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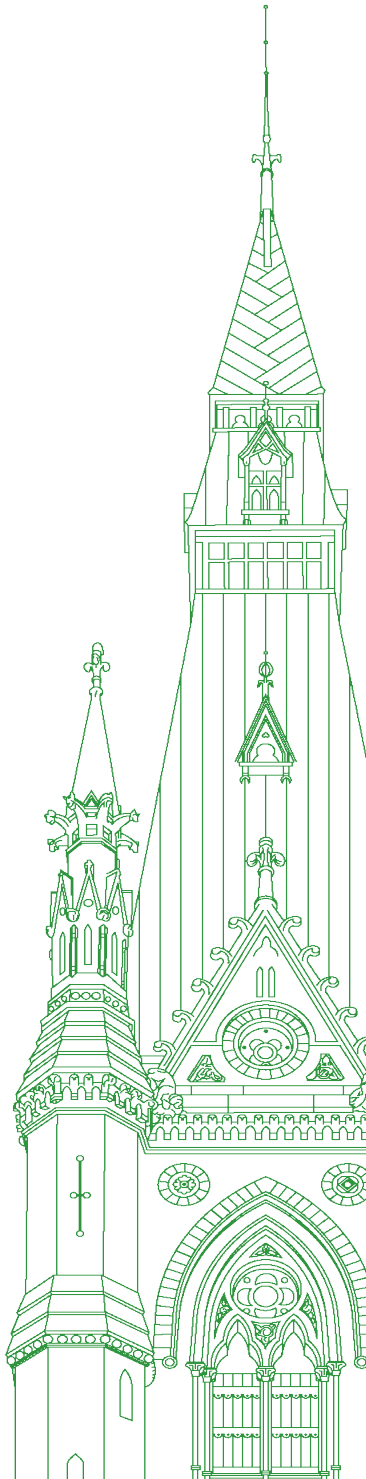

Chair: The Honourable Wayne Easter

Standing Committee on Finance

Tuesday, June 1, 2021

● (1600)

[*English*]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We will officially call the meeting to order.

Welcome to meeting number 52 of the House of Commons Standing Committee on Finance. Pursuant to the House order of reference of Thursday, May 27 of this year, the committee is meeting to study Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on April 19, 2021 and other measures. Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25. Therefore members are attending in person in the room and remotely by using the Zoom application.

With that, we will get right to it.

I should mention to committee members first, maybe, that the biweekly reports that the committee called for in early April should be in their inboxes now. That's just for their information.

We will start. We finished clause 170.

(On clause 171)

The Chair: To bring us up to date, we're on division 7, Proceeds of Crime (Money Laundering) and Terrorist Financing Act. I believe Erin O'Brien is here again. She'll be on deck on this one. As director general of the financial services division, she'll be the lead on divisions 7, 8 and 9.

Are there any questions on that, or any explanations?

Go ahead, Ms. O'Brien.

Ms. Erin O'Brien (Director General, Financial Services Division, Financial Sector Policy Branch, Department of Finance): Good evening. It's nice to see you again, Chair.

Clerk, are we able to dial in Justin Brown and Gabriel Ngo? They're the experts on this division.

The Chair: There are Mr. Brown—welcome, sir—and Mr. Ngo.

Could you give just a very quick statement on clause 171? We'll go through all these clauses until we get to division 8, and then we'll see if there's any ability to move a group of clauses at once.

On clause 171, would you give an explanation, please?

Mr. Justin Brown (Acting Director General, Financial Crimes Governance and Operations, Financial Systems Division, Financial Sector Policy Branch, Department of Finance): Thank you.

I would just remind you that these clauses deal with the government's work to continually strengthen and modernize its anti-money-laundering and anti-terrorist-financing regime. At the previous testimony we spoke to earlier clauses that would implement a cost recovery model for Canada's anti-money-laundering and anti-terrorist-financing regulator and financial intelligence unit, FINTRAC, to recover its compliance costs from reporting entities.

Clause 171 is the regulations-making power of the act, which would enable the regulations that would detail the cost recovery scheme for FINTRAC's compliance activities.

● (1605)

The Chair: Okay, and I think we're at about page 196 or 197 in the bill, for anybody who's trying to monitor the bill as we go.

Mr. Kelly.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): There are many businesses that are subject to FINTRAC compliance. Can you give an example of how cost recovery from industry works and what that looks like? That's especially regarding small businesses that are required under the act—certain small businesses, anyway.

Mr. Justin Brown: Sure. The details of this specific model would be largely prescribed in regulations, so I can't say what the exact details of this would be. FINTRAC, in undertaking its responsibilities to ensure compliance with Canada's anti-money-laundering and anti-terrorist-financing rules, undertakes certain activities. It monitors compliance, keeps records and has different obligations from reporting entities. It does a variety of outreach. There are over 20,000 different reporting entities under this piece of legislation, from very small to very large. The idea is that the different types of businesses, those reporting entities, derive a benefit from the products and services that they sell for profit, so they have a role in paying for the oversight of the risks that are brought by those products and services.

While the details of the regime would be spelled out largely in regulations, we intend to consult with the reporting entities in advance of going through the normal Canada Gazette process, to obtain their feedback on the details of the proposed model.

Mr. Pat Kelly: I'm sorry. I don't want to dwell too much on this. The reason I ask the question is, your response is yes. Businesses derive profit from business activity that is regulated under FINTRAC and thus must pay. I think that is what you said.

However, smaller businesses really struggle with compliance that is easier, for economies of scale and expertise, in a large corporation. Regulation eventually—sometimes, in some cases— becomes anti-competitive because of the difficulty that small businesses have with compliance. FINTRAC has been an irritant to many small businesses with their fear of non-compliance, their ability and not always having the right expertise to comply.

I raise it as an issue because I want to know what the compliance meant and what new fees or costs are being imposed through this, but it sounds like that's not yet determined.

Mr. Justin Brown: That's correct. The specific model has not yet been determined.

I would just reinforce that we will consult with all of the reporting entities in advance of proposing a specific set of regulations. While I can't speak to where that discussion will land—that ultimately will be a decision by the Governor in Council—I think it's reasonable to expect that the large proportion of the costs under this cost recovery scheme would go to the bigger users. These are the entities that have the greatest volume of transactions. They are typically quite large institutions and typically large financial institutions.

Mr. Pat Kelly: Thank you.

The Chair: Mrs. Jansen.

Mrs. Tamara Jansen (Cloverdale—Langley City, CPC): I'm not a hundred per cent sure this is the right place to be asking the question. How would FINTRAC investigate a suspected money laundering and terrorist financing offence involving virtual currency, given that blockchain provides anonymity to its users?

We were talking about this last time, I think.

Mr. Justin Brown: I think on anything blockchain- or virtual assets-related, I would bring in Gabriel Ngo, who has worked extensively on these questions. Gabe, are you able to respond to that question?

● (1610)

The Chair: Go ahead, Mr. Ngo.

Mr. Gabriel Ngo (Senior Advisor, Financial Crimes Governance and Operations, Financial Systems Division, Financial Sector Policy Branch, Department of Finance): Thank you, Chair, and thank you, Justin.

In short, the regulations coming into force are actually coming into force today, on June 1, 2021. They require businesses to keep records and submit transaction reports as they relate to virtual currency transactions. Those reports would have key identifying information, such as public key and transaction identifier numbers. Also, the business would be required to identify its clients and keep records. There would be a cross-reference between what's available on the blockchain vis-à-vis what's available with the private business. Law enforcement would receive these financial intelligence disclosures from FINTRAC. They would be able to get production orders and get that information directly from the businesses.

In short, there is a layer of anonymity with the blockchain, but because it is a public ledger and everything is immutable and transparent, law enforcement can work backwards. That would be the short answer.

Thank you.

The Chair: Mr. Falk.

Mr. Ted Falk (Provencher, CPC): Thank you, Mr. Chair.

I have a further question on cost recovery on FINTRAC reporting requirements. I was president of a very large credit union for 17 years. I know that FINTRAC compliance was a very significant part of the day-to-day activities of the credit union. It came at significant cost, as regards labour and dedicated staff.

I'm wondering what further implications this would have for credit unions across Canada.

The Chair: Who wants to take it?

Mr. Justin Brown: I'm fine to answer the question.

Credit unions are reporting entities under the act, so they would be subject to this cost recovery model once it is in force.

Mr. Ted Falk: Yes, I understood that they would be required to be compliant and implicated, but what, in essence, will that mean? They're already paying all kinds of staffing costs and incurring significant cost just to be compliant, but what do you mean by cost recovery? Are you going to be offloading or downloading the department's expenses onto credit unions?

Mr. Justin Brown: The compliance costs that have been mentioned relate to the costs the individual entities incur to implement and to be compliant with this act and the anti-money-laundering rules.

This law proposes that reporting entities would become responsible for paying for FINTRAC's compliance costs, which are the costs it incurs as a regulator to undertake those activities. It's comparable to what we've seen with other financial sector regulators, like the Office of the Superintendent of Financial Institutions, for example, which previously had a role in supervising anti-money-laundering compliance with federally regulated financial institutions. Some of those responsibilities have moved over to FINTRAC.

OSFI has a cost recovery model and so does the Financial Consumer Agency of Canada. We've looked at the different models of different financial regulators in Canada, and what's being proposed here is broadly consistent with that.

The Chair: I see no further questions.

(Clause 171 agreed to on division)

(On clause 172)

The Chair: Erin or Justin or Gabriel.

Mr. Justin Brown: It's still me, Chair.

By way of introduction, the next few clauses, 172 to 176, relate to strengthening penalties under the act and other changes for consistent language. There are different offences listed for contraventions of different sections under this act. The changes to penalties with respect to imprisonment would align to those under recent changes to the Criminal Code. The changes to monetary penalties are meant to establish consistency for the monetary penalty structure in the PCMLTFA for a summary offence and ensure that the maximum available penalty is consistently half of the monetary penalties for its indictable counterpart for the same offence.

It is important to note that although the maximum criminal penalties have increased, or are being proposed to increase, it does not impact the discretion of the judiciary to determine the appropriate penalty. Specifically, clause 172 amends the penalty on summary conviction when found guilty of an offence under subsections 74(1) and 74(2) to a fine of not more than $250,000 or imprisonment up to a term of not more than two years less a day, or both.

● (1615)

The Chair: Mr. Fast.

Hon. Ed Fast (Abbotsford, CPC): Mr. Brown, these are all maximums, correct?

Mr. Justin Brown: That's correct.

Hon. Ed Fast: You have suggested that this would not in any way impact the discretion of the courts in levying sentences. If we're looking at doing something substantive in addressing things like money laundering, why would we not look more carefully and increase the use of mandatory minimum penalties?

Quite frankly, I have yet to be convinced that limiting the discretion of judges in select cases is not an appropriate response. I have a legal background. I practised law for many years and I followed the law carefully over those years. I do not have an aversion in select cases to putting some parameters around the discretion that judges would have, especially for something as significant as money laundering.

On the role that FINTRAC plays, when you look at how foreign money and money laundering could be playing a significant role in the unaffordability of housing, why would we not revisit the issue of mandatory minimums?

I'd be pleased to hear your comments on that.

The Chair: I think it's more a policy decision of government, really, Ed, but if someone wants to take a stab at it, we'll go with it.

Mr. Justin Brown: I would concur that I don't think any of the officials here tonight are able to opine on the broader policy question. I would note, and, Gabriel, please correct me if I have missed something here, but the offences listed here and where those proposed changes relate to contraventions of this act, of the PCMLTFA—that is things like failing to report to FINTRAC or failing to follow a directive from the minister under this act—the Criminal Code would deal with the broader question of criminal activity.

I would suggest perhaps your question would relate more to the Criminal Code provisions of predicate offences than to violations of different publications with respect to complying with anti-money-laundering rules.

Hon. Ed Fast: Okay, I just want to follow up on my question, since the chair suggested that this was a policy decision that belongs in the political realm rather than within the bureaucracy. Has anyone in the political realm instructed anyone in your department that you are not to implement or craft legislation that would have mandatory minimums?

Mr. Justin Brown: That goes beyond my ability to testify. I apologize.

Hon. Ed Fast: For anybody who is on this call, has there been any direction, political direction, that you shall not use mandatory minimum sentences?

The Chair: I think that is above their level, Ed.

Ms. Jansen.

Mrs. Tamara Jansen: I'm just wondering this: How does this work with, say, a financial institution, when it comes to imprisonment? Who goes to jail? Is it the bank manager or the account manager? How does that work?

Mr. Justin Brown: It would depend on the investigation and what charges were brought against whom, which would lie with law enforcement and the public prosecutions group within Canada. The law, as it's written—and it's not being proposed to be changed—is “every person or entity”. The scope could cover either an individual or a legal person.

The Chair: Mr. Falk.

Mr. Ted Falk: My question is very similar to Ms. Jansen's. Having been around the board table of a credit union for many years, I know, for example, that they're required to be compliant with a very stringent set of FINTRAC requirements. If all of a sudden those requirements aren't met or if they're contravened, whether it's intentionally or inadvertently, who goes to jail? Is it the CEO, the board member? Do you lock up the credit union, bring in the paddy wagons and take them all away? What do you do? What are you envisioning?

● (1620)

Mr. Justin Brown: I would say, just recognizing the limits of my own expertise, that I am here as an expert on financial sector policy, not broader criminal law. I will provide a broad response, since it would be at the discretion of FINTRAC to indicate to law enforcement where it thinks there is a violation or contravention of these provisions. Law enforcement would then exercise its discretion to investigate.

Ultimately, it would be the decision of the relevant prosecution group to pursue those charges. At every step of the way, they would assess the context and use their judgment. At the end of that, there is the judiciary, which would use its discretion at the end of the day.

The Chair: All right.

(Clauses 172 to 176 inclusive agreed to on division)

(On clause 177)

The Chair: Now we have clause 177.

Hon. Ed Fast: On this one, Mr. Chair, if I could just ask one question of our officials....

The Chair: Yes.

Hon. Ed Fast: In 2017, there was an audit report done that found that FINTRAC had failed to meet legal reporting requirements. It's pretty concerning when FINTRAC itself fails to meet reporting requirements, especially in light of evolving technologies. Is it your assessment, as officials, that the amendments that we have just reviewed and passed on division, except for this last one, are going to address FINTRAC's obligations to report?

Mr. Justin Brown: I apologize, but I'm not immediately sure of the report of the audit to which you're referring. I know, for example, that FINTRAC gets assessed by the Office of the Privacy Commissioner every few years.

Hon. Ed Fast: That's the one.

Mr. Justin Brown: FINTRAC would take into account the recommendations of that audit and implement changes to bring its practices into compliance. I've had various conversations with FINTRAC. The protection of privacy is fundamental. Also, respecting charter rights is absolutely fundamental to this piece of legislation and to everything FINTRAC does. I can say without a doubt that it's at the forefront of everything it does.

The Chair: Thank you. Shall clause 177 carry, on division?

(Clause 177 agreed to on division)

(On clause 178)

The Chair: We'll go to division 8.

I'm not sure if Mr. Brown and Mr. Ngo are still here for that one.

Mr. Justin Brown: I think the two of us are done. Thank you.

The Chair: Okay, thank you, both, very much for appearing.

We'll go to Ms. O'Brien on division 8, starting with clause 178 on page 198 of the bill.

Ms. Erin O'Brien: Terrific. Thank you so much, Mr. Chair. I look forward to discussing these clauses with you and the committee.

Mr. Clerk, can I please ask that you also invite in Julie Trepanier, Richard Bilodeau and Manuel Dussault?

The Chair: While we're waiting, maybe it's pretty straightforward. If there are no amendments on clauses 178 to 188, is there unanimous consent to see them as one clause?

Hon. Ed Fast: No.

The Chair: Okay.

Do we have everyone here?

Hon. Ed Fast: Mr. Chair, I just want to be clear. This is not in any way an effort to try to delay this, but now we're dealing with a whole new piece of legislation, the retail payment activities act, which, by the way, probably the average Canadian can identify with more directly than the previous division we dealt with, because it's talking about retail payments and things such as digital wallets and making sure that how we deal with those is safe. Therefore, I think it's reasonable to expect that we would walk step by step through this.

● (1625)

The Chair: It's not a problem. It takes up a fair slice of the bill as well, as you would know.

Hon. Ed Fast: That's correct.

The Chair: Who is taking the lead on clause 178?

Ms. Erin O'Brien: Thank you, Mr. Chair. I will.

I certainly appreciate the enthusiasm and interest in terms of the retail payment activities act. I'm Erin O'Brien, director general of financial services at the Department of Finance. I'm joined by my colleagues, Richard Bilodeau, director general of the financial institutions division; Julie Trepanier, senior director of payments policy; and Manuel Dussault, senior director of framework policy, all within the financial sector policy branch at the department.

As has been noted, clause 178 would enact the retail payment activities act. The proposed act implements a new retail payments oversight framework that would promote growth, innovation and competition in digital payment services while ensuring that these services are provided on a safer and more secure basis for consumers and businesses.

As was noted, the retail payment sector enables millions of Canadians to send and receive money on a daily basis and plays a fundamental role in terms of supporting economic activity.

The proposed act would apply to payment service providers such as card networks, payments processors, money remitters and, as was mentioned, digital wallets. The act would require that these payment service providers safeguard end-user funds against losses and mitigate risks associated with operational failure that could disrupt their service.

The Bank of Canada would regulate payment service providers' compliance with the framework and maintain a registry of regulated payment service providers. The proposed legislation also includes national security safeguards that are modelled on the framework that applies to federally regulated financial institutions. These would enable the government to identify and respond to national security-related risks.

The proposed framework also recognizes that the federal, and provincial and territorial governments have complementary objectives and powers in this area. In particular, I would highlight two key elements.

One, the act and the framework do not apply to either federally or provincially regulated financial institutions, as these institutions are already supervised under a prudential framework. As well, the act includes a recognition mechanism whereby if a province or territory decides to develop comparable measures, the Bank of Canada could exempt a payment service provider from elements of this framework.

In conclusion, while the proposed legislation sets out the main elements of the framework, regulations and guidance will be required before it can be brought into force.

That provides a high-level summary of the key elements of the framework described in clause 178.

The Chair: Okay, we'll go with Mr. Ste-Marie, Mr. Fast and Ms. Jansen.

Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

Good afternoon, everyone.

Thank you, Ms. O'Brien, for your presentation.

I have a few questions for you. There seems to be an imbalance in this bill between the protection provided for transactions conducted through fintech companies and the protection provided at the federal level for transactions conducted through banks. I believe that the minister confirmed that she intended to eliminate this imbalance through regulations. Do you think that this is the case? Also, why go to such lengths to regulate instead of including provisions in the act?

I'll have more questions afterwards.

● (1630)

[*English*]

Ms. Erin O'Brien: Currently what is outlined in the act provides for two primary protections. One, as I've mentioned, is the safeguarding of consumer funds. In essence, what the act requires is that payment service providers cannot commingle their corporate operating funds with funds that clients hold on account. In that way, it will provide broadly greater protections for users of the system.

The second requirement will be in terms of managing operational risk, for instance, ensuring that payment service providers structure their offerings in such a way that there's reliance against cybersecurity risks and whatnot, so they are operating their systems in a safe way. This way, the act will make the provision of retail payment services safer for consumers and for business users.

It does not include requirements around market conduct, such as liability and disclosure and those types of consumer protections. That is envisioned as a future element of the framework. Given the complementary jurisdiction between the federal government and provincial and territorial governments, the intention is that we would collaborate in terms of the development of what those protections will be.

The nature of those protections is unclear at the moment. For instance, would they be regulations or would we use some other tool? Those elements are all to be determined and, as I said, would be done in close collaboration with not only provinces and territories, but stakeholders more broadly.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you for your responses. It seems that the bill isn't yet complete, since a great deal of work must still be done, either through regulations or through another bill.

Does Bill C-30, as it stands, provide any guarantee to an end-user who conducts a transaction through a fintech company that they won't be held liable in any way for an unauthorized electronic funds transfer?

I have two more questions for you.

[*English*]

Ms. Erin O'Brien: I might ask Julie just to correct me if I'm wrong, but to my knowledge, there is no requirement in the act that touches on consumer liability or providing any kind of final guarantee. As I said, that would be in an element of market conduct, and that is envisioned to come as an element of future work.

The Chair: Ms. Trepanier, do you want to add anything?

[*Translation*]

Ms. Julie Trepanier (Director, Payments Policy, Financial Systems Division, Financial Sector Policy Branch, Department of Finance): As Ms. O'Brien said, these measures aren't included in the act.

That said, the act includes requirements to reduce operational risks, which should lower the risks associated with these types of transactions, as Ms. O'Brien also noted.

Mr. Gabriel Ste-Marie: Thank you for your responses. However, I believe that this raises many concerns.

Bill C-30 seeks to resolve issues. We can see very clearly that the level of protection is being increased. However, I find that a great deal of work must still be done to ensure what I consider a proper level of protection.

I will ask two final questions about the bill.

What about the protection of personal information? How feasible is it to make cryptocurrency subject to the bill?

This concludes my questions.

● (1635)

[*English*]

Ms. Erin O'Brien: In terms of the protection of information and data, the general legal framework in Canada that provides protections for the privacy of data, PIPEDA, would continue to apply in this respect. There's nothing in the RPAA that would diminish those protections.

With regard to the coverage of cryptocurrencies, the RPAA would provide the government with authority to include coverage of cryptocurrencies or virtual currencies to the extent that they are used to make retail payments. To date, virtual currencies are not readily available in the retail payments marketplace. If and when they are, this act would give us the authority and scope to include them, as required.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you again.

[*English*]

The Chair: Mr. Fast.

Hon. Ed Fast: I'm on the same page as Mr. Ste-Marie. Quite frankly, I think the development and evolution of cryptocurrency will very quickly find itself in the payment services we're discussing right now. This is not far down the road. I expect this is just around the corner, where it will be much more common for cryptocurrencies to be used in payments.

Now, I have two questions. The first is this. I believe in your introductory comments, Ms. O'Brien, you mentioned foreign payment service providers. Those who offer services in Canada will be regulated here in Canada. They fall under this act. Is there anything in the legislation that actually allows the government to prohibit a retail payment service provider from, say, a hostile country, where it's pretty clear there are national security concerns that have to be taken into account? Does the legislation allow the government to actually prohibit these providers from doing business in Canada? That's my first question.

Ms. Erin O'Brien: Thank you so much. Maybe I'll just address your comment on cryptocurrencies. We agree. That is why this legislation is so important. Without this legislation we would have no ability to capture cryptocurrencies in the retail payments space. It's a significant gap in our regulatory framework. I just wanted to make that point clear.

With respect to your comment on national security, I would turn to my colleague, Richard Bilodeau, to step in.

Richard, are you available?

Mr. Richard Bilodeau (Director General, Financial Institutions Division, Financial Sector Policy Branch, Department of Finance): Any permanent payment service provider that wants to offer payment services in Canada would be required, under the RPAA, to register with the Bank of Canada, whether that payment service provider is a domestic company or a foreign company looking to offer those services in Canada. As part of the registration process, information related to that would be provided to the Department of Finance and to our various intelligence and security partners so that we can evaluate whether or not there's a need for us to conduct a national security review and assess if there are any national security risks related to that payment service provider or anybody associated with it.

As part of that process, if the minister were to decide that a payment service provider represented a national security risk, we would have the possibility at that point either to deny registration of that payment service provider, or to impose conditions on the payment service provider as part of its registration in Canada. There are a number of powers within the legislation that afford the minister the ability to address those conditions and make sure they're abided by.

● (1640)

Hon. Ed Fast: Yes, I suspect this is a real threat that we will be facing, if we don't already face it.

My second question is about the Bank of Canada. What's the rationale for having the Bank of Canada be the supervisor and the compliance mechanism under this act? I've never considered the Bank of Canada to be a heavy—to be the organization, the institution, that comes down hard when required. Is there a reason the Bank of Canada was chosen and not the Ministry of Finance?

Ms. Erin O'Brien: With respect to this, the Bank of Canada has broad powers and authorities in terms of economic activity in the country. In particular, the bank currently has responsibility for oversight of both prominent and systemic payment systems in the country. Those systemic payments systems, for instance, are those owned and operated by Payments Canada, the large value transfer system. Given its expertise in terms of payment systems in general, including operational oversight, we think it's appropriate for it to take on this role with respect to oversight of retail payment systems.

Now, obviously the risk that a retail payment service provider presents is going to be very different from the nature of risk that a systemically important system presents, so the bank will be—and has already been—engaging with the sector to ensure that it understands the nature of the business and the risks, and that it will provide oversight in a proportionate way.

Hon. Ed Fast: What about enforcement, though? It's one thing to exercise oversight; it's another thing to have the tools, the resources and the moxie to come down hard on those that it should be coming down hard on.

Ms. Erin O'Brien: We feel that this act provides appropriate compliance tools to the Bank of Canada. For instance, it can issue fines and it can revoke licences. It's been my experience, in working with the bank over several years, that they're full of moxie.

The Chair: All right, then.

We'll go to Ms. Jansen, followed by Ms. Dzerowicz.

Go ahead, Ms. Jansen.

Mrs. Tamara Jansen: Yes, I'm just wondering.... I want to clarify. With this new legislation on retail payment systems, the Bank of Canada is going to be watching over regulating Square, Stripe, PayPal, Google Pay and Apple Pay. Is that correct? Is that what you're saying?

Ms. Erin O'Brien: Those are amongst others, but yes, absolutely, it's those types of firms.

Mrs. Tamara Jansen: Have you done a study on what the added costs will be for consumers, as well as the added revenue that the Bank of Canada will be getting?

Ms. Erin O'Brien: In term of costs, there absolutely is a cost associated with the implementation of the framework. What we included in budget 2021 was an estimated cost of $160 million over six years, of which $130 million would be attributed to oversight requirements from the Bank of Canada. Of the $130 million, we are estimating that approximately $71 million in costs would be recovered from the sector, and then the remainder would be covered by the Bank of Canada in terms of its seigniorage revenues.

How that would be applied to specific payment service providers is still to be determined, and that will be outlined within the broader regulatory framework. The Bank of Canada has initiated discussions with payment service providers on this and recognizes that this sector is by no means homogenous. You mentioned a number of the larger payment service providers that are active in the market, but there are also a number of smaller start-ups, so we'll need to determine a cost allocation framework that would be appropriate, given the nature and size of the payment service providers they're regulating. Also, I think the larger companies are going to present more complex situations that require more of the Bank of Canada's time and effort, so the intention is that that would be proportionate.

● (1645)

Mrs. Tamara Jansen: You're saying that you're anticipating this is going to cost consumers $70 million. Is that what I understood?

Ms. Erin O'Brien: It's unclear, I think, to what extent payment service providers would cover these costs as part of their own cost of operating a business, versus how much they would then necessarily pass on to consumers, so—

Mrs. Tamara Jansen: Have you looked at other countries where this is done? They would have an idea, wouldn't they?

Ms. Erin O'Brien: We have looked at the approach undertaken in other jurisdictions, notably Australia, the EU and the U.K. They're a few that come to mind, in general, in terms of how they have set up their frameworks and the nature of the requirements that they impose. I know our approach is very similar to the U.K.'s in terms of costing, but as I say, there are a lot of details that need to be determined and will be outlined in regulations. As we develop regulations, they will be done with significant consultation with the ecosystem, so—

Mrs. Tamara Jansen: It's just so tricky, because of course this is going to impact Canadians' pocketbooks, so when we vote for this, consumers are the ones who are going to take the hit. If you have looked at other jurisdictions and they are somewhat similar, what were the costs you saw that ensued for their constituents?

Ms. Erin O'Brien: I don't have those details available today. I would call on my colleague Julie, but I don't believe either of us has that information available currently.

Mrs. Tamara Jansen: Okay. It's an unfortunate bit of missing information, because of course when we have to vote on this, we're impacting our constituents' yearly bills. It would be good to know that.

The Chair: Ms. Dzerowicz.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you, Mr. Chair. I want to put a couple of things on the record.

The general modernization of the payments sector and the legislation around it is, I think, largely supported by the fintech sector. I think it has been designed very deliberately to address the cryptocurrencies in the retail payments space. I want to put that on the record.

I also want to put this on the record. There were some questions around the Bank of Canada and support within the industry. Here is a quote that I have from an article that was written in *The Globe and Mail*:

> The Bank of Canada will build on its previous experience as it takes on new regulatory duties, bank spokesperson Rebecca Spence said. The central bank is already charged with overseeing "systemically important" parts of Canada's financial infrastructure, including the transfer system that lets commercial banks send large sums of money back and forth, and the clearing and depository system, which settles securities trades. Last year, the bank began overseeing Interac Corp.'s e-transfer system, which it labelled a "prominent payment system."

The Bank of Canada has already been in this space. I think it's just expanding it in an appropriate way.

Then, I also want to put on the record that Payments Canada is also supportive of these regulatory changes. In that same article, which I'm happy to forward, Mr. Chair, Ann Butler, the chief external relations and legal officer for Payments Canada, said the following:

> I would think of it as an expansion of the trust in the system.... Payments is a network business, and as you expand trust in the regulatory oversight of the system, you create the opportunity for it to continue to grow and flourish with innovation.

Thank you so much, Mr. Chair.

● (1650)

The Chair: Thank you.

I'm going to Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

I find it a bit curious that Liberals need to continually put things on the record. I thought this was more a time and an opportunity to ask questions.

I have questions. Isn't the Bank of Canada the current regulatory body that oversees the Payment Clearing and Settlement Act?

Ms. Erin O'Brien: I should know this.

Julie?

Ms. Julie Trepanier: Yes, it is. It oversees the core payment system, which Erin was referring to earlier, under the Payment Clearing and Settlement Act.

The Chair: It is.

Mr. Falk?

Mr. Ted Falk: That was just the first question, to set the groundwork.

The Chair: You're just putting a toe in the water. Okay, go ahead.

Mr. Ted Falk: I'm laying the foundation for my question. Thank you, Mr. Chair.

It is, then, going to be the same regulatory body that's currently overseeing the payment services we have in place in Canada now that will also be doing the retail payment activities act?

Ms. Erin O'Brien: That's right.

Mr. Ted Falk: Okay, but there are some exceptions when it comes to things such as gift cards, ATM cash withdrawals and things such as that.

Ms. Erin O'Brien: Yes, there are exceptions for loyalty points and mall cards.... Exactly.

Mr. Ted Falk: Right. Who oversees that?

Ms. Erin O'Brien: They are not currently overseen by a financial sector regulator. We have determined that the risks associated with those products are quite minimal.

Mr. Ted Falk: Very good.

You don't see, then, any conflict, in the legislation being presented here now, with the current Payment Clearing and Settlement Act?

Ms. Erin O'Brien: No. In fact, they're very complementary.

Our perspective is that it's a spectrum of oversight. As I mentioned previously, we have a very rigorous regulatory system with respect to systemically important systems and prominent systems, as outlined in the PCSA. The retail payments oversight framework basically enhances or rounds out our oversight of payment systems. At the heart of the approach is to bear in mind the risks that these systems present and to develop an oversight framework that's appropriate.

It's a continuum and a case of managing the risks that present along that continuum.

Mr. Ted Falk: Have you done a cost analysis at all for the Bank of Canada, of what it's going to take to ramp up to fulfill the additional duties that are going to be given to it once this budget implementation act has been passed? How much of a staffing increase and how much of a budget increase will the bank require?

Ms. Erin O'Brien: As I mentioned, what we estimated and presented in budget 2021 was that the overall cost of the framework is about $160 million, of which $130 million is apportioned to the Bank of Canada to cover its costs.

Of that $130 million, the bank plans to recover costs from payment service providers, but then would contribute the remainder from revenues that it generates through seigniorage. It is, then, approximately $130 million over six years.

Mr. Ted Falk: Are you saying that the Bank of Canada would contribute this to the Government of Canada? If we're giving it $130 million to ramp up to accommodate these responsibilities and to regulate the industry, but it's going to do it on a cost-recovery basis and recover that $130 million—it's going to take it into income—is it actually receiving a loan from the Government of Canada, in essence, that will be repayable at some time?

● (1655)

Ms. Erin O'Brien: As I mentioned, part of the $130 million would be recovered: $71 million is anticipated to be recovered through fees and assessments on the industry. The remainder, though, would be covered by seigniorage revenue. In essence, those are revenues that the Bank of Canada generates as a result of its responsibilities for currency. It will be paying for the costs from those revenues.

In essence, then, the Canadian government is foregoing those seigniorage revenues that normally would have been contributed to the consolidated revenue fund.

Mr. Ted Falk: Is this for a period of six years?

Ms. Erin O'Brien: Yes, it's for six years. Then we will have experience and will determine the ongoing funding profile.

Mr. Ted Falk: Okay. Thank you.

The Chair: I believe you're back in, Ms. Jansen.

Mrs. Tamara Jansen: Yes.

I believe Ms. Dzerowicz was trying to get on the record the fact that this legislation is being put in place because of the use of cryptocurrency in retail. I also understand from Ms. O'Brien, however, that cryptocurrency is not being used in retail at this point in time.

I'm a bit confused. I don't know whether I heard it wrong.

The Chair: Ms. O'Brien.

Ms. Erin O'Brien: The legislation gives us the authority to cover cryptocurrencies that are used for retail payments services. At the moment, they're not readily available in the retail space, but I agree with comments made by a member of the committee earlier that we're anticipating development in the space. It has been quite rapid. The act will give us the authority to outline regulations and assume more specific oversight of cryptocurrencies.

The Chair: I see no further questions.

(Clause 178 agreed to on division)

The Chair: Ed was muted. I hate it when he's muted and is saying, “Carry that.”

Hon. Ed Fast: Otherwise you want me muted, right?

The Chair: That's true, absolutely.

Voices: Oh, oh!

The Chair: Before I go to clause 179, just so that people know—because the agenda may be unclear on this—we will have to suspend from 6:00 till 6:30 to give the translation folks a break. This section of the meeting will go from 4:00 to 6:00, Ottawa time. We'll suspend for a half hour and will come back from 6:30 to 8:30. I know people were wondering about that.

We're on clause 179. Go ahead, Erin or whoever.

(On clauses 179 to 188)

Ms. Erin O'Brien: Sure, I'm happy to.

I think we've done a lot of heavy lifting in clause 178. Clauses 179 to 188 are related consequential amendments such that we can bring the retail payment activities act into force. All of the next six clauses include amendments to acts that will allow information sharing among the Bank of Canada and other respective financial sector regulators, including CDIC and the Proceeds of Crime (Money Laundering) acts.

That's a general introduction. I can go through each one individually, if that's the desire.

The Chair: Okay. I'll go to Mr. Fast on this question. Should we do them all in general, as they're consequential, or one by one?

Hon. Ed Fast: I don't see any reason to do them individually, because they're all related to clause 178 and implementing the framework itself.

My question is simply this: Ms. O'Brien, how long is it going to take for this payments framework to be in force and in effect? There's legislation and there are regulations that have to be put in place, and probably some additional policy work around that. How long is it going to take before all of this is in place and effective?

● (1700)

Ms. Erin O'Brien: Thanks for the question. In my opinion, it can't come soon enough. We're really committed to moving forward and standing up the legislation at the earliest possible opportunity. I mentioned the need for the act. That said, I recognize that there is a lot of work involved, particularly in terms of there being a significant regulatory package and guidance that will be required before we can give life to the legislation. We think that work will likely take a minimum of two years.

Hon. Ed Fast: Okay. Thank you.

The Chair: Ms. Jansen.

Mrs. Tamara Jansen: With regard to software needs as you roll this out, we've seen a number of very dramatic failures with different software programs that the government has tried to utilize for different things. Where are you with that? Where will you be getting your software in order to make all of this work?

Ms. Erin O'Brien: I would have to follow up with the Bank of Canada with respect to how it's implementing the framework, so with respect to that, I don't have that information available. I believe it is contracting with suppliers. You can imagine that the Bank of Canada is very conscious of managing risk, and it's managing this project appropriately.

I could turn to my colleague Richard Bilodeau, just on the national security element and how we are managing that.

Richard, do you have any additional details?

The Chair: Mr. Bilodeau—or any of you, for that matter—if you want to come in on a point, just raise your hand, and I'll see you.

Mr. Bilodeau.

Mr. Richard Bilodeau: I would say we're working closely with the Bank of Canada, especially when it comes to national security and to make sure we can get information securely from the bank so we can conduct our national security reviews on prospective registrants.

I would say just generally that the bank has a lot of experience with systems and complicated systems. As Erin pointed out, it has a significant vested interest in making sure that those work properly and that we've developed the proper relationships with it and with our partners to make sure the system works and is reliable so that we can fulfill our obligations efficiently.

Mrs. Tamara Jansen: Is it the Bank of Canada that uses the Phoenix pay system? Who was using that?

Mr. Richard Bilodeau: I do not know the answer to those questions.

Mrs. Tamara Jansen: Okay.

The Chair: Mr. Kelly.

Mr. Pat Kelly: You've gone partially to where my question was going, which was whether that two-year estimate is the Bank of Canada's estimate. Is that a pretty firm estimate, that two years, or does the Bank of Canada have to start from scratch in estimating this? Part of why I ask that is that Ms. Jansen raised the issue that it is fairly systemic, across different lines of government, through different governments. This is not a partisan shot or observation. It's a fact that procurement of large systems has been something that governments of Canada have struggled with, so I wonder how firm that two-year estimate would be and whether that's just a departmental estimate or that is the Bank of Canada's estimate.

Ms. Erin O'Brien: We worked very closely with the bank in terms of these elements. I would say it's a joint estimate. We have project planning maps, and Gantt charts and all of that under way. We feel relatively confident in terms of this time horizon. There is a significant amount of work involved in terms of both developing the regulations and setting up the operational oversight framework, but we've also been at this for a number of years. Work has been under way for quite some time in anticipation of this legislation coming forward.

We'll have to remain flexible, but we remain determined to bring this forward as soon as is practical.

● (1705)

The Chair: Okay, that's it, Pat.

Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

This may come up with regard to a later clause, but Ms. O'Brien, can you talk a little about the relationship between the centre and the Bank of Canada, and how exactly they'll operate? Are they operating at arm's length or not at arm's length? I know there's a relationship. I'm not quite clear as to what that will look like and how it will flesh itself out.

Ms. Erin O'Brien: I'm sorry but I'm not sure I understand what you mean by “the centre”.

Mr. Ted Falk: The centre is the payment entity that's going to oversee and regulate.

Ms. Erin O'Brien: That will be the Bank of Canada.

Mr. Ted Falk: I'm skipping around the act here so much. It has here that the centre may, at its discretion, report to the bank on certain issues.

Ms. Erin O'Brien: Oh, are you looking at one of the consequential amendments?

Mr. Ted Falk: Yes.

Ms. Erin O'Brien: I think that might mean FINTRAC.

The Chair: What page of the bill is it, Ted?

Mr. Ted Falk: You know, I am trying to get back there. I was trying to cross-reference it with what is referred to as the centre. The centre is defined right at the beginning of clause 178 there, in the definitions. It seems like it's actually a division of the Bank of Canada, and that's why I'm a little fuzzy as to exactly how it's going to operate. It's going to be the one involved in this section of the act.

The Chair: On page 242 it has, “The Centre shall notify the Bank of Canada as soon as feasible if” and then it says if there's a finding of guilt, etc. That's what you've referred to.

Mr. Ted Falk: Yes.

Ms. Erin O'Brien: “The Centre” means the Financial Transactions and Reports Analysis Centre of Canada, which is in the list of definitions. That comes up in terms of the consequential amendments we were discussing, just in terms of ensuring that there is information sharing between the two organizations. Payment service providers—

Mr. Ted Falk: Yes, and that's my question, Ms. O'Brien. They are two separate organizations, but it seems as though the centre is going to be the entity that actually does the work, and the Bank of Canada is going to be overseeing the centre. I'd just like to have a better idea of what that relationship is going to look like.

Ms. Erin O'Brien: Yes, absolutely. Thanks. It's a great question.

Payment service providers, many of them, will be subject to both the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, PCMLTFA, and the retail payment activities act. Clauses 181 to 183 require the Financial Transactions and Reports Analysis Centre of Canada to provide the Bank of Canada with information on convictions and violations under that act as part of the registration requirements under the retail payment activities act. The amendments would also provide that FINTRAC—“the Centre”—may share information with the Bank of Canada that would support the bank in terms of its oversight of payment service providers in carrying out its responsibilities.

Mr. Ted Falk: The “Centre” and FINTRAC are the same organization.

Ms. Erin O'Brien: Yes. The “Centre” is like a short form for FINTRAC.

● (1710)

Mr. Ted Falk: Okay. It will be the one that actually regulates the retail payment section as well.

Ms. Erin O'Brien: No. It's responsible for regulating anti-money laundering and anti-terrorist financing, so it will kind of stick to its knitting, so to speak.

The Bank of Canada will be given the responsibility to oversee payment service providers, but payment service providers would be subject to both regimes, and should a payment service provider have violated the PCMLTFA, FINTRAC would provide that information to the Bank of Canada. The bank would have more complete information on the conduct of a particular service provider, and that would be included in its consideration or determination as to whether or not it could include a payment service provider on the registry.

Mr. Ted Falk: Okay. Thank you.

The Chair: All right. We'll go to Ms. Jansen.

Mrs. Tamara Jansen: I'm wondering if I missed the answer or it wasn't given: How many new employees will this new program require?

Ms. Erin O'Brien: That's a great question, and I don't have a specific answer to that. I would need to follow up with the Bank of Canada. We're anticipating hiring a few analysts at the Department of Finance to help us stand up the national security requirements, and we're partnering with other security and intelligence agencies, but I don't have a specific number of employees.

Mrs. Tamara Jansen: On that number you gave us for expected costs of $160 million or $161 million, did that include the cost of the new employees you're going to require?

Ms. Erin O'Brien: That's all in, so it would be operational, employees.... That's everything we're anticipating over the next six years.

Mrs. Tamara Jansen: You must have the numbers, then, somewhere. If you know the final dollar amount, you must know the number of employees somewhere, right? Is that correct?

Ms. Erin O'Brien: We must have some estimates.

Mrs. Tamara Jansen: Yes. It would be great to hear that. Thank you.

The Chair: All right. I see no further questions. I think we're in agreement to see these clauses 179 to 188 as a group.

(Clauses 179 to 188 inclusive agreed to on division)

(On clause 189)

The Chair: Thank you to the witnesses who came forward for the retail payment activities act.

We'll turn now to division 9 and the Pension Benefits Standards Act, 1985.

I believe you're still the lead on this one, Ms. O'Brien. Go ahead.

Ms. Erin O'Brien: You're not getting rid of me yet.

The Chair: That's good.

Ms. Erin O'Brien: In fact, I'd actually like to direct you to my colleagues, Kathleen Wrye and Neil Mackinnon, who are experts in this area.

The Chair: Okay. We now have Ms. Wrye and Mr. Mackinnon.

We'll start with clause 189. Does anybody have a little overview on clause 189?

Ms. Kathleen Wrye (Acting Director, Pensions Policy, Financial Crimes and Security Division, Financial Sector Policy Branch, Department of Finance): Yes, Chair. I will provide that. I'll actually provide an overview for clauses 189 to 192, and then I can go through them each individually.

On what this division does, budget 2021 proposed the establishment of a revised federal framework for multi-employer negotiated contribution pension plans that strengthens planned governance, transparency and the sustainability of benefits. Negotiated contribution plans are a type of defined benefit plan with multi-employers that are also a bit unique in that contributions are fixed by an agreement, so employers are required to contribute only the amount set out in the agreement. Clauses 189 to 192 cover the legislative amendments required to establish this revised framework.

Clause 189 amends the Pension Benefits Standards Act to set out new requirements for negotiated contribution plans to have both governance and funding policy, as well as other requirements related to those policies. An example of such requirements would be a transition period for existing negotiated contribution plans to set up a governance and funding policy, as well as regulation-making authority with respect to the content of funding and governance policies.

● (1715)

The Chair: Okay. I'll hold you on that one and we'll see if there are any questions on clause 189 first. For the benefit of the committee, in the bill we're on pages 245 and 246.

Mr. Fast.

Hon. Ed Fast: Yes, I have just a couple of questions. First, can you just define for me the distinction between defined contribution plans, defined benefit plans and negotiated contribution plans? There seems to be a conflation of those, but it's probably just because I don't clearly understand the distinction between them.

Ms. Kathleen Wrye: Certainly. It's a very good question. Pension terms can tend to be a little confusing, and every jurisdiction tends to call things something slightly different.

Defined contribution plans, simply put, are like group RRSPs, except that they're registered pension plans. Employees and employers both put money into the plan, and at retirement you get your lump sum, which is contributions plus investment income, and that's what you have. You manage that lump sum for your retirement.

Defined benefit plans are similar to the public service plan. Employers and employees put their contributions in, and at the end, when you hit retirement, instead there is a formula that calculates, based on the text of the plan, that this is the amount you're going to receive monthly for the rest of your life.

Negotiated contribution plans are a type of defined benefit plan. What's unique about them is that contributions are set out by an agreement. With the everyday defined benefit plan, if there's a plan deficit—that is, there's not enough money in the plan to pay out all the benefits—then the employer puts more money in. With negotiated contribution plans, as the name describes, the contributions are negotiated. They're fixed, so no more money goes into the plan. In order to meet funding requirements set out in legislation, these plans typically would adjust their benefits so that benefits could be reduced in order to meet a plan deficit.

Hon. Ed Fast: The amendments contained in division 9 are addressing the solvency of the pension plans themselves. Is that correct?

Ms. Kathleen Wrye: That's not quite correct. Funding requirements and changes to funding requirements are also part of this revised framework, but all those changes will be done via regulatory [*Technical difficulty—Editor*].

Hon. Ed Fast: You broke up there. I do want to get an answer to this.

The Chair: I think we lost Kathleen.

I see Neil chewing at the bit. Maybe he can take over while we're trying to get Kathleen back.

Mr. Neil Mackinnon (Senior Advisor, Financial Crimes Governance and Operations, Financial Systems Division, Financial Sector Policy Branch, Department of Finance): Just to finish Kathy's sentence, the funding requirements will be done through regulations. There already exist legislative authorities to do that.

Hon. Ed Fast: Solvency is going to be assured through regulation, then. Is that what you're saying, Neil?

Mr. Neil Mackinnon: The regulations already contain a solvency funding requirement. As part of the framework we propose, the legislative requirements are simply adding governance and funding policy requirements for these plans. The framework would also remove solvency funding for these plans.

Hon. Ed Fast: There is another risk to these pension plans, which is the solvency of the employer itself. Is that not another risk?

Mr. Neil Mackinnon: No, it's not in the same way for the typical defined benefit pension plan that you think of, for which the employer is liable for the funding requirements and puts new funds into the plan. For these plans, if there is ever a funding deficit, the fixed contributions mean that no new funds go into the plan. The only alternative for the plans is to reduce benefits. The intent here, the removal of the solvency funding requirements for these plans, is to prevent those reductions in benefits that typically occur upon solvency deficiencies.

● (1720)

Hon. Ed Fast: Okay. That's very helpful. Thank you.

The Chair: Mr. Kelly is next and then Mr. Falk.

Mr. Pat Kelly: I think the last part of that just captured the part I was a little confused about. The key difference, really, is that the question of the fund's solvency is addressed before the employer's solvency would ever come into question.

Mr. Neil Mackinnon: It's simply that the funding of the plan is not connected to the solvency of the employer. The contributions for employees and employers are fixed, and regardless of the solvency and of the funding of the plan itself, those contributions do not change.

Mr. Pat Kelly: It doesn't really resemble a defined benefit plan at all, in that the benefit is only.... If for any reason—not only the solvency of the employer, but merely if the management of the fund were unable to pay out what would otherwise be a defined benefit—the benefit shall not be defined, it will shrink, because the employer is not compelled to make up a deficiency.

Mr. Neil Mackinnon: It's true. In our legislation, "defined benefit" is used to distinguish between defined contribution plans, which are essentially savings accounts, and plans that have a monthly payment in retirement. That's how we use it, not in terms of the employer liability on insolvency or for a funding deficiency, even though that's how it's commonly understood.

Mr. Pat Kelly: Okay. Thank you.

The Chair: Mr. Falk.

Mr. Ted Falk: Thanks for those explanations.

I have a further question. Is the department considering further amendments to make provision for multi-employer negotiated contribution pension plans?

Mr. Neil Mackinnon: I'm not sure I understand the question. These 14 negotiated contribution plans are all multi-employer plans.

Mr. Ted Falk: I don't know if this is the right place to ask this question. On the Canada pension, for example, for folks who have multiple T4s from multiple employers, if they're all getting their CPP contributions deducted, when they file their tax return they get their overcontributions back, based on the maximum, but the employers don't get the refunds back on a pro rata basis, depending on how they funded them. Is there going to be any correction coming to that?

The Chair: I see Kathleen is back.

Welcome back, Kathleen. Do you want to take a stab at that? You don't have to. It's not in the bill.

Ms. Kathleen Wrye: No, I think can give maybe just a brief.... I'm sorry about that. I had an Internet issue.

I believe you asked this question during the previous meeting, when we were studying these amendments, and I—

Mr. Ted Falk: You have a good memory.

Ms. Kathleen Wrye: Yes. As I understand it, that question has been sent to the department. An answer should be forthcoming from people with more experience with the Canada pension plan than I have. Our role is just with respect to the federally regulated private sector.

Mr. Ted Falk: I recognize that, and I realize that it isn't really in this section, but it's talking about pension plans, so I thought I would.... I'm very happy that it's still on your radar. Thank you.

The Chair: We expect that Finance will give an answer to the clerk and we'll give it to the committee at some point, Ted.

Ed.

Hon. Ed Fast: Yes, Mr. Chair, and I would recommend to Ms. Wrye that she get a defined broadband plan.

Voices: Oh, oh!

The Chair: Oh well, these things happen.

Are there any other questions on clause 189?

(Clause 189 agreed to on division)

(On clause 190)

The Chair: We're at clause 190.

Hon. Ed Fast: Yes, and I would just like to ask for an explanation.

Ms. Kathleen Wrye: Clause 190 amends subsection 10.1(2) of the Pension Benefits Standards Act, which sets out the rules with respect to plan amendments. This amendment carves out negotiated contribution plans from the existing rules and requires that amendments to negotiated contribution plans will be null and void if they don't meet the requirements set out in the regulations.

Pretty much what it's saying is that we're going to make the rules slightly different with relation to plan amendments and what the threshold is at which they would not be approved. The details will be set out in regulations.

● (1725)

The Chair: All right. Shall clause 190 carry?

(Clause 190 agreed to on division)

(On clause 191)

The Chair: We're on clause 191.

Ms. Kathleen Wrye: Yes. Thank you.

Clause 191 supports the previous clause, 190, by providing the authority to prescribe in regulations the rules associated with amendments to negotiated contribution plans.

The Chair: Shall clause 191 carry on division?

(Clause 191 agreed to on division)

(On clause 192)

The Chair: We're now on clause 192.

Ms. Kathleen Wrye: Clause 192 sets out that the amendments in clauses 189 to 192 with respect to negotiated contribution plans come into force on order of the Governor in Council. This is because regulatory amendments are also required, so in this way we'll make sure that the legislative and regulatory amendments come into force on the same date.

The Chair: Shall clause 192 carry on division?

(Clause 192 agreed to on division)

(On clause 193)

The Chair: We're on clause 193 of division 10. I believe we're done with division 9.

Thank you, Ms. O'Brien, Ms. Wrye and Mr. Mackinnon. That finishes that section.

You're done, for now anyway. Get this thing done in less than two years, though. Thank you.

Ms. Erin O'Brien: I'll do my best. Keep my feet to the fire.

The Chair: All right. We're going to division 10, the First Nations Fiscal Management Act.

The lead on that is Ms. Dwivedi.

Ms. Garima Dwivedi (Director General, Indigenous Institutions and Governance Modernization, Resolution and Partnerships, Department of Crown-Indigenous Relations and Northern Affairs): Thank you, Mr. Chair.

The Chair: Go ahead. You'll have to pronounce your name for me. I'm terrible at names. I apologize.

Ms. Garima Dwivedi: That's okay. So am I.

My name is Garima Dwivedi. I'm the director general of indigenous institutions and governance modernization at Crown-Indigenous Relations and Northern Affairs Canada. I can speak to division 10, clause 193.

I'd first like to acknowledge that I'm on the unceded territory of the Algonquin Anishinabe nation.

I'd also like to express my profound sadness at the horrific discoveries at the Tk'emlúps First Nation last week.

Clause 193 is an amendment to the First Nations Fiscal Management Act to remove a barrier that currently exists for first nations to use certain types of their own revenues, such as the first nations goods and services tax or the first nations sales tax, for loans under the First Nations Finance Authority. This amendment would enable first nations that choose to use these revenues to be able to secure capital to meet their communities' infrastructure or economic development needs.

The specific amendment proposed would provide an exemption to section 67 of the Financial Administration Act, which prevents the assignment of Crown debt as borrowing. Using these types of revenues for loans had been considered to constitute such an assignment of debt. The wording of the exemption was designed to parallel similar exemptions in other statutes.

Mr. Chair, would you be able to invite my colleagues, Ms. Leane Walsh and Mr. Jeffrey Clark, for support in responses to any questions? Thank you.

The Chair: Yes.

If you could, Mr. Clerk, you can let them in from the waiting room.

All right. Are there any questions on this clause from anyone?

Ms. Jansen.

Mrs. Tamara Jansen: I just want to make sure I understood your explanation. What you're saying is that normally you would not be able to take a loan on those sorts of revenues, like GST and so forth. Is that what you were saying?

Ms. Garima Dwivedi: That's correct.

Currently, first nations cannot use revenues from, for example, the FNGST, the first nations goods and services tax, or the sales tax, to secure capital through the market, through the First Nations Finance Authority. This would remove a barrier for them to do that.

● (1730)

Mrs. Tamara Jansen: Okay. Thanks.

The Chair: Mr. Fast.

Hon. Ed Fast: This would be recognized security by a lending institution. Is that right?

Ms. Garima Dwivedi: That's correct, Mr. Fast. It would go through the First Nations Finance Authority, which releases debentures on the markets in terms of then going back to the first nations to provide them with loans.

Hon. Ed Fast: Has your department done any modelling on how this additional financing tool could positively impact first nations' welfare and, say, prosperity?

Ms. Garima Dwivedi: In terms of this specific amendment, while there hasn't been specific modelling related to it, we do know, on the revenues first nations can currently use to secure capital on the market, that they have been able to secure upwards of now almost $1.5 billion for their communities' economic development and infrastructure needs.

Hon. Ed Fast: How much would this free up in terms of additional working capital?

Ms. Garima Dwivedi: Mr. Fast, I don't have the specific answer to your question. It would depend on individual first nations and whether they chose to use these revenues to secure loans.

I'm not sure if my colleague, Leane Walsh, would like to add anything.

The Chair: Go ahead, Ms. Walsh.

Mrs. Leane Walsh (Director, Fiscal Policy and Investment Readiness, Department of Crown-Indigenous Relations and Northern Affairs): Thanks, Garima.

These revenues are about $17 million of the available revenue that those first nations, if they choose to use it, can use to secure loans.

Hon. Ed Fast: Thank you.

The Chair: Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

Thank you for those explanations, Ms. Dwivedi. I have a couple of further questions.

Would this just be in a situation where there is cash flow lending, and it makes no changes to asset lending?

Ms. Garima Dwivedi: Leane, can I ask you to address that?

Mrs. Leane Walsh: Sure. For this type of loan, there is no collateral. Instead, it is very much a cash-based loan. It's really used to pay the principal and interest on the loan.

I hope that answers your question.

Mr. Ted Falk: Yes, it does. They're securing financing simply on a cash flow basis.

Can you tell me the extent of the demand there has been or the request from first nations for this kind of facility?

Ms. Garima Dwivedi: There has been demand through the First Nations Finance Authority. The First Nations Finance Authority and its borrowing members have wanted this change for some time. I can't give you an exact number in terms of the number of first nations who want this currently, but they have requested this for some time.

Mr. Ted Falk: Well, it seems to make sense to me.

Thank you.

The Chair: All right.

(Clause 193 agreed to on division)

(On clause 194)

The Chair: Ms. Dwivedi, Ms. Walsh and Mr. Clark, thank you for appearing.

We turn now to division 11, dealing with the Federal-Provincial Fiscal Arrangements Act (Fiscal Stabilization Payments). The lead on this is Ms. Kennedy, I believe.

Go ahead, Suzanne. The floor is yours.

Ms. Suzanne Kennedy (Acting Director General, Federal-Provincial Relations Division, Federal-Provincial Relations and Policy Branch, Department of Finance): Thanks. I'm Suzanne Kennedy. I'm the acting director general of federal-provincial relations at the Department of Finance.

Clause 194 amends the Federal-Provincial Fiscal Arrangements Act to implement the modernization of the fiscal stabilization program that was announced in the fall economic statement. It has five subclauses. I'll go through those briefly.

The first two would eliminate an inconsistency in the program's treatment of declines between 0% and 5% in resource and non-resource revenues.

The third subclause amends the act to include revenues from equalized tax point transfers as revenues eligible for fiscal stabilization.

The fourth subclause amends the act to measure a province's personal and corporate income tax revenues, based on taxes payable resulting from assessments or reassessments completed in the calendar year following the fiscal year for which a claim is made rather than on the basis of the tax year to which the assessments apply. This change would help enable claims to be finalized 11 months earlier.

The fifth subclause moves up the deadline for application to the program by a province by six months. It also raises the maximum per capita amount a province can receive for a given fiscal year from $60 per capita to $166 per capita for 2018. That amount is then indexed to grow thereafter in line with GDP per capita, along with a provision to make sure it cannot decline. This subclause also specifies that population for the purposes of these calculations is as measured as of July 1.

I'd be happy to take any questions.

● (1735)

The Chair: Go ahead, Mr. Kelly.

Mr. Pat Kelly: Thank you.

The maximum will go from $60 to $166, and then it will go to $170, I think, the following year. Is that correct?

Ms. Suzanne Kennedy: Yes. This would work out to about $170 per capita for 2020-21.

Mr. Pat Kelly: Now, Alberta's true decline would be about $4,000 per capita. Is that correct, as far as you know? I think we had testimony at finance to that effect, in pre-budget consultations.

Ms. Suzanne Kennedy: Of course, nobody has applied, and we don't have actual revenue declines for any province at this time. Nobody has applied yet for 2020-21.

The Chair: Are there any further questions?

(Clause 194 agreed to on division)

(On clause 195)

The Chair: Is there further explanation on clause 195, Ms. Kennedy?

Ms. Suzanne Kennedy: Yes. This clause would allow the Governor in Council to make regulations with respect to the information that must be prepared and submitted by the chief statistician of Canada for the purposes of fiscal stabilization payments.

There's one more subclause, which would also allow the Governor in Council to make regulations with respect to the details of the determination of personal and corporate income taxes, as was referred to in clause 194.

The Chair: All right.

(Clause 195 agreed to on division)

(On clause 196)

The Chair: Ms. Kennedy.

Ms. Suzanne Kennedy: This clause would specify that all technical changes—that is to say, all the changes with the exception of the higher cap—do not apply to claims for fiscal years 2019-20 and 2020-21. In other words, they would apply for fiscal years from 2021-22 and onward, but the higher cap would apply right away.

The Chair: Mr. Fast.

Hon. Ed Fast: I have just a couple of questions.

I had understood that the Province of Alberta was asking for a cap of $170 per capita. Is that correct, or am I wrong?

The Chair: Pat is shaking his head.

Mr. Pat Kelly: I think they were asking for the cap to be removed.

Hon. Ed Fast: That's correct; they wanted to have it removed completely, but as a fallback they were talking about a cap of $170, were they not?

The Chair: Do you know, Ms. Kennedy?

Ms. Suzanne Kennedy: I know that they had asked to have it removed completely.

Perhaps I could clarify that this legislation would work out to a cap of about $170 per capita for the year 2020-21.

● (1740)

Hon. Ed Fast: Okay. Maybe that's where the misunderstanding is.

Could you explain in a little more detail what those technical changes entail that will be applied from the year 2021-22?

Ms. Suzanne Kennedy: These are the other changes I mentioned from clause 194, such as having tax point transfers eligible for fiscal stabilization and changing the measure of personal and corporate income tax revenues so that it would be based on assessments completed in the fall of a calendar year rather than on the basis of the tax years to which those assessments apply.

The Chair: Thank you.

(Clause 196 agreed to on division)

(On clause 197)

The Chair: We will turn now to division 12, which deals with the Federal-Provincial Fiscal Arrangements Act (Additional Health Payments).

Following clause 197, we will go to proposed amendment BQ-5.

Go ahead, Ms. Kennedy.

Ms. Suzanne Kennedy: This clause amends the Federal-Provincial Fiscal Arrangements Act to specify that the Minister of Finance may make an additional cash payment equivalent to $4 billion to the provinces and territories through the Canada health transfer. It would be allocated on an equal per capita basis, and the clause sets out the exact amount for every province and territory.

The Chair: For anybody who wants to turn to the bill, those payments are set out on pages 250 and 251.

Are there questions on clause 197?

(Clause 197 agreed to on division)

The Chair: We're turning, then, to a proposed amendment for a new clause 197.1.

Mr. Ste-Marie, if you want to explain your amendment, we'll have the chair's ruling.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

When we look at the work of the parliamentary budget officer and the Conference Board, we realize that, despite the size of the current deficit in Ottawa, the public finances of the provinces are hardly sustainable. To restore balance to the situation, a major increase in funding for the health care system is required. This is the request of the Council of the Federation, so of all the provinces.

The Prime Minister said that he supported the idea, but wanted to take action only after the pandemic. Amendment BQ-5 seeks to ensure that work related to the meeting on the Canada health transfer, to which the Minister of Finance is inviting representatives of all the provinces no later than August 1, 2021, be started before that date.

We're experiencing a health crisis. The entire health care system is in crisis. We believe that better funding is urgently needed and must be provided now.

[*English*]

The Chair: All right. I will give a ruling on this. I see that Mr. Julian wants in too.

The amendment requires the Minister of Finance to invite the representatives of all of the provinces to a meeting on the Canada health transfer no later than August 1, 2021. Since the scope of this division is related only to possible additional cash payments to the provinces, the amendment is inadmissible, as it goes beyond the scope of the bill, as described on page 772 of *House of Commons Procedure and Practice*, third edition. I am ruling the amendment out of order.

Mr. Julian and Mr. Ste-Marie, we'll have a quick discussion on this, and then we'll have to either accept my ruling or not.

● (1745)

[*Translation*]

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Chair, I'll give the floor to Mr. Ste-Marie first, since it's his amendment. I can speak afterwards.

Mr. Gabriel Ste-Marie: Mr. Chair, I just want to make a comment. I thought that you would rule the amendment in order because the government would have already called the election. I find the arguments surprising. However, at this point, I won't challenge your ruling.

[*English*]

The Chair: It has to do with rules and procedure, Mr. Ste-Marie.

Mr. Julian.

[*Translation*]

Mr. Peter Julian: Mr. Chair, I wanted to let Mr. Ste-Marie decide whether he wanted to challenge your ruling. However, it's very clear. We just passed another amendment, as you know, that requires the government to address certain aspects of Bill C-30 by preparing a report. Yet amendment BQ-5 proposes to address the requirements in this bill by inviting provincial representatives to a meeting, which is the same thing.

I strongly disagree with your interpretation, but I'll let Mr. Ste-Marie decide whether he wants to challenge your ruling.

[*English*]

The Chair: I think he already said he wasn't, so I'm seeing the amendment as inadmissible, but I will be kind and give Mr. Ste-Marie the last word.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

Given the arguments made by my colleague, Mr. Julian, I'll ask for a vote on your ruling, if that's still possible.

[*English*]

The Chair: I shouldn't have let that be discussed, should I? I could have kept the discussion out of it.

Voices: Oh, oh!

The Chair: Mr. Clerk, could you poll the members, please, on the chair's ruling that amendment BQ-5 is inadmissible based on parliamentary procedure and practice?

(Ruling of the chair sustained: yeas 9; nays 2 [*See Minutes of Proceedings*])

The Chair: The Chair's ruling is upheld, and the amendment is inadmissible.

We turn now to division 13, on Canada's COVID-19 immunization plan.

Ms. Kennedy, go ahead, please, on clause 198.

(On clause 198)

Ms. Suzanne Kennedy: For this I would like to invite my colleague Omar Rajabali to speak.

The Chair: Mr. Clerk, could Mr. Rajabali come in?

Mr. Rajabali, if you want to explain clause 198, you have the floor.

Mr. Omar Rajabali (Director General, Social Policy Division, Federal-Provincial Relations and Policy Branch, Department of Finance): Clause 198 establishes an appropriations authority authorizing payment of up to $1 billion out of the consolidated revenue fund by the Minister of Finance to the provinces and territories in support of Canada's COVID immunization plan. Payments are to be allocated to provinces and territories on a per capita basis. The specific amounts are in the bill on page 251.

The Chair: Mr. Falk.

Mr. Ted Falk: If the money is coming out of the consolidated revenue fund, how much money is in that fund?

● (1750)

Mr. Omar Rajabali: I'm here only to talk about clause 198. I cannot actually speak to that.

The Chair: That might be a question to ask the minister tomorrow in the House.

Hon. Ed Fast: She actually never answers questions.

Mr. Ted Falk: I thought I would get an answer here at least.

The Chair: Ms. Jansen.

Mrs. Tamara Jansen: I think I asked a question on this earlier, and you basically said the $1 billion was a number they just came up with and then divvied up per capita. My question, then, is whether we have any idea if this is sufficient at all to cover the cost that it's supposed to cover. Is it way too much? Do the provinces have any concept as to whether or not this is sufficient?

Mr. Omar Rajabali: I'm not aware of any communication from the provinces in which they have articulated that this is sufficient or not.

The Chair: Mr. Fast.

Hon. Ed Fast: That was one of the three questions I had. It was exactly that. On what basis was $1 billion allocated for this? Obviously we don't have an answer to that.

Mr. Rajabali, you used the words "up to $1 billion". Are you suggesting that the government still has discretion over how much it's going to dole out to each of the provinces? Is that discretion going to impact the actual per capita amounts that have been allocated to the provinces?

Mr. Omar Rajabali: I think I used improper terminology. The amounts are actually dictated in the legislation. I do not expect there would be any less money provided to the provinces and territories than what is indicated in the legislation. I'm sorry about that.

Hon. Ed Fast: It's no problem. I accept that explanation.

The rollout of the vaccines across Canada has been less than optimal. I mean, we could probably have done it better. I think there's—

The Chair: Mr. Fast, I am going to cut you off because we're dealing with the allocation of money here. We're not talking about the program itself, as to whether it was good, bad or indifferent.

Hon. Ed Fast: Well, I didn't know it had ever prevented us from having a frank discussion about—

The Chair: We've had frank discussions, but we are actually dealing with the allocation of $1 billion—

Hon. Ed Fast: Yes, that's correct.

The Chair: We're not talking about the immunization plan as a whole. Some other committee can deal with that.

Hon. Ed Fast: I sense that you're sensitive there, Chair. Did I hit a nerve?

The Chair: I'm sensitive to time.

Hon. Ed Fast: I'm more sensitive to making sure we get this budget discussion and the BIA right as we walk through it.

Mr. Rajabali, has there been any analysis done on what the incremental improvement will be to the vaccine rollouts in each of the provinces? If so, can you point us to where that analysis might be?

Mr. Omar Rajabali: I am not aware of any analysis that's actually been done to answer that specific question.

Hon. Ed Fast: Really? A billon dollars are to be spent without having an analysis done as to the incremental benefit to Canadians?

Mr. Omar Rajabali: As I said, I don't have that information.

Hon. Ed Fast: I'm shocked, actually.

Thank you.

The Chair: Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you, Mr. Chair.

I just want to ask a quick question, Mr. Rajabali. Can you remind us, on the $1 billion—I see the great allocation that you have there, from (a) to (m)—what, specifically, is it to go towards? Is it for the materials around the vaccinations? Do you have a sort of outline of specifically what it's meant to cover?

Mr. Omar Rajabali: It's supposed to go to provinces and territories for their vaccine rollout. There is no specific list of what it needs to be used for.

The budget document—I have it here—talks about the things it could be used for. The types of examples are on page 63 of the budget and talk about recruiting and training “immunizers”; “establish mass vaccination clinics”; “set up...vaccination units”; “engage Indigenous communities to advance vaccine rollout”; and, of course, “reach vulnerable populations through community-based vaccine efforts”.

The bottom line is that provinces and territories can use the money based on their unique circumstances.

Ms. Julie Dzerowicz: Thank you.

To your knowledge, have you heard of any concerns from any of the provinces about the amounts they're getting?

● (1755)

Mr. Omar Rajabali: No, not to my knowledge.

Ms. Julie Dzerowicz: Thank you.

The Chair: Ms. Jansen.

Mrs. Tamara Jansen: It still kind of shocks me that there seemed to be very little communication between the provinces and the feds in regard to a billion-dollar payment. We don't know what they're going to use it for; we're giving them suggestions. We don't know how much they need; we don't know if we're giving them too much or too little. There's no analysis whatsoever.

Are there any strings attached? I mean, just because this thing says that this is for their COVID rollout plan, do they even have to use it for that? Is there anything...?

Mr. Omar Rajabali: That was one of the questions previously as well. As indicated previously, there are no conditions associated with the funding.

There is the expectation that the provinces and territories will continue to report on progress to date in terms of vaccine rollout, such as the daily number of doses administered and adverse events, but there are no strings or conditions associated with the money transferred—

Mrs. Tamara Jansen: It's not even that a province would have to show that it has at least 50% vaccination accomplished. There's nothing even in that sense.

Mr. Omar Rajabali: No.

The Chair: Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

Thank you, Mr. Rajabali. I have two quick questions.

I don't envy you for having to speak to this clause. Whose idea was it? It obviously wasn't yours, because you don't have any answers. Was this just a directive that you're addressing the technical points of the clause?

Mr. Omar Rajabali: I'm just here to answer the technical parts of the clause. It's the government that makes that decision, obviously.

Mr. Ted Falk: Okay. My second follow-up question would be on the amounts allocated there. Are they done on a per capita basis?

Mr. Omar Rajabali: Yes, they are on a per capita basis.

Mr. Ted Falk: Good. Thanks.

The Chair: Thank you.

Shall clause 198 carry on division?

(Clause 198 agreed to on division)

(On clauses 199 and 200)

The Chair: Ms. Kennedy, you might as well stay with us for the next two clauses. I know you're not back until division 16.

We'll go to division 14, on the Canada community-building fund.

There are no amendments to clauses 199 and 200. Could we have a general explanation from Mr. Malara generally on those two clauses?

Go ahead, Eric. Could you give us an overview? Then maybe we could vote on these two together. We'll see.

Mr. Malara.

[*Translation*]

Mr. Eric Malara (Director, Governance and Reporting, Office of Infrastructure of Canada): Thank you.

The federal gas tax fund is a permanent, legislated and indexed funding program that currently provides over $2.2 billion annually to fund municipal and first nations infrastructure.

Clause 199 of Bill C-30 proposes an additional one-time payment of $2.2 billion through the gas tax fund, which is double the amount committed to municipalities across Canada each year.

[*English*]

The Chair: Thank you.

Mr. Falk is first, and then Mr. Kelly.

Mr. Ted Falk: Thank you, Mr. Chair.

Thank you for that brief explanation.

This is what was known formerly as the gas tax. Is that correct?

Mr. Eric Malara: It is currently the gas tax fund, yes.

Mr. Ted Falk: I'm sorry. I see your head nodding, but I don't hear anything.

[*Translation*]

Mr. Eric Malara: The program is currently called the federal gas tax fund. However, it will be renamed the Canada community-building fund, pursuant to clause 200 of Bill C-30.

[*English*]

Mr. Ted Falk: Okay. Thank you.

My second question relates to the fact that previously, when infrastructure money was announced, getting the money out the door to the provinces was very slow. Do we have assurances that this money is going to be delivered more quickly to the municipalities? Is there a process, and can you talk a bit about the delays we've experienced previously in getting infrastructure dollars out? Were they departmental delays or were there delays in agreements with provinces and in funding agreements? Where did the previous delays come in?

● (1800)

The Chair: I think we're talking about two different things here, but go ahead, Mr. Malara.

[*Translation*]

Mr. Eric Malara: Yes, I can talk about the federal gas tax fund, but not necessarily about the other programs.

For the federal gas tax fund, we have agreements with all the signatories, which include the provinces and territories. Once Bill C-30 is passed, the funds will be transferred through the current mechanisms, which call for the immediate distribution of the money.

[*English*]

Mr. Ted Falk: Okay, and I think you're right, Mr. Chair. I think we're talking about two different things here, but it's good to hear that the gas tax money, now known as the Canada community-building fund, will be rolling out, as did the gas tax.

Thank you.

The Chair: Thank you.

Just for the translators' benefit, we will finish this section, with clauses 199 and 200, and if we don't finish until 6:05, we'll give you guys the 30 minutes in any event.

Mr. Kelly is next.

Go ahead, please.

Mr. Pat Kelly: Thanks.

Our analysts flagged that this change is in both Bill C-25 and Bill C-30. Is there a difference between what's contained in those bills, or why is this change apparently in both bills?

[*Translation*]

Mr. Eric Malara: Thank you for your question.

I think that Bill C-25 was covered by Bill C-30. Both are the same, but now we're talking about Bill C-30, rather than Bill C-25.

[*English*]

The Chair: Mr. Fast.

Hon. Ed Fast: I'm glad to see that this funding is included in the budget. I'm very pleased that the gas tax fund was made permanent in 2011.

There are strategic carve-outs that are part of this program. Is that correct?

[*Translation*]

Mr. Eric Malara: Thank you for your question.

Yes, an amount is allocated to Indigenous and Northern Affairs Canada.

[*English*]

Hon. Ed Fast: Is it just Indigenous Services that are carve-outs, or are there other carve-outs for specific infrastructure-type projects?

[*Translation*]

Mr. Eric Malara: The federal gas tax fund doesn't include specific payments other than for services for first nations. Under our agreements, the signatories can use the money in a certain way.

[*English*]

Hon. Ed Fast: Let me ask this in simpler terms. On the choice of the projects that will be funded, is that process driven by the municipalities, by the province or by the federal government? Who is the driving force behind that?

[*Translation*]

Mr. Eric Malara: The municipalities choose which projects to invest in, based on their priorities.

The current program includes 18 project categories in which the signatories and ultimate beneficiaries can invest.

[*English*]

Hon. Ed Fast: Thank you.

The Chair: Ms. Jansen.

Mrs. Tamara Jansen: Is there any reporting system by which the municipalities have to let you know how this money was utilized, what infrastructure was built and so forth, with any sort of oversight?

[*Translation*]

Mr. Eric Malara: Thank you for your question.

Each year, the signatories must send us their annual financial report along with a list of the projects funded during the year.

We receive the list of projects and their costs. Once the projects are completed, we receive confirmation.

The department receives this list each year and rearranges the data into a table format.

● (1805)

[*English*]

The Chair: Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you, Mr. Chair.

With regard to the list of projects for the annual report that comes back from municipalities, and the list of projects that are funded for that year, could you clarify whether it's the list of projects funded by the dollars that came in that year? Or is it just a whole list of all of the projects that municipalities spent money on and of course the Canada community-building fund helped contribute to building? Perhaps you could be specific on whether the annual report is identifying exactly what the Canada community-building fund dollars were spent on.

Second, in terms of Mr. Fast's question with regard to the municipalities choosing the projects, have any criteria been articulated in terms of where or how the project money can be spent? If there's none right now, does the framework agreement allow for those types of criteria to be added or included?

The Chair: That will have to be the last question, or we'll have to suspend without finishing this division.

Go ahead, Mr. Malara.

[*Translation*]

Mr. Eric Malara: Thank you for your question.

Each year, we receive the signatories' financial records and a list of their projects.

One current principle of the federal gas tax fund is that municipalities can use the payments received each year or bank them. This means that some municipalities can bank funds to spend the following year.

To answer your question, the money received by the municipalities may be a combination of funds provided during the year and funds provided in previous years.

In terms of the 18 categories, they have eligibility criteria, which we're constantly reviewing.

[*English*]

The Chair: Does that conclude the questions, Ms. Dzerowicz? If there are more, we're going to have to suspend now. I went way over what I promised the translators earlier.

Ms. Julie Dzerowicz: If I can just get a clarification, then I'll be okay. It's on the last point that Mr. Malara made, that we help determine eligibility criteria. Can we modify those as we go along? That's what I want clarification on.

[*Translation*]

Mr. Eric Malara: No, we don't have the freedom to modify them as we wish.

[*English*]

The Chair: Can we see clauses 199 and 200 as one?

Some hon. members: Agreed.

The Chair: Shall clauses 199 and 200 carry?

(Clauses 199 and 200 agreed to on division)

The Chair: With that we will suspend for 30 minutes. We will reconvene at 6:39 p.m., Ottawa time.

The meeting is suspended.

● (1805)

_____(Pause)_____

● (1835)

The Chair: We will reconvene. I call to order meeting number 52 of the Standing Committee on Finance.

We're looking at and studying Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on April 19.

We're starting with division 15, the Hibernia dividend backed annuity agreement.

Mr. Peter Fragiskatos (London North Centre, Lib.): Chair, on a point of order, I'm having a bit of a tough time hearing you. I'm not sure if the issue is technical, just on my end, but you're coming in and out.

● (1840)

The Chair: It must have been on the little switch on this thing.

All right. Thank you.

(On clause 201)

The Chair: We're starting with division 15, the Hibernia dividend backed annuity agreement and clause 201, and Mr. Millar will be the lead.

Before you start, Mr. Millar, it's a lovely evening in Nova Scotia over there in one riding. It's Sean Fraser's birthday today, so we'll all wish him well on his birthday. I see him there. He's not moving. He looks like he's frozen. Maybe he's getting old or something—you never know. He did have ice cream and cake, I know that.

Mr. Millar, the floor is yours.

Mr. Samuel Millar (Director General, Corporate Finance, Natural Resources and Environment, Economic Development and Corporate Finance, Department of Finance): Thank you, Chair.

Happy birthday to Mr. Fraser.

I am Sam Millar, from the Department of Finance. I am here to speak to clause 201.

The proposed measures in this clause would provide clear statutory authority for the Minister of Finance to make payments to the Government of Newfoundland and Labrador as required by the 2019 Hibernia dividend backed annuity agreement with the province.

The Chair: Are there any questions on clause 201?

Mr. Fast.

Hon. Ed Fast: Well, could we have a more in-depth explanation of what this entails? We might as well just get that all done up front, because I have lots of questions and I am sure Mr. Millar can answer them in advance, so why doesn't he go ahead and do that?

Mr. Samuel Millar: In brief, the proposed provisions here would provide statutory authority for the Minister of Finance to make requisitions from the consolidated revenue fund in order to make the payments that are prescribed in the agreement between the two governments. The agreement that is referenced here is an agreement from April of 2019, which the two governments reached in relation to the dividends that Canada receives from its ownership in the Hibernia offshore oil project.

Hon. Ed Fast: Can you tell me what the total dividends are per year that Canada receives from its interest in Hibernia?

Mr. Samuel Millar: Well, it would depend on the year. The dividends fluctuate based on the amount of oil produced by the project and the sales of the company that controls the equity stake, which is the Canada Hibernia Holding Corporation, and, of course, the price of oil that they can command when those resources are sold.

It really does fluctuate from year to year based on those variables and, of course, the operating cost of the project, which the company is partially responsible for.

Hon. Ed Fast: Based on that, I would have no idea what the revenues are, but I think you have a pretty good idea. What were the revenues last fiscal year?

Mr. Samuel Millar: I don't have that figure in front of me, but the agreement, I think, is the important thing here, and the agreement prescribes certain payments that the Government of Canada needs to make to the Province of Newfoundland. Those payments were estimated at the time of the agreement, based on future projections of the dividends that would accrue to Canada from the ownership.

Hon. Ed Fast: It's reasonable, then, for me to ask this: What are the dividends that are generated from this project to the benefit of Canadians every year? Yes, it fluctuates. Give me a range. If you can't, that's fine. Just admit that you don't know, and we can move on to some other questions.

Mr. Samuel Millar: In the agreement, the early years would be the ones over which there would be probably the greatest correlation between dividends prior to the agreement and the dividends most recently. You can see in the agreement that in 2019 the payment from Canada to Newfoundland was just below $135 million.

● (1845)

Hon. Ed Fast: Help me understand this. The agreement that we now have between Canada and Newfoundland and Labrador provides for fixed payments every year. Is that correct?

Mr. Samuel Millar: That's right.

Hon. Ed Fast: What is the amount of those payments every year?

Mr. Samuel Millar: There's a schedule in the agreement, which is, by the way, a public document. Each year between 2019 and 2056 has a different amount. They vary from as high as $232 million or roughly $233 million to around $15 million in the out years. Then, of course, the agreement also prescribes that the Province of Newfoundland and Labrador make payment to the federal government.

The net benefit to Newfoundland and Labrador from this agreement was around $2.5 billion. That was part of the public communications when the government signed the agreement in 2019.

Hon. Ed Fast: Can I ask you a question about something that's been bugging me? The Auditor General of Canada has said that the 2019 payment, the first payment that was made to Newfoundland, lacked proper legislative authority. Does your department agree with that assessment, or do you differ?

Mr. Samuel Millar: We took careful note of the Auditor General's comment. It's for that reason the government included in the supplementary estimates and sought parliamentary authority to make the payments in 2020. Those payments were done with parliamentary authority. Of course, it factored into the decision to include it in the bill here, related to the budget implementation.

We believe that the initial payments, which were the subject of the Auditor General's comment, were made pursuant to legal authorities.

Hon. Ed Fast: Okay. I have two last questions. First, what is the life of the Hibernia project? How long is it expected to generate revenues?

Mr. Samuel Millar: At the time the agreement was signed, the estimate was that dividends would continue to accrue until 2056. That was factored into the agreement itself.

Hon. Ed Fast: Okay.

How compatible is the federal government's financial support of this oil project even now...and the agreement that was signed between Canada and Newfoundland and Labrador in 2019? How compatible is that support with the government's net-zero emissions by 2050 plan? The federal government is committed to net zero by 2050, yet it's promoting Hibernia. It continues to promote Hibernia.

Mr. Samuel Millar: I'm not sure I'm in a position to answer that question in a comprehensive manner. The underlying equity stake in the project is something the federal government has held for a number of decades. It's really something that continues and I think was taken into account when the government made those broad commitments to net zero by 2050.

Hon. Ed Fast: Thank you. I thought maybe the chair would jump in, because it was actually a political answer that was required. I appreciate your trying to answer.

The Chair: I figured we were just starting, so we'd be kind. I will remind folks that we have an absolute hard stop at 8:30 and we hope we can get the budget implementation act out of committee tonight.

Did you have a question, Ted?

● (1850)

Mr. Ted Falk: Thank you.

I just wanted to follow up a bit on Mr. Fast's questions. Is this $3.3 billion going to be the aggregate of the payments made to Labrador and Newfoundland for the entire period?

Mr. Samuel Millar: That is the cumulative total of the payments from Canada to Newfoundland and Labrador, and then there are cumulative payments from the province to the federal government of approximately $800 million, which brings us to a net of $2.5 billion.

Mr. Ted Falk: That's a net of $2.5 billion. Do you actually have a schedule of those payments?

Mr. Samuel Millar: That's right. This is outlined in the agreement, which is publicly available. Schedule A outlines the payments from Canada to the province, and schedule B outlines the payments from the province to Canada.

Mr. Ted Falk: That's perfect. Thank you.

The Chair: Shall clause 201 carry?

(Clause 201 agreed to on division)

(On clause 202)

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

We're on division 16, on the Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act.

On clause 202, I believe, Ms. Kennedy, you're on.

Ms. Suzanne Kennedy: Thank you.

Clause 202 amends the Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act to authorize the Minister of Finance to make an additional fiscal equalization offset payment to Nova Scotia of $85.6 million for the 2020-21 fiscal year.

It also extends the minister's authority to make additional fiscal equalization offset payments to the province for fiscal years 2021-22 and 2022-23 if the province receives an equalization payment for those fiscal years. These amendments would ensure that Nova Scotia is not penalized due to the timing of an arbitration settlement payment that it received in 2018.

The Chair: Are there any questions here? We're on pages 253 and 254 of the bill.

Mr. Fast, your hand is up.

Hon. Ed Fast: I have two questions. One, what is the status of the Sable Offshore Energy Project? I'm assuming it is pretty well exhausted.

The Chair: Go ahead, Ms. Kennedy, if you have the answer. It's not really related to Bill C-30, but we'll let it go.

Ms. Suzanne Kennedy: I don't know the details of it but I think the gist is that, yes, it's not producing anymore.

Hon. Ed Fast: It is relevant, Mr. Chair, because remember that this payment or this backfill arrangement is extending this agreement to 2023. I believe 2023 is assumed to be the end, because the Sable Energy Offshore Project has expired.

I have a second question. With regard to Bill C-20, why are we duplicating legislation? Bill C-20 specifically addresses this, and now is it being superseded by the BIA. We saw this happen, I believe, with Bill C-25 as well. We have these different pieces of legislation, and then the BIA comes along and basically supersedes them. Is that correct?

The Chair: Ms. Kennedy.

Ms. Suzanne Kennedy: That's correct. I would add, to your other question, that equalization works with a two-year lag and a three-year moving average. The money received in 2018 will continue to impact equalization payments until 2022-23.

Hon. Ed Fast: Thank you.

The Chair: Shall clause 202 carry on division?

(Clause 202 agreed to on division)

(On clauses 203 and 204)

The Chair: Thank you very much, Ms. Kennedy, for being here for four different divisions.

We're on part 4, division 17. The lead is Andre Arbour, and I see he is here.

On clauses 203 and 204 on the Telecommunications Act, please go ahead if you can, Mr. Arbour.

Mr. Andre Arbour (Acting Director General, Telecommunications and Internet Policy Branch, Department of Industry): Thank you, Mr. Chair.

Good evening. My name is Andre Arbour. I'm the acting director general of telecommunications and Internet policy at Innovation, Science and Economic Development Canada.

Clause 203 is an amendment to the Telecommunications Act intended to help facilitate the coordination of broadband infrastructure funding. The Government of Canada has a number of programs that help support broadband infrastructure expansion in underserved areas that are not served by the market. This includes, for instance, the universal broadband fund out of ISED.

The CRTC, as the sector regulator, also has a broadband fund that stems from its authorities under the Telecommunications Act. The CRTC fund is a bit different from your typical programming. Since the CRTC is an arm's-length regulatory tribunal, the fund is supported out of a levy on the telecommunications industry, so it does not come out of the CRF.

The amendments here are intended to help facilitate coordination with the CRTC fund. If passed, they would do so in two ways.

One would be to limit the nature of appeals that could be filed by parties regarding CRTC broadband projects. There are currently three avenues of appeal under the Telecommunications Act. These avenues of appeal are generally intended for broad-based complex regulatory decisions that affect the entire industry. The concern would be that if these were applied to individual broadband projects, they would just slow down the rollout of those projects unnecessarily.

The amendment would remove two of those avenues, to the Governor in Council and to the CRTC itself. Applicants would still have recourse to the Federal Court of Appeal if they wished to challenge a decision.

The second outcome would be to facilitate the sharing of broadband project information between the CRTC and other federal departments and agencies, and with provinces and territories. This would better facilitate the rollout of broadband projects.

Finally, clause 204 would just correct an imprecision in the French language of that section to better reflect the English and the intent of that section.

Thank you.

● (1855)

The Chair: I don't think there are any questions on clause 204, probably. It's pretty straightforward.

On clause 203, we have Ms. Jansen.

Mrs. Tamara Jansen: I want to seek some clarification.

Are you suggesting that this is going to speed up the process because now people will have less of an opportunity to appeal a decision? Is that how you're going to speed up the process, by giving them less chance to appeal? If they get turned down, they get turned down flat. They don't have another option.

Mr. Andre Arbour: I would say there is a range of actions that ISED and other departments have taken to help speed up the rollout of broadband programming. This amendment is not intended to be the main tool for that.

However, there are concerns that appeals could be launched against individual projects. That would then essentially halt the delivery of those projects unnecessarily.

Mrs. Tamara Jansen: What I said, then, was correct. Basically, you're saying that if you get turned down, you get turned down. There's very little other appeal process, and that's how it's going to speed it up.

Mr. Andre Arbour: Applicants would still have recourse to the Federal Court of Appeal if they wished to challenge a funding decision on matters of law or jurisdiction. They just would not have recourse to file a parallel appeal with the Governor in Council or with the CRTC itself. There would still be one avenue available.

The Chair: Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

You've mentioned that there are several different streams of funding that would be available for applicants. This was just one of them. Is there a chance that this could create duplication in funding for the same project?

Mr. Andre Arbour: We already have processes in place to avoid duplication in funding projects. A key instrument of this is broadband maps that ISED maintains in partnership with the CRTC; if you can imagine a jigsaw puzzle between existing project infrastructure coverage, as well as proposed projects, analysis is done by ISED engineers to avoid overlap between projects or with existing infrastructure.

However, we do have some constraints on how quickly and easily we can do that analysis, limited by the information that can be shared outside of ISED and the CRTC with others, including provinces and territories. We make it work, but it's more complicated than it needs to be. This amendment would help to streamline that.

● (1900)

Mr. Ted Falk: This amendment is particular to situations for funding under-serviced areas.

Mr. Andre Arbour: That's correct.

Mr. Ted Falk: How do you define an under-serviced area?

Mr. Andre Arbour: In the context of the legislation, we are not defining that, given that technology and what is an adequate level of service can evolve over time.

In terms of the government's overall connectivity strategy and the targets embedded in our current programming at ISED, the CRTC or elsewhere, our target is a minimum download speed of 50 megabits per second and a minimum upload speed of 10 megabits per second.

Mr. Ted Falk: My riding, for example, is almost 20,000 square kilometres, and I have lots of areas that would claim to be under-serviced. I believe they probably are, and that's just because there's no business plan for service providers to service rural residents or smaller communities.

Is this fund going to address that need?

Mr. Andre Arbour: The government has committed to extend service at this target speed to 100% of Canadians, so yes, the intent is to address gaps wherever they exist.

These amendments are minor and involve some coordination issues, but cumulatively, $7.2 billion has been allocated for the expansion of broadband infrastructure.

Mr. Ted Falk: Thanks, Mr. Arbour.

The Chair: Mr. Fast.

Hon. Ed Fast: That was my question: What's the scope of the problem? You say the government has identified that at least 7.2 billion dollars' worth of investment has to be made from the federal government to get 100% of Canadians up to a certain broadband speed. Is that right?

Mr. Andre Arbour: That is correct.

Hon. Ed Fast: You said you haven't defined the term “under-serviced”. How do we determine what the scope of the problem or challenge is if we haven't defined the fundamental term that determines whether we have a problem in the first place?

Mr. Andre Arbour: I would draw a distinction between what is in the Telecommunications Act and what is in the government's overall strategy or what is in program criteria. Historically, the Telecommunications Act has been technologically neutral because technology changes over time. In terms of the government's strategy and program criteria, either at ISED or the CRTC, there's a clear benchmark.

Hon. Ed Fast: I'm glad to hear that, because one area all parliamentarians could probably agree on is that broadband is one of the most important investments we could make to drive productivity within our economy and improve the competitiveness of our economy. We are very much supportive of this investment.

The Chair: I see Mr. Falk's hand is up.

Mr. Ted Falk: Thanks, Mr. Chair. I have a follow-up question as well.

It's one thing to fund the infrastructure and do the fibre optics or line-of-sight waves, but is there anything in the act or regulation that would prescribe what is considered a reasonable amount to pay for broadband service, for the service you're describing as 50 down and 10 up?

Mr. Andre Arbour: No, there is not—not in the act itself. The price charged, though, of course, is an important consideration in program criteria, and it is assessed as part of the broadband project applications.

Mr. Ted Falk: I know that anything is available at a cost. We can get 100% coverage, but the cost may be unaffordable, so that's—

Mr. Andre Arbour: Certainly, yes, if people cannot—I'm sorry.

● (1905)

Mr. Ted Falk: No, it's fine. I think you're probably going to answer it. If people can't afford it.... There's no use in having a hard infrastructure there if it's not affordable to connect and operate. There has to be a commitment, and some thresholds need to be established for what the rate will be to provide this amount of service in order for applicants to qualify for the funding. I know that's probably not your choice to make, but maybe you can chase it up the ladder.

The Chair: You can chase it up the ladder, Andre.

Ms. Jansen.

Mrs. Tamara Jansen: What happens when there's a difference or disagreement between the CRTC and the government as to which area is most underserved? Do they flip a coin? Who gets to decide it, since their criteria are different?

Mr. Andre Arbour: If I understand correctly, this would be if there are two projects from different proponents that are intending to serve the same area. This is something that occurs occasionally, not just between us and the CRTC. It is something that is able to be managed. It depends on the nature of the project, but ultimately, we all agree that funding duplicate infrastructure does not help us get toward our goals. We all work together to avoid that outcome.

The Chair: All right.

(Clauses 203 and 204 agreed to on division)

(On clause 205)

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

We will turn to division 18, which deals with the Canada Small Business Financing Act. The lead on this one is Mr. Watton.

Mr. Steve Watton (Manager, Policy, Canada Small Business Financing Program, Department of Industry): I am Steve Watton. I'm with ISED. I'm here to speak to you about clauses 205 to 209, which deal with enhancements to the Canada small business financing program. The amendments are designed primarily to help more small businesses get access to the types of financing they need, in the amounts they need, to basically start up, innovate and scale up.

Subclause 205(1) is basically a clarifying amendment to the definition of a loan. It amends section 2 of the Canada Small Business Financing Act to specify that “loan” includes a line of credit and not just a term loan, which is under the normal program. It's just a clarification to be explicit in the act.

Subclauses 205(2) and (3) amend the definition of “small business” in section 2 of the Canada Small Business Financing Act. It's basically to remove the restriction that excludes not-for-profit, charitable and religious enterprises from accessing the program.

The Chair: Are there any questions?

Ms. Jansen.

Mrs. Tamara Jansen: I'm just wondering. We hear often what a terrible thing it is if small businesses incorporate. Is that part of the definition of a small business? Many people do incorporate for liability reasons and so forth.

Mr. Steve Watton: Yes, a small business can be an incorporated business, a sole proprietor or a partnership business. Actually, the vast majority of them are incorporated companies.

The Chair: Okay.

(Clause 205 agreed to on division)

(On clause 206)

The Chair: Mr. Watton.

Mr. Steve Watton: Subclauses 206(1) and 206(2) basically deal with borrower eligibility, or who's eligible for the loans. Subclause 206(2) is a consequential amendment.

Subclause 206(1) amends subsection 4(2) of the Canada Small Business Financing Act to specify that in order to be eligible for a loan under the program, borrowers must have less than $1.15 million in outstanding loans. It was previously $1 million and is being increased as a result of the introduction of the line of credit facility.

Subclause 206(2) is basically a consequential amendment to the meaning of what's considered an outstanding loan amount. It just amends subsection 4(3) to specify that the meaning of the outstanding loan amount is the aggregate of the proposed loan and any principal amount that's already outstanding on previous loans, taking into consideration, of course, the higher threshold of $1.15 million.

● (1910)

The Chair: Mr. Kelly.

Mr. Pat Kelly: The rationale on the increase is simply to incorporate the line of credit portion. How long had this limit of $1 million been in place?

What I'm getting at, I guess, is whether or not there's any contemplation of an annual increase or an ongoing increase per business on the basis of inflation or as amounts go up over time. This had been described as in part a COVID liquidity measure to enable small businesses to have greater access to capital. Is there anything contemplated in the future around those limits, or is it just limited to the expansion due to the addition of credit lines?

Mr. Steve Watton: To answer your question, the $1-million maximum loan amount has been in place since 2015. It used to be $500,000, and it was increased to $1 million in 2015. That's primarily for real property loans, of which $350,000 is allowable for equipment and leasehold improvement purposes.

In this proposal the maximum loan amounts by loan classes are going to increase as well. The $1-million threshold has been there since 2015, and it's going to go to $1.15 million to accommodate the additional line of credit, but also the subthresholds within that $1 million are going to increase from $350,000 to $500,000 for purposes such as equipment and leasehold improvement.

Mr. Pat Kelly: Thank you.

The Chair: Ms. Jansen.

Mrs. Tamara Jansen: I'm just wondering how much discussion has been had with different financial institutions about this program, because I know a number of the loan programs that were meant as COVID support didn't really work for many small businesses because of the way they were arranged. The requirement they had to fulfill in order to get the loan was just impossible for them to meet. Maybe they were under lockdown, so they couldn't put out any revenue projections.

How much actual discussion has been had with institutions to make sure this is actually going to help small businesses?

Mr. Steve Watton: I would say a fair amount. Over the last several years the program has undertaken a statutory review. The last review period ended last year and there was a fairly elaborate review undertaken. That was informed by discussions with not only lenders but also borrowers. There were awareness and satisfaction surveys done with the lenders and with the borrowers as well. Those discussions and consultations that have been had with the lenders and the borrowers informed the comprehensive review report. That report had a number of recommendations and was tabled in the House of Commons and in the Senate this past fall, so that's public information.

Many of these recommendations that are being proposed through budget 2021 had already been vetted through the financial institutions. That being said, the line of credit facility, to your point, is new and we are in active discussions right now with financial institutions to frame this up in such a way that it's going to be useful for the financial institutions to use, but also so that it is affordable and meets the needs of small business borrowers as well.

● (1915)

Mrs. Tamara Jansen: Is there an interest rate tagged onto this?

Mr. Steve Watton: Yes, there is an interest rate, but that interest rate is going to be prescribed in the regulations. The maximum it could be is prime plus 5% or some lesser amount—this is just for the line of credit. On the loan side it's prime plus 3%, and of that 3% on the term loan side, 1.25% has to come to the government as an administration fee. It's the same thing on the prime plus upwards of 5%. That's still to be determined, but it would be no more than that. There would still be 1.25% coming to the government for the administration fee.

The increase in the allowable interest rate would be commensurate with the level of additional risk that the line of credit would have versus, say, a term loan for real property.

The Chair: Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

I have two questions. First of all, how did the financial institutions that you got feedback from feel about this proposed change? Also, what exactly are you hoping this will result in?

Mr. Steve Watton: A number of changes are being proposed. I would say that all the feedback we've been getting from the financial institutions has been positive, and they are saying these measures will do more to help small businesses get access to financing. This is access to financing that would otherwise be unavailable. If they are falling under conventional lines of credit or conventional term loans, they will be given out under the conventional products within those financial institutions. It's only when the borrowers are a little higher on the risk spectrum that they would use this product.

The Chair: Mr. Fast.

Hon. Ed Fast: To follow up on that, the product is part of an existing program. This is not new. It's just that the program is being made more flexible. It's being somewhat expanded to clarify definitions on who can qualify for this, and what brings lenders to the table is the fact that the government is guaranteeing a percentage of any loan losses. Is that correct?

Mr. Steve Watton: Yes, that is correct.

Hon. Ed Fast: Thank you.

(Clause 206 agreed to on division)

(On clause 207)

Mr. Steve Watton: Clause 207 is just a clarifying technical amendment to the program liability ceiling. The clause amends subsection 6(1) of the Canada Small Business Financing Act to better articulate the meaning of the program liability ceiling.

The Chair: We'll go to the vote.

(Clause 207 agreed to on division)

Mr. Steve Watton: I'm sorry. There are two other subclauses in clause 207.

The Chair: Okay. Do you want to give a little explanation on them?

Mr. Steve Watton: Yes. It's subclauses 207(2) and 207(3). This is where the lender liability limits get segregated and clarified for term loans and lines of credit.

Subclause 207(2) separates the liability limit for term loans and the liability limit for lines of credit.

Subclause 207(3) introduces proposed subsection 6(3) of the Canada Small Business and Financing Act to establish the liability limit in respect of the lender for lines of credit at a maximum of 15% of their CSBFP line of credit portfolio, and that a lesser percentage liability can be prescribed in the regulations.

The Chair: I believe that was explained at the previous meetings as well, Mr. Watton, but thank you for that.

(On clause 208)

● (1920)

Mr. Steve Watton: Clause 208 basically deals with maximum loan size. This clause amends subsection 7(1) of the Canada Small Business Financing Act to increase the maximum loan size to $1.15 million and to allow for the line of credit facility. It sets the maximum amounts to be prescribed for different loan products—that is, $1 million for term loans and up to $150,000 for lines of credit—and maximum loan amounts for loan classes.

The Chair: Thank you. It's pretty straightforward in the bill.

(Clause 208 agreed to on division)

(On clause 209)

Mr. Steve Watton: Clause 209 speaks to the coming into force of the amendments. Subclauses 205(2), 205(3) and 207(1) will come into force when the budget implementation act receives royal assent. The other clauses will come into force once regulatory changes go through. There's a regulatory package associated with these changes as well. That will need to go through later this year.

(Clause 209 agreed to on division)

The Chair: Thank you very much, Mr. Watton, for your explanations and your help.

We will turn to division 19, with Yannick Mondy as the lead. It is on the Customs Act.

There are no amendments for clauses 210 to 219. Do we have unanimous consent to group them as one, with one explanation?

Hon. Ed Fast: No, I don't think so.

The Chair: All right. We will start with clause 210.

Ms. Mondy.

(On clause 210)

Ms. Yannick Mondy (Director, Trade and Tariff Policy, International Trade Policy Division, International Trade and Finance Branch, Department of Finance): Thank you.

Good evening. I'm the director for tariff and trade policy in the international trade and finance branch at the Department of Finance. Before I go into the intent of division 19 and its clauses, I would ask that Mr. Goran Vragovic be invited to appear as well. Mr. Vragovic is the director general for CBSA assessment and revenue management. He will help to assist on any technical questions relating to the amendments in division 19, part 4, of Bill C-30.

Overall, division 19, part 4, amends the Customs Act to make amendments to help to support the modernization of the payment processes of duties and taxes for commercial importers, primarily by establishing an interest-free period as well as a single harmonized billing cycle for monies owed, as opposed to the current terms of the act right now that set payment, interest and other monies owed on the basis of each transaction. As well, one of the amendments is looking to ensure a fair, consistent valuation of imports, importations of goods in Canada, by introducing a new definition in the Customs Act for the term “sold for export to Canada”.

Clause 210 allows importers to correct an import declaration before a deadline without triggering a redetermination that could generate penalties of interest. It effectively amends subsection 32.2(3) of the Customs Act and allows an importer to make an error correction before a certain deadline that will be set, without it being treated as a redetermination under paragraph 59(1)(a) of the Customs Act. The intention of this provision is to encourage more accurate final accounting and improve payment practices by commercial importers.

The Chair: Thank you.

Mr. Vragovic is here as well now.

Mrs. Jansen.

Mrs. Tamara Jansen: I really appreciate that last one, because that is a very difficult thing to do. There's no doubt about that, but could you explain the export from Canada...? You touched on it for minute. Could you explain the background? Why are you doing that?

Ms. Yannick Mondy: Do you mean the “sold for export to Canada”?

Mrs. Tamara Jansen: Yes, exactly: “sold for export”.

Ms. Yannick Mondy: Yes. If I'm not mistaken, that is actually in clause 213.

The Chair: Okay. We'll come to that. We'll wait till we get there.

Are there any further questions?

(Clause 210 agreed to on division)

(On clause 211)

● (1925)

Ms. Yannick Mondy: Clause 211 amends section 33.4 of the Customs Act, which currently imposes an obligation to pay interest on duties owing on imported goods from the day after liability to pay occurs. The intent of the change is to establish in regulation the point when the interest will start accruing, as well as to allow an interest-free period to pay duties in respect of goods released prior to accounting, which is effectively most commercial importations. This interest-free period in regulation is subject to limits that are being created in this subsection and that will be at least 12 days and no more than 18 days.

The intent here of these amendments is together to facilitate the establishment in regulation of a single harmonized payment due date for all goods released prior to accounting, rather than being separated by due dates strictly fixed on the number of days after each importation.

(Clause 211 agreed to on division)

(On clause 212)

Ms. Yannick Mondy: Clause 212 adds a clarification to section 35 of the Customs Act that imposes an obligation on a person to comply with the terms and conditions of the deposit, bond or other security that the person has given. The terms and conditions for bonds and other securities are established in regulations currently under existing paragraph 166(1)(b) of the act.

The intent of this provision is to make clear that the person who provided the deposit, bond or security to allow the release of the goods prior to their accounting must abide by the terms and conditions that accompany those securities.

(Clause 212 agreed to on division)

(On clause 213)

The Chair: Now we're on clause 213, and Tamara has a question on this.

Ms. Yannick Mondy: This amendment proposes to amend the existing section 45 of the Customs Act to introduce a definition of "sold for export to Canada", which currently appears in Customs Act regulations.

To answer your question as to the rationale for this, in certain circumstances, purchasers may be paying duties on the lower price, and usually, this happens when an importer is not the purchaser in Canada, for example, a non-resident importer that is importing on behalf of a retailer located in Canada, or a foreign company that is doing a transaction on behalf of its Canadian subsidiary.

By defining "sold for export to Canada", the idea is to clarify the amount on which duties owed to the government must be based upon, and to ensure that all importers are on a level playing field by using the same transaction, which is to say the last sale prior to export to a purchaser in Canada, rather than the value of a prior transaction in the supply chain that happens between two foreign entities.

The Chair: Does that answer your question, Tamara? Good.

(Clause 213 agreed to on division)

(On clause 214)

Ms. Yannick Mondy: Currently, subsection 97.22(2) and 97.22(3) of the Customs Act establish in statute when an amount and interest owing are a debt that is due to Her Majesty. Clause 214 amends these to allow purchasers to cluster duty payments on multiple items acquired over a specific period of time into a single payment. It also adds a clarification in English that a notice under section 124 is served, and it also makes a minor adjustment to the French version to better reflect the English version by adding "*chef du Canada*" to "*Sa Majesté*" to harmonize with the English version.

(Clause 214 agreed to on division)

The Chair: We're on clause 215, Yannick.

Hon. Ed Fast: Mr. Chair, I think we'd be prepared to allow to go on division clauses 215 to 219, if you wish.

(On clauses 215 to 219)

The Chair: Are there any explanations? Do you want to give a quick heads-up, Ms. Mondy?

If there was any further explanation on 215 to 219, you could make it, and we'll see them as one.

● (1930)

Ms. Yannick Mondy: Essentially, they're of the same nature, they either make changes to interest owed or penalties owed to ensure that there's a single harmonized billing system. This is consistent throughout 214 to 218, to do changes on various forms of monies that are owed to the Crown based on different penalties.

The Chair: Thank you.

(Clauses 215 to 219 inclusive agreed to on division)

(On clause 220)

The Chair: Thank you very much, Ms. Mondy and Mr. Vragovic.

I see you're both here for the next one too. It's division 20, Canada-United States-Mexico Agreement Implementation Act. The floor is yours on clause 220.

Ms. Yannick Mondy: I would like to invite for this one Marie-Hélène Cantin, who should be in the waiting room, for this particular division.

This clause establishes that there's an amendment to section 16 of the Canada–United States–Mexico Agreement Implementation Act to require the concurrence of the Minister of Finance when the minister responsible for international trade appoints or proposes the names of individuals for rosters, panels and committees established under that agreement for chapter 10, which relates to trade remedies dispute settlement mechanisms. These amendments are technical in administrative nature, and also maintain Canada's long-standing approach in this area for other agreements as well.

The Chair: Are there any thoughts?

(Clause 220 agreed to on division)

The Chair: Thank you, Ms. Mondy, and others who were with you.

We'll now turn to division 21, I believe the lead is Lorraine Pelot.

Ms. Lorraine Pelot (Director General, Income Security and Social Development Branch, Department of Employment and Social Development): Yes.

The Chair: There are no amendments on clauses 221 to 245.

Do we have authority to group them?

Hon. Ed Fast: Mr. Chair, I think we'll group them this time. You've done your job in moving us forward, so thank you.

The Chair: Good. Thank you, all.

Are there any explanations needed here? There are no amendments.

(Clauses 221 to 245 inclusive agreed to on division)

(On clause 246)

The Chair: Thank you very much, Ms. Pelot.

Turning then to division 22, Canada Labour Code, equal remuneration protection, we have clause 246. Barbara Moran is with us on division 22.

A BQ-6 amendment is in place there, so we'll turn to the Bloc.

Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

This part addresses what we call the transfer of contracts. This often involves subcontractors that provide services at airports. The system works on a competitive bidding basis. We've seen the following scheme: a new company or the same company acting under a different name bids at a lower cost and, once the company obtains the contract, it lowers the wages and working conditions of its employees.

Under this provision, the subcontractor can't lower wages. Most of the time, since the jobs are specialized, the same workers are hired. We welcome this part of Bill C-30. However, we want to go further. We want to ensure that, not only will the wages be maintained, but that all the working conditions under the previous contract will also be maintained. Our goal is to prevent the new providers from bidding lower with the goal of lowering working conditions in general. This is about ensuring that these conditions are maintained.

● (1935)

[*English*]

The Chair: Mr. Ste-Marie, I will have to make a ruling on this one.

The amendment replaces paragraph 47.3(2) of the Canada Labour Code, to add that in the case of a transfer of employer, the new employer must provide employees who are providing the services with rights and benefits that are not limited to remuneration.

The act presently is silent in regard to the rights and benefits of employees. Therefore, the amendment goes beyond its scope, as adopted at second reading by the House. Per page 772 of the *House of Commons Procedure and Practice*, third edition, the amendment is out of order.

With that, on clause 246, are explanations needed from Ms. Moran?

Mrs. Jansen.

Mrs. Tamara Jansen: Yes. I'm hoping we can get a bit of an explanation on each of these clauses, if that's all right.

The Chair: On clause 246, go ahead, Ms. Moran.

Ms. Barbara Moran (Director General, Strategic Policy, Analysis and Workplace Information, Labour Program - Policy, Dispute Resolution and International Affairs Directorate, Department of Employment and Social Development): Thank you.

Clause 246 includes changes to part 1 of the Canada Labour Code. It would extend the equal remuneration protection to all federally regulated employees covered by a collective agreement in the air transportation sector who are working at airports. As well, it would also provide a regulation-making authority to extend this provision to other industries.

Mr. Ted Falk: I'm just wondering how that is different from the way it is now.

Ms. Barbara Moran: Thank you for the question.

What's in the Canada Labour Code right now is to provide that equal remuneration protection only for pre-board security screeners. What this would do is extend it to all of those individuals who are working in the air transportation sector and working at airports who are covered by a collective agreement. It extends it.

Mr. Ted Falk: Thank you.

(Clause 246 agreed to on division)

(On clause 247)

The Chair: We have Mr. Charter here on part four, division 23, clause 247.

Are there any question on that?

Hon. Ed Fast: Could we get an explanation on that like we were getting earlier?

The Chair: Mr. Charter, could you explain clause 247?

Mr. David Charter (Director, Workplace Information and Research Division, Labour Program, Department of Employment and Social Development): Division 23 amends part three of the Canada Labour Code to set a free-standing federal minimum wage. Clause 247 provides that an employee should be paid at least the new federal minimum wage, which is specified later in clause 248 as $15 per hour. It also specifies that if a provincial or territorial minimum wage rate is higher, the employee should be paid that higher provincial or territorial rate.

In addition, if the provincial or territorial minimum wage rate is based on age, the highest rate should be used to determine whether the federal, provincial or territorial rate prevails.

Finally, there is also a consequential amendment to ensure that when the minimum wage is calculated on a basis other than time, or a combination of time and some other basis, the minister would be able to, by order, fix a rate that is equivalent to the new federal minimum wage or the provincial or territorial rate, whichever is higher.

The Chair: Mrs. Jansen, go ahead.

Mrs. Tamara Jansen: Do I understand correctly that you will disregard the minimum wage if it's lower in a province? Is that correct? You'll disregard it. It will be $15 regardless of what the minimum wage is set at in the province.

Mr. David Charter: The minimum wage for employees working in the federally regulated private sector will be $15 unless there's a higher provincial or territorial rate, for example, in Nunavut. In that case, that wage would prevail.

Mrs. Tamara Jansen: Not lower...?

Mr. David Charter: It's not lower.

(Clause 247 agreed to on division)

(On clause 248)

● (1940)

The Chair: On clause 248, is there an explanation here? Then there's NDP-10.

Mr. Julian, we'll go with the explanation first.

Mr. Charter, go ahead.

Mr. David Charter: Clause 248 establishes the $15 per hour baseline federal minimum wage. It also sets out how the minimum wage will be adjusted to keep pace with inflation, starting the year after these provisions come into force and based on the increase in the consumer price index for the previous calendar year.

It also clarifies that the average of the all-items, not seasonally adjusted, consumer price index, should be used. It stipulates that there would be no adjustment to the minimum wage if the consumer price index decreased the previous year.

The Chair: There is an amendment, but I don't see the mover of the amendment. If the mover is not here, we'll move on.

Mrs. Jansen, go ahead.

Mrs. Tamara Jansen: Does it cause a problem where you have competition between the federal and the provincial sectors? Would that put pressure on the provincial wages?

Mr. David Charter: Some stakeholders have pointed to the possibility that there could be competition between the new federal minimum wage and a different provincial minimum wage rate, now that there would be a free-standing federal minimum wage.

On the other hand, some stakeholders have stated that putting in place a free-standing federal minimum wage would address the divergence in minimum wage rates for employees in the federally regulated private sector across different provinces before this free-standing minimum wage was put in place.

(Clause 248 agreed to on division)

(On clause 249)

The Chair: We'll go to clause 249.

Mr. Charter, go ahead.

Mr. David Charter: Clause 249 sets out that these amendments would come into force six months after royal assent.

(Clause 249 agreed to on division)

The Chair: Division 24 deals with the Canada Labour Code and leave related to the death or disappearance of a child.

We're only dealing with two clauses here, clauses 250 and 251, so can we see them together? Okay.

(On clauses 250 and 251)

The Chair: Ms. Moran, please go ahead.

Ms. Barbara Moran: This relates to the federal income support for the parents of murdered and missing children program, which was replaced in 2018 by the Canadian benefit for parents of young victims of crime. These two clauses amend the sections of the Canada Labour Code to align the eligibility for the leave related to the death or disappearance of a child as the result of a probable Criminal Code offence with the improved eligibility criteria for the Canadian benefit for parents of young victims of crime.

What follows is a series of subamendments that do just that.

Subclause 250(1) replaces the definition of child to specify that a child refers to a person who's under 25 years of age. It extends eligibility for the leave to parents of children who are between 18 and 24 years of age. Again, it's all about aligning with that recent change to expand eligibility for the benefit to parents of children under 25.

It also replaces the definition of parent to more clearly delineate persons who are eligible to take the leave. Specifically, it simplifies the language around what “parent, with respect to a child” means. It specifies that “a curator to the person of the child” in Quebec—that's someone who's legally responsible for the affairs of an incapacitated person over 18—is considered a parent under this section and includes persons prescribed by regulations. It also ensures that the definition of parent includes a person who has decision-making responsibility in respect of the child.

Subclause 250(2) would increase the maximum length of leave from 52 weeks to 104 weeks for an employee who's a parent of a child who has disappeared, probably as a result of a crime. It also amends the code to specify that an employee is ineligible to take a leave of absence if the child was 14 years of age or over at the time of the crime and it is probable, considering the circumstances, that the child was a party to the crime. Again, this amendment is consistent with the change to the benefit that prevents parents from receiving the benefit if their children were over the age of 14 and were a probable party to the crime.

Subclause 250(3) specifies that the period during which an employee may take a leave of absence ends 104 weeks after the day on which a disappearance occurs.

Subclause 250(4) specifies that the period during which an employee, who is a parent of a child who has disappeared, may take a leave of absence ends 14 days after the day on which the child is found, if the child is found within the 104 week period, but not later than the end of the 104 week period.

Subclause 250(5) would increase the aggregate amount of leave that may be taken by employees in respect to the disappearance of the same child or children who disappeared in the same event from 52 to 104 weeks.

Finally, clause 251 is a consequential amendment. It relates to the section of the code that deals with victims of family violence. It ensures that the definition of parent, as amended in the previous clause that I just described in this bill, is also applied with respect to the leave for victims of family violence. The clause also specifies that a child with respect to the leave for victims of family violence refers to a person who is under 18 years of age.

Thank you.

● (1945)

The Chair: Thank you.

I see no questions. It was explained previously as well.

Mrs. Jansen.

Mrs. Tamara Jansen: I'm just wondering why the natural death of a child is only given three days bereavement and this is 104. What's the logic behind that?

Ms. Barbara Moran: The purpose behind this one is to really just align the leave associated with the Canadian benefit for parents of young victims of crime. It's to ensure that job-protected leave is available for people availing themselves of that benefit.

Mrs. Tamara Jansen: Is there a reason why there's a difference in definition about the age of the child—under 25 as opposed to under 18?

Ms. Barbara Moran: Yes. In fact, that goes back to a 2017 report from the federal ombudsman for victims of crime that found that one of the most common reasons that applications for the benefit were denied was that the victim was over the age of 18. They decided to extend it for the purposes of applying to the benefit. In turn, we extended the leave to match what's happening with the benefit.

The Chair: Mr. Julian.

Mr. Peter Julian: I apologize, Mr. Chair.

I was in the House of Commons and I understand from a couple of my colleagues that we have bounded ahead quite remarkably. My leader, of course, was giving his speech and there were some procedural issues. I was hoping you could give me a quick update on the consideration of clause-by-clause.

The Chair: Okay.

We are on division 24, dealing jointly with clauses 250 and 251. We are at page 278 in the bill.

Mr. Peter Julian: Thank you very much.

I believe that you had gone to NDP-10—

The Chair: Yes. There were no movers so we moved on.

Mr. Peter Julian: May I ask for unanimous consent to come back briefly to that?

The Chair: You can.

Could we finish with Ms. Moran first, and then we'll give you that opportunity?

Mr. Peter Julian: Thank you.

The Chair: One of the difficulties is that we did vote on the section that your amendment is referring to.

In any event, we are ready to vote on clauses 250 and 251.

(Clauses 250 and 251 agreed to on division)

The Chair: Mr. Julian, you're asking for unanimous consent to go back to your amendment on clause 248.

Mr. Peter Julian: Yes.

I apologize to my colleagues, Mr. Chair.

This is wearing two hats, where there are procedural issues in the House of Commons and the finance committee is sitting late. Occasionally these things occur. I certainly apologize for trying to handle both at the same time.

I would ask for unanimous consent for the chance to propose the amendment.

● (1950)

The Chair: Is there unanimous consent to propose the amendment?

Do I hear any objection? I guess that's the way to put it.

Ms. Julie Dzerowicz: There isn't unanimous consent.

Mr. Sean Fraser (Central Nova, Lib.): No.

The Chair: There's no unanimous consent.

(On clause 252)

The Chair: We'll go, then, to division 25, “Payment to Quebec”.

Mr. Cadieux.

Mr. Benoit Cadieux (Director, Special Benefits, Employment Insurance Policy, Skills and Employment Branch, Department of Employment and Social Development): Thank you, Mr. Chair.

My name is Benoit Cadieux. I'm the director of employment insurance, special benefits, at Employment and Social Development Canada.

Clause 252 authorizes the Minister of Employment and Social Development to enter into an agreement and make a one-time payment of $130.3 million to Quebec for the purpose of offsetting some of the costs of aligning the Quebec parental insurance plan with the temporary EI measures introduced last September 2020, ensuring that parents in Quebec receive the same level of support as parents in the rest of Canada.

Thank you. With that, I can answer any questions.

The Chair: Are there any questions?

Mr. Falk.

Mr. Ted Falk: Thanks, Mr. Chair.

Does this request come from Quebec, or is this just another goodwill posturing gesture on behalf of the government?

Mr. Benoit Cadieux: The request does indeed come from Quebec. They have identified a cost of $260 million to align the Quebec parental insurance plan with the EI temporary measures. This payment provides approximately half of that with those costs.

Mr. Ted Falk: Okay. Thank you.

(Clause 252 agreed to on division)

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

We move on to division 26 on the Judges Act. Mr. Hoffman is the lead. There are no amendments on these two clauses. Can we see them together?

Hon. Ed Fast: Yes.

(On clauses 253 and 254)

The Chair: Do we need an explanation?

Hon. Ed Fast: Yes.

The Chair: It was explained at committee previously, but okay.

Mr. Toby Hoffmann (Acting Director and General Counsel, Judicial Affairs Section, Public Law and Legislative Services Sector, Department of Justice): Thank you, Mr. Chair.

I believe my colleague, Ms. Anna Dekker, is in already. I'd ask that Mr. Patrick Xavier be brought in as well.

The Chair: Okay.

Mr. Toby Hoffmann: While that's occurring I can provide an overview.

The Chair: Yes, go ahead, sir.

Mr. Toby Hoffmann: Thank you.

As we said before, clause 253 amends the Judges Act to stop the accrual of pensionable service for a judge who is the subject of a report regarding removal from office issued by the Canadian Judicial Council.

I think what we said before is that this is being proposed by the government because there have been concerns of confidence in the process raised publicly, namely, that judges who may be the subject of such reports continue to collect pensionable service. This will prevent that from occurring.

Also, if a judge is the subject of a report for removal from office but that is not accepted by the Minister of Justice by this House or the Senate, then the pension continues to accrue as if nothing had changed.

If I may, lastly, clause 254 ensures that this amendment is prospective only.

I'm here with my colleagues to answer any questions that you may have. Thank you for the opportunity to speak to this.

The Chair: Are there any questions?

(Clauses 253 and 254 agreed to on division)

The Chair: Thank you very much, Mr. Hoffmann and colleagues.

We'll turn to division 27, dealing with new judicial resources.

You're here for this one too.

Mr. Toby Hoffmann: Yes, I am, Mr. Chair.

The Chair: Welcome.

(On clauses 255 to 260)

The Chair: Mr. Hoffman.

Mr. Toby Hoffmann: Thank you again, Mr. Chair.

Just as a brief introduction, all these clauses, clauses 255 to 260, concern amendments to different acts regarding a judicial complement.

As you requested, Mr. Chair, clause 255 is an amendment to the Federal Courts Act. It increases the complement of the Federal Court of Appeal by one judge.

● (1955)

The Chair: I guess we'll deal with them one by one unless I hear someone suggesting otherwise.

Do we want to deal them all, clauses 255 to 260, with unanimous consent, and get an overall explanation on them? Are we okay with that?

Hon. Ed Fast: That's fine.

The Chair: Okay.

If you would explain the rest of them, Mr. Hoffmann, we'll handle them all together.

Mr. Toby Hoffmann: Thank you, Mr. Chair and Mr. Fast.

Clause 256 amends the Judges Act to add to the complement of the Ontario Superior Court of Justice by five judges.

Clause 257 amends the Judges Act to increase the complement of the Supreme Court of British Columbia by two judges.

Clause 258 amends the Judges Act to increase the complement of the Court of Queen’s Bench for Saskatchewan by two judges.

Clause 259 amends the Judges Act to authorize the appointment of a new associate chief justice for the Supreme Court of Newfoundland and Labrador.

Finally, clause 260 amends the Tax Court of Canada Act to increase the judicial complement of that court by two judges.

The Chair: I believe Mr. Fast has a question.

Hon. Ed Fast: What metrics did you use to determine that these additional resources were necessary?

Mr. Toby Hoffmann: I'll answer your question if I can, Mr. Fast, but I would say that my colleague here, Ms. Dekker, is the subject matter expert.

Essentially, Mr. Fast, the way the process works is that our department, the Department of Justice, sends out a call letter, if I may, to the jurisdictions. It's part of what we call a standardized process. We ask the jurisdictions to provide us with their requests for the upcoming year in terms of judicial complement. In that regard, we identify some criteria, such as caseloads and other factors.

Really, though, Mr. Fast, it's wholly within the purview of the provinces of the courts to provide us with whatever information they believe is necessary to support their businesses cases. When we receive that information, we work with them closely, I think I can say, to ensure that they essentially put their best foot forward, or we try to identify any gaps in information that we feel may be there. After we receive that information, assess it and work with the PTs, we in my section prepare legal advice that we pass on to the minister. Then the minister and his officials take that and make decisions, which we're not privy to at all, in terms of what complement should be provided to these courts based on their asks.

I don't know if that's enough for you, Mr. Fast. I could ask my colleague Ms. Dekker to add to that, if you'd like to hear anything more.

The Chair: How are you on that, Ed?

Hon. Ed Fast: You know, that was pretty good, but I do want to hear from Ms. Dekker very briefly.

Mr. Toby Hoffmann: Thank you, Mr. Fast.

The Chair: Ms. Dekker.

Ms. Anna Dekker (Acting Senior Counsel, Judicial Affairs Section, Public Law and Legislative Services Sector, Department of Justice): Thank you, Mr. Chair.

I can add just a little bit more. As the provinces and territories, and the courts themselves, are managing their own affairs, there's not always a completely common element.

As Mr. Hoffman said, we do work with them to provide...and ask them for whatever information they are able to provide, understanding that they don't necessarily have a standardized approach across all of Canada. It would be cases that are coming in, trends and new cases broken into categories and trends in the patterns of workflow. Sometimes we can look at things like the number of days that something is taking, whether there are self-represented litigants, which sometimes has the effect of extending a process, or whether various complicated matters have arisen.

Those are the sorts of details we try to look at with the participating jurisdiction.

Hon. Ed Fast: Thank you. That's very thorough.

The Chair: I have a question from Mrs. Jansen.

Mrs. Tamara Jansen: Are there any comparatives between the different provinces and their needs? Is everybody equal or do some get to go slower than others, or faster? How does that work? Is there a requirement for everybody to be able to achieve similar results with the same number of judges?

● (2000)

Ms. Anna Dekker: We try to approach it on an individual basis, so there is no fixed formula for determining a court's judicial complement. That is because the jurisdictions' courts themselves are responsible for the administration of justice. For example, the rules of court and civil matters are not identical across the board. Each request is considered separately on its merits and without comparing one jurisdiction to the other.

That said, we do keep in mind, for example, that in criminal matters we know that the Supreme Court has spoken to what presumptive timelines should apply, so those do help us and guide what should be expected.

The Chair: We'll not get into presumptive timelines. That would be a long discussion. However, they're very slow, if you ask me...but you're not asking me.

(Clauses 255 to 260 inclusive agreed to on division)

The Chair: Ms. Dekker and Mr. Hoffmann, thank you both.

Mr. Toby Hoffmann: Thank you.

(On clauses 261 and 262)

The Chair: We'll turn, then to part 4, division 28, which would amend the National Research Council Act. That's on page 282 of the bill.

Mr. Scott, I believe we should be able to see these two clauses together, clauses 261 and 262. Go ahead, please.

Mr. Stephen Scott (Director General, Strategy and Performance, National Research Council of Canada): Thank you, Mr. Chair, and good evening.

Clause 261 is a proposed amendment to provide the National Research Council with the ability to incorporate and stand up arm's-length entities such as not-for-profit organizations. Under this amendment, the NRC would be able to establish special-purpose collaboration models that increase and deepen linkages between NRC researchers and academics and the private sector.

The NRC's new biologics manufacturing centre facility, which will be operated through a public-private partnership over the longer term, is an example of where a new collaboration model could be used.

The Chair: Are there any questions?

Mr. Fast.

Hon. Ed Fast: I understood this biomanufacturing facility was going to be producing COVID-19 vaccines. Is that correct?

Mr. Stephen Scott: Yes, it is. That's the subject of the next clause as well.

Hon. Ed Fast: Okay. We're doing them together, so I'm asking the question.

The Chair: Yes, Mr. Scott, we're doing them together, so go ahead.

Mr. Stephen Scott: Clause 262 is a proposed amendment to enable the National Research Council to manufacture and produce medical products such as vaccines on a larger scale to respond to pandemics and other public health needs.

Currently, the NRC is authorized to produce medical products on a smaller scale for things like clinical trials and experiments. This new authority would provide the NRC with the ability to manufacture vaccines at a larger scale once the new biologics manufacturing centre at the Royalmount campus in Montreal receives regulatory approval by Health Canada.

Hon. Ed Fast: Do we know what vaccines Royalmount would be manufacturing? We know they're going to be COVID-related vaccines, but do we know which ones? Is it going to be a partnership with Pfizer or with AstraZeneca? How does that look?

Mr. Stephen Scott: Currently, as announced earlier this year, the National Research Council is negotiating a manufacturing agreement with the U.S. biopharmaceutical company Novavax, to produce their vaccine candidate at the facility.

The Chair: Mr. Falk.

Mr. Ted Falk: Thank you, Mr. Chair.

Are there currently any other private-public partnerships being considered that this would facilitate?

Mr. Stephen Scott: From the NRC perspective, we're conducting the analysis on the options right now to assess what type of public-private partnership this would best fit underneath. We are looking at various examples and best practices, such as the U.K. Vaccines Manufacturing and Innovation Centre.

There are some examples we're looking at and we're conducting an analysis now in terms of which model could best be used for the NRC's facility going forward.

Mr. Ted Falk: I guess I'm looking a little further than even just vaccine production facilities.

What other types of industries are you considering in a private-public partnership that this amendment, at least the first part of it, would apply to?

Mr. Stephen Scott: I understand. Thank you for the question.

There are no current plans to use the amendment for other cases. The intent of the amendment is very much focused on enabling the operationalization of the biomanufacturing centre.

Once it's operational, the member is correct that it would be a part of the tool kit for future use by the National Research Council, but there are no current plans to use it in another fashion.

● (2005)

Mr. Ted Falk: If it were to be used further, it would still require ministerial approval at the very least, but it wouldn't necessarily require Parliamentary approval.

Mr. Stephen Scott: Thank you for the question.

In the legislation, it is prescribed that every use of the authority to stand up a new entity requires Governor in Council approval. The government of the day would need to approve the stand up of a corporation once a proposal is put forward.

Mr. Ted Falk: Thank you.

The Chair: Mrs. Jansen.

Mrs. Tamara Jansen: I asked a number of questions about this previously. Maybe you've had more time to think about it, so I want to ask this question again. What exactly is the facility going to be doing between pandemics? I don't understand what the plan is, especially because this is asking for a removal of the cap on production. The concern now might be that you are suddenly in competition with other private companies.

Do you understand better what NRC will be doing between pandemics?

Mr. Stephen Scott: Thank you for the question.

The intent of the facility is very much to complement the private sector and offer partnership opportunities to companies that might not otherwise have manufacturing partnerships.

Between pandemics, one of the roles of the facility will be to produce drugs and medical products for public health needs. This would include orphan drugs for example, where there's a niche need for something like that. Those are examples of the types of activities the facility would undertake between pandemics.

Mrs. Tamara Jansen: Is it certain that you would be producing orphan drugs between pandemics?

Mr. Stephen Scott: It will certainly be part of the facility's mandate. It's certainly something we're looking at and it's part of the analysis of options in the long term.

Mrs. Tamara Jansen: You're very specific when you talk about “drugs” and “devices”. Is that too broad? Is that too narrow? When you say devices, are you going to be making ventilators there? What does that mean?

Mr. Stephen Scott: The terms “drugs” and “devices” were selected to be part of the legislation because they're defined in the Food and Drugs Act. As the name suggests, “drugs” refers to your typical vaccines and therapeutics. “Devices” was included to be very pragmatic. When the facility produces vaccines, just pragmatically, they will need to be put into something. “Devices” refers to things like vials and syringes.

Mrs. Tamara Jansen: Packaging...so you would actually make vials and syringes as well.

Mr. Stephen Scott: Yes, the intent would be to produce the vials and syringes into which the vaccine will go once it's manufactured.

The Chair: Okay, I thank you all.

(Clauses 261 and 262 agreed to on division)

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

We are going to division 29, Department of Employment and Social Development. The lead is Ms. McCormick.

Just a heads-up to the committee, we have a hard stop at 8:30 Ottawa time, given the complications of Zoom, pressure on the translators and so on. We have 98 clauses left plus the title—four or five votes there—and 16 amendments. That is where we are.

In any event, do you want to explain clause 263, Ms. McCormick? We have one amendment on clause 264.

(On clause 263)

Ms. Frances McCormick (Executive Director, Integrated Labour System, Workplace Directorate, Labour Program, Department of Employment and Social Development): Thank you, Mr. Chair.

This proposal is an amendment to the Department of Employment and Social Development Act to authorize the Minister of Labour to collect social insurance numbers.

The purpose is that it's part of the modernization of services to Canadians delivered by the labour program, with a particular focus on improving digital capacity. This is so we can move from paper-based to electronic systems of a protected nature. This is primarily behind the My Service Canada Account, which uses the SIN as a mandatory identifier within that system.

These services are for our federally regulated employers and employees to file reports of a protected nature. Upon enforcement of this, we will not be collecting the SIN until privacy impact assessments are done to ensure that people's personal information is fully protected.

I'm happy to take any questions.

● (2010)

The Chair: That's pretty straightforward, I believe.

(Clause 263 agreed to on division)

The Chair: Thank you very much, Ms. McCormick.

Mr. Peter Julian: I have a point of order.

Mr. Chair, the amendments that I'll be offering impact clauses 264, 265, 266 and 267, so I'd like to suggest, if we are continuing with the format of a brief presentation followed by questions, that we group all four clauses. I think it makes more sense. Then I would present all of the amendments at the same time.

The Chair: Is the committee okay with that approach?

An hon. member: Agreed.

The Chair: You're saying, Peter, that we'd group clauses 264 to 267.

Mr. Peter Julian: Yes.

(On clauses 264 to 267)

The Chair: Could we have a brief overview from Ms. Damsbaek?

Go ahead, Nina.

Ms. Nina Damsbaek (Director, Policy and Research, Canada Student Loans Program, Learning Branch, Department of Employment and Social Development): Thanks very much.

I'm happy to address clauses 264 to 267 all together. In fact, I think that is wise. In fact, only three of them now have the effect of actually enacting the interest waiver on Canada student loans and Canada apprentice loans for a two-year period.

I'll start just by offering a little bit of context as to why. I should explain that, at the time of drafting these amendments, we actually needed to coordinate between two pieces of legislation. Members of this committee will recall that a one-year interest waiver was actually announced in the fall economic statement in November 2020.

[*Translation*]

Mr. Gabriel Ste-Marie: I have a point of order, Mr. Chair.

[*English*]

The Chair: Just hold on, Nina, for a minute.

Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: The interpreters are reporting that the poor sound quality is making their job difficult. Can an adjustment be made?

[*English*]

The Chair: I'm not getting the English translation.

[*Translation*]

Mr. Gabriel Ste-Marie: The poor sound quality is making it difficult for the interpreters to work.

[*English*]

The Chair: The interpreters are having difficulty picking you up. Do you want to give your mike a little test with the clerk?

Alexandre, could you test that mike and see if we can get better sound quality?

The Clerk of the Committee (Mr. Alexandre Roger): Hello, Ms. Damsbaek.

If you go on the bottom left mute and unmute button, there's an arrow pointing up. Do you see that?

Ms. Nina Damsbaek: I do not, but that might be because I'm on an Apple tablet.

The Clerk: Right. That's why.

You were tapping your mike. Can you tap it again? We didn't hear anything.

At this point—I was looking with the IT ambassador in the room—there's not much we can do, Mr. Chair, because usually we asked for a wired headset. However, I see that she has earbuds. Those usually work better than Bluetooth, so perhaps if she tries those?

Ms. Nina Damsbaek: Why don't I switch?

Are you receiving me better now?

The Chair: That's a lot better.

The Clerk: I have hands up in the air by the interpreters, which I think is a big difference. Thank you very much.

Ms. Nina Damsbaek: Terrific.

The Chair: Thank you, Nina. Go ahead.

● (2015)

Ms. Nina Damsbaek: I'll perhaps just back up momentarily to reiterate why I think it is wise to consider these together. The context at the time of drafting these amendments means we are now at a place in time in which we can narrow it down to exactly how three pieces of these amendments will have the effect of enacting the waiver of interest accrual on Canada student loans and Canada apprentice loans.

I was indicating that members of this committee may recall that an initial one-year interest-free period was announced in the fall economic statement. Budget 2021 announced an extension on that initial waiver of interest accrual for one year, so these amendments in Bill C-30 were being drafted at the time when Bill C-14 , the act to implement provisions of the economic statement, had not yet received royal assent. In effect, what is now having the effect of implementing a two-year interest-free period is three subclauses of clause 267, which are the coordinating amendments, specifically subclauses 267(2), 267(5) and 267(8), which will modify the new provisions in the three acts governing Canada student loans and Canada apprentice loans.

Those new provisions were created by Bill C-14 and will be replaced with the new language that makes the one-year interest-free period a two-year interest-free period, such that no students or apprentices would see interest accrue on their loans starting in April of this year and ending in March 2023.

I will pause there and be happy to take any questions.

The Chair: Okay, I don't see any questions.

We will go to amendment NDP-11 on clause 264.

Peter, the floor is yours.

Mr. Peter Julian: Thanks very much, Mr. Chair.

As I mentioned earlier, grouping all three amendments will also have an impact on clause 267, so what I will be doing is proposing all three amendments. To enact the amendments if they passed, of course we would be voting down clause 267.

The three amendments propose that the interest waiver be made permanent, and as you know, Mr. Chair, we're all aware across the country of how hard hit students have been through this pandemic. Student debt has been increasing. Students are very hard-pressed to keep up, and they are paying interest on the loans that they have undertaken, so, given the student debt crisis and the size and scope of the struggle students have had during the course of the pandemic, what these three amendments do is propose that the interest waiver be permanent for both, starting on April 1, 2021—a couple of months ago—in all three of the pieces of legislation.

Amendment NDP-11 proposes that the interest waiver be made permanent for the Canada Student Loans Act. Amendment NDP-12 proposes that, for the Canada Student Financial Assistance Act, the waiver be permanent beginning on April 1. Then amendment NDP-13 proposes that, for the Apprentice Loans Act, the interest waiver be made permanent.

Given the size and scope of the student debt crisis, this is a thoughtful and smart way of starting to address what is chronic student debt, doing that and stopping the process of the federal government basically benefiting through interest payments and interest charges from students having to indebt themselves to get the higher education that we all want them to have.

That is why I am moving these three amendments as a package, and if the committee supports that, we would also have to vote down clause 267.

The Chair: Okay. I do have a chair's ruling on this, Mr. Julian, which I think you were expecting.

On Bill C-30, I'll read the one for clause 264 first. The other rulings on the other two amendments are basically the same, only with different acts.

Bill C-30 seeks to amend the Canada Student Loans Act to temporarily suspend interest and interest payments with respect to guaranteed student loans during the period that begins on April 1, 2021, and ends on March 31, 2023. The amendment attempts to suspend interest and interest payments by a borrower for an indeterminate period of time that begins on April 1, 2021, therefore extending the time the government would assume the payment of interest to the lender, which would result in increasing payments from the consolidated revenue fund. The amendment as proposed is inadmissible as it requires a royal recommendation since it imposes a new charge on the public treasury.

That relates to NDP-11.

The same wording, basically, relates to NDP-12, as it deals with the Canada Student Financial Assistance Act. It would be the same wording for NDP-13 on clause 266 as it relates to the Apprentice Loans Act.

On all three, I rule them inadmissible based on the need for a royal recommendation, since it imposes a new charge on the public treasury.

● (2020)

Mr. Peter Julian: On a point of order, Mr. Chair, as I mentioned when we started this process last week, there were some amendments where I believed we needed to challenge the traditional government purview on a royal recommendation.

As you'll recall, I mentioned last Thursday that with the famous Jack Layton budget, what the government did at the time, because they wanted to stave off an election, was to allow the royal recommendation. They basically allowed the budget to be recrafted, because at the time the Paul Martin government saw the thoughtfulness of the Jack Layton amendments—

The Chair: I guess you're challenging the chair.

Mr. Peter Julian: Yes. I'll just finish briefly. I haven't taken a lot of airtime over the last couple of days.

Given that it is the historical ability of the finance committee, with the government being pressed to provide a royal recommendation, I will appeal your decision to the committee, and the committee can decide whether they choose to overrule your decision and ultimately adopt these amendments. That, of course, increases pressure on the government to do the right thing and provide the royal recommendation.

The Chair: All right.

I will ask the clerk to go to a recorded vote on the chair's ruling.

(Ruling of the chair sustained: yeas 9; nays 2)

(Clauses 264 to 267 inclusive agreed to on division)

(On clause 268)

The Chair: Thank you very much, Ms. Damsbaek. That was much appreciated.

We will turn, then, to division 31 and first nations elections. There is only one clause.

We'll go to Christopher Duschenes.

Does there need to be an explanation on this? I guess we had better. We might as well.

Go ahead.

Mr. Christopher Duschenes (Director General, Economic Policy Development, Lands and Economic Development, Department of Indigenous Services): It will be quick. Thank you very much, Mr. Chair.

The health and safety of first nations has been the primary concern of Indigenous Services and our minister since the outbreak of the pandemic. A wide range of efforts have been made with first nations to ensure the health and safety of their membership is protected.

In March of 2020, it became clear that there were no regulatory provisions to allow chiefs and councils to postpone or cancel their elections, thus no way to avoid community gatherings during the electoral process and thus potentially exposing members to COVID.

As a result, regulations were put in place to allow chiefs and councils to postpone their elections. These regulations are entitled, as you mentioned, the first nations election cancellation and postponement regulations, regarding prevention of diseases. These regulations have been very well received and used since they came into force in April 2020.

However, the legislative base on which they sit has been questioned. This clause simply serves to retroactively validate these regulations to ensure that they are valid and that the community government decisions made pursuant to these regulations are not put into question.

Thank you very much.

● (2025)

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

We're on page 286 of the bill, for those who are following on the bill.

It's Mr. Fast first and then Ms. Jansen.

Hon. Ed Fast: I believe Ms. Jansen was first.

The Chair: You come up first. You were quicker to the switch.

Hon. Ed Fast: Is this clause time limited? It's focused on one particular regulatory measure that is effectively being fixed after the fact.

Mr. Christopher Duschenes: The regulations themselves were time limited. The first set of regulations was for six months, and they have been extended to October, 2021. This piece of the budget implementation act is not time limited.

My colleagues, Yves Denoncourt, the director of government operations, and Karl Jacques from the Department of the Justice, are in the waiting room if there's anything more technical.

The regulations are for a very specific purpose and are time limited. This clause in the budget implementation act is more general.

Hon. Ed Fast: This is the second time today that we've dealt with a regulation that was passed and had to be fixed after the fact through legislation. I'm concerned that the government not get into the habit of doing this. I recognize there were emergent circumstances in which this happened. I understand. It's probably justifiable, but this cannot be a practice that the government gets into.

The Chair: Ms. Jansen, do you still want in?

Mrs. Tamara Jansen: No. I think he answered the question.

Mr. Christopher Duschenes: Thank you very much.

(Clause 268 agreed to on division)

The Chair: We'll go to division 32. We'll start on it. We have Ms. Underwood in to explain. It is regarding the increase to old age security pension and payment.

There are no amendments on clauses 269 to 271. We have amendments after that, but that's likely as far as we'll get.

Ms. Underwood, do you want to explain clauses 269 to 271 if you could? I think we'll probably agree to see them as one.

(On clauses 269 to 271)

Ms. Kristen Underwood (Director General, Income Security and Social Development Branch, Department of Employment and Social Development): Mr. Chair, I might ask that Kevin Wagdin, who is in the waiting room, help me if there are some more technical questions. Perhaps he can be invited in while I start.

The Chair: Okay.

Before you do, Mr. Clerk, can you check to see if it's okay if we go three minutes over? I don't want the thing to go dark when we're half done clause 271. We will adjourn after 271. Could you check and give me a wave?

Go ahead.

Ms. Kristen Underwood: Clause 269 is designed to ensure that the $500 one-time payment that is being proposed for the OAS pensioners aged 75 and older would not be included as income for GIS purposes. The one-time payment would be considered taxable income under the Income Tax Act. That would normally count as income for GIS.

Exempting this payment from the definition of income will ensure that the one-time payment made in August, 2021, will be treated similar to OAS and will not reduce a person's GIS beginning in July 2022.

The Chair: I see Mr. Fast and Mrs. Jansen.

Mr. Fast.

Hon. Ed Fast: Who made the decision to make the payment in August of this year?

Ms. Kristen Underwood: It was the decision of the government to make the payment this August. It was put in place as a transitional measure before the permanent increase happens next July.

● (2030)

Hon. Ed Fast: Did someone in the political realm direct you to choose August as a date to make this payment?

Ms. Kristen Underwood: It is the decision of the government.

The Chair: You've been in cabinet, Ed. You know how that works.

Hon. Ed Fast: I certainly do. I understand politics as well.

The Chair: Does that answer your question, Ed?

Hon. Ed Fast: Of course it does.

The Chair: Mrs. Jansen.

Mrs. Tamara Jansen: I'm just wondering. Why would we want to set up a two-tiered system like this? Why are we treating seniors as junior-seniors and senior-seniors?

Is this also a government decision? Was there some analysis put into this that it makes sense to split our seniors into a two-tier system?

Ms. Kristen Underwood: As we mentioned before, the decision to make the payment for older seniors, for those 75 years of age and older, was because of the greater vulnerability of this population due to the fact that they're outliving their savings, have a higher risk of becoming widows and widowers, and are further away from time in the paid workforce. All of those circumstances put older seniors at higher risk and greater vulnerability.

The Chair: Mr. Julian.

Mr. Peter Julian: Thank you, Mr. Chair.

I have two questions.

What percentage of seniors are between the ages of 65 and 75, and what percentage of those seniors 65 to 75 have income that is below the poverty line?

Ms. Kristen Underwood: I'm just going to check and see if Kevin Wagdin has been able to join as well.

Mr. Kevin Wagdin (Director, Seniors and Pensions Policy Secretariat, Income Security and Social Development Branch, Department of Employment and Social Development): Yes, I'm here, Kristen.

The Chair: Go ahead, Kevin. Did you hear the question?

Mr. Kevin Wagdin: If you could repeat it, that would be wonderful.

Mr. Peter Julian: Yes, it's to know the percentage of seniors who are aged 65 to 75 in Canada, and the percentage of seniors in that age group, 65 to 75, who have incomes at or below the poverty line.

Mr. Kevin Wagdin: I can't speak to how many have incomes at or below the poverty line. I do know that it's about 85% of seniors who have incomes below $50,000 a year, so the vast majority are below that figure, as I say, and lower than that.

Let me just see if I can find the distribution between the 65 and 75-plus folks here.

For our OAS clientele, the split is virtually even in the sense that we have about 6.5 million total OAS pensioners, and we believe that with the increase for 75-plus we would, in the first year, be able to assist about 3.3 million of them.

Mr. Peter Julian: Thank you.

The Chair: I have Mr. Kelly next and Ms. Jansen.

Mr. Pat Kelly: On the answer to Ms. Jansen's question, any senior who lives to age 75, or an older age than that, would always be more vulnerable to outliving their savings, that just flows from the actual point of living that long. There's nothing new in this argument. I don't understand that answer as a reason why now this was a sudden policy consideration.

The trend of people living longer means that this will apply to more people, but any people who lived to 75 historically would have faced the same issues. I still don't really understand the rationale around this. Maybe to Tamara's point or others', supporting seniors when they were younger would help them to not outlive their savings and so would longer workforce participation of seniors, which is also something that I think we're going to see going ahead. Seniors who live longer would be more likely....

I don't quite understand the rationale again on this. Perhaps it's a political question, so I'm sorry to get into that right at the very end.

● (2035)

The Chair: Political or not, Ms. Underwood, I'm sorry, and I'm sorry, committee members. We are going to have to adjourn. We are getting some push-back, and we were supposed to have had a hard stop five minutes ago.

With that, we will continue the clause-by-clause on Thursday.

Thank you, Ms. Underwood and Mr. Wagdin, and thank you to all the witnesses who are in the room. Thank you for your help and assistance tonight. It's very valuable to the committee.

Thanks again to the interpreters for all their efforts. I know this is adding stress to their lives; there's no question about that.

With that, the meeting is adjourned.