



House of Commons  
CANADA

## Standing Committee on Official Languages

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LANG • NUMBER 020 • 1st SESSION • 39th PARLIAMENT

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EVIDENCE

**Thursday, November 2, 2006**

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**Chair**

**Mr. Guy Lauzon**

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•(0905)

[*Translation*]

**The Chair (Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC)):** Good morning, ladies and gentlemen. Welcome to the Standing Committee on Official Languages. We are very pleased this morning to have the Honourable Lawrence Cannon, Minister of Transport.

Welcome, Mr. Cannon.

We'll proceed as follows: the minister will speak for seven to 10 minutes, after which the members will ask questions.

You may begin when you are ready, minister.

**Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities):** Thank you very much, Mr. Chair, colleagues and committee members, for your kind invitation.

With me this morning are Mr. Jacques Pigeon, General Counsel of the Department of Transport, and Ms. Brigita Gravitis-Beck, Director General of Air Policy. If the questions become a little more technical, you'll understand if I ask these people to give you the answer.

Mr. Chairman, once again, thank you very much for your invitation and also for allowing me to be here this morning. I want to take the opportunity to thank you personally, and on behalf of Minister Verner, for your efforts, yours and those of committee members, in the preparation of the standing committee's report on the status of language obligations at Air Canada.

It is indeed my pleasure and privilege to speak to you today on the Government Response to the First Report of the Standing Committee on Official Languages and on the matter of Bill C-29, which seeks to introduce amendments to the Air Canada Public Participation Act.

As members of this committee are well aware, Air Canada's corporate restructuring, while it was under bankruptcy protection for an 18-month period between 2003 and 2004, resulted in changes to the scope of application of the Air Canada Public Participation Act vis-à-vis Air Canada and its newly created affiliates. In particular, the application of the Official Languages Act was reduced given a number of significant changes in the corporate structure of the airline company.

[*English*]

The previous government attempted to address this issue with the introduction of Bill C-47. This bill, you'll recall, would have restored language obligations at Air Canada's affiliates to what existed prior to the restructuring. However, this bill only made it as far as the

committee stage in the House of Commons, as the bill died on the order paper when Parliament was prorogued for the election call in November 2005.

On June 15 of this year, members of this committee issued a report entitled "Application of the Official Languages Act to ACE Aviation Holdings Inc. following the restructuring of Air Canada". I will refrain from going through the report at length, as I am sure you are even more familiar with the contents than I am. However, I will focus on how the recommendations in that report have been addressed by the government's response, which was presented to the House on October 16, 2006, and through Bill C-29.

The committee's first recommendation was for the government to reintroduce a bill repeating the provisions of Bill C-47 and add a number of amendments suggested by Ms. Adam, the former Commissioner of Official Languages, when she appeared before the Standing Committee on Transport on November 22, 2005.

[*Translation*]

In large part, this is precisely what the government has done. We are strongly committed to protecting and respecting the linguistic rights of Canadians. On October 18, 2006, I introduced legislation that seeks to amend the Air Canada Public Participation Act. Bill C-29 will ensure that official languages obligations continue to apply to the restructured Air Canada and are restored at the various affiliates of the airline.

In many respects, this new bill is substantially similar to Bill C-47. Bill C-29 will require that former internal divisions of Air Canada that fall within federal jurisdiction restore official languages obligations to what existed prior to the restructuring. This includes providing service to the public in both official languages and ensuring employees are able to work in the official language of their choice. The proposed amendments also require affiliates of Air Canada that provide air services, such as Jazz, to offer service to the public in both official languages.

I should point out, however, that this bill as tabled in the House does vary slightly from Bill C-47. As was raised in your report, Ms. Adam, then Commissioner of Official Languages when Bill C-47 was before the Standing Committee on Transport in November 2005, and her officials raised several issues regarding that bill. In essence, the Commissioner testified that some aspects of the bill, as is, left room for interpretation that could potentially reduce the linguistic obligations of Air Canada, ACE Aviation Holdings, and its various affiliates.

• (0910)

[English]

In order to address that situation, the commissioner proposed that the various entities, which were intended to be captured by the amendments, should be named specifically in the legislation. In other words, the bill should state that ground handling, technical services, cargo, and Air Canada online would all be subject to the full provisions of the Official Languages Act.

This was also stated in recommendation number 3 of this standing committee's report. However, the amendments proposed by the commissioner raised concerns with some of my officials.

In initial discussions with the office of the commissioner leading up to the drafting of Bill C-29, these concerns were brought to their attention.

Recognizing that there was a valid argument to be made in favour of both sides, every effort was made to arrive at a mutually agreeable compromise that would address all respective concerns. As a result of these discussions, subclauses 10.2(2) and 10.2(3) were added to this draft of the legislation.

These new provisions allow the Governor in Council to name those specific affiliates of Air Canada that will be captured by the proposed legislation through an order in council, if needed.

[Translation]

In this way, Mr. Chair and colleagues, the government will be able to designate these affiliates in the corporate structure that will be subject to the official languages provisions of the Air Canada Public Participation Act. This also provides the government with sufficient flexibility to add or remove affiliates, as the circumstances warrant, should the company undergo further significant restructuring.

Based on the most recent information available, an order in council could name and ensure language rights at the following affiliates: Air Canada Cargo, Ground Handling and Technical Services.

Incidentally, Air Canada has made it known through the press that a new restructuring is imminent. That is why this list could be revised when and if the bill comes into force.

At this time, we do not believe that Air Canada Online falls under federal jurisdiction, and it should therefore not be subject to the Air Canada Public Participation Act.

• (0915)

[English]

By the same reasoning, the government was not prepared to fully support recommendation four, which requested that the new bill stipulate that Jazz, Air Canada Vacations, and Aeroplan be subject to part IV, language of service, of the Official Languages Act. However, the government will ensure that bilingual service to the public will be imposed on Air Canada Jazz, given its nature as a federally regulated undertaking, although it should be noted that the carrier was subject to these same requirements prior to Air Canada's restructuring.

The activities of Aeroplan and Air Canada Vacations, on the other hand, fall outside the scope of federal jurisdiction and therefore were never subject to the legislation prior to restructuring. As such, the bill does not subject Aeroplan and Air Canada Vacations to the official languages provisions of the Air Canada Public Participation Act.

I understand that Bill C-47 was supported in principle by all parties in the House. It is my hope that Bill C-29, with the minor amendments that have been incorporated as per the commissioner's and this committee's suggestions, will receive similar support.

[Translation]

That concludes my opening remarks, Mr. Chair. I would be pleased to answer any questions from committee members.

**The Chair:** Thank you very much, minister. We will now move on to questions.

Mr. Jean-Claude D'Amours.

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Thank you very much, Mr. Chair.

Thank you, minister, for appearing before us this morning.

I was pleased to hear some of your comments on Air Canada's obligation to comply with bilingualism rules. This is a reality, all the more so when you live in rural areas where it is not easy to get services in your language.

Minister, I understood that you considered the question important and that you were going to support certain amendments designed to ensure that Air Canada respects official languages. Now I'd like to know whether you're going to require the same thing from your colleagues. I'll explain.

The *enRoute* magazine published by Air Canada is a bilingual publication and thus serves both Anglophone and Francophone clientele. On page 87 of the October 2006 edition, there is a Government of Canada advertisement drafted in English only. That's a bit contradictory on the part of the government, which says it wants to ensure that Air Canada, its affiliates and all its components comply with the Official Languages Act. That same government publishes an advertisement drafted in only one language in a bilingual Air Canada magazine. The only thing bilingual in this half-page advertisement are the words "Gouvernement du Canada" and "Government of Canada", which appear side by side.

Minister, don't you think that this kind of thing suggests a somewhat contradictory vision?

**Hon. Lawrence Cannon:** Thank you for your question, sir.

I'm pleased to see you're in entire agreement with our bill. Your question doesn't concern the essence of this bill, but rather an advertisement. I obviously don't want to defend the advertisement or the person who designed it, but this matter reminds me of an incident that took place on June 24 three years ago, when I found myself at home. Your former colleague, who was minister and member for Hull—Aylmer, had completely forgotten to celebrate Quebec's national holiday and passed over this event in silence in his newsletter. You'll understand the consternation in my community, that is to say the Gatineau community in the Outaouais, when it discovered that a federal minister had forgotten such a thing.

● (0920)

**Mr. Jean-Claude D'Amours:** Mr. Chair, ...

Minister, pardon me, but...

**Hon. Lawrence Cannon:** Because if we're talking about an advertisement that clearly... You're telling me this advertisement is bilingual, aren't you? You said it contained the words "Gouvernement du Canada" and "Government of Canada". So if a complaint is made on the subject, we're going to check, sir. That's not a problem.

**Mr. Jean-Claude D'Amours:** Minister, I'm asking you if you find that consistent. I'm a Francophone from New Brunswick, as you very well know, where there are people who don't know how to read or write, but no more so in English than in French.

How do you think a Francophone citizen, in the case of a government advertisement, apart from the words "Gouvernement du Canada", is able to understand what's being written? So do you find...?

**Hon. Lawrence Cannon:** It's obvious, sir...

**Mr. Jean-Claude D'Amours:** I haven't finished yet...

**Hon. Lawrence Cannon:** ...that if the person...

**Mr. Jean-Claude D'Amours:** Mr. Chair...

**Hon. Lawrence Cannon:** ...has trouble reading, it will be extremely difficult for him to read the advertisement.

**Mr. Jean-Claude D'Amours:** Minister, is it logical, on the one hand, to ask Air Canada to respect official languages and, on the other, to see the same government placing a unilingual advertisement in a bilingual Air Canada magazine?

**Hon. Lawrence Cannon:** I answered your question, sir. You're asking me if it's logical for Air Canada to respect official languages? Yes, that's completely normal. Did an error occur in the case of the advertisement you're referring to? I don't know all the circumstances surrounding your allegations this morning. I'll be pleased to inquire into the matter. You have the power to do so as well.

But the fundamental question this morning, sir, is whether Air Canada, following its restructuring, must, according to the Commissioner of Official Languages and the committee on which you sit, be subject to official language provisions. The answer is yes, Bill C-29 is before you simply for your consideration. Yes, it's utterly normal that we be able to operate in both official languages in Canada.

**Mr. Jean-Claude D'Amours:** Further to your comments on Jazz, sir, could you elaborate on your idea because I want you to tell us clearly that Jazz will be subject to the Official Languages Act. Is that in fact what you said a moment ago?

**Hon. Lawrence Cannon:** Yes, under Part IV of the Official Languages Act, which concerns service to the public. Before September 30, 2004, Jazz was subject to Part IV of the Official Languages Act. The bill you are considering this morning restates that provision.

**Mr. Jean-Claude D'Amours:** Thank you.

**The Chair:** Thank you, sir. The next question will be asked by Ms. Barbot.

**Mrs. Vivian Barbot (Papineau, BQ):** Thank you, Mr. Chair.

Thank you for being here this morning, minister. For the Francophone population, being able to use the official language of French is, I believe, extremely important. You have to understand the philosophy of this question. A citizen who chooses Air Canada, it seems to me, should be able to speak his or her language at any time and expect an answer in that language. The problem is that each of us has personally experienced a situation with Air Canada in which we were not served in our language. In my case, it was the last time I went to Winnipeg. Bilingual service was lacking, but there was also the fact that they couldn't provide us with a newspaper in French. They distributed all the papers in English, and there weren't any in French. So here we're talking about the philosophy of the business.

Air Canada doesn't pay attention to Francophones in providing its services. I understand that you told us we were here to talk about the bill. We're definitely going to discuss it in all its aspects, but it think it's important to understand what service to the public means.

Since I've been sitting on this committee, I've constantly received complaints from people who resent the lack of consideration when they use Air Canada's services. That's why it's important for us to examine all the ramifications of this bill, and I believe that should also be the government's concern, whatever that government may be. It's not because you are Conservatives that the question arises, but it should simply be a concern of the government to see that the citizens of this country can be served in their language.

Ms. Adam, the former Commissioner of Official Languages, compared Air Canada's service to a gruyère cheese. With the current provisions, the situation will remain the same. When you contact that kind of service, it's possible to speak French, but people answer you in English. But it's different if you contact Aeroplan. And yet the two are directly related.

My question is whether the government shares the view that all services should be offered to everyone in both official languages. Do you intend to take measures so that all Canadian citizens can have access to services in their language?

● (0925)

**Hon. Lawrence Cannon:** As you said so well, your question goes beyond the provisions of the bill we're debating today. The purpose of those provisions is essentially to restore language rights and enabling conditions to what they were the moment Air Canada proceeded with its restructuring. The purpose of the bill is to act on the obligation imposed. Your committee and the Commissioner of Official Languages have informed Air Canada on numerous occasions that it had strayed from the provisions of the act following its restructuring.

The other point that you raised concerns the very core of the business, in my view. I would be very uncomfortable commenting on how the business does its marketing or manages its day-to-day affairs. I believe the business served approximately 32 million passengers last year.

As for official language complaints, I would note that they aren't very numerous, not to say virtually negligible. If this business wants to keep its clientele in the competitive market we have right now—and I think that's the case—it will have to make every possible effort to ensure that clientele receives good service, but also that it is satisfied enough that it wants to use its services again. I'm giving you this explanation because it seems to me that's a matter of simple common sense.

**Mrs. Vivian Barbot:** However, reference is being made to exclusions in the enforcement of provisions, in the case of Aeroplan, for example. It's also said that the affiliates that are subject to them won't be named. Aren't they thus ensuring that citizens won't receive bilingual service, that there will still be complaints and that we'll still have to resort to a legislative process to correct the situation.

**Hon. Lawrence Cannon:** Many businesses, such as credit card companies, which advertise all kinds of promotions similar to Aeroplan incentives, are expanding their markets to include all Canadians. Consequently, they have to include their services in their marketing strategy. Is it the government's role to intervene directly and to tell these people that they should do that? I don't think there'd be any end to it.

What we want is to establish with the Air Canada people that there were conditions on the restructuring, on the privatization of their business. They seem to have been forgotten that. That's what the Commissioner of Official Languages criticized. That's the problem we want to solve. So I hope that my colleagues around the table will all see matters in that light so that we can make progress on this matter.

**The Chair:** Thank you, minister and Ms. Barbot.

The third question will be asked by Mr. Godin.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you, Mr. Chair.

Welcome, minister.

I must say I don't really agree with you, and I'm going to tell you why. Let's take, for example, Air Canada Online and go back to when the government decided to sell Air Canada to the public sector. An act requiring compliance with the Official Languages Act was passed.

If Air Canada were a public organization and not a private business, would the services of Air Canada online be bilingual?

• (0930)

**Hon. Lawrence Cannon:** You and I have had occasion to discuss this question, sir.

You're wondering whether such and such a service, which was in place before Air Canada's restructuring and privatization, would have been subject to the provisions of the act. Probably. However, things changed such that it was not subject to the act at the time of the restructuring. We're currently trying to restore the philosophy underlying the act, as well as the affiliates that were subject to it. We thus want to ensure that Air Canada complies with the spirit and letter of the act.

I can't presume, sir, what will happen, in 20 or 25 years, to the act that governs the Highway Safety Code, for example. It's possible that

we'll be required to drive at 50 km/hr in 20 years. We now drive at 100 km/hr on major roadways.

**Mr. Yvon Godin:** Yes, but, minister, 50 km/hr...

**Hon. Lawrence Cannon:** What I mean, Mr. Godin, is that things change. The intent of the act, having regard to the present situation, is to restore what previously existed.

**Mr. Yvon Godin:** We want to change; we can no doubt change the speed to 50 km/hr. However, I'm sure that both Anglophone and Francophones will have to drive at 50 km/hr. That's the problem.

When Air Canada was sold, the government had promised that that business would comply with the Official Languages Act. However, Air Canada isn't complying with the Official Languages Act.

I've often cited this example to the committee. While on board an aircraft, one gentleman asked a flight attendant for a can of 7UP. How could he say it otherwise? It seems to me you don't need to be bilingual to know what 7UP is. He was arrested by police in Ottawa when he deplaned. He took the matter to court and won. Air Canada appealed from that decision simply to show how far it was prepared to fight.

When Air Canada placed itself under the protection of the Bankruptcy Act, a judge decided that the Official Languages Act passed by Parliament would be set aside. He didn't even want the Commissioner of Official Languages to get involved in the matter until the Air Canada problem had been solved. That shows you the lack of respect for official languages in Canada.

Minister, now that Air Canada is a private business, it's changing and will be offering new services. Will respect for official languages be set aside too? The services of Air Canada Online differ depending whether they're being offered to an Anglophone or a Francophone?

Is that what you're saying, minister?

**Hon. Lawrence Cannon:** No, not at all, sir, and you're exaggerating somewhat.

**Mr. Yvon Godin:** Not at all. Everything I said is correct.

**Hon. Lawrence Cannon:** Sir, let's stick to the facts.

**Mr. Yvon Godin:** Let's go to the facts.

**Hon. Lawrence Cannon:** Table 1 in chapter 8 of the 2005-2006 annual report of the Office of the Commissioner of Official Languages states that, from April 1, 2005 to March 31, 2006, Air Canada was the subject of 69 admissible complaints. During that period, Air Canada served 32 million passengers. Of those 69 complaints, 21 complaints were founded, nine were unfounded and 39 are under investigation; the remaining six were withdrawn by the complainants.

That means that Air Canada received one complaint for every 463,764.11 passengers that it served. The percentage of passengers who filed a complaint against Air Canada on the language question was 0.000215625 percent.

You'll agree with me that that's a fairly small figure.

• (0935)

**Mr. Yvon Godin:** But what does that change?

**Hon. Lawrence Cannon:** And...

**Mr. Yvon Godin:** We're talking about an act, we're not talking about...

**Hon. Lawrence Cannon:** What does that change? No, but...

**Mr. Yvon Godin:** We're not talking... Minister...

**Hon. Lawrence Cannon:** With your permission, I'll finish.

**The Chair:** The minister wants to finish.

**Mr. Yvon Godin:** Yes, but it's my time, Mr. Chair.

**The Chair:** I know, but the minister wants to respond.

**Mr. Yvon Godin:** If I'm satisfied with his answer, I can ask another question.

**The Chair:** Mr. Godin, he's trying to answer your question.

**Mr. Yvon Godin:** Yes, but I don't want all my time to be devoted to the answer.

**The Chair:** Yes, but you have 60 seconds left.

**Mr. Yvon Godin:** I don't want statistics, Mr. Chair; I want to know the provisions the act makes for protecting people.

For example, Mr. Chair, if I phone, wait for 20 minutes without getting an answer and call back, going through the Anglophone loop this time, if I immediately get through and I don't file a complaint, it won't be recorded.

I want to know in what way Air Canada is subject to the Official Languages Act with regard to respecting the two official languages of our country.

**Hon. Lawrence Cannon:** That's what we're doing.

**Mr. Yvon Godin:** Well, no, you're telling us that...

**Hon. Lawrence Cannon:** Yes, that's what we're doing.

**Mr. Yvon Godin:** No, you're saying that Air Canada Online isn't subject to the act and that your government isn't ready to ensure it is.

**Hon. Lawrence Cannon:** No, because I'm telling you that Air Canada Online wasn't there before, and, sure enough, we're restoring the situation that previously existed. That's what we're doing.

**Mr. Yvon Godin:** So you're preparing for the future, is that what you're telling me?

**Hon. Lawrence Cannon:** And what you're telling me is that we'll be much more rigorous in our way of doing things. I quote you the number of complaints relative to the number of passengers, and you say it's not enough, that more should be done.

**The Chair:** It's unfortunate, minister, but time is up.

I invite Mr. Petit to ask you the next question.

**Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC):** Thank you.

Good morning, minister. First, I'd like to thank you for coming to the Committee on Official Languages. Since the meeting is being televised, I'd like to thank you personally for enabling us to travel in Canada, with Ms. Verner's authorization, to meet the Francophone committees. That's the first time in 10 years. So I'd like to point that out.

Second, I'd like to bring the following matter to your attention. Air Canada was privatized—I use that term because it went bankrupt under the Liberals. You tabled Bill C-29, An Act to amend the Air Canada Public Participation Act. We know the bill, but, since the public is watching us, it would be good for it to know what the bill is about.

Furthermore, can Bill C-29 now firm up the government's commitment with regard to language rights?

Third, could you explain to us in greater detail why it is important for a company like Air Canada to ensure equal status of Francophones and Anglophones?

I'd like to hear what you have to say on that point because, for many people, when you talk about Air Canada, you're talking about aircraft. However, perhaps there's more to it than that. So I'd like you to elaborate on the subject so that the viewing public can know more about it.

**Hon. Lawrence Cannon:** Thank you for your question, sir.

It is important to do a little review of the history of this issue. It will be recalled that Air Canada was for many years—and still is—the country's national carrier. Air Canada was subject to the country's Official Languages Act, since, under its enabling legislation, its principal shareholder was the Government of Canada. Consequently, as an institution, it was subject to the provisions of the act.

From the time Air Canada was sold until it was restructured, there was essentially no problem with regard to compliance with the provisions of the Official Languages Act, if I'm not mistaken. However, following the restructuring, after Air Canada's problems, a certain number of things happened. Among those things, Ground Handling, Technical Services and Cargo, an Air Canada division, which previously, of course, had been subject to the provisions of the act, were covered by the act. Following the restructuring, we dropped those things.

The purpose of this bill is to restore its spirit, but also, in fact, what previously existed, so that we can ensure that those who use Air Canada's services in Canada receive exactly the same services as used to be provided. And, in that sense, we'll be able to restore the Official Languages Act.

As you know, your political party is absolutely devoted to the equality of the country's two official languages. And the purpose of the action we took last week was essentially to solidify matters to that end.

● (0940)

**Mr. Daniel Petit:** Thank you.

**The Chair:** Is that all? You have two minutes left.

**Mr. Daniel Petit:** Okay. Minister, earlier you referred to the privatization of Air Canada through new capital stock. When you say privatization. What are you talking about?

Are you talking about a company like those we're familiar with in the strictly private sector, or are you talking about a company that is both public and private? Could you explain that to us so that the public knows exactly why we have the power to intervene in this type of company? I'd like to know your opinion on the subject of private and public companies.

Earlier, Mr. Godin seemed to be saying that, since this is a private company, the act won't apply, whereas it applied when it was public.

**Hon. Lawrence Cannon:** I'm trying to find my notes. In 1988-1989, as part of the deregulation of the air transportation industry, the Government of Canada privatized Air Canada under the act we're discussing by selling the government's shares in the air carrier. That's how that was done.

That transaction entailed a series of obligations, that is to say that, when the privatization was announced, those who wanted to acquire Air Canada had to undertake to meet commitments with respect to the Official Languages Act.

We are here today because we observed, following the virtual bankruptcy of that business and its rebirth or recovery, that there were situations where the Official Languages Act was no longer being complied with. So we find ourselves in a situation where, as parliamentarians, we have to restore the provisions of the act so that what was previously there was complied with.

**Mr. Daniel Petit:** Thank you.

**The Chair:** Thank you, minister and Mr. Petit.

We're going to start our second round. Mr. Simard, you have five minutes, please.

**Hon. Raymond Simard (Saint Boniface, Lib.):** Thank you, Mr. Chair. Thank you for being here today, minister.

Minister, I'd like you to understand something of our committee's point of view. The committee's been in existence for 25 years, I think, and Air Canada's been causing us problems for 25 years. It's really the company that's done the most to drive us crazy. It's a real problem.

If there are fewer complaints against Air Canada today, I believe that's because people have given up. In my case, I travel from Winnipeg to Ottawa twice a week. I can tell you that I could file a complain every week. So I think that people have simply decided to stop complaining. The situation has gotten to that point. That has to be clear.

I can tell you that the Standing Committee on Official Languages did not necessarily agree on Bill C-47 at the outset. It's important to mention that. We agreed with the remarks by former Commissioner of Official Languages Diane Adam that all organizations reporting to Air Canada, such as Jazz and Aeroplan, should be subject to the Official Languages Act.

That's what concerns me. If we make it possible to dilute the scope of the act, if we permit corporations regulated by the federal government to split and then to stop complying with the Official Languages Act, they'll all do it. That would set a precedent.

That, honestly, is why this is a matter of concern. If the federal government doesn't defend the Official Languages Act, who will?

I'm very disappointed that the government intends to proceed by order rather than set down this obligation in the act. I think that leaves room for subjectivity. It will be up to Cabinet to decide, if I'm not mistaken, which organizations will be subject to the act.

Please explain the situation to me because that's how I understand your intention.

**Hon. Lawrence Cannon:** All right. I'm going to let Mr. Pigeon explain this part, Mr. Simard.

**Mr. Jacques Pigeon (Departmental General Counsel, Legal Services, Department of Transport):** Mr. Chair, we addressed the technical drafting of the bill in a conceptual manner. For greater certainty, the order in council would simply name certain businesses, but subsection 10.2(1) applies to businesses that meet the criteria it contains.

In other words, the act "applies to any affiliate of the Corporation in respect of any undertaking that the affiliate owns or operates and that comes within the legislative authority of Parliament in respect of aeronautics, including [...]."

According to the measure that is provided for in the bill, in the case of a regulated business falling under the jurisdiction of the Parliament of Canada in respect of aeronautics, that business would be required to provide services in both official languages.

The word "including" has been used for greater certainty so that it is very clear for the general public. In other words, it could be a matter of interpretation in determining which businesses—because there are a number of them in the Air Canada empire—fall under federal jurisdiction and which ones do not.

The order in council makes it possible to help the general public understand which businesses are subject to federal jurisdiction, according to the government's position. It clarifies the facts, if you will. The question as to whether the business is federal or provincial is a question of law, of course, but also a question of fact.

So the order in council will apply the act in the context of the provision in question so that the general public is informed of which businesses, in Air Canada's corporate universe, are included and which ones are not.

●(0945)

**Hon. Raymond Simard:** Thank you very much.

I'd like to move on to another subject.

Client services are provided in French only when aircraft leave from Ottawa, Moncton or certain other cities. With all this going on in terms of Francophone immigration in the West, because we're trying to spread out immigration a little, have you considered the possibility of increasing the number of cities that would be subject to customer service in French?

**The Chair:** Please be very brief.

**Hon. Lawrence Cannon:** With your permission, I'll read the memo I received on this matter, in English.

[English]

Any other route where the **demand** for bilingual services is at least **5 percent**  
Air Canada is responsible for developing the methodology for the survey with the Public Service Human Resources Management Agency of Canada



The last demand survey conducted by Air Canada was in 1993 (with an update in 2001 following the merger with Canadian Airlines International)

Treasury Board directives require demand surveys to be conducted every 10 years. As such, Air Canada was supposed to conduct a new survey in 2003, but did not proceed because they were in bankruptcy protection under the *Companies' Creditors Arrangement Act*

The next demand survey for Air Canada is slated to commence in fall 2006, and be completed by spring 2007.

[Translation]

So, Mr. Simard, that's where we're setting guidelines.

[English]

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

We'll now ask Mr. Lemieux to ask the next question.

[Translation]

**Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC):** Good morning, minister, and thank you for coming to speak to us about Bill C-29 this morning, and about the government's response to our committee's first report.

Can you explain to us the difference between ACE Aviation Holdings Inc., which will be subject in part to the Official Languages Act, and the others that will not, such as Air Canada Jazz and the other affiliates, Aeroplan and Air Canada Vacations?

**Hon. Lawrence Cannon:** Thank you for your question, which is further to that of our colleague Mr. Simard. Mr. Pigeon was providing the explanation, particularly with regard to section 10.1. I would add—and this may reassure Mr. Godin—that that provision will instantly enable us to restore these matters by order, if ever there were a new restructuring. I mentioned in my remarks that that was highly possible since ACE Aviation Holdings has already announced it wants to do a new restructuring.

Mr. Pigeon was saying that certain parts of ACE Aviation Holdings or Air Canada may come under the jurisdiction of the provinces or another legal entity, I don't know. That could be a new entity, which could be established in New Brunswick or Manitoba, under their laws, but it wouldn't necessarily be Canadian in scope. We wouldn't have a constitutional right to intervene in that sense. We have a responsibility under the Constitution and under the laws of this Parliament. In that sense, we can intervene. Mr. Pigeon, if you...

• (0950)

**Mr. Jacques Pigeon:** What the minister says is absolutely correct. Parliament's powers are framed by certain constitutional limits. No provision of the Constitution of Canada refers to official languages as such, as you know. When Parliament legislates in the area of official languages, it is always in reference to another of its powers contained in the Canadian Constitution.

In this case, the Parliament of Canada would make use of the fact that federal businesses come under its jurisdiction. Consequently, it can impose official languages obligations, but not only on businesses coming under the authority of the Parliament of Canada. In the past, for example, Parliament was unable to impose all the provisions of the Official Languages Act because Petro-Canada, after being privatized, was no longer a business reporting to the Parliament of Canada. It's the same thing, it's the same principle that applies in this case. There are certain limits.

As to Air Canada businesses, as I said a little earlier, the question is whether or not a specific business comes under the legislative authority of the Parliament of Canada. That's a question of law, of course, but it's also a question of fact. What are the facts as we know them now? Among the businesses that clearly come under the legislative authority of Parliament, there's obviously Air Canada, the main company. It still exists, and the Official Languages Act applies to the company under subsection 10(1), which is not amended by this bill. That provision remains in existence and in effect. This company is clearly federal. Air Canada Ground Handling, Air Canada Technical Services and Air Canada Cargo would be three businesses coming under the legislative authority of the Parliament of Canada, in our view. Obviously, Air Canada Jazz is an airline and is therefore federal. In the case of Aeroplan, Air Canada Online, Air Canada Vacations and Air Canada Capital, which is a corporation, we feel that those businesses do not fall under the legislative authority of Parliament and, consequently, are not governed by subsection 10.2(1).

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

Mr. Lemieux, your five-minute period is up.

I would ask Mr. Carrier to ask the next question.

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Thank you, Mr. Chair.

Good morning, Mr. Cannon, Ms. Gravitis-Beck and Mr. Pigeon.

I'm very happy to see that the Conservative government is taking measures to require ACE Aviation Holdings Inc., which has replaced Air Canada, to respect the two official languages. However, as a number of my colleagues have mentioned, many complaints have been filed against Air Canada in the past. It must be said that people don't always have the time or the opportunity to file complaints. I could have done so the few times I used Air Canada's services. Whatever the case may be, I believe we're doing a lot of talking for very little.

The point here is to maintain the obligation of our national carrier to respect official languages. But that obligation has even been reduced. Here we see that a large number of services escape the act. Mention was made, for example, of Air Canada Technical Services and Air Canada Cargo. An order in council will be necessary in order to apply the required provisions. We see that the idea once again is to reduce Francophones' rights.

I would especially like to remind the minister that, in June 2004, the Leader of the Conservative Party said, concerning the Air Canada question, that, if his party took power, he would extend the obligation to respect both official languages to all airlines. I think that's logical. Air Canada complains about being the only business that has to meet this obligation imposed by the government. The other companies are free to do what they want. However, they are all governed by a federal charter, and we know that air transportation is an essential service for the public that depends on the Canadian government. So I think that all these services should be offered equally to Francophones and Anglophones, which is not currently the case, even under the act that we will have to pass. It really constitutes a minimum.

I'd like to have your opinion on the statement by your leader. I found his position very logical.

• (0955)

**Hon. Lawrence Cannon:** Thank you for your question, Mr. Carrier.

It's important that we parliamentarians file a complaint when a situation is unacceptable. You're absolutely right: some situations are such that we should bring them to the attention of authorities and sound the alert. We shouldn't trivialize these problems or forget our responsibilities on the pretext that we often have to take necessary action.

To answer your question as to how we can view the future together, particularly as regards air services provided in both languages, I will say that I think it's entirely normal that a business that, unlike Air Canada, won't be subject to the current provisions of the act should provide appropriate services so as to acquire a clientele. Otherwise it risks alienating a large number of its customers.

I know that the air carriers association is currently examining this matter. I would be entirely in favour of eventually enabling all businesses that provide services like those provided by Air Canada to offer them across Canada, regardless of destination or origin. I would even add that, from a commercial standpoint, those businesses have an interest in doing so.

Let's take the example of WestJet, which is a competitor of Air Canada. That company still doesn't have any flights to Jean-Lesage Airport in Quebec City. When you discuss this issue with the representatives or authorities of that business, they say they're ready to change their practices so they can acquire a market share. At the same time, they admit that, to serve that market, they'll have to offer services corresponding to the clientele they want to attract.

I believe these businesses acknowledge this situation. I believe they'll be able to take the necessary measures. I encourage them to do so. I'm in favour of the idea of providing these services not only to all taxpayers, but also to their entire clientele.

• (1000)

**The Chair:** Thank you, minister.

Mr. Carrier, your time is up. That's too bad.

We'll now ask Mr. Godin to ask the minister the final question.

**Mr. Yvon Godin:** Thank you, Mr. Chair.

I thought we were going to spend two hours with the minister, but I see that's not the case.

**Hon. Lawrence Cannon:** I'm going to leave you in the company of specialists, Mr. Godin.

**Mr. Yvon Godin:** Minister, you were talking about complaints earlier. I can tell you that we put the same question to the Air Canada people when they appeared before this committee. Out of 30 and I don't know how many million passengers, only about 109 complaints have been filed. It's true that's not a lot.

We asked who had filed those complaints. We asked how many complaints had been filed by Anglophones. The answer was "zero".

All the complainants were Francophones. The Air Canada representative even said that, when they did complain, Anglophones did so verbally and it was due to the fact that they didn't like French being spoken in the aircraft. You can read the minutes: that's what was said.

You refer to Jean-Lesage International Airport in Quebec City and to the fact that you'd like to see the clientele served in French. Once again, it must be said that the question isn't the number of people served, but the fact that Canada is officially bilingual across the country. We Francophones outside Quebec, who live in minority communities here and there, want to be served in our language when we fly. There are two official languages, and French is one of them.

When 5 or 8% percent of customers at an airport don't speak English, Air Canada, if I may say so, couldn't care less. But we don't have a choice; we can't travel from Vancouver to Ottawa in a canoe. We have to take the plane, so we shut up and get on board.

Air Canada bought Jazz. In regions like the Atlantic Region, you no longer see Air Canada. In Moncton, Jazz has taken its place. They didn't name it Air Canada, and, like everywhere in the country, it has enabled these people to reduce their official language responsibilities. In your brief, I see the following:

By the same reasoning, the Government was not prepared to fully support Recommendation 4, which requested that the new bill stipulate that Jazz, Air Canada Vacations and Aeroplan be subject to Part IV, language of service, of the Official Languages Act.

The Commissioner of Official Languages has made recommendations to that effect. Air Canada went through the back door and bought Jazz and retained Jazz's identity.

Your lawyer, Mr. Pigeon, says that we can't force these people, like in the case of Petro-Canada. I don't agree. Yes, we can. We're here to make laws and we can add provisions. The Supreme Court isn't going to tell the Parliament of Canada that it doesn't have the right to subject Air Canada and Jazz to the government's law.

**The Chair:** Do you have a question, Mr. Godin?

**Mr. Yvon Godin:** Yes, Mr. Chair.

I want to know why your government, which says it respects official languages, isn't prepared to subject Jazz to Part IV of the act.

**The Chair:** You'll have to answer very briefly, minister.

**Hon. Lawrence Cannon:** I know my colleague, and I know he gets carried away when it comes to defending the French language. He's right to do so. We all agree.

However, colleague, I must tell you that Air Canada Jazz is already subject to Part IV. What's at issue here...

**Mr. Yvon Godin:** In that case, Mr. Chair, my question will be very clear.

In your brief, you say: "By the same reasoning, the Government was not prepared to fully support Recommendation 4 [...]"

What do you recommend excluding?

**Hon. Lawrence Cannon:** Jazz is subject to the act. In fact, we're talking about the part that concerns Air Canada Vacations and Aeroplan.

**Mr. Yvon Godin:** They are completely subject to the act?

**Hon. Lawrence Cannon:** No. As Mr. Pigeon has just explained, that part isn't covered by the statutory provision under consideration, for constitutional reasons. I can give the floor back to him so that he can explain the matter to you again.

Go ahead, Mr. Pigeon.

•(1005)

**Mr. Yvon Godin:** We're here to talk things out; I'm not asking for more.

**Hon. Lawrence Cannon:** That's how we get to understand each other.

**Mr. Yvon Godin:** Thank you very much. Even though the article in enRoute magazine was in English only, I want to go...

**Hon. Lawrence Cannon:** No, it wasn't that. I can't wait to see the article.

**Mr. Jacques Pigeon:** Mr. Chair, subsection 10.2(1) applies to all Air Canada affiliates that come within the legislative authority of the Parliament of Canada in respect of aeronautics; they are entirely subject to the act. I would perhaps add as well, to clarify one aspect of the issue raised earlier by Mr. Carrier, that, regardless of whether an order is made or not, the act will automatically apply to these affiliates from the outset. The order simply clarifies for the public which affiliates are subject to the provision. But the provision needs to cover the entire legislative field. The entire authority of the Parliament of Canada is included, to the extent that it is related to aeronautics.

**Hon. Lawrence Cannon:** My colleague must understand that this is a distinct improvement over what previously existed. Before this, there was a void; that was worse.

**Mr. Robert Carrier:** Yes, the situation was worse before.

**Hon. Lawrence Cannon:** The member from the Bloc is right in saying that it was worse. Today, we're correcting that. I hope we'll be able to rely on your support.

**Mr. Yvon Godin:** We're going to study it, minister.

**The Chair:** Minister, I believe the parliamentary secretary has a brief question to ask you, if you have a few minutes.

**Mrs. Sylvie Boucher (Beauport—Limoilou, CPC):** Minister, thank you for coming and telling us about this bill. We are very proud of it. I also hope we'll have the support of our colleagues.

Minister, under the Official Languages Act, Air Canada has obligations to customers, but also to its employees. Could you explain to the committee the bill's impact on the obligations of Air Canada and its affiliates toward their employees?

**Hon. Lawrence Cannon:** In this bill, we're proposing that Air Canada give its employees, in the areas of legislative authority of the Parliament of Canada which we want to restore, in official languages, for example, an equal opportunity and chance to work in those businesses. Mr. Pigeon can perhaps provide you with more information on the provisions of all the other acts of Parliament that are also entirely applicable in the circumstances. So when we talk about employment equity or other provisions of that kind — our colleague Mr. Blackburn is responsible, as you know, for the ministry of labour — the acts under his responsibility must also apply to people working for those businesses.

**Mrs. Sylvie Boucher:** Thank you very much.

**The Chair:** Thank you very much, Ms. Boucher and minister. Minister, thank you for coming and I hope your day goes well.

We're going to take 30 seconds to allow the minister to leave. I believe Ms. Gravitis-Beck and Mr. Pigeon are going to stay here for the next hour.

**Hon. Lawrence Cannon:** Yes. Thank you very much, Mr. Chair and colleagues.

**The Chair:** Mr. Murphy will ask the next questions. He has five minutes.

•(1010)

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Thank you, Mr. Chair.

Mr. Pigeon and Ms. Gravitis-Beck, I'm going to ask you two brief questions. First, I'm going to start with the essence of the Official Languages Act as regards the level of service in New Brunswick.

In New Brunswick, throughout my childhood and when I was young, we had Air Canada services. Now Air Canada is absent from the Province of New Brunswick; there are only services provided by Air Canada Jazz.

I understand that the minister told us that Part IV of the act applies to the services of Air Canada Jazz. That means that communications and service to the public will be bilingual. I understand that.

However, in Moncton, New Brunswick, a lot of people working for Air Canada Jazz live in Moncton, a bilingual city in a bilingual province. However, they don't enjoy official language rights under the other parts of the Official Languages Act. That means language of work, the most important right. In other words, in Moncton, I imagine that virtually all Air Canada Jazz employees are bilingual and that they come from New Brunswick. Most may be Acadians. But they don't have the right to work in their language, a right that is protected by the Official Languages Act. I think that's terrible and, in a political sense, I think that the new Conservative government is going to study this aspect. It's clearly not fair.

The second question, which is a little more legal in nature, concerns the definition of incidental services. You've concluded that Aeroplan is not subject to this act because Aeroplan doesn't provide air services; it's an incidental service. I wonder about that. I'd like to know the reason for that state of affairs.

In proposed section 10.2, the definitions of incidental services include ticketing and reservation services. Aeroplan points are accumulated by everyone. You have to contact the Aeroplan centre for Aeroplan ticketing and reservation services.

What's the difference between Air Canada ticketing and Aeroplan ticketing for a person who lives in Moncton, who has points and wants a ticket for a flight on an Air Canada Jazz aircraft? What's the difference?

It seems to me ticketing is a central service. I'm asking for your opinion.

**Mr. Jacques Pigeon:** Mr. Chair, with regard to the first question, I'd like to say, with respect to the bill, that the member asking the question is absolutely right when he says that Air Canada Jazz isn't subject to all the provisions of the act. It's subsection 4 that states that Air Canada Jazz will be subject only to Part IV, concerning service to the public, like any future business that could provide air services. That doesn't include language of work, which is covered by Part V.

As regards the question on incidental services, the definition of incidental services is in the bill for the purposes of the notion of air service, which corresponds to another definition, which states the following:

"air service" has the same meaning as in subsection 55(1) of the Canada Transportation Act and includes incidental services.

What determines whether an affiliate will be covered by the act is whether it operates a business that is regulated by the federal government. In other words, it must be determined whether it's a business regulated by the Parliament of Canada? If the answer...

•(1015)

**The Chair:** Mr. Pigeon, I have to interrupt you.

Ms. Barbot, it's your turn to ask the next question.

**Mrs. Vivian Barbot:** I'm going to ask you to continue because this is entirely along the lines of the question I wanted to ask you.

**Mr. Jacques Pigeon:** Then, Mr. Chair, I think it's important to know that, if an affiliate operates an undertaking that comes under the authority of the Parliament of Canada in respect of air services, that business will automatically be subject to the act.

What I said in my previous testimony is that the question whether or not a business comes under the authority of the Parliament of Canada is a question of fact and a question of law. I gave you my perception based on the facts we currently have.

In the case of Aeroplan, if I understand correctly, that's a limited partnership that belongs in part to Air Canada, but also to other interests. The business operates a customer loyalty program under which users accumulate points that relate not only to the airline, but also to other kinds of businesses or enterprises.

**Mrs. Vivian Barbot:** It must be understood here that the problem is that there is a question, as you say, concerning the government's authority. However, the government isn't just the Department of Transport. So it's an entity. I'm sorry the minister isn't here, because this is a political question. If you realize that not everyone can do business with Air Canada, can't have Aeroplan service... If I don't speak English, I can't take advantage of Aeroplan's services; so I'm deprived of the services offered by Air Canada.

It seems to me that this same government should have assurances that, as a citizen, I'm going to be able to have access to those services. Don't anyone tell me that it's not incidental, since, if I don't have it, I'm deprived of the opportunity to exercise my right. So you can't tell me that this kind of thing is being taken away from me because it comes under another authority. If the authority isn't there, establish it. It's the government's duty to ensure that I, as a Francophone, have access to these services whether I'm in Moncton, Montreal or wherever. And there's the rub. I'm going to be told that,

depending on the little boxes, it belongs or doesn't belong. But, as a citizen, that's not what I want: I want to have full access to my rights.

How can the government guarantee me that access?

**Mr. Jacques Pigeon:** From a purely technical and legal standpoint, I think that the bill before you for consideration is an attempt at covering everything that comes under the authority of the Parliament of Canada. That's the technical answer that I can give you.

The limits are constitutional limits. So it's not something we can change or that the government could change. When you say constitutional limit, you're talking about the division of powers between the Parliament of Canada and the provincial legislatures. Some powers fall to the Parliament of Canada, others to the provinces. That's what we're talking about.

I think that, if you examine subsection 10.2(1) of the bill before you, you'll see that we're trying to cover everything that is possible for the Parliament of Canada to cover under its constitutional authority in respect of aeronautics.

•(1020)

**Mrs. Vivian Barbot:** Yes, and that's where it's disappointing. You're telling me that this is covered under the act, but citizens are still very dissatisfied.

The other factor is when you say that the affiliates won't be named, but that there will be an order. I'd like to know what would prevent the government from naming the ones that already exist and providing a way out for other affiliates that are subsequently created. It seems to me both can be done.

**The Chair:** Please be very brief, Mr. Pigeon.

**Mr. Jacques Pigeon:** Mr. Chair, the principle of the bill is that, for a business to remain covered, it must, at some point, meet two criteria: it must belong to the Air Canada group, which is defined, and it must also be controlled by ACE Aviation Holdings Inc., which is the Air Canada's parent company and now trades on the Stock Exchange.

So under the bill, if any subsidiary were sold or if ACE Aviation Holdings Inc. lost its control over that affiliate, in future, that affiliate would no longer be subject to subsection 10.2(1). Conversely, if a new affiliate were created that does not exist today and if it were subject to subsection 10.2(1), it would be covered by the act, even if it did not exist on the first day the act entered into force.

So it works on both sides.

**The Chair:** Mr. Petit.

**Mr. Daniel Petit:** Thank you, Mr. Chair.

My question is probably for Mr. Pigeon. We've talked a lot about Air Canada and what Bill C-29 intends to impose on it with respect to official languages. You know that Air Canada comes to Quebec, I hope, and that there is naturally a series of rules concerning Air Canada. However, when you're subject to the Official Languages Act, that includes both English and French. You know that there are linguistic controversies in Quebec; I believe they're talked about quite clearly in the media.

Do you have the necessary authority under Bill C-29 to impose English on Air Canada in Quebec? Some Air Canada employees work in Quebec, among other things, in ticketing, and so on. Do you have the option of requiring those employees to know English in Quebec, since we're in an official language community?

**Mr. Jacques Pigeon:** Do you mean in a language of work context?

**Mr. Daniel Petit:** You mentioned a subsection earlier in response to a question on the application of Bill C-29. You referred to a number of subsidiaries, among other things. There are the employees, ticketing. I'm not talking about Aeroplan; we're forgetting that for the moment. I'm talking about everything that's currently governed about the Official Languages Act. The official languages are English and French. So I want to know whether the principle that's being claimed for the Francophones of the other provinces is also valid for Anglophones living in Quebec.

Could an Anglophone employee in Quebec be asked to be bilingual in order to work at Air Canada in Montreal or Quebec City?

**Mr. Jacques Pigeon:** I wouldn't want to speculate on the subject of language of work, but I could undertake to answer your question. I'm not sure I know the answer and I don't want to mislead you.

However, as the minister said, the purpose of the bill is to maintain the level of bilingualism that existed immediately before Air Canada was restructured, even though various affiliates were divided during the corporate restructuring, which lasted 18 months.

So, the consequence, which we see in this bill, is that Air Canada isn't affected because it's already subject to the Official Languages Act as a whole. The bill would cover affiliates such as Ground Handling, Technical Services and Cargo, and it wouldn't apply just to language of work; all those services would be subject to all parts of the Official Languages Act, as was the case when they were part of Air Canada. Airlines which are subsidiaries, other than Air Canada itself, would be subject to Part IV of the act, which concerns service to the public.

I would point out to you that the bill goes a little further than the previous act in that, until today, the affiliates have never been directly subject to the provisions of the act. Air Canada had an obligation to ensure that its affiliates provided services in both official languages wherever Air Canada was required to do the same.

The bill proposes that the affiliates have a certain amount of direct legal responsibility. So in that sense, the bill goes a little further. If Parliament saw fit to pass this bill in order to maintain the level of bilingualism that previously existed, it would directly impose on Air Canada's affiliates, which have hitherto never been subject to the Official Languages Act, an obligation to provide service to the public under Part IV of the Official Languages Act.

• (1025)

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

The next question will be asked by Mr. Godin.

**Mr. Yvon Godin:** Mr. Chair, let's take Air Canada Online or Aeroplan, for example. The points accumulated under Aeroplan can't be used to buy a ticket with WestJet or CanJet or another

corporation. Ultimately, we can only buy our Air Canada ticket; this is a system specific to Canada. It has somewhat set it aside.

When I shop at Sears and buy a product, I'm given an air miles credit. I don't have to request them; they appear directly on my account statement.

When I say Aeroplan, I'm talking about customer service. A Canadian can phone Aeroplan because Air Canada offers this service. It's Air Canada that benefits after the fact. We can call Aeroplan to buy a plane ticket from Bathurst to Vancouver and be told: "I'm sorry, I don't speak French." They're not required to speak French to me. And yet this is an Air Canada service.

As regards Air Canada Online, if I buy a plane ticket at the airport counter, from that I understand, service must be offered to me in both official languages.

Thanks to the new technology, if I press "1" on the telephone, I'll be served in English in at least two minutes; if I press "2", I'll be served in French. We're in second place, of course; that's hard to accept, but that's the way it is. There can't be two number ones; there has to be a number "1" and a number "2". We have to accept that. If I press "2", I get service in French, using this new technology. The minister was clear on this subject: he won't go ahead with the new technology; things will be the way they were before.

As regards Air Canada Online, the minister contends in his brief that the government isn't ready to support Part IV. At least that's what I understand. "At this time, we do not believe that Air Canada Online falls under federal jurisdiction..." That's what's written. I agree with you because it isn't written in the federal act.

Is there a constitutional barrier? Air Canada Online isn't a provincial jurisdiction. Can we add to the act that Air Canada Online must be bilingual? Yes or no?

**Mr. Jacques Pigeon:** Mr. Chair, I'd like to give you a piece of information. The act requires that Air Canada comply with Part IV. If this bill went ahead, it would require Jazz to comply with Part IV.

You must be aware of the fact that that part contains section 25 of the act, which states that, every time a federal institution—Air Canada or the affiliates covered—retains the services of a contractor or a third party that renders services for it, it has an obligation, whether that third party is subject to the act or not, to ensure that the service provided on its behalf is provided in both official languages. Each time, Air Canada or the federal institution, under the Official Languages Act, would therefore have an obligation to ensure that the service is provided in both official languages.

I simply want to emphasize for the committee that section 25 can indirectly make connections that it is impossible to make because of the constitutional limits I explained...

• (1030)

**Mr. Yvon Godin:** Why?

**Mr. Jacques Pigeon:** Because...

**Mr. Yvon Godin:** Why constitutional limits?

**Mr. Jacques Pigeon:** Because the question whether an affiliate comes under the authority of the Parliament of Canada or not...

**Mr. Yvon Godin:** Pardon me. The authority of the Parliament of Canada is to know whether or not there's an act. Does...

**The Chair:** I have to interrupt you, since the five minutes allotted to you have elapsed.

I suggest a fourth and fifth round of three minutes each. After that, we'll take five minutes to discuss our trip in camera.

If everyone is in agreement, we'll begin. Messrs. D'Amours and Simard will share those three minutes.

**Mr. Jean-Claude D'Amours:** Thank you, Mr. Chair. Ultimately, I'll be the only one asking a question.

Mr. Pigeon, further to what was said before, I'm going to give you an example. We'll try to determine the logic of this.

I live in Edmundston, New Brunswick. There's no air carrier back home. I need to go to my friend's place in Moncton to get a plane ticket. So I go to Moncton Airport, to the Air Canada counter, and I request a ticket to go to Ottawa. At that time, I'll be entitled to services in French in order to buy my ticket.

Air Canada Online has a system for buying plane tickets, among other things. If I can't buy my plane ticket because I don't understand English, and, in five years—technology advances quite quickly—Air Canada decides that citizens will no longer be entitled to buy plane tickets from a wholesaler, travel agency or at an airport, and the only way to buy one is to go through Air Canada Online, how can I, a Canadian citizen, use Air Canada? It's my right to be served in my language, and I won't even be able to buy my ticket in order to use this air service.

Earlier the minister talked to us about the future. Technology evolves so quickly that, if Air Canada made that decision, that would mean that no Francophone outside Quebec, no unilingual Francophone in this country, would be able to use the service because he wouldn't be able to understand the services of Air Canada Online. What would be the logic of that?

**Mr. Jacques Pigeon:** It seems to me that section 25, which I discussed in response to Mr. Godin's question, will have to be considered in each case, in the facts that you submit. Furthermore, it seems to me that, if that's the only way to buy a ticket, it's not a question... I don't want to speak hypothetically, but...

**Mr. Jean-Claude D'Amours:** Mr. Pigeon, with your permission, I'm going to go a little further on this matter.

I live in Edmundston, and I have to travel 450 kilometers to buy a ticket. If there's no travel agency at home, I have two options: Air Canada Online or the airport. I won't drive 450 kilometers hoping to buy a ticket so that I can travel, whereas the other solution available to me is Air Canada Online.

How can you use the air service if you're unable to buy a ticket in your language? Why isn't it included directly because this undermines the ability of Francophone citizens to buy a ticket.

•(1035)

**The Chair:** Pardon me, Mr. D'Amours, your three minutes are up. You'll have to wait for your answer.

I ask Mr. Lemieux to ask the next question.

**Mr. Pierre Lemieux:** Thank you very much.

I like your approach. Air Canada was restructured. You identified the specific affiliates under federal responsibility, and those affiliates will have to comply with the Official Languages Act.

Furthermore, if there is another restructuring, you're going to put a mechanism in place to review the new structures, the new affiliates and to put in place obligations, if that's necessary.

We also talked about obligations. Everyone has his own stories, and it's difficult to include a remedy for each in the legislation.

There are also complaints. They're significant because someone took the time and made the effort to file a complaint. The minister talked about complaints. I'd like to know what the departmental representatives think about complaints and what's going on with respect to Bill C-29.

**Ms. Brigita Gravitis-Beck (Director General, Air Policy, Department of Transport):** As the minister said, the rate of complaints relative to the total number of passengers who use Air Canada's services is very low. I understand that it's hard to say whether that includes all complaints that exist or can exist.

However, there's now a mechanism in the policy, legislation and regulations that the Commissioner can use as a lightning rod for considering complaints. So we're only proposing a change to the current process.

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

Mr. Carrier, over to you.

**Mr. Robert Carrier:** Good morning, Mr. Pigeon.

I'd like to go back to the question that I put to the minister earlier on the extension of services in French to all airlines. That would be fairer for the public as a whole. Right now, we're only talking about a single company.

The answer I got earlier was political and a bit soft. Technically, or legally, could the Government of Canada extend the obligation to provide services in both official languages across Canada to all airlines under federal charter?

**Mr. Jacques Pigeon:** It's impossible for me to give the committee a legal opinion. My role is to give opinions to the Government of Canada. That said, you raise a question of constitutional limits. From a constitutional standpoint, the airlines generally come under the authority of the Government of Canada. In the context of that authority, it may impose obligations on affiliates in a more general manner, if it sees fit. That's a question of orientation and politics.

**Mr. Robert Carrier:** So that would be possible, if there were a political will to do so.

**Mr. Jacques Pigeon:** That's a political question.

**Mr. Robert Carrier:** Earlier you referred to certain affiliates of ACE Aviation Holdings Inc. that are not under federal authority, that you put aside.

**Mr. Jacques Pigeon:** Even if the government wanted, it couldn't do so legally, once outside the constitutional limits of the Government of Canada's authority.

You want to know whether it would be possible within those limits. The answer is yes.

**Mr. Robert Carrier:** The bill requires ACE Aviation Holdings Inc. to have its head office in the greater Montreal area. According to the definition of head office in the bill, could that head office be an empty shell? Is there a legal definition of head office?

• (1040)

**The Chair:** Please be brief, Mr. Pigeon.

**Mr. Jacques Pigeon:** The head office is the body corporate, the main office of the entity that is ACE Aviation Holdings Inc. That company, as you know, Mr. Carrier, does not operate an airline undertaking as such. It is a holding company that holds the shares and other interests that it has in all the affiliates we're discussing this morning. I don't know the exact size of that company, but its main office, under the provisions of this bill, would have to be established in the greater Montreal area.

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

Mr. Godin, you have the final question.

**Mr. Yvon Godin:** Thank you, Mr. Chair.

Mr. Pigeon, I don't want to exaggerate, but that means that the building could be in Montreal and that a line service could come from Toronto.

**Mr. Jacques Pigeon:** The legal requirement is that the head office of the body corporate, of the corporation, of the company that is called ACE Aviation Holdings Inc. be in Montreal. There's already a legal requirement for Air Canada itself. The bill does not remove it. Air Canada, as an affiliate, must have its head office in Montreal.

**Mr. Yvon Godin:** Could you tell me the relation between the complaints that have been filed and the act? Will complaints be used as a basis for enforcing the act, without regard to the number of persons involved?

Why has the Department of Transport announced...

You've done exactly what Air Canada did. I remember that, when Mr. Milton came to testify before the committee, he had statistics on complaints. That's not what's referred to in the bill. The bill states that there are two official languages in Canada and that the Air Canada Act should reflect that fact. That has nothing to do with complaints.

Why is your department still talking to us about complaints? Does that mean that, if there aren't any complaints, it's not necessary to comply with the act?

**Ms. Brigita Gravitis-Beck:** I believe the minister tried to answer that. In the proposed bill, we're trying to do everything possible within the area of federal jurisdiction to maintain the obligations that existed before the restructuring. That's our objective with this bill.

**Mr. Yvon Godin:** I don't agree with that.

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

Thank you, Ms. Gravitis-Beck and Mr. Pigeon, for your visit and for your patience with all the members and the Chair.

We're going to take a two-minute break, then we'll continue in camera to discuss our trip.

*[Proceedings continue in camera]*

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**Published under the authority of the Speaker of the House of Commons**

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