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# Standing Committee on Industry, Science and Technology

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Chair: Mrs. Sherry Romanado





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• (1105)

[*English*]

**The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoine, Lib.)):** I now call this meeting to order.

Good morning, everyone. Welcome to meeting number 33 of the House of Commons Standing Committee on Industry, Science and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. The proceedings will be made available via the House of Commons website. The webcast will always show the person speaking, rather than the entirety of the committee.

To ensure an orderly meeting, I'd like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have a choice at the bottom of your screen of floor, English or French audio. Please select your preference now.

Before speaking, please wait until I recognize you by name. As a reminder, all comments by members and witnesses should be addressed through the chair. When you're not speaking, your mike should be on mute.

As is my normal practice, I will hold up a yellow card for when you have 30 seconds left in your intervention, and I will hold up a red card for when your time for questions has expired. Please keep your screen on gallery view so that you can see the cards when I hold them up, as I would not like to cut you off.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on February 23, 2021, the House of Commons Standing Committee on Industry, Science and Technology is meeting today to continue its study on competitiveness in Canada.

I'd now like to welcome our witnesses.

[*Translation*]

We will hear Mr. Philippe Noël and Mr. Mathieu Lavigne, Senior Director and Senior Consultant respectively with Public and Economic Affairs at the Fédération des chambres de commerce du Québec.

[*English*]

From the Norquay ski and sightseeing resort, we have Ms. Jan Waterous, managing partner. From WoodSource Inc., we have Mr. Tim Priddle, owner. From the Treasury Board Secretariat, we have Mr. James van Raalte, executive director, regulatory policy and co-

operation directorate, from the regulatory affairs sector. From Unifor, we have Ms. Kaylie Tiessen, national representative, research department.

Each witness will present for up to five minutes, followed by rounds of questions.

[*Translation*]

We will start with the representatives from the Fédération des chambres de commerce du Québec.

You have the floor for the next five minutes.

**Mr. Philippe Noël (Senior Director, Public and Economic Affairs, Fédération des chambres de commerce du Québec):** Good day to you. I am Philippe Noël, Senior Director of Public and Economic Affairs with the Fédération des chambres de commerce du Québec. With me is my colleague, Mathieu, a Senior Consultant with Public and Economic Affairs.

The FCCQ represents 132 chambers of commerce, 1,100 corporate members and a total of 50,000 businesses. Our members are active in all sectors of the economy throughout Quebec.

We are the biggest network of business people and businesses in Quebec and we are also the province's chamber of commerce, working to defend our members' interests in matters of public policy.

Thank you for inviting us to testify today on a topic which matters greatly to us, i.e. business competitiveness. As the subject is so vast, our introduction will concentrate on a few principles which are of vital importance to us, and then we will answer any questions you may have.

Firstly, our members believe that in order to increase competitiveness, we have to review certain measures currently in place and lessen the regulatory and administrative burden. The current crisis is actually an opportunity to get rid of measures that harm entrepreneurship, measures that were part of the reforms on private corporations taxation. Because of the reforms introduced in 2017, it is still more advantageous in terms of taxation to sell one's business to a stranger rather than a member of one's own family. By selling his or her business to a son or a daughter, an entrepreneur loses tax benefits of up to \$860,000 which he or she would be entitled to if the business was sold to a stranger, which is nonsensical given the need for business succession.

Let us not forget that 23% of current business owners in Quebec are planning to sell their business over the course of the next few years, and that one third intend to transfer the business to a member of their family. I should also remind you that the Standing Committee on National Finance recommended in its report...

• (1110)

**The Chair:** Mr. Noël, I am so sorry, but can you please slow down for our interpreters?

**Mr. Philippe Noël:** Of course.

**The Chair:** Thank you very much.

**Mr. Philippe Noël:** I should also remind you that the Standing Senate Committee on National Finance recommended in its report that the changes made to private corporation taxation be revoked in their entirety.

Facilitating and increasing SMEs' access to federal government contracts could significantly increase businesses' competitiveness. To that end, we are currently working with the federal government's supplier advisory committee.

In our opinion, current changes being made to the CanadaBuys web portal in terms of information and access to public tenders are a step in the right direction.

However, we believe that the new portal needs a more proactive information strategy for businesses. Let us not forget that smart tenders bring innovation and help our businesses, including Quebec ones.

Moreover, the Government of Canada should have a better plan to encourage SMEs to look to export markets by promoting the advantages and terms of our various trade agreements. The government should set a target for the number of businesses who are exporting for the first time and who would benefit from services or financial assistance.

The lack of information on the advantages provided by the trade agreements is a soft spot that SMEs regularly mention. SMEs feel that the government should offer them better post-sale services. Despite the supports that are already in place, the information does not always seem to reach SMEs as efficiently as they would hope.

The government should be more proactive in letting businesses know about the advantages of our trade agreements as well as the benefits that they could reap by conquering Asian and European markets, especially by helping them during their first forays into export markets.

Monday's budget does provide support for clean technology exports in conjunction with work done with Export Development Canada, or EDC, but more could be done.

Finally, we still have the outstanding problem of Quebec businesses having to file two income tax returns, which is a distinct disadvantage.

Quebec is the only province in which businesses have to file two income tax returns and sometimes pay thousands of dollars in extra costs. Quebec says it's Ottawa's problem, and Ottawa says it's Quebec's.

We hope that the federal government and Quebec will finally sit down at the table and hammer out a solution that works for both jurisdictions and that allows Quebecers to file one single tax return every year. There are different options on the table. Taxation harmonization would allow both governments to save public funds and better serve the taxpayer.

In conclusion, we would like to thank you again for inviting us. The FCCQ encourages our elected officials to follow up on our recommendations for increasing business competitiveness.

Thank you.

**The Chair:** Thank you, Mr. Noël.

[English]

We will now go to Ms. Waterous.

You have the floor for five minutes.

**Ms. Jan Waterous (Managing Partner, Norquay Ski and Sightseeing Resort):** Good morning and thank you for the invitation today. I'm going to briefly speak to three topics.

First, I will speak to some of the projects my family and I have been engaged in with various levels of government over the last six years in Banff to address the impact of personal vehicles on the park. These include our efforts to develop a multimodal green transit hub at the Banff train station and to raise funding and government support for a passenger rail service from the Calgary airport to Banff. These projects have the potential to help transform Banff from a laggard in transportation GHGs into North America's first net-zero emissions community.

Second, I'm going to share my perspective on why at least two components of the corporate culture at Parks Canada pose significant barriers to its ability to successfully advance transformational projects.

Finally, as an extension of this last point, I'll provide my view as to why a public-private partnership business model must be adopted to make real change.

By way of background, I have been a resident of Banff for 24 years. During that time, my family—like so many others in the park—have grown increasingly concerned about traffic congestion in the town and around the national park. Traffic jams are commonplace and are a national embarrassment. In fact, in the time I have lived here, it has become routine for me to hear in our community comments like, "What are they going to do about it?" One day my husband and I stopped and asked ourselves, just exactly who is this "they" anyways?

Over the years there have been many great ideas put forth by others to address congestion, which failed to get advanced. We observed that the big transformational ideas were dead on arrival because the groups that advocated them lacked the real estate and some of the infrastructure to make them happen.

With this as background, six years ago my family and I essentially lost our minds and decided to throw our hats into the ring to see if we could become part of this “they” and attempt to bring some of the change that had been passed over in decades past. At the time, our view was, “How hard can this be?” We’re going to invest in some real estate; we’re going to work with government to build some infrastructure, and all of this will be done hand in hand with the Government of Canada. It would be *Kumbaya*.

To this end, we purchased the multi-decade lease for the historic Banff Train Station with the hopes of using the station and our new role as a stakeholder to spearhead the return of passenger rail service.

Next, we purchased the multi-decade lease from CP rail for the 32 acres of land around the station, so we could finally build intercept parking. That had been official town policy for 40 years, yet not a single intercept parking lot had been built.

Finally, a year later, we purchased the long-term lease for the Norquay ski hill, with the hope of creating aerial transit between the station and the hill. Our vision was to create a multimodal transit hub.

Since embarking on these projects, our experience in working with government has been very mixed. With respect to intercept parking, we have some good news. Back in September of 2019, we opened Banff’s first-ever intercept lot, with 500 free parking stalls available to Banff’s 4.2 million visitors.

As for Calgary Airport-to-Banff passenger rail, with considerable help from the Canada Infrastructure Bank we are helping to advance the project and are making great progress. I’ll be happy to talk about that in the Q and A.

With respect to aerial transit, after waiting 18 months, Parks Canada came back to us regarding our first proposal and told us that they are declining our gondola. We are resubmitting a different proposal to them in the coming months.

Finally, we spearheaded the creation of Banff National Park Net Zero 2035, which is one of the projects we’re very proud of. It’s a grassroots, bottom-up initiative to create sustainable vehicle and visitor transit systems and low-carbon energy and waste solutions to transform Banff National Park into North America’s first net-zero community by 2035.

• (1115)

We call ourselves a “do tank”, not a think tank, and we are actively pursuing our work in this area. We’ve done a lot of research to show that this is not a solution in search of a problem. The key research shows that Banff National Park has 63 times the transportation GHGs of Zion National Park in the United States—63 times.

**The Chair:** Ms. Waterous, you’re over time. Could you kindly wrap up?

**Ms. Jan Waterous:** I’m sorry.

Our vision is not a solution in search of a problem. What we need is for government to come on board and work with us so that we can reach a solution that will work for all Canadians.

Thank you very much.

• (1120)

**The Chair:** Thank you very much.

We’ll now go to Mr. Priddle.

You have the floor for five minutes.

**Mr. Tim Priddle (Owner, The WoodSource Inc.):** Thank you, honourable members of the committee, for taking time today to listen to one business person’s story.

As policy-makers, one of the most important things you can do is consult with stakeholders and make decisions based on their input. I know of many instances where stakeholders weren’t consulted and policies ended up not working out. I think of the story of the butter-nut tree in Ontario and more recently the federal government’s rapid housing initiative.

The WoodSource has grown from two employees and two owners in 1998, to 70 employees today. That growth has come at a cost, as you can see by looking at my grey hair. Running a small business in Canada today is very complex. The WoodSource Inc. went through a major expansion in 2004 and again in 2014. After each expansion, I said, never again. The journey from concept to completion of an expansion will be at a minimum four years—often longer. The soft costs are typically half the cost of the total project, which makes our products more expensive and makes us less competitive on the international scene. We discussed a further expansion in 2018, but after meeting with a consultant decided our energy level was not high enough to tackle the expansion.

We are currently considering a further expansion, buoyed by a friend, who said, “Tim, the problem is, you’re always using your own money to expand. Why don’t you use government money?” We have always used our own money to expand. However, he introduced me to a consultant who makes a living accessing government money for people. Apparently I may be able to access resources from up to 18 different provincial and federal programs. I have a list of them, but I don’t want to go through them. It would take too long.

This kind of makes my head spin. The consultant just takes a cut of what they access for you. I always thought I had to do it alone. I am not completely comfortable with this approach. My business sense smells a rat. I’ve always thought if a business sees an opportunity, it should be able to capture it on its own. I believe that if government helps provide a level playing field and sets the parameters, businesses will operate efficiently and invest where investments need to be made. I’m still trying to process the information and decide what to do with it.

Our business exports wood to both the United States and Europe. All of our European exports travel through the port of Montreal. As a business, anything that affects our supply chain affects us, and our supply chain is quite fragile. We've come to realize this through labour unrest in Montreal at the port and the almost complete shut-down of our nation's railway system in early 2020 because of protests in the Belleville area. These are major concerns.

In order to operate our business, we need to be competitive in the various areas where our business supplies product. If we hope to sell into the U.S. or Europe, we have to operate in a way that allows us to compete with Americans and Europeans. We have two disadvantages before we even start producing: one, our electricity rates are much higher than our peers in Europe and the U.S.; two, we have much higher cost of real estate here. Our cost per square foot of production facility is almost 40% higher than similar U.S. facilities, and 18% higher than European facilities.

Domestically, we're very involved in the supply to the home building industry with various products. This industry is, generally speaking, archaic. We still build homes the way we did 60 and 70 years ago. Because of the high costs and difficulties of building businesses, most homes are still built by a number of carpenters, a few saws and a pickup truck. The number of skilled trades is shrinking, and the cost of construction is going through the roof. Unfortunately, most home building companies consider employees to be a liability. They hire as few as possible and subcontract as much as possible, and that is true for many businesses.

There are a few things the federal government can do to help Canada innovate and compete. First, make it easier and less burdensome to hire people. If that occurs, businesses will do that. Two, there are many small businesses attempting to transfer businesses from one generation to the next. Succession planning is complicated and expensive. The changes to the dividend rules for family businesses make this more difficult. Members of the next generation are heavily invested in technology and innovation and need the hope of achievable ownership to motivate them.

In keeping with number two, support SR and ED tax incentives with more emphasis on small business in such a way that new ideas being brought forward by the next generation can be nurtured with less financial risk to others. Business owners like certainty. The ongoing, never-ending softwood dispute needs to be resolved for the long term.

- (1125)

Ensure that CFIA and European counterparts are on the same page for export documents. Ensure that we have good supply channels within Canada. Support Canadian manufacturing. We should be proud of making stuff in Canada.

Thank you very much.

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

We'll now go to Mr. van Raalte.

You have the floor for five minutes.

**Mr. James van Raalte (Executive Director, Regulatory Policy and Cooperation Directorate, Regulatory Affairs Sector, Treasury Board Secretariat):** Thank you, Madam Chair.

Thank you for the invitation to join you here today. I want to focus my remarks on how regulations can impact Canada's competitiveness. This issue has been a recurring theme and has significantly influenced the current federal approach to regulation-making as well as most regulatory reform initiatives to date.

Let me start by saying that regulations are essential to protect consumers, ensure the health and safety of Canadians and safeguard the natural environment. It is understood that when government imposes any rules, like a labelling or testing requirement, it will create costs for those who need to comply. When we at TBS talk about a regulation's impact on competitiveness, we are referring to the unnecessary costs or inefficiencies, or "sludge", created by a regulation or its program. These can be the result of duplication and overlap across jurisdictions, slow and manual processes, or requirements that are too prescriptive and thus impact a firm's ability to use technologies and adopt innovative approaches.

The Government of Canada governs the development, management and review of federal regulations through a policy called the "cabinet directive on regulation". One of the four key principles of the directive is that regulations must support a fair and competitive economy—that is, regulations should aim to support and promote inclusive economic growth, entrepreneurship and innovation for the benefit of Canadian business.

To limit the costs imposed on Canadian business and to achieve other public policy objectives, the Treasury Board of Canada Secretariat requires that regulators undertake significant analysis when designing and planning the implementation of regulations. For example, they must look at the impacts on small business, the impacts on international trade and regulatory alignment with other jurisdictions, modern treaty implications and environmental impacts, and conduct gender-based analysis. There are also measures in place like the legislated "one for one" rule under the Red Tape Reduction Act, which works system-wide to control the growth of administrative burden on business. For every new dollar of administrative burden imposed on business, federal regulators must find a dollar in savings.

Since the implementation of the cabinet directive in 2018, TBS has focused on initiatives to improve regulatory competitiveness, agility and innovation. We have regulatory co-operation fora with the U.S., the EU and the provinces and territories to reduce regulatory misalignment and barriers to trade. We are undertaking comprehensive regulatory reviews to identify rules and practices that are creating bottlenecks to growth and innovation. We have established a centre that focuses on building capacity for regulators to design flexible regulations in order to enable new and innovative products to come to market. We are developing other tools, such as an annual TBS-sponsored piece of legislation to remove requirements that stand in the way of modernizing regulations—for instance, requirements for wet signatures or the use of outdated technologies like fax machines.

The advice of TBS's external advisory committee for regulatory competitiveness has been crucial in helping shape the direction of these modernization initiatives and provide advice on others being considered. The committee has highlighted some challenges that are real in trying to address the issue of regulatory competitiveness.

First, regulatory costs are not limited to federal regulation. Burden stems from all governments—federal, provincial, territorial and municipal. All rules, programs and taxation create burdens for stakeholders, whether they be business, not-for-profits or individuals. Very often, there is a misunderstanding of what is truly in the federal regulatory sphere.

Second, there is no universal way or accepted methodology of measuring cumulative burden or the impact of regulation on competitiveness. In 2019, TBS commissioned the OECD to examine the approaches used around the world to better consider regulatory competitiveness. I can tell you that there is very little to work with in this area.

To address this gap, we've been working with the University of Waterloo's Problem Lab to pioneer an approach on measuring cumulative burden by examining a real situation, that of building a meat-processing plant in the municipality of Hamilton. One can imagine the complex interactions between zoning bylaws, environmental regulations and food inspection regimes—and those are the known administrative hurdles.

• (1130)

To conclude, I want to reiterate that regulatory competitiveness continues to be a priority for TBS. We share your interest in ensuring the regulatory system supports economic growth and regulatory efficiency and take seriously all recommendations to minimize the adverse impacts of regulations on competitiveness while maintaining Canada's high standards for health, safety, security and environmental stewardship.

Thank you, Madam Chair.

I'm happy to answer any questions you may have.

**The Chair:** Thank you so much.

We will now go to Ms. Tiessen for five minutes.

**Ms. Kaylie Tiessen (National Representative, Research Department, Unifor):** Good morning, and thank you. My name is

Kaylie Tiessen. I'm an economist and policy analyst. I work in the research department at Unifor.

Unifor represents 315,000 members across the country, including thousands who have been affected by decisions made by the Competition Bureau, even just in the last few years.

The last time Unifor appeared before this committee to discuss competition in Canada was July 6 of last year. You were investigating the potential collusion of three grocery giants when they all cancelled pandemic pay on the same day. The results of your study revealed that Canada's Competition Bureau is ill equipped to protect Canada's economy from many anti-competitive acts, including those that affect workers, and that's what I will be addressing today.

Unifor members have been directly affected by at least four of the Competition Bureau's recent investigations: the Air Canada-Transat A.T. merger, the investigation into Torstar and Postmedia newspaper closures, the current investigation into the proposed acquisition of Shaw by Rogers, and the accusations of wage fixing at Canada's grocery giants, which I just mentioned.

In each of the cases, the effect on workers could have been positive or it could have been negative, but in all cases the Competition Bureau had limited capacity and political will to investigate the impact those mergers or other firm behaviours could have on workers. The most blatant example is the accusations of collusion in wage fixing to cancel pandemic pay.

As its rationale in declining to investigate, the Bureau released a statement on the application of the Competition Act to no-poaching, wage-fixing and other so-called “buy-side” agreements that involve the purchase of a product or service. That statement acknowledged that wage-fixing agreements can have anti-competitive effects in the labour market, and they raise serious competition issues. The same document, though, also states that the bureau cannot investigate companies for these actions under the criminal provisions.

This is the result of a change to the Competition Act in 2009 that removed the word “purchase” from section 45 of the Act. Unifor is recommending that change be reversed. That's our first recommendation.

Another issue I would like to address is the bureau's failure to use the powers at its disposal to investigate the impact of mergers on jobs. A growing body of research shows how a firm may develop outsized power to set wages within the labour market. This is sometimes called monopsony power.

We know that unionization acts as a countervailing power in a monopsony situation, but the government should also be creating better conditions to encourage unionization, and Canada needs additional tools to ensure that competition policy drives healthy outcomes for working people.

The bureau should develop specific merger enforcement guidelines to assess a merger's impact on wages, working conditions and whether or not the number of jobs decreases as a result of the merger. That's our second recommendation.

I called the bureau directly on this in the last couple of years, asking where I should direct my questions. The customer service representative who took my call had no idea. Where should I ask these questions about the effects on workers? They said they didn't know. There was nowhere to send me. That was a bit baffling, and that needs to be rectified.

Next, I would like to address the efficiencies defence. First, it should be eliminated, and second, the bureau and, frankly, the Canadian government and all of us in general should adopt a broader definition of efficiency that considers the actions we should take or avoid to create a fair and more equitable society.

Currently, the bureau and tribunal use this narrow definition, or a definition that focuses only on lower costs or increased savings and profit as a gold standard in efficiency. That ends up valuing corporations over people, and we need to change that. This approach is unfair and harmful to workers, and it undermines the public good.

Finally, my last point, the administrative penalties provided for in the act are minuscule compared to the balance sheets of many large corporations. In my opinion, this means they are at risk of just becoming the cost of doing business, a situation the bureau has stated it wants to avoid.

• (1135)

Our members are directly affected by Canada's competition policies every day. In our experience, the bureau lacks the power it needs to ensure that mergers do not negatively affect jobs or that firms do not collude to keep wages and working conditions low.

Thank you. I look forward to taking your questions.

**The Chair:** Thank you so much.

We will now start our rounds of questions. Our first six-minute round will start with MP Poilievre.

You have the floor.

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Priddle, you employ people in my riding. How many people work for you at The WoodSource?

**Mr. Tim Priddle:** We have 70 full-time staff here.

**Hon. Pierre Poilievre:** About four years ago, you concluded an expansion of a large warehouse in which you do milling and other work on lumber products. How much did you spend on government in order to get that built?

**Mr. Tim Priddle:** We spent about \$600,000 in architect fees, consultant fees, development fees, planning application fees and

building permit fees. The building itself was just over a million dollars.

**Hon. Pierre Poilievre:** You spent \$600,000 on government for a million-dollar building.

**Mr. Tim Priddle:** That is correct.

**Hon. Pierre Poilievre:** Does that million dollars include the \$600,000?

**Mr. Tim Priddle:** No.

**Hon. Pierre Poilievre:** Okay, so it added 60% to the cost.

**Mr. Tim Priddle:** It added 60% to the cost of construction.

**Hon. Pierre Poilievre:** You have two warehouses, though. There's the old warehouse, which has about the same dimensions. It's about 30 or 40 feet away. That was originally built 50 years ago.

How much time and money did the then owners have to spend on government?

**Mr. Tim Priddle:** It was built in the early 1970s. We are currently in the city of Ottawa. Back then it was Osgoode township.

The permit was applied for on a Monday, and on the Thursday they had the permit. It was a one-page document that had the site plan, building, engineer's drawing and engineer's stamp, and away they went.

**Hon. Pierre Poilievre:** Wait a second. They applied on a Monday, and they got the permit on the Thursday?

**Mr. Tim Priddle:** That is correct.

**Hon. Pierre Poilievre:** How long did it take you for your new warehouse, 30 feet away? Just give a ballpark.

**Mr. Tim Priddle:** It took just over three years to get the permit to start construction, from when we initiated the conversation.

**Hon. Pierre Poilievre:** Okay, so back in the 1970s it took three days, and now it takes three years.

**Mr. Tim Priddle:** That would be it; maybe four days in the 1970s to three years now.

**Hon. Pierre Poilievre:** Has that old building collapsed on anyone?

**Mr. Tim Priddle:** No. It's actually a beautiful structure, built with unique construction methods—nail-laminated timber, using great Canadian lumber. It's doing its job beautifully today.

**Hon. Pierre Poilievre:** It hasn't erupted in flames, exploded or killed anyone?

**Mr. Tim Priddle:** No. As we say here, "knock on wood" it's still standing and doing well.

• (1140)

**Hon. Pierre Poilievre:** That's a good pun. I like that.

In other words, the regulators did their job in four days back in the 1970s, to allow for the safe construction of a big, beautiful building that has created hundreds of jobs over the decades. They did that in four days. Now it takes three years to do the very same thing.

You spent \$600,000 on government to build this new facility. How many people could you have employed doing productive work for your company with that \$600,000?

**Mr. Tim Priddle:** That's a tough question to answer. It would bring the cost of production down, and we would be far more competitive. Over the years, we've had to compete against offshore companies. There's a huge amount of competition with Asian companies that have very cheap electricity, a cheap cost of labour, no health and safety issues and—

**Hon. Pierre Poilievre:** Generally speaking, roughly how many jobs does the \$600,000 represent? You don't need to be precise.

**Mr. Tim Priddle:** That would be another seven or eight full-time employees.

**Hon. Pierre Poilievre:** Multiply this story, everyone, times thousands of businesses across the country that could be hiring and paying wages with this money. Instead, they're spending the money filling out paperwork for the government, to achieve precisely nothing above and beyond what was achieved 50 years ago in three or four days with a few thousand dollars to get the same approval done.

That is the gatekeeper economy. It drives down jobs and wages and drives up consumer prices because businesses of course have to pass on these costs to the consumer and to the worker.

Tim, the consultants say, "Don't worry about all of this paperwork. We'll do it for you. You pay us a fee, and then we'll go and get you a grant from a bunch of government departments to compensate you for all of the costs that government has imposed on you." In other words, they block you from building, and then they subsidize you to build.

Suppose you had two options. Option one is that the government gets out of your way, gives you a simple, clear, safe approval and lets you build with your own money. Option two is that they delay you for four or five years and charge you \$600,000 but then offer you a taxpayer-funded grant to compensate you for those costs. Which of those two options, as an entrepreneur, would you prefer?

**Mr. Tim Priddle:** I will always prefer the former, where we look after things and do things ourselves. I don't want any of the members of the committee to think that we're some fly-by-night operation. All our members are members of the United Brotherhood of Carpenters and Joiners. We look after our family here. We aren't trying to do anything to damage the economy or damage the environment. We want to grow and develop and turn Ottawa back into a lumber town, moving it away from the political town it's become—take us back in history a bit.

**Hon. Pierre Poilievre:** You're right, absolutely. It was a lumber town; that's how the city was founded. You run a great business that's been there for generations and paid good wages and provided good services. If the government could get out of your way, you could do even more.

Thanks for being here, Tim.

**The Chair:** Thank you very much.

We'll now go to MP Ehsassi. You have the floor for six minutes.

**Mr. Ali Ehsassi (Willowdale, Lib.):** Thank you, Madam Chair. I'll start off with Ms. Tiessen.

Thank you for your testimony, Ms. Tiessen. One of the specific things you actually referenced in your testimony was changes that were made to the Competition Act in 2009. More specifically, you talked about the removal of the term "purchase". Could you share with us what the previous government's rationale was at the time for removing the definition of "purchase"?

**Ms. Kaylie Tiessen:** What I have done in my research is read what the most recent statement was by the Competition Bureau. Because of that change, they were unable to investigate the accusations of collusion. Exactly what the rationale was back in 2009, I'm not aware of. I'm aware of the results of that rationale and the effect that that's had on our members. However, I would be very happy to do a bit of digging and get back to you.

**Mr. Ali Ehsassi:** I'd be very grateful—if it's not too much trouble—if you could submit to us what the previous government did in 2009 and what the consequences have been, because it's important that we focus on these types of challenges. Thank you for that.

Mr. van Raalte, thank you for explaining to us what occurred in 2018: the cabinet directive on regulations. You touched on a few of the challenges, and I have to admit that the challenges were, I think, challenges that would have been foreseeable. For example, you talked about the regulatory burden, competitiveness and things of that nature. Could you tell us some of the successes that have been accomplished since 2018?

**Mr. James van Raalte:** Thank you, Madam Chair. I'm happy to share some successes. I'd focus on three areas.

In terms of regulatory co-operation, we have a very strong relationship with our trading partners in the United States; a new free trade agreement with the European Union; and—with provinces and territories—the Canadian Free Trade Agreement.

Under the internal trade piece, I would say the biggest success to date has been strengthening provincial regulation with respect to the building code. That's a long-standing irritant, and I heard Mr. Priddle reference that. You will all know—any Canadian will know—that there are different rules for building, by different jurisdiction and even by different municipality. Thanks to some research and some heavy standard development work by our colleagues at the National Research Council—and quite a bit of collaboration at the provincial level, because that's where it has to happen—we are embarking on a brand new building code process. That is expected to save the Canadian economy a billion dollars a year in construction costs.

With our partners in Europe, there are early regulatory co-operation discussions. The example I will provide may be small, but it's an important first step. Health Canada and the health and safety regulator in Europe have agreed to recognize the safety standards for the safety inspection rules around sunblock in Europe. We've done the same thing in the U.S. It means, from an economic perspective, a savings of \$100,000 per product coming into Canada for sale. It's small, but everybody needs sunblock. That's been so successful that Health Canada and the EU have expanded discussions around other non-prescription products developed outside of Canada.

I can also point to our regulatory reviews, which have been a very important instrument for Treasury Board, in terms of removing administrative irritants within the responsibility of regulators but also looking to improved, forward-looking regulatory practices and building innovation. We've completed those reviews in the areas of transport, health and agriculture and aquaculture. Updates on the progress on those improvements were published in the last few months, and we're looking to publish, in the coming weeks, regulatory review results in the areas of international standards, clean tech and digitalization.

• (1145)

**Mr. Ali Ehsassi:** In the limited time remaining, how is the one-for-one rule faring?

**Mr. James van Raalte:** The one-for-one rule is entrenched in the Red Tape Reduction Act, which is a bit of a misnomer because the legislation is intended to control administrative burden. It is doing its job. It is controlling administrative burden.

**The Chair:** Thank you very much.

We'll now go to MP Lemire.

[*Translation*]

Mr. Lemire, you have six minutes.

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

My question is for both Mr. Noël and Mr. Lavigne from the Fédération des chambres de commerce du Québec.

Before getting involved in politics, I worked for the Union des producteurs agricoles, the UPA, as the secretary of the Syndicat de la relève agricole d'Abitibi—Témiscamingue, which is a part of the Fédération de la relève agricole du Québec network.

At the time, one of the most important issues of the day was business succession, especially for farms, and we are still talking about it 10 years later. You spoke of this earlier and I would like to hear what you have to say on the subject.

Nowadays, it is more advantageous for an entrepreneur to sell his or her business to a third party rather than to members of his or her own family. Canadian law states that the transfer of a business to a family member is considered a dividend, and not a capital gain, as opposed to selling the business to a third party. Therefore, the owner is not entitled to a long-term capital gains exemption if he or she decides to sell the business to his or her children.

What are the negative consequences of this regulatory burden on business succession, which goes beyond the next generation of farmers, obviously?

• (1150)

**Mr. Philippe Noël:** This rule which is currently in force certainly harms business succession. In Quebec, 32% of SME owners got their start by buying an existing business, compared to 25% for Canada overall. Twenty-three per cent of current business owners in Quebec are intending to sell their business over the next few years, and a third of those wish to sell to a member of their own family. Many businesses don't agree with the rule. Business succession presents a huge advantage. Obviously, you don't have to start up a business dealing with unknowns. Everything is all set up with an existing business. The buyer can count on historical sales, financial forecasts, and in some cases, a client base which is extremely well established. The buyer knows what he or she will earn from the get-go. There are therefore many advantages to business succession, and the federal government should help by ending this unfair policy which unduly penalizes the direct transfer of a business to a member of one's family rather than to a third party. We reckon that if we eliminate this of rule, we can boost the entrepreneurial index, which has been rather lacklustre these past few years.

The Government of Quebec has made changes on its side to negate the unfair effect. But in order to correct the problem fully, the federal government also has to do its part.

**Mr. Sébastien Lemire:** As you probably know, Bill C-208 was debated at third reading at the House of Commons yesterday, which means that things are moving along. I can be quite critical of the way the Conservatives use the House, but on this issue I believe they are showing leadership and are working to ensure that the bill is quickly passed before an election might be called.

Once the federal government finally decides to make changes to eliminate this barrier to business succession, what will be the benefits for the new generation of entrepreneurs?

**Mr. Philippe Noël:** There will be benefits for the new generation of entrepreneurs, and I will ask my colleague, Mathieu, to answer the question as well. There will be positive outcomes the day when there is no more unfairness, the day when the measures put in place by the Government of Quebec are matched and the system works. Moreover, the more we increase the entrepreneurial index and business succession, the better it will be for Quebec and Canadian businesses, and this will boost our international economic competitiveness.

I will let my colleague, Mr. Lavigne, tell you more about this.

**Mr. Mathieu Lavigne (Senior Consultant, Public and Economic Affairs, Fédération des chambres de commerce du Québec):** Just to quickly conclude on this point, there should always be benefits for the new generation of entrepreneurs, notably family members, especially in difficult economic times such as we are having right now, when entrepreneurs are at the end of their rope. A number of business owners want to sell their business now because they are absolutely exhausted. We have to ensure that businesses are sold to the right people with the least amount of impediments possible, because we don't want to see any businesses go under just because of red tape.

**Mr. Sébastien Lemire:** There is probably no one who is better placed to take over a business than the children who have grown up with the family business, obviously.

Economic statistics for Quebec and Canada show that business succession plans fail in 70% of cases, and that only 10% of business owners are able to find a buyer. Apart from Bill C-208, which seeks to correct the current unfair provisions for business succession, what other factors that fall under federal jurisdiction are impeding the transfer of businesses to a new generation?

**Mr. Mathieu Lavigne:** The main factor is section 84.1 of the Income Tax Act. We could also look at lightening the regulatory burden in many sectors, but if we can at least amend the section, it will be a huge step forward.

**Mr. Sébastien Lemire:** Did you want to add something, Mr. Noël?

**Mr. Philippe Noël:** No, apart from saying that the changes must be made as quickly as possible. Business succession provides for better internal human resource management. Given current labour shortages, you have to send positive signals and help businesses by having the least amount of restrictions possible when comes the time to sell the business, in order to help the business keep going. That's one of the reasons that we've been highlighting the problem over the past few years.

**Mr. Sébastien Lemire:** Do you have the impression that Monday's budget will have positive outcomes for the new generation of business owners?

• (1155)

**Mr. Philippe Noël:** I think it could have provided more, but overall, we were happy with Monday's budget.

**Mr. Sébastien Lemire:** Thank you, Mr. Noël.

**The Chair:** Thank you very much.

[English]

Our next round of questions goes to MP Masse. You have six minutes.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Madam Chair, and thank you to our witnesses.

Thank you, Mr. Priddle, for concluding on the question you received with the remark that you didn't want to be perceived as a fly-by-night practice. I've researched your site in terms of your business, and you've done some very progressive stuff. Coming from a manufacturing town, I know that CNC, terminology and the way you approach things are important. I encourage members to visit

your website, because I think that gives a lot of credibility to what you're saying, but it also kind of distances you from some of the questions that you had.

Some of the questions you had were on municipal matters and things of that nature, which are beyond our scope unless we actually want to enforce provincial changes. What you did mention, which is something the committee has dealt with in the past, was a SR and ED tax credit.

Maybe you could convey a little of the difficulty you have getting SR and ED tax credits. I'm likely to believe that you're probably actually paying for somebody to help you apply for a SR and ED tax credit as part of the process. I'm just guessing, but please tell the committee about that.

**Mr. Tim Priddle:** Sure. SR and ED tax credits are scientific research and educational development credits for work you do. We have not actually received any SR and ED funding. We have looked into it. We've tried a couple of times on our own, and we've been told that we really need to hire a consultant to do that. I alluded to that consultant who will gladly sit down with me and take 20% of the funds he gets for me. I'm still a bit pig-headed; I don't like hiring consultants if I don't have to.

**Mr. Brian Masse:** I don't think that's being pig-headed, just for the record.

I'm sorry to interrupt, Mr. Priddle. I'm going to ask the analysts to look at our history in this committee on SR and ED tax credits, our recommendations and what's come back in regard to that. Applying for SR and ED tax credits, which is actually a federal program, is a business in itself for consultants, as Mr. Priddle has noted, because it's so complicated.

You have not received any because you just decided you didn't want to do that at the end of day—it was too much.

**Mr. Tim Priddle:** Yes, at the end of the day, we sat down with folks from CMHC and a few other government organizations, and they said, "Really, Tim, if you want to use this program effectively, you have to hire a consultant. We sit down with the consultants and they chat about these different programs." I have a list of 18 different programs with SR and ED and IRAP in there.

**Mr. Brian Masse:** Yes, another one.

**Mr. Tim Priddle:** I just struggle with the concept of someone getting a commission to get me access to government funds. In my business, we filed an objection to CRA a year ago, which may net our company \$100,000 if we're right in our objection. The CRA right now is taking 330 days on average to respond to a challenge, and they only meet that target 70% of the time. I keep thinking in my mind, that's \$100,000 or \$110,000 that's going to come to us that may push us over the top and get us to develop again or grow our business.

**Mr. Brian Masse:** Yes.

**Mr. Tim Priddle:** If there are 10,000 businesses in the same scenario, waiting 330 days for an answer on a pretty basic question, it's really difficult for me.

**Mr. Brian Masse:** I'm going to move over to Ms. Tiessen soon, but we had tool and die mould-makers here, and we pleaded this case to Maxime Bernier, the minister at the time, many times, as well as subsequent ministers, Tony Clement and so forth.

We have had some improvements, but again, I'm asking the analysts to bring this back. I have to make sure we get full responses on this. These are essential government programs that are rolled out budget after budget and so forth, but they require small business people, who are hustling to grow their business and do their things, to either hire a lawyer, hire an accountant or hire one of these consultants whose job is actually navigating government programs for assistance to business.

I only have a little time left. Ms. Tiessen, I want to ask you about the United States—I'll come back on that subsequent stuff—the antitrust that they have over there versus our own over here. It's a big divergence from what I was talking to Mr. Priddle about.

What kinds of disadvantages do we have as a country? Can you just give us a little glimpse of that, as a pivot?

**Ms. Kaylie Tiessen:** My understanding of what happens in the U.S. is that they are 100% able to investigate the effects of mergers, acquisitions and other anti-competitive behaviour on the labour market. They consider things like wage fixing to be anti-competitive behaviour, which means workers are protected from some of the egregious things that can happen when companies collude. That would also include no-poaching agreements—

● (1200)

**Mr. Brian Masse:** Yes, like grocery stores did when they decided to collectively end pandemic pay coincidentally by having conversations on the side.

**Ms. Kaylie Tiessen:** Yes, absolutely, and it happens in other areas as well. We're currently researching the Shaw and Rogers merger, looking at what monopsony power might be occurring in that industry, how we might be able to countervail that with the tools we have, and why we would not increase the tools we have in our tool box.

**Mr. Brian Masse:** Thank you.

I see the yellow card, so I'll cede at this point.

Thank you to the witnesses and to Madam Chair.

**The Chair:** Thank you so much.

We'll now start our second round. Our first round of questions goes to Député Généreux.

[Translation]

You have the floor for five minutes.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you very much, Madam Chair.

I would like to thank all the witnesses for being here today.

Mr. Lavigne and Mr. Noël, I am a businessman and in 1993, became a founding member of the chamber of commerce of Kamouraska-L'Islet, which had been dormant and was brought back to life. I am well aware of the existence of your organization

and of all it does. It is doing tremendous work everywhere in Quebec by bringing all the businesses together.

Mr. Noël, you talked about business succession. One of my colleagues has presented a bill to try and solve the problem. I would like to thank Mr. Lemire for noticing that our ideas on the subject are compatible. Your work is important to us, especially in terms of business succession. I am personally interested because I have a daughter who would like to take over my business one day.

You stated that the current crisis is also an opportunity. How is this a good opportunity for the whole economy, but especially for our regulatory framework?

**Mr. Philippe Noël:** Thank you for your kind words about our organization.

Obviously, we are in touch with many businesses from various sectors, including tourism and agriculture, and big corporations as well. The current crisis and its impact on revenues have required state intervention to help businesses manage their recovery. A lot of financial support has been given.

It remains, however, that some rules will have to be reviewed to help businesses survive this crisis, and we have to look at the way things are done. Let's take the opportunity during the crisis to improve processes, especially those that are required by the state, be it the Government of Canada or the Quebec government, which is the case for us, in order to increase regulatory efficiency. This is why we are saying that the crisis is actually an opportunity for us to review a number of government processes.

This will allow businesses to bounce back more quickly and efficiently in terms of planning, but also in providing the required information every year. That's why we are recommending one single income tax return, as we have done in the past.

**Mr. Bernard Généreux:** You know that the Conservatives agree with this proposal. In fact, we are the ones who put it forward so that we only have one tax return, while maintaining jobs and minimizing the effects of this change, obviously.

As I told you, I am an entrepreneur. Like everyone else, we were affected by the pandemic when it started 14 months ago. One of the things that the government had to do was to put aside all of the EI administration to provide the CERB much more quickly, because the EI administrative system was not responding to the demands. In any case, it was impossible to be able to manage the CERB quickly using an absolutely archaic system.

On the other hand, I observed that the financial institutions that supported businesses with \$40,000 loans—now \$60,000—offered in collaboration with their government relations turned around quite quickly. They have certainly demonstrated that it was possible to do things much faster than normal, that is, when there was no crisis.

Have you seen the same thing with your businesses, not only with the \$40,000 to \$60,000 loans, but also with the whole Emergency Wage Subsidy and other programs?

**Mr. Philippe Noël:** I have to tell you that, in general, we've received a lot of positive feedback about the wage subsidy. That is one of the reasons why we asked that it be extended until 2022.

• (1205)

**Mr. Bernard Généreux:** We will have it until September. We'll see what the third wave has in store for us.

**Mr. Philippe Noël:** That's right.

I was going to say that it's in place until 25 September, which is a semi-win. We were happy that there was at least some indication of that. Originally, we were asking that it be offered until 2022 so that this predictability could help them. The new Canada Recovery Hiring Program has also been established.

In general, the feedback we received was quite positive.

**Mr. Bernard Généreux:** My question was about the fact that these programs were set up extremely quickly, with the help of the private sector, such as banks and cooperatives like credit unions. We proved that everything was possible. This is what I observed because, as Mr. van Raalte said, the measures as a whole are not only federal, but also provincial and municipal. However, normally, when there is no pandemic, there is often no way to proceed more quickly. In fact, this is what we have seen for years and it has become a terrible burden.

Have you observed the same thing?

**Mr. Philippe Noël:** This is exactly what we are asking for. We are experiencing crisis measures.

I notice that our time is up.

**Mr. Bernard Généreux:** Don't worry, it's always like that.

The Chair doesn't give us any leeway.

**The Chair:** Thank you very much.

**Mr. Bernard Généreux:** Thank you, Madam Chair.

[English]

**The Chair:** Our next round of questions goes to MP Erskine-Smith. You have five minutes.

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks, Madam Chair.

I want to start with Mr. van Raalte from the Treasury Board.

We have a growing demand across the world for plant-based proteins. Our government has made a bet on plant-based proteins. With respect to the super cluster, there's obviously great integration with our agricultural sector as it relates to pea proteins and other pulses, yet I received a note from Impossible Foods noting the challenges

they face in sending products to the Canadian market, including simulated meat regulations. I wonder if this is on your radar at all.

They note, as an example—it is bizarre to even read some of it—that, regarding chicken nuggets, a simulated poultry product must have at least 16% total protein and no more than 15% fat, per B.22.029. However, an animal-based chicken nugget of white meat only, per food code 7035, has only 14% protein. Animal-based white and dark meat chicken nuggets, per food code 7034, have 12% protein and 16% total fat, which do not meet the requirements that simulated chicken nuggets must meet. There's one example. There are other examples within simulated meat.

Is this not red tape? I mean, you have a company here that wants to send product to the Canadian marketplace, and we are effectively telling them to reformulate their products for the Canadian marketplace based on Byzantine regulations.

**Mr. James van Raalte:** At a broad level, I certainly am familiar with the investments being made to support the industry around plant protein and the dynamic that's played out in terms of the interplay between different regulators. I'm not familiar with that specific technical definition. I would leave that to the subject matter regulatory experts.

**Mr. Nathaniel Erskine-Smith:** I completely understand.

It's just one example of a broader challenge though, as it relates to doing business between jurisdictions.

**Mr. James van Raalte:** I think that the definitional requirement may have some administrative burden on it, and it may be unnecessary. It may be a compliance issue. It may be a definitional issue.

You would really have to work from an evidence- and risk-based perspective to get an answer to the question about why that type of regulation exists.

**Mr. Nathaniel Erskine-Smith:** Here's another example, though, that is entirely nonsensical and in the same category. In our rules, B.01.100(1) of the FDR mandates that, literally, the word “simulated” has to be used on our products, and the words “contains no meat” or “contains no poultry” have to be used on the products.

In the U.S., they take a much more sensible approach. Simply, the rules have to be in place such that consumers are not misled.

We take a very granular, hyper focused approach that is clearly red tape, when our focus should just be on consumer confusion. Again, we're adding barriers in a Canadian context, whereas the U.S. just cares about consumer confusion.

• (1210)

**Mr. James van Raalte:** I have a couple of considerations around that, Madam Chair. Again, the technical reasons for specific regulations I won't be able to address.

At one layer, there's regular tension with stakeholder interactions. It's not necessarily with this dynamic, but in trying to provide clarity and far more—I would say—broad objectives around regulations, there's often a call by industry for more clarity and definition to avoid legal risk.

**Mr. Nathaniel Erskine-Smith:** Sure, but “plant-based” and “vegan” are words that consumers understand, not “simulated” and “contains”. Anyway, I could go on.

I want to highlight one other issue, for your attention, in a similar space.

We have recently seen the Canada pension plan investment board invest \$50 million into company-related cellular agriculture. We've seen Singapore develop a comprehensive regulatory approach, such that in December it was the first country to have regulatory approval of a cell ag product. The FDA and the USDA have been collaborating as of March 2019.

In the Canadian context, we see zero forward thinking on this. Instead, we see regulatory approval that requires Health Canada, an environmental assessment and nutritional assessments. We see CFIA labelling. A business that wants to do business in this space in Canada has no sense of where to go.

The U.S. is working on making this happen. Singapore has already made this happen. I encourage you to make this happen in Canada.

**The Chair:** Thank you very much, MP Erskine-Smith.

I apologize. You're over time.

[*Translation*]

Mr. Lemire, you have the floor for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Madam Chair.

Mr. Généreux has told us that he currently has a successor wanting to take over from him. For the sake of our work, I sincerely hope that he's not talking about his political successor. We will have to keep an eye on that.

I'll continue with the Fédération des chambres de commerce du Québec. Globally, international agreements are made up of countless laws, regulations, measures, standards or clauses, to the point where it is difficult for entrepreneurs to properly evaluate them and grasp all the possible benefits.

What strategy do you think the federal government could develop with Quebec and Canadian entrepreneurs to increase their capabilities and the competitiveness of industries and businesses in the face of global competition?

**Mr. Philippe Noël:** This is a very good point. In fact, we feel that many businesses could benefit from international markets, but are missing out on opportunities because of the regulatory and legislative complexity surrounding the rules of free trade agreements. That's an important fact.

We expect the federal government to do a better job of promoting the business opportunities arising from trade agreements. In general, we've observed that large companies are very knowledgeable about global trade issues, but exporting or potentially exporting SMEs are unfortunately often reluctant to go into international markets for fear that it is too complex. If they had the knowledge and support of the federal government, among others, they could benefit greatly from better growth in their activities.

So it's a bit of a missed target in that there has been an increase in the number of free trade agreements, including the Canada-European Union Comprehensive Economic Trade Agreement, or CETA, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, and, of course, the Canada-U.S.-Mexico Agreement, or CUSMA.

Still, 28% of the Quebec economy is linked to the production of goods and services for export markets, and this rises to 45% if we include other Canadian markets. So there are opportunities to increase this, but the federal government must conduct a better information campaign.

**Mr. Sébastien Lemire:** You have mentioned one of the costliest administrative burdens for businesses, namely the tax return. Apart from the single tax return, what are the possible solutions that would be available to our entrepreneurs to reduce this administrative burden?

**Mr. Philippe Noël:** I will let my colleague, Mr. Lavigne, answer this question.

**Mr. Mathieu Lavigne:** I see that we only have 30 seconds left.

For example, in Quebec, the government has mobilized economic associations to develop an action plan for regulatory relief that includes concrete measures, a clear timetable and quantified measures. Thus, everyone is mobilized around this objective, and there is public accountability.

We were hearing earlier from the Treasury Board officials, who are doing some work in this regard. However, we need to mobilize with economic associations to get a clear plan.

• (1215)

**Mr. Sébastien Lemire:** We also need to have stability.

Thank you.

**The Chair:** Thank you very much.

[*English*]

The next round of questions goes to MP Masse. You have two and a half minutes.

**Mr. Brian Masse:** Thank you, Madam Chair.

Ms. Tiessen, you mentioned the Rogers-Shaw takeover or merger—whatever it's characterized as. If that were a foreign acquisition, the Investment Canada Act would have some provisions—although they're very weak in enforcement, as we've seen with Stelco—and other types of legislative requirements. Following up and enforcing them is rather complicated, but at least there is something there.

We're getting a lot of promises and suggestions of things that will happen, but at the end of the day, the reality is.... Is it really left to collective agreements to enforce job protection with that type of a merger or an acquisition?

**Ms. Kaylie Tiessen:** I'll just reiterate that we need as many tools in the tool box as possible to make sure that these types of mergers and acquisitions don't negatively affect the labour market. Collective bargaining is one extremely important tool, and the use of the Competition Act in order to make sure that the merger doesn't have that negative affect is another important tool. Together, we can make sure workers are not impacted in a negative way, and that would be the case—

**Mr. Brian Masse:** We heard some of that with the efficiency defence. Are you familiar with that in the Competition Act? We've heard a lot about it, but I want to hear more in terms of almost a universal agreement that this is antiquated and counter to collective agreements as well as competition.

**Ms. Kaylie Tiessen:** Yes. In general, what happens is that as long as a company can prove it will experience more savings or additional profit than the equal or value of the damage that would be done to the Canadian economy through that anti-competitive behaviour, then automatically the merger is approved. What happens is that the benefit to corporations gets put above, or gets a higher level of power, than what might actually happen to workers, and that's just something that's not acceptable.

**Mr. Brian Masse:** Thank you for your answers.

I see the yellow sign, Madam Chair.

**The Chair:** Thank you so much, MP Masse.

We'll now go to MP Dreesen. You have the floor for five minutes.

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

I really wasn't going to go here, but Mr. Erskine-Smith mentioned plant-based proteins and so on. I guess if the concern is about simulated chicken nuggets and where that's going to lead people in the future, I think it's important that.... Vegan ideas and vegan thoughts are great, but promotion at the expense of other industries is not great. We need a few beef animals out there to manage these millions of acres that we have of grazing land. Anyway, I just thought I would start off with that.

I guess if we want to talk about regulations, maybe we should take a look at oil sands reclamation, because these are regulations that have been in place for years. Here's what one of them says, that 100% of land must be reclaimed:

The Government of Alberta requires that companies remediate and reclaim 100 percent of the land after the oil sands have been extracted. Reclamation means

that land is returned to a self-sustaining ecosystem with local vegetation and wildlife.

If anybody has ever gone there, they will see what that is all about. I think that's important. Maybe, as we discuss that here on Earth Day, keep that in mind. We can also think about the 19 square miles of mined land in China that is there for solar panel production and about the rare earth minerals in Africa that are being dug out by children for battery development. These are the things that we're going to have to think about, as well, when we talk about mining for rare earth minerals here in Canada. It's not going to be very easy to get past regulations if we have this attitude that industry is always bad. Believe me, Canada is something that we should be proud of, and I do stand for that.

**Mr. Priddle,** you mentioned that soft costs are typically half of the cost of the total project. I wonder if you could expand somewhat on what you see as those soft costs.

**Mr. Tim Priddle:** Soft costs come in very different areas. In the jurisdiction I work in, we usually start by meeting with the local conservation authority to see what effect we may have on drainage. There's the conservation authority, and there are sound studies, emission studies, soil studies, tree studies. We are off of the grid, so to speak, in terms of sewage here, so we have to have septic system studies. You have a fleet of engineers that you hire to start doing these studies. We have to do traffic management studies, too. You have to invest a huge amount of money before you can even see if the project is feasible. Each time you do a project, this happens, so the soft costs keep adding up and adding up.

Then you apply for planning permission. You might have a site-plan application that you make, and there's a very heavy fee when you make that application. If you get through that hurdle, then you run into the site-plan agreement, coming up with an agreement that satisfies you and the city and the local conservation authority. Then you apply for the building permit. Each stage takes a long period of time, and you don't know until you pass one stage whether you're even going to get to the next stage, so you're incrementally putting out more and more money before you even know if the project is feasible.

It's just uncertainty. Business people don't like uncertainty. We like certainty, and obviously it's not feasible all the time. Unfortunately, many governments can't make any exemptions. Everything has to go by a particular rule, whether it makes sense or not. There's no common-sense clause in legislation.

• (1220)

**Mr. Earl Dreeshen:** I was on the international trade committee for a number of years and we talked to businesses that wanted to get a foothold here in Canada, agriculture-based ones and so on, but then when they talk about how long it takes to get through the regulatory process, they say it's going to take months and years here in Canada. They'll find an answer—maybe not the answer they want, but they'll have an answer—in a week in other places in the world. When they have that much money that can be caught up in these projects, it's pretty obvious where they're going to go.

Do you have any suggestions as to how we could streamline some of the processes you've gone through so others could perhaps enjoy some of the opportunities to work here in Canada?

**Mr. Tim Priddle:** I've often thought, especially when it comes to international opportunities, that the government needs to have salespersons who can walk businesses through the various stages. We need co-operation between municipal, provincial and federal governments and the conservation organizations. They need to get together and—as you guys are trying to do—reduce red tape so you aren't tripping over each other.

**Mr. Earl Dreeshen:** Thank you very much.

**The Chair:** Thank you so much.

Our next round of questions goes to MP Jaczek, for five minutes.

**Ms. Helena Jaczek (Markham—Stouffville, Lib.):** Thank you very much, Madam Chair.

Thank you to all the witnesses for your very interesting testimony today.

Ms. Waterous from Norquay, you mentioned the Canada Infrastructure Bank. I'm also on the transport, infrastructure and communities committee and we've been looking very closely at the Canada Infrastructure Bank.

Could you tell us a little about your experience dealing with them?

**Ms. Jan Waterous:** We've had a fantastic experience with the Canada Infrastructure Bank. When my husband and I decided to take on this gnarly project of trying to return passenger rail to Banff National Park, we knew that the number one thing we had to do was work with them to try to provide the funding to build a dedicated track. We knew at that time, and it has been confirmed, that it was going to be over a billion dollars.

The Canada Infrastructure Bank had been in business five days when we flew across the country to meet with them. They didn't have business cards. They had a few light bulbs in the ceiling, and that was it. They really embraced our vision of moving to the small, two-modal green transportation hub; train travel would be part of it.

I'm going to be really straight. The relationship we've had with them has been outstanding. They've worked with us every step of the way through our project. They have signed an MOU with the Province of Alberta to further consider passenger rail and we are extremely optimistic that our dream of having passenger rail return in Alberta will come to fruition.

**Ms. Helena Jaczek:** Thank you very much for that.

In terms of the red tape you encountered, obviously, as a pretty new institution, the Canada Infrastructure Bank hopefully has tried to streamline things. Can you comment on the issue we're studying here today, in other words, the regulatory burden you might have faced?

• (1225)

**Ms. Jan Waterous:** With the Canada Infrastructure Bank, we found them lean and mean, so we didn't have an issue there.

Our issue has really been with Parks Canada. They are a bureaucratic bear. We knew that. We were private citizens living in Banff prior to getting involved in this. The feedback we've had within our community over the 24 years we've lived there is “don't even attempt to try to work with Parks”, as if there's a big “keep out” sign on their door for private businesses.

We understand their role as a regulator. All the businesses in Banff understand their role as a regulator. It's an important role, but there should also be an opportunity to have a business hat on and to work with private operators. Instead of a “keep out” sign, what we're thinking—and what many businesses are thinking—is that there should be a sign that says something like “come on in” and “we want to partner with you, with considerations”. Just like in the business-to-business community, considerations can be contracts and they can be agreements. We understand all of that, but work with us, with the private sector.

What we have observed with the bureaucracy at Parks Canada is there isn't that same sense of urgency to get things done. As I mentioned in my remarks, intercept parking had been official town policy in Banff for over 40 years, and not a single lot was built. Now, why was that? The Town of Banff and everyone in it wanted an intercept lot. The issue was that they didn't have land, and Parks Canada wasn't going to give them any. We got involved and bought land from CP rail, or leased it, and created the first lot. That's an example of businesses understanding urgency and importance.

Just to summarize, what you find in Banff National Park is that there's this real commitment to the status quo, and the changes that happen are so incremental—

**Ms. Helena Jaczek:** Ms. Waterous, I do perfectly understand the issue of Parks Canada. My riding is home to a very large part of the Rouge National Urban Park, so I can relate somewhat to your comment on Parks Canada.

In my last 30 seconds, I'd like to take the opportunity to ask Mr. van Raalte this question. How do you, in your role, interact with other ministries? In particular, have you had any interaction with Parks Canada in terms of the regulatory burden?

**Mr. James van Raalte:** Very quickly, it would be on new proposals coming through from a regulatory perspective or if Parks Canada has been involved in any of those regulatory reviews to clean up the regulatory burden.

**The Chair:** Thank you very much.

We'll now start our third round of questions. Our first round goes to MP Baldinelli.

You have the floor for five minutes.

**Mr. Tony Baldinelli (Niagara Falls, CPC):** Thank you, Madam Chair, and thank you to the witnesses for being with us today.

I want to follow up on my colleague's question for Mr. van Raalte. In terms of those regulatory reviews that take place—earlier you mentioned the changes to the building code as an example—how long would a process typically take? How long would it take, in terms of working with the provinces, to do something like that?

**Mr. James van Raalte:** Thanks for the question, Madam Chair.

In terms of regulatory co-operation and working with the provinces and territories, it won't surprise anybody if I say "it depends". It depends on the complexity of the issue, the complexity of the regulatory framework and potentially how divergent the perspectives are between the provinces and territories.

With the building code discussions, momentum had already been built, and they were probably a source of frustration, so those negotiations I believe took a little less than a year. Then the real heavy work begins in terms of truly harmonizing the regulations going forward, and that's the phase of work they're in now.

If I give another example, in terms of the negotiations with the EU over the sunblock issue, again, there was probably a lot of groundwork behind the scenes before we even got involved from a true alignment formalization perspective, but again it's about 12 to 18 months, and then the systems are in place almost immediately.

• (1230)

**Mr. Tony Baldinelli:** Thank you.

I'd like to follow up on the one-for-one rule. How is the calculation of removing a dollar of regulation for every dollar added verified? Is it by an auditor?

**Mr. James van Raalte:** No. We verify that ourselves, within the Treasury Board Secretariat. We have a unit with cost-benefit analysis specialists. We are responsible for tracking the compliance with the one-for-one rule and then reporting on that to Parliament.

We have a small handful of economists who work both with departments in validating methodology and giving them advice, but then also performing a challenge function: "You don't quite have this measurement right. You may want to look at this other methodology before we declare that everything is good to go for Treasury Board consideration."

**Mr. Tony Baldinelli:** Thank you.

Madam Chair, I'm going to go to Mr. Priddle for a quick question.

Going back to some of my notes on our competitiveness study, I have that "Canada's Red Tape Report" indicated that the amount of time spent on regulation by business owners has decreased since 2017. The Canadian Federation of Independent Business said that could be attributable to businesses, small and medium-sized enterprises, being downloaded costs for certain activities, such as consultants and that kind of work.

Mr. Priddle, my understanding in listening to your presentation is that's the type of situation you're facing. Those additional costs and burdens are now being downloaded and you're being asked to seek help from consultants.

**Mr. Tim Priddle:** Yes. It's a complicated playing field. Again, within those 18 different programs through which we might be eligible for funding, the application process takes some time. If I were to apply to maybe six of these and do them myself, it would probably be 40 or 50 hours of work to get the applications in.

In trying to operate a business today in the environment we're working in, we are very fortunate. We are blessed to be in a business that's doing well. However, it's still very complicated. Things change every day. I just have no time to dedicate to that.

If I want to access these programs, I have to hire a consultant. There's no choice about it. It's just whether I think that's right for me to do or not. I haven't worked that one out in my own mind yet.

**Mr. Tony Baldinelli:** Thank you.

Quickly, Ms. Waterous, you indicated your gondola project had on first application been denied by Parks Canada, and you're moving forward on a second application.

Typically, how long does that process work with Parks Canada, say from the concept idea to their first decision?

**Ms. Jan Waterous:** The first proposal we submitted went into Parks Canada's radio silence box for 18 months, and then we got a letter that said it was denied.

There's never a timeline that's given, other than in all our meetings we're shown regulatory charts, paths to approval, and told that each path can take anywhere from a year and half to three years. If you add all of that up, it's five, six, seven years, something like that—perhaps longer.

**The Chair:** Thank you so much.

I apologize; my timelines are tighter.

**Mr. Tony Baldinelli:** Thank you, Madam Chair.

**The Chair:** Thank you, MP Baldinelli.

We'll now go to MP Lambropoulos. You have five minutes.

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

I'd like to thank all of our witnesses for being with us here today. My first question is going to Mr. van Raalte.

"Canada's Red Tape Report" found that business owners have spent less time complying with regulations since 2017. I am wondering if you could speak a little to some of the measures that have been put in place for cutting red tape, which our government has had since 2015.

What do you think are the reasons for less time being spent on complying with regulations since 2017?

• (1235)

**Mr. James van Raalte:** Broadly, the government has introduced a series of regulatory modernization initiatives that have attempted to both address administrative burden and promote economic growth and innovation. I've talked a bit about the regulatory reviews and about regulatory co-operation.

In budget 2019, we also had what I referred to in my opening remarks as what we hope will be an annual regulatory modernization bill, which is intended to clean up a potential backlog of small, consensus-based regulatory irritants. That can help streamline reducing the administrative burden. We hope to be introducing a second piece of legislation this session, continuing that tradition.

It is about continuous improvement. It's also about having a focus on ridding the system of that unnecessary administrative burden.

**Ms. Emmanuella Lambropoulos:** Thank you.

The Canadian Federation of Independent Business said that the decrease could be because of certain cuts to red tape the government has put in place, but it could also be due to employing a third party to deal with this regulatory burden. It obviously leads to increases in costs to small and medium-sized businesses.

Would you agree that this is part of the reason, or would you argue that it's really because of the government's efforts that less time is spent right now on the regulatory process?

**Mr. James van Raalte:** I'm not aware of any system-wide efforts by either industry or consulting companies to address the administrative burden. I think Mr. Priddle—I don't want to put words in his mouth—has talked about applying for government programming, but that's very different from some sort of third party effort to address the administrative burden.

**Ms. Emmanuella Lambropoulos:** Thank you. My next question is for Ms. Tiessen.

You spoke a lot about how the Competition Bureau is unequipped to deal with certain competition issues that arise in Canada, and that it doesn't necessarily have the power to do what it needs to do to ensure that competition is upheld and businesses have a chance here.

You also said that the administrative penalties are becoming like "the cost of doing business" for a lot of these bigger players. I understand what you meant by that, but I would like you to tell us what you think penalties should be and what the Competition Bureau should be allowed to impose when these things happen.

**Ms. Kaylie Tiessen:** Our recommendations for now are all about taking a look at what the administrative penalties are and assessing what might be a better way. Could it be something like a percentage of revenue instead of a straight \$10-million penalty, which for a large corporation is simply the cost of doing business? Could it be a percentage of market cap? There are lots of different ways to go about it. At this point, we're saying we need to have a review of what those administrative penalties are.

The other thing is that we need to make sure there are actually the teeth there to enforce it and make sure companies are paying those administrative penalties. It's not always the case that this is enforced.

**Ms. Emmanuella Lambropoulos:** Thank you very much.

With 30 seconds, I'll cede my time to the next speaker.

Thank you.

**The Chair:** Thank you so much.

Our next round goes to MP Lemire.

[*Translation*]

You have the floor for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Madam Chair.

Since this is the last time I will speak, I would like to show my solidarity to Mr. van Raalte in the context of what he is going through. Indeed, forestry is a very important business and there is work to be done to better support our forestry entrepreneurs.

I would like to talk about procurement contracts with the representatives of the Fédération des chambres de commerce du Québec. Doing business with the Government of Canada offers great opportunities for Quebec businesses. However, offering goods and services to the federal government can mean running into laws, regulations, agreements, policies, directives, procedures and guidelines, as well as challenge processes.

In order to promote business competitiveness, how could the federal government reduce this administrative and regulatory burden?

• (1240)

**Mr. Philippe Noël:** I will let my colleague, Mr. Lavigne, answer this question.

**Mr. Mathieu Lavigne:** That is a good question. Thank you for that.

We are part of the Federal Government Supplier Advisory Committee. So it's really an issue that we're looking at very seriously. There are a lot of opportunities, as you say, for businesses to become federal government suppliers. However, the big problem we have is that there is a lack of awareness of the opportunities that exist and the ways to proceed. They're not communicated to businesses. It is somewhat the same thing for trade agreements, as was mentioned earlier.

We know that the federal government is working on things that would improve this, but for us, the key is that communication be proactive. You have to reach out to businesses to let them know what the opportunities are and how they can register as suppliers. There really needs to be an effort to reach out to people, rather than just waiting for them to apply to be suppliers.

**Mr. Philippe Noël:** Business opportunities in the federal government are really unknown to companies. You hear it a lot about procurement contracts.

Even granting criteria should perhaps stimulate innovation more, as well as environmental criteria. This would give our Quebec companies a chance to have better access to federal contracts.

**Mr. Sébastien Lemire:** We are talking about carbon footprint criteria in particular. I feel that once you're in the system, it's quite easy and it works well. However, it's difficult to get into the system. It's also a rather opaque way of doing things.

What demands are made on businesses? Could the process be improved by making it more transparent?

**Mr. Mathieu Lavigne:** That's right. Once you are in the system, the experience is generally positive and things go well. In fact, entrepreneurs realize that, yes, there is some complexity, but also that they just didn't know that they could get in and register, which is the main issue.

There is a real lack of communication and openness when the federal government could be more present. For example, the government could communicate with the chambers of commerce to say that there is a contract available in such and such field, in such and such region, and to invite them to tell their members about it and to encourage them to apply.

**Mr. Sébastien Lemire:** Thank you very much.

[English]

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

MP Masse, you have the floor for two and a half minutes.

**Mr. Brian Masse:** Thank you, Madam Chair.

I want to go back again to Ms. Tiessen.

We have such an integrated economy with the United States, but we don't have the proper competition bureau supports here. If you had two changes that we could make, what would they be? What would be the two things that we would focus on?

I want to get a larger review, because the Competition Bureau finally got some extra money, which is something we've been asking for at this committee for a long time. What are the kinds of things you would prioritize for a change that hopefully will happen? Even without legislative changes, they are going to have at least some more resources.

**Ms. Kaylie Tiessen:** Resources are number one, and it's great that that has been accomplished. The second is to reverse that 2009 change and reinsert the word "purchase" so that something like wage-fixing can be investigated and is considered to be illegal.

Another one is to develop those guidelines to investigate the effect of mergers and acquisitions on workers. A third is to eliminate the efficiencies defence.

If we did those three things, that would be a great start.

**Mr. Brian Masse:** Maybe I can get a question to the analysts with regard to the reversal of 2009. I was just wondering if that's a legal change made or a regulatory one. I'd like to get that response back, because that will be important. I know there was a change, but I think it might be a regulatory one, at the end of the day, that we could do.

Do you have cases that you can highlight with regard to wage-fixing? That would be interesting to hear.

**Ms. Kaylie Tiessen:** That's something I can do a lot more research on, absolutely. The one that is front and centre for us at Uni-for is looking at this pandemic pay cut where all three of the grocery giants cut pandemic pay on the same day and the Competition Bureau came back and said it couldn't investigate because of that change. We don't even know what happened, because it wasn't able to investigate at all.

Thank you.

**Mr. Brian Masse:** Thank you.

That's so interesting, because that happened at this committee. We even had them in front of us publicly talking about how they talk to each other and walk this fine dance with lawyers.

• (1245)

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

We will now go to MP Poilievre.

You have the floor for five minutes.

**Hon. Pierre Poilievre:** Thank you, Madam Chair.

My first question is for Mr. van Raalte.

What is the dollar cost of federal regulation today in Canada, just the number?

**Mr. James van Raalte:** I don't have an actual number, Madam Chair.

**Hon. Pierre Poilievre:** Right, but you said that your government is respecting the one-for-one rule, that is to say that, if there is a new dollar of regulation added, there has to be one subtracted. The only way to enforce that is to know what the total is to ensure that it never goes up, so surely someone over there must know how much we're paying as Canadians for federal regulations, and your bureau is responsible for that.

**Mr. James van Raalte:** Since the one-for-one rule has been in place, accumulative reductions in administrative burden sit around \$382 million, Madam Chair.

**Hon. Pierre Poilievre:** What was it before? What was the total before?

**Mr. James van Raalte:** No benchmark was taken, Madam Chair.

**Hon. Pierre Poilievre:** You can't possibly know that it's been reduced by \$300 plus million if you didn't know what it cost before or what it costs now.

**Mr. James van Raalte:** Madam Chair, the way the one-for-one rule works is that for every dollar that's been proposed to increase administrative burden, another dollar has to be taken out.

**Hon. Pierre Poilievre:** Yes, I know that.

**Mr. James van Raalte:** Over the course of... First, the one-for-one rule was a policy, and then it was legislated.

**Hon. Pierre Poilievre:** I understand all that, but it just strikes me as odd that if you guys are supposedly capping the cost of regulation, you have to know what the cap is set at, and we would appreciate getting that number from you.

How many regulations does the federal government have?

**Mr. James van Raalte:** Madam Chair, the approximate number of regulatory what we call "stock" is around 3,000.

**Hon. Pierre Poilievre:** Three thousand regulations?

**Mr. James van Raalte:** Three thousand sets of regulations, and then every year—

**Hon. Pierre Poilievre:** Sets of regulations. How many regulations are there in each set?

**Mr. James van Raalte:** That would depend on each set of regulations.

**Hon. Pierre Poilievre:** Give an average.

**Mr. James van Raalte:** Some regulations can be one line; some can be hundreds of pages.

**Hon. Pierre Poilievre:** How many regulations do we have? You said there are 3,000 sets of regulations. What is the total number of individual regulations?

**Mr. James van Raalte:** I don't have that count, Madam Chair.

**Hon. Pierre Poilievre:** The Treasury Board Secretariat is supposed to be watching all this and is supposed to be the guard dog. I don't know if you can hear my dog barking at the front door right now, but you guys are supposed to be the guard dog, just like him. I wish he'd bark less, but anyway, I hope you can find out how many regulations Canadians have to follow and how much they're paying, and report it back to the committee for the purpose of this study.

Thank you very much for your testimony.

Madam Waterous, we have very little time, but as I understand it you built a parking lot; you want to build a gondola so you can connect people from some distance away, right into the heart of the town of Banff. Is that right?

**Ms. Jan Waterous:** Yes. Our project has many components. One is the return of passenger rail; one is aerial transit from the station up to our hill; one is intercept parking, and we're working with our community and three levels of government to do other things more broadly that help with the mobility of visitors throughout the park in a green manner.

**Hon. Pierre Poilievre:** Just to keep it to the tangibles, you built this 500-car lot, and you want to be able to transport people from

that lot to the village of Banff without having to bring their cars into the town. Parks Canada has not approved that gondola?

**Ms. Jan Waterous:** No, it has not. With respect to the intercept parking lot, we are now asking for Parks to provide free shuttles to take people from our lot to points of interest throughout the park, so they don't need to rent a car once they get here by train and/or park their car in the lot.

**Hon. Pierre Poilievre:** You also want rail connection between the Calgary airport and Banff. Is that right?

**Ms. Jan Waterous:** Yes, that's correct.

**Hon. Pierre Poilievre:** You're willing to invest your own money to make that happen.

**Ms. Jan Waterous:** If need be, yes.

**Hon. Pierre Poilievre:** Has Parks signed off on that proposal?

**Ms. Jan Waterous:** Parks is not involved in the decision-making there. It's other agencies like the Government of Alberta and the Canada Infrastructure Bank, where we're getting some of our funding, etc.

**Hon. Pierre Poilievre:** What approvals are you waiting for or have you not received from Parks Canada? Could you summarize them?

• (1250)

**Ms. Jan Waterous:** The gondola is going to be resubmitted; we're waiting. We want to build another 900-stall intercept lot on the other side of the tracks for more intercept parking, so we can move Banff to a car-free national park. That's the ultimate goal.

**Hon. Pierre Poilievre:** You want to make Banff car-free and emissions-free—exactly what we're told the government wants.

**Ms. Jan Waterous:** You got it.

**Hon. Pierre Poilievre:** But Parks Canada—of all departments—is standing in the way. How ironic.

**Ms. Jan Waterous:** Yes.

**Hon. Pierre Poilievre:** It looks like we have gatekeepers everywhere.

**Ms. Jan Waterous:** We're looking for some partnership.

**Hon. Pierre Poilievre:** Agreed. You should have it. And thanks for what you're doing.

**The Chair:** My apologies. Not only is Parks Canada in the way, but so is the chair. The chair is going to move to the next speaker.

MP Erskine-Smith, you have the last five-minute round.

**Mr. Nathaniel Erskine-Smith:** Thanks very much, Madam Chair.

Mr. van Raalte, I want to get back to the question of cell ag. I know it's nascent technology in many respects, but is this on your radar in terms of needing a regulatory framework in the way that Singapore now has, and the regulatory framework that I understand three working groups in the U.S.—under the auspices of the US-DA, but also the FDA—are working on?

**Mr. James van Raalte:** Yes, Madam Chair, I'm aware that there is a need for a regulatory framework. That would be led out of the responsible regulatory department.

**Mr. Nathaniel Erskine-Smith:** As it relates to red tape and regulatory challenges, Singapore has now established a framework—and therefore the first company in the world has now been approved—and the U.S. is very much looking at the economic opportunity. Are you, in your role, not concerned about making sure that there is a clear regulatory pathway for companies? We are, at the moment, sending companies in all sorts of different directions.

**Mr. James van Raalte:** I'm concerned about a lot of different regulatory frameworks and how the system works together. Again, the responsible ministers would be accountable for bringing that forward. It's not a Treasury Board oversight responsibility, Madam Chair.

**Mr. Nathaniel Erskine-Smith:** Understood. It would only be if, say, Health was to work together with, say, Agriculture and Agri-Food in relation to both the CFIA and novel foods that you would then take a look and see whether it is harmonized in an appropriate way with U.S. rules.

**Mr. James van Raalte:** That would be correct.

**Mr. Nathaniel Erskine-Smith:** Then you wouldn't have a role where our existing framework is clearly not harmonized with a new regulatory framework that the U.S. is putting forward. You wouldn't turn your mind to that harmonization.

**Mr. James van Raalte:** We would have a role in terms of facilitating those harmonization discussions with the provinces, but again, the lead is with the regulators.

**Mr. Nathaniel Erskine-Smith:** Has there been any conversation in your office, with the President of the Treasury Board or anyone else in your office, about whether, if those relevant ministers don't take action, we are going to be facing regulatory challenges?

**Mr. James van Raalte:** There has not, to date, Madam Chair.

**Mr. Nathaniel Erskine-Smith:** Understood.

To close off, I understand that the CFIA has a consultation open in relation to the simulated meat regulations. Is this a conversation in your office, as well, in relation to harmonization with the United States?

**Mr. James van Raalte:** If I understand the question correctly, Madam Chair, the CFIA consultation would be open both to members of the Canadian public and to industry and participants internationally. Then those consultations would inform any regulatory proposal that is brought before the Treasury Board for consideration.

**Mr. Nathaniel Erskine-Smith:** It would be at that moment, then, that you would look at it and say, “Hang on a second. These rules need to be better updated to ensure that they're harmonized with those in the United States.”

**Mr. James van Raalte:** The sequencing could be such that there could be a number of scenarios. The CFIA could identify that it needs regulatory co-operation, conversation or facilitation with different trading partners before it brings forward regulatory proposals, or it could happen in the opposite order.

**Mr. Nathaniel Erskine-Smith:** I'm very glad your office exists. The one takeaway I would have from this conversation, though—

and maybe you don't have the resources to do this; I'm not sure—is that it seems to me that a more proactive approach would be a welcome one. When we see other countries move forward to address regulatory burdens in particular sectors.... I mentioned one that matters a lot in terms of innovation and agriculture going forward. If we care about pandemic risks and about tackling climate change, as a couple of examples—even though we might not care about animals all to the same degree....

If we're not proactive and are waiting for others to take on the task of addressing regulatory burdens and they're not seized with it, given the impetus in your shop to say that we want to address harmonization and that we want to address regulatory burdens, I would encourage.... Again, it may be a resource issue, but being proactive on these files, as opposed to waiting for other ministers to take the lead, would seem to me to be a welcome step.

• (1255)

**Mr. James van Raalte:** That's a very fair point, Madam Chair.

Thank you.

**Mr. Nathaniel Erskine-Smith:** Thank you.

I really appreciate that you guys exist and the work that you're doing.

**The Chair:** Thank you so much. That ends our last round of questions.

Before we adjourn, I want to give the members an update, but I'd like to thank the witnesses for being here today and for their excellent testimonies.

Thank you so much.

[*Translation*]

We very much appreciated your testimony.

[*English*]

The witnesses, if they'd like to log off, may do so.

I'm asking the members to stay on for just a few seconds, because I've asked the clerk to circulate to you a draft schedule for between now and June, so that you'll know what we're working on, just to give you an update.

You will have received the draft version one of two reports, one on affordability and accessibility in telecommunications, as well as one on the domestic manufacturing capacity for COVID-19. I'm going to ask the members to review those reports, and as we did with the last report, it was helpful to actually submit to the analysts and the clerk your suggested edits and then they can incorporate those suggested edits and we discuss them at a drafting meeting, because it's helpful to have both languages of edits, rather than trying to read them in real time.

If that's the will of the committee, I think it worked well for us last time. I would ask that the members review these two draft reports, and provide to the clerk any changes to the reports by Friday, April 30, which will give the analysts time to incorporate them and also make sure we have the translation of any edits. They will provide us version two of both reports, which we will work on the week of May 24. You'll see in the draft schedule that we have circulated *le plan de match* for the spring session, so that you can be adequately prepared.

I wanted to make sure you all knew what we were looking at, because we'd like to get as many reports finished before the end of June so we can table them in the House.

Are there any questions or comments on that? I know you received them only at the beginning of the meeting, but I think this will be helpful for everybody in terms of planning.

[*Translation*]

Do you have any questions?

**Mr. Sébastien Lemire:** I think we have a good game plan, Madam Chair. Thank you for your work, and thank you to the clerk.

**The Chair:** It's great.

[*English*]

MP Baldinelli, you have your hand up.

**Mr. Tony Baldinelli:** I just wanted to confirm. Was it to our P9 accounts that you sent some information?

**The Chair:** That's correct; the clerk circulated that. I think it was just after the meeting started, but I asked him to draft a plan for us, for all the things we have to do between now and the end of June, so we can make sure we stay on track.

**Mr. Tony Baldinelli:** Okay, I'll take a look for that.

**The Chair:** Perfect.

If there are any questions or concerns, MP Baldinelli, what we can do is maybe at a subsequent meeting take five minutes to just go over that, or you can definitely pick up the phone and give me a call. I'm happy to answer any questions.

**Mr. Tony Baldinelli:** Thank you, Madam Chair.

**The Chair:** Wonderful, thank you so much.

With that, I want to thank everyone for their support today.

[*Translation*]

Many thanks to the interpreters, the analysts, the clerk and the IT staff.

[*English*]

With that, we will call the meeting adjourned.

Thank you so much.

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