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Chair: Peter Schiefke



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• (1205)

[English]

The Chair (Peter Schiefke (Vaudreuil, Lib.)): I call this meeting to order.

Welcome to meeting number five of the Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, July 7, 2025, the committee is commencing its study of the Canada Infrastructure Bank's financing of new vessels for BC Ferries.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members may attend in person in the room and remotely by using the Zoom application.

Before we continue, I would like to ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio feedback incidents and to protect, of course, the health and safety of all participants, including our interpreters. You will also notice a QR code on the card, which links to a short awareness video.

I'd like to make a few comments before we begin for the benefit of witnesses and members. Please wait until I recognize you by name before speaking. For those participating by video conference, please click on the microphone icon to activate your mic. Please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation—floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

As a reminder, all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

Before we welcome our first witness today, I would like to express, on behalf of all members, that our thoughts are with all Canadians affected by the ongoing forest fires across the country, and express our appreciation to all the first responders and firefighters who are doing their best to manage these.

Appearing before us, colleagues, for the first hour of today's five-hour meeting is the Honourable Chrystia Freeland, Minister of Transport and Internal Trade.

Gord Johns (Courtenay—Alberni, NDP): I have a point of order, Mr. Chair.

The Chair: Mr. Johns is joining us today.

The floor is yours, sir.

Gord Johns: Thank you so much, Mr. Chair. I just wanted to call for a point of order. I'm seeking unanimous consent.

I am one of seven Vancouver Island MPs. As you know, BC Ferries is critical to the lifeline of Vancouver Islanders.

Almost 25% of Vancouver Islanders voted New Democrat. As a New Democrat, I'm hoping that this committee will support allowing me two and a half minutes of questioning at the end of each round due to the impact this has on my Vancouver Island constituents. As someone who's met with industry and as someone who's met with BC Ferries, ENGOs, first nations, higher learning institutions, and labour, I could offer a lot in terms of my questions that would support this committee, Vancouver Islanders, British Columbians and Canadians.

I hope this committee will support my request.

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

I was going to ask for unanimous consent, but I see that your hand is up, Mr. Albas.

Dan Albas (Okanagan Lake West—South Kelowna, CPC): Mr. Chair, if Mr. Johns is given time, it should be at the expense of whichever party gives it. We have plenty of questions, and we're not prepared to share our time.

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

[Translation]

Mr. Barsalou-Duval, please go ahead.

Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Thank you, Mr. Chair.

If any committee members wish to share a portion of their time with the NDP, I have no problem with that. However, since I don't have much speaking time of my own, I will not be sharing my time.

The Chair: Thank you very much, Mr. Barsalou-Duval.

Mr. Lauzon, you have the floor.

Stéphane Lauzon (Argenteuil—La Petite-Nation, Lib.): I see no problem in granting the NDP representative some time to ask questions.

The Chair: Are you willing to give up some of your speaking time?

Stéphane Lauzon: No. I suggest that the committee allow the NDP to speak or that it add on enough time to give the NDP two and a half minutes of speaking time.

[English]

The Chair: Unfortunately, Mr. Johns, I don't have the unanimous consent of the committee to provide you with that speaking time, and I don't have any members who are themselves coming forward to provide you with their time.

Unfortunately, you will not have an opportunity to ask questions today, sir.

Gord Johns: Thank you for giving me the opportunity.

I do believe that this is an affront to democracy. It hurts Vancouver Islanders, who would expect that we'd be given a chance of two and a half minutes to question each of the panellists and bring some very important insight. As the only MP who's taken this crusade over the last month of meeting with the stakeholders, I think I have a lot to offer. I hope members will cede some of their time in consideration of the people of my riding and the benefit this would bring to the transport committee.

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

I'll return to welcoming our first witness for today. Our guest is the Honourable Chrystia Freeland, Minister of Transport and Internal Trade. Joining her from the Department of Transport are Arun Thangaraj, deputy minister, and Stephanie Hébert, assistant deputy minister of programs.

Welcome to all three of you. Thank you for taking the time to appear today.

Minister, it's always a pleasure to have you here.

You have five minutes for your opening statement. You now have the floor.

Hon. Chrystia Freeland (Minister of Transport and Internal Trade): Thank you very much, Chair—Peter—and thank you to everyone who is here working so hard.

I also really want to thank Arun Thangaraj, the deputy minister of transport, and Stephanie Hébert, assistant deputy minister of transport. Thank you for all your hard work and for being here with me today.

I also want to join you, Mr. Chair, in recognizing that this is a time when wildfires are raging in many parts of our country. I know that it touches some of the MPs here very close to home. It's a good opportunity to thank all the first responders and to let Canadians know that on this issue, certainly, we're all in it together to support them.

As we all know, BC Ferries is an independent, privately operated organization regulated by the Province of B.C. This is not an entity under the authority of Transport Canada. I share the committee's disappointment with this procurement.

[Translation]

This decision comes at a time when the Government of Canada is making record investments in rebuilding Canada's marine sector. The National Shipbuilding Strategy has created and maintains over

20,000 jobs annually, while contributing over \$2.3 billion a year to the GDP, supplying critical resources to the Royal Canadian Navy and the Canadian Coast Guard, and strengthening national sovereignty and economic resilience.

[English]

In line with a 1977 agreement, Transport Canada does provide funds, strictly for operations, to the Province of B.C. This includes nearly \$38 million in federal support that will go to the province in the fiscal year 2025-26. The province uses that funding to provide operating support for ferry services.

I am troubled by the procurement. I strongly believe in supporting Canada's shipbuilding capacity, supporting middle-class jobs and supporting our economy. We all recognize that this is a critical moment, particularly to support our steel and aluminum sectors, given the tariffs that Canada is facing.

● (1210)

[Translation]

I've asked every organization under Transport Canada's authority, including ports, airports and marine services, to give preference to Canadian products whenever possible when they make major purchases, and that includes Canadian steel and aluminum. When Canadian options are unavailable, our next preference is to buy from countries that have signed reciprocal procurement-related trade agreements with Canada, to make sure that our investments support fair and open trade practices. Last June, I sent out 71 letters containing that instruction.

[English]

In line with the need now to support the Canadian economy, I have directed all organizations under the Transport Canada umbrella, including ports, airports and marine services, to prioritize Canadian content in their major procurements, particularly Canadian steel, aluminum and lumber wherever feasible. When Canadian options are not available, our next preference is to buy from countries with whom we have reciprocal procurement agreements in our trade deals, ensuring that our investments support fair, open and rules-based trade. In June I sent out 71 letters with this instruction.

I have been an advocate of reciprocal procurement for Canada for some time. I first put forward the idea as finance minister in the 2021 budget, and I advanced it further in the 2023 budget and 2023 fall economic statement. In fact, in 2023 the Department of Finance published a policy statement outlining a plan to go forward with reciprocal procurement. This June the federal government put in place a reciprocal procurement policy.

I'm also glad to announce today that Transport Canada will be convening a meeting with the provinces and territories as well as ferry owners, operators, shipyards, labour representatives and the steel and aluminum industry. I spoke this morning about the meeting with the CEO of Seaspan. This meeting will be a chance for us to work together—the federal government, the provinces, shipbuilders, labour, and steel and aluminum—to talk about how we can buy Canadian. I will be convening a similar meeting, including the steel sector, for the rail industry and all rail operators.

[Translation]

Right now I'm convening a meeting with the provinces and territories, along with ferry owners and operators, shipyards, representatives of labour and members of the steel, aluminum and softwood lumber industries. This meeting will allow us to work together on addressing Canada's ferry procurement challenges. I plan to hold a similar meeting with the rail industry as well.

I want to thank the deputy minister of transport for working hard with me to organize these meetings.

The response we've received from our provincial and territorial counterparts and from industry has been very positive. I think there's a lot of goodwill to do that.

• (1215)

[English]

Let me conclude by saying that I'm grateful for the work of the committee. I hope we can spend some time looking ahead to ways that we can support Canadian shipbuilders and Canadian steel and aluminum producers. That's something that I am certainly focused on.

I look forward to answering your questions.

[Translation]

The Chair: Thank you very much, Minister.

[English]

We begin our line of questioning today with Mr. Albas.

Mr. Albas, the floor is yours. You have six minutes, sir.

Dan Albas: Thank you, Mr. Chair.

Thank you, Minister, and thank you, Deputy Ministers, for the work you do.

Minister, the ink isn't even dry on President Trump's latest executive order, basically targeting Canada for 35%. Our steel and aluminum workers are scared, yet here we have an opportunity to fund, here in Canada, the elbows-up and Canada-strong rhetoric that your government has been putting out. We can stop this loan by the Canada Infrastructure Bank, and we can go to the table with BC Ferries and plan to do it and support our steel and aluminum workers and shipbuilders here in this country.

Are you standing by the loan?

Hon. Chrystia Freeland: Thank you, Mr. Albas, for your question.

I want to start by saying that I know the wildfires are touching your constituency and that I support you and your constituents. The federal government is here to provide any support they need.

I totally agree with you that this is a moment of crisis for the Canadian steel and aluminum sectors and they need our government's support. They need our country's support. I was on the phone this morning with the CEO of one of our steel companies and was in touch with one of our union leaders. As well, I was talking to the CEO of Seaspan. My approach right now is to ensure that in the areas under my control, in the areas that Transport Canada has responsibility for, we are pushing for Canadian workers in the manufacturing sector and for the use of Canadian steel and aluminum. That's why I sent out 71 letters in June to all the agencies I'm responsible for. That's why I'm convening a meeting specifically ensuring that we are building ferries in Canada using Canadian steel, and it's why I will be convening a meeting to do the same thing with the rail sector.

Dan Albas: Minister, it sounds like you're comfortable with the loan going out and supporting, effectively, the outsourcing of Canadian jobs, to subsidize them over in the People's Republic of China at a Chinese state-owned shipyard.

Speaking of letters, I have your letter here dated June 16, 2025. It says, "I am dismayed that BC Ferries would select a Chinese state-owned shipyard to build new ferries in the current geopolitical context, and I ask that you verify and confirm with utmost certainty that no federal funding will be diverted to support the acquisition of these new ferries."

Did you know when you wrote this letter that the Canada Infrastructure Bank was going to be funding \$1 billion of taxpayers' money to the acquisition of these vessels?

Hon. Chrystia Freeland: Let me first take issue, if I may, with your opening comment.

I am dismayed by this procurement. I have made that very, very clear. It's not just rhetoric. I have acted. I'm the transport minister. I was and am aware that money goes from Transport Canada in operating support for the operation of ferries in British Columbia. It was very important to me to make formally clear an insistence that none of that operating money be used for this procurement. I have received those assurances.

Second of all, as importantly, I am taking active steps to ensure that in going-forward purchases of anything Transport Canada has control over, we are putting a priority on Canadian manufacturing jobs, on Canadian steel and on Canadian aluminum. We are not just talking about it. We are actually working to do it. That is really important.

I have to say that I was very encouraged by the conversation I had today with Seaspan. They're excited to be part of this work.

Dan Albas: Minister, I think any accountant will tell you that an operating budget will have a payment down of debt. BC Ferries will be using some of the federal monies it will have in its operating budget for servicing the debt to the Canada Infrastructure Bank. That's superfluous to this. You are the senior minister, between you and Minister Robertson. Are you going to say in cabinet that, number one, we should cancel this loan in favour of steel and aluminum and shipbuilding here in Canada—yes or no?

Hon. Chrystia Freeland: I have been very clear in my testimony today before the committee, in the House of Commons and in all my opportunities to speak formally about this that I am disappointed by this procurement. In fact, I think there is widespread disappointment across Canada with this procurement. In the areas that I'm responsible for as transport minister, I am ensuring that our procurement is favouring Canadian manufacturers and favouring Canadian steel and Canadian aluminum. That's why I sent out 71 letters in June to the agencies under my authority, saying that this is what we'll be doing.

• (1220)

Dan Albas: Minister, you have an opportunity to say no to this loan and to say yes to those conversations and put some heft behind it. It sounds to me like you're like a ship sailing at night and seeing another one sail by, except those are our jobs going to China, to a shipyard that's owned and managed by the state.

Minister, why aren't you saying, no, you won't support this loan? It's contrary to what the government's intentions are and what Canadians are asking for. Why are you picking the loan over your own letter?

Hon. Chrystia Freeland: I've been in politics for 12 years now, and I've been compared to many different things, but I think it's the first time I've been compared to a ship. I've been compared to worse.

Let me just say, Mr. Albas, that I am disappointed by this procurement. In the areas under my control as transport minister, I can assure you that I am doing everything in my power to ensure that the agencies that Transport Canada is responsible for put a priority on Canadian manufacturing workers and Canadian steel and aluminum.

I want to add that it's not just about statements. We have to work together—industry, all levels of government and unions—to be sure that we have the capacity to use Canada's steel and aluminum. I am totally devoted to doing that.

The Chair: Thank you very much, Minister.

Next we'll go to Ms. Nguyen.

Ms. Nguyen, the floor is yours. You have six minutes.

Chi Nguyen (Spadina—Harbourfront, Lib.): Thank you very much, Mr. Chair.

Hello, Minister Freeland, and hello to my colleagues. Thanks, everyone, for being here for an important conversation.

Minister, let me start by saying that my riding is home to key transport corridors. Our community knows that Canada-first procurement is all about ensuring that federal dollars can support Canadian workers, Canadian steel and Canadian infrastructure that will benefit local communities. You were made aware of this issue. You started to share a little bit of detail in your opening remarks about the steps. Could you explain to us and to Canadians watching at home some of the steps you took to address this issue around making sure that we were showing up as Canada first?

Hon. Chrystia Freeland: Thank you very much, Ms. Nguyen, and congratulations on your pretty recent election.

You and I were in your riding together this morning. It is indeed a place where transport infrastructure is important. This may be an opportunity for me to offer a quick shout-out to the excellent airport you and I both used to get to Ottawa today: the island airport, or Billy Bishop airport. It's an example of how important good transport infrastructure is.

As we've been discussing, I am disappointed with this procurement. I think that is a view shared by all members of this committee. My view is that this needs to serve as a wake-up call, and what we need to do is work very hard to ensure that we are buying Canadian. Where we have major procurement, we need to work hard to ensure that we're using Canadian steel, Canadian aluminum and Canadian lumber.

There are two very specific steps that I've taken to make that a reality.

First of all, I've sent out a letter. There are actually 71 letters, and we worked on them together. They were sent to all of the entities that are under the control of Transport Canada, making it clear to them, in writing, my expectation that they will put a priority on Canadian jobs and Canadian workers. In that letter, I specifically instructed them to focus on using Canadian steel, Canadian aluminum and Canadian lumber.

I want to emphasize that point. These are absolutely essential sectors of the Canadian economy, and we—collectively, as a country—need to be finding projects to use that steel, aluminum and lumber here in Canada.

The second thing I've done—and this is really important—is convene two meetings. One is for the shipbuilding and ferry-operating sector. We'll have the federal government, provincial representatives, shipbuilders, publicly and privately owned ferry operators, labour and the steel sector, in particular. We're going to work together and talk about what we need to do to ensure that, going forward, we are making decisions that support our shipbuilding sector and our steel sector.

We are going to be doing the same thing with the major rail operators when it comes to light rail. I had a conversation today with Rob Prichard about ways in which the high-speed rail project can be one that fills up the order books of our steelmakers going forward. I also spoke to the CEO of a steel company this morning about exactly that issue, as well as the issue of ferries.

We should use this committee meeting to look ahead and say this is a moment when, as a country, we have an opportunity to help ourselves. It's going to take a lot of hard work. I think it's work that is very important to do.

● (1225)

Chi Nguyen: Thank you.

I'll keep this one brief.

Some things we are seeing in our economy are challenges around youth unemployment and access to great jobs. Can you tell me a bit about how taking a buy Canada approach through this work will help us on those fronts?

Hon. Chrystia Freeland: Absolutely.

These areas we're talking about, whether they're shipbuilding, the rail sector, steel, aluminum or lumber, are industries that provide great jobs for Canadians. They are quite literally engines of our economy. It is essential that we maintain the jobs we have now and that we continue to provide opportunities for young Canadians.

The Chair: Thank you very much, Minister.

Thank you, Ms. Nguyen.

[Translation]

Our next speaker is Mr. Barsalou-Duval.

You have six minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Thank you, Minister, for joining us today at this important meeting.

Last June 2, the Minister of Industry, Mélanie Joly, said that Ottawa was committed to using Canadian steel and aluminum for its national infrastructure and defence projects. Those announcements flooded the media. She toured a large number of steel mills across the country, with lots of photos and press conferences along the way.

Two weeks later, we found out that the Canada Infrastructure Bank had provided \$1 billion to have ships built at a Chinese shipyard, by Chinese workers and using Chinese steel, but paid for with Canadian money.

In your opinion, has your government betrayed Canadian steelworkers?

Hon. Chrystia Freeland: Thank you for your question.

As I said at the beginning of my remarks, I am deeply disappointed by this decision.

In my opinion, this is a critical moment in time for Canada and Quebec, and our government must support our steel, aluminum and softwood lumber sectors because they are under attack.

I'm also in the process of making—

Xavier Barsalou-Duval: You say you're disappointed, Minister, but it was your government that made this decision. So you're disappointed in your government's actions. Is that what you're saying?

I would agree with you. However, I want to clearly understand your position. You're the one in charge, so you're disappointed in yourself? That seems a strange answer and a bit glib.

Hon. Chrystia Freeland: No, I reject the suggestion that my answer is glib.

As I said in my speech, the agency in question is not part of the federal government. I know that the Bloc Québécois understands the importance of provincial jurisdictions, and we need to be mindful of the division of federal and provincial jurisdictions.

However, I share the concern—

Xavier Barsalou-Duval: Considering that federal funds are being invested in this project, I'm sure you can understand that workers feel betrayed.

● (1230)

Hon. Chrystia Freeland: I understand and I share that concern. That's why, as Minister of Transport and Internal Trade, I'm doing everything in my power to put Canadian workers, including workers in the aluminum, steel and softwood lumber sectors, first.

As I've already explained, I've written—

Xavier Barsalou-Duval: Okay.

I have another question for you.

Hon. Chrystia Freeland: —a letter to each agency that I'm inviting to attend.

Xavier Barsalou-Duval: You said so a few times, though.

In the letter you wrote to B.C.'s minister of transportation and transit, Mike Farnworth, you raised concerns about security risks. You also asked him to confirm that no federal funding would be used for ferry procurement. However, we don't know happened after that letter was sent.

Did you receive a reply to your letter?

Hon. Chrystia Freeland: We are having good discussions with the province of British Columbia.

I'm here as the Minister of Transport and Internal Trade, and I can tell you that I received assurances that Transport Canada's funding would go to British Columbia exclusively to support travellers. That's why we're providing this funding, which will be used just to—

Xavier Barsalou-Duval: I understand that you received these assurances regarding Transport Canada. However, your letter stated that no federal funding should be used for ferry procurement, and that this was not limited to Transport Canada.

I assume you wrote that letter unaware that a portion of this federal funding would be used to build ferries in China.

I would therefore like to know, first of all, why were you not aware of this funding, and second, when did you find out about it?

Hon. Chrystia Freeland: Again, I am here as Canada's Minister of Transport and Internal Trade, and as such, I am doing everything in my power to support workers in the steel, aluminum, and softwood lumber sectors.

I sent a letter with very specific instructions to all of the agencies under my authority. I'm in the process of convening a meeting with stakeholders to support shipbuilders—

Xavier Barsalou-Duval: So you ministers don't talk to each other about decisions, upcoming announcements or major investments? There's no back and forth among the ministers, no discussion at the Council of Ministers?

I'm a bit surprised that, just a few weeks after I requested confirmation that no federal funds would be spent on this project, we heard that the project would receive federal money after all. It seems to me that something went wrong.

Is there no coordination between departments? You don't talk to each other. Is that it?

Hon. Chrystia Freeland: As I said, as far as my jurisdictional powers go, I think that prioritizing the steel, aluminum and softwood lumber sectors is very important.

It's fine to talk about making these critical sectors a priority. Now, it's time to do the work needed to get us there. That's what I'm doing in the ship and rail sectors.

The Chair: Thank you very much, Minister.

Thank you very much, Mr. Barsalou-Duval.

[English]

Next we'll go to Mr. Lawrence.

Mr. Lawrence, the floor is yours for five minutes, sir.

Philip Lawrence (Northumberland—Clarke, CPC): Thank you, Mr. Chair.

Thank you, Minister, for being here.

I want to just take a moment and think about the folks who are struggling right now. There will be husbands or wives who go home to their kids this evening who say, "You know what? We were expecting to go to hockey this year. We can't." There will be workers who go home and say, "We can't make the mortgage payment this week because of the tariffs that were imposed." There was an opportunity for this government to give relief to some of those families—families in British Columbia, in Quebec, and elsewhere. There was an opportunity to have really a generational investment that would have given jobs for years, if not decades, to families. That didn't happen, because of your government.

Now you say you're dismayed. You have consternation. You have 71 letters that are out there. Will any of those letters provide any relief to the families I've been talking about?

Hon. Chrystia Freeland: Yes, absolutely they will. I want to thank you for the way you framed the issue, because I am so concerned about the workers in our steel sector, in our aluminum sector and in softwood lumber. These are very important Canadian industries. I've spent a lot of time in steel mills, in aluminum smelters and in pulp mills. When we fought the section 232 tariffs in 2018,

we worked really hard with steel and aluminum, so I know who you're talking about. I think that we as Canadians need to recognize that these essential industries, and the people who work there—often generations of families working there—are under attack. They need our support.

That's what I'm working hard to do. These 71 letters to the agencies I control are about saying this to them: When you are looking at your procurement, you need to put a priority on Canadian manufacturing jobs, steel, aluminum and softwood. I want to point to this meeting that we're going to hold with the shipbuilders, with steel and aluminum and with the ferry operators.

● (1235)

Philip Lawrence: Thank you, Minister.

The reality, though, is that the dismay and the consternation and the letters won't put food on the table of our aluminum and steel workers. The contract with BC Ferries could have done just that.

I want to get into the facts. Will you call today, unequivocally, for the cancelling of the CIB, Canada Infrastructure Bank, loan that underpins this contract between BC Ferries and the Chinese shipyard? Will you call for it?

Hon. Chrystia Freeland: You know that I have a lot of respect for you, but I disagree that instructing all the Transport Canada agencies to procure from Canada won't help. Of course it will help. This means that, going forward, they will be using steel, using aluminum and using lumber.

The meetings of the shipbuilders and of the rail sector are really significant. For example, speaking this morning with John McCarthy, the CEO of Seaspan, we had a very substantive conversation about what it will take for him and his workers to be able to build ferries for Canada and what it will take for them to use Canadian steel. I congratulated him on an MOU that he signed with Algoma in the middle of July to use Canadian steel in icebreakers.

This is the kind of work we need to do—

Philip Lawrence: You didn't answer my question. I'll give you the opportunity again to call unequivocally for the cancelling of the CIB loan.

Hon. Chrystia Freeland: I have been compared to a ship, so I'll use a transport metaphor. I'm here as Minister of Transport and Internal Trade. I'll stay in my lane and answer the questions about the areas that I have responsibility for.

Philip Lawrence: One more time: You are a high-ranking minister, and you've been in politics, as you said, for 12 years. You were the deputy leader and finance minister during the time when the CIB operated and when mandates were created. Will you call today, as a member of the government, as a senior minister, for the cancelling of the CIB loan?

Hon. Chrystia Freeland: I have long been an advocate for buying Canadian and reciprocal procurement. I pointed to a policy statement that I published as finance minister in 2023. I published a reciprocal procurement approach in the fall economic statement of 2023, the budget of 2023 and the 2021 budget. I've been working on this for a long time. It's important.

The Chair: Thank you very much, Minister.

Thank you, Mr. Lawrence.

[Translation]

Mr. Lauzon, you have five minutes.

Stéphane Lauzon: Thank you, Mr. Chair.

Thank you to our witnesses for being here today.

Minister Freeland, you've often spoken of your support for steel, aluminum and softwood lumber workers, but you also said in your presentation that this support would be provided to the extent possible. I have a question about that.

When we talk about ferry transportation, the discussion primarily centres on British Columbia and the Atlantic provinces. In fact, Quebec also relies on ferries. Ferry services are extremely important and depend on Transport Canada. Can you tell us what support our government or your department can offer to Quebec ferries?

Hon. Chrystia Freeland: Thank you for your question.

As you know, we made an important announcement last Monday about federally supported ferry services, including the Magdalen Islands ferry. Starting today, passenger fares on those ferries will drop by 50%. This is good news for Magdalen Islanders, and I'm very pleased we did that.

• (1240)

Stéphane Lauzon: Thank you.

I really share your concerns about the contract awarded to a Chinese builder. I think we felt it. I'm a welder by trade and I feel like I represent Canadian workers in a way. The federal government has been an important partner of Quebec's shipbuilding industry, a sector that creates good jobs in skilled shipbuilding trades and other fields. At a time when our economy's steel, aluminum and softwood lumber industries are struggling, can you tell this committee how you intend to support shipbuilding and ship procurement in Quebec?

Hon. Chrystia Freeland: Thank you for your question.

We've already talked about the round table we're organizing. Davie shipyard will obviously be invited and will participate. It's very important to organize things so that we can build ships in Canada. It's also important that the marine, steel, aluminum and softwood lumber sectors work together. Canada's supply chains are undergoing major changes. We hear of changes in steel, aluminum and softwood lumber sector production. We have a duty to foster discussion among the manufacturing, steel, aluminum and softwood lumber sectors. At the same time, we also have to ensure that the money of Canadians and Quebecers spent on federal as well as provincial procurement goes to support our industries. That is my job.

Stéphane Lauzon: Thank you.

You mentioned an upcoming meeting with unions representing steel and aluminum workers and industry representatives. You want to include the unions because they represent workers. What can we expect this meeting to achieve? Will it lead to recommendations? Are you going to discuss the kinds of situations we've just experienced to prevent them from happening again? What will result from that meeting?

Hon. Chrystia Freeland: My hope is that we'll discuss specific topics, like ship procurement and ship-related needs in Canada. We're going to invite all public and private agencies that use ships and discuss their needs and what they need to procure. We'll talk with shipbuilders and ask them about their capacity to build ships in Canada.

Stéphane Lauzon: I assume that tariffs and their impact will also be discussed?

Hon. Chrystia Freeland: That's right.

We're going to talk with people in the steel, aluminum and softwood lumber sectors and ask them whether they have the capacity to—

The Chair: Thank you very much, Minister and Mr. Lauzon.

Mr. Barsalou-Duval, you have two and a half minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Minister, I'm pleased you're here today, but I wanted to get some answers. Your government has created expectations. The Minister of Industry said that the government would prioritize Canadian steel and aluminum for its major contracts, large construction projects and large infrastructure projects. You wrote a letter saying that you didn't want federal money to be invested in this project, yet later on, \$1 billion in federal funds were invested. I'm sure you can understand why people are disappointed. You said yourself that you were disappointed.

Your government has created expectations and hope, and rightly so, at a time when steel and aluminum are facing 50% tariffs. Steel workers where I'm from would like more work. Estimates put the amount at about 30,000 tonnes of steel. That's the equivalent of one week's output at the ArcelorMittal plant in Contrecoeur. Under current circumstances, a week's output is no small matter.

However, I get the impression that you're washing your hands of the matter. You say that you said what you needed to say at the time, I mean, that it's another department's responsibility, thank you very much, case closed. You didn't even answer my question: When did you know that this money had been allocated? Did you find out on June 16, June 20 or June 26? Did you know about it when you wrote your letter?

● (1245)

Hon. Chrystia Freeland: I've been very clear, and I still am: I'm disappointed in this decision. I asked the deputy minister of transport if she was committing departmental funds. We understood that funding by the Department of Transport was used only to support travellers. It was very important to me to check that this was the case.

It's very important to me. I share your concern and I have—

Xavier Barsalou-Duval: Can you at least confirm that, when you wrote your letter on June 16, you were unaware that federal money had been invested in this project?

Hon. Chrystia Freeland: —responsibilities, and—

Xavier Barsalou-Duval: You can't even answer that.

Hon. Chrystia Freeland: —it's very important to me to ensure that the agencies under my control are going to prioritize Canadian workers in the steel, aluminum and softwood lumber sectors under their procurement contracts, and—

Xavier Barsalou-Duval: Did you know on June 16 that there would be federal funds for that?

Hon. Chrystia Freeland: —I want to assure you that we will do that.

The Chair: Thank you very much, Minister.

Thank you, Mr. Barsalou-Duval.

[English]

We go back to Mr. Lawrence.

Mr. Lawrence, the floor is, once again, yours. You have five minutes, sir.

Philip Lawrence: I give my time to Mr. Albas.

Dan Albas: Thank you, Mr. Chair. I appreciate that.

Minister, you mentioned your conversation with the president of Seaspan. In *The Globe and Mail*, he argued that it's tax policy and red tape that prevent him from being competitive in this space. If you're not willing to cancel this loan agreement, will you work instead to lower taxes to help make Seaspan competitive, so that it can actually compete in this space?

Hon. Chrystia Freeland: I had a very good conversation with the CEO of Seaspan. He's very enthusiastic about the meeting we're going to have. He mentioned to me that Canadian workers earn more than workers in other jurisdictions. They do, and that is a good thing. We want him to be providing good, high-paying jobs, and he does, and I told him that I absolutely understand and support that. We committed together to working hard to get Canadian ferries to use Canadian steel and build at Canadian shipyards, including Seaspan. I did congratulate him on an MOU that he signed with Algoma Steel a couple of weeks ago, to get Canadian steel into the icebreakers that he is building.

We need to get beyond talking points and talk about rewiring the supply chains in our country. We have to support our steel and aluminum sectors and softwood lumber, and that means convening conversations with Canadian manufacturers to ensure that our steel,

aluminum and lumber sectors are producing the products that our manufacturers need.

Governments do have a role to play here, ensuring that we are placing the orders there. I want to go back to Mr. Lawrence, because I worry about those same workers. These conversations can be really important, because, if we get orders placed now, then that fills up the order books of our steel mills and aluminum smelters. It gives them the confidence to keep on operating.

Dan Albas: Well, Minister, again you have an opportunity. You could say, no, we don't want to have an industrial carbon tax that will put our steelworkers at a disadvantage. That is something that your government has said it wants to do.

Minister, do you support the review of the remission framework by the Prime Minister to target cheap foreign steel that comes from countries like the PRC?

● (1250)

Hon. Chrystia Freeland: I was very glad as finance minister to announce last June that for the first time, Canada would be putting tariffs of 25% on Chinese steel and 100% on Chinese EVs. We announced that last June. We had a consultation, and in October of last year, those tariffs went into place for the first time. This is an issue that I've worked on for a long time, and I have a lot of conviction there—

Dan Albas: Eric McNeely is the president of the BC Ferry and Marine Workers' Union. He wants to know why your government will say that it will put tariffs of 25% on cheap steel from countries like China, yet it seems like you're going to let this one go by tariff-free. Think of all the aluminum and all the steel for all the components that go into making these ships, Minister. What do you have to say to Eric McNeely and the people he represents?

Hon. Chrystia Freeland: The voice of labour in these issues is absolutely essential. That's why, at the shipbuilding meeting we are convening, we will be inviting unions to participate. It is absolutely important right now, given the tariffs the Canadian steel sector is facing, for us to find uses for Canadian steel in Canada. I am utterly committed to doing that.

Dan Albas: Minister, you know, those steel and aluminum tariffs were threatened by Donald Trump months ago, yet it's only now that this committee started to put the heat on that you started this made in Canada approach with groups that are underneath your watch. You won't say that we want to cancel the industrial carbon tax. You won't say that you're going to cut red tape and be competitive. You're totally silent when it comes to the loan of \$1 billion by the Canada Infrastructure Bank to offshore, effectively, Canadian jobs in steel, aluminum and shipbuilding.

Everything you're offering here, Minister, is talk. You have failed the test. It's August 1. We have an executive order that's come in. You come to this committee and you talk, talk, talk. You're not willing to do the basics—

The Chair: Thank you, Mr. Albas.

Dan Albas: No, let me just finish here.

The Chair: You've run over your time by 20 seconds.

Dan Albas: The basics were standing up for Canadian workers. This was your opportunity. You and your government have failed.

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

Next we'll go to Mr. Greaves, who is joining us online.

Mr. Greaves, the floor is yours. You have five minutes, sir.

Will Greaves (Victoria, Lib.): Thank you very much, Mr. Chair, and good morning to colleagues.

Good morning, Minister. Thank you so much for joining us today.

I'd like to maybe take a step back and ask you some questions about the sector more broadly rather than taking the same line of questioning my colleague has been pursuing. We know that the government has been making historic investments in Canada's marine sector, including in shipbuilding, with a variety of projects for the navy, the Canadian Coast Guard and others. We also know that no Canadian companies submitted a bid for this BC Ferries contract, largely due to the volume of work they already have under contract in the three major shipyards across Canada.

Minister Freeland, could you perhaps speak to how the federal government is going to support increasing the capacity for Canadian shipbuilding in the future and how this might have a positive impact on future procurement decisions for BC Ferries and other vessel providers across the country?

Hon. Chrystia Freeland: Thanks for being here. I know that you represent constituents for whom this is a very important and live issue, so I'm really glad that you're with us.

It is a great question. The national shipbuilding strategy, which various governments have been working at for a long time, is really bearing fruit, and this is a really good thing. Canada has built up shipbuilding capacity. This is in our strategic and national economic interest.

What we need to do now is work very hard to connect our shipbuilders with the sectors that are under threat—steel, aluminum, softwood lumber—and we need to connect them with the procurement decisions of Canadian entities: the federal government, the provincial government and private sector entities. We need to have that strategic plan with everyone, including labour, at the table. That's why I'm really excited about this meeting that we're organizing, with shipbuilders, all of the ferry operators—private and public—the federal government, the provinces, labour, steel and aluminum. We're going to sit down and look at, “What are the order books? What kinds of ferries do we need? Who needs ferries? Who is able to build them, and are we able to use Canadian steel and aluminum in that construction?” Mr. McCarthy, the CEO of Seaspan, is very enthusiastic about that conversation. I am too.

This is the moment when we really, in a significant way, need to rewrite the Canadian economy. I have been a believer in reciprocal procurement for a long time. That's why I first published an inten-

tion to develop that policy in the 2021 budget and followed through with a policy that was published in 2023. As transport minister, I am totally committed to acting on it.

● (1255)

Will Greaves: Thank you for that response, Minister.

As you just noted, BC Ferries plays a vital role for many communities in British Columbia, including my own riding of Victoria. I dare say I'm the only member of this committee who regularly travels on BC Ferries—I've ridden the ferry twice this week—so this is something that is near and dear to our hearts and livelihoods here on Vancouver Island and all over southern B.C.

My constituents regularly face struggles with aging ferries, service delays and the costs associated with those—costs for both BC Ferries itself but also individual consumers, who lose time with their families if they get stuck on ferries or delayed by sailings because there aren't enough vessels to meet the demand that we have here on the coast.

I'm certainly concerned, as you are, that BC Ferries chose not to build these new vessels in Canada. However, I'm also deeply aware that we desperately need new ferries in order to meet the needs of British Columbians, and I'm concerned about the prospect of delaying the replacement of the aging fleet that, really, we rely on here.

I note that my Conservative colleagues really are playing politics here with what is critical infrastructure and service in British Columbia, and they seem intent on stopping the delivery of new ferries to B.C. in order to fulfill their aim of reducing government support for major transportation projects in Canada. In that vein, could you please share with this committee how, in your capacity as Minister of Transport and Internal Trade, you and your team will support British Columbians and BC Ferries, who are concerned about the aging ferry fleet and are deeply focused on the need for reinvestment in ferry service in order to meet the needs in our daily lives?

Hon. Chrystia Freeland: It is really good to have, as part of the conversation, someone who rides on these ferries regularly.

As you know, the federal government, as part of a 1977 agreement, provides operating support to help defray the cost of running those ferries, and it's good that the federal government does that.

I share your concern about playing politics, and I'm going to just suggest that maybe all of us call on the better angels of our nature. This is a moment when we have to play as team Canada, and while, obviously, we disagree about a lot of things, I think there is actually a lot of agreement around this table. All of us are saying that we need to support steel, aluminum and lumber; that these are sectors that are facing not just an unfair threat but an unfair attack; and that we have to reorganize procurement at the federal and provincial levels to ensure that we are supporting Canadian manufacturing jobs and the steel, aluminum and lumber sectors. While I agree that politics are political, I hope that the basic point is one that we can agree on and work on together to achieve, because our workers, economy and national sovereignty depend on it.

The Chair: Thank you very much, Minister.

I'm trying to keep us on time here. We have room for one more question from Mr. Lawrence and one more question that we will provide the opportunity for Mr. Kelloway to ask.

Mr. Lawrence, the floor is yours for one question, please.

Philip Lawrence: Thank you.

In your letter earlier this year, you said, "I am dismayed that BC Ferries would select a Chinese state-owned shipyard to build new ferries in the current geopolitical context, and I ask that you verify and confirm with utmost certainty that no federal funding will be diverted to support the acquisition of these...ferries."

It has since come to light that \$1 billion of federal funds will go to support the purchase and construction of these ferries. Will you call today for the cancellation of the loan to BC Ferries?

• (1300)

Hon. Chrystia Freeland: I've been very clear that I share the dismay, which I think is shared by all members of this committee, about that procurement. In my capacity as Transport Minister, I have done everything under my authorities to ensure, first of all, that operating funding is used for operations only, and second—and I think even more importantly—that, in procurement decisions taken while I am transport minister, we are supporting Canadian manufacturers, steel, aluminum and softwood lumber, and working together to get a real strategy to do that in shipbuilding and in rail.

The Chair: Thank you very much, Minister.

Our final question for you today will come from Mr. Kelloway. Mr. Kelloway, the floor is yours, sir.

Mike Kelloway (Sydney—Glace Bay, Lib.): Thank you, Mr. Chair.

Minister, there's been a lot of talk today about the provincial procurement process. I really believe that all of us on this committee, including elected leaders in B.C., agree that every government must re-evaluate its procurement policies to ensure that we're supporting Canadian workers, businesses and the economy.

God knows the world has changed over the last few months. It changes on a daily basis, especially when you look at the tariffs that are coming from the Americans.

You talked about this in your opening statement, but, if you can, I want you to elaborate on it in the time that we have. For years

you've been working to advance reciprocal procurement here in Canada, so that we're not benefiting our adversaries but supporting Canadians. Could you speak about your work to advance reciprocal procurement and what that means for Canada?

Hon. Chrystia Freeland: Thank you for joining us, Mr. Kelloway. Since this is the transport committee, I want to thank you for your work on getting those tolls lowered. That comes into effect today, and I know it's going to be really meaningful for the people you represent. Thank you for your hard work on that.

Now is a moment when we have to really, in a profound way, rewire the Canadian economy. It has to start with procurement. As I mentioned, I have been an advocate and have really been thinking about how we need to change our procurement policy. We need to go to a reciprocal procurement policy, a buy Canadian policy in which we support Canadian workers and our sectors that are being hard hit and, where we cannot buy Canadian, seek to buy from countries with whom we have a reciprocal procurement agreement. We need to do that urgently. It is a different approach from the one that previous Canadian governments have taken. That's why I wrote 71 letters, in June, to the agencies controlled by Transport Canada, and said that we have to change how we do things.

I do want to point out that specific attention has, quite rightly, been paid to steel, aluminum and lumber. These industries are going to have to be brought into a conversation with manufacturers and government procurers at all levels, so that they can be producing the inputs that the manufacturers need. That's a conversation we have to have urgently. As we do that, they can fill up their order books going forward. That is going to provide the security for the workers and families whom Mr. Lawrence, quite rightly, invoked.

The Chair: Thank you very much.

Thank you to Madame Hébert, Mr. Thangaraj and, of course, you, honourable minister, for your testimony here today. We wish you a great rest of your day.

Colleagues, I'm going to suspend for two minutes in order to welcome our next witness, Minister Robertson, and, of course, his team.

The meeting is suspended.

• (1300)

(Pause)

• (1310)

The Chair: I call this meeting to order.

Colleagues, allow me to welcome the Honourable Gregor Robertson, Minister of Housing and Infrastructure. He will be appearing before us for the next hour.

Welcome to you, Minister.

Accompanying the minister is Paul Halucha, deputy minister of housing, infrastructure and communities.

Welcome to you, sir.

Thank you for taking the time to appear before us today.

Minister, you have five minutes for your opening remarks. We're very tight for time, so I'll turn the floor over to you. Please proceed.

[Translation]

Hon. Gregor Robertson (Minister of Housing and Infrastructure): Thank you, Mr. Chair.

[English]

Mr. Chair, I'd like to thank you and the committee for your time today. As Minister of Housing and Infrastructure, I'm here to speak primarily about the Canada Infrastructure Bank, the CIB, and its role in supporting and investing in Canada's infrastructure.

[Translation]

Canada is faced with a generational infrastructure challenge. Whether in terms of housing, clean energy, public transit or trade corridors, we need to build on a scale not seen for decades.

[English]

To meet this historic challenge, we need to do more to leverage public and private investment and spending. We have to use the national books to mobilize private capital into public interest infrastructure that connects our communities, that protects our planet and that supports long-term economic growth. We need to do it in a way that respects the jurisdictions, that protects taxpayers, and that delivers results, obviously.

The Canada Infrastructure Bank exists as a key tool in the federal tool box to invest in the public interest. It will continue to play a critical role in Canada's infrastructure future. The CIB's mandate is clear. It's to help close the infrastructure gap and mobilize private investment for the public interest, accelerating the kinds of large-scale, complex projects that otherwise wouldn't get built on time or at all. To this end, the CIB has now committed over \$16 billion across more than 102 projects, including zero-emission transit, broadband for rural indigenous communities, and clean power transmission lines, enabling infrastructure for new housing. This has attracted over \$19 billion in private and institutional capital, meaning that more infrastructure is able to get built. Most of these investments are already under construction. A number are completed and delivering in value for Canadians by driving Canada's GDP. They're creating local jobs and delivering clean Canadian electricity to residents and businesses.

Because the bank operates at arm's length from government, its board is responsible for investment and operational decisions. That independence is important, as it gives the partners the confidence to bring forward projects and ensures that infrastructure investments are grounded in sound analysis and commercial rigour without po-

litical interference. This model has delivered results, but it also means that decisions on specific transactions, like the BC Ferries credit agreement that we're discussing here today, are not made by me or by the Government of Canada.

Let me speak briefly regarding BC Ferries. As you know, the CIB entered into a credit agreement with BC Ferries to support the modernization of its fleet and the electrification of terminal infrastructure. To be clear, this is support that is desperately needed. As a British Columbian, I will strongly reinforce that piece. The aging ferries threaten the commutes and the accessibility to local communities. Residents and visitors should be able to count on safe, reliable, affordable passage across the region on the Salish Sea. It's a significant investment in clean transportation, aligned with both federal and provincial goals. The choice of shipbuilder, however, was not made by the federal government or by the CIB. That decision was made by BC Ferries, who conducted their own global procurement process. To be clear, the Government of Canada had no role or say in the procurement decision.

I understand from briefings with officials that the process did not yield bids from Canadian shipyards. While the final procurement decision was made by BC Ferries, it has understandably drawn criticism. The lack of Canadian bidders in the process has also raised concerns. As someone from B.C., as a minister, I am disappointed in this. I want to see more Canadian-built vessels, more Canadian jobs and more opportunities for domestic industry to participate in major infrastructure projects.

Looking forward, our new government is at work to ensure that building ships like these happens in Canada, using Canadian workers and Canadian materials. That's why we're looking closely at how we better align our industrial policy, our procurement tools and our investment incentives to support and scale up Canadian capacity in important sectors like shipbuilding. At the same time, we should not lose sight of what the CIB stands to do for our national interest or of what this project means for British Columbia residents and communities—lower emissions, stronger public infrastructure, and long-term benefits for people in B.C., including hundred of millions of dollars in Canadian-based maintenance upgrades and service support over the life of these vessels.

• (1315)

In closing, I want to thank the committee for its time and to recognize the work of taking on this important issue and asking the tough questions. As a government, as a country, we are at a historic moment that demands both bold thinking and decisive action, and Canadians are counting on us to get homes built—first and foremost, on my side—and to deliver on the infrastructure that our economy and communities depend on, whether it's ferries on the west coast or trade corridors that connect the country. That's the real work in front of us, and we won't get there by doing things the old way.

We need new partnerships, new financing and a sense of urgency, and the CIB is helping make that happen. It has a proven track record of success in mobilizing billions of dollars of investment, supporting projects that otherwise wouldn't get built. We're going to keep pushing to get more projects off the ground, more jobs created and, importantly, more results delivered for Canadians.

Thank you, Mr. Chair.

[Translation]

The Chair: Thank you, Minister.

[English]

Thank you very much for your opening remarks. We'll begin our line of questioning today, Minister, with Dr. Lewis, who is joining us online.

For that, I turn the floor over to you, Dr. Lewis. You have six minutes, please.

Leslyn Lewis (Haldimand—Norfolk, CPC): Thank you, Minister, for your statement.

Minister, with the failure of this Liberal Prime Minister to get a trade deal for Canadians to avoid the unjustified U.S. tariffs, and at a time when Canadian workers and industries are facing deep uncertainty, do you support the decision of BC Ferries to give jobs to Beijing workers, thereby preferring foreign workers over Canadian workers, yes or no?

Hon. Gregor Robertson: I'm very disappointed by the decision and the fact that this procurement will not benefit as many Canadian workers as we all wish it would. I think that disappointment is shared widely across the country.

That said, these ferries need to get built. They need to be in service for the people of B.C., as member of Parliament Will Greaves said earlier. This is really critical investment that needs to happen as soon as possible. We can take some solace in the investment that is happening in Canadian jobs around the maintenance and around the terminals. It is a significant investment, but I think we're all disappointed that the procurement went to shipyards overseas.

Leslyn Lewis: Minister, my question asked for a yes or no answer. It was, essentially, whether or not you support this decision.

In addition, I would like to ask a question pertaining to the fact that BC Ferries said that it actually consulted with your government before signing the contract with the Chinese state-owned shipyard, yet you deny that your government and the CIB knew of the con-

tract. Who's telling the truth? Are you, or is BC Ferries telling the truth?

Hon. Gregor Robertson: Again, Mr. Chair, I was disappointed by this decision. This decision predates my serving in government. It was prior to this last election and certainly prior to my appointment as minister.

The CIB is independent of government and makes investment decisions without political interference, as I said earlier. Secondly, there were no Canadian bids for this work. I'm sure folks around the table...we would all like to see this work happening in Canada. There were no bids for that to happen, and BC Ferries made the decision that it made.

Leslyn Lewis: Minister, have you seen the terms of the loan to BC Ferries from the CIB, pertaining to the shipyard in Beijing? Have you seen those terms?

Hon. Gregor Robertson: I have not seen the specific terms of the agreement.

Again, the CIB is independent. There is no political interference in the decisions made by the board of the CIB, the Canada Infrastructure Bank, around these decisions.

• (1320)

Leslyn Lewis: Minister, our government gives the CIB \$35 billion of taxpayers' money, so I'm sure that taxpayers expect some sort of oversight. You're telling the public that, as a minister responsible for the Canada Infrastructure Bank, you have not seen the specific terms and conditions of this billion-dollar loan agreement.

Hon. Gregor Robertson: The Canada Infrastructure Bank is independent of government. It's at arm's length from government. It was funded by the government—\$35 billion, as you mentioned—and it is doing business as a bank. The only way that investors, private investment, will have confidence in that bank is if it's independent of political interference.

We certainly see a different story transpiring south of the border, where there is a lot of political interference in the affairs surrounding the government and with arm's-length agencies. That has a destabilizing effect on the market, and on private investment in particular. Having the confidence in the decisions that are being made by an independent board that is not affected by political interference—

Leslyn Lewis: Yes, but Minister, these private investors are investing in the Canadian economy, and section 6 of the CIB mandate promotes the Canadian economy, so there are public funds that are being invested here and you are telling me that, given what has happened, the fact that a foreign company is getting public funds of \$1 billion dollars, you have not asked the CEO of the CIB to disclose what other public funds may be going to foreign companies. Is that what you're telling me?

Hon. Gregor Robertson: To the chair, it's not clear. Is the question about funds to other companies or...?

Leslyn Lewis: Other countries....

Hon. Gregor Robertson: Other countries beyond the BC Ferries procurement, is that the question?

Leslyn Lewis: Yes. My question, to be clear, is, given what has happened, have you asked the Canada Infrastructure Bank CEO to disclose what other public funds may be going to foreign companies? Since you are so disturbed by what has happened, have you ensured that this is not happening in other situations, yes or no?

Hon. Gregor Robertson: To the chair, almost all of the investments that have been made public by the Canada Infrastructure Bank are domestic investments in Canadian infrastructure. I spoke a number of times with the CEO of the Infrastructure Bank, as well as the board chair, once I learned of the financing that happened. I've had a number of conversations, and we have several steps forward to make sure that buy Canada is a critical element of the policy that informs the CIB going forward.

The Chair: Thank you very much, Minister.

Thank you very much, Dr. Lewis.

Next we go to Ms. Nguyen. Ms. Nguyen, the floor is yours. You have six minutes, please.

Chi Nguyen: Thank you very much, Mr. Chair.

Thank you, Minister, and deputy minister as well, for joining us today for a really important conversation about the investments for our future.

As we're thinking and talking about this, this decision has been taken. I wonder whether you could talk about tools or other conditional supports, such as domestic content requirements or capacity-building incentives, that could be built into future CIB financing agreements and would allow us to grow our Canadian industry and avoid missing opportunities like this in the future?

Hon. Gregor Robertson: Certainly, going forward, as I believe the members heard from Minister Freeland, we are making robust efforts to ensure that buy Canada is the clear direction for all of our investments.

With the Canada Infrastructure Bank, effectively, there's policy direction that comes from government. They are an independent agency and manage their affairs as such, but we're in a process now of looking at maximizing Canadian materials, opportunities for Canadian workers and the benefits for Canada in all of their investments going forward, as part of that policy direction that is being renewed.

I know, from Minister Freeland directly, that she is looking at that across the activities of Transport Canada. I'm certainly doing the same with Housing and Infrastructure Canada, looking at that same direction, ensuring that we're doing everything we can, across all of our functions and procurement, to maximize benefit for Canadian workers and Canadian materials. Obviously, there are lots of Canadian materials and workers involved in housing and infrastructure. We certainly want to see significant benefits for steel, aluminum and lumber—Canadian wood—which are all key components in housing and infrastructure procurement and investments.

There are enormous opportunities to scale this up as a country, in similar fashion to what many other countries are doing, given the current trade environment. Much has changed in these last six months, and we have to move urgently. We have to move definitively to make sure we're doing everything we can to benefit Canadians.

• (1325)

Chi Nguyen: Thank you.

Could you speak a bit about how your department and CIB can work together more collaboratively to make sure that the Canadian companies in those sectors are better positioned to compete for projects, such as the things we're hoping to build and do boldly in our country?

Hon. Gregor Robertson: Again, as Minister Freeland was mentioning, there's a lot of engagement already, from our respective ministries, with Canadian companies around the opportunities, going forward, with procurement, particularly those that our departments have jurisdiction over.

The Canada Infrastructure Bank is independent of government, much like the Business Development Bank of Canada or the Export Development Bank of Canada. They have to make their decisions through their boards and CEOs. We are able to give policy direction, as government, and we are laying that out very clearly, that future investments....

I put this all in the same context as.... We look at the 102 projects that CIB has funded, and the lion's share of those are investments in Canadian infrastructure that many Canadian businesses, workers and contractors have benefited from. In recent years, we're talking about tens of billions of dollars in benefits for Canadians on the ground, whether they're the Montreal and Calgary airports that are invested in, or whether it's the broadband in Manitoba, Alberta or here in Ontario. We've seen critical mineral infrastructure in Quebec and Labrador, and many investments across the country, including in the steel industry—Algoma Steel, the retrofit that happened there. We've seen many direct investments by the CIB that are benefiting Canadian workers and businesses. We need to see that continue and, if anything, intensify, and do everything we can so those deals benefit Canadians.

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

[Translation]

Mr. Barsalou-Duval, you're the next speaker. You have six minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Thank you, Minister, for joining us today.

I'll start with a brief question.

When were you made aware of the Canada Infrastructure Bank's involvement in the BC Ferries plan to have its ships built in China?

Hon. Gregor Robertson: Thank you for your question.

[English]

I became aware on the night of June 11. I was in a committee of the whole meeting with my deputy, Paul Halucha. We found out that night that there had been a deal made between the CIB and BC Ferries.

[Translation]

Xavier Barsalou-Duval: When you heard this news, did it occur to you to tell the Canada Infrastructure Bank that it was a bad idea?

[English]

Hon. Gregor Robertson: Yes, I spoke with the CEO of the CIB the next morning. I made a call the next morning. We finished the committee of the whole at 11 p.m., I think, that night. The next day I was in a conversation with the CEO of the Infrastructure Bank to find out and to clarify what had happened and what recourse or opportunity there might be to reverse direction on that financing.

After that was a sequence of meetings with the CEO and board chair along those same lines, to see what could be done—or undone, in this case—to maximize the benefit for Canadian workers and shipbuilders. That's when I was informed of the fact that this deal had been advanced earlier in the year and was not to be turned around at that point. The deal had been executed. I had a sequence of meetings around that with the CIB CEO and board.

• (1330)

[Translation]

Xavier Barsalou-Duval: As I understand it, you found out on June 11 that the Canada Infrastructure Bank had decided to provide \$1 billion in funds for ships to be built in China. Then, on June 12, you met with the president of the Canada Infrastructure Bank, who somehow told you that the agreement had been signed, all decisions had been made and nothing further could be changed at that point. Later, on June 16, Minister Freeland wrote a letter saying that federal funds should not be spent on this project.

Were the two departments not consulted at that time? Did you not tell her later on that her letter was a mistake? Don't you find that a bit hypocritical or strange?

[English]

Hon. Gregor Robertson: The funding from Transport Canada is operational funding to BC Ferries. It's completely separate from the investment, the lending, from the Infrastructure Bank. She clarified her concerns about the investment coming from Transport Canada, which is a long-standing operational transfer that happens between

Transport Canada and BC Ferries, as I understand it, whereas the Canada Infrastructure Bank financing was a completely separate and independent deal.

[Translation]

Xavier Barsalou-Duval: When did you speak with Ms. Freeland to let her know about the Canada Infrastructure Bank's involvement in procurement of the vessels?

[English]

Hon. Gregor Robertson: We were out of session. It would have been after her letter was out. We spoke after her letter. She informed me that she had sent a letter to the B.C. Minister of Transportation and gave me a quick readout on that. At that point, we had an exchange about the Infrastructure Bank financing.

[Translation]

Xavier Barsalou-Duval: You didn't want to let the public know that Ms. Freeland's letter was a bit unnecessary, since a federal agreement was already in place to fund the vessels?

[English]

Hon. Gregor Robertson: Through the chair, I'm not clear what you mean by informing the public. I think Minister Freeland's letter was public within days of it being transmitted.

[Translation]

Xavier Barsalou-Duval: In short, the letter was essentially pointless. Ultimately, it was all smoke and mirrors, because the decision to fund these vessels with federal money had already been made. You could have let the public know.

Why didn't you?

[English]

Hon. Gregor Robertson: Minister Freeland had her letter as Minister of Transport. She was acting on behalf of her department, sharing her concerns and clarifying the funding that is between Transport Canada and BC Ferries. The Infrastructure Bank financing was a completely separate deal. I don't know what she could have clarified about that or what my role could have been in that.

[Translation]

Xavier Barsalou-Duval: Most people expected that this project wouldn't involve any federal money. Ms. Freeland's letter, which was all over the papers, led us to believe that the federal government would ensure that a project to help China's shipbuilding industry wouldn't receive any federal funding.

We now understand that this letter was meaningless. As a government representative, you then failed to set the record straight by letting the public know while the House was sitting. Moreover, the Canada Infrastructure Bank issued its press release on June 26, when the House was no longer sitting.

Is that a coincidence?

• (1335)

[English]

Hon. Gregor Robertson: The details of the BC Ferries-CIB agreement were public on June 13. Those were posted prior to Minister Freeland's letter. I'm not sure what the member is driving at here in terms of the sequence there.

The Chair: Thank you very much, Minister.

[Translation]

Thank you, Mr. Barsalou-Duval.

[English]

Next we'll go with Mr. Gunn.

Mr. Gunn, the floor is yours. You have five minutes, sir.

Aaron Gunn (North Island—Powell River, CPC): Thank you, Mr. Chair.

Mr. Minister, I just want to confirm first the dollar amount of the taxpayer subsidy in the form of the loan from the Canada Infrastructure Bank to BC Ferries. It's \$1 billion, correct?

Hon. Gregor Robertson: That's my understanding, yes.

Aaron Gunn: Do we know how many jobs that \$1 billion from taxpayers is going to create in China?

Hon. Gregor Robertson: You would have to ask officials in China, I think, related to that company. I haven't seen numbers related to that procurement.

Aaron Gunn: Do you think it's a good use of taxpayers' money to offshore Canadian jobs in another country, particularly one that's adversarial to our own?

Hon. Gregor Robertson: I certainly want to see Canadian jobs created as much as possible in all of the infrastructure investments, and obviously in the housing investments, that we do. I also respect the independence of the Infrastructure Bank. It's created to be independent of political interference.

Aaron Gunn: I mean, you say that the bank is independent, but it's also true, is it not, that under section 8 of that act you appoint the board, under section 9 you appoint the CEO, and under section 17 you approve its annual budget? Don't you think that if we're shelling out \$1 billion in taxpayer money, there should at least be a Canadian content requirement?

Hon. Gregor Robertson: Through the chair, I think what the member is suggesting I agree with. In terms of my direction going forward, as the new minister and with the opportunity to give policy direction, it's very clear that I cannot and will not interfere in the business of the Infrastructure Bank. It is an independent agency. In policy direction, though, I will be giving clear direction: for Canada, by Canada, and benefiting Canadian workers and Canadian materials—

Aaron Gunn: I appreciate that answer, Minister. Are you then basically admitting that it was a mistake for the government not to have that policy direction in place prior to this agreement being signed in March?

Hon. Gregor Robertson: In terms of prior governments, they were operating in a very different context. We've seen a lot of change in the world in the last six months. Certainly, there has been a change in government. We are a new government. I'm taking direction from my Prime Minister and all his efforts to work for Canadians and Canadian jobs in our trade affairs and our investment going forward.

Aaron Gunn: Minister, some things have changed and some things have not. I'll ask you a couple of quick yes-or-no questions. Would you agree that the People's Republic of China is a dictatorship?

Hon. Gregor Robertson: I'm here to speak for my ministry and not to make geopolitical assertions.

Aaron Gunn: It's a pretty basic question. I mean, if we're giving \$1 billion in taxpayer money to a state-owned company, we should probably be on the same page as to whether this country is a dictatorship or not.

Hon. Gregor Robertson: Through the chair, I want to clarify that the Government of Canada made an investment and created an infrastructure bank that is at arm's length from government to invest in infrastructure here in Canada. We do not have direction on what those investments are specifically. We trust that to a board—

Aaron Gunn: Minister, do you like President Xi's chances in the next election?

Chi Nguyen: I have a point of order.

The Chair: One moment, everybody.

Mr. Gunn, I'll pause your time. You have roughly one minute left.

Ms. Nguyen.

Chi Nguyen: I'm just curious to know how this is relevant to the conversation we're having about BC Ferries—

Aaron Gunn: We're giving \$1 billion in taxpayer money to a country that is a dictatorship, that is abusing human rights. I think it's relevant.

The Chair: It's a valid point of order on that particular question, Mr. Gunn. Let's try to make sure that we use the time we have with the minister to ask questions relating to the BC Ferries contract.

I'll turn the floor back over to you, Mr. Gunn, and ask you to be more specific about issues relating to the BC Ferries contract.

Aaron Gunn: I think this is very specific.

Minister, do you believe that the People's Republic of China is currently engaged in unfair trade practices and tariffs against Canadian agricultural and seafood sectors?

Hon. Gregor Robertson: Through the chair, I certainly will speak strongly in favour of Canadian agriculture and Canadian workers. Our industries should come first. This procurement happened through BC Ferries. It's not a decision that the Government of Canada had anything to do with.

• (1340)

Aaron Gunn: You're subsidizing it with \$1 billion in taxpayer money, are you not, Minister?

Hon. Gregor Robertson: Through the chair, this investment from the Canada Infrastructure Bank is in BC Ferries. It is a loan to BC Ferries for a procurement that they've done. It is not the Government of Canada making these decisions. It is the Infrastructure Bank financing BC Ferries. BC Ferries made the decision on the procurement.

Aaron Gunn: Minister, it is the Government of Canada and your department that set the policies that guide the bank, which then invests, or lends at below-market interest rates, taxpayers' money. Do you agree with the Prime Minister of this country that China is Canada's biggest national security threat?

Hon. Gregor Robertson: I don't see where that comes into play. It's a BC Ferries procurement decision.

Aaron Gunn: Mr. Minister, we're giving them \$1 billion in taxpayer money to subsidize a dual-use civilian and military industry.

The Chair: Thank you, Mr. Gunn.

[Translation]

The next speaker is Mr. Lauzon.

You have five minutes, Mr. Lauzon.

Stéphane Lauzon: Thank you, Mr. Chair.

Minister, thank you for joining us today. We're honoured to have you here.

You spoke briefly about the current infrastructure deficit affecting ferries and the urgent need to take action. You also said that the responsibility for awarding contracts falls to BC Ferries, with the support of the Canada Infrastructure Bank.

Can you elaborate on the infrastructure deficit? Why is there an urgent need to give British Columbians good ferry service?

Hon. Gregor Robertson: Thank you for your question.

[English]

As someone who has used B.C. ferry services on a very regular basis for all of my life, I think it's critical that BC Ferries operates its fleets, particularly the big ships that go back and forth to Van-

couver Island between Horseshoe Bay and Nanaimo, and between Tsawwassen, Duke Point and the Saanich Peninsula. These are critical links on the west coast. Vancouver Island's population has grown dramatically in my lifetime, and these ships have been operating this entire time.

There are certainly very significant disruptions to service that affect people in B.C. and tourists coming through B.C., getting stuck at B.C. ferry terminals because the old ships are having challenges. There is a significant deficit, in terms of B.C. ferry assets, which it is working urgently to resolve, so this disruption in service does not impact so many Canadians on the west coast. I think new ferries will be warmly welcomed.

Many of us, probably all of us in B.C., are disappointed that we aren't manufacturing, we aren't building, those ferries for B.C. in B.C., or at least in Canada for B.C. However, first and foremost, we have to have safe, secure and reliable transportation. It's a massive transportation link on the west coast. It's the busiest ferry operation on the planet right now in terms of volume for comparable routes. This investment is very critical for Canadian transportation infrastructure writ large. Certainly, the needs are very high right now, and the new ferries can't come soon enough.

[Translation]

Stéphane Lauzon: Can you talk a bit about how service disruptions affect carriers?

Ferries aren't just for passengers or travellers. They're also used to transport goods. Industries depend on these ferries. Business people from all over the place, including Nanaimo, also depend on various producers or companies in order to sell goods.

Can you talk about how a service disruption could affect these ferries?

Hon. Gregor Robertson: I want to thank the member for his question.

[English]

You're very right to point out the importance of the trade links and the trucking that takes place on these ferries. The whole lower deck of these ferries, the centre of the lower deck, is full of trucks all the time. The disruption to the ferry service impacts business and trade and costs us jobs, effectively, when things go wrong, which is increasingly frequent with these aging ships. There's a significant cost to the Canadian economy in not having reliable ferries on the west coast serving Vancouver Island.

People are an important part of this. Vancouver Island is an enormous tourist destination. Many tourists go back and forth on the ferries. It's considered a real highlight to go back and forth on the ferries. It's a very good-value cruise ship type of experience, basically, without having to go on a cruise to Alaska. You can take the ferries over to Vancouver Island.

They are very busy. It's incredibly disruptive when people end up spending hours or half their day waiting for broken ferries to operate. Once there's a service disruption, the rest of that day and sometimes the next day will be disrupted as well, for both the trade and tourism sides. It's a big hit for the Canadian economy.

• (1345)

[Translation]

Stéphane Lauzon: Business is bad.

The Chair: Thank you, Mr. Lauzon and Minister Robertson.

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

On June 2, two weeks before the Canada Infrastructure Bank announced that it would fund shipbuilding in China, Mélanie Joly stated that Ottawa would commit to using Canadian steel and aluminum in its national infrastructure and defence projects. This announcement was all over the media. She went on tour to discuss it and to say how much support the steel industry would receive. Two weeks later, we learned that the Canada Infrastructure Bank would instead fund the construction of ferries made using steel from China.

When Ms. Joly made this announcement and went on her media tour, I don't suppose that it occurred to you that your department could develop internal policies to ensure that her comments were put into practice.

Have you issued any instructions to your department, Housing and Infrastructure Canada, to ensure that Canadian steel and aluminum are used in the infrastructure projects funded?

Hon. Gregor Robertson: Thank you for your question.

[English]

On the decision that was made to finance BC Ferries, my understanding is that it was made in March, earlier this year, prior to the election and the new government being elected, so the financing was done. The CIB agreed to the terms of that with BC Ferries. There is no opportunity in June or July to turn back the clock.

[Translation]

Xavier Barsalou-Duval: Have you instructed your department to ensure that future projects are carried out using Canadian-made components? If so, when did you issue these instructions?

[English]

Hon. Gregor Robertson: I think, across government, certainly within cabinet at this point, everything going forward is focused on Canadian steel and aluminum, Canadian lumber and Canadian workers. That's our mission, from this point forward. We can't, retroactively, go to financing that was agreed to back in March.

[Translation]

Xavier Barsalou-Duval: You aren't answering my question. I asked whether you gave your department instructions. Ministers often pay lip service to supporting the steel industry.

Did you give specific internal instructions to ensure that infrastructure projects comply with the statements of principle issued by Minister Mélanie Joly?

[English]

Hon. Gregor Robertson: At this stage, through the chair, I don't give instructions to other ministers on how they conduct their affairs—

[Translation]

Xavier Barsalou-Duval: I'm talking about your department. The Canada Infrastructure Bank, for example—

The Chair: Thank you, Minister.

Thank you, Mr. Barsalou-Duval.

[English]

Next, we have Dr. Lewis.

Dr. Lewis, the floor is yours, once again. You have five minutes, please.

Leslyn Lewis: Thank you, Chair.

In the last round of questions, Minister, you stated that almost all of the contracts are domestic. What does “almost all” mean? Are there other public, taxpayer-funded contracts going to enrich foreign countries, which are funded by Canada Infrastructure Bank funds that you, as the minister, are in charge of?

Hon. Gregor Robertson: I'm not aware of other projects that are anything like this, in terms of financing, that might be going offshore. I am aware of projects and have gone through a history, whether it's the retrofit of Algoma Steel, the broadband investments in a number of provinces, or the airports in Montreal and Calgary. These are all very significant infrastructure investments by the Infrastructure Bank, which ultimately are funded through that initial \$35 billion, and my direction, through the policy direction that is in my purview, will be to be very focused on Canadian materials and Canadian jobs, and on benefits to the Canadian economy, in the CIB investments going forward.

• (1350)

Leslyn Lewis: Thank you for that answer.

I'm going to ask you specific infrastructure questions.

Of the \$1-billion loan, there is \$310 million that is allocated for electrification infrastructure. Do you know which companies will be building that infrastructure for the Chinese-made vessels, and have those contracts been disclosed?

Hon. Gregor Robertson: Through the chair, I do not know the answer for those contracts. Those are BC Ferries procurements, again. I'm not aware of those decisions being made at this stage in the procurement that they're doing.

Leslyn Lewis: Okay.

Minister, given what has happened, and given the fact that you said that you're very disturbed by what has happened, that we know that \$1 billion is going to a foreign company and that we now know that \$310 million is allocated for infrastructure, you made no inquiries to see which companies are going to be getting those infrastructure contracts. Is that what you're telling me?

Hon. Gregor Robertson: That is the electrification infrastructure to charge the ferries in the future. That will be installed in Vancouver, West Vancouver, Tsawwassen, Nanaimo and Saanich to charge the ferries. Certainly, those are decisions that will be made by BC Ferries and procured by BC Ferries. Given the concern that's been shared widely by many of us across Canada, my follow-up is to keep the pressure on, so that those are Canadian jobs and it's Canadian infrastructure in those future procurements.

I'm not aware of those procurements already being made.

Leslyn Lewis: You do not know if foreign companies will be receiving those infrastructure contracts associated with the \$310 million, because you're not aware of whether or not those procurements have been made. That's what you're telling me.

Hon. Gregor Robertson: Those are procurement decisions that BC Ferries is making.

Leslyn Lewis: Right, and it is a part of the \$1 billion that you said you're concerned about, but you have not even looked into how that money's being spent to see whether or not the infrastructure component is also going to be outsourced. It likely will be, because it has to be compatible with the ships that are built in China. You have not made that inquiry. Why?

Hon. Gregor Robertson: Through the chair, this procurement is the responsibility of BC Ferries. BC Ferries is purchasing ferries and the electrical infrastructure to charge those ferries at the four

points they go back and forth between. They are making their procurement decisions. I think it behooves all of us to make it clear to our counterparts that we want to see Canadian procurement. We want to see Canadian jobs and Canadian materials. Ultimately, it's a BC Ferries decision going forward. They are the ones procuring the ferries and the infrastructure that goes with them.

The Chair: Thank you.

Leslyn Lewis: So you're upset but just hopeful that it will change—

Peter Schiefke: Thank you, Minister, and thank you, Dr. Lewis.

Leslyn Lewis: You're just hopeful it will change.

Peter Schiefke: Next we will go to Mr. Greaves.

Mr. Greaves, the floor is yours. You have five minutes, sir.

Will Greaves: Thank you very much, Mr. Chair, and good afternoon, Minister Robertson. Thank you for joining us. It's great to see you again.

It's unfortunate that we're hearing a bit of confusion from our colleagues opposite about the nature of an arm's-length agency and its relationship to the federal government, confusion about who makes decisions and the kind of arm's-length relationship that informs that decision-making, and confusion about the critical role that BC Ferries plays out here in British Columbia, supporting people every single day, supporting our coastal economy.

I know that you are well aware of these things. In addition to your responsibilities as Minister of Housing and Infrastructure, you're also the minister responsible for the federal regional development agency for British Columbia, PacificCan.

In that context, I wondered if you could speak, Minister, to some of the ways that the federal government is supporting investments along the B.C. coast that are going to help us not only meet critical infrastructure needs, such as BC Ferries, but also contribute to the greening of our economy, to the reduction of air pollution, and to moving toward the more sustainable economic future that British Columbians want and that the federal government is committed to supporting.

• (1355)

Hon. Gregor Robertson: Through the chair, thanks to the member for the question. Certainly both through Housing, Infrastructure and Communities Canada and through PacificCan, the economic development agency for the federal government in B.C., we're making very significant investments in housing infrastructure and all facets of the economy in B.C. We will definitely be laser focused on ensuring that every procurement decision we make going forward puts Canadians first. We're going to see this across government now, given the times, given the challenges we face in the Canadian economy and given the importance of really focusing on investing in Canada and making sure we maximize and optimize the benefits for Canadians.

On the west coast, the Canada public transit fund's recent investments in TransLink for clean transportation in the region are going to be very important in terms of TransLink modernizing its fleet of vehicles and infrastructure, for cleaner transportation, better service and affordability benefits. As an example, through Housing, Infrastructure and Communities Canada but also across PacificCan, the focus is more on small and medium-sized enterprises, a lot of the businesses that are scaling up to offer products and services that are Canadian, Canadian technologies, creating Canadian jobs, using Canadian materials.

On the housing front, obviously close to our hearts in B.C. are BC Wood and the importance of making sure we're doing everything we can to get Canadian wood into Canadian housing and buildings. It's going to be a big focus for us in the department to make sure we're doing everything we can to get those Canadian materials in the supply chains for all the housing and infrastructure investments that we're making going forward.

We have an urgent effort now to move that forward. It was good to hear from Minister Freeland's side and Transport Canada that she's working, as well, with industry, with steel and aluminum on both the shipbuilding side and on the rail side, which are directly connected to her work in the department. We're doing a similar exercise in Housing and Infrastructure Canada. Within PacificCan, we're more focused at the B.C. level and the small and medium-sized business level.

Will Greaves: Thank you, Minister.

The last question from me, just very briefly, is this: In your capacity as minister for PacificCan, is it your view that supporting BC Ferries in replacing and upgrading the ferry fleet in B.C. is a necessary measure to also support a healthy B.C. economy and sustainable growth out here in British Columbia?

Hon. Gregor Robertson: Absolutely. BC Ferries is essential to the B.C. economy, which is a critical piece of the Canadian economy.

We have to be investing and ensuring that our transportation infrastructure is robust and efficient. This is a really important and long-overdue investment, frankly, from BC Ferries. I think we all regret that it's a procurement that benefits a Chinese shipyard. In these times we would like to see that business, but there was no Canadian shipbuilder that bid on this.

I think we have to do everything we can going forward to build up our shipbuilding industry in B.C. and across Canada.

The Chair: Thank you, Minister.

We'll have a last lightning round, for which I will turn the floor over to Dr. Lewis for three minutes and then to Mr. Kelloway for three minutes.

The floor is yours, Dr. Lewis, for a last round of three minutes, please.

Leslyn Lewis: Minister, you stated that the CIB signed the deal on March 28. You became the minister on May 13.

Are you telling us that you found out on June 11—which is an entire month after—about the deal, and that you seriously went an entire month without finding out, from the bank that reports to you, about this deal?

• (1400)

Hon. Gregor Robertson: To the chair, yes, I'll clarify that I was told the news about the CIB loan to BC Ferries on June 11. The night of June 11 was when I found out.

Leslyn Lewis: Chair, I'd like to use the rest of my time to bring forth a motion, as follows:

Given that the Canada Infrastructure Bank failed to fulfill its mandate in section 6 of the Canada Infrastructure Bank Act, which states:

"The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada",

by awarding a \$1-billion loan to BC Ferries for the purchase of four ferries from a Chinese state-owned shipyard, and that

this decision undermines Canadian shipbuilders and steel and aluminum workers already under attack by unjustified US tariffs,

the committee reaffirm its position and report to the House that the Government of Canada abolish the Canada Infrastructure Bank.

The Chair: Thank you very much, Dr. Lewis.

We have a motion on the floor, colleagues.

Dan Albas: Was it a motion or a notice of motion? I thought I heard—

The Chair: Can you clarify, Dr. Lewis? Was it a notice of motion?

Leslyn Lewis: Yes, it is a notice of the motion, based on the facts and the testimony before this committee.

The Chair: Thank you very much, Dr. Lewis.

We will now go to our last line of questioning, from Mr. Kelloway.

The floor is yours. You have three minutes, sir.

Mike Kelloway: Thanks, Mr. Chair.

I'd like to thank the minister for being here today.

In particular, I'd like to thank you for talking about how the bank functions and how it's independent from government.

In that vein, Minister, would the bank ever tell you, the minister, about procurement details? Would they ring you up and have a conversation with you, given the fact that the bank is independent from government and you've clearly articulated how it functions?

Hon. Gregor Robertson: Through the chair, the simple answer is no. As the minister, I'm not involved in the day-to-day operations or decisions made by the Infrastructure Bank. It is an independent agency that's at arm's length from government.

I have regular updates from the CEO and contact with the chair and board, which are standard for the relationship between a minister and an independent agency that I have responsibility for.

My input is through policy direction, which is what's under way right now and going forward. That's where I have the opportunity, on behalf of Parliament and on behalf of Canadian people, to input a shared sense that we really need to focus on Canadian jobs and Canadian materials with these infrastructure investments.

However, we need to make sure, as you said when you opened your question, that the bank operates independently and has the confidence of the market and from private investors. That's how the bank can leverage billions of dollars of investment from the private sector into our public infrastructure.

Mike Kelloway: Thanks, Minister.

I think we can start with the baseline that we're all disappointed with the decision. Also, it's independent from government, and you are not.... As I listen to a lot of the questions today, I feel that you could be in the boardroom with the Canada Infrastructure Bank, having tea and discussing daily operations. You're clearly articulating that's not the case.

I'll go a little deeper into it. This will be my last question, which is an addendum to the procurement details. You're not involved in the procurement details. You receive updates and things of that nature.

Are you even allowed, under the legislation, to direct the Canada Infrastructure Bank to fund X, Y and Z?

Hon. Gregor Robertson: Absolutely not. There is no directing that is possible through my role as minister. The bank is independent, and the decisions on investing are made by the board and CEO. That's where those decisions get made.

I want to reinforce the fact that the procurement decision was made by BC Ferries. It was not made by the Canada Infrastructure Bank. The Canada Infrastructure Bank agreed to finance the replacement of ferries. BC Ferries had their own procurement process. Let's be clear that the Canada Infrastructure Bank did not have anything to do with choosing the winning proponent. They put the financing forward to serve Canadians with better ferry service on the west coast. That's where their decision-making took place. BC Ferries went about their procurement independently.

● (1405)

Mike Kelloway: Thanks, Minister. That's all I have. I appreciate the facts.

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

Thank you, Deputy Minister Halucha and Minister Robertson, for your testimony today. We appreciate your time.

Colleagues, I'm going to once again suspend for two minutes to welcome the next round of witnesses.

● (1405)

(Pause)

● (1415)

The Chair: I call this meeting back to order.

Colleagues, it is my pleasure to welcome the next witness appearing before us today. From British Columbia Ferry Services, we have Mr. Nicolas Jimenez, president and chief executive officer.

Thank you for being here today. We appreciate your time, sir.

We are very tight on time, and everybody has lots of questions, so we'll turn the floor over to you for your five-minute opening remarks. Then we'll give the floor over to our colleagues for their questions.

Mr. Jimenez, the floor is yours. You have five minutes, sir.

Nicolas Jimenez (President and Chief Executive Officer, British Columbia Ferry Services Inc.): Thank you, Mr. Chair, and thank you to the members of the committee. It's nice to meet you and it's nice to be here.

I am pleased to be able to speak about how BC Ferries is delivering safe, reliable and affordable service to British Columbians and our customers. For the last 60 years, BC Ferries has been an essential public service for British Columbians. Last year alone, we transported almost 23 million customers. That was our third record-setting year in a row. We're a private company that operates provincially under independent regulatory oversight, with a legislated mandate to serve the public interest. We're a foundational part of the provincial and national supply chain, a critical part of the tourism industry in our province, and B.C.'s marine highway, moving about \$8 billion in goods annually.

Our customers and communities need safe, reliable and affordable service. My role as CEO is to deliver on that promise. Today our system is at capacity. Last summer our major route sailings ran at an average of 92% capacity. We left a quarter of a million people behind because we were full. Only one of our 25 routes can actually cover its own costs. Travel demand is projected to rise by about 15%, outpacing our capacity even with four new vessels. Much of our capital infrastructure is old. Many of our ferries are well past their vessel design lifespan. More than half of our terminals need significant investment to keep operating safely.

In 2024 the propeller fell off our 61-year-old *Queen of New Westminster*, resulting in almost 200 days of repair, countless travel disruptions and a cost to BC Ferries of about \$15 million. We expect that our operating losses will continue to grow with inflation. Simply to maintain today's level of service, we also expect that British Columbians could see their fares increase dramatically. We don't have the luxury, the flexibility or even the mandate to overspend.

To replace our four oldest ships, we conducted an open and competitive procurement process independent of political interference and aligned with international best practice. In fact, we adjusted the qualifications specifically to enable Canadian shipyards to qualify. Despite two Canadian shipyards then being pre-qualified, neither chose to formally submit a proposal. Of the six compliant bids that we did receive, all were from foreign countries. We chose the proposal that offered the best combination of value, quality, delivery timelines and protections for our customers. Throughout the build, we will have a team of Canadian experts on site, in China, to ensure high standards of quality and security.

I will say that Canadian companies have made the same decision, building almost 100 ships in China over the last decade. That includes the newest vessel for Marine Atlantic, a federal Crown corporation. It came from the same shipyard where we will build our vessels.

To summarize, there were no Canadian bids. This was a choice between a foreign bid or no new ferries. Going with another foreign proposal would have cost up to an extra \$1.2 billion, resulting in significant and unnecessary increases to passenger fares. Even if there had been a Canadian bid, it too would have cost more, and those ships would have taken up to a decade longer to build, during which time our customers would pay the high price, with increasing breakdowns of our older vessels. Finally, financing this project privately would have cost up to \$650 million more in interest charges—yet another unaffordable fare increase that our customers would have to bear.

None of these would be acceptable outcomes for our company or for our customers, more importantly. Whether you live on Vancouver Island—in Powell River, Nanaimo or Langford—or in the Lower Mainland—in Maple Ridge, Abbotsford or Langley—or, frankly, anywhere else in British Columbia where taxpayers help support our marine highway, the cost of living is a major consideration. Our mandate is to provide a service that is as affordable and reliable as possible.

Regarding the Canada Infrastructure Bank, this current loan includes up to \$690 million for vessels and another \$310 million for

electrification of our terminals to deliver cleaner and more climate-friendly travel in the future. To be clear, this is a loan that's received by BC Ferries, not China, and that will be repaid, with interest, by BC Ferries.

British Columbians desperately need safe, affordable, reliable new ships to keep them and our economy moving. Our decisions have saved our customers and British Columbians from unaffordable and unnecessary fare increases. I'm proud that we were able to deliver for them.

Thank you.

● (1420)

The Chair: Thank you very much for your opening remarks, Mr. Jimenez.

We'll start our line of questioning today with Mr. Gunn.

Mr. Gunn, the floor is yours. You have six minutes, sir.

Aaron Gunn: Thank you, Mr. Chair.

Mr. Jimenez, thank you for taking the time to join us here today.

My first question for you is this: Which government departments and/or ministers were notified of the final or likely decision to purchase the ferries from a state-owned shipyard in the People's Republic of China? When were they notified?

Nicolas Jimenez: We had conversations with the federal Department of Transport at the officials level in mid to late April to advise that the procurement was coming to a close. We were indicating essentially where it was going to land in terms of the yard and the country of origin.

Aaron Gunn: Did the government, any of these departments, express any economic or national security concerns regarding that specific contract before the public announcement on June 10?

Nicolas Jimenez: Well, no, but what I can say is that, actually, when we made the initial contact with the department, we were seeking counsel on how to open and continue a dialogue with others in the federal government, specifically around national security. It was through that conversation that we then made other contacts within the federal government—Public Safety Canada and others—to begin a process whereby, again, we would have an ongoing dialogue throughout the build of the program.

Aaron Gunn: On June 20, it was reported that the Minister of Transport had wrote a letter expressing her great consternation and disappointment with BC Ferries' decision to contract the Chinese state-owned shipyard and that she was surprised that BC Ferries did not appear to have been mandated to require an appropriate level of Canadian content in the procurement.

Does that make sense, that the Minister of Transport or that ministry should have been surprised by that on June 20, or should they already have known for months?

Nicolas Jimenez: Again, I think you'd have to ask that question of the minister and her staff.

Aaron Gunn: You stole one of my questions.... You said there were six other bids. Is that correct?

Nicolas Jimenez: Compliant bids, that's right.

Aaron Gunn: Were any of those other bids from NATO or other allied countries?

Nicolas Jimenez: They were.

Aaron Gunn: Was it your understanding or was it expressed to you that the subsidy, the loan that you received from the Canada Infrastructure Bank, was going to be the same, regardless of where the ferries were purchased from?

Nicolas Jimenez: I'm not sure I understand your question.

Aaron Gunn: You would have received the billion-dollar loan, or subsidy, regardless of whether you went with the state-owned shipyard in China or a shipyard in Germany or somewhere like that?

Nicolas Jimenez: That's correct.

Aaron Gunn: Okay.

In addition to being the CEO of BC Ferries, you're also a taxpayer. Do you think it makes sense for taxpayer money, including from those who are struggling right now from unjust American tariffs, working in the steel and aluminum industries, to go towards subsidizing the purchase of ships from a state-owned shipyard in an adversarial nation and creating jobs in their country instead of our own?

Nicolas Jimenez: Well, I can tell you that my job is to make sure that we have a ferry system that works for British Columbians. We move almost 23 million people a year and 8 billion dollars' worth of goods into B.C.'s economy. We are in many cases the fulfillment of supply chains, and it's our job to provide a reliable, safe and affordable system. The process that we went through and the decisions that we made were with that singular focus on getting the best deal for British Columbia as possible.

Aaron Gunn: Are you aware or able to estimate how many jobs this contract will create in communist China?

Nicolas Jimenez: I can tell you how many jobs and the economic impact we're going to have here in British Columbia, because this investment isn't just about ships—

Aaron Gunn: Do you know how many shipbuilding jobs are being created in China as a result of this contract?

Nicolas Jimenez: I think you'd have to direct that to the shipyard itself.

Aaron Gunn: You're not sure. Okay.

What message do you think it sends to Canadian workers and manufacturers? I have lots of small businesses in my riding that would love a below-market interest rate loan to allow them to hire Canadians and create economic wealth here in Canada. You're also a taxpayer, as I mentioned. Do you think it's an appropriate use of taxpayer money to send it to a foreign country?

• (1425)

Nicolas Jimenez: Again, I would say my job is to make sure that I'm standing up a reliable, safe and affordable ferry system in British Columbia.

We have vessels, Chair, that are well past their design life. The process that we went through was open and competitive. Regrettably, no Canadian shipyards submitted bids. What we did was essentially follow that process to get the best value in order to get ships into our system as quickly as possible.

Aaron Gunn: Would the ferries have been more affordable to procure had they not been hybrid electric and if they were simply powered by diesel or LNG?

Nicolas Jimenez: It's hypothetical, because we put out the bid that we did. However, I would say the proposals that we received reflected where the market is at internationally. Again, we—

Aaron Gunn: You're head of a giant ferry corporation. Would it have been cheaper if it were diesel or LNG ships and you weren't going full electric?

Nicolas Jimenez: What we saw in the market was what we expected, so whether it was LNG, battery or electric, the value of these ships is what we saw in the proposals. Those were the evaluations we went through. The decision led us to the yard that we selected, so, no, I think we saw what we saw.

The Chair: Thank you very much, Mr. Gunn, and thank you, Mr. Jimenez.

Next, we'll go online, to Mr. Greaves. The floor is yours. You have six minutes, sir.

Will Greaves: Good afternoon. Thank you, Mr. Chair, and good afternoon, Mr. Jimenez. Thank you so much for joining us today.

As the only regular member of this committee who resides in coastal B.C., I know and my constituents know full well that ferries are a crucial part of our transportation infrastructure. They're absolutely critical to life on the coast. It's we who feel the effects of delayed and reduced service on our families and businesses and across the community as a whole.

Can you please speak to what the service conditions are, or what the levels of service are, that BC Ferries is currently providing and that motivated the procurement of these new vessels?

Nicolas Jimenez: There are two or three issues at play here. One is the age of the ships. The class of ships that we're going to replace are between the ages of 48 and 61. They are well past their design lifespan. These ships aren't just old; they're at the end of life.

The other challenge we have is the fact that our ferry system has reached capacity. I mentioned in my opening remarks that on our major routes—these are the larger routes servicing the Lower Mainland and southern Vancouver Island—in our peak season, including this weekend, which will be our busiest, ferries run at around 92% capacity. We leave hundreds of thousands of people.... Last year alone, 250,000 people were left behind, simply because the system had reached capacity. We literally could not take enough people who wanted to travel back and forth. The system is stressed; the vessels are old, and we have to move forward with renewal.

It's not just our vessels; it's our terminals, as well. We're spending significant amounts to invest in and renew our terminals to make sure we can move safely, affordably and reliably.

Will Greaves: Thank you for that.

The opposition members have called for the cancellation of this contract, both interfering in BC Ferries' procurement decision and also calling for the cancellation of the loan from the Canada Infrastructure Bank.

Can you please speak to the effect that the cancellation of either the procurement or the loan would have on BC Ferries' service levels and the critical infrastructure that you provide to British Columbians?

Nicolas Jimenez: Again, I would go back to the comments I made in terms of the stresses on our system right now. Running with old ships, ships that are past their design life, puts us at serious risk. We saw this last summer when the propeller sheared off our 61-year-old *Queen of New Westminster*, one of the oldest ships in our fleet. There was metal fatigue as well as other reasons for that. That ship was out 200 days. That is a huge hit in the system. We don't have reserve vessels, so we don't have extra ships waiting to be deployed when there's a problem inside the system.

Every time a ship goes down, the system suffers. This is particularly acute, obviously, on our busiest routes. Our major routes consume about 80% of the entire movement in the system. That has a huge impact on communities, and it's not just people travelling for vacations. In fact, the vast majority of people move in our system for other reasons, for employment, to fulfill supply chains, to take care of family and to attend medical appointments. It's pretty profound when people can't move the way they need to in our coastal regions.

● (1430)

Will Greaves: Thank you for that.

In the interest of clearing up some of the uncertainty that has been introduced into the meeting today, could you please respond to whether or not the federal government oversees the operations of BC Ferries or has any direct role in decision-making at BC Ferries?

Nicolas Jimenez: The federal Department of Transport is a regulator. In that sense, there is a regulatory relationship between my company—all ferry companies—and the department, but there's no active operational relationship. We don't report to or regularly have conversations with senior federal officials. Our on the ground teams do interact with local Department of Transport teams when there are regulatory matters that have to be enforced and dealt with.

Will Greaves: Thank you.

To my final question, can you also speak to the benefits that the procurement of these new vessels will lead to on the B.C. coast in terms of opportunities for Canadian workers to engage in maintenance and other activities in relation to the newly procured vessels?

Nicolas Jimenez: I guess there are two ways to answer that.

We spend about \$130 million a year on maintenance, refits and upgrades for our vessels, and that's in all of British Columbia, with local B.C. shipyards. Over the course of their lives, these ships alone will see about 1 billion dollars' worth of investment in terms of that maintenance-refit-upgrade component.

In addition, we would expect to see other effects in the economy. We had an independent study that suggests there's going to be something like 4 billion dollars' worth of economic impact as a result of these ships. These ships are bigger. They're going to be more reliable. They can travel in more adverse weather. They're going to be able to move more vehicles, people and cargo. That's a significant contribution, again, to local economies, tourism and other aspects of the social and economic fabric of coastal British Columbia.

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

Thank you, Mr. Greaves.

[Translation]

Mr. Barsalou-Duval, you have six minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Mr. Jimenez, thank you for joining us today.

The media reported that no Canadian company bid on the contract to build the required ferries. You said so yourself.

Do you know why no company in the country submitted a bid?

[English]

Nicolas Jimenez: The best answer we have for that is simply that the yards that initially expressed an interest ultimately determined they weren't able to participate because of commitments they have to the national shipbuilding strategy. The yards are at full capacity currently. We didn't have the luxury of waiting for those yards—for their order books to become open and available—because the ships, essentially, need to be replaced now. We would have had to wait up to a decade to consider evaluating those yards.

Again, they didn't bid. They are filled up with national shipbuilding commitments, so we went with what we had.

[Translation]

Xavier Barsalou-Duval: I believe that you talked about inviting Canadian companies to bid on the shipbuilding contract. Which Quebec companies were approached?

[English]

Nicolas Jimenez: Yes, I can confirm that one of the shipyards in Quebec—Davie—expressed an initial interest in participating but, again, ultimately declined to participate in the procurement.

[Translation]

Xavier Barsalou-Duval: I'm not an expert on how this works. In general, how do you advertise an open process that asks for bids? Since not everyone necessarily knows that you have vessels to build, do you contact the companies yourself? I'm asking because Ocean Group in Quebec could build these types of vessels. Was this group also contacted?

• (1435)

[English]

Nicolas Jimenez: I can say to the member that, essentially, in the course of a procurement, we have a number of phases. One of the phases is soliciting expressions of interest. We do that globally. We encourage yards all over the world to express their interest and whether they'd like to be active and engaged in the procurement. We then go through a qualifying process wherein we set out minimum conditions. It's at that point that we move into the actual formal receipt of bids.

In the context of engaging yards, I would say we engaged them not just here in Canada but also around the world.

[Translation]

Xavier Barsalou-Duval: That doesn't quite answer my question, but never mind. Perhaps you don't have the answer. I'll move on to another question.

Given your recent experience...it seems that no local company was able to bid on your project. I personally contacted some companies that told me that they were very busy with federal contracts. Others also told me that there was a competitiveness issue. Prices in China can't compare with prices in other parts of the world. Moreover, China monopolizes a significant part of the global shipbuilding market. It accounts for around 65% of the market share. Given China's prices, obviously no one can compete with it. This causes issues.

Does it concern you that a foreign power—not a direct ally of Canada—is cornering most of the world's shipbuilding market?

[English]

Nicolas Jimenez: There's a lot of strength inside the Canadian shipbuilding market. As I was saying earlier in my comments, we do more than \$100 million a year of work with yards in British Columbia, specifically, to maintain, repair and upgrade our vessels, so I think there is strength.

What's also true, again, is that those yards are being fully committed to federal contracts. They don't have scale in the same way to be able to commit to that program and do other work that comes through. One of the challenges we see is that not a lot of ships outside of navy and coast guard vessels are being built in Canada. In fact, I don't think there has been a ship over 3,000 gross tonnes built in the last 10 years in Canada.

[Translation]

Xavier Barsalou-Duval: You said earlier that, when it looked like a Chinese supplier would be chosen, you contacted people in the federal government for advice on national security, for example. Since the Canada Infrastructure Bank was acting as lender in this case, I imagine that you also informed the bank at some point in the process.

Did the Canada Infrastructure Bank offer you the loan before the Chinese supplier was chosen, or after? When the bank was told that the Chinese state-owned company had been chosen to build the vessels, did the bank ask you any questions or did it find this perfectly normal and natural?

[English]

Nicolas Jimenez: Throughout the process of working with the bank on the loan and certainly towards the latter part of our procurement it was clear that we were looking at a short list that involved Chinese shipyards. I would say that the bank was aware, not necessarily of the yard itself, but certainly of where the ultimate decision would lie as we got closer to the decision point.

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

Next, we'll go to Mr. Albas.

Mr. Albas, the floor is yours. You have five minutes, sir.

Dan Albas: Thank you, Mr. Chair.

Thank you, Mr. Jimenez.

On July 7 Minister Robertson was on CKNW, on Jas Johal's show, where he said that the bank had no idea that these ships that they were going to finance were going to be made in China. However, Richard Zussman reported on Global News that BC Ferries had said that they had known the whole time.

Who's correct here?

Nicolas Jimenez: Again, I would go back to comments I literally just made, which is to say that we had conversations with the CIB in the development of this loan.

Dan Albas: Were they aware that it was to buy ships in China? Yes or no, please.

Nicolas Jimenez: It was in the March time frame that we advised the bank that the short list, because that's only when it was known, was going to be focused entirely on shipyards in China.

Dan Albas: Okay, so they were aware. Thank you very much, sir.

Second, I've had a former trade commissioner contact me. I've had a CEO who's had extensive marine experience, and you would know his name. The first thing they said to me was, Mr. Albas, why did BC Ferries go to the CIB, when China subsidizes its steel and also subsidizes its shipbuilding? Why not go to an export development agency and get them to front the money? Why should it be the taxpayer? Why is it not the Chinese taxpayer?

• (1440)

Nicolas Jimenez: I would go back again to comments I made earlier. The relationship we have with the CIB actually predates this particular program. They are participating on another program that is currently in flight to build a smaller class of vessel, providing significant value to us. It's not just the ships. In this program—

Dan Albas: Is it because you had a pre-existing relationship? Did you reach out to any credit development agencies, sir?

Nicolas Jimenez: I can talk about the relationship we have with the CIB and the value that that loan brings, not just to our business, but certainly to our customers. It's a game-changing—

Dan Albas: Did you, sir, seek out other forms of funding besides the CIB?

It's a yes or no question.

Nicolas Jimenez: We were in a relationship with the CIB.

Dan Albas: Okay. I'm taking that as a yes and moving on, because clearly you don't want to talk about that.

I've heard you reference that you want to leave the geopolitics to politicians, largely.

The question I ask is about supply chains. How do we know in five years that China is going to be a reliable partner and we're not going to see tariffs put on like they have put on many Canadian goods? How do you know that they're going to be friendly enough that you're not going to see a huge escalation in the cost of parts?

Nicolas Jimenez: The contracts that we have provide explicit guarantees in terms of pricing and other elements of risk, so that we are protected through the life of the program.

Dan Albas: A state-owned enterprise could listen to the BC Ferries contract or its masters at the PRC.

What if China were to invade Taiwan, and Canada were to oppose that, joining with our allies against it, while these ships are being made? It's not just the ships. It also has \$1 billion of taxpayers' money. Have you thought any of this through?

Nicolas Jimenez: I am going to correct the member, because the money is a loan to BC Ferries, and it's a loan that BC Ferries will

pay back with interest to the CIB. The relationship we have with the yard is structured under a contract that gives us significant guarantees throughout the life of the program. We feel very confident that it addresses all the risks—

Dan Albas: I think it's laughable, sir, for you to think that the shipyard is going to honour a contract if its masters in the PRC decide otherwise.

I'll move on. The last thing is this: Do you want BC Ferries to be known as a good corporate citizen?

Nicolas Jimenez: Again, what BC Ferries needs to be is a reliable ferry operator, and this decision would allow us to do just that.

Dan Albas: Okay. My question, though, was yes or no, as there's a federal law called Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Every reporting entity—and BC Ferries is one of them—is supposed to have on its website, by May 31, a detailed breakdown of supply chains. BC Ferries was deficient until June 27, and even though you've come into contract with this particular shipyard in China, there was zero mention of it, sir, when it was posted on your website on June 27. What do you have to say about that?

Nicolas Jimenez: We are obviously subject to and bound by those federal laws around child labour and forced labour. There are very strict provisions within our contract for the yard and its supply chain. We intend to hold the yard to account, just as we do any yard.

Dan Albas: It's a \$250,000 fine. That's what it said in there.

The last point I would make is simply that I hope that your next year will actually address this, because if you look at your current report and the one you did last year, they're almost identical.

The Chair: Thank you very much, Mr. Albas, and thank you once again, Mr. Jimenez.

Next, we'll turn it over to Mr. Weiler.

Mr. Weiler, the floor is yours. You have five minutes, sir.

[Translation]

Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair.

[English]

Thank you, Mr. Jimenez, for joining our committee today. I appreciate being able to fill in to ask some questions today on behalf of the communities in my riding, especially Bowen Island and the Sunshine Coast, which depend on ferries on a daily basis for commuting to health care appointments and to see families. This is especially so in the summer, when tourism is so important.

These communities are constantly impacted by a fleet of ferries that are, in many cases, a decade or more beyond their useful lives, which leads to frustration when these ferries break down. Unfortunately, we're seeing that more and more, so while it's always important that we buy Canadian, especially right now when our industries are under threat, the need for the renewal of the ferries in this fleet is an urgent imperative for communities in my riding.

My first question is this: Why didn't the \$1-billion contract from the Canada Infrastructure Bank go to a Canadian shipyard?

• (1445)

Nicolas Jimenez: As I described before, and I'll say it again, there were no Canadian yards that were able to participate in the program, because they didn't bid. They advised us specifically that that was because they were at capacity in their order books based on commitments they had made to the federal government's national shipbuilding strategy.

Patrick Weiler: Was there any requirement for Canadian content or criteria for Canadian content within the bid?

Nicolas Jimenez: There were two things that we did specifically. First, we made sure that the standards set within the qualification criteria would encourage and enable Canadian shipyards to apply, to indicate an initial interest, and two did, which was great.

The second thing was that the evaluation criteria had specific marks given for Canadian content.

Patrick Weiler: Thank you.

You mentioned that Canadian shipyards are at capacity right now and would be for the next decade. What would it mean if this contract were to be cancelled and we were to seek to procure this through Canadian shipyards, perhaps a decade from now? What would that mean to the operation of BC Ferries over the next decade?

Nicolas Jimenez: I want to thank the member for the question. It would put the operations at critical risk. We'd be operating ships that would be 70 years old, which is almost twice the normal lifespan of a vessel of this size and this class.

For us, that risk is untenable, and this is not just for us. It's for the people we serve. Certainly, there are the people in the members' ridings. Up and down the 1,600 kilometres of coastline, 23 million people rely on us every year to move back and forth. As ships age, we get things like metal fatigue and other critical failures that just can't be avoided with simple maintenance. It's just that the ships age out.

Patrick Weiler: Beyond procuring in Canada.... What would the additional cost be if this were procured from an allied shipyard?

Nicolas Jimenez: I mentioned this in my remarks and one or two other times: If we had gone to a different yard from the one we

chose while evaluating the bids, we would have been spending up to \$1.2 billion more. In our view, obviously, this didn't meet with the value expectations our customers have—making sure we bring ships into service on time in an affordable manner so we can continue to run the system we're charged to run.

Patrick Weiler: What if these ships were procured in Canada using Canadian steel? I know there wasn't an official bid from a Canadian shipyard, but do you have an estimate of what that cost would be?

Nicolas Jimenez: It's very difficult to estimate a cost against a bid that hasn't been received. I can say that it would be more, but I couldn't give you a quantum without being inaccurate.

Patrick Weiler: Okay.

I think it would be helpful for this committee if you could speak to the governance system of BC Ferries, the ability and flexibility you have in terms of raising fares to deal with additional costs, and the amount of funding you receive from government.

If we are to go with an allied shipyard, how would you absorb that additional \$1.2 billion in costs, given the constraints you're operating under?

Nicolas Jimenez: I'll answer that question fairly directly and honestly: We're going to have to pass those costs on to our customers. Our system is one in which about 75% of our revenues are generated by users. We have about 20% through the provincial government, a little less than 3% and change from the federal government, and a couple of points from other sources.

The majority of revenues we derive inside the system come from users. Those costs are ultimately borne by users when they have to go up.

The Chair: Thank you very much, Mr. Weiler and Mr. Jimenez.

[Translation]

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Mr. Jimenez, on July 16, the government announced that it would apply an additional 25% tariff on imports of all steel poured and melted in China. I believe that this tariff comes on top of the 25% already in force since October 2024, bringing the total to 50%.

Will these taxes be applied to the vessels that you plan to import, or will these vessels be exempt under the Ferry-Boats Remission Order, 2016, which grants duty remission?

I would like to know whether tariffs will be levied, and if so, who will pay them.

● (1450)

[English]

Nicolas Jimenez: As I understand it, the tariffs constructed.... We mentioned two sets of tariffs, but the first don't apply to finished goods. Therefore, no, we do not expect those tariffs to apply to finished vessels that will be delivered later on in this decade.

As to the other tariffs the member mentioned in his question, I don't know what's going to happen in the future. Currently, we're exempt from import duties on ships, very specifically.

[Translation]

Xavier Barsalou-Duval: Do you have any advice for the government to ensure that, in the future, we can buy from local suppliers and avoid this situation? Do you think that all federally subsidized buildings and infrastructure should be produced locally?

[English]

Nicolas Jimenez: Chair, I'll go back to comments I made earlier about the Canadian shipbuilding industry.

I think it's one that has a lot of strengths. I know this because we work with it very closely, have done so for decades and will do so for decades more. One of the challenges it has is building ships at scale. There are a lot of things governments will need to consider in order to make sure they're cost-competitive in a procurement we run, or that anyone else runs, because most Canadian companies—whether it's Seaspan, Algoma, Marine Atlantic or another—are procuring ships built outside of Canada.

We have an opportunity for sure.

[Translation]

Xavier Barsalou-Duval: I'm asking this question because—

The Chair: Unfortunately, your time is up, Mr. Barsalou-Duval.

Thank you.

[English]

Next we have Mr. Gunn.

The floor is yours once again. You have five minutes, sir.

Aaron Gunn: What is the primary reason that BC Ferries decided to award the contract to a state-owned shipyard in the People's Republic of China?

Nicolas Jimenez: The evaluation criteria that we use to assess bids from yards around the world look at a combination of factors, including technical capabilities, delivery timelines, safety, commitment to quality and also cost. We use a combination of criteria to assess what yard can deliver the best value for British Columbians.

I hope that answers the question.

Aaron Gunn: Are the shipbuilding workers in the People's Republic of China better than the shipbuilding workers here in Canada?

Nicolas Jimenez: The yard that we selected met very high standards for—

Aaron Gunn: Are they higher than the ones here in Canada?

Nicolas Jimenez: They met the same standards that we would apply to any yard from any part of the world.

Aaron Gunn: Just to clarify, do the state-owned companies that employ these workers in China follow the same safety, labour and environmental regulations as private companies and unions here in Canada?

Nicolas Jimenez: What I can say, based on this particular procurement, is that—

Aaron Gunn: That's kind of a yes or no question.

Nicolas Jimenez: Again, I'll try to answer the question. We assessed every yard against the same sets of standards for quality, safety and environmental standards. This yard met the high bar that we set for ourselves, whether we're working domestically or internationally.

Aaron Gunn: Do shipyards in the People's Republic of China pay their workers the same as the shipyards here in Canada do?

Nicolas Jimenez: I think the member would have to ask the shipyards themselves—

Aaron Gunn: It's a pretty easy question, I think.

Nicolas Jimenez: The likely answer is no.

Aaron Gunn: I think so.

Would you acknowledge that we are essentially bankrolling the offshoring of critical shipbuilding jobs to an adversarial regime because it is willing to pay its workers less and have them work in worse and lower safety, environmental and labour conditions?

Nicolas Jimenez: What I'd say is that we settled on a shipyard that is bringing significant value to British Columbians. We're making sure that the system we're supposed to be running delivers safe, reliable and affordable ferry service. It's a key part of our renewal program right now—

● (1455)

Aaron Gunn: Sir, Seaspan said it would have liked to build these ships. Is that correct?

Nicolas Jimenez: Seaspan has been very public in saying that it was not able to participate in this program because it had no capacity—

Aaron Gunn: They expressed interest. It's true that you formulated the contract in a way that Seaspan was unable to build.

One thing you mentioned was the fact that you needed these ships right away and that we didn't have enough time. You made a good point, but I was looking into it and the oldest ships you have in service—you can correct me, but it may be the C-class—are 30 or 40 years old, and you're going to depreciate them over a long period of time. Presumably, the forecast for passenger growth would have been well known.

Why are you scrambling to purchase ships here at the last minute, when we should have known for decades? We could have incorporated the acquisition of these ferries into a proper shipbuilding strategy to ensure that we're building that important industrial capacity here in Canada and creating Canadian jobs in shipbuilding and in steel and aluminum production, instead of waiting until the last minute to use it as an excuse so we can go buy them on the cheap from the People's Republic of China, creating jobs in that country instead of our own.

Nicolas Jimenez: There are a number of things I'm going to take issue with in the member's questions, because they're just not correct.

First, this program and the age of our ships are very well known and have been known for a very long time. We actually started this process eight years ago, before the pandemic, and had to shut it down during that time. At that time we were very public, attending industry conferences every year and putting out a 20-year view of what our shipbuilding needs looked like. The industry was very well aware of where we were at and where we were going.

The other thing the member mentioned was that somehow we excluded or designed a contract to make it impossible for the shipyard to bid. That's simply not the case. The reality is that in shipyards.... Seaspan has been very public about this. It acknowledged that it was not able to participate in this series build because it simply did not have capacity in its yard, given the commitments that—

Aaron Gunn: What was the turnaround you were requiring for the ferries?

Nicolas Jimenez: We expect the first ship to be delivered at the end of the decade, in 2029.

Aaron Gunn: That's four years.

Nicolas Jimenez: That's correct.

Aaron Gunn: You had 40 years—

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

Thank you, Mr. Gunn.

[Translation]

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

Stéphane Lauzon: Thank you, Mr. Chair.

[English]

Thank you for being here, Mr. Jimenez.

[Translation]

In one of your responses, you talked about the process dating back six, seven or eight years, meaning before the COVID-19 pandemic. That surprises me. It seems like a long process. How could there have been more planning done to ensure the use of Canadian

products or Canadian companies? Was this process already under way eight years ago, or did you just realize, during the bidding process, that Canadian companies couldn't bid?

[English]

Nicolas Jimenez: I can provide a little clarification.

The initial process was started in about 2018, and it shut down in 2020 when the pandemic hit. The company simply ran out of money to fund capital programs—ship, terminal or otherwise. It was restarted in late 2021, and we spent a number of years designing the ship that we would need to be part of an evaluation package. Then, again, the RFP began in probably late 2023, early 2024. I would say that it has been very planful, and it's been very thoughtfully organized and run.

I hope that answers the member's question.

Stéphane Lauzon: Yes, that's a good answer.

[Translation]

I'm talking about all your preparatory work, including the plans and specifications, the application, the pre-qualification, and so on. Was all the preparatory work carried out by Canadian or Quebec workers, by local workers?

[English]

Nicolas Jimenez: I would say yes. It was done by internal teams at BC Ferries. We essentially manage and organize procurements ourselves. We obviously have external assistance through brokers and whatnot, but the vast majority of the work to think about, run and execute the procurement is done by local teams—a small number of people, but local folks to BC Ferries.

• (1500)

[Translation]

Stéphane Lauzon: I gather that the Chinese company was never involved in drawing up the plans and specifications for the required vessel. You issued a call for bids with only Canadian documents.

[English]

Nicolas Jimenez: I want to make sure I understand the question.

The materials that constitute the procurement process are built, constructed and designed, obviously, by BC Ferries, and they're put out into the market for anyone to review and to decide to make a proposal on. Whether you're from Europe, South America or Asia, you're looking at the same set of documents that are prepared in British Columbia at BC Ferries.

[Translation]

Stéphane Lauzon: Using these documents, tell me about the pre-qualification. You talked about a key step. You included planning time, price and construction standards.

Explain how you proceeded until you learned that Canadian companies couldn't submit bids.

[English]

Nicolas Jimenez: Sure. I think I'm just going to clarify something.

There are three stages, I said. There's an expression of interest, there's pre-qualification, and then there's the actual bid process itself.

The pre-qualification, which I think is what the member is asking, essentially sets out a number of minimum criteria. You have to have built a ship of a certain size in the last number of years. You have to have certain standards. They're very high-level criteria. They're not the criteria that we would use in the ultimate evaluation of a bid. Separate and apart, once those shipyards have met those minimum criteria, such as to say that they're financially solvent, have built a ship in the last 10 years, etc., it's at that point that we say, "Okay, these yards are interested." They say, "When you are ready to provide a bid package to us, please let us know." At that point, in the third stage of our process, when we have the design ready and the form of the contract ready, we put it out in a formal RFP process. It's at this point that the yards make an independent decision on whether they will submit a bid.

Hopefully that answers the question.

Stéphane Lauzon: Thank you very much.

[Translation]

The Chair: Thank you, Mr. Lauzon.

[English]

Thank you once again, Mr. Jimenez.

We have another lightning round of two minutes for Mr. Albas followed by two minutes for Mr. Kelloway.

Mr. Albas, the floor is yours, sir.

Dan Albas: Thank you, Mr. Chair.

I just have a quick question. You said you'd save \$650 million if BC Ferries were to go to another lender, but it sounds like you went only to the Canada Infrastructure Bank.

What do you base that on? Are you basing it on the loan you got, say, at prime?

If you went to only one source for investment, you weren't testing the market.

Nicolas Jimenez: I'm going to clarify that there will be multiple sources of funding for this program. The CIB is one portion of the funds we're going to access in order to pay for this particular investment. We will also be issuing bonds and—

Dan Albas: Where did you get that figure of \$650 million if the CIB loan was cancelled?

Nicolas Jimenez: The number is actually up to \$650 million. What this represents is the difference in the interest charges that would otherwise be applied in—

Dan Albas: However, you didn't go to the market to compare that. Is this correct?

Nicolas Jimenez: I want to clarify this. I said a couple of seconds ago that we will be going to the market to issue bonds and—

Dan Albas: Then it could be considerably less. That is what you're saying, because it's "up to". That's what it means.

Is that right?

Nicolas Jimenez: That's correct.

Dan Albas: Okay.

You also said the closest bid was up to \$1.2 billion or more.

Is that correct?

Nicolas Jimenez: I said that if we'd gone with a yard that isn't in China, we would have paid up to \$1.2 billion for—

Dan Albas: Regarding the one you settled on with the PRC, what was the difference between that and the next closest bid?

Nicolas Jimenez: Those are the kinds of numbers we're not going to be able to provide inside of the requirements we've set for ourselves and inside—

Dan Albas: Is it \$200 million?

Nicolas Jimenez: It's around commercial sensitivity and—

Dan Albas: Is it \$300 million or less than \$300 million?

Nicolas Jimenez: There are certain limitations we have based on our procurement process. We simply aren't able to provide competitive and commercial information.

Dan Albas: However, you—

The Chair: Thank you, Mr. Albas and Mr. Jimenez.

I have a quick reminder for all of my colleagues. I know we want to get our questions in, but when we're chiming in while the witness is speaking, it is absolutely impossible for our interpreters to translate, because they don't know whether they're supposed to be interpreting you or the witness. I just want to remind all members that this is something we should do to support our interpreters.

However, your time is up.

Finally today, we have Mr. Kelloway.

Mr. Kelloway, the floor is yours. You have two minutes, sir.

● (1505)

Mike Kelloway: Thank you, Chair.

To the witness, thank you for being here.

I just have one question, because I have only two minutes.

The Minister of Transport and Internal Trade expressed her concerns about this procurement deal, specifically regarding national security.

I'm wondering if you could tell us what measures are being taken to ensure the security and quality standards of the vessels constructed in a foreign shipyard, particularly one that is obviously based in China.

Thank you.

Nicolas Jimenez: We will be using the same standards we do, quite frankly, with any yard. We did a lot of work up front to assess risk, using our own experts as well as experts from outside the company.

As we go through the build process, there are a number of things we do.

One is having an on-site team to manage the process of doing audits, checks and security assessments throughout the build period. We will also have an entity representing Transport Canada through the build process, and another one or two entities working with us throughout, in different stages of the process. There will be anywhere between 30 and 40 people on site at the shipyard throughout the build process to monitor, evaluate and assess whether the ships are being built according to the specs, etc.

When it comes to sensitive technology and other equipment on board, that will be done and overseen by BC Ferries staff.

There are a number of protections and measures we're putting in place to ensure that the ships we receive will be ready to operate on day one.

Mike Kelloway: Thank you, Mr. Chair.

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

On behalf of all members of this committee, I want to thank you for your presence here, Mr. Jimenez. We wish you safe travels back to British Columbia.

With that, colleagues, I'm going to suspend once again for two minutes in order to welcome our last group of witnesses for today before we embark on our discussions.

• (1505) _____ (Pause) _____

• (1515)

The Chair: I call this meeting back to order.

Colleagues, we'll now continue with our next panel of witnesses. They are the final witnesses for today.

Allow me to welcome, from the Canada Infrastructure Bank, Mr. Ehren Cory, chief executive officer—welcome to you, sir—and Monsieur Frédéric Duguay, general counsel and corporate secretary.

[Translation]

Welcome.

[English]

As you know, we're very short on time today and we have a lot of work to do, so I will immediately turn it over to you for your opening remarks.

You have five minutes, please.

[Translation]

Ehren Cory (Chief Executive Officer, Canada Infrastructure Bank): Good afternoon, Mr. Chair and committee members.

Thank you for this invitation to speak to the committee about its study of the investment of the Canada Infrastructure Bank, or the CIB, in new vessels for BC Ferries.

I'm joined by my colleague, Frédéric Duguay, the CIB's general counsel and corporate secretary.

[English]

We welcome the opportunity to speak to you today about our loan to BC Ferries. If you would permit me, I'd appreciate the opportunity to give a quick update on our overall progress before diving into the specifics.

The CIB was created to get infrastructure projects unstuck. Through our flexible financing, we can address market and affordability gaps that get in the way of projects moving forward. Since I joined the organization at the end of 2020, we have consistently made 20 to 30 investments—that's \$3 billion to \$5 billion of CIB money invested—each year. We expect this pace to continue or accelerate.

I'm proud to report that we've now made loans worth \$17 billion across 102 projects that have a total capital value of \$50 billion. We have projects in every province and territory. Our pipeline of future projects is healthy. Of those projects, 70% are in construction, supporting nearly 235,000 Canadian jobs and other downstream domestic benefits. Seven of these projects are completed. This number will increase rapidly as more projects finish construction and come online.

It's different from a grant. We make loans that are repaid with interest. For several quarters now, we have collected sufficient revenue to cover 100% of the organization's operating costs. We expect this trend to continue, resulting in minimal impact to taxpayers. In short, the CIB is a model that is working and delivering tangible benefits for Canadians, getting greenfield infrastructure built with minimal cost to taxpayers.

Our projects range from our recent investment at the Montreal airport to Canada's largest energy storage facility in Haldimand—Norfolk to a wind turbine and energy storage system in Nunavut to reduce an island community's reliance on diesel. For each project we finance, we look at the public benefits that this infrastructure delivers to Canadians. Growing the economy, decarbonizing key sectors, improving the connectivity of Canadians and closing the indigenous infrastructure gap—these impact measures form the core of our investment decisions.

[Translation]

The CIB's investment in new vessels for BC Ferries is an example of how it's delivering on its mandate.

This organization is faced with aging vessels that provide less reliable service and a growing demand for this critical link.

• (1520)

[English]

After an initial small loan to support the purchase of several smaller ships in the spring of 2024, we began our discussions with BC Ferries about the purchase of major vessels in September of last year. At the time, BC Ferries was involved in a global procurement process. The CIB's low-cost loan structure would allow them to accelerate their transition to new, cleaner, efficient and reliable vessels while avoiding higher costs on the residents of B.C. who use them. Without our loan, they faced a series of difficult choices: Increase fares, delay the investments in these new vessels or decrease services. Given the positive outcomes of the project, we provided a loan that was approved by the CIB's board in early March 2025. It is allocated, as you've heard today, in two components, up to \$690 million toward vessels and up to \$310 million toward local electrification infrastructure.

It's important to note that we had no role in BC Ferries' procurement decisions. As the project proponent, BC Ferries are best placed to decide how to procure the vessels that will help them realize their business objectives and the needs of their users.

[Translation]

I want to be clear. In all the Canada Infrastructure Bank's investments, the project partner is responsible for making procurement decisions based on its business objectives. The CIB doesn't make these decisions. The CIB is the bank. It makes loans that get paid back with interest.

[English]

We didn't direct the farmers of Alberta as to how they should source the new irrigation systems that they now use to expand farmland production, nor did we tell the Caisse de dépôt how to source the LRT train system in Montreal, but I'd like to be equally clear: The people who benefit from CIB loans are Canadians. In this case, regardless of where BC Ferries source their vessels, the benefits of our financing go directly to the users of the service by keeping fares more affordable and ensuring that new, reliable and cleaner ships are in service as soon as possible.

What project proponents across the country have told us is that they run competitive global procurement processes that welcome Canadian bidders. In many cases, the Canadian market can supply the goods and materials these infrastructure projects require. Canadian steel, cement and other key inputs are in many of our projects, but at the same time, almost all infrastructure projects in this country are built using global supply chains. Critical components, from solar panels to chips and batteries, are procured from global markets.

Across the country, there is a growing clear refrain: Canada needs to rise to the moment and build infrastructure, and it needs to build it fast.

While we are making solid progress, we also all know that our needs are significant. We need to empower project owners to move quickly to build the infrastructure that will diversify our economy,

open trade routes for Canadian goods to get to markets, and more. Equally important, we need to address how we finance this infrastructure, given finite government resources.

[Translation]

These are matters that our project partners, such as BC Ferries, grapple with daily. It's why the Canada Infrastructure Bank was created. We're here to help our partners get their projects unstuck, deliver benefits to their local communities and make their projects affordable for users.

[English]

Thank you, and I look forward to the questions.

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

We'll begin our line of questioning today with Dr. Lewis. The floor is yours. You have six minutes, please.

Leslyn Lewis: Thank you. Good afternoon, Mr. Cory, and thanks for your testimony here today.

We heard about a \$1-billion contract that went to a company from the People's Republic of China to build Canadian ships.

How many other CIB investments are being touted as Canadian investments when they're actually being outsourced to foreign nations with lower labour and lower environmental standards than Canada?

Ehren Cory: Thank you for the question. It's nice to see you, Dr. Lewis.

I'd like to answer the question in two parts.

First, as I mentioned in my opening remarks, every one of our projects is for the benefit of Canadians, and the infrastructure is partly in Canada. Some 235,000 Canadian workers are working on the 102 projects that we're financing today. These generate clear Canadian benefits. That's one of the beauties of infrastructure, of course. When you build infrastructure, it drives significant local economic benefit in the building. It drives even greater economic benefit in the using, by creating new trade routes and by connecting Canadians. These are the long-term benefits of infrastructure. All of our projects deliver those, as per our mandate.

Many of our projects are also part of global supply chains. As I said, whether it's solar panels or chips, many manufactured goods come from Canadian suppliers, but many come from global markets. In short, it's not the CIB's role to tell our amazing project partners, be they provinces, territories, private companies or regulated entities like BC Ferries, where they should best source their components.

• (1525)

Leslyn Lewis: Thank you.

Essentially, you're answering the question by stating that you can give \$1 billion of Canadian taxpayer-funded money to a company, and then it can outsource those jobs to benefit another country. Is that not contrary to section 6 of your mandate, which is supposed to be to enrich the Canadian economy?

I really want to focus on the timelines also of when you knew that this money was going to a foreign company. I understand that the \$1-billion loan with BC Ferries was signed on March 28, 2025. That is the time, in fact, that you knew that the contract was going to China.

Isn't that correct, Mr. Cory?

Ehren Cory: Mr. Chair, there were two questions. I'll take them in turn, if I may.

First, I'll just clarify, and it's been an important part of the discussion throughout the day: Our loan is to BC Ferries, clearly. Our contractual relationship is with BC Ferries. However, most importantly, the benefits of our loan also flow through BC Ferries to the users of the service. We are not subsidizing a foreign entity.

The best analogy I can give you is if, Mr. Chair, you were buying a new house and you agreed to buy it for \$100, and then I made you a loan, an interest-free loan, and I asked you who got the benefit of the interest-free loan. Was it you or the person selling the house? The answer would be you. The beneficiary is the person receiving the loan. The benefit of our loan goes straight to the riders, the users of the service, by keeping the service more affordable and clean.

Leslyn Lewis: Yes, but Mr. Cory, Canadian labourers are not being employed in the building of these four ferries. In addition, you know that the first loan payment was disbursed by the CIB in May 2024, and that the CIB made the deal public on June 26, 2025. In fact, the taxpayer money, the \$1 billion.... The loan was signed and the money started to flow two months before the CIB even thought that it was fair to tell the public about this contract.

Is that the standard practice of the CIB, to finalize agreements using taxpayer dollars and then disburse payments weeks or months before it discloses them to the Canadian public, whose money it's using?

Ehren Cory: I'll just answer the question about timelines in general. As I mentioned in my opening remarks, we started our discussions with BC Ferries last September, and at the time, not surprisingly, as is the case in many of our procurements, we did not know where they would source their materials from.

We have loans, just to give a different example, to many wind producers across this country that haven't yet purchased their wind

turbines. Our loan agreement is with the wind producer, and again, it's meant to keep the project more affordable. Therefore, when we started our discussions last September, we were not privy to where they were getting the ferries, nor was it part of our analysis.

To the member's question, in March of last year—we approved the loan on March 5—they still had not made a decision. At the time, we closed loan documents, which was a financial document actually signed on March 28, I believe, or at the end of March. We were informed by BC Ferries that they were down to two finalists, and we knew both of them were China-based, as you heard from Mr. Jimenez earlier, so they informed us of that just at the time. Just to be very clear, that wasn't part of our analysis, and it wasn't part of the decision to make our loan, because our loan is about benefiting BC customers—the 23 million people or so who use the service.

To answer the second part of your question about an announcement, I'll be very clear about this. We take transparency extremely seriously, and if you were to go to our website, you'd see a map that shows every one of our projects across the country. It's true that there was a delay in the announcement of this project, and I would just point the members to the fact that we were in an active writ period at that time, so public announcements by Crowns were restricted; therefore, we weren't able to make an announcement. Once a new government was in place, which was mid-May, we started spooling back up to make a public announcement in June, which was always our plan, and we always do strive to announce as quickly as possible.

The Chair: Thank you very much, Mr. Cory, and thank you, Dr. Lewis.

Next, we'll go to Ms. Nguyen.

Ms. Nguyen, the floor is yours. You have six minutes, please.

Chi Nguyen: Thank you very much, Mr. Chair.

Thank you to our witnesses who are here today to speak to us a little about the CIB program and its capacity.

Mr. Cory, you described this not as a grants program, but as a model that is fundamentally about a loan with interest. Can you tell me about what's working with this and about how we're able to grow the economy and meet other goals while having this loan program in place?

• (1530)

Ehren Cory: I think we've talked at previous iterations of this committee about this central idea, which is that we have an infrastructure deficit in this country. Most analysis pegs it at several hundred billion dollars and numbers that are hard to actually wrap your head around. I think if we want to grow our economy, to continue to decarbonize our economy and to grow effectively, then we need to make massive investments in infrastructure. The simple reality is that we can't afford to do all of that the way we have historically done it, and that is on the basis of public taxpayer money only.

The point of a program like the CIB is to stretch taxpayer dollars further by making a loan with concessionary terms, as is the case with this loan. What we're trying to do is make more infrastructure projects happen. Over the life of the loan, when we get paid back the interest over time, we will get back our \$1 billion plus the interest compounded over many years. That means that at the end of the loan, there is not a cost to taxpayers. There's a capital cost, if you think of expense versus capital. We're lending \$1 billion, but we're getting that money back with interest. The job of the CIB is to make loans that the rest of the market can't, because either they have lower interest rates and/or they take more risk.

Many projects face challenges of cost. The BC Ferries purchase would be a great example. Many projects face challenges of risk. With EV charging networks across this country or with decarbonizing buildings, many of these are very risky. With carbon capture and storage in our oil sands, if we want to clean our energy sources, all of these things come with a lot of market risk. Critical minerals extraction is another.

The CIB might also make a loan where we're taking above-market risk. It's not always about low-cost money; sometimes it's about higher risk. Either way, our job is to make those loans, and across the portfolio of them, to charge enough interest that we cover all of our operating costs and the risk we're taking, because some loans will not pan out perfectly. That's the point of loans; there's some risk of default. When I say, "take risk", that means some of the risk will come home to roost.

However, over the portfolio, if we charge enough interest, the idea is that this should cost taxpayers nothing, or be minimal, and should launch many projects across the country.

Chi Nguyen: Thanks very much.

I'm going to follow up with a question about the political moment that we're in now, thinking in terms of what we are building out as we think about strengthening the economy and responding to the upheaval that is happening across the globe.

Could you tell me about how you're future-proofing and thinking about Canadian content going forward, and are there measures or directions, from a policy perspective, that would help you to do that?

Ehren Cory: What's really interesting, of course, is that the moment we're in really does feel like the best moment to work in infrastructure, I have to say. I think all of you as committee members have a really important job over the coming years, because we have both a challenge in front of us but also a real opportunity to diversify our trade, to invest in the north in a way we never have before, to

invest in the supply chains that are going to power the world, be they energy or critical minerals. We at the CIB take that really seriously and are really excited about it.

To answer your question, some of the things we're thinking about are, for sure, trade routes and corridors. We're having discussions with every port in Canada. We have two loans today with the Prince Rupert Port Authority. You know there are expansion plans, whether it's in Vancouver or Montreal, and we're certainly having discussions on northern gateways like Grays Bay. All of those are meant to open up new markets for Canadian goods.

The second thing is that investments in the north are also, I think, to this moment really about sovereignty and security in the north. You often have a dual purpose. This project, Grays Bay, for example, would be about critical minerals export, about securing trade routes through the Northwest Passage and about providing a new site for Coast Guard and naval use, so dual use infrastructure is really important.

When it comes to Canadian content, I think as policy-makers.... What I hear from infrastructure project owners across the country is an incredible desire to maximize the use of Canadian content. As I said, on the projects we've financed today, the estimates from our partners and from our independent analysis are that over 230,000 Canadian workers will work on those project sites over the life of those projects. That is real economic value. Also, our project partners are telling us that many of their supply chains are truly global in nature, so if you're building a solar farm or if you're building a battery storage facility or broadband in the north, many of those things are sourced in global markets.

I think the challenge that we all face is how we grow Canadian champions in the places that we want to have them. How do we therefore make them winners, not only in Canada, but globally, frankly, and how do we use procurement in Canada to help them springboard? Sorry, this is a long answer, but the best example I'll give you is in the nuclear industry. We have done this before in nuclear, where we used Canadian procurement and built a Canadian supply chain over decades. It doesn't happen overnight. That gave us a foothold to be suppliers to the world. We're doing it again now around small modular reactors, which is an investment that the CIB has made alongside Ontario and the private sector, building new small modular reactors with the idea that we can then be suppliers to other parts of the world.

I think the challenge is going to be picking the spots where we can be leaders, and the CIB will help drive that by getting new stuff built.

• (1535)

The Chair: Thank you very much, Mr. Cory, and thank you, Ms. Nguyen.

[Translation]

Mr. Barsalou-Duval, you have the floor for six minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Mr. Cory, welcome to the committee. You're becoming a regular.

Up to now, you've made it clear in your statements that the location of the ferry manufacturing was never a concern. In your view, your job was to give BC Ferries a loan to find vessels and leave it at that. You shared this perspective with the committee. This still surprises me. I figure that you represent the Canada Infrastructure Bank and not the China infrastructure bank. You're here to promote Canadian interests, not foreign interests.

My question is the following. When you informed the Minister of Housing and Infrastructure of your plan to fund Chinese-made vessels, how did he react?

Ehren Cory: Thank you for your question.

[English]

Just on the first comment, I think it's really.... You have to come back to thinking about what infrastructure is. Infrastructure is a thing that delivers public benefits. It delivers public—and I will answer your question, I promise; I won't waste your time—benefits. We are the Banque de l'infrastructure du Canada. The part of this that is really important is 23 million ferry users between Vancouver Island and Vancouver. That's who we're investing for. That's what we're buying, and it does create lots of economic benefit for Canadians, whether that's in the electrification of construction, most of which will happen on shore, the goods that are traded, the tourism that happens. There are real benefits.

[Translation]

Xavier Barsalou-Duval: My question was the following. How did the minister react? What did he tell you?

[English]

Ehren Cory: If I understand the question correctly, when the minister and I first talked about this, it was June. He asked me about the purchase, about the loan, and whether BC Ferries was buying from China, which I confirmed. He asked me what our role was in their procurement decision, and, as I outlined to you today, I said we didn't have a role in the procurement. I gave him some basic information on why we made the loan. Again, as I've shared with the committee today, just describing the benefits and why we made the loan, that was the nature of our discussion in mid-June, when we spoke.

[Translation]

Xavier Barsalou-Duval: Did he say that it would be better if the loan weren't granted? Did he try to find out how to cancel it?

Ehren Cory: Thank you for your question.

[English]

No, we did not have any discussion about cancellation of the loan. His questions really were just for better understanding—had we made a loan, in fact? He wanted to clarify the facts of the case and, secondly, make sure he understood the logic of why we made the loan and what our rationale was, and also to understand the timeline. I explained to him that we had made the loan in March.

[Translation]

Xavier Barsalou-Duval: On June 2, Minister Mélanie Joly announced after a cross-Canada tour that Canada's major national infrastructure projects would be carried out with Canadian steel and aluminum and that the government would help Canadian companies and workers in the wake of hard-hitting American tariffs. Since then, have you received any instructions to ensure that the steel and aluminum used in projects funded by the Canada Infrastructure Bank are produced in Canada?

[English]

Ehren Cory: No, I can confirm that we haven't had any directive. You heard from Minister Robertson today. I think, obviously, that policy-makers are thinking about how we encourage the use of Canadian supply whenever possible, while recognizing what we hear from project owners across this country, which is that if we want to build at the scale we aspire to, then we'll need to be flexible and part of global supply chains at the same time. Getting that balance correct, I think, is absolutely important.

The CIB will respond to any broader directive by government. They're our shareholder. Right now our mandate, as asked in one of the previous questions, is to get stuff built for the benefit of Canadians.

[Translation]

Xavier Barsalou-Duval: Thank you. I think that you gave a clear answer to the question.

When the Canada Infrastructure Bank announced this \$1 billion loan to BC Ferries for Chinese-made vessels, did it cross your mind that this might somewhat contradict the government's statements in recent months? Were there any concerns about this matter?

• (1540)

[English]

Ehren Cory: The CIB has a very clear mandate, which is to accelerate infrastructure investment in this country for the benefit of Canadians. We take our mandate seriously, and we deliver against it. That's our focus.

[Translation]

Xavier Barsalou-Duval: There were no concerns or discussions about the fact that the government said that it wanted to prioritize Canadian steel and aluminum, while the Canada Infrastructure Bank was about to grant a \$1 billion loan to build vessels in China using Chinese steel. Did it ever cross your mind that conflicting messages would be sent?

[English]

Ehren Cory: From our perspective, the idea of each loan is to try to deliver maximum benefits to Canadians. It's up to each of our project proponents—from mining companies to ferry companies to broadband companies—to figure out their global supply chains in accordance with Canadian law, spirit, regulatory rules, etc.

[Translation]

Xavier Barsalou-Duval: I'll go a step further. You made this announcement on June 26, after Parliament had adjourned.

Let's compare two projects in which the Canada Infrastructure Bank invested \$1 billion. One is the modernization and expansion of facilities at the Montreal airport and the other is the BC Ferries project. We can see that, for the first project, the Canada Infrastructure Bank's press release includes a statement from the minister, while for the second project, it does not. Why?

[English]

The Chair: Give a very short answer, please, Mr. Cory.

Ehren Cory: I'm not sure I have an answer to that question, but I would say that we're very proud of the investment at the Montreal airport. I will say to the member, again, that I have no insight into where that \$1 billion will be sourced from. There will be tons of local construction and jobs, and there will also, no doubt, be global supply of some elements. I think every infrastructure project looks kind of like that in the country.

The Chair: Thank you, Mr. Cory.

[Translation]

Thank you, Mr. Barsalou-Duval.

[English]

Next we'll go back to Dr. Lewis.

Dr. Lewis, the floor is yours. You have five minutes, please.

Leslyn Lewis: Thank you.

In my community of Haldimand—Norfolk, we have a major steel mill, Stelco, that employs thousands and provides economic security for much of the region. Those jobs are at risk and those workers and their families are worried.

We are here today discussing the \$1 billion of taxpayer funds going to create jobs in a foreign country, in part because of a decision by the Canada Infrastructure Bank.

Mr. Cory, I find that to be a very sad state for our infrastructure within Canada.

The Canada Infrastructure Bank was created by the Liberal government with the promise of delivering big, national building projects by attracting private investment. After a decade, it has

failed in its mission. Despite tens of billions in public funding, the bank has completed just seven projects out of more than 100 it has funded. That is less than one per year. During the same period, it has poured millions into executive salaries, bonuses and insider contracts, while critical infrastructure across the country remains delayed, overpriced and abandoned.

Let's be clear that it isn't just about the BC Ferries scandal. It is a clear pattern of failure and mismanagement. The CIB's much-touted ability to attract private investment has never materialized.

It promises multiplier effects of four, five and six times each taxpayer dollar. Michael Sabia, who is a former CIB chair and now the Clerk of the Privy Council, claimed that every dollar would attract five in private capital. Later, he revised that down to two or three. This is very concerning.

According to the Parliamentary Budget Officer, most CIB funding still comes from taxpayers—federal, provincial and municipal. In the past three years, private sector dollars made up less than half. The PBO also confirmed that over half of the bank's funds still sit idle—not building anything and not delivering results. We do know that year after year, money goes into salaries and executive bonuses more than actual infrastructure.

The CIB has made questionable investments. The greening of a luxury hotel, an apartment retrofit where rents spiked, a high profile project like the \$1.7-billion Lake Erie connector, and the \$20-million Mapleton water project were all quietly cancelled.

It hides details of projects invested and has resisted even appearing before committee for important investigations like the one into the McKinsey connection to the bank. It has relied on Liberal-friendly firms like McKinsey, with little transparency.

With each misstep, the Liberal minister has conveniently denied any knowledge of responsibility—we heard that here today—for the bank's decisions, calling it arm's-length even though taxpayers are footing the bill.

Now the CIB is bankrolling BC Ferries' contract with a Chinese state-owned shipyard, sidelining Canadian workers and undermining our domestic shipbuilding capacity and steel industry at the worst time possible.

Worse still, the only reason we know of this—

• (1545)

Will Greaves: I have a point of order, Mr. Chair.

Is there a question for the witness? We're just hearing the member lecturing us all instead of taking advantage of the CIB presence.

Leslyn Lewis: I have the floor and can utilize my time—

The Chair: There's a point of order that I will address, colleagues.

Dr. Lewis, the first thing I'll say is that your time is stopped. You have one minute and 38 seconds left.

Mr. Greaves, members are free to use their time for questions or comments as they please, so I'll turn the floor back over to Dr. Lewis. If she'd like to use her time to make a comment, she's free to do so, or she can ask a question of the witness.

The floor is yours, Dr. Lewis.

Leslyn Lewis: Thank you, Mr. Chair.

Worse still, the only reason we know of the interest rate of 1.8%, which is well below market, is because BC Ferries disclosed it. It was not the Canada Infrastructure Bank nor the Minister of Housing and Infrastructure.

That tells you everything. Canadians are subsidizing Chinese industry and workers, not our own. The BC Ferries scandals should be the final straw. After reviewing the CIB's full track record, the transport committee should reaffirm its single, clear recommendation with regard to the bank, which is to abolish it.

Conservatives stand firmly by the recommendation to abolish the bank. It's time for the government to finally respect the committee's findings and put an end to the failed institution.

If Mr. Cory wants to address the steelworkers in Haldimand—Norfolk and the workers in Canada who don't have an opportunity to build these ships because that contract has gone abroad, he's free to do so in the time that I have left.

The Chair: Thank you, Dr. Lewis.

Mr. Cory, you have 22 seconds.

Ehren Cory: If we are to meet our ambitions as a country of building the infrastructure we need, the CIB is an important tool in that tool kit. It's far from the only one, but it's a real tool in that tool kit. It will benefit all of us as Canadian citizens by having the infrastructure we need to move around our country, having energy supplies in our country, and creating many, many jobs. The CIB is really proud of its track record of doing so across the country.

The Chair: Thank you, Mr. Cory.

[Translation]

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

Stéphane Lauzon: Thank you, Mr. Chair.

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

The Canada Infrastructure Bank's mandate is to support projects that stimulate the Canadian economy. You explained that very well earlier. However, you are not responsible for companies that apply to have projects carried out elsewhere.

The situation involving the contract awarded to BC Ferries for the construction of its four ships has shaken us up a bit, given the

current context and the crisis facing the steel and aluminum sectors. So it makes sense that awarding the contract to a Chinese company is disappointing to the Canadian market. Moreover, if BC Ferries' content requirements had been presented to you with a product manufactured in Canada, you would not even be here today.

Can you tell us how your organization has been analyzing this situation?

Do you still have some sort of power to provide recommendations? Can you ask what they are considering as part of their process?

We understand that BC Ferries has gone through three very important stages, namely pre-feasibility, design and tenders. During this process, were you consulted and did you make any recommendations?

Ehren Cory: Thank you for the question.

[English]

It was a very thoughtful question, so I appreciate it.

When we enter into discussions with any borrower, including BC Ferries, our first focus is on the project benefits. That's all about, as I've talked about in my comments today, the service improvement, the cost of that service improvement and how you do that in the most affordable way possible for the users of the service.

Usually, including in this case, that starts before a procurement decision is made. As I said, that's very common in our projects. Let me answer your question with a sort of hypothetical. If BC Ferries tomorrow said, "We've changed our mind; we're buying them from Romania or Quebec," our loan wouldn't change. It's because our loan is designed to benefit the users of the service and to make sure that the ferries can get into service quickly, cleanly and reliably, at the lowest possible cost to B.C. providers.

To your question, if the government wants to start to build strategic industries, let's say with shipbuilding, we have invested in Davie, Seaspan and Irving. If the government said that it wanted these ferries to come from Canada and said, first, to BC Ferries, "You must source from Canada," we would support that. If that meant the ferries were more expensive, BC Ferries might say to us, "Well, you were going to make us a \$1-billion loan, but our ferries are more expensive, so will you lend us more money?" Well, it's going to come back to, will there be an increase in the cost of the service to citizens again? The only way to pay back a loan is you have to charge somebody. However, if BC Ferries was willing to charge B.C. consumers more, we would make a bigger loan.

I'm giving you that example only to say that we are really not the drivers of the procurement decision. However, if BC Ferries made a decision around Canadian supply, or if there was a policy approach towards Canadian supply, we would support it indirectly by, potentially, the size of our loan being bigger if it could afford to pay it back.

• (1550)

Stéphane Lauzon: Affordability is a very important fact that you have in mind when you take those decisions.

[Translation]

You clearly explained the board of directors' decision-making process, which was based on the needs of BC Ferries. In a spirit of collaboration, we are all saying pretty much the same thing, that we are somewhat disappointed. That said, Minister Mélanie Joly has let us know that she would like to organize a meeting with partners in the sector. You may be invited to attend.

What improvements could be made in the future? How could we say that we would like future ferries to be built in Canada? Where could we slip these requirements in? Is that up to our committee? It's a matter of political will.

Could you speak to that?

Ehren Cory: Of course.

That's very interesting. However, we are not invited to those meetings, which makes sense since we do not own the infrastructure. Our borrowers, such as the Montreal airport, the Port of Montreal and the Port of Vancouver, are the ones who will be attending those meetings.

[English]

That makes perfect sense, because if they have criteria to build Canadian, that's great. Our loans will support those partners.

I only say that I think it's actually appropriate. That is really about the owners of infrastructure aligning around buying Canadian, if that's the mandate.

[Translation]

The Chair: Thank you, Mr. Lauzon.

[English]

Thank you very much once again, Mr. Cory.

[Translation]

Mr. Barsalou-Duval, you have two and a half minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Mr. Cory, I want to circle back to where we were earlier. The July 16 Canada Infrastructure Bank press release announcing a \$1-billion loan to modernize Montreal airport facilities included a statement from the Minister of Housing and Infrastructure. However, the June 26 press release announcing a \$1-billion loan to BC Ferries to build ships in China did not include a statement from the minister.

Perhaps I don't understand how it works, but how do you decide whether to include a statement from the minister in an announcement?

[English]

Ehren Cory: I appreciate the question, but I don't have a specific answer. I'm sorry. That's not something I'm involved in, typically.

[Translation]

Xavier Barsalou-Duval: These are your projects, it's your money. You must know how decisions are made about whether or not a statement will be included in a press release, since you are the one publishing it.

[English]

Ehren Cory: The general answer is that on each one of our projects we make an announcement, and our communication team works with the project owner.

[Translation]

That could be the Montreal airport, BC Ferries or anyone else.

[English]

Together we decide if it is a public announcement in person or a press release, and we solicit any kind of supportive commentary from anyone who wants to provide a comment.

[Translation]

Xavier Barsalou-Duval: I imagine you notify the government and ask whether it wants to provide a statement as part of the announcement or would like to be present. There is a bit of ambiguity there; the Canada Infrastructure Bank is said to be independent, yet the government is there when it suits them and not there when it doesn't. I assume that in this case it didn't suit the government, but it seems that you weren't told that, even though it was said to the committee.

Even if your decisions don't suit the government, it doesn't have the power to overturn them. Is that correct?

• (1555)

[English]

Ehren Cory: Well, as you heard from the minister, the CIB operates as an arm's-length Crown corporation. We have a board; the board is appointed by the minister, and I'm appointed by the board, and we, of course, have governance.

To answer your question, the government is the shareholder.

[Translation]

That's all.

[English]

I will also say that what the bank does is sign binding commercial contracts, loan agreements, so I think it would be inappropriate for the government to.... It has lots of control over the CIB. It provides mandate direction to us, but that's different from cancelling—

[Translation]

Xavier Barsalou-Duval: Your decisions are therefore made unilaterally, and you then present the government with a done deal.

[English]

Ehren Cory: That's a great question. Thank you. Maybe I'll answer it this way.

Each year the CIB submits a corporate plan. It outlines areas of investment we will make, for example ports, or ferries and other transit. We outline the classes of infrastructure. Government approves that corporate plan, and government, actually, through the mandate letter or the statement of priorities and accountability letter I get from Minister Robertson each year, tells us if it has new priorities. For instance, nuclear was not on our list of things to invest in in 2021. The government directed us—

[Translation]

Xavier Barsalou-Duval: About the loan to BC Ferries—

The Chair: Unfortunately, you are out of time, Mr. Barsalou-Duval.

Xavier Barsalou-Duval: —Ms. Freeland and Mr. Robertson both said that they found it unacceptable, yet you went ahead with it anyway.

The Chair: Mr. Barsalou-Duval, your time is up. Thank you very much.

[English]

Next we'll go to Mr. Albas.

Mr. Albas, the floor is yours. You have five minutes, sir.

Dan Albas: Thank you, Mr. Chair. Thank you, Mr. Cory.

It really takes a special kind of chutzpah to come to a committee that has already called for the abolition of your organization. You've really put your organization at a disadvantage, I think.

When we say in section 6, “seek to attract investment from private sector investors and institutional investors”, where's the private money?

Ehren Cory: Do you mean in this project specifically?

Dan Albas: Yes.

Ehren Cory: As I think Mr. Jimenez was explaining, our money is only a portion of this purchase. BC Ferries will go out and raise the rest in the private bond markets, in the capital markets. They will issue bonds, and there will be private capital for the rest of the ferry purchase. It's a blend of our money and private capital.

Dan Albas: Okay, so you're interpreting having debt instruments as bringing in capital into Canada, even though we're going to be paying that money back plus interest. Is that correct?

Ehren Cory: If I understand the question correctly, the mandate of the CIB is not bringing money into Canada. It could be Canadian money or external, so—

Dan Albas: Well, it does say “to attract investment from private sector investors”.

Ehren Cory: Yes, which could be Canadian or international. I'm just saying it could—

Dan Albas: Well, you know...so your part, then, “infrastructure projects in Canada or partly in Canada”.... This meets none of the criteria.

Ehren Cory: Respectfully, I don't think I agree with the premise of the question. The infrastructure is in Canada, partly in Canada. All of the charging infrastructure shoreside, which is \$300 million of the \$1-billion loan, is—

Dan Albas: It says “infrastructure projects”. It is not being constructed here, sir. It is the same as me driving a car from another country and then using it in Canada and claiming somehow that this has Canadian value, but I think you and I have different opinions on this, so I'd like to hear your opinion on something else.

The minister has said he's given you, or the organizations under him, direction on Canadian content. Have you received those instructions from the minister in writing, for Canadian content to be included in future CIB projects?

Ehren Cory: Mr. Chair—

Dan Albas: Is it a yes or no?

Ehren Cory: No. To date we have not received any direction around Canadian content.

Dan Albas: Yes. I thought it was kind of strange, because he kept arguing that you guys are independent, but somehow he can force you to include those kinds of things.

Now, he also did say, and I'm quoting exactly from Hansard, “The next day I was in a conversation with the CEO of the Infrastructure Bank to find out and to clarify what had happened and what recourse or opportunity there might be to reverse direction on that financing.”

You said in your testimony that when you had that conversation with him, there was no discussion about cancellation. Who's right?

Ehren Cory: Well, of course, to the best of my recollection, our conversation really was centred on him understanding the details of the loan and the rationale for why we made the loan. That was the conversation as I recall it, certainly.

Dan Albas: Okay. You're saying that there was no mention of cancellation. All right. I just thought that would be interesting.

Mr. Chair, I would like to move the following motion:

That, in relation to the committee's study of the Canada Infrastructure Bank's financing of new vessels for BC Ferries, orders do issue

(a) to the Canada Infrastructure Bank and British Columbia Ferry Services Inc. to produce the complete bond purchase agreement, entered into between those two entities on Friday, March 28, 2025, and which is disclosed on page 5 of BC Ferries' Management's Discussion & Analysis of Financial Condition and Financial Performance, published on Thursday, June 12, 2025;

(b) to British Columbia Ferry Services Inc. to produce

(i) records outlining the particulars of all options which it explored for the acquisition of the four new vessels in question, including vendors, suppliers, shipyards, countries of origin and per unit prices,

- (ii) the complete commercial agreement it entered into with either or both of China Merchants Jingling Shipyard (Weihai) Co. Ltd. or China Merchants Industry Weihai Shipyard Co., Ltd. for the construction of the four new vessels,
- (iii) any agreements, contracts, memoranda of understanding, letters of intent or term sheets concerning the operation and maintenance of the four new vessels or of any systems, sub-systems or charging or other supporting infrastructure necessary for the vessels' operation,
- (iv) any BC Ferries internal decision-making post-Seaspan & Shirocca Consulting reports on ferry replacement and
- (v) any document unredacted under the subject: NMV Evaluation Results: Preferred Proponent;
- (c) to the Canada Infrastructure Bank, the Department of Housing, Infrastructure and Communities, including the office of its responsible minister, the Department of Transport, including the office of its responsible minister, the Department of Public Safety and Emergency Preparedness, including the office of its responsible minister, the Privy Council Office and the Office of the Prime Minister to produce all records, including agreements, memoranda of understanding, minutes of meetings or discussions and briefing notes or materials, concerning the Canada Infrastructure Bank's financing of BC Ferries projects, including specifically BC Ferries' acquisition of the four new vessels and related charging infrastructure; and
- (d) to the Canada Infrastructure Bank, British Columbia Ferry Services Inc., the Department of Housing, Infrastructure and Communities, including the office of its responsible minister, the Department of Transport, including the office of its responsible minister, the Department of Public Safety and Emergency Preparedness, including the office of its responsible minister, the Privy Council Office and the Office of the Prime Minister to produce all correspondence, emails, text messages or any other electronic communications exchanged between any of them or between any of those federal government entities and the Government of British Columbia, since January 1, 2023, in relation to BC Ferries' acquisition of the four new vessels and related charging infrastructure, including any Canadian content requirements,
- provided that
- (e) all documents shall be deposited with the clerk of the committee no later than Friday, August 29, 2025, in an unredacted format and, except as provided in paragraph (f), in both official languages, who shall distribute them to the members of the committee as soon as possible; and
- (f) all documents deposited by British Columbia Ferry Services Inc. (i) may be deposited in their original language, (ii) be translated by the Translation Bureau, which the committee requests be done on a priority basis, by Friday, September 12, 2025, and (iii) shall be distributed by the clerk of the committee to the members of the committee as soon as the translations are available.

If you really want me to, Mr. Chair, I will do it *en français* as well, but I do believe that by this point we have emailed it in. We also have copies, so that all members can take a look at it.

I hope you find it in order. I'm happy to start by speaking to it once you find it in order.

• (1600)

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

The first thing I would like to do, because we do have to now move and dispense with this motion, which I think might take some time.... I'm just taking a guess here, but I think that's what's going to happen, so I would first of all like to thank our two witnesses for being here with us and sharing their time with us.

Thank you very much. We wish you safe travels home. I'll excuse the witnesses.

I'm going to suspend for a couple of minutes to make sure that everybody has this in both official languages, at which point I will turn the floor over to you, Mr. Albas.

This meeting is suspended.

• (1600)

(Pause)

• (1625)

The Chair: I call this meeting back to order.

Colleagues, just as a technicality, I need to ask whether or not we have the support of members, including Mr. Barsalou-Duval, to go in camera as we discuss this.

Do we have support? I need to have raised hands.

[Translation]

Do you agree with the proposal to continue the session in camera?

Some members are saying no.

[English]

Can I go to a recorded vote on this?

Dan Albas: Is there a motion to go in camera?

The Chair: The clerk advised me that I need to ask to go in camera.

Dan Albas: If we were suspended, though, I would have gotten the floor.

• (1630)

The Chair: Before I proceed, this is what you have told me. Before I proceed, I have to ask whether or not there's support to go in camera.

Dan Albas: Just let me have the floor.

The Chair: Once again, I'm listening to the advice of the clerk. I don't think in this case that we need to adjourn.

Dan Albas: If we restart a meeting, it just automatically restarts.

It doesn't say anything about in camera.

• (1630)

(Pause)

• (1630)

The Chair: Okay, everyone, I apologize for the delay. We are going to resume with asking the committee whether or not the committee would like to go in camera.

I'd like to go to a recorded vote on that, please.

Everyone, we are voting on whether people are in favour of going in camera or not going in camera. If you would like to go in camera, vote yea. If you are voting against and you want to keep it public, you are voting nay.

(Motion negated)

• (1635)

[Translation]

Thank you.

[English]

Mr. Albas, I turn the floor over to you, sir.

Dan Albas: Believe it or not, Mr. Chair, I've had many requests to say the motion a second time, so if you'll indulge me, I'll do it in French.

No, I just wanted to see the look on your face, Mr. Chair.

A voice: Oh, oh!

Colleagues, I will simply say this: We believe that there have been a number of contradictory statements made throughout this procurement loan situation. We think more needs to be looked into. We're not satisfied with those contradictions, and we feel this production order would allow us to look into this closely.

Again, Mr. Chair, I will simply point out that, while debate may be welcome, it will certainly be noteworthy if the Liberals decide they want to spend their time filibustering. We are going to be voting on this by the end of the hour we set aside to dispose of it. I would suggest that we get to a vote as quickly as possible and that everyone cast their vote however they will. We can then proceed to talk about other items that I know are also important to other members of this committee.

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

Do we have any members who would like to be on the speakers list?

I have Monsieur Lauzon.

[*Translation*]

Stéphane Lauzon: Thank you, Mr. Chair.

I don't entirely agree with my colleague when he says there is a contradiction. The witnesses we heard today each clearly stated their role, starting with Minister Freeland. Committee members have all made it clear that the current situation is not what they would have wanted. We would all have liked the product to remain Canadian, produced in Canada by Canadian workers, but we all understand everyone's role.

Minister Robertson clearly explained all of the guidelines and policies he must follow with respect to the Canada Infrastructure Bank. I did not note any controversial or contradictory statements among the witnesses who took part in today's meeting.

When the committee members spoke with the BC Ferries representative, he clearly outlined several reasons for the current situation, including the economic reasons. In his view, there is a process that must be followed for the benefit of Canadians and ferry customers.

In this case, the company obviously did its due diligence. It did its homework when determining its ordering requirements. To do that, it needed financial assistance from the Canada Infrastructure Bank. In this case, it was clear that this was a repayable loan. There is no controversy when it comes to communications or dates. Nor is there any contradiction in the process put in place by either BC Ferries or the Canada Infrastructure Bank. Today's meeting has given the committee a better understanding of the situation.

That said, the committee learned today that there are a number of reasons why Canadian companies did not submit bids. For example, Canadian companies that already had a full order book were unable to bid on the contract to build new ferries due to the tender

deadline. It was clearly demonstrated to us that the infrastructure deficit was weighing heavily on the ferries. The committee also learned, through transparent and uncontested testimony, that a service disruption would be extremely costly, running into millions of dollars. It was therefore imperative to find a quick way for BC Ferries to continue providing service while minimizing costs.

Finally, the decision to award the contract to a Chinese company was a business one. The Canada Infrastructure Bank was not involved in that decision. The two ministers concerned were not involved in that process.

I think we are beginning to see the light at the end of the tunnel here today. Could things be done better? The committee could make recommendations in this regard.

Minister Freeland has suggested bringing all stakeholders together to facilitate a discussion and explore ways to improve. We are always open to considering any decisions made during such consultations. That is part of how our government works. It makes sense.

I have learned a lot today about the specific role that everyone plays in the bidding process. After discussing this process with the BC Ferries representative, committee members could see that it was complex and time consuming. Unfortunately, this process was interrupted during the COVID-19 pandemic. The company spoke about a multistep process involving feasibility, qualification, project implementation and tenders. These infrastructure projects require a lot of time and energy.

● (1640)

That being said, following our meeting and discussions today, I am certain that there were no ill intentions, questionable communications or contradictions between the stakeholders we heard from today.

It was made clear that Minister Freeland's letter was not necessarily related to the Minister of Housing and Infrastructure and the Canada Infrastructure Bank. In fact, the purpose of her letter was to prevent her department's money from being spent outside Canada. This is a loan from the Canada Infrastructure Bank, not from the Department of Transport and Internal Trade. This loan responds to the call for tenders issued by BC Ferries. In my opinion, it is clear that BC Ferries' infrastructure deficit needed to be addressed.

Consequently, I believe that the motion currently on the table is greatly exaggerated in terms of what is being asked of nearly all of the players who are directly or indirectly involved in this project. The provincial government and all those involved, directly or indirectly, must be able to communicate their points of view.

I believe we have done our job as a committee, Mr. Chair. We invited the key players to the table to explain the process to us and show us how they arrived at this decision, which was to award the contract to a Chinese company. Is this the best of both worlds? No. We would have liked to see the Canadian steel, aluminum and lumber industries benefit from this contract. We would also have liked to see Canadian workers benefit and ensure that unions could take advantage of this opportunity. However, the situation has been explained so well today that we can say that the committee has done its job, asked the right questions, and achieved its objectives. In fact, I would be prepared to make recommendations based on what we have learned.

Can we ask that the department and BC Ferries get in touch with one another to add some details to the record to justify their comments? We are not questioning the comments made by the witnesses who appeared here today. I don't think anyone around this table needs justification for the communications that took place between the Canada Infrastructure Bank and the department; I think the minister was clear about the dates of the communications. He said that on such-and-such a date he learned of BC Ferries' decision and that the next day he called the Canada Infrastructure Bank. Everyone co-operated. No one was compromised, and I did not feel there was any ambiguity. However, I can tell you one thing: This ask is extreme. This motion asks all parties involved to provide the necessary documents, but there should be an amendment. I will come back to that.

I see that Mr. Barsalou-Duval has his hand raised. I may propose a subamendment, but before going any further, I would like to hear what Mr. Barsalou-Duval has to say on this matter.

Thank you, Mr. Chair.

• (1645)

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

The next speaker on my list is Mr. Kelloway, followed by Mr. Barsalou-Duval.

[English]

The floor is yours, Mr. Kelloway.

Mike Kelloway: Chair, I'll defer to the next member, given the fact that there may be discussions on a potential amendment.

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

[Translation]

Mr. Barsalou-Duval, you have the floor.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

With regard to the motion proposed by my Conservative colleagues, I want to start by making several observations based on the testimony we have heard and the things we have learned today.

To begin, we learned that the June 16 letter from Ms. Freeland requesting that no federal funding provided to BC Ferries be used to purchase ships built in China was a bluff. The letter was worthless because, at the time it was written, the Minister of Housing and Infrastructure already knew that BC Ferries had secured a funding agreement with the Canada Infrastructure Bank, or CIB. Despite this, it appears that the minister did not ask the CIB to backtrack or

cancel the agreement, and the CIB told us that it would go ahead. Furthermore, the Minister of Housing and Infrastructure's testimony was hard to follow, and it was difficult to know what his real position was. He said he was sorry, but the CIB told us that he seemed to be fine with it. So we are eager to find out what is really going on.

Then we learned that, despite statements by Minister Mélanie Joly to the effect that the government is requiring large infrastructure projects to be built with domestic steel and aluminum, the CIB has not received any directives about encouraging the infrastructure projects it finances to purchase Canadian steel and aluminum products. We have also learned that the CIB has no objection to the loan being used to finance Chinese state-owned companies, even though our steel sector is subject to 50% tariffs from the United States.

Mr. Chair, I would say that this situation is quite disconcerting. There are still some grey areas. There are some contradictions, particularly in the testimony from the Minister of Housing and Infrastructure, and a lot of information is missing. However, I believe that the Conservative motion will allow us to obtain more information. I would very much like to see the contracts and documents related to this loan. I would like to know whether it was absolutely impossible to backtrack, as the ministers have told us. However, the Canada Infrastructure Bank told us that it has only one shareholder, the federal government. The CIB makes the decisions and is independent, but at the end of the day, the government is still the boss. I feel that this government lacks the political will to find solutions to the problems we are facing. By reading the contracts and the correspondence related to this decision, and by getting more opinions, we will be able to shed light on this matter.

I look forward to seeing the amendments that the Liberals, the government, may propose to make the Conservatives' motion acceptable to them. I am prepared to support the motion as it stands, but I am also open to discussing what could be changed. I hope that lessons will be learned from this situation because, frankly, it is clear that they are improvising, sending out disjointed messages. It is not unlike how the decisions involving taxpayers' money do not seem to be consistent with the government's words. It is terrible that the Canada Infrastructure Bank does not seem to be putting Canada's national interests first either. We obviously believe that the CIB should never have existed, and today is it clear why. Decisions are made behind closed doors, without any consultation, and the government seems to be presented with a done deal, even though these decisions are not necessarily in our best interests.

There needs to be more transparency.

• (1650)

The Chair: Thank you, Mr. Barsalou-Duval.

[English]

I will now turn it over to Mr. Kelloway.

Mike Kelloway: Thanks, Mr. Chair.

I'd like to propose an amendment, if possible. Can I read it into the record?

The Chair: Please, go ahead.

Mike Kelloway: I move that in paragraph (b), after “any document unredacted” the words “except as pursuant to legal and legislative obligations” be added.

In paragraph (c), delete “the Department of Housing, Infrastructure and Communities, including the office of its responsible minister, the Department of Transport, including the office of its responsible minister, the Department of Public Safety and Emergency Preparedness, including the office of its responsible minister, the Privy Council Office, and the Office of the Prime Minister”.

In paragraph (d), delete “the Department of Housing, Infrastructure and Communities, including the office of its responsible minister, the Department of Transport, including the office of its responsible minister, the Department of Public Safety and Emergency Preparedness, including the office of its responsible minister, the Privy Council Office, and the Office of the Prime Minister”.

In paragraph (e), after “in an unredacted format”, add “except as pursuant to legal and legislative obligations”.

This will be circulated. That would be the thrust of the amendment, Mr. Chair.

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

I'll turn it over to Mr. Albas.

Hold on for one second, Mr. Albas. I'm looking over at some confused faces. I just want to make sure that everybody got what was put forward.

Do we have it in writing?

The Clerk of the Committee (Tina Miller): We're going to share. We haven't shared it yet.

The Chair: Let me know if you need anything, and I'll make sure that we give you the time.

Mr. Albas.

Dan Albas: Before you find that in order, Mr. Chair, that substantially changes the nature of the motion, because not only do we want BC Ferries incorporated and the CIB to show some accountability, but also we know that there are some contradictions between what ministers said and did in regard to this.

To suddenly be pulling out all of the responsible ministers' offices—and there are several—significantly changes the intent of the production order. I think that it should not be allowed as an amendment.

An amendment should be allowed, Mr. Chair, only if it's a slight change or tweaking. That is substantial.

The Chair: I'm inclined to let the members decide what they'd like to put forward. If it's voted on, they can bring that forward and then I can make a ruling on whether or not it's.... There might be something proposed by another member that tweaks it to something that—

Dan Albas: I'd like you to find it in order first. If that is the case, then I guess we could look at other options.

The Chair: I find it in order. I'd like to hear what members have to say.

Philip Lawrence: Mr. Chair, I'll challenge your decision.

The Chair: We have to go directly to a vote on the chair's decision that the amendment is in order. “Yea” is supporting the decision of the chair, and “nay” means that you do not support the decision of the chair.

(Ruling of the chair overturned: nays 5; yeas 4)

The Chair: We'll now have a discussion on the main motion. If a member has another amendment they would like to propose—I guess I'm looking at you, Mr. Barsalou-Duval—or any changes or other, additional discussion....

I have Mr. Kelloway and Mr. Lauzon on the list.

I'll turn it over to you, Mr. Albas.

● (1655)

Dan Albas: I would just remind all members that we have to dispose of this business by five o'clock. You can filibuster if you like, but this is coming to a vote.

The Chair: Just to be clear, Mr. Albas is correct in that we do have to dispose of all of these questions on the table—if there are any questions on the table—but it is by 5:29, because I reconvened at 4:29, which gives us one hour. It's not that I disagree with getting out....

[Translation]

Mr. Lauzon, you have the floor.

Stéphane Lauzon: Thank you, Mr. Chair.

I have been participating in committee meetings since 2015, and we have proposed amendments, some of which are significant. However, overruling the chair's decision to accept an amendment to a motion means that today we are dealing with a motion that can no longer be amended. I feel that my rights have been violated.

The committee has made a recommendation to find a solution that will allow us to reach agreement on the amendment to the original motion. But now the opposition, which holds the balance of power, is taking away our right to speak.

That's politics, right Mr. Albas?

If necessary, the amendment will be modified. I accept Mr. Albas's proposal that some changes need to be made. I am prepared to make changes and discuss them, but I need to consult with my colleagues to determine what should be changed in this amendment.

With regard to everything that was withdrawn earlier, I believe it was important to do so. Now, if we want to reach a compromise, I need to consult with my colleagues. I therefore request a few minutes' break to review the amendment and come up with a proposal.

[English]

The Chair: In five minutes, do you think we're going to be able to find—

Stéphane Lauzon: Maybe yes, maybe no.... I can talk for five minutes if you like.

Okay, let's do it this way.

The Chair: Listen, I'm inclined to give you guys five minutes.

Stéphane Lauzon: Okay. I can repeat everything in English if you like.

The Chair: However, when we come back—

Dan Albas: Look, Mr. Chair, if a dog eats your homework, you say, "The dog ate my homework," and you get told that doesn't pass muster. You don't get to say, "Yeah, I'm going to go and try to see if I can get the dog to give it back." That's what you're doing here, Mr. Chair. The dog ate his homework.

The Chair: I've always had faith in our ability to find ways to come together and find solutions. I will give this five minutes to see whether we can. If we can't, we move on.

I'll suspend for five minutes, colleagues.

• (1655) _____ (Pause) _____

• (1705)

The Chair: I will call this meeting back to order, and I guess I'll—

Yes, Ms. Nguyen.

Chi Nguyen: Mr. Chair, this is fun and procedurally nerdy for me. The motion that was brought forward did not specify a deadline for the committee to conclude the business. The motion adopted by this committee specifically states, "And immediately following the conclusion of the testimony, that the committee devote one hour of business to determining the action it intends to take on this meeting, and that the questions raised be put to the vote before the meeting is adjourned."

This motion gives us an hour to discuss the action we intend to take. It does not impose a deadline on these discussions. It simply states that we cannot adjourn until any questions raised have been put to a vote.

Standing Order 116 clearly states:

Standing Orders apply generally.

(1) In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable, except the standing orders as to the election of a Speaker, seconding of motions, limiting the number of times of speaking and the length of speeches.

End of debate.

(2)(a) Unless a time limit has been adopted by the committee or by the House, the Chair of a standing, special or legislative committee may not bring a debate to an end while there are members present who still wish to participate. A decision of the Chair in this regard may not be subject to an appeal to the committee.

I just wanted to bring that to your attention and to note that.

The Chair: This is a rule. Thank you very much, Ms. Nguyen.

Yes, Mr. Albas.

Dan Albas: We confirmed this earlier. I had said five o'clock, and you said that 5:25, I believe, was going to be the end of the meeting.

The Chair: It was 5:29.

Dan Albas: It was actually 5:29, so we've already decided the time.

The Chair: Go ahead, Mr. Lawrence.

Philip Lawrence: As my colleague was saying, we agreed that there would be a disposition of all issues at the end of an hour, and the end of that hour is quickly approaching.

[Translation]

Xavier Barsalou-Duval: I have a question for the clerks regarding the nature of the motion that is on the table. My interpretation is that the motion currently under discussion must be voted on—

The Chair: Mr. Barsalou-Duval, excuse me for interrupting.

The clerks are checking something, so they can't listen to you right now. I'm sure your question is very important, but they've asked me to pause for a moment.

Xavier Barsalou-Duval: Their brains are busy. That's fine. I'll come back to my question later.

The Chair: If you continue, they won't have a chance to listen to you, Mr. Barsalou-Duval. I will therefore give them time to see exactly what Ms. Nguyen is talking about before continuing the discussion.

• (1705) _____ (Pause) _____

• (1710)

[English]

The Chair: What I've just confirmed with the clerks—and there was another clerk they reached out to who's an on-duty clerk to respond to emergency questions—is that under normal circumstances the chair cannot end debate if it's ongoing. However, in this particular case, because there was a motion adopted by the committee that put a timeline on the debate, it has to abide by that timeline.

However, and this is the caveat, the committee could change that. The committee could look back on its own motion to say it needs more discussion on this. Then we don't have to abide by the 5:29 vote if the committee decides to not do that.

I'm throwing that information out there to help with our discussions moving forward.

[Translation]

Okay?

Do you understand, Mr. Barsalou-Duval? I can repeat it in French if you like.

Xavier Barsalou-Duval: That won't be necessary.

May I ask my question?

The Chair: Yes, Mr. Barsalou-Duval. You have the floor.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

This is a technical question that the clerks will likely be able to clarify for us.

We are currently debating the Conservative motion on the production of documents. As I understand it, once the allotted time has elapsed, we will have to vote on this motion. Will that conclude all the matters that need to be dealt with, or will it still be possible to move other motions?

Obviously, other issues and other motions need to be dealt with. Perhaps my Liberal colleagues will also have other motions to move that they wish to discuss. Will it be possible to do so, or are we obliged to debate only the motion that has been moved?

• (1715)

The Chair: That is a good question.

Did you hear Mr Barsalou-Duval's question?

It appears they did not.

Could you please repeat the question, Mr Barsalou-Duval?

Xavier Barsalou-Duval: Yes, Mr. Chair.

According to the motion that the committee adopted, once the testimony is finished, we will have one hour to talk about how we want to proceed with the meeting, and the committee must vote on that. The problem is that we have debated only one motion, while other motions may be introduced and discussed.

The question is whether we will have the opportunity to move other motions and discuss them, or whether, once the time allocated for discussion has expired, we will simply vote on the one before us, which would automatically defeat the other motions, since they will not have been moved.

The Chair: You can always submit another motion, and we will discuss it at another meeting.

Members can always propose discussing other issues and introducing other motions. For example, we may decide at 5:29 p.m. that we don't have enough time to do so, and the committee could vote in favour of one or more additional meetings to discuss them further.

[English]

I have Mr. Greaves with a hand up and then Mr. Kelloway with a hand up.

Will Greaves: Thank you, Mr. Chair.

I was going to speak to the Conservative motion. I just want to confirm that it's the correct item before us at this point.

The Chair: It is.

Will Greaves: Thank you.

In that case, what I want to speak to is this: I don't support this motion.

I think it's very clear from the broad scope laid out in this motion that some of the member's intent is to continue to create as much of a fishing expedition here as possible. The number of different departments and ministers' offices that are listed.... Despite having had the opportunity today to speak directly with the Minister of

Transport, the Minister of Housing and Infrastructure, and the senior leadership of both the CIB and BC Ferries, we still find ourselves in a position where, seemingly, our honourable colleagues are not satisfied with the answers given. They don't seem content with these autonomous agencies having arm's-length relationships with both the provincial and the federal governments.

BC Ferries is a provincial entity that has no relationship with the federal government other than Transport Canada's regulatory authority. It seems very much that the intent here is a willingness on the part of our colleagues to use BC Ferries as a political cudgel and to undermine the future effectiveness of the service and the impact it has in British Columbia, in B.C. communities, in the B.C. economy and all of that. Our colleagues are willing to put this at stake to try to make political hay in an effort to embarrass the government.

This motion, I regret to say—especially as it's coming from a fellow member from British Columbia—is not in the best interest of our province. It's not a motion that supports the infrastructure and services British Columbians rely upon. It is a motion that seeks to serve the political interests of the member's party at the expense of British Columbians. I suggest that is not acceptable, Mr. Chair. I suggest it's an irresponsible motion that casts a wide net in a fishing expedition, one attempting to find information additional to that which has been provided in the last five and a half hours of committee before us.

Therefore, I don't support this motion, Mr. Chair. I think it is an effort to drag out this committee's work rather than allow us to go forward and produce the study we initially agreed upon in our last meeting.

I hope my colleagues will agree that we are not well served by extending this process in the way that has been proposed. Rather, we should allow the analysts and the committee to move forward in producing a report that will indicate how, in future, we can ensure that procurement decisions with federal government support are taken in such a way that they support Canadian jobs and industry and meet the critical needs of Canadians and our constituents with the vital infrastructure we are expected to be investing in.

I'll hold it there. Thank you very much, Mr. Chair.

• (1720)

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

Go ahead, Mr. Kelloway.

Mike Kelloway: Thanks, Mr. Chair.

I was going to speak to this earlier, but I handed it off because I thought there was going to be a subamendment.

You know, over the course of the last five or six hours, I think we've had a really strong opportunity to hear from a lot of different people on this particular topic: Minister Freeland, the Minister of Housing and Infrastructure and, of course, BC Ferries and the Infrastructure Bank. Again, it's my take. It's through my lens, and I didn't see a heck of a lot of contradictions here.

I did see things that unified many of us around the table, that we're in a different time from six months ago, four months ago or three months ago. Seemingly, we're in a different time every day. When you turn on the television, whether it's CBC, CTV, Global or social media, the goalposts with respect to the United States.... In particular, Mr. Trump, with these unfair tariffs, keeps on being erratic and unpredictable. The only thing that's predictable about him is unpredictability.

We're in a different time, and I think each of the witnesses really highlighted that. Yes, there were dates thrown about, with who knew what when. This is serious, and I get that. In particular, it's serious for the British Columbian people. I'm getting that through opposition people who are from B.C. and, of course, folks who are on the government side who are from B.C.

I look to a couple of things. It seems that this is an omnibus motion to go fishing. Okay, that can be done, but what are we going to do in terms of not just the government but meeting the moment for Canadians? I agree we need more infrastructure development in Canada. I agree we need more people working on ships, different infrastructure, not shipping them out to potential areas, in this case China. However, we also have a firm grasp of the chronological aspects of why that happened.

Now, as a committee, what are we going to do? Are we going to go back and be sifting through everything to determine if someone said something that they should have said on July 1 or June 2, or are we going to identify that we all agree that we need to do better?

What can we do in terms of recommendations to ensure that we do better, that we do better in terms of our relationship with different entities in the provinces, such as BC Ferries? How do we prepare for what is not a dream, what is not fantasy? That is, we are going to be, to a high degree, masters of our own home in the sense of generating national wealth. What are we going to do to produce better in terms of industry? Those are the recommendations that I want to see.

I want to take this situation and I want to learn from it; I want to build upon it. I think that's what Canadians want us to do.

I think it is good that the opposition got us here today, because the reality is that we had some sunlight on some things. For example, there is the \$1-billion loan—I stress “loan”—of which \$690 million is going to the building of the vessels while \$310 million is going to the electrification of infrastructure in B.C. I'd like to know how we maximize that, because most of that is going to be in B.C., right?

Among other things, I'd like to know this: How do we do everything we can to avoid getting here again? How do these institutions evolve at a rapid rate? The difference between now and 12 months ago is staggering in terms of our relationship with the Americans. Where do we need to go as a country in terms of development, in terms of jobs, in terms of the new economy and in terms of energy, whether that be oil and gas or whether that be renewables?

Those are the things that I'm hoping, and I look to people around this table, people who care about the federal side of things but also care about provincial rights and provincial economic wealth. How

do we put forward recommendations to strengthen that based on what we heard today? That's what I'm hoping to achieve.

• (1725)

I don't cast any doubt that if you put forward a motion, that's your motion. I respect that, but honestly, in this motion, I don't think it's going to help us pivot; I don't think it's going to help us learn from this, and I don't think it's going to help British Columbians.

What we can do is be serious about what recommendations can come out of this committee that are going to impact industry in B.C., industry in Quebec, industry in Atlantic Canada. That's what we could be serious about.

That's just my opinion. That doesn't make it any different from or any better than a Conservative input or a Bloc input, but we're in a different time. We're at an inflection point in this country. We need to get these things right. Let's learn from it and build on it, or we can spend five, six, seven, eight meetings on having really important banter. Social media can have its thing. Conspiracy theorists can have their thing, and where are we?

I just defer to you, Mr. Chair, and anybody else who has their hand up. Thanks.

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

I have Mr. Albas on the floor.

Dan Albas: I just wanted to say that I find it interesting that when the members wanted to strip away any kind of accountability when it came to government offices such as a minister's office, they seemed to be perfectly fine with this so-called fishing expedition, as long as it didn't include their ministers' offices.

It's pretty clear what's going on here. It's clear they're just trying to block any kind of accountability for their ministers, and that's fair, but I'll just leave it at that, Mr. Chair, other than to say that Conservative opposition members—I won't speak for the Bloc—seem to have some concerns. We want to know more, and that's what the production order is supposed to do.

Thank you.

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

[Translation]

Mr. Lauzon, you have the floor.

Stéphane Lauzon: Thank you, Mr. Chair.

We are about to vote on the motion. In paragraph (b), which my colleague Mr. Kelloway has moved to delete, the motion calls on BC Ferries to produce all documents describing the details of every option it explored in connection with the acquisition of the vessels.

Today, however, the Conservatives asked witnesses what the difference was between the amount offered by the first bidder and the amount offered by the second and other bidders. The witnesses clearly stated that they could not disclose those details. That information is irrelevant to the proposed study. Furthermore, for reasons related to competition, it is not even legal to make them public.

We know very well, and the Conservatives know very well, that disclosing such information would be an unfair practice unrelated to the services we provide to Canadians. Following a rigorous process, the bids that are selected offer the best value for money. However, such figures should not be made public.

What is being called for now is—

[English]

Dan Albas: I have a point of order. It's 5:29. I think, following from what the committee said, that it's time for us to vote on this.

The Chair: Okay, we're going to a vote.

[Translation]

Stéphane Lauzon: Point of order, Mr. Chair.

As long as there is ongoing debate, I think we can continue.

[English]

The Chair: Mr. Lauzon, I have the two clerks as well as a third clerk who have informed me that at 5:29 p.m., due to the fact—

Stéphane Lauzon: I know, but as long as we have discussions on that, we can—

Leslyn Lewis: I have a point of order.

The Chair: I'm sorry, Dr. Lewis. I have Mr. Lauzon on a point of order first.

As explained earlier, Standing Order 116 clearly states that if a time limit has been set in advance of the meeting, you have to stick to that timeline. That's the only time when debate has a limit on it.

I can read it into the record. It says:

End of debate.

(2)(a) Unless a time limit has been adopted by the committee—

In this case, it has been.

—or by the House, the Chair of a standing, special or legislative committee may not bring a debate to an end while there are members present who still wish to participate.

There's only one time, if there has been a time limit adopted by the committee. In this particular case, that was one hour.

Is that correct?

• (1730)

Philip Lawrence: Mr. Chair, you've already ruled. This is clear. Let's go to a vote and get it done.

The Chair: We have reached out to a third committee clerk to confirm this. Is that correct?

The Clerk: Yes.

The Chair: That's what's going on.

Dan Albas: I would like a recorded vote, please.

The Chair: This is on the motion. This is the only question that we have before us. Is that correct?

Stéphane Lauzon: Mr. Chair, do we have another point of order from the Conservatives?

The Chair: No. She has no point of order left.

Mike Kelloway: I beg your pardon, but I just heard a point of order. Could we clarify what I'm voting on or whether the point of order is being taken?

The Chair: I don't think Dr. Lewis still has a point of order.

Correct me if I'm wrong, Dr. Lewis.

Leslyn Lewis: I don't. It was on Standing Order 116, which you've raised. Thank you.

The Chair: Okay.

Mr. Kelloway, your hand is still up. Did you have a point of order?

Mike Kelloway: I didn't have a point of order. I was going to put forward an amendment for consideration.

The Chair: Mr. Kelloway, thank you, but that time has passed.

Will Greaves: I'm sorry, but could the clerk please clarify what I'm being called on to vote on here?

The Chair: You are voting on the motion that was put forward by Mr. Albas.

Will Greaves: Thank you for clarifying, Mr. Chair.

The Chair: We will have a recorded vote.

(Motion agreed to: yeas 5; nays 4)

The Chair: The motion carries.

I believe that concludes the meeting.

Thank you.

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