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**Standing Committee on Human Resources, Social  
Development and the Status of Persons with  
Disabilities**

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EVIDENCE

**Tuesday, March 11, 2008**

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**Chair**

**Mr. Dean Allison**

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## Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities

Tuesday, March 11, 2008

• (0905)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** I call the meeting to order, pursuant to the order of reference of Tuesday, October 16, 2007, on Bill C-265, an act to amend the Employment Insurance Act.

We'll commence our hearings today on Bill C-265. We're going to go clause by clause. I believe you should have everything in front of you.

I do want to welcome Mr. James and Ms. McLean. Thank you very much for being here.

They will be here to answer any questions that you have. Mr. James is the director general of the EI policy, skills, and employment branch. Ms. McLean is the acting senior counsel of legal services.

As usual, we have our legislative clerk here, who will help us navigate through any and all clauses. I believe there are only two amendments. So as far as amendments go, there won't be a lot to deal with there.

Why don't we just get started with clause 1?

Go ahead, Mr. Savage.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** The witnesses aren't going to make a presentation on the bill?

**The Chair:** No.

**Mr. Michael Savage:** We had talked before about the fact that the government had indicated at some point in time that they had costed this bill at \$1.5 billion. Do we have any information on that?

**The Chair:** Mr. James, do you have any information on that?

**Mr. Bill James (Director General, Employment Insurance Policy, Skills and Employment Branch, Department of Human Resources and Social Development):** Sure. Perhaps there's a point of clarification on this. I could speak today to our estimates with regard to the bill as it stands or with regard to the proposed amendments to the bill. It's the committee's preference which we move to on that.

**Mr. Michael Savage:** Before we do clause-by-clause I'd like to get a sense of where the \$1.5 billion comes from. Perhaps you could itemize that for us.

**Mr. Bill James:** The \$1.5 billion is an estimate basically of the individual elements of this bill as it's described here. We have had to

make some assumptions. For example, around the benefit entitlement table associated with the lower entrance requirements, the actual entitlement for those lower entrance requirements isn't specified in the bill. Basically what we've done is we've costed the individual elements and estimated those costs. So the total cost of \$1.5 billion is the sum of those individual elements. But it's likely a minimum sum, because we cost each element individually, as opposed to costing the entire package, which would be a much more complex process.

I should also mention in terms of the costs we're speaking to today that those costs are done with a certain degree of uncertainty around those getting access to the program who didn't previously have access—so the lowered entrance requirements—because these people aren't currently clients of the program being served by the program.

**Mr. Michael Savage:** Are you talking about first-time entrants, Mr. James?

**Mr. Bill James:** Yes, people who would be allowed into the program through the lower entrance requirements. Part of that is related to first-time entrants and part of it is related to just the elimination of the variable entrance requirement.

So the specific costs that sum to \$1.5 billion...

There are the best 12 weeks over a 52-week period that we estimate as \$320 million per year and affecting 480,000 clients. The other two costs we've broken out.

This is a different approach from our approach in the past around lowered entrance requirements. We have a cost for the fixed entrance requirement for special and regular benefits. There are two aspects there. One aspect is lowering the special requirements from 600 to 360 hours, and the second one is lowering the variable entrance requirements, which are 420 to 700 hours, down to a flat 360 hours. For that, we come up with \$665 million per year and 150,000 claimants affected.

Now I'll turn to the final aspect of the bill as proposed, which is the new re-entrance requirements.

We've actually costed that separately as well. That's associated with looking at a population of people who wouldn't have 910 hours when filing their claim right now and who, at the present time, wouldn't have 490 hours in their prior year of work. That's the way the new entrance requirement works, if you don't have a certain level at the time you file your claim, and you have to have a certain amount of work in the previous year. This is an additional element of work that we've undertaken. It's very complex to estimate, so we've broken that out from the work that we've done prior and estimated that as well. That comes to \$535 million per year and our estimate is it would affect 100,000 claimants.

That's how we come to \$1.5 billion for the bill unamended.

On the proposed amendments that have been circulated, we do have costing for those as well, and they would significantly change the various costs in the bill.

• (0910)

**The Chair:** Does the committee want Mr. James to go with that now?

**Mr. Michael Savage:** I would, but I'd like to ask one question on what we've heard so far.

**The Chair:** Sure, go ahead. Then I have a list consisting of Mr. Lake and Mr. Godin as well.

Go ahead, Mike.

**Mr. Michael Savage:** I want to understand the \$665 million better, Mr. James. Are we talking about the elimination of the regional rates in this \$665 million?

**Mr. Bill James:** That's right. It would basically take the variable entrance requirement system we have right now and move it to an entrance requirement system that would begin at 360 hours and move up from there.

We've made the assumption that there would still be additional entitlement for additional hours worked; that, for example, it wouldn't just be one level of entitlement.

**Mr. Michael Savage:** When we looked at Bill C-269, we looked at the regional rates. A document that was put together a year ago indicates that the cost of establishing a uniform qualification requirement of 360 hours of insurable employment was about... Oh, I'm sorry, this was based on a 2004 report, but the cost then would have been \$390 million.

Is the difference between the \$390 million and \$665 million a little bit of inflation and perhaps also the special things?

**Mr. Bill James:** Yes. To clarify, I don't believe that for Bill C-269 in particular officials were asked to provide costs. But we were here in 2004, and at that point in time there were five or six questions that the committee posed, and one of them related to the 360-hour entrance requirement.

It's important to recognize that basically the numbers we have for you today are a much more comprehensive and detailed costing than we had in 2004. In 2004, unfortunately we only had about two days to prepare before answering the committee's questions, and the approach we had to take at that point... There was also a lot less detail than we have in the currently proposed bill, in terms of what those parameters would be.

The numbers we brought forward for the 360 hours at that point, as I believe was mentioned by officials at the time, were minimum estimates and were preliminary estimates. I think we said that if we were given more time, we would be able to address those more comprehensively.

So the higher numbers I have for you today reflect the fact that, as I mentioned, we've broken out the costing for each one of those changes; that's with the benefit of time we've had over the last three years.

**Mr. Michael Savage:** Thank you.

**The Chair:** I have Mr. Lake, and then Mr. Godin.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** I think Mr. Savage was referring to the same number I'm looking at in a letter that was sent to Mr. Godin from Mr. Kerr, actually in November of 2006. But it refers to an appearance before the subcommittee on employment insurance funds on December 7, 2005.

First of all, is that even possible? We were in an election campaign at that point. Was it 2004?

**Mr. Bill James:** It was 2004, I believe.

**Mr. Mike Lake:** It was at the 2004 meeting. Okay.

**Mr. Bill James:** I believe it was in November.

**Mr. Mike Lake:** That makes sense, then.

Actually, I think you've answered the question I had.

**The Chair:** Mr. Godin.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** When we made the calculation about the best 12 weeks, was it compared to show the difference in that from the best 14 weeks? We already have the best 14 weeks in some areas. Was that deducted from this?

• (0915)

**Mr. Bill James:** No, the approach we've taken is for—

**Mr. Yvon Godin:** There's a big difference now, because we have the best 14 weeks. The best 12 weeks is just an add-on to the best 14 weeks.

**Mr. Bill James:** Yes. The approach we've taken for costing the best 12 weeks is basically assuming the program is as it exists today, without the pilot project—without the best 14 weeks. The best 14 weeks, as you know, is a time-limited pilot project that only applies in a certain number of regions.

For the purposes of costing the best 12, we've looked at the program nationally as it stands in its base in the legislation. So the best 12 weeks estimate, if you will, does not include the cost of the best 14. Including the cost of the best 14 would slightly reduce, obviously, the incremental cost.

**Mr. Yvon Godin:** Why would it be slightly? The best 14 is in use where there is the highest level of unemployment. That means it's where the cost is, because it's where there is the highest level of unemployment. That's the pilot project.

**Mr. Bill James:** I'd have to look at what the incremental costs would be. I'd have to come back to you with a number on that.

**Mr. Yvon Godin:** When you say \$665 million for 150,000 people, was that for sick leave and parental leave?

**Mr. Bill James:** That is for regular benefits and special benefits. Just to be clear, special benefits include maternity and parental, sickness, and the compassionate care benefit.

**Mr. Yvon Godin:** And also the regular benefits?

**Mr. Bill James:** And regular benefits, yes.

**Mr. Yvon Godin:** I just want to be clear. The \$535 million for 100,000 persons is for...?

**Mr. Bill James:** That applies to new entrants, re-entrants—

**Mr. Yvon Godin:** Oh, the new re-entrants.

**Mr. Bill James:** —and that's for regular benefits. That limit doesn't apply to special benefits.

**Mr. Yvon Godin:** Okay, just for the new re-entrants.

Will this be more than 15% of the employment, all these numbers?

**Mr. Bill James:** More than 15% of...?

**Mr. Yvon Godin:** Of the employment, the cost of the employment.

**Mr. Bill James:** Of the whole program?

**Mr. Yvon Godin:** Yes.

**Mr. Bill James:** I believe—and I'm working from memory—that's slightly more than 10% of the cost of the current program.

**Mr. Yvon Godin:** Will the costs be 10% more?

**Mr. Bill James:** Yes, ballpark.

**Mr. Yvon Godin:** Okay, thank you.

**The Chair:** If there are no further questions, then why don't we—

**Mr. Michael Savage:** A small clarification.

**The Chair:** Yes, sure.

Mr. Savage, and then Mr. Lessard.

**Mr. Michael Savage:** I'm just trying to ascertain. This bill will require a royal recommendation from the government. Has the government officially indicated they will not give the royal recommendation, or is that something we would find out?

Maybe Monsieur Godin.... Monsieur Godin, in one of his speeches, indicated, I think, that the government wasn't going to provide a royal recommendation. Did I read that correctly? Have you received confirmation of that?

**Mr. Yvon Godin:** No, I didn't; I did not receive any.

**Mr. Michael Savage:** Maybe Madam Yelich can—

**Mr. Yvon Godin:** I can see by her smile where she's going.

**Mrs. Lynne Yelich (Blackstrap, CPC):** I think it's rather amusing we're not even going through the bill. What would that have to do with studying the clause? We just found out its costs. We certainly would have to see what the costs are and if it's even possible. You're not going to deem it without....

**Mr. Michael Savage:** But on that point, we heard about this, I think, at least a week or it might have been two weeks ago, that the government had some costing on this. I asked at the time for that information—

**Mrs. Lynne Yelich:** Yes, and we have it.

**Mr. Michael Savage:** The cost of the bill is important to us. That's why we're making an amendment, because we think there need to be some reforms on EI, but I would have liked to have had the costing prior to immediately going into clause-by-clause. I think it would be helpful. I don't know what the protocol is. I'm not blaming anybody for that, but it would have been helpful in the consideration of the bill to have had that costing in advance so we could have considered that as part of our amendment process.

**The Chair:** Mr. Lessard.

[*Translation*]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Mr. Chairman.

First of all, I want to thank you for coming here this morning. You have helped shed light on the current situation. However, I must say that I'm a little surprised by your answers this morning. Not that I doubt you, but I am worried about what has transpired. We produced a report, as you know. Part 1 of this report was adopted on December 16, 2004 and Part 2, on February 15, 2005. The committee's report was entitled "Restoring Financial Governance and Accessibility in the Employment Insurance Program". The report consisted of parts 1 and 2.

Recommendation 10 in the report called for the following:

[...] that the government implement a uniform 360 hours qualification requirement, irrespective of regional unemployment rates or the type of benefit. This would establish a qualification requirement based on a 30-hour week over a 12-week period.

Recommendation 14 also contains a reference to the best 12 weeks, something that we also see in the bill now before the committee.

These are the two main measures proposed in this bill. They are found in the recommendations adopted by a majority of committee members. Our colleagues Mr. Godin and Mr. Cuzner also sat on this committee. If memory serves me well, they worked on this report from September to December. From the outset, we asked for an estimate of the cost of implementing all of these measures, and specifically these two measures, namely the best 12 weeks and the 360 hour qualification requirement. The result was the report prepared for us by Mr. Malcolm Brown, Assistant Deputy Minister of Human Resources and Skills Development. That was the department's name at the time.

You're telling us this morning that the report was drawn up in two days. Perhaps you had only two days to prepare it, but we worked on this for several weeks and each time we asked, we were told that work was progressing.

First of all, I have to question your explanation as to the difference in the numbers and your claim that you had little time. That could be a plausible explanation, but we understood at the time that the work was being done over a longer period of time.

Secondly, not only were we given an estimate in the millions of dollar, we were also given an estimate of the number of unemployed workers who would be affected. The 360-hour requirement represented a cost of \$390 million. Mr. Brown informed us at the time that an additional 90,000 unemployed workers would be affected, which explained the figure quoted of \$390 million. He also said that the best 12 weeks measure would cost \$320 million and affect 470,000 unemployed workers.

I now have to wonder if all of the work that was done at the time was based on false information. Is the information we're being given today incorrect? As parliamentarians, I have to say that we did some serious work. Since then, the Bloc has tabled two bills, that is bills C-278 and C-269. The NDP has proposed some measures and tabled some bills. A tremendous amount of work has been done.

I have to say that I am quite concerned about the possibility that all of our work was based on false information.

• (0920)

[English]

**Mr. Michael Savage:** On a point of clarification, Mr. Chairman, I think Bill C-278 was a Liberal bill proposed by Mark Eyking.

**The Chair:** Is there a response, or was that just a point for the record?

[Translation]

**Mr. Yves Lessard:** I would just like to clarify one thing. Two bills have been put forward, Mr. Chairman. One proposed a complete overhaul of the program and a second was tabled when Bill C-278 was voted down by the House. Both the Bloc's bill and Bill C-269 proposed a complete overhaul of the program.

We have always worked with the figures that I have here. The new figures that we have been given, Mr. Chairman, show that our original figures were wrong. That's what worries me.

I'm not trying to cause problems, but if we truly want to do a serious job here, regardless of the differences of opinion that we may have, each political party must base its work on figures that have been supplied.

Mr. Lake wondered the same thing about the figures quoted this morning.

[English]

**The Chair:** Thank you.

Maybe we'll have a response after Mr. Godin. Did you want to have a quick comment? Then we'll get a response from Mr. James.

[Translation]

**Mr. Yvon Godin:** All right. I would like to comment on what Mr. Lessard said, because he raised a valid point. This happened back in 2004. However, several bills have been tabled since then. At no time did Human Resources and Skills Development say the figure of \$390 million was incorrect. When we draft a bill, we use the figures made available to us. In every speech I delivered in the House of Commons, I said that the figure was \$390 million and that this was not the end of the world. It's unfortunate, but today, four years later, we've been given new figures and been told that finally, they found the time to do some calculations and that it wasn't easy. I don't know

if, with the computers we have today, it's hard to find out what's happening and who exactly is applying.

I agree with Mr. Lessard. His point of order was sound and he asked a good question. Our technicians have just disclosed the figures to us. We're not talking about a mere one million, but about several million dollars.

• (0925)

[English]

**The Chair:** Sure.

Mr. James, I want to give you a quick comment, then we'll get into clause-by-clause.

**Mr. Bill James:** Sure. All I can mention is that the costs associated with the change to the program are very dependent on the specificity with which we're provided in terms of the change. So it's not to say the costs provided in 2004 were incorrect; they were the baseline preliminary estimates we could do in two days, based on the question we had from the committee. There's a lot more detail in the proposed changes in the context of Bill C-265. We've tried to cost it based on the way it's described in the bill.

If we go back to 2004, the question was quite a general one posed by the committee, and we did the best we could, I think, as Mr. Brown mentioned at the time, in the time we had. The cost estimate at that time, again, was a minimum cost and a preliminary estimate, and I believe it was indicated that with additional detail and more time we could improve on those estimates.

For the purposes of Bill C-265, we've taken the much more specific information provided in the proposed bill and we've costed those individual elements, and that's how we've arrived at a more accurate estimate.

**The Chair:** We will come back to that. We said we'd cost the amendments as well, so maybe we'll just touch on that before we get started with the clause-by-clause.

Ms. Yelich.

**Mrs. Lynne Yelich:** I think it doesn't take much to figure it out. This was done four years ago, and of course, yes, you were under a lot of stress; probably at that time it was two days, and you have had a lot more time because of this specific bill. Have you been approached before to cost this bill? Is this the first time for your department in the four years since? I would say this bill hasn't been changed. Just because it hasn't been changed, they can't expect you to.... I'm just wondering, did they ever ask you again from the first approach four years ago?

I find it really odd that we are even going back to estimates from four years ago; things have changed so dramatically. If that's the case, then I don't know how you could be expected not to do a better job right now, four years down the road.

We're looking at a bill clause by clause. We have never looked at another bill that you had to cost so specifically. I'm just trying to make sense of why they would expect you to have such a detailed cost if they've never asked for it before.

If they're going on figures that are four years old—this is the point, right? The first time you've been approached for the cost—

**Mr. Bill James:** To my knowledge, this is the first specific and detailed proposal we've had to cost, yes. In 2004, again, it was a general question from the committee, and we did our best in the available time.

It's important to recognize that small amounts of additional specificity can change the cost of the change by hundreds of millions of dollars. For example, whether it includes special benefits or not, what the benefit entitlement would be for the people who aren't being newly allowed into the program, these are things that weren't available at the time and we've made some assumptions about for this bill.

**The Chair:** If I could also clarify, I'm reading from the report of December 2004. It states in here:

Finally, when I do get to costing, which I think is one of the things that's of interest to members of the committee, it's not possible to add A plus B plus C in each of the five or six items here because of...

I think we need to keep in mind, Mr. James, that you have costed A plus B plus C at this particular time to get this number, which was not what was done back in 2004. Is that correct?

**Mr. Bill James:** We've costed each of the elements individually.

**The Chair:** Right, but now you've given us a total of A plus B, essentially. Is that correct?

● (0930)

**Mr. Bill James:** I think what Mr. Brown was mentioning at the time was that the addition of the individual costs for the program was a minimum estimate—and that applies to the 2004 numbers as well. The combined package is something we weren't able to estimate, and we haven't estimated it for this bill either.

**The Chair:** Okay, thank you.

I have Mr. Lessard next.

[*Translation*]

**Mr. Yves Lessard:** Mr. Chairman, we're not talking about a minor difference, but about figures that are double the original ones quoted. Minor adjustments have doubled the figures, whereas the main component of the program comes down to two important measures, namely the 360-hour requirement and the best 12 weeks. I'm not saying that you did not do your job properly. I'm simply trying to wrap my head around the issue. I feel that we did a good job in 2004. It's easy to say today that we did a poor job in 2004. Yet, we did take our work seriously. Committee members spent several hundred hours on this task, which led to studies and produced these results.

Today, it's easy to say that all of this was done in haste in two days. If that were true, then we should have been informed at the time, when we made our recommendations based on the information supplied to us. We were never told that these figures might not be quite accurate. We were never told to take them with a grain of salt because the work was done quickly. So, we made some recommendations, a number of which were unanimously endorsed. The report's first eight recommendations were unanimous, while opinion was divided on those made on February 15.

Furthermore, people are acting as if nothing happened in the interim, when in fact several bills calling for either a full or partial reform were tabled by the opposition parties. The Bloc Québécois

tabled two bills, namely C-278 and C-269, both of which called for a complete overhaul of the program.

We cannot merely overlook the situation this morning, Mr. Chairman. Did we base on work over the past three or four years on erroneous information? If we did, then it's a very serious matter. Every time we debated one of the bills in committee, government officials were present. Each time, we used these figures. I'm very surprised to find that the figures quoted to us this morning are double the original estimates in both cases.

Having said that, we're being told that the bill is different from the recommendations. Then show me how it is different. I've looked at it and I've studied our recommendations, and they are virtually identical. When we debated the matter back then, we also examined how these recommendations might possibly interact.

I do not wish to belabour the point, but I am very surprised to hear this argument this morning.

[*English*]

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

Mrs. Yelich.

**Mrs. Lynne Yelich:** I can see this happening. It just happened with the RESPs, the registered education savings plans. We were told that it would never cost \$900 million once it was out there. People who see the reality, like Mr. Drummond in the newspaper this weekend, think it's going to cost us \$2 billion. You can see these kinds of things happen, because once the analysts sit down and do this work they realize these kinds of things are more costly. That's perhaps why we reject some of the bills so easily in this committee, because you haven't taken into consideration the other or bigger costs, and you are just focusing on one of eight recommendations made four years ago. And in the eleventh hour, before an election, or whenever—I'm not sure when the report was done, in the end—this can happen.

I don't understand why we're even talking about this right now. We're supposed to be going to clause-by-clause consideration. It was explained. Maybe we could come back to it another day, but I think we should go on to clause-by-clause and forget about what he feels he's been misled about, in all fairness.

● (0935)

**The Chair:** Okay, we're going to move to Mr. Savage and Mr. Godin, and then hopefully we can get to the other costing, etc. You know what I mean.

Go ahead, Mr. Savage.

**Mr. Michael Savage:** I appreciate that, Chair.

I just want to respond to Ms. Yelich, because this is exactly why we need this information. This is not new. This bill was introduced in the last Parliament. The government has had ample time, all kinds of time to come forward with information so they could bring it to this committee and say what the costing is according to them. We can then do our own work.

Mr. Godin did some research when he put the bill together. The government has access to all kinds of resources we don't have. It's not reasonable, in my view, that we come to clause-by-clause and are told that the cost is \$1.5 billion. It was leaked out last week, so I asked for the information so I could determine what we should be doing on this bill. Well, it may not have been leaked out, but Mr. Lake mentioned it last week, and I immediately asked for the information on that because we want to try to get at what the cost of this bill is.

If it's so unreasonable, then the government should have done some work on this before, said what their costing of the bill was, and talked about it before we got to the clause-by-clause, so that we don't get into this kind of mess on the back-and-forth.

We have more information on Madame Deschamps' Bill C-269 where they reference back to 2004. We're using older information. If there's newer information, we should have it. It's not reasonable to come five minutes before we vote on the bill to be told what the costs are. That's too late, and that doesn't make for good committee business, in my view.

**The Chair:** Mr. Godin.

**Mr. Yvon Godin:** I just want to try to find out what you have said. For example, for the RESP they had voted on, the information you have is \$900 million, and the vote was done on that.

**Mrs. Lynne Yelich:** The vote wasn't done on that. It changed the RESP in the speculation....

**Mr. Yvon Godin:** Was that the information you had, Mr. Chair? Was it not \$900 million, the information that you were getting?

**The Chair:** I would assume that's the information that's been dealt with in the main.

**Mrs. Lynne Yelich:** It wasn't anything that I had acquired or that we had, but it was information that was out there.

**Mr. Yvon Godin:** It was \$900 million, and all of a sudden when the vote took place and the government didn't want it, they found somebody who will pull out \$2 billion.

**Mrs. Lynne Yelich:** I don't think we found somebody.

**Mr. Yvon Godin:** That's what I find funny. Here's one that we talked about for four years that cost \$390 million, and all of a sudden when it comes time to deal with the bill it's \$1.4 billion. It's all of a sudden and just before.

**The Chair:** Here's what I think we could do to maybe solve this for the future. As a committee we decide who's coming and what's going to happen, and my suggestion is that we get the department officials in earlier if we believe there's going to be an issue with cost. Mike, I think that's your point. We can have the discussion before we go to clause-by-clause. It may mean adding an extra meeting, which by all means we can certainly do. We're masters of our own destiny. Let's look at that in the future, especially if we think there's going to be an issue with cost. I think that would be helpful for our amendments as we come to clause-by-clause.

Let's go to clause 1.

**Mr. Michael Savage:** Mr. Chair, we were talking about costing.

**The Chair:** Sorry, Mike, yes.

Mr. James, on the costing methods.

**Mr. Bill James:** I'll put some particular caution around one of the amendments that's related to the reduction in variable entrance requirements by 70 hours. In that one in particular, to fully and accurately cost the change we would need more information about the benefit entitlement table related to that amendment. I believe that's Mr. Savage's amendment.

**The Chair:** We're talking about Liberal amendment 1 for clause 3.

**Mr. Bill James:** Yes.

**The Chair:** Okay, it's just so everyone knows what we're on now.

**Mr. Bill James:** In speaking to that amendment, basically we interpret that as being a reduction in the variable entrance requirement by about 70 hours across the board, and a second element of the amendment is related to a reduction in the new entrant requirement by about 70 hours as well.

Again, I would say on the first number I'm providing there's a high degree of uncertainty in the sense that we aren't able to fully cost it based on the information provided. But we estimate that cost would be \$150 million per year and that it would affect 34,000 claimants per year.

I'll proceed now through the additional aspect of that amendment, which is the reduced entrance requirements from 910 to 840. Our estimate on that is \$160 million per year and 34,500 claimants benefiting.

● (0940)

**Mr. Yvon Godin:** Are you saying 910 down to 840?

**Mr. Bill James:** The 910 down to 840 is \$160 million per year and 34,500 claimants. Again, these are estimates of populations we're not serving right now. They are more difficult to estimate than populations we are serving. For example, an increased benefit rate just applies to an existing population, but in these cases we have to make additional assumptions about people who the program is not presently serving, but those are estimates.

**Mr. Yvon Godin:** On that one, if I may—

**The Chair:** Sure, go ahead.

**Mr. Yvon Godin:** —I'd like to look again at the difference between the best 14 weeks and the 12 weeks. We've had a pilot project going on for a few years now.

Is that the difference between that one? Is that being considered?

**Mr. Bill James:** No, these don't—



**Mr. Yvon Godin:** I mean, it's already in the budget. I just don't see how they will take it out. It will be a pilot forever; we're just looking for the co-pilot now.

**Mr. Bill James:** For the purposes of giving the committee information today, we've costed these not taking into account a pilot project. Those are temporary measures.

**Mr. Yvon Godin:** Do you have the price of the pilot project? You must have that.

**Mr. Bill James:** I would have to check, but yes.

To be clear, though, these estimates are national numbers if these changes were implemented nationally and permanently.

**Mr. Yvon Godin:** Yes. But there's a cost for the pilot project.

**Mr. Bill James:** For the NERE, yes.

**Mr. Yvon Godin:** You should be able to get that for us.

**Mr. Bill James:** If you'd just give me a moment, I'll see if I can find that cost....

I don't have that cost with me. I'll have to check it. I can easily provide it to the committee.

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

**The Chair:** I have some names here on the same question.

Mr. Lake, then Mr. Savage.

**Mr. Mike Lake:** So you have the \$310 million, but in addition to that there's the cost for the 12-week clause as well. Mr. Savage isn't taking out the 12-week clause, I believe.

**Mr. Bill James:** That's right.

**Mr. Mike Lake:** So what would that be again? I know you said that before, but....

**Mr. Bill James:** That is estimated at \$320 million per year, and 480,000 clients.

**Mr. Mike Lake:** So to clarify, then, we're talking about, with Mr. Savage's amendment, \$630 million in total.

**Mr. Bill James:** There are some other elements of the bill to reflect as well. The Savage amendment, as we understand it, would not change the fixed entrance requirement at 360 hours for special benefits only. I believe that aspect of the bill would stand. That has a cost to itself.

**Mr. Mike Lake:** And what is that?

**Mr. Bill James:** It's \$200 million per year, 25,000 claimants.

That part of Bill C-265 would be left standing.

**Mr. Mike Lake:** Which clause was that again?

**Mr. Bill James:** Our understanding is that this flows from clause 2.

**Mr. Mike Lake:** Yes, right.

**Mr. Bill James:** The major attachment and minor attachment provisions are left at 360 hours.

**The Chair:** Do you need any further clarifications, Mike? Okay, thanks.

Mr. Savage.

**Mr. Michael Savage:** I just want to be clear about the Liberal amendment. First, what costs \$150 million? Is that the regional rates and the 70 hours?

**Mr. Bill James:** It's to reduce the variable entrance requirement across the program, on a national basis, by 70 hours.

**Mr. Michael Savage:** So that's the \$150 million. And the \$160 million is to reduce the new entrance requirement?

**Mr. Bill James:** Yes, from 910 hours to 840 hours.

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

**The Chair:** Okay.

Continue, Mr. James.

That's it? Okay.

Madame Bonsant.

[*Translation*]

**Ms. France Bonsant (Compton—Stanstead, BQ):** Thank you, Mr. Chairman. Could we possibly see in writing how all of these figures compare? I'm a little confused and I'm a visual person. Could Mr. James draw up a chart for us, so that we can get a clear picture of the situation?

**Mr. Bill James:** I certainly could do that.

**Ms. France Bonsant:** Thank you.

[*English*]

**The Chair:** Thank you, Madame Bonsant.

Mr. Godin.

[*Translation*]

**Mr. Yvon Godin:** Mr. Chairman, if that's the case, then I suggest we suspend the meeting until we have the information we need. A bill is too important. Perhaps someone will say that we should have done this earlier, but we are here to work for the welfare of Canadians and it would be a shame not to have the right information. Moreover, Mr. James has information about both scenarios that he can convey to us, about the amendments that have been drafted and about the first bill. It would be important to have copies of this material in order to review it properly. Perhaps we should postpone the meeting until the House returns from its break. As soon as Mr. James has the information, he can forward it to our clerk, who can then pass it along to us. I suggest we adjourn this meeting on Bill C-265.

● (0945)

[*English*]

**The Chair:** I can put that to the committee.

My suggestion is that we have him go over the costs for the second amendment and maybe look at the first two, which don't have any amendments to or any costs associated.

Is that something we want to entertain at this point in time? Would that be reasonable?

**Mrs. Lynne Yelich:** Yes, I think so, given that I think he's going to have to draw us a map with—

**The Chair:** Okay.

So here's what I'm going to suggest, Mr. James.

Why don't we continue on with the costing, as has been suggested, just so people can start to get their heads around it, and then we can possibly go to some of the less contentious clauses, maybe look at trying to knock a few of those off right now. If that's okay with the committee, let's proceed in that fashion.

Why don't we just start one thing at a time. Why don't you finish off what you're doing, and then we'll just see how we proceed here.

**Mr. Bill James:** Thank you.

I believe the final amendment to speak to would be Monsieur Lessard's amendment, which proposes to increase the benefit rate to 60% from 55%. Our estimate of the cost of that is \$1.2 billion per year. That's for all benefits, nationwide.

**The Chair:** Ms. Yelich.

**Mrs. Lynne Yelich:** I would suggest we colour-code this map so that we can see it with or without this—

**The Chair:** What I would suggest is that we look at the costing as originally described by the bill, and then the additional costing based on the amendments. Would that be what the committee is looking for?

Mr. Godin.

**Mr. Yvon Godin:** Yes, and at the same time, I think I would like to see the cost of the pilot projects on each of the others—the best 12 weeks, and the one about the.... There are two pilot projects. What is the other one?

**Mr. Bill James:** There's the “best 14” pilot project.

**Mr. Yvon Godin:** Yes, the best 14 to 12.

**Mr. Bill James:** And there's a NERE pilot project—new entrant, re-entrant—which reduces entrance requirements.

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

**The Chair:** I'm going to go to the committee now.

The suggestion is made to adjourn, and that we get the information to everybody. We'll continue with our meeting on Thursday.

My suggestion is that when we come back from the break, the first meeting on the Tuesday, we will be able to go to clause-by-clause at that point. Is that the will of the committee?

**Mrs. Lynne Yelich:** It doesn't look like anything much—

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

Thanks, Mr. James.

The meeting is adjourned.

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