it might serve to illustrate it. Canada, of course, is an aerospace leader. Whether in the production of airplanes or whether in simulators, Canada is the only place where some of this can be acquired. The folks who need these services or who are acquiring these products had to come into Canada, and there were exceptions made away from the 14-day quarantine. I can't speak to exactly the examples you raised, but there have been instances to allow that to happen.

The last comment I'll make is that the arrangement with the United States, as everyone knows, has been reviewed on a monthly basis and has been extended every month. Now the additional provision about people entering Canada having to go through testing is in place until April 30. These are measures that are reviewed on a regular basis. I think everyone wants to see them eliminated as soon as possible, but it will be very much guided by the science and by those experts who will be able to tell us when the time is right to begin to relax them.

Your point is very well noted in terms of the critical industries and the need to get access to specific people in order to keep sales moving.

**Mr. Chris Lewis:** Thank you.

I know I'm going to run out of time here, Mr. Chair. Can you give me an idea of how much time I have left?

**The Chair:** You have 40 seconds.

**Mr. Chris Lewis:** Thank you.

Thank you very much for the answer. I appreciate that.

We're talking to the tune of somewhere in the neighbourhood of 200 to 300 individuals when I'm talking about this locally. I'm trying to look at it from a hundred thousand feet, but locally, as an example, these are 200 to 300 individuals in order to save a hundred million dollars' worth of the economy, of commerce and trade.

I really think we need to focus very strongly not only on how we can save jobs, create jobs and create the economy, but on these people, who in my opinion need to be deemed essential. I used to work in the United States myself. I had an L-1A visa for years. There are about 8,000 to 10,000 visas out there that are being affected. It's very serious, and we need to hit it with a really big baseball bat.

Thank you, Mr. Chair, for indulging me with this time.

• (1645)

**The Chair:** Next we have Mrs. Romanado, please, for five minutes.

**Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.):** Thank you very much, Mr. Chair, and thank you to our two witnesses.

I don't want to repeat some of the questions that my colleagues have asked, but I do want to focus on two issues.

The first one is that the President of the United States just said publicly—I want to make sure I don't get it wrong—that the U.S. will now have enough vaccines for every American adult by the end of May. Further to comments from my colleague MP Alleslev regarding criteria for reconsideration of border openings, I know you mentioned that we do this on a monthly basis, usually on the 21st of the month.

Since we've heard reports that the United States would not provide vaccines to Canada until all of their citizens are vaccinated, can we anticipate that given this new information regarding vaccine rollouts in the United States there is a possibility of increased collaboration with respect to procuring vaccines from the United States as of the end of May?

**Mr. Michael Grant:** Thanks for the question.

I apologize. I'm not involved in the procurement of vaccines, so I wouldn't have those details.

**Mrs. Sherry Romanado:** Given the fact that during the bilateral meeting this is something that was of course top of mind, and given our continental security, I would anticipate that this will be a conversation between Canada and the United States with respect to increasing access to vaccines. Is it safe to assume this?

**Mr. Michael Grant:** I think that's a safe assumption. I also think it's a safe assumption that Canada will continue to pursue vaccines that have been approved by Canada wherever they may be available.

**Mrs. Sherry Romanado:** Thank you.

I want to go on now to comments made by my colleague MP McKay.

I had the opportunity in 2016 to visit NORAD as part of the national defence committee. I spent the first four years of my first mandate on the national defence committee. Can you talk a bit about that important relationship with respect to NORAD? We

know that the North Warning System is looking at an upgrade. Canada is in a search for fighter jet replacements, and we know there are two companies that are in the running in the United States for possible replacements.

Could you elaborate a little more on the importance of defence, our continental defence, and also on the importance of looking at that from a holistic point of view with the relationship with the United States?

**Mr. Michael Grant:** Sure.

As I think everybody knows, NORAD is arguably the closest defence relationship in the world. It has served us very well for decades now, and it's not surprising that we're going through a period of reflection and modernization. The world has changed, and it's important that NORAD remain modern.

This gives us a great opportunity, especially now, as I've mentioned, with the two governments in significant alignment. It gives us a great opportunity to look at all aspects of our collective security. I'm not the expert on fighter jets, so I won't go there, nor on the North Warning System, but these are key aspects of that relationship.

I think that not only does it serve our clear interests in terms of our security of North America, but it sends a very strong signal to the world of what Canada and the United States stand for together.

**Mrs. Sherry Romanado:** Thank you.

Finally, I want to touch on the possible provisions you mentioned we were looking at in terms of Line 5. What are some of those possible provisions in the event that this agreement between the Michigan governor and Enbridge for Line 5 doesn't, unfortunately, happen? What are the provisions that Canada is looking at in terms of making sure supply is not cut off?

• (1650)

**Mr. Michael Grant:** To reiterate, our objective is to find a resolution to this issue. There are processes going on in the state court and the federal courts. They have a life of their own. We're following them. We're looking at whether and how the federal government needs to be involved in those. At the same time, we have stepped up our engagement and advocacy across the board in the key states and with the federal government.

In terms of the provisions, we've talked already about the 1977 treaty. We've talked about NAFTA and about CUSMA. All I can say is that we are busily looking at all potential provisions to see what may be needed and how it could be employed. We're doing so and working very closely with Enbridge and with the provinces.

**The Chair:** Thank you, Mrs. Romanado.

For the final five minutes, we will go to Mr. Housefather, please.

**Mr. Anthony Housefather (Mount Royal, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Strahl, for suggesting this. I appreciate having the chance to ask a couple of questions.

Thank you very much to both witnesses. I very much appreciate your service.

Most of my questions will focus on Line 5, but I have one question on vaccines. We talked a little bit about AstraZeneca and the 20 million doses that we expect to be shipped from the United States. My understanding is that both Pfizer and Moderna were unable to ship from the United States based on an executive order. Am I incorrect that it's an executive order prohibiting vaccine shipments from the United States? Is it merely exclusivity agreements between the government of the United States and Pfizer and Moderna related to domestic shipments from their U.S. plants?

Is there indeed some executive order related to vaccine shipments from the United States that we need to worry about?

**Mr. Michael Grant:** Again, I'll add the caveat that I'm not involved in the direct procurement of vaccines, so I'm probably not the best person to ask about all of that.

As of now, Canada has an arrangement with AstraZeneca to provide 20 million doses. We are watching very carefully and engaging with the federal government in the United States. Our expectation is that this will be upheld, but as it is an extremely important and serious issue for all Canadians, we need to continue to be engaged.

**Mr. Anthony Housefather:** I understand, but again, my question is this: Is there an executive order that we're seeking an exemption from related to AstraZeneca, or is there no [*Technical difficulty—Editor*] able to somehow come to an agreement with Pfizer and Moderna to ship from the United States that we could do so, or is there a contract between the United States and Pfizer and Moderna for exclusivity, which means we need United States approval to get Pfizer and Moderna but not AstraZeneca? That is my question.

**Mr. Michael Grant:** I'm afraid I don't have the specific answer. All I know is that I believe the arrangements are in place.

Steve—

**Mr. Anthony Housefather:** Would you be able to get back to the committee with that in writing so that I can go to my next question? Thank you so much.

When it comes to Line 5, who is advising the Government of Canada from a legal vantage point? If this committee wants a witness to advise us as to the Government of Canada's legal position—not Enbridge's, but the Government of Canada's—who would be the best witness for that? Who is advising us?

**Mr. Michael Grant:** There is a collective effort amongst Global Affairs, Natural Resources Canada, Justice and others. I think if the request was made, the right officials would be found.

**Mr. Anthony Housefather:** Thank you so much.

In regard to our position with respect to common cause, I understand that what you're saying is that because Pennsylvania and Ohio are also supplied by Line 5, we're engaging with the executive in those states to try to help us convince the executive in Michigan that their decision with respect to Line 5 should be reviewed and hopefully reversed. Are we engaging with the Michigan legislature? Are we engaging with the Republican majorities in both chambers of the Michigan legislature that have not agreed with the governor's decision?

**Mr. Michael Grant:** I can say that we're engaging with all of the above—legislators, executives, key industry representatives and representatives of labour. It's quite comprehensive.

**Mr. Anthony Housefather:** Labour is a huge help here from both sides of the border, absolutely. Just to come back, though, is it Canada's position that the Michigan legislature has the power to override the executive decision in Michigan, or do we take no position on that?

• (1655)

**Mr. Michael Grant:** That may be a good question when you bring in the legal experts. We see this very much as an issue between Canada and the United States. Federal law does take precedence over state law in the U.S.

**Mr. Anthony Housefather:** That's a good reason to get the legal briefing.

I have a final question, Mr. Chair. Again, I want to thank Mr. Strahl for proposing that we get to ask questions.

With respect to this committee's role, we are legislators, so we have the right to engage with other legislators and not just with the executive branch, where I understand the federal government may indeed be limited. Would you recommend that this committee seek to develop some relationship with and engage with counterparts in the legislature in the state of Michigan in order to advance directly to them our position on Line 5? Is that something the Government of Canada would support?

**Mr. Michael Grant:** I would say that this is very much a team Canada issue between the federal government and provincial governments. I think the more voices that are heard on this issue, the better.

**Mr. Anthony Housefather:** Thank you so much.

Thank you so much, Mr. Chair.

**The Chair:** Thank you very much, Mr. Housefather.

I want to thank the witnesses for starting off this study in a very positive and informative way. We really appreciate the time, and especially your accommodating our request to stay longer. We look forward to maybe inviting you back again for further assistance on maybe another study.

Thank you very much.

**Mr. Michael Grant:** Thank you.

**Mr. Steve Verheul:** Thank you.

**The Chair:** We will now suspend the meeting and switch to the in camera portion. *[Proceedings continue in camera]*

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